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Congressional Record

SEVENTY-FOURTH CONGRESS, FIRST SESSION

SENATE

FRIDAY, MARCH 29, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 28, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Adams	Costigan	Logan	Radcliffe
Ashurst	Couzens	Lonergan	Reynolds
Austin	Cutting	Long	Robinson
Bachman	Dickinson	McAdoo	Russell
Bankhead	Donahey	McCarran	Schwellenbach
Barbour	Duffy	McGill	Sheppard
Barkley	Fletcher	McKellar	Shipstead
Bilbo	Frazier	McNary	Smith
Black	George	Maloney	Steiwer
Bone	Gerry	Metcalf	Thomas, Okla.
Borah	Glass	Minton	Thomas, Utah
Bulkley	Gore	Moore	Trammell
Bulow	Guffey	Murphy	Truman
Burke	Hale	Murray	Tydings
Byrd	Harrison	Neely	Vandenberg
Byrnes	Hastings	Norbeck	Van Nuys
Capper	Hatch	Norris	Wagner
Clark	Hayden	Nye	Walsh
Connally	King	O'Mahoney	Wheeler
Coolidge	La Follette	Pittman	White
Copeland	Lewis	Pope	

Mr. LEWIS. I rise to announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from New Hampshire [Mr. BROWN], my colleague the junior Senator from Illinois [Mr. DIETERICH], and the Senator from North Carolina [Mr. BAILEY] are necessarily detained from the Senate. The three Senators last named will be in their seats on Monday next.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] and the Senator from California [Mr. JOHNSON] are absent on account of illness; that the Senator from Wyoming [Mr. CAREY] is absent on official business; that the Senator from Minnesota [Mr. SCHALL] is absent because of a death in his family; and that the Senator from New Hampshire [Mr. KEYES], the Senator from Delaware [Mr. TOWNSEND], and the Senator from Vermont [Mr. GIBSON] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 403. An act to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections numbered 5 and 6; and

S. 406. An act to amend an act approved May 1, 1906, entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes."

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 404. An act to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes; and

S. 408. An act to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act; and for other purposes.

BOARD OF VISITORS TO THE MILITARY ACADEMY

Mr. SHEPPARD presented a letter, which was read, as follows:

UNITED STATES SENATE,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., March 29, 1935.

To the Senate:

By virtue of the authority vested in me by the act approved May 17, 1928, I hereby appoint Senators COOLIDGE, REYNOLDS, DUFFY, CAREY, and BARBOUR to represent the Senate Committee on Military Affairs on the Board of Visitors to the United States Military Academy during the remainder of the first session of the Seventy-fourth Congress.

MORRIS SHEPPARD,
Chairman Senate Military Affairs Committee.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Pennsylvania, which was ordered to lie on the table:

Whereas during each year many lynchings occur, statistics revealing that 25 happened during the last year and more than 5,000 during the last 50 years; and

Whereas State governments cannot put an end to this evil, which reflects upon the good name of the States in which occurring and upon the United States; and

Whereas a bill is pending in Congress, known as the "Costigan-Wagner bill", to enable the Federal Government to control this evil: Therefore, be it

Resolved (if the senate concur), That the general assembly hereby memorializes the Congress of the United States to pass legislation consistent with the Constitution of the United States which will enable the Federal Government to assist in the prevention of this crime and punish offenders against the Federal law.

Resolved, That a copy of this resolution be transmitted to the Senate and House of Representatives of the United States by the chief clerk of this house.

The VICE PRESIDENT also laid before the Senate the following resolution of the Senate of the State of Montana, which was referred to the Committee on Mines and Mining:

A resolution to the Congress of the United States of America requesting that congressional action be taken respecting an investigation of the activities and affairs of smelters, and further requesting that adequate appropriation be made for the United States Bureau of Mines

To the Honorable Senate and House of Representatives of the United States of America:

The members of the Senate of the Twenty-fourth Legislative Assembly of the State of Montana respectfully represent that—

Whereas the increased price of gold has created a marked impetus in the development of mines in the State of Montana, as well as throughout all of the Western States, and particularly that this development affects the small operators; and

Whereas the small operators must depend almost wholly upon smelters for the purchase and settlement of the ores extracted; and

Whereas it is apparent that there is much dissatisfaction among many operators regarding rules and regulations respecting settlement for ore purchases; and

Whereas the larger smelting concerns operate generally throughout the western part of the United States and the question of investigation is of a National rather than a State issue; and

Whereas increased appropriations are needed for the United States Bureau of Mines for this as well as other major activities: Be it

Resolved, That it is the sense of the Senate of the Twenty-fourth Legislative Assembly of the State of Montana that a thorough national investigation be made relative to the activities and customs of smelters in regard to the treating and purchase of ore; and be it further

Resolved, That the Congress be, and is hereby, requested to increase the appropriation for the United States Bureau of Mines so that the work of that Bureau may be extended in the interest of the mining industry in the West; and be it further

Resolved, That a copy of this resolution be transmitted to the United States Senators and the Members of Congress from the State of Montana.

The VICE PRESIDENT also laid before the Senate the following resolution of the Senate of the State of Montana, which was referred to the Committee on Public Lands and Surveys:

A resolution requesting the Congress of the United States to make provision by proper enactment or suitable direction to the appropriate Federal agency, that in all lands purchased in the Western States under the Government program for the purchase of submarginal lands, all oil, gas, and other mineral rights in any land so purchased by the Government be reserved to the vendor

Whereas the design of the Federal submarginal land purchase program in the Western States is not to divest the present owners of such land of any potential wealth therein, but rather to convert such marginal land into a reserve for stock raising with a view to the economic operation of said land and securing the maximum return therefrom; and

Whereas the reservation to the present owners of said land of the oil, gas, and other mineral rights therein would in no way militate against the purpose and objective of said Government program, but would in many instances enable the present owners of such lands to derive some revenue therefrom: Now, therefore, be it

Resolved by the Senate of the Twenty-fourth Legislative Assembly of Montana, That we hereby request the Congress of the United States to make provision by proper enactment or suitable direction to the appropriate Federal agency; that in all lands purchased in the Western States under the Government program for the purchase of submarginal lands all oil, gas, and other mineral rights in any land so purchased by the Government of the United States be reserved to the vendor and to his or their heirs, executors, administrator, or assigns forever; be it further

Resolved, That a copy of this resolution be forwarded to each branch of the Congress of the United States, and to the Senators and Representatives of the State of Montana in Congress.

The VICE PRESIDENT also laid before the Senate the following resolutions of the Senate of the State of Montana, which were ordered to lie on the table:

A resolution requesting the enactment by Congress of the United States of Senate bill no. 266, now pending in the Senate of the United States, being a bill to provide for the erection of a public historical museum in the Custer Battlefield National Cemetery in Montana

To the Honorable Senate and House of Representatives of the United States of America:

Whereas the Custer Battlefield National Cemetery has heretofore been set aside on the site of the historic battle of the Little Big Horn River of June 25, 1876; and

Whereas it is very necessary and desirable that a public historical museum be located at said National Cemetery for the purpose of housing the historic relics of said battle, as well as for a memorial to Lt. Col. George A. Custer, deceased; and

Whereas there is now pending before the Seventy-fourth Congress of the United States, Senate bill no. 266, being a bill to provide for the erection of such a museum for the purposes aforesaid: Now, therefore, be it

Resolved by the Senate of the Twenty-fourth Legislative Assembly of Montana of 1935 (and the House concurring), That it is the sense of this legislative assembly that the Congress of the United States should enact said Senate bill no. 266 for the purposes therein and hereinbefore designated; be it further

Resolved, That a copy of this joint resolution be forwarded to both the Senate and House of Representatives of the National Congress, and to the Senators and Members of Congress from Montana.

A resolution requesting the Congress of the United States to enact the necessary legislation to restore the United States Assay Office at the city of Helena, Mont.

Whereas there is a movement in prospecting for and developing gold mines throughout the Western States that has been unprecedented since 1849 and thousands of men out of regular employment are making a livelihood for themselves and families and the prosecution of this work will materially increase the output of gold so essential for early national recovery; and

Whereas this gold is largely recovered in small lots and it is practically impossible for the miners to sell the same, except at a very large discount, a very unfair discrimination exists against the producer; and

Whereas the United States Government Assay Office heretofore located and operated at Helena, Mont., was conveniently located and well adapted to serve the needs of a large surrounding gold-mining area, and the same may be operated at a nominal expense; and

Whereas it is the sense of the Senate of the Twenty-fourth Legislative Assembly of Montana of 1935, in session duly assembled, that the said Government assay office at Helena, Mont., should be reestablished and operated as in the past: Now, therefore, be it

Resolved by the Senate of the Twenty-fourth Legislative Assembly of Montana of 1935, That we respectfully urge the Congress of the United States to pass the necessary legislation to provide for the immediate reopening and operating of the United States Government assay office at Helena, Mont.; be it further

Resolved, That copies of this resolution be forwarded to the Senators and Representatives from the State of Montana, and they be requested to use their best efforts to secure the enactment of the legislation herein requested, and also that a copy be transmitted to the Director of the Mint of the United States Government.

The VICE PRESIDENT also laid before the Senate petitions of several citizens of the States of Arkansas, Georgia, and Mississippi, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Third Ward Democratic Club of Camden County, N. J., favoring the enactment of legislation providing for the immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Universal Peace League of New York City, N. Y., protesting against the enactment of alien and sedition legislation, which was referred to the Committee on Immigration.

He also laid before the Senate petitions of sundry citizens of the States of Arkansas, California, Florida, Kentucky, Maryland, Massachusetts, Michigan, Mississippi, Ohio, New York, New Jersey, Pennsylvania, and Virginia, praying for an investigation of charges filed by the Women's Committee of Louisiana, relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a letter in the nature of a petition from a majority of employees of the Waltham Watch Co., being members of Amalgamated Watch Workers Local Union No. 80, of Waltham, Mass., praying for the passage of the so-called "Wagner-Connery bill" and the Black 30-hour work week bill, which was ordered to lie on the table.

Mr. MALONEY presented a resolution adopted by Group No. 820 of the Polish National Alliance of the United States of North America, of Bridgeport, Conn., favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

Mr. WALSH presented a resolution adopted by Stephen F. Rutledge Post, No. 864, Veterans of Foreign Wars of the United States, of Brookline, Mass., favoring the making of adequate appropriations for the Naval Reserve, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Chicopee (Mass.) Chamber of Commerce, favoring the enactment of legislation to restrict the importation of cotton-textile products, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of the State of Massachusetts, remonstrating against alleged religious persecutions in the Republic of Mexico, and praying for the recall of the American Ambassador to that country, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by officers and members of the Mission Hill Boston College Club, of Boston, Mass., protesting against alleged religious persecutions in the

Republic of Mexico, and favoring the recall of the American Ambassador to that country, which was referred to the Committee on Foreign Relations.

He also presented a memorial of several citizens of Hyannis, Mass., remonstrating against the enactment of the so-called "Rayburn-Wheeler bill", to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce, etc., which was referred to the Committee on Interstate Commerce.

He also presented a memorial of members of the Massachusetts Soldiers Home at Chelsea, Mass., remonstrating against the placing of the Chelsea Soldiers Home under Federal control, which was referred to the Committee on Military Affairs.

He also presented a resolution of the Holyoke (Mass.) Central Labor Union, endorsing the so-called "Wagner-Lewis bill" and the Black 30-hour work week bill, which was referred to the Committee on the Judiciary.

He also presented a resolution of the Somerville (Mass.) Chapter of the International Society of Master Painters and Decorators, opposing the enactment of legislation providing for a 30-hour-work week and the regulation of wage rates, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the board of directors of the Long Beach (N. Y.) Board of Trade, favoring the enactment of the so-called "Patman bill", providing for the payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Rockaway Branch of the American League Against War and Fascism, of Rockaway Park, N. Y., opposing the enactment of alien and sedition legislation, which was referred to the Committee on Immigration.

He also presented a petition of several citizens of the State of New York, praying for the passage of the bill (S. 1590) to provide for the issuance of route certificates to carriers on star routes, fixing the compensation of such carriers, and for other purposes, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Rochester, N. Y., praying for the enactment of legislation providing for the issuance of a special commemorative postage stamp in honor of the one hundred and fiftieth anniversary of the termination of Commodore John Barry's services with the American revolutionary forces, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Ladies Auxiliary of the Building Trades Civic League of Greater New York, N. Y., protesting against the making of any change in article or section 7 (a) of the National Industrial Recovery Act, which was ordered to lie on the table.

RELIEF OF DEPOSITORS IN CLOSED NATIONAL BANKS

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the CONGRESSIONAL RECORD and appropriately referred a concurrent resolution adopted by the Legislature of the State of New Jersey, urging Congress to enact Senate bill 2178, introduced by the junior Senator from New Jersey [Mr. MOORE] and myself.

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

A concurrent resolution memorializing the President and Congress of the United States to pass immediately "A bill to provide relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks"

Whereas millions of dollars of the life savings of millions of depositors are now frozen and unavailable in closed national banks; and

Whereas millions of dollars of valuable securities, assets in closed national banks are now being liquidated at a greatly depreciated value; and

Whereas unless immediate relief is given to the millions of depositors in closed national banks they will lose their homes; and

Whereas unless immediate relief is given to the thousands of small business enterprises whose assets are frozen in closed national banks they will be unable to struggle along any further in the maintenance of their business; and

Whereas unless immediate relief is given to the millions of depositors and thousands of small business enterprises the present army of unemployed and suffering human beings will necessarily increase to alarming proportions; and

Whereas there is not any adequate means of refinancing the millions of depositors and thousands of small business enterprises, leaving them at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas one of the most deplorable conditions of today is the economic suffering of millions of depositors in closed national banks; and

Whereas such conditions strike at the very foundation of our lives and our Government, tending, if unabated, to result in absolute disregard and disruption of our moral, social, and governmental life, resulting in chaos and internal strife; and

Whereas it is of vital importance to the welfare of the people and the Government of the United States that all things be done to promote the stability of the economic life of our people and the government of the State of New Jersey and all other States throughout the Union; and

Whereas it rests within the power of Congress to protect and maintain our moral, social, and governmental life by the enactment of a bill to provide relief to depositors in closed national banks, sponsored and introduced by the Honorable W. WARREN BARBOUR and the Honorable A. HARRY MOORE, United States Senators from the State of New Jersey: Therefore be it

Resolved by the House of Assembly of the State of New Jersey (the senate concurring)—

1. That the Congress of the United States be, and it is hereby, memorialized to give relief to the depositors in closed national banks by the immediate passage of the following bill, sponsored and introduced in the Seventy-fourth Congress by the Honorable W. WARREN BARBOUR and the Honorable A. HARRY MOORE:

"A bill to provide relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks

"*Be it enacted, etc.*, That the Reconstruction Finance Corporation be, and is hereby, authorized and directed to purchase and acquire from the receivers or conservators of closed national banks all remaining assets of such banks, which date of closing was on or after January 1, 1930. The Reconstruction Finance Corporation, upon application by the receivers or conservators of such closed banks, and upon receipt of such remaining assets, shall immediately make available to such receivers or conservators, as payment for such assets, funds sufficient to pay 60 percent due on the proved claims of depositors in such closed banks.

"SEC. 2. If in the reorganization or reopening of any bank any depositor shall have taken capital stock or other form of property for his deposit, or any part thereof, the Reconstruction Finance Corporation is hereby authorized and directed to purchase of such depositors, on application, such portion of said capital stock or other property as will enable said depositor to receive 60 percent in cash on his deposit after deducting whatever payment or credit said depositor has received in cash.

"SEC. 3. That upon the transfer of their remaining assets to the Reconstruction Finance Corporation, and upon receipt of the funds received as payment therefor, the receivers or conservators of such closed banks shall immediately arrange to disburse such funds to the depositors of such banks: *Provided, however*, That where depositors' obligations, notes, etc., which have been pledged to the R. F. C. or other Federal agency, then in that case the R. F. C. shall be subrogated to the depositors' rights to the amount due them from the depositor's share of 60 percent.

"SEC. 4. That the assets so purchased shall be liquidated by the Reconstruction Finance Corporation and, with the exception of assets in the form of unsecured notes, the Reconstruction Finance Corporation shall allow debtors a period of not to exceed 10 years in which to pay their indebtedness as evidenced by such assets. The Reconstruction Finance Corporation shall have full discretion concerning terms of liquidation of assets in the form of unsecured notes and may, when it deems such a course advisable, insist upon such terms of payment and such additional security from the debtor as it may deem advisable. No owner of stock in bank affected by the provisions of this act shall be relieved of any assessment or other liability to which he is subject under any existing Federal or State law previous to enactment of this act. The assessment liability of stockholders within the meaning of this act shall be construed as asset, and as such shall be included with any and all other assets so purchased by the Reconstruction Finance Corporation.

"SEC. 5. That regardless of any previous contract or agreement on the part of any person, the rate of interest paid to the Reconstruction Finance Corporation on such assets by the debtors shall be reduced to 4 percent per annum, and that for the purposes of this act any statute of limitations shall be waived and held not to apply to any transaction referred to or covered by provisions of this act. Nothing herein contained, however, shall prevent any debtor from anticipating payment on any such indebtedness."

2. That copies of this resolution, duly certified by the speaker and the clerk of the house of assembly, respectively, be forthwith transmitted to the President of the United States, the President of the Senate, the Speaker of the House of Representatives of the

Congress of the United States, and to each Member of the Senate and the House of Representatives of the United States, and to the Honorable W. WARREN BARBOUR and the Honorable A. HARRY MOORE, United States Senators from New Jersey, the sponsors of this measure.

3. That this concurrent resolution shall take effect immediately.

INVESTIGATION OF MUNITIONS INDUSTRY

Mr. BARBOUR. Mr. President, as a member of the Special Committee on Investigation of the Munitions Industry, I send to the desk and ask unanimous consent to have read and appropriately referred a resolution from the General Assembly of the State of Rhode Island.

The PRESIDENT pro tempore. Without objection, the resolution will be read.

The resolution was read and referred to the Committee on Military Affairs, as follows:

Resolution of the General Assembly of the State of Rhode Island, endorsing the work of the United States Senate committee created for the investigating of the activities and operations of individuals and corporations engaged in the manufacture, sale, and distribution of armaments and munitions of war, and recommending the continuance of this investigation

Whereas pursuant to a resolution of the United States Senate a committee of the Senate, popularly known as the "Nye committee", is now engaged in the conduct of an investigation of certain matters relating to the activities and operations of individuals and corporations engaged in the manufacture, sale, and distribution of armaments and munitions of war; and

Whereas it is the opinion of the General Assembly of Rhode Island that the evidence thus far presented at the public hearings held by said senatorial committee is of vital importance to the people of this country; and

Whereas it is also the opinion of the General Assembly of Rhode Island that the investigation and the holding of public hearings should continue until the public is in possession of complete facts relating to the subject under investigation and that to this end the United States Senate should from time to time make adequate appropriations for the further prosecution of its committee's investigation and the holding of such public hearings; and

Whereas notwithstanding the public interest in the continuance of said investigation, it appears that there are various influences that would seek seriously to curtail the scope of the investigation and even to discontinue it altogether: Now, therefore, be it

Resolved, That the General Assembly of the State of Rhode Island hereby endorses the resolution of the United States Senate, directing its committee to conduct the investigation as aforesaid, and further endorses the investigation, as conducted up to the present time by such committee, and furthermore expresses the hope that the investigation will be continued and public hearings held until the public is in possession of complete facts relating to the subject under investigation, and expresses the further hope that the United States Senate will appropriate from time to time such funds as may be necessary to achieve such end; and be it further

Resolved, That the general assembly respectfully requests the Senators from Rhode Island in the Congress of the United States to take such action as will bring this resolution with its endorsements and recommendations before the United States Senate, with the further request that it be printed in the CONGRESSIONAL RECORD; and be it further

Resolved, That copies of this resolution be transmitted by the secretary of state to the Senators from Rhode Island in the Congress of the United States.

REPORTS OF COMMITTEES

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S. Res. 98) providing for an investigation of the administration of the government of the Virgin Islands, reported it with an amendment.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1726. A bill to authorize the Secretary of War to grant a right-of-way for street purposes upon and across the San Antonio Arsenal in the State of Texas (Rept. No. 386);

S. 2394. A bill to authorize the transfer of certain military reservations to other departments of the Government, and for other purposes (Rept. No. 387); and

S. 2395. A bill to authorize exchange of lands at military reservations, and for other purposes (Rept. No. 388).

Mr. HATCH, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 1402) providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles, reported it with amendments and submitted a report (No. 389) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (S. 2013) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan, reported it without amendment and submitted a report (No. 390) thereon.

He also, from the same committee, to which was referred the bill (S. 2153) to provide for the prevention of blindness in infants born in the District of Columbia, reported it with an amendment and submitted a report (No. 391) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 2197) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia, reported it with an amendment and submitted a report (No. 392) thereon.

He also, from the same committee, to which was referred the bill (S. 2100) to amend an act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, by adding three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively, reported it without amendment and submitted a report (No. 393) thereon.

He also, from the same committee, to which was referred the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes, reported it with amendments and submitted a report (No. 394) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 81) to provide for the collection and publication of statistics of peanuts by the Department of Agriculture, reported it with an amendment and submitted a report (No. 395) thereon.

THIRTY-HOUR WORK WEEK

Mr. AUSTIN presented the views of the minority of the Committee on the Judiciary to accompany the bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act, which were ordered to be printed as part 2 of Report No. 367.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCNARY (for Mr. JOHNSON):

A bill (S. 2431) to correct the military record of Phillip Burris;

A bill (S. 2432) for the relief of Edmund N. Hebert;

A bill (S. 2433) for the relief of Joseph C. Taren;

A bill (S. 2434) for the relief of George W. Hallowell, Jr.;

A bill (S. 2435) for the relief of Charley Mullikin;

A bill (S. 2436) for the relief of Samuel B. Lewis;

A bill (S. 2437) for the relief of Robert Lee Cannon; and

A bill (S. 2438) for the relief of Joseph Duncan Smedberg; to the Committee on Military Affairs.

A bill (S. 2439) granting a pension to Irene A. Ambrose;

A bill (S. 2440) granting an increase in pension to James Hogan;

A bill (S. 2441) granting a pension to Mrs. John Mockley; and

A bill (S. 2442) granting an increase of pension to Anna L. Sweet; to the Committee on Pensions.

A bill (S. 2443) to correct the naval record of Milo Curd; to the Committee on Naval Affairs.

By Mr. MCKELLAR:

A bill (S. 2444) relative to consolidation of rural mail routes; to the Committee on Post Offices and Post Roads.

By Mr. HARRISON:

A bill (S. 2445) to amend title I of the National Industrial Recovery Act; to the Committee on Finance.

By Mr. STEIWER:

A bill (S. 2446) conferring a military status upon certain civilian employees of the Engineer Department, United States Army; to the Committee on Military Affairs.

By Mr. MOORE and Mr. BARBOUR:

A bill (S. 2447) for the relief of the Standard Oil Co. for losses sustained by payment of discriminatory excess-tonnage taxes and light moneys; to the Committee on Claims.

A bill (S. 2448) to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty; to the Committee on the Judiciary.

By Mr. SMITH:

A bill (S. 2449) for the relief of T. Brooks Alford; to the Committee on Claims.

By Mr. BYRD:

A bill (S. 2450) for the relief of William E. Smith; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 2451) granting a pension to Sarah M. Waugh; to the Committee on Pensions.

By Mr. GUFFEY:

A bill (S. 2452) for the relief of Harry Gordon; to the Committee on Military Affairs.

By Mr. POPE:

A bill (S. 2453) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

By Mr. McKELLAR:

A bill (S. 2454) to amend the Air Mail Act of June 12, 1934; to the Committee on Post Offices and Post Roads.

By Mr. McCARRAN:

A bill (S. 2455) to authorize the erection of a Veterans' Administration hospital in the State of Nevada; to the Committee on Finance.

By Mr. NEELY:

A bill (S. 2456) to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia; to the Committee on the Judiciary.

By Mr. COPELAND:

A bill (S. 2457) authorizing the appointment of William C. Lucas as a captain, Medical Corps, United States Army, and to provide for his retirement, effective as of July 1, 1933; to the Committee on Military Affairs.

SETTLEMENT OF THE FOREIGN DEBTS

Mr. LEWIS submitted the following resolution (S. Res. 112), which was referred to the Committee on Foreign Relations:

Resolved, That the Senate approves any action taken by the President of the United States looking to an adjustment and settlement of the debts due the United States by debtor countries and specifically looking to a method and time, or times, of payment in money; and expresses the confidence that the President will submit in due and proper form to Congress for its action such terms and provisions of proposed settlement by the debtors as the act of Congress existing would call for.

PROPOSED AMENDMENTS TO AGRICULTURAL ADJUSTMENT ACT—ADDRESS BY SENATOR MOORE

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting address delivered by my colleague from New Jersey [Mr. MOORE] on the subject of the proposed amendments to the Agricultural Adjustment Act.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ANNOUNCER. The National Broadcasting Co. takes pleasure in presenting at this time Hon. A. HARRY MOORE, United States Senator from New Jersey, who will discuss the proposed amendments to the Agricultural Adjustment Act now pending in Congress and their effect upon farmers and consumers. The Senator formerly was Governor of New Jersey. He is a member of the Senate Agriculture Committee, which has just concluded hearings on the proposed amendments. Senator Moore.

Senator MOORE. I have been deeply interested in the views of the practical farmers who have been appearing recently before the Senate Agriculture Committee to testify upon the possible effects of the proposed amendments to the Agricultural Adjustment Act.

My State of New Jersey is not only a large producer of agricultural products, situated as it is at the door of the biggest consuming market in the country, but it is a densely populated area of high consumption of the products of the farm as well.

I have observed during the hearings that many of those who have testified have found considerable difficulty in keeping their opinions of the legislation within the confines of parliamentary conversation. They feel strongly about it. Their opinions vary from—I quote—"outrageous delegation of authority" to—and again I quote—"a flagrant violation of the Bill of Rights."

As you know, the result of the agricultural adjustment program, along with the disastrous drought of last year, has been such a curtailment of supplies of farm produce as to push prices to the consumer to the point where there is being encountered considerable consumer resistance to agricultural products of various kinds, because of their cost.

I know the consumers of my State have begun letting up a loud howl that, with incomes that are still feeling the effects of the depression, they are finding it increasingly difficult to meet the increased costs of the necessities of life, most of which come from the farms.

There are many opinions concerning the bill. I heard a farm leader from the West say with deepest sincerity that the farmers of the West are completely discouraged, disheartened, and broke, and that the enactment of this legislation was their only hope, the one ray of sunshine in an otherwise dreary aspect. Then, too, there are still people who believe in the old natural law of supply and demand.

So recently I took the matter up with a farmer who raises quantities of livestock and feed in the Middle West. This farmer was a practical man who has been able to achieve what might be regarded as considerable success in his profession of farming. He had this to say:

"Senator, I think I can visualize pretty well what would happen to my business of farming if these amendments were enacted into law. If these amendments are passed, I and all the rest of the farmers of the country might just as well give up the idea of being independent business men and resign ourselves to becoming hired men on our own property—"yes men" to agricultural theorists in the Department of Agriculture. We would be forced to become parties to any politically expedient or economically fantastic agricultural scheme that might at the moment be taken seriously here in Washington. Our prices could be arbitrarily fixed, our production could be governed by quotas, and we might only sell in those markets which would be designated by the Department of Agriculture."

That's the end of the quote.

He thought his future, if these amendments were enacted into law, to be pretty dreary.

He went further to explain how all these things could be done. In the first place, he and others have pointed out that the authority is given in these amendments to license all manufacturers, handlers, and distributors of agricultural products—anyone, as a matter of fact, who might be able to take the goods of the farmer off his hands. In these licenses it could be stated the price to be paid and even the quantity of the farmer's goods the farmer's customer could purchase.

It has been brought home to me that I have a real problem to consider in these amendments, as to their possible application to the farmers of my own State. We in New Jersey produce quantities of eggs, poultry, fruit, vegetables, milk, and a variety of other perishable foods. We have, as I mentioned, the biggest consuming area in the country into which to ship our goods.

Suppose you have a farmer in New Jersey who, by diligence, industry, and efficient management, raises a good crop of lettuce and his hens lay many eggs.

The Department of Agriculture goes to his customers and says: "You can buy only two-thirds of this man's lettuce and eggs; to take them all would put us over our quota for this market, and the quotas of all other markets are likewise filled up."

This might leave the farmer with a third of his crops on his hands with no possible market. He cannot consume all the eggs or the lettuce, so they must be left to spoil.

These ideas led me to think of the housewife who might be shaving down her purchases of food supplies because of the artificially maintained prices due to the reduced supplies coming to market.

Might not this artificially created barrier of consumer resistance make the plan defeat its own purpose of raising prices to the farmer? Might it not leave large parts of crops to rot in the fields, as the housewife still closer shaves her purchases?

I should tell you that when Secretary Wallace and Mr. Chester Davis, Administrator of the Agricultural Adjustment Act, testified before the Senate and House committees, they referred to the broad powers given in the amendments as "reserve power." They said something about this being a big stick, or a gun behind the door.

True, they may not use these powers. But it has been my observation that when an administrative official—even some future official as yet unknown—when some official is given broad power, a big stick, his hand frequently itches mightily until he swings it.

Now for the consumer. These amendments seem to me to affect the consumer even more directly than the farmer, since the purchase allotments and marketing quotas are aimed directly at maintaining the prices which the consumer pays. The language of the legislation specifically exempts control of the farmer—but only in his capacity as a farmer.

But remember many farmers process, manufacture, handle, or distribute the products of their farms, such as milk, for one example, and they could be licensed and brought into line in their capacity along any of these lines. Or, if they don't do any of these things, isn't it just as effective for the Department of Agriculture to license the man who buys the farmer's produce, and thereby control the movement of the farmer's goods just as though he, the farmer, were under a license himself? There must be a buyer as well as a seller. Restrict the buyer and you have just as effectively restricted the seller. He has been told how much he can or cannot move out of his front gate.

The farmers and producers in my State do not think much of the bill in its present form. As a matter of fact Assistant Secretary Davis has admitted that the agriculture bill has not been of much benefit to the northeastern farmer. They complain that it does not seem consistent for the Government to pay some farmers to reduce their acreage and at the same time another department is paying out large sums of money draining swamps and irrigating deserts to bring more land into production.

We cannot regulate droughts; we cannot regulate rain; we cannot temper the wind to the shorn lamb; we cannot regulate the laws of God; we cannot regulate the sun, although there was once a man by name, Joshua, who commanded the sun to stand still in the midst of the heavens, and it has been standing still ever since.

We do not want America to stand still; we want it to go forward in prosperity and in the fear of God. Our American agriculture has succeeded in the past because of the independence of the American farmer, his ability to produce and develop his land even though there might be a surplus.

The forefathers of these American farmers came to America's shore and found it a wilderness. They sacrificed and slaved to help make it the greatest Nation upon the earth. Their untiring efforts and their faith are the most inspiring traditions of America today.

Your Agriculture Committee consists of men who are sincerely anxious to be of help and farmer and consumer alike both need help. We need, too, a little of the spirit of the early Americans, that spirit which overcame all obstacles, that spirit which made men work out their own salvation.

I recall as a boy coming home from school, and finding my mother engaged in doing those necessary things for a family of 5 boys—she did all of the work for us 5 children, and often I could hear her singing the words of that old hymn which may be familiar to some of you:

"Must I be carried to the skies,
On flowery beds of ease
While others fought to win the prize
And sailed through bloody seas."

We must not become a nation of leaners, we must not destroy that initiative which has been so helpful, but standing on our own feet face the future with unwavering faith, with unswerving loyalty to our traditions, then we will not be as men discouraged, disheartened, facing the setting sun of our Nation's greatness, but rather will be like men coming out of the mists of the morning facing the rising sun, the dawn of a new day and of new opportunities.

SPEECH BY SENATOR HASTINGS—EDITORIAL FROM CHICAGO DAILY TRIBUNE

Mr. WHITE. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial appearing in the Chicago Daily Tribune of March 28, 1935, entitled "Senator HASTINGS' Great Speech."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

The speech of Senator HASTINGS, of Delaware, in the closing debate on the $5,000,000,000 pork-barrel bill was a most distinguished performance. Probably it was the speech of the session. When Mr. HASTINGS sat down there was nothing left to be said about the bill and mighty little to be said about the administration.

The quality of the address is suggested by Mr. HASTINGS' sharp observation that the bill "placed in the hands of one man more power than any good man should want and more than any other kind of a man ought to have." In those few words the case against not only the easy-money bill but the whole new-deal program as well, is summarized. Mr. HASTINGS' phrase will be heard again and again in the months to come.

It was a deadly speech. It exposed the abject surrender of the Democratic majority in Congress to the will of the President, and went on to show that the trust reposed in him was misplaced. The money has been spent unwisely and distributed unfairly, and the amounts involved are so staggering that the credit of the Government is strained and the confidence of business men is shaken.

At this point Mr. HASTINGS' argument consisted of little more than extended quotations from the speeches and State papers of Franklin Delano Roosevelt. The Senator read Mr. Roosevelt's well-reasoned attacks upon the extravagance of the Hoover administration and showed how petty those squanderings were in comparison to ones which Mr. Roosevelt has instituted. Mr. Roosevelt's forecast of the ruin which awaited the Nation if the squandering did not cease promptly was quoted, together with Mr. Roosevelt's pledge to reduce the expenditures of Government and balance the Budget.

Finally, Senator HASTINGS read from Mr. Roosevelt's Budget messages to show how little the President has been bound by his own word. The man who promised no more deficits has piled up $12,000,000,000 of deficit. Each time he has asked for money to prime the pump he has forecast that the spending about to be undertaken would be the last of its kind, and each time he has come back for larger appropriations.

"In view of these facts," asked Mr. HASTINGS, "how dare we depend entirely upon what the President says will happen to the country if we appropriate this huge sum of money and leave it to him to spend?"

No one arose to answer that question. Mr. HASTINGS had done much more than charge bad faith and bad judgment. He had proved both charges to the hilt. No attempt to answer him was made because no answer was possible.

WISCONSIN'S CONTRIBUTION TO GOVERNMENT—ADDRESS BY EDWIN E. WITTE

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered last evening by Edwin E. Witte, Executive Director, Committee on Economic Security, to the Wisconsin Society at Washington, D. C., March 28, 1935, on the subject of Wisconsin's Contribution to Government.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The United States is territorially an empire, with a culture that is strikingly uniform in all parts of its broad expanse. Throughout the country the pattern is the same in thought and action, in business and government.

Yet there are differences which find expression in sectional conflicts and determined adherence to State rights. The United States is a single Nation and at the same time a federation of States, ever zealous to preserve their individuality. In this quality of our Government lies, I believe, the fundamental explanation of the great success of the experiment represented by the American Constitution, under which this Nation has become the most powerful on earth and now ranks among the oldest of existing governments.

Each State justifiably makes some claim to unique distinction—climate, topography, production, cultural contributions, and outstanding individuals. In all these respects claims can be made for our Badger State which require no exaggeration. But above all else, Wisconsin is distinguished for its contributions to government.

Twenty years ago Dr. Charles McCarthy, who was himself one of the most notable figures in the progressive movement, coined the term "the Wisconsin idea." Liberal-minded people everywhere were then hailing Wisconsin as the "model State." Thereafter came the reaction, culminating in the great setback to everything progressive which resulted inevitably from the engrossment of the Nation in the World War and the period of normalcy, jazz, and speculation which followed. Since the collapse of the bubble and the prevailing universal distress which it occasioned, the pendulum has swung back toward the Wisconsin idea, but without general recognition of its kinship with the new deal.

At the crest and in the decline, while acclaimed and while suspected, Wisconsin held to its conception of government. Despite frequent shifts in political control, all the essentials of the legislation which first attracted attention to Wisconsin have remained intact and have been developed and supplemented by other measures conceived in the same spirit. Without trumpetry, and although the victim of considerable ridicule and some jealousy, Wisconsin has carried on. Amid all the present-day confusion its people have preserved their interest and faith in government. The traditions of a democratic, yet efficient, government, serving the interests of the common man, are so strong in Wisconsin that it is probably in less danger of going either communist or fascist than any other State.

Wisconsin has made many significant contributions to government. With regard to local government, it has been notable for the few defaults among its municipalities and the almost complete absence for many years of serious scandals. Of all large cities, Milwaukee has the lowest crime rate and the best record for law enforcement; and last year it also had the smallest number of traffic accidents.

In the field of State government, the catalog of the laws in which Wisconsin pioneered and which were subsequently imitated by most other States reads almost like a recital of the important legislation enacted by State governments in this century. Wisconsin passed the first State-wide primary election law and one of the earliest and best corrupt practices acts. It blazed a new trail in the ad valorem taxation of railroad property and enacted the first modern income-tax law. It first popularized university extension education and pioneered in vocational education, with the first law requiring part-time school attendance of employed children. It was the first State to regulate railroad rates effectively and one of the two first States to regulate public utilities. It was one of the earliest States to institute a civil-service system for the selection of its employees, and also one of the first to adopt a budget system and centralized purchasing. It started the first legislative reference and bill-drafting service, and was the first to establish a central planning agency, the executive council.

In labor legislation it has to its credit more than a half dozen pioneer measures of great importance: The first workmen's compensation law actually to take effect; the industrial commission act, with its standards of reasonable safety, since copied by nearly

all industrial States; the first modern apprenticeship and homework laws; the first statute providing for the State licensing of private detectives; the first anti-yellow-dog contract law; the first complete labor code; and the first unemployment compensation act on the American Continent. Wisconsin was the first State to ratify the woman's suffrage amendment, the first to pass a woman's equal-rights law, and the second to ratify the child-labor amendment.

I could go on much longer and enumerate still more measures of importance in which Wisconsin blazed the trail. Those which I have mentioned, however, will suffice not only to illustrate Wisconsin's willingness to experiment, but also the sanity with which it has experimented, as shown by the great extent to which Wisconsin's leadership has been followed by other States. But such an enumeration does not adequately present Wisconsin's contributions to good State government—its tradition of keeping politics out of administration, its complete freedom from graft in the State service, its wide use of experts to advise and work out details, but not to dictate policies, and many others. Nor does it reveal one of the truly outstanding characteristics of Wisconsin politics, the great popular interest in the State government and its continuing and real vitality in the midst of the ever-growing tendency throughout the country to "pass the buck" to Washington.

While Wisconsin has generally been far more interested in what is being done at home than in affairs at Washington, officials and citizens of the State have, nevertheless, made many important contributions to our National Government. Wisconsin has never had a President or Vice President, and only five of its citizens have served in the Cabinet—none for 30 years. But in the Halls of Congress our State has always had able and forceful representatives, who have left their mark upon much of the really significant national legislation. Wisconsin also has always had at least its fair share of people in administrative positions in the Federal service, high and low, and never more than at present.

It is, however, of the extent to which the Wisconsin idea has influenced national action that I wish to speak particularly. In each Republican National Convention from 1908 on Wisconsin presented a minority platform, which was voted down overwhelmingly amid jeers and cries of "socialism." But the great majority of these once-ridiculed principles have since been enacted into law. Wisconsin was merely a few years ahead of the rest of the country.

And so it has been with the new deal. As Congressman SAUTHOFF stated the other day, the C. C. C. was foreshadowed in Governor La Follette's relief bill of 1931, and the National Industrial Recovery Act in his bill to sanction voluntary agreements among producers for the purpose of spreading employment and eliminating unfair practices. And everyone knows that a large public-works program and Federal participation in relief were first advocated by the senior Senator from Wisconsin. While less well known, it is also true that the Securities Act was largely based upon the revised Wisconsin securities law of 1933.

The man we honor tonight, the beloved professor of the University of Wisconsin, Dr. John R. Commons, has not, I believe, been in Washington at any time since President Roosevelt was inaugurated, and has had few direct contacts with administration leaders. Yet he is, in a very real sense, the spiritual father of the new deal. For a generation Dr. Commons has been the outstanding advocate, among the influential thinkers of the country, of the concepts underlying the major new-deal policies. He championed collective bargaining and in and out of season urged the necessity of organization among workers, farmers, and other producers. He, before anyone else, at least in this country, pointed out the dependence of modern industry upon mass purchases, and urged that high wages and a larger return for the farmers are absolute essentials for the maintenance of prosperity—a doctrine which now has found conclusive statistical proof in the studies of the Brookings Institute, the Capacity to Produce, the Capacity to Consume, and the Formation of Capital, which approached the problem from the point of view of the orthodox economists. In the field in which I am particularly interested, economic security, Dr. Commons stands out as the man who directed the attention of this country to the need and practicality of constructive measures to this end. He was the author of the Huber unemployment insurance bill in the Wisconsin Legislature of 1921, the first unemployment-insurance bill in this country and the "daddy" of all genuine unemployment-insurance measures introduced since, including Dr. Leiserson's famous "Ohio plan"; and Dr. Commons was also the author and first administrator of the largest voluntary unemployment-insurance plan established prior to the depression, the joint-agreement system in the Chicago clothing industry.

But more than all else, the contributions of Dr. Commons to the new deal relate to its experimental approach and its fundamental premise that it is the responsibility of government to keep the economic system functioning and to look out for the welfare of all of the people. To successive generations of students, Dr. Commons has taught the creed that government does matter and that no service is more honorable than that of service of country, in peace as in war. Successive generations of students, drawing their inspiration from him, have labored, in private and governmental service, for an improved economic order, building constructively upon the existing foundation but strengthening defects and making readjustment as required by changing conditions. Now that his physical infirmities no longer permit the same active participation in public affairs as formerly, his students are carrying on and his ideas are finding wide-spread acceptance.

Dr. McCarthy did not attempt to define the Wisconsin idea, and I cannot do so, but it will not be amiss to develop briefly some of its aspects. It represents far less a program than a method. It is a realistic approach to public questions. It recognizes the necessity for change and assumes that experimentation has a legitimate place in Government no less than in industry. But the Wisconsin idea does not contemplate change merely for the sake of change. It favors experimentation but only after all factors likely to influence success have been thoroughly weighed and the best possible administrative machinery set up before the experiment is attempted. It builds upon what we already have, and aims, not at the overthrow of existing institutions but at the improvement of their functioning. In short, it is practical, not destructive; truly scientific, and not designed merely to catch the fancy of the moment.

Wisconsin has never been a radical State, except in the original meaning of "radical"—not extreme but fundamental. Of all States west of the Alleghenies it has the oldest constitution, one that has been in effect since admission to statehood in 1848 and with few changes. It is significant also that although Wisconsin has suffered from depression quite as much as have other States, the many charlatans who are now seeking political preferment or personal enrichment by making impossible promises have made but little headway in Wisconsin.

One reason why this is true is, I believe, that the people of Wisconsin have long taken government seriously. It is an essential part of the Wisconsin idea that government does matter and that what the government does will in the long run reflect what the people want and will depend upon their intelligence. The Wisconsin idea is essentially the democratic concept to which this Nation has been dedicated—"a government of the people, by the people, and for the people."

This is not a revolutionary idea, but a return to the fundamental principles of representative government. Wisconsin's contribution to government is above all else an abiding faith that all difficulties with which we are confronted can best be worked out in a democracy functioning as the framers conceived this Government. As expressed by Wisconsin's foremost public man, Robert M. La Follette—

"There never was a higher call to greater service than in this protracted fight for social justice. I believe, with increasing depth of conviction, that we will, in our day, meet our responsibility with fearlessness and faith; that we will reclaim and preserve for our children not only the form but the spirit of our free institution."

Robert M. La Follette has passed on; John R. Commons can no longer endure the turmoil and strain of public conflict. But what they and other Wisconsin men and women of their generation contributed to government is enduring and their method and spirit offers the best hope for the solution of the very complex problems now confronting this Nation.

THE CALENDAR

The VICE PRESIDENT. Under the special order heretofore adopted, the Senate will proceed to the consideration of unobjected bills on the calendar. The clerk will state the first bill in order on the calendar.

BILL PASSED OVER

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order on the calendar.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

PROMOTIONS IN THE REGULAR ARMY

The bill (S. 1404) to promote the efficiency of national defense was announced as next in order.

Mr. KING. Over.

Mr. SHEPPARD. Mr. President, I ask the Senator to permit me to make an explanation of the Army promotion bill.

Mr. KING. I withhold my objection for that purpose.

Mr. SHEPPARD. It will take about 15 minutes, and I ask unanimous consent that I be given time to explain the bill.

The VICE PRESIDENT. The Senator from Texas asks unanimous consent to address the Senate for 15 minutes. Is there objection? The Chair hears none.

Mr. SHEPPARD addressed the Senate. After having spoken (with interruptions, which appear at the conclusion of his speech) for 15 minutes,

The PRESIDING OFFICER (Mr. POPE in the chair). The Senator's time under the unanimous-consent agreement has expired. He had 15 minutes.

Mr. SHEPPARD. Inasmuch as so many interruptions have occurred, I ask permission to conclude my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. SHEPPARD resumed and concluded his speech, which entire is as follows:

Mr. SHEPPARD. Mr. President, I desire to address the Senate on the subject of the Army promotion bill now pending—a bill relating to the promotion of officers on what is known as the "promotion list" of the Regular Army of the United States.

For purposes of promotion, all commissioned officers in the Regular Army below the grade of colonel, with the exception of commissioned officers in the Medical Corps and Chaplain Corps and professors in the United States Military Academy, are assigned to a single promotion list and are known as "promotion-list officers." Of such promotion-list officers there are 9,990, this number having been fixed by the Army Appropriation Act of June 30, 1922. Of this number, about a third consists of former emergency officers of the World War who were appointed to the Regular Army under the National Defense Act of 1920.

Colonels in the Regular Army, except those in the Medical Corps, Chaplain Corps, and faculty of the United States Military Academy, are known as "relative-rank list officers." Of such colonels there are 470, this number also having been fixed by the Army Appropriation Act of June 30, 1922.

Promotion among promotion-list officers is by seniority derived from comparative length of commissioned service, as vacancies occur in the various grades, regardless of the branch of the Army to which an officer belongs—this system having been established by the National Defense Act of 1920.

Officers promoted from relative-rank list colonels to brigadier generals and major generals, or to brigadier generals alone, are chosen for such promotion through selection on the basis of comparative merit by the President of the United States and not on the basis of seniority. There are 46 brigadier generals and 21 major generals—these numbers having been authorized by the National Defense Act of 1920, and carried in all subsequent appropriation bills. Promotion from colonel to these two highest grades on the basis of selection was also provided in the National Defense Act of 1920, as was the designation of colonels as relative-rank list officers.

The 9,990 promotion-list officers are distributed among the grades below colonels as follows: 577 lieutenant colonels, 1,725 majors, 3,450 captains, 2,667 first lieutenants, and 1,571 second lieutenants—this distribution having been fixed by the Army Appropriation Act of June 30, 1922.

All officers must retire at 64 years of age, and may retire on their own application with the approval of the President at an earlier age on the completion of 30 years of service. Service may also terminate through death, disability, forced retirement, or resignation.

With this background, let us consider a proper system of promotion.

The chief object of a promotion system is to secure the maximum benefit to the service. In the promotion of officers the principal purpose should be to obtain the best commanding personnel.

The promotion-list officers, relative-rank-list officers, and general officers of the line are divided, first, into the company grades of second lieutenant, first lieutenant, and captain; second, into the field grades of major, lieutenant colonel, and colonel; third, into the general officers of the line known as "brigadier generals" and "major generals."

The general officers of the line are charged with the largest problems and responsibilities of command. In any well-balanced method of promotion there should be developed a sufficient number of officers in the grade of colonel, the grade from which advancement is made to brigadier general and major general, at such an age as will enable the selecting authority to have a fairly large range of choice among men who are young enough to serve a substantial time as general officers of the line in the event of selection. There are only 46 brigadier generals and 21 major generals, but their functions comprise the direction of divisions and corps areas and other tasks of first importance in the Army, and from the major generals comes the Chief of Staff, who directs the entire military organization.

In the grade below colonel where promotion is by seniority officers should reach each grade at such age as to render the best possible service for that particular status and should not continue in the same grade too long after having mastered its possibilities and requirements, or too long to reach the next grade at an age early enough to do it full justice, or so long as to upset the age balance on which a promotion system should be based.

It must be recalled that the grades increase in number of officers as we proceed below colonel in our Army, and until we arrive at first lieutenant, a fact which of necessity makes promotion slower in any seniority system in connection with grades containing the larger numbers. Here the effort should be to make the disparity in numbers between grades as small as efficient administration will permit, and, thus, to keep officer personnel in as fit a condition as practicable, both from the standpoint of proper length of service in each grade and prospect of promotion.

Let it be understood also that when we reach the company grades below captain, those of first lieutenant and second lieutenant, we come in contact with officers whose duties are comparatively most limited of all, duties which are more rapidly mastered than those of higher grades. It is here that the present seniority system, holding men, as it does in our Army, in these initial grades of second lieutenant and first lieutenant, 6 and 10 years respectively, or a total of 16 years, begins its devastating effect from the viewpoint of the proper evolution of an officer through the various grades as well as the integrity and success of a duly integrated system of promotion. The same objections apply with increasing force, on account of increasing importance of function, to present conditions in the grade of captain, and in substantial degree to present conditions in still higher grades under the seniority rule.

The existing seniority system for officers on the promotion list began on July 1, 1920, having been established by the National Defense Act of that year. That same act increased the number of officers in the Regular Army by the admission of nearly 6,000 former emergency Army officers of the World War, most of whom had participated in the World War and had achieved notable records, and most of whom became captains, first lieutenants, and second lieutenants in the Regular Army. The total number of officers in the Regular Army was reduced to 12,000 by the Army Appropriation Act of 1922, and has remained at approximately that number until the present time.

The result of this seniority system for the promotion-list officers is that the average period of service as a second lieutenant is 6 years and as a first lieutenant 10 years. In other words, it takes at present an average of 16 years to become a captain, when, according to special studies of the General Staff, the best results can be obtained and a proper balanced system of promotion best sustained by a period of 10 years' service in the positions of second lieutenant and first lieutenant, as the most efficient background for promotion to captain, 3 of the 10 years to be served as second lieutenant and 7 as first lieutenant.

The pending promotion bill provides that after 3 years' service a second lieutenant shall automatically become first lieutenant, and that a first lieutenant after 7 years' service shall automatically become a captain. The pending bill discards the seniority system as to second lieutenants and first lieutenants. The existing law to the effect that one may enter the officer personnel of the Army only by becoming a second lieutenant and establishing the age limits of 21 to 30 years for such entry is not disturbed. Under the National Defense Act of 1920 the former emergency World War officers were admitted without maximum limitation as to age.

The present seniority system has been in existence only 15 years, not long enough for the junior second lieutenant at the time of its beginning to reach captain. If the present system continues, this second lieutenant, having entered his second lieutenancy, we will say, at 23, the average age of entry for that grade, and having served 6 years as second lieutenant and 10 years as first lieutenant, would become a captain at 39, and, after 24 years as captain, the time actually served by the officer who was junior captain on July 1, 1920,

would become a major at 63, and would be compelled to retire for age after a service of 1 year as major. The mere recital of these facts shows how far the present system is from realizing the principles of a proper promotion system already defined herein, and from enabling the country to obtain the benefit of the years of service through a proper break-down of these years through all the grades from second lieutenant to major general.

Let us turn now to the grade of captain, and observe a personal illustration of what is occurring. The officer who, on July 1, 1920, was at the bottom of the list of captains is still so far from the top of the list that he cannot become a major under the existing rate of advancement until 1944, at which time he will have been a captain 24 years.

The General Staff studies are to the effect that the best results will be forthcoming if a captain becomes a major after 15 years of commissioned service, preferably with 3 years of service as second lieutenant, 7 years as first lieutenant, and 5 years as captain. The pending bill does not provide, however, that a captain shall automatically become a major after 15 years of commissioned service, nor does the War Department so recommend. Such a provision would mean that all the 3,450 captains under the present conditions would immediately become majors. The situation is such that we can only approximate proper standards in view of conditions. The pending bill returns to the seniority system so far as captain is concerned, adding the limitation that when an officer reaches the head of the list as captain he cannot become major until he shall have had at least 15 years of commissioned service. This is to insure proper standards of training and experience when the present congestion in promotion shall have been relieved and promotion shall have become more rapid than at present. In order to aid in relieving the congestion in the present promotion status of captains, and in order more nearly to secure the number of majors needed for the duties connected with the grade of major, the bill provides an increase of 890 in the number of majors. This means that on the day this bill becomes effective the first 1,412 captains on the present list will become majors, this number resulting from the new majors created by this bill, as well as from promotions from major to the new lieutenant colonelcies also created by this bill.

It will be seen to what degree this bill approximates the standards established by staff research for majors; to wit, a prior commissioned service of 15 years, when it is known that this group of 1,412 captains will each have had about 18 years of commissioned service when they are made majors.

Coming to major, let it be said that it is the finding of the General Staff, as a result of its investigations, that the most effective service will be secured if a major becomes a lieutenant colonel after 20 years of commissioned service. The pending bill does not provide, however, that a major shall become a lieutenant colonel by virtue of 20 years of prior commissioned service. It continues the seniority principle as to promotion from major to lieutenant colonel with the requirement that before a major may become a lieutenant colonel he must have had 20 years of prior commissioned service. In order to relieve the congestion in the present promotion status of majors and in order more nearly to secure the number of lieutenant colonels needed for the duties connected with that grade, it creates 364 lieutenant colonels. This means that on the day this bill goes into effect the first 522 majors on the promotion list of that grade will become lieutenant colonels—this number resulting from the new lieutenant colonels created by this bill, as well as from promotions from lieutenant colonel to the new colonelcies this bill establishes. The officers of this group of 522 majors will have had a prior commissioned service of 22 to 25 years when they become lieutenant colonels. Note that the standard set by the General Staff is 20 years in this connection—and that while the additional promotions to lieutenant colonel made possible by this bill are somewhat belated, they come in time for these officers to render suitable service in this grade, and if these promotions to lieutenant colonel are delayed much longer the Government will be deprived of the services these men are qualified to render in the higher grades.

We now come to lieutenant colonel. The Staff studies are to the effect that a lieutenant colonel should become colonel after a commissioned service of 26 years. The pending bill provides that a lieutenant colonel shall not become a colonel until after a prior commissioned service of 26 years, and with this limitation leaves the principle of seniority unaffected as to promotion from lieutenant colonel to colonel. In order to quicken promotion from lieutenant colonel to colonel, and more nearly to secure the number of colonels needed for the duties connected with that grade, and to afford a wider range of choice for promotion by selection from colonel to the remaining higher grades above the grade of colonel, 158 new colonels are created. The senior and junior officers of the first 158 lieutenant colonels now on the list of lieutenant colonels, who thus will be promoted to colonels, have had a prior commissioned service of 31 and 29 years, respectively, or 5 and 3 years longer than the standard length of such service prescribed for the best results by the General Staff, or an average of 4 years over the standard for all this group of 158 lieutenant colonels. Here again the additional promotions made possible by this bill come in time for the rendition of service appropriate to the various grades in accordance with the standards established by the professional studies of the General Staff. And here again we note that further delay in such promotions, notably promotions to colonel, will increasingly handicap the Government in the matter of an adequate field from the standpoint of age, experience, and qualification for the selection of the most important officers, to wit, the general officers of the line and the Chief of Staff himself.

The pending bill makes no change in the number of brigadier generals, nor major generals, nor in the selective method of promotion above colonel.

The pending bill makes no change in the total number of officers on the promotion list. The increases in the number of captains, majors, lieutenant colonels, and colonels are offset by a corresponding decrease in the number of first and second lieutenants.

The bill therefore does not provide for a single additional officer. It merely makes changes in the numbers already in the various grades.

Under the pending bill there would be on July 1, this year, 791 second lieutenants, 1,886 first lieutenants, 3,599 captains, 2,615 majors, 941 lieutenant colonels, 628 colonels, 46 brigadier generals, and 21 major generals.

I have heretofore given the number of officers in the various grades under existing law.

It is submitted that the more efficient standards of service and promotion established and approximated by this bill will more than justify the added cost which the Department estimates will be $705,000 for the first year, $620,000 for the second year, and $510,000 per annum for the third and succeeding years of operation. The present cost per annum of the officer personnel on the promotion list is $46,805,466.

The pending bill was submitted to the President, who on January 17, 1935, wrote the Secretary of War as follows:

> Your plan for a revision of the Army's promotion system appears desirable from every viewpoint, and I wish you would take the necessary steps to present it to the Congress for enactment. It has my approval.

It may be said in general of the pending bill relating to promotion list of officers that it puts promotion for these officers on a more logical and efficient basis.

First. By making certain the advancement of second lieutenants to first lieutenants in 3 years, of first lieutenants to captains in 7 years, discontinuing the seniority rule below captain.

Second. By the immediate advancement of large numbers of officers who have been in certain grades too long for the most desirable results.

Third. By permanently increasing the number of officers in certain grades, decreasing the number in others, leaving total number unchanged.

Fourth. By establishing through these changes a more rapid and more uniform stream of promotion and a service in the various grades for periods and at ages adapted to the most satisfactory performance of the duties connected with the various grades.

It may be said further that the bill in improving the service does belated justice to thousands of former World War officers who entered the Regular Army at unusually advanced ages in the earlier grades by affording them not only substantial and long-merited promotion but an opportunity for retirement in the important grade of major.

The bill also contributes to better service and to the relief of the present congestion in promotion by reducing the age of voluntary retirement from 30 to 15 years on a reasonable pay basis.

Furthermore, it places chaplains and members of the Veterinary Corps on the same promotion basis as that of the Medical Corps, thus, according just and deserved recognition to these important arms of the service, and unifying the advancement for all the non-promotion-list officers except the members of the West Point faculty, who have a satisfactory promotion system of their own.

It makes a welcome and inspiriting change from the dreary and monotonous spectacle of 10,460 officers ranged one above the other on the advancement list from second lieutenant to colonel, virtual prisoners most of them, behind the bars of a hopeless seniority system, each waiting for the next one above him tardily to be promoted, graciously to resign, thoughtfully to desert, obligingly to be court martialed, generously to retire, or considerately to die.

Let us now proceed with the bill by sections so as to become familiar with the method by which the features already discussed are embodied in the measure, and with other features not yet touched upon.

Section 1 provides that hereafter the promotion list of the Regular Army and Philippine Scouts shall include all officers on the active list in the grades of second lieutenant and colonel, inclusive, except officers of the Medical Department, chaplains, and professors of the United States Military Academy; that promotion-list colonels shall be placed immediately above the lieutenant colonels on the promotion list established in section 24a of the act of June 4, 1920, in the order of their standing on the relative list of colonels on the date of this act; that officers on the promotion list, as defined in this section, shall be known as "promotion-list officers", and that all other officers, except general officers, shall be known as "non-promotion-list officers"; that nothing in this act shall be so construed as to change the respective relative positions held by officers on the promotion list prescribed by this act, nor the method of determining the position of officers on that list as prescribed by the act of June 4, 1920, as amended, except as qualified in this section.

The effect of section 1 is to discontinue the designation of colonels as relative rank officers and to include them in the officers designated as promotion-list officers. All other officers, except general officers, are designated by this section as non-promotion-list officers. The sections of the National Defense Act referred to establish the promotion list and the seniority system.

Section 1 also provides that all promotions shall continue to be subject to the examinations now required for promotion-list officers—to wit, physical examinations exclusively.

Section 2 provides that on and after July 1, 1935, the authorized number of promotion-list officers in the grade of colonel shall be 6 percent of the total number of promotion-list officers authorized by law; that the authorized number of such officers in the grade of lieutenant colonel shall be 9 percent of such total; and that the authorized number of such officers in the grade of major shall be 25 percent of such total number.

It is by this provision that the number of colonels is increased by 158, the number of lieutenant colonels by 364, and the number of majors by 890.

No percentage is fixed by existing law, but the numbers authorized make the present percentage of colonels 4.5 percent, lieutenant colonels 5.5 percent, and majors 16.5 percent of the total number of authorized promotion-list officers.

Section 2 also provides that in making any computation to determine the percentages authorized by this section, whenever a final fraction of one-half or more occurs the next higher whole number shall be adopted.

Section 3 provides that all vacancies, including original vacancies resulting from the operation of section 2, occurring on or after July 1, 1935, in the respective grades of colonel, lieutenant colonel, and major, of promotion-list officers, shall be filled by the promotion of promotion-list officers in the manner provided in section 24 (c) of the act of June 4, 1920, with the qualification that no promotion-list officer shall be promoted in time of peace under this bill to the grade of colonel until he shall have completed 26 years of service, to the grade of lieutenant colonel until he shall have completed 20 years of service, or to the grade of major until he shall have completed 15 years of service.

This means that the seniority system shall be retained in the case of promotions to colonel, lieutenant colonel, and major in peace time with the qualification introduced by this bill as to completion of 26 years of service as a requisite for promotion to colonel, of 20 years for promotion to lieutenant colonel, and of 15 years for promotion to major.

The section of the National Defense Act referred to, further defines and perfects the single-promotion list, applying it to all officers on that list regardless of the branch of the Army to which they belong.

Section 3 contains a proviso that these requisites shall not apply to lieutenant colonels and majors whose first appointments in the Regular Army were in grades above those of captain and second lieutenant respectively, or who were appointed to the Regular Army under the first sentence of section 24 of the act of June 3, 1916, as amended by the act of June 4, 1920, nor to captains whose first appointments in the Regular Army were in a grade above second lieutenant, or whose present rank dates from July 1, 1920.

The exceptions made by the proviso just quoted are for the purpose of allowing officers who were appointed to the Regular Army on July 1, 1920, or sooner, in higher grades than second lieutenant and captain, and who, when they become the senior officer of their present grades will not have had the number of years of commissioned service required by this section for promotion shall, notwithstanding, be promoted without remaining such senior officer until they shall have served such number of years. Otherwise, they would hold back large numbers of officers junior to them on the promotion list with longer periods of commissioned service. The officers thus excepted in order to safeguard those below them are as follows: Lieutenant colonels, 34; majors, 270; captains, about 2,000. They obtain the benefit of this exception only as they reach successively and individually the senior place in their respective grades. They were given preferential rank on entering the Regular Army by virtue of notable service as emergency officers in the World War. Inasmuch as most of these captains will have served the requisite period for promotion to major soon after the period fixed by this bill for its operation to begin, namely, July 1, 1935, the proviso does not seriously change the new promotion system.

The proposed law gives veterinary officers and chaplains the same system of appointment and promotion as is now given officers of the Medical Corps. At present, officers of the Veterinary Corps are appointed in the grade of second lieutenant, are promoted to first lieutenant after 3 years' service, to captain after 7 years' service, to major after 14 years' service, to lieutenant colonel after 20 years' service, and to colonel after 26 years' service.

Chaplains now are appointed as first lieutenants, reach captain in 5 years' service, major in 14 years, lieutenant colonel in 20 years, and get no higher.

Officers of the Medical Corps are appointed as first lieutenants, promoted to captain after 3 years' service, to major after 12 years, to lieutenant colonel after 20 years, and to colonel after 26 years.

Chaplains and veterinary officers are placed on a parity by this bill with officers of the Medical Corps for the reason that it is desired from the standpoint of simplified administration to include the bulk of nonpromotion-list officers in the same system of promotion, and at the same time to accord an appropriate and a too-long-delayed recognition to two important branches of the Army.

Section 4 further provides that from and after the effective date of this act original appointments in the Veterinary Corps shall be made in the grade of first lieutenant from Reserve Veterinary officers between the ages of 23 and 32 years, and that officers serving in that corps on the effective date of this act in the grade of second lieutenant shall be promoted to the grade of first lieutenant as of said date.

At present initial appointments to the Veterinary Corps are made in the grade of second lieutenant, whereas officers of the Medical Corps and Chaplain Corps are initially appointed first lieutenants. As explained, just previously, the first part of section 4 is to equalize the length of service required for promotion in the three branches wherein officers are promoted after certain years of service, namely, Medical Corps, Veterinary Corps, and Chaplain Corps. This last clause of section 4 provides that veterinary officers will also enter the service in the same grade as do medical officers and chaplains.

Professors at West Point have a promotion system of their own, which seems to be working satisfactorily.

Section 5 provides that any officer on the active list of the Regular Army or Philippine Scouts, who, on the effective date of this act or at any time thereafter, shall have completed not less than 15 nor more than 29 years' service may, upon his own application, be retired, in the discretion of the President, with annual pay equal to the product of 2½ percent of his active duty annual pay at the time of his retirement, multiplied by a number equal to the years of his active service not in excess of 29 years, provided that the number of years of service to be credited in computing the right to retirement and retirement pay under this section shall include all service now or hereafter credited for active-duty pay purposes, any fractional part of a year amounting to 6 months or more to be counted as a complete year.

This provision will allow voluntary retirement with a reasonable equity in retired pay, will stimulate promotion, and is to the interest of the Government where certain officers over the average age of their grades have not a reasonable chance of promotion in prospect, and will naturally wish to retire.

Section 5 also provides that any officer of the Regular Army or Philippine Scouts, below the grade of major, who served as a commissioned officer in the Army of the United States prior to November 12, 1918, and whose application for retirement under this section has been approved by the President shall be retired in the grade of major and with retired pay computed as specified in this section for a major with the same length of service.

This provision is solely in the interest of World War veterans. Upon the passage of the pending bill, no World War officer will be in a lower grade than captain, but about 175 of them, because of age, will not reach the grade of major before retirement for age. It would not increase the retired pay to which they would already be entitled, as by November 11, 1935, all such officers would be drawing the same pay as a major.

Section 5 provides further that nothing in this act shall operate to deprive any officer of the retired rank to which he is now entitled under existing law.

This is to carry on an already existing law which places World War officers, upon retirement, on the retired list with the rank, but not the pay, of the highest grade held during the World War.

Section 5 provides further that any officer originally appointed as of July 1, 1920, at an age greater than 45 years may, if he so elects, in lieu of retired pay at the rate specified in this section, receive retired pay at the rate of 4 percent of active-duty pay for each complete year of commissioned service in the United States Army, the total to be not more than 75 percent.

This repeats and carries on a provision of existing law, section 24, National Defense Act.

Section 5 provides further that all officers retired under the provisions of this section shall be placed on the unlimited retired list.

There are two retired lists—the limited and the unlimited. The limited list is restricted by the act of February 16, 1891, to 350, and also is reserved for those officers retired at the discretion of the President after 30 years or 45 years of service. The unlimited list is for all officers retired at 64 years of age or because of physical disability in line of duty. Therefore, the limited list should be left to serve the purpose for which it was provided and limited to 350.

Section 6 provides that the seventh paragraph of section 127 (a) of the act of June 4, 1920, as amended, is further amended by adding a provision to the effect that temporary appointments to higher rank, not above that of colonel, may likewise be made in time of peace under such regulations as the President may prescribe, but that such appointments shall confer no right to exercise command, take precedence, or receive pay or allowances prior to the recognition of a state of war, these appointments on such recognition to take full force and effect, carrying rank from date of appointment.

Inasmuch as this section has no immediate relation to the subject of promotion, it has been decided not to request its adoption, and I shall move to strike it out at the proper time.

Section 7 provides that nothing in this act shall be deemed to apply to temporary advancement in rank of commissioned officers of the Air Corps as authorized in the act of July 2, 1926, and that officers temporarily advanced in rank under that act shall be counted only in the grade in which they hold permanent commissions in computing the numbers in such grades.

This section is solely for the purpose of leaving existing law unchanged.

Section 8 provides that all existing laws governing the termination of active service of officers shall continue in full force and effect except as modified in this pending bill. This section is self-explanatory.

Section 9 fixes the effective date of the act as July 1, 1935, and contains the usual repealing clause as to conflicting and inconsistent statutes.

During the delivery of Mr. SHEPPARD'S speech,

Mr. KING. Mr. President, will the Senator permit an inquiry at that point?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Utah?

Mr. SHEPPARD. I am glad to do so.

Mr. KING. Is not the bill fashioned upon the so-called "Security Act of 1922", which contemplated a standing Army of larger proportions than the present one; and in all the subsequent legislation has there not been carried the idea that the provisions of that act were to be enforced and there was to be a larger number of major generals, colonels, and so forth; and does not this bill merely perpetuate that plan, notwithstanding the fact that we did not increase the Army to the limit provided by that act?

Mr. SHEPPARD. This bill does not increase the number of officers. The number of officers authorized by the National Defense Act of 1920 was decreased substantially by the Army Appropriation Act of 1922 and has not since been increased. The number of officers we have now is barely sufficient for an army of the present number, and the pending bill does not increase that number.

Mr. KING and Mr. NORRIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Texas yield; and if so, to whom?

Mr. SHEPPARD. I yield first to the Senator from Utah. I shall next yield to the Senator from Nebraska.

Mr. KING. Mr. President, I am trying to understand the intricacies of Army promotions. I know the Senator is

making a very able and a very clear statement; but in view of the act reorganizing the Regular Army, which we passed following the World War and which provided for such a large number of officers, and in view of the fact that so many new officers were commissioned in the Army following the World War, I still am unable to understand why there have not been legitimate and proper promotions from that time until the present; how there could be these "humps" and inequalities.

With the very large Army that was provided for—the number of privates was not increased to the extent anticipated by that act, but the officers were provided for—it would seem that during the intervening years there should have been many, many promotions, so that there would be no injustices and no inequalities; but, upon the contrary, there would be more major generals and brigadier generals and officers in the higher ranks than one would expect and more than would be justified in view of the size of the Army.

Mr. SHEPPARD. The number of major generals, brigadier generals, and the officers in all other grades except second lieutenants was fixed in 1922 and has never been changed. This bill proposes increases in some grades and decreases in others, leaving the total number unchanged.

I now yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, when I tried to interrupt the Senator from Texas he was saying that it takes 16 years for these promotions to be made.

Mr. SHEPPARD. It takes 16 years, on the average, under the present promotion system for a man entering as second lieutenant to reach the grade of captain.

Mr. NORRIS. If, in the meantime we should have war, would not that process be somewhat expedited?

Mr. SHEPPARD. In the event of war, a different rule would apply. I am speaking now of a peace-time system.

Mr. WALSH. Mr. President, will the Senator from Texas yield to me?

Mr. SHEPPARD. I yield.

Mr. WALSH. Has any objection been made to the bill the Senator is discussing?

Mr. SHEPPARD. The Senator from Utah [Mr. KING] objected, and I have obtained permission to make an explanation of the bill to the Senate.

Mr. WALSH. I should like to ask the Senator whether any additional financial obligation would be imposed on the Government by the enactment of the proposed legislation?

Mr. SHEPPARD. It would require an additional cost of about $705,000 for the first year, about $600,000 for the second year, and thereafter about half a million dollars additional per annum.

Mr. WALSH. In other words, the system of promotion proposed would lead to retirements, which would increase the expenses of the Army each year?

Mr. SHEPPARD. No. The proposed bill does not call for officers to be involuntarily retired to make room for other officers to be promoted, although voluntary retirement is expedited. The promotion brought about is due to the additional number of officers created in the higher grades and to automatic period promotions in the two lowest grades. The numbers in the various grades are rearranged, but the total number of officers is not increased.

Mr. WALSH. The purpose of the proposed legislation, as I understand it, is to remove the "humps", as they are called, by reason of the fact that the promotion process under the present system is so slow that men are beyond the age they ought to be for certain ranks in the Army?

Mr. SHEPPARD. That is one of the reasons, but the chief reason for the bill is the need of a more efficient system of promotion. The bill breaks down the years of service between the ages of 21 and 64 in the various grades so that the Government and the country will get the best service from its Army officers.

Mr. WALSH. We have the same problem before the Committee on Naval Affairs in the matter of the promotion of naval officers. Of course, there will be a continuing and growing increase in the number of retired officers each year, in order to reduce the number of officers in the higher grades, as they move from the lower grades to the higher grades.

Mr. SHEPPARD. That is not in the Army system. There is no forced retirement in the pending bill.

Mr. WALSH. Are the retirements proposed to be after examinations?

Mr. SHEPPARD. Not for the officers of the Army. As I have said, this bill does not contemplate or depend upon forced retirements to make room for promotions from lower grades.

Mr. WALSH. Is an examination held for the purpose of determining who are more efficient, and are the less efficient retired?

Mr. SHEPPARD. No; the present Army system is based solely on seniority from second lieutenant to colonel.

Mr. WALSH. Does this bill correct that?

Mr. SHEPPARD. Yes; by setting up a system of promotions in the two lower grades based on stated periods of service, a second lieutenant becoming a first lieutenant in 3 years, and a first lieutenant becoming a captain in 10 years. The studies of the General Staff show that we get the best results from such periods of service for those grades. Then, after the grade of captain is reached, we retain the seniority system, and increase the number of majors and lieutenant colonels and colonels, respectively, in order to make the flow of promotions more rapid. Heretofore the number of officers in the higher grades has been too small to meet the requirements of a promotion plan which would give the country the most effective results.

Mr. WALSH. We have just provided, through the medium of a bill passed by this body, reported by the Committee on Naval Affairs, for promotions in the Navy and eliminations through retirement of the inefficient, based upon examinations to be held, or by having the qualifications of the officers passed upon by boards designated for that purpose.

Mr. SHEPPARD. The Army uses a different principle in peace time.

Mr. WALSH. The Navy used to follow the seniority principle, too.

Mr. SHEPPARD. I know the Navy did.

Mr. CUTTING. Mr. President, will the Senator from Texas yield to me?

Mr. SHEPPARD. I yield.

Mr. CUTTING. I have not meant to interrupt the Senator during his statement, and I voted to report the bill favorably from the committee. I wondered whether the Senator had discussed, or was going to discuss, section 6, concerning which I have had a good many complaints.

Mr. SHEPPARD. A controversy began to develop as to section 6, and on account of the fact that it had no vital relationship to the remainder of the bill, I decided, with the consent of the Committee on Military Affairs, not to press that section.

Mr. CUTTING. I am very glad to have that assurance from the Senator.

Mr. SHEPPARD subsequently said: Mr. President, in response to inquiries from a number of Senators with respect to the promotion bill, which went over on objection, I desire to say that I did not have the opportunity, because of the fact that the bill went over, to move to strike out section 6, which I shall do when the bill comes before the Senate for action.

I wish to say that I shall call the attention of Senators personally to the points made in my endeavor to explain the bill this morning. I am very anxious to have every Senator give the matter careful study and to secure a reasonably early vote.

The PRESIDENT pro tempore. Objection having been made to the consideration of Senate bill 1404, it will be passed over.

AMENDMENT OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. HARRISON. Mr. President, I ask leave to introduce, out of order, since the calendar is the pending business, a bill to amend title I of the National Industrial Recovery Act.

(The bill (S. 2445) to amend title I of the National Industrial Recovery Act appears under the proper heading.)

Mr. HARRISON. I should like to make a brief explanation of the bill.

The Committee on Finance has been working for several weeks making an investigation according to the directions of the Senate as carried in the so-called "Nye-McCarran resolution." In connection with that investigation the committee is considering such changes as might be found wise to be made in the present N. R. A. law, with a view of extending it, or taking such other action as may seem proper.

The committee had intended to evolve its own bill. It took the suggestions of the President of the United States, as conveyed in his message to Congress, as well as specific suggestions made by Mr. Richberg, representing the N. R. A. organization, and directed the Legislative Drafting Service, headed by Mr. Boots, to construct a bill merely as a basis upon which the committee might work.

This morning the committee decided in executive session that it would be wise, in order to remove any doubt and uncertainty in the country as to what were the purposes of the committee, that I should introduce this bill today for reference to the Finance Committee.

This particular bill has not been considered by the Committee on Finance. I want everyone distinctly to understand that it is merely a basis upon which the committee will work. No doubt many changes will be made in this particular measure and the committee may, after it has finished its consideration of the bill, make many modifications and effect many changes. The bill, however, represents the viewpoint of the President as outlined in his message, and the ideas set forth in the specific suggestions of Mr. Richberg, representing the N. R. A.

Mr. KING. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. KING. I do not desire the impression to be obtained from what the Senator has said that the committee is committed to the enactment of any bill. While it is true, as the Senator has just stated, that the bill just offered by him will be before the committee for consideration, no action has been taken by the committee favorable to any bill, or to the continuation of the existing law. The committee is conducting hearings upon the resolutions offered by the Senator from North Dakota [Mr. NYE] and the Senator from Nevada [Mr. MCCARRAN]. What action will be taken by the committee remains to be seen.

Mr. HARRISON. That is quite true, and I tried to make myself quite explicit upon that point. There is a great deal of uncertainty existing in the country as to what action Congress will take with reference to the N. R. A.; and so it is the purpose of the Finance Committee, although it has been laboring hard for the past 3 or 4 weeks considering this matter, to put on more steam. Instead of meeting in the mornings only, in the future we shall meet in the mornings and in the afternoons. We have procured the services of three or four or more experts to go over all the correspondence and all the files and all the suggestions which come to us, and these experts are assisting us in expediting the matter; so the committee intends to expedite the consideration of the question with all haste.

Mr. LA FOLLETTE. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator will state the point of order.

Mr. LA FOLLETTE. The Senate has agreed to proceed to the consideration of unobjected bills on the calendar. It is now 10 minutes of 1. We have been in session for 50 minutes and we have considered only two or three bills. I demand the regular order.

The PRESIDENT pro tempore. The regular order is demanded. The clerk will state the next bill on the calendar.

BILLS PASSED OVER

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909 (35 Stat. 1109; U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. ROBINSON. Mr. President, this bill makes it a felony for any Senator or any Member of the House or other person in the classes mentioned to render any service whatever before any department or agency of the Government. It does not limit its provision to cases in which fees are charged. It makes it a felony for a Senator to attempt to speed up action or to ascertain the status of a matter pending before departments. The bill should go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. MCKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

ALVA A. MURPHY

The bill (S. 170) for the relief of Alva A. Murphy was announced as next in order.

BRITISH TREASURY AND FOREIGN DEBTS DUE UNITED STATES

Mr. LEWIS. Mr. President, I make free to address myself to the bill which has just now been explained by the Senator from Texas [Mr. SHEPPARD], the Chairman of the Military Affairs Committee. I feel that that which I now bring to the attention of the Senate is legitimate and germane to the subject of our military defenses.

Mr. President, it appears that the nations of the world are busy increasing their armaments, preparing for some mysterious undertaking, the like of which at this particular moment of world confusions, we may only anticipate and not here and now wholly define.

We note in the press coming to us, reported as international news—particularly I read from the New York Tribune foreign correspondent, of date the 27th of this month—that the British treasury report that despite the money paid for armaments, or that which is contributed for general purposes, they are now in a situation where their receipts exceed their expenses. British treasury officials now report to the world their ability, sir, not only to balance their budget but to anticipate and meet whatever emergencies in expense may arise from the conditions which we must speak of as military preparations.

I rise at this moment to address the Senate on the situation now before us, as presented by the eminent Senator from Texas [Mr. SHEPPARD], the Chairman of the Committee on Military Affairs, and the status of the British treasury, as disclosed in the late reports. What is the situation toward the United States, as to this amount in its Treasury and in the control of Great Britain? We congratulate the people of Great Britain that they have reached a point where, to their satisfaction, they may report that their receipts are exceeding their expenditures, and that the prospect ahead is one which enables them to report to the world the excess by which they will no longer be compelled to levy taxes on their admirable people.

I respectfully, then, present the thought to our honorable friends, to whom we extend our praise for reaching this point of excessive possession over their indebtedness, that they turn to consider the debt they owe the United States of America, in conjunction with other debtor nations who, we read, have risen all at once to the riches which we envy and delight to praise them for. We here ask: Will not these consider the payment of part of those riches on the debt they owe the United States, that the United States might, with some money that is due us, begin to prepare our necessary defenses in the event the eventualities may justify it? Second, sir, that the sums may be applied in our own land to the needs of our soldiers, their just claims for compensation, and pensions long due, as well as to meet the great tax demand essential for the payment of the sums we are compelled to give as relief to the needy of America.

Mr. President, I make bold at this moment to call to the attention of the eminent leaders of these foreign countries, whose expenditures now appear to be so great for the addition of armament, and in the prospect of what to us must mean somewhere preparation for conflict, that though they may prepare their ammunition and prepare their multiple

armaments, we shall not be surprised if these same eminent agencies, through their selected spokesmen, shall again be seen knocking at our doors, crying forth in the well-known language of Caesar, as given us by the bard—

Help me, Cassius, or I sink!

And in effect, sir, to suggest further loans from the United States.

In order, sir, that such suggestion could ever be pertinent, let it be understood that by payment of their debts, or the spirit of payment disclosed and displayed by them, a more encouraging reception naturally would be accorded them by the people of America and their representatives than could possibly be hoped for if, with their possession of these riches, they do not give some evidence of willingness to pay their debts so long due us.

Mr. President, I call attention as I conclude to the fact that if an appeal might be made to America for such relief as the others may deem essential, a payment of their debts, or a gesture toward that end, at this particular time, would be to their service as much as to the relief of America. To the object of that, sir, I have a resolution. I read the resolution as I now introduce it, that it may take such course for future action as the Senate may decide, and I shall at an early date address the Senate on the resolution:

Resolved, That the Senate approves any action taken by the President of the United States looking to an adjustment and settlement of the debts due the United States by debtor countries and specifically looking to a method and time, or times, of payment in money; and expresses the confidence that the President will submit in due and proper form to Congress for its action such terms and provisions of proposed settlement by the debtors as the act of Congress existing would call for.

Mr. TYDINGS. Mr. President, will the Senator yield to me for a question?

Mr. LEWIS. I yield.

Mr. TYDINGS. Does the resolution, where it says "payment in money", mean payment in gold, or payment in silver, or payment in the paper currencies of the respective countries?

Mr. LEWIS. I answer my able friend, knowing his great interest in the subject, that since there are now pending many measures to be determined in the immediate future as to what shall constitute the money of the United States, my reply is that whatever shall be money of the United States, that money shall be, in my opinion, sufficient, or that which is parallel and equivalent to it from any other country.

I tender the resolution, and ask to have it take such course as the Senate may think appropriate. I will call the resolution up later for action.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Is there objection to the resolution's being submitted at this time? The Chair hears none. The resolution will be received and referred to the Committee on Foreign Relations.

(The resolution (S. Res. 112) appears elsewhere in today's proceedings under the appropriate heading.)

ALVA A. MURPHY

The PRESIDING OFFICER. Senate bill 170 is before the Senate. Is there objection to its present consideration?

There being no objection, the Senate proceeded to consider the bill (S. 170) for the relief of Alva A. Murphy, which had been reported from the Committee on Claims with an amendment, to add at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alva A. Murphy, of Spencer, Iowa, the sum of $1,500 in full satisfaction of all claims of such Alva A. Murphy against the United States for damages resulting from injuries to himself and his car when shot at by one Claude Rideout on June 22, 1933, on State highway no. 2, about 5 miles west of Oskaloosa, Iowa, while such Alva A. Murphy was assisting Harry Elliott, United States prohibition agent, to arrest such Claude Rideout: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RETIREMENT OF ACTING ASSISTANT SURGEONS

The bill (S. 883) directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., The acting assistant surgeons of the United States Navy who, on the date of the passage of this act have reached the age of 64 years, shall be placed on the retired list of the Navy with pay at the rate of three-fourths of their active-duty pay.

BILLS PASSED OVER

The bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Mack Copper Co. was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. McKELLAR. Over.

The PRESIDING OFFICER. The bill will be passed over.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The resolution will be passed over.

ROY CHANDLER

The bill (S. 438) for the relief of Roy Chandler was announced as next in order and was read, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Roy Chandler, late of Company G, Thirty-ninth Regiment United States Infantry, shall be held and considered to have been honorably discharged from the military service of the United States as a member of said organization on August 17, 1918: *Provided*, That no back pay, pension, bounty, or other emolument shall accrue prior to the passage of this act.

Mr. KING. I ask that the bill go over.

Mr. DUFFY. Mr. President, will the Senator withhold his objection?

Mr. KING. Yes; but I should like to say to the Senator that I find this man served only 2 months in the Army, and then deserted, and claimed that because of illness he did not return to the Army.

Mr. DUFFY. Mr. President, it is true that he served only a short time; but the record shows that he received a message that his mother was dying, and he went to her. He intended to take the penalty for being absent without leave, which, if he had been absent for only 10 days or less, would have been the charge. He was willing to take whatever penalty went with that charge in order to visit his mother during, as he assumed, her last hours. He was taken ill and was locked up in jail, and kept there for 7 days, and by the time the military authorities were notified that he would return the 10-day period had been exceeded.

He is no longer a boy, of course. He was afflicted with tuberculosis, and went immediately to the hospital upon his return, and is now in very poor physical condition, with but a few months to live, because of the ravages of tuberculosis.

The Military Affairs Committee considered the case and thought it was a case where leniency should be shown. I believe under the circumstances the Senator should withdraw his objection and permit the bill to pass.

Mr. KING. What recommendation did the War Department make?

Mr. DUFFY. The War Department made no recommendation, saying that they had no authority to erase the record; that the correction had to be made by act of Congress.

Mr. KING. I withdraw objection to consideration of the bill.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

JAMES T. MOORE

The bill (S. 724) for the relief of James T. Moore was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon James T. Moore, formerly chaplain with rank of first lieutenant of the Army of the United States, before a retiring board, to inquire whether at the time of his honorable discharge, December 22, 1922, he was incapacitated for active service, and whether such incapacity was the result of an incident of service, and upon the result of such inquiry the President is authorized to nominate and appoint, by and with the advice and consent of the Senate, the said James T. Moore, a first lieutenant in the Corps of Chaplains and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for officers of the Regular Army: *Provided*, That the said James T. Moore shall not be entitled to any back pay or allowances.

BILL PASSED OVER

The bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

VELIE MOTORS CORPORATION

The bill (S. 708) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment, notwithstanding the lapse of time, or any statute of limitations, or any limitation upon the jurisdiction of such court with respect to claims upon any contract implied in law, upon the claim of the Velie Motor Corporation for reimbursement for net losses sustained by such corporation on account of the additional requirements imposed by the Government with respect to the crating of gun carts manufactured pursuant to a certain war contract (no. CMG–74, dated Oct. 25, 1917) with the Ordnance Department, United States Army, which requirements were not contemplated by such contract.

SEC. 2. Such claim shall be instituted by or on behalf of the Velie Motors Corporation within 1 year after the date of the enactment of this act. Proceedings in any suit before the Court of Claims under this act, and review thereof, and payment of any judgment therein, shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

BILL PASSED OVER

The bill (S. 925) to carry into effect the findings of the Court of Claims in the case of William W. Danenhower was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF WAR MINERALS RELIEF STATUTES

The bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes", was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in any claim that has heretofore been filed within the time and in the manner provided by the act approved March 2, 1919 (40 Stat. 1272), as amended, generally referred to as the "War Minerals Relief Statutes", in which the Supreme Court of the District of Columbia under the authority conferred upon said court by the act approved February 13, 1929 (45 Stat. 1166), has adjudged or decreed interest payments or obligations to be losses reimbursable within the meaning of the act of March 2, 1919 (40 Stat. 1272), as amended, the Secretary of the Interior shall open or reopen such claim and include in his adjustments and payments of losses, interest which has been paid or has accrued to the date of approval of this act: *Provided, however*, That such losses shall be shown to the satisfaction of the Secretary of the Interior as a matter of fact to be the result of a legal obligation incurred within the statutory period as provided in said act of March 2, 1919: *And provided further*, That the sum paid in satisfying said claims shall not exceed in total $1,250,000. It is also provided that all settlements under this act and pursuant to its provisions shall constitute full and complete discharge of all obligations of the United States accruing under the War Minerals Act and acts amendatory thereof.

BOWERS SOUTHERN DREDGING CO.

The Senate proceeded to consider the bill (S. 794) for the relief of the Bowers Southern Dredging Co., which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and insert:

That the Comptroller General of the United States be, and he is hereby, authorized and directed to remit the liquidated damages of $5,400 assessed against the Bowers Southern Dredging Co. for delays caused by World War conditions in the performance of its contract no. 2665, dated November 17, 1917, with the Bureau of Yards and Docks, Navy Department, for dredging and filling certain areas at the naval air station, Miami, Fla., and to certify for payment to the said company, out of any money in the Treasury not otherwise appropriated, the sum of $3,400, being the amount actually withheld as such liquidated damages from amounts otherwise due under the contract: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. COPELAND. Mr. President, this bill passed the Senate at the last session. If the Senator will turn to page 3 of the report, he will see that the Navy Department recommends favorable action on the bill. It seems that when this contract was let there was very great doubt as to the quantity of material to be dredged, and it appears from the report that the contractor dredged about 35 percent in excess of the total estimated quantity and a proportional increase in time for the completion of the work was granted; but there was not the full payment which should have been provided.

Mr. KING. I have turned to the report, and now find that there is no objection by the Secretary of the Navy, and I have no objection to the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1817) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

STANDARD DREDGING CO.

The Senate proceeded to consider the bill (S. 780) for the relief of the Standard Dredging Co., which had been reported from the Committee on Claims with amendments on page 1, line 7, after the words "sum of", to strike out "$3,362.50" and insert "$2,531.25", and on page 2, after line 3, to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Standard Dredging Co., owner of the dredge *Long Beach* and pipe line thereto attached, out of any money in the Treasury not otherwise appropriated, the sum of $2,531.25, or so much thereof as may be necessary, to fully reimburse said owner of said dredge and pipe line for damages suffered for loss of earnings or fair rental value of its said dredging plant for the period operation of same was stopped as a result of a collision with its pipe line by the United States dredge *Chinook*, at Astoria, Oreg., May 1, 1916, under circumstances which were held after due investigation to have been such that the Government was responsible: *Provided*, That no part of the amount appropriated in this act

in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COHEN, GOLDMAN & CO., INC.

The Senate proceeded to consider the bill (S. 1041) for the relief of Cohen, Goldman & Co., Inc., which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Cohen, Goldman & Co., Inc., out of any money in the Treasury not otherwise appropriated, the sum of $19,030.20, in full settlement of all claims against the Government growing out of contracts nos. 1325, 1625, 2299, 3220, and 4519N, and contracts supplementary thereto, for the manufacture during 1917 and 1918 of overcoats and uniforms for the United States Army: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill from the Senator from Kentucky [Mr. LOGAN], who reported it?

Mr. LOGAN. Mr. President, this claim was considered by the Court of Claims upon a petition filed by the claimant. The merits of the claim are not disputed. It grew out of the promise of a bonus and also extra expenses in connection with some war contracts to furnish uniforms. The Court of Claims, I think, passed on it in 1930. The bill has been reported favorably and has been passed by the Senate once previously. The only question, I may say to the Senator from Tennessee, is the statute of limitations, and that is what the Government relied on in the Court of Claims. The sole question before us is whether we will waive the statute of limitations and pay the claim, as there is no doubt as to its validity.

Mr. McKELLAR. Did the Department recommend the bill?

Mr. LOGAN. No; the Department recommended against it on the ground of the limitation, although I might be mistaken about that.

Mr. McKELLAR. Was that the only ground for holding against the claim?

Mr. LOGAN. That was the only point argued before the Court of Claims, so the Court of Claims says, and the only question, as I recall, pending there was whether the law barring this claim because of the lapse of time should be adhered to.

The PRESIDING OFFICER. Is there objection to the consideration of the bill? The Chair hears none, and the question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WESTERN UNION TELEGRAPH CO.

The Senate proceeded to consider the bill (S. 1051) for the relief of the Western Union Telegraph Co., which had been reported from the Committee on Claims with an amendment, at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Western Union Telegraph Co. the sum of $1,155.32 in full and final settlement of all claims against the Government for expenses incurred in repairing a Western Union cable which was picked up and cut by the Coast Guard cutter *Pequot*, January 22, 1931, in grappling for a United States submarine cable between Knight Key Harbor and Sombrero Key, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOUIS FINGER

The Senate proceeded to consider the bill (S. 1073) for the relief of Louis Finger, which had been reported from the Committee on Claims, with amendments, on page 1, line 6, after the words "sum of", to strike out "$2,347.30, as compensation" and insert "$1,347.48 in full settlement of all claims against the Government; and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Louis Finger, of Cleveland, Ohio, the sum of $1,347.48 in full settlement of all claims against the Government for expenses incurred in the treatment of his minor daughter, Elsie Finger, who was injured in an accident involving a United States mail truck August 13, 1930: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WALTER MOTOR TRUCK CO., INC.

The Senate proceeded to consider the bill (S. 1290) for the relief of Walter Motor Truck Co., Inc., which had been reported from the Committee on Claims, with amendments, on page 1, line 6, after the words "sum of", to strike out "$12,950" and insert "$8,400", and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Walter Motor Truck Co., Inc., the sum of $8,400 in full settlement for two motor trucks delivered to and used for 5 years by the United States Quartermaster Department, Motor Transport Corps, United States Army, Camp Holabird, Md., for which no payment has ever been made: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney, or attorneys on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ETHEL G. REMINGTON

The Senate proceeded to consider the bill (S. 1099) for the relief of Ethel G. Remington, which had been reported from the Committee on Claims, with amendments, on page 1, line 6, after the words "sum of", to strike out "$250" and insert

"$200", and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ethel G. Remington the sum of $200, in full and final settlement of all claims against the Government for injuries sustained resulting from a collision involving United States Army truck numbered 429912 on May 27, 1934, near Hayden Lake, Idaho: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DOUGLAS B. ESPY

The Senate proceeded to consider the bill (S. 1548) for the relief of Douglas B. Espy, which had been reported from the Committee on Claims, with amendments, on page 1, at the beginning of line 7, to strike out "$1,033" and insert "$743.50" in full settlement of all claims against the Government", and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Douglas B. Espy, chief machinist's mate, United States Navy, the sum of $743.50 in full settlement of all claims against the Government for the loss of uniforms, clothing, and other personal property belonging to him and his wife, as a result of a fire in the quarters of the naval radio station, Cavite, P. I., on the 15th day of March 1927: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KING. Mr. President, I ask the Senator from Washington whether the Department favors this bill.

Mr. SCHWELLENBACH. Yes; the Department favors the bill. The only question was the question of the amount, and the committee took the amount which had been determined upon by the Naval Court of Claims. The Naval Court of Claims decided that they did not have jurisdiction over the case after they had determined the amount.

Mr. KING. The Senator is referring to the case of Douglas Espy?

Mr. SCHWELLENBACH. Yes.

Mr. KING. The reason I made the inquiry is that several years ago the Senate, as I recall, declined to permit compensation for property which was destroyed by fire where there was no fault at all upon the part of the Government, even though the fire occurred at some post of the Government.

Mr. SCHWELLENBACH. The committee considered that precise point, and it was the opinion of the committee, although it was a close point, that the damage was due to the fault of the Government in not providing proper quarters.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COLLIER MANUFACTURING CO.

The Senate proceeded to consider the bill (S. 1431) for the relief of the Collier Manufacturing Co., of Barnesville, Ga., which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Collier Manufacturing Co., of Barnesville, Ga., the sum of $48,719.70 in full settlement of all claims against the Government for losses sustained by said Collier Manufacturing Co. on account of the manufacture of undershirts for the United States Army in the year 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KING. Mr. President, I will ask the Senator from Kentucky for an explanation of the bill.

Mr. LOGAN. Mr. President, the Senator from Georgia [Mr. GEORGE] is more familiar with the bill than am I, and I will ask him to explain it.

Mr. McKELLAR. Very well. At the beginning, then, may I ask if the Department recommended this bill? My recollection is that it did not.

Mr. GEORGE. I am not able to answer that question.

Mr. McKELLAR. I understand it did not, on the ground that the case had already been adjudicated.

Mr. GEORGE. Mr. President, if the Senator will permit me, I will make a brief explanation of the bill.

This is an old claim, one that grew out of the World War. It was first submitted to the War Department Contract Board which decided that the claimant was not entitled to relief because he was not a formal party to the contract; that is, that there was no contract with this claimant. Subsequently suit was brought in the Court of Claims, and that court found all the material facts going to the merits of the case in favor of the claimant, but decided the case adversely to the claimant upon the ground that the Collier Manufacturing Co. was not a party to the contract with the Government.

The contract was for the production of certain garments to be used by the Army during the war period. The merits of the case, so far as the loss is concerned, are not questioned; that is to say, the Court of Claims found with the claimant on every point that involved the actual merits of the claim.

The facts are these: The contract was made between the governmental agency on the one part and Clift & Goodrich, of New York. Clift & Goodrich were the selling agents of the Collier Manufacturing Co. The selling agents had already executed bond; they were already able to take the contract and go forward with it immediately, without the delay incident to the execution of a bond, and the approval of the sureties, and other arrangements. Clift & Goodrich, being the selling agents of the Collier Manufacturing Co., themselves made the contract, but the contract was to be executed by the Collier Manufacturing Co.; indeed, the contract provided that the goods were to be manufactured by the Collier Manufacturing Co. That company, however, was not a formal party to the contract; but it did reorganize its plant, put in new machinery, and actually produced the goods. The end of the war rapidly approaching, some excuse was found upon which the contract was canceled.

The cancelation was made with Clift & Goodrich, but they clearly had no legal right to put an end to the contract so far as the Collier Manufacturing Co., the real party to the contract, the party having the beneficial interest in the contract, was concerned. They did not undertake to do that, but they did consent to a formal cancelation of the contract at one time.

A similar bill has been before the Senate previously and passed in the last Congress. It did not pass the House. It seems to me this is a case where the Congress should afford relief, because the party beneficially interested, the real party involved, is not able to assert its claim in the Court of Claims, not being formally a party to the contract; that is to say, the Court of Claims based its decision squarely on the point that the contractual relation did not exist between the Collier Manufacturing Co. and the Government, but did exist between Clift & Goodrich and the Government.

Mr. McKELLAR. I shall not object to the bill. I understand a similar bill heretofore passed the Senate and was discussed at that time.

Mr. GEORGE. That is true.

Mr. McKELLAR. I believe the Senator from Kentucky [Mr. LOGAN] made an elaborate statement about it, and if it was acceptable at that time I shall not object to it.

Mr. LOGAN. Mr. President, let me call attention to one point which the Senator from Georgia overlooked. The Government knew of the arrangement between Clift & Goodrich and the Collier Manufacturing Co., and actually sent agents and representatives to supervise the work of the Collier Manufacturing Co.

Mr. GEORGE. The Senator from Kentucky is quite correct.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LEO JAMES M'COY

The bill (S. 881) for the relief of Leo James McCoy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Leo James McCoy shall be held and considered to have been honorably discharged from the United States Navy on the 10th day of August 1924: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

BILLS PASSED OVER

The bill (S. 875) for the relief of Michael F. Calnan was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2029) to authorize naval and Marine Corps service of any officers to be included in computing dates of retirement was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

CARL LINDOW

The bill (H. R. 5032) for the relief of the dependents of Carl Lindow, known also as "Carl Lindo", was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon the widows, children, and/or dependent relatives of persons honorably discharged from the United States Army, Carl Lindow, known also as "Carl Lindo", shall be held and considered to have been honorably discharged on August 9, 1864, as a corporal, Company H, One Hundred and Fifty-first Regiment New York Volunteer Infantry: *Provided*, That no pension, bounty, pay, or other emoluments shall be held to have accrued prior to the passage of this act.

FRANK WHITE AND OTHERS

The bill (S. 1821) for the relief of Frank White and others was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow in the accounts of Frank White and H. T. Tate, former Treasurers of the United States; Guy F. Allen, former Acting Treasurer of the United States; and Robert G. Hilton, former Assistant Treasurer of the United States at Baltimore, Md., the sums of $34,899.70, $92.89, $362.42, and $126.67, respectively, representing unavailable funds, as set forth in House Document No. 342, Seventy-first Congress, first session.

WESTERN ELECTRIC CO., INC.

The Senate proceeded to consider the bill (S. 560) for the relief of the Western Electric Co., Inc., which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Western Electric Co., Inc., the sum of $7,192.35, in full satisfaction for services and materials furnished the War Department in connection with a contract dated June 5, 1920, and for completing certain work in connection with subaqueous sound-ranging equipment for seacoast defenses: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KING. I should like an explanation of the bill.

Mr. LOGAN. Mr. President, the bill is recommended by the Department, as I recall. My memory is that there was some contract with this concern about some subaqueous sound arrangement in Florida. There were some added expenses and losses growing out of the execution of the contract. My recollection is that the War Department, or the department having charge of the matter, recommended payment of some $9,000 in satisfaction of the entire claim. I believe it is satisfactory to everyone.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EDWIN C. JENNEY, RECEIVER

The Senate proceeded to consider the bill (S. 908) for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass., which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwin C. Jenney, receiver of the First National Bank of Newton, Mass., the sum of $9,172.54, being interest which accrued under section 1090 of the Revised Statutes on the judgment of the Court of Claims in favor of said bank for the period between the date of the filing of the transcript of judgment with the Secretary of the Treasury and the date when the order or mandate of the Supreme Court of the United States was issued to the Court of Claims upon the dismissal of the appeal in said case on motion of the United States, and payment of which amount is recommended by the Attorney General: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STATE OF NEBRASKA

The Senate proceeded to consider the bill (S. 1864) for the relief of the State of Nebraska, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and insert the following:

That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the issue of a duplicate check is hereby authorized and directed, without the requirement of an indemnity bond, said check to be a duplicate of original check no. 15757, drawn by the disbursing clerk, Department of Agriculture, January 17, 1934, in favor of "State treasurer of Nebraska, trust fund", for $10,451.12 and lost, stolen, or miscarried in the mails.

Mr. KING. I should like an explanation of the bill.

Mr. BURKE. Mr. President, the bill merely authorizes the issuance of a duplicate check. On January 17, 1934, a check for $10,451.12 was issued to be expended as a part of the funds of the Department of Agriculture. The check was received at the State capitol, but in some mysterious way was lost or destroyed. The bill merely authorizes the issu-

ance of a duplicate check, and the Department approves of that procedure.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Committee on Claims.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

POST OFFICE AND COURTHOUSE BUILDING, RUTLAND, VT.

The Senate proceeded to consider the bill (S. 37) authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post office and courthouse building at Rutland, Vt., which was read, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust on a pro rata basis in an amount not exceeding the unpaid balance, the claims of subcontractors and materialmen who furnished material and labor in the construction of a post office and courthouse building at Rutland, Vt., which work was completed by the National Surety Co., as surety on the performance bond before said surety company was placed in the hands of a rehabilitator appointed by the insurance department of the State of New York, and after the United States had terminated the right of the Brooklyn & Queens Screen Manufacturing Co., Inc., to proceed under contract no. T1SA–1755, dated June 25, 1931.

The Comptroller General of the United States shall pay the money without regard to any priorities the Government may claim against the National Surety Co. in other cases, and when the money shall so have been paid it shall be set aside for subcontractors, materialmen, and laborers who did the work or supplied material for this building with a view to paying their claims, if any: *Provided*, That no payment shall be made until 60 days from the passage of this act or until personal notice has been given all claimants for the filing of such claims.

And there is hereby made available from such appropriations not to exceed $19,138.18 for this purpose; payments so made shall be charged to the National Surety Co. in the adjustment of the accounts between said company and the United States: *Provided*, That before any allowance is made pursuant to the terms of this act, the liquidator of the National Surety Co. shall file with the Comptroller General written consent thereto.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. The bill was reported by the junior Senator from Vermont [Mr. GIBSON]. The author of the bill is the Senator from New York [Mr. COPELAND].

Mr. COPELAND. Let me invite attention to page 3 of the report, where the committee states:

More than 90 percent of this money is to be paid subcontractors and material men. Both the surety company and the Hegeman-Harris Co. are willing to comply with any requirements that may be imposed to guarantee such a disbursement of funds. In view of this fact there is not tenable objection to the passage of the bill.

That is the view of the committee.

At the top of page 5 of the report the Comptroller General States:

If it should be favorably considered for enactment, the bill should be amended.

The bill has been amended as suggested.

Mr. McKELLAR. May I ask the Senator if there has ever been a previous adjustment of the claim in any way by any department?

Mr. COPELAND. No. There was always a dispute about whether the Government was liable. The committee went into the matter very extensively last year when we passed on identical bills.

Mr. McKELLAR. Oh, a similar bill passed the Senate last year?

Mr. COPELAND. Yes.

Mr. McKELLAR. I should like to inquire of the Senator whether or not there has been a settlement made and an acceptance of what has been offered?

Mr. COPELAND. No.

Mr. McKELLAR. This is not an additional claim?

Mr. COPELAND. No.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EMERGENCY CONSERVATION WORK

The Senate proceeded to consider the bill (S. 82) to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, in line 10, after the word "that", to insert the words "upon the recommendation of the department under which the technical work of the camp was organized and supervised", so as to make the bill read:

Be it enacted, etc., That the Director of Procurement, United States Treasury Department, be, and he is hereby, authorized and directed to transfer to Federal agencies, either permanent or emergency, personal property which is no longer required for use by the Emergency Conservation Work, including equipment, tools, materials, and buildings, when so declared surplus by the Director of the Emergency Conservation Work: *Provided*, That upon the recommendation of the Department under which the technical work of the camp was organized and supervised any such surplus property that is not desired by any Federal agency may be transferred without cost, except for expenses incident to transfer, to the forestry, park, conservation, or educational departments of the States, or to counties or municipalities, or to organizations engaged in the promotion of education, recreation, and/or health.

SEC. 2. Surplus property of the Emergency Conservation Work not required to serve any of the above purposes will be disposed of by the Director of Procurement through sale or in any other manner he may direct.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF TIME FOR FINAL PROOF BY HOMESTEAD ENTRYMAN

The bill (S. 1065) to further extend the period of time during which final proof may be offered by homestead entryman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to extend the period of time during which final proof may be offered by homestead entrymen", approved May 13, 1932, as amended, is amended by striking out "December 31, 1934" and inserting in lieu thereof "December 31, 1935."

The title was amended so as to read: "A bill to further extend the period of time during which final proof may be offered by homestead and desert land entrymen."

RESOLUTION PASSED OVER

The resolution (S. Res. 74) to investigate the public and official conduct of James A. Farley was announced as next in order.

Mr. McKELLAR. Mr. President, it will be recalled that an adverse report was submitted from the Committee on Post Offices and Post Roads. I ask that the resolution be voted down.

Mr. LONG. Mr. President, just a minute. Let us have a little discussion of this matter.

The PRESIDING OFFICER. The Senator from Louisiana is recognized under the rule.

Mr. LONG. If the Senate please, I hardly suppose our discussion can be concluded in 5 minutes. Under the rule of the Senate we would have only 5 minutes for discussion of the resolution. Of course I want to discuss the matter longer than 5 minutes. I take it the Senator from Tennessee will require a little more than 5 minutes explaining the matter by the time I get through discussing it.

Mr. McKELLAR. I am willing to vote on it without any discussion.

Mr. LONG. When the time comes, I want to tear to pieces, limb by limb, the report filed by the committee.

Mr. McKELLAR. The Senator can do that in 5 minutes.

Mr. LONG. The Senator from Tennessee may do one of two things. He may either say he will not object to the resolution being adopted or he may object. That is his prerogative.

Mr. McKELLAR. I have not objected.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. LOGAN. I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

LOUIS ZAGATA

The bill (H. R. 340) for the relief of Louis Zagata was considered, ordered to a third reading, read the third time, and passed.

CARL L. BERNAU

The bill (H. R. 2678) for the relief of Carl L. Bernau was considered, ordered to a third reading, read the third time, and passed.

THOMAS F. COONEY

The Senate proceeded to consider the bill (S. 2205) for the relief of Thomas F. Cooney, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$4,000" and insert "$2,000", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $2,000 to Thomas F. Cooney, of Las Cruces, N. Mex., in full satisfaction of his claim against the United States for damages for injuries sustained on the stairs in the Federal Building, Portland, Oreg.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2119) for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, and/or the widows of such of them as may be deceased was announced as next in order.

Mr. KING. May we have an explanation of the bill? [A pause.] Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

MISSOURI RIVER BRIDGE, OMAHA, NEBR.

The bill (S. 1987) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr., authorized to be built by the Omaha-Council Bluffs Missouri River Bridge Board of Trustees by an act of Congress approved June 10, 1930, heretofore extended by acts of Congress approved February 20, 1931, June 9, 1932, February 24, 1933, and March 5, 1934, are hereby further extended 1 and 3 years, respectively, from June 10, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

MISSISSIPPI RIVER BRIDGE, ST. LOUIS, MO.

The bill (S. 1855) to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved on February 13, 1931, be, and the same is hereby, revived and reenacted: *Provided*, That the construction herein authorized be commenced within 1 year and completed within 3 years from the date of the approval of this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

THOMAS G. CARLIN

The bill (S. 1410) for the relief of Thomas G. Carlin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon Thomas G. Carlin, formerly captain in the Army of the United States, before a retiring board to inquire whether at the time of his resignation from the Regular Army he was incapacitated for active service, and whether such incapacity was a result of an incident of service, and if, as a result of such inquiry it is found that he was so incapacitated, the President is authorized to nominate said Thomas G. Carlin, a captain in the Regular Army and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for officers of the Regular Army: *Provided*, That the said Thomas G. Carlin shall not be entitled to any back pay or allowance.

ESTATES OF ABSENTEES AND ABSCONDERS IN THE DISTRICT

The bill (H. R. 83) to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, this seems to be quite an important bill.

Mr. KING. Mr. President, the bill is less formidable than it appears to be. Persons abscond leaving obligations here and leaving their families, and the bill merely provides for proper and legal disposition of their estates. It has the unanimous support of the Committee on the District of Columbia, and the unanimous support of the District Commissioners.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CHANGE OF DESIGNATION OF LEFFLER PLACE TO SECOND PLACE

The Senate proceeded to consider the bill (H. R. 4538) to change the designation of Leffler Place to Second Place, which was read.

Mr. McKELLAR. Mr. President, will the Senator explain the bill? What does it mean?

Mr. KING. Mr. President, this bill is an illustration of the necessity of conferring upon the District Commissioners authority in addition to that which they now possess; and from time to time we have attempted to secure legislation giving to them additional authority. This is a case where the Commissioners and the people of the District desire the name of a certain street changed, and it is necessary to come to Congress in order to secure legislation permitting it to be done.

Mr. McKELLAR. I have no objection.

The bill was ordered to a third reading, read the third time, and passed.

TRINITY COLLEGE, WASHINGTON, D. C.

The Senate proceeded to consider the bill (H. R. 3477) relating to the incorporation of Trinity College of Washington, D. C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia, as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia, which was read.

Mr. KING. Mr. President, this bill is another illustration of the importance of having a general incorporation act in the District of Columbia. A number of years ago, because there was no law of that character, many of these corporations had to obtain special charters, and now they cannot amend them unless they come to Congress. If they desire to increase or diminish the number of directors, they cannot do so without a special act of Congress.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1162) to regulate the business of making small loans in the District of Columbia and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913, was announced as next in order.

Mr. McKELLAR. Mr. President, I shall have to ask the Senator from Utah to explain that bill.

Mr. KING. I shall be very glad to do so.

Mr. McNARY. Mr. President, the Senator from Minnesota [Mr. SCHALL] is out of the city on account of a death in his family. He has requested me to ask that the bill go over in his absence.

The PRESIDING OFFICER. The bill will be passed over.

HAMPTON & BRANCHVILLE RAILROAD CO.

The Senate proceeded to consider the bill (S. 1024) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co., which was read, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co., of Hampton, S. C., against the United States for the sum of $4,306.51, representing the amount of a judgment recovered by the United States from such company by virtue of a certain guaranty contract between such company and the United States entered into in accordance with the provisions of section 209 of the Transportation Act, 1920, and such additional sum as may be found to be due by the United States to such company as a result of such contract.

SEC. 2. The Court of Claims is authorized and directed to make such detailed examination of the accounts of such company as may be necessary in order to ascertain the amount, if any, due such company by the United States by virtue of such contract.

SEC. 3. Such claim may be instituted at any time within 6 months after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which court has jurisdiction under section 145 of the Judicial Code, as amended.

Mr. KING. Mr. President, let us have an explanation of this bill.

Mr. SMITH. Mr. President, this bill passed the Senate last year. During the time the Government had charge of the railroads some difference as to bookkeeping arose, and no objection was then offered to the course that was taken. It is necessary for this claim to be settled in order to do justice to both parties.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

ADMINISTRATION OF OATHS IN THE NAVAL ESTABLISHMENT

The bill (S. 1210) authorizing certain officials under the Naval Establishment to administer oaths was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That chief clerks and inspectors attached to the office of inspectors of naval material, chief clerks attached to field services under the Naval Establishment and to navy yards, naval stations, and Marine Corps posts and stations, and such other clerks and employees attached to offices of inspectors of naval material, field services, naval stations, navy yards, and Marine Corps posts and stations as may be designated by the Secretary of the Navy are authorized to administer any oath required or authorized by any law of the United States, or regulation promulgated thereunder, relating to any claim against or application to the United States of officers and employees under the Naval Establishment; said persons so authorized to administer the aforesaid oaths are also authorized to administer oaths of office to officers and employees under the Naval Establishment, but no compensation or fee shall be demanded or accepted for administering any such oath or oaths.

UNAUTHORIZED WEARING, ETC., OF NAVAL MEDALS AND BADGES

The bill (S. 1606) to prohibit the unauthorized wearing, manufacture, or sale of medals and badges issued by the Navy Department was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any person who knowingly wears, manufactures, or sells any decoration or medal authorized by the Congress for the naval forces of the United States, any service medal or badge awarded by the Navy Department, any ribbon, button, or rosette of any of the said medals, badges, or decorations issued by the Secretary of the Navy, or any colorable imitation of any of them, except when authorized to do so under regulations prescribed by the Secretary of the Navy, shall upon conviction be fined not more than $250 or imprisoned not longer than 6 months, or both.

ADMINISTRATION OF OATHS BY NAVAL AND MARINE OFFICERS

The bill (S. 93) to authorize certain officers of the Navy and Marine Corps to administer oaths was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in places beyond the continental limits of the United States where the Navy or Marine Corps is serving, such officers of the Navy or Marine Corps as are authorized to administer oaths for the purposes of the administration of naval justice and for other purposes of naval administration shall have the general powers of a notary public or of a consul of the United States in the administration of oaths, the execution and acknowledgment of legal instruments, the attestation of documents, and the performance of all other notarial acts.

H. KAMINSKI & CO. ET AL.

The Senate proceeded to consider the bill (S. 538) for the relief of H. Kaminski & Co., Kaminski Hardware Co., and the Carolina Hardware Co., which had been reported from the Committee on Claims with an amendment, on page 2, line 3, after the word "limitations", to insert a proviso, so as to make the bill read:

Be it enacted, etc., That notwithstanding the provisions and limitations of the revenue laws relating to refunds of overpayments of taxes, the Secretary of the Treasury is authorized and directed to receive and consider the claims for refund of overpayment of income and excess-profits taxes assessed for the years 1917 and 1918 against (1) H. Kaminski & Co., a partnership; (2) Kaminski Hardware Co., a partnership; and (3) the Carolina Hardware Co., a corporation organized under the laws of the State of South Carolina, all of Georgetown, S. C., which claims were disallowed for failure to file within the statutory period of limitations: *Provided*, That in considering the claims for refund of overpayment of income and excess-profits taxes assessed for the years 1917 and 1918 the Secretary of the Treasury shall take into consideration any offset or collection of any tax found to be due from any of the concerns on the basis of a consolidated return. Such claims may be instituted within 6 months after the date of enactment of this act.

Mr. McKELLAR. Mr. President, may I ask the Senator from Kentucky [Mr. LOGAN] to explain this bill?

Mr. LOGAN. Mr. President, the Senator from South Carolina [Mr. BYRNES], who introduced the bill, perhaps understands it better than I do, although I think I could explain it if he were not present.

Mr. BYRNES. Mr. President, this bill arises out of the payment of taxes by H. Kaminski & Co., a partnership; the Kaminski Hardware Co., a partnership; and the Carolina Hardware Co., a corporation. The Treasury Department states that there was an overassessment of taxes. They take the position, however, that the claim was filed too late, and that it is barred by the statute of limitations.

That is a correct statement, in that the formal claim was filed too late. The taxpayer has shown to the committee that he was in correspondence with the Bureau of Internal Revenue of the Treasury Department, that he was advised from time to time that the claim for repayment was under consideration, and, because he was so advised, he did not make formal claim. He considered that his request for payment was sufficient claim.

The bill does not involve a large sum of money—some seven or eight hundred dollars, as I recall. I submit to the Senator from Tennessee that where the Treasury Department states there has been an overassessment, and it is admitted that the taxpayer was corresponding with the Department with reference to the claim, even though the formal claim was not filed until after the statute had run, the United States Government does not desire to take from the taxpayer money to which the Treasury says he is rightfully entitled.

Mr. McKELLAR. But the Treasury Department reports the bill unfavorably.

Mr. BYRNES. It reports the bill unfavorably, as the Senator will see if he will read the letter of the Department, solely because of the fact that the claim was filed after the time for filing claims had expired; and the Treasury told

the taxpayer it must come and seek special relief because, under the law, they did not have the right to grant it.

Mr. McKELLAR. It is also stated in the report that this case is no different from many, many other cases of a similar kind, so that this would be an open invitation to file many other claims; would it not?

Mr. BYRNES. If that were true, I should be disposed to agree with the Senator; but if the Senator will read the statement in the report he will see that this claim is unlike others, in that the taxpayer was continuously corresponding with the Department and making a claim informally, as the Department says, for a refund of the taxes. Therefore, it is not like the other cases where no claim at all has been made. The taxpayer was misled into believing that he had filed a sufficient claim.

Mr. LOGAN. Mr. President——

Mr. BYRNES. I yield to the Senator from Kentucky.

Mr. LOGAN. The Senator from South Carolina has explained what I had in mind. I may say to the Senator from Tennessee that there is the following difference between this and many similar claims:

These people were trying to have their taxes adjusted through the Bureau of Internal Revenue. Correspondence about the matter had been carried on for several years, perhaps 7 or 8 years; it may not have been that long. I do not recall the exact length of time. The taxpayers thought the matter would be adjusted through the Bureau of Internal Revenue. Then it dawned upon them—someone advised them to that effect—that they ought to file a formal request for a refund. When they filed the request, the Bureau of Internal Revenue ceased to consider the claim, and pleaded the statute of limitations, when they had been treating with the taxpayers all the time for the purpose of making an adjustment.

Mr. McKELLAR. I shall not object to the consideration of the bill, but I think the precedent is a very bad one, because if we start in to relieve every taxpayer from the statute of limitations the consequences may be imagined.

CONSTITUTIONALITY OF THE N. R. A.

Mr. LONG. Mr. President, there is pending before the Supreme Court of the United States a case involving the constitutionality of the N. R. A. Some man running a plant down in Alabama refused to pay any attention to the N. R. A. He defied every law on the books containing an N. R. A. provision. He respected none of the hours and none of the wages or other regulations prescribed by the N. R. A. They finally tried to compromise with this man from Alabama, I am told, and he would not compromise, so they arrested him, and in court he would not make any defense at all except that the act was unconstitutional.

The case is set for hearing on Monday in the Supreme Court of the United States, I am told; and now the Government representatives have suddenly dismissed the case, or have arranged to dismiss it, so that the Supreme Court cannot pass on the N. R. A. They have turned the man loose, scotfree, in order to keep the Supreme Court from passing on this nefarious legislation.

I knew the N. R. A. Act was unconstitutional, and the representatives of the Government know it is unconstitutional, absurd, ridiculous, and preposterous. The disgraceful thing about it is that a man who has been allowed to tell the N. R. A. officials where to go, and what they could do if they did not like it, is haled into court and his case is put on the docket, and now they go in and withdraw the case in order to keep the Supreme Court of the United States from adjudicating the N. R. A. Act unconstitutional, as they know it ought to be adjudicated.

So I want the Senate to take notice that apparently the authorities feel that the old blue eagle, or blue buzzard, or whatever they call the fluttering outfit, can be kept alive around here on this bulldozing system of browbeating and bulldozing the little 2-by-10 man around the country who may not have a lawyer or enough money to go to court. They shoot in a bureaucrat there and hand a dictionary to the man to read, and threaten to put him in the penitentiary, and he does not know whether he is coming or going.

If this kind of business is to go on, I intend to publish to the United States, at least so far as Louisiana is concerned, that other persons should pay just exactly the same attention to the N. R. A. as the man in Alabama paid to it. I expect to do just what he did if that is to be the course of the Department of Justice. I think we all ought to go out and tell our people to follow the example of the man in Alabama, to pay no attention to the N. R. A., and when the time comes that the Court has to adjudicate on the constitutionality of the act you can depend upon it that they will ask to have the case withdrawn to keep the Court from passing on it.

Before I sit down I will make two bites out of the cherry, if I have a minute left of my 5 minutes.

I am informed that the C. C. C. camp reports show that it is costing $1,200 per year per man in the C. C. C. camps, $100 a month for the sapling-planters of the United States. That is a marvelous showing, in view of the fact that the conference committee struck out the $40,000,000 amendment dealing with education to the work-relief joint resolution. In other words, they could not spare about $8 or $10 a month, or a hundred dollars a year, for education for a man, but they can spend $1,200 a year to fool around with a sapling camp among the red bugs and black flies and other insects!

Mr. McKELLAR. Mr. President, the Senator is mistaken about that. When the conference report comes before the Senate, he will find that the teachers are taken care of in the joint resolution.

Mr. LONG. My understanding is that the conferees struck out our $40,000,000.

Mr. McKELLAR. We struck out the language you used.

Mr. LONG. It is not my language, but the language of the Senator from New Mexico [Mr. CUTTING].

Mr. McKELLAR. But we used other language which will be much more effective.

Mr. LONG. I assume it will be much more effective. It always is. [Laughter.]

The PRESIDING OFFICER (Mr. POPE in the chair). The question is on agreeing to the amendment of the committee to Senate bill 538.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROCKY BOY INDIAN RESERVATION

The bill (S. 613) to add certain public-domain land in Montana to the Rocky Boy Indian Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That approximately 557 acres of public-domain land in the State of Montana, described as lots 2, 4, 6, and 8, section 25; lots 2, 4, 6, and 8, section 26; lots 2, 4, 6, and 8, section 27; lots 2, 3, and 4, section 28; lot 5, section 29, township 28 north, range 15 east; lots 2, 4, 6, and 8, section 27; lots 2, 4, 6, and 8, section 28; lots 2, 4, 6, and 8, section 29, lots 5, 7, 9, and 11, section 30, township 28 north, range 16 east, of the Montana meridian, in Montana, be, and the same are hereby, withdrawn from the public domain and added to the Rocky Boy Indian Reservation: *Provided*, That the rights and claims of bona fide settlers initiated under the public-land laws prior to January 6, 1934, shall not be affected by this act.

KANOSH BAND OF INDIANS

The bill (S. 380) to reserve 80 acres on the public domain for the use and benefit of the Kanosh Band of Indians in the State of Utah was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the west half southwest quarter section 10, township 23 south, range 5 west, Salt Lake meridian, Utah, be, and the same is hereby, reserved for the sole use and occupancy of the Kanosh Band of Indians of Utah: *Provided*, That the rights and claims of any bona fide settler initiated under the public-land laws prior to the approval hereof shall not be affected by this act.

OMAHA AND WINNEBAGO INDIANS, NEBRASKA

The bill (S. 612) for the benefit of the Omaha and Winnebago Indians of Nebraska was announced as next in order.

Mr. NORRIS. Let that bill go over.

Mr. THOMAS of Oklahoma. Mr. President, the bill which has just been called relates to an Indian situation in Ne-

braska. The bill proposes to take some land, which is now on the tax roll, and place it within an Indian reservation, where the land will become nontaxable.

When the bill was reported it had the approval of the Indian Office and the Department of the Interior. It was understood when it was reported that if the Senators from Nebraska, or the Member of the House representing the particular district, had objection, the objection would be observed, and inasmuch as the senior Senator from Nebraska has objected, it is entirely proper that the bill should go over. Personally I will not call the bill up until and unless the Senator shall give his consent.

Mr. NORRIS. Mr. President, I thank the Senator for his assurance. I am not certain that I will be opposed to the bill after I have looked into the facts. However, I am personally familiar with the county in which one of these reservations is situated, and, as I remember, a great deal of the land of the county being in the reservation the taxation question is very serious. But, as I have said, I want to look into the matter and to consult my colleague about it. It is in a part of the State near where my colleague resides, and after I have conferred with him I shall be glad to take the matter up with the Senator from Oklahoma and let him know the result of our deliberations.

The PRESIDING OFFICER. Objection having been heard, the bill will be passed over.

SEMINOLE INDIAN LANDS, FLORIDA

The bill (S. 654) authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to exchange lands in the State of Florida reserved for the Seminole Indians by Executive order of June 28, 1911, or purchased for said Indians, or any part thereof, for lands owned by the State of Florida. Upon conveyance to the United States by the State of Florida of a sufficient title to the lands to be acquired for the use of the Seminole Indians, the Secretary of the Interior is authorized to issue a patent in fee or to make other proper conveyance to the State of Florida covering the lands granted in exchange.

GRAZING RESERVE FOR INDIANS IN NEVADA AND OREGON

The bill (S. 1142) to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That public-domain lands in the States of Nevada and Oregon described as lots 3, 4, and west half lot 5 of section 1; lots 1 to 9, inclusive; west half lot 10 and north half southwest quarter section 2; lots 1 to 10, inclusive, and south half section 3; lots 1 to 10, inclusive, and southeast quarter section 4; lots 1 to 4, inclusive, and lots 8, 10, 11, and 12 of section 5; north half northeast quarter section 9; north half northwest quarter and northwest quarter northeast quarter section 10, township 47, north, range 39 east, of the Mount Diablo meridian, Nevada; and southeast quarter section 20; west half southeast quarter and southeast quarter southeast quarter section 21; south half section 22; northwest quarter, southeast quarter and south half southwest quarter section 26; west half southeast quarter, west half northeast quarter and northeast quarter northeast quarter section 27; all of section 28; east half and southwest quarter section 29; all of sections 31, 32, 33, 34, 35, and southwest quarter section 36, of township 40 south, range 44 east; and all of sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, west half, northeast quarter, north half southeast quarter and southwest quarter southeast quarter section 12; west half section 13; all of sections 14, 15, 16, 17, 18, and fractional sections 19, 20, 21, 22, 23, and west half of fractional section 24 of township 41 south, range 44 east, of the Willamette meridian, in Oregon, containing approximately 21,500 acres, be, and the same are hereby, withdrawn from the public domain and reserved for the use and occupancy of Indians of the former Fort McDermitt Military Reserve, Nev.: *Provided*, That the rights and claims of bona fide settlers initiated under the public-land laws prior to July 7, 1933, shall not be affected by this act.

ROBERT D. BALDWIN

The bill (S. 1498) for the relief of Robert D. Baldwin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Robert D. Baldwin, superintendent and special disbursing agent of the Haskell Institute, at Lawrence, Kans., for an expenditure of $1,359.26 made in October 1931 and paid from the appropriation for Indian boarding schools, fiscal year 1932.

ROBERT J. ENOCHS

The bill (S. 1499) for the relief of Robert J. Enochs was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Dr. Robert J. Enochs, former superintendent and special agent of the Choctaw Indian Agency, Philadelphia, Miss., for an expenditure of $80.07 made in January 1932 for shoes, and paid from the appropriation "Support of Indians and Administration of Indian Property, 1932."

CHARLES L. GRAVES

The Senate proceeded to consider the bill (S. 1502) for the relief of Charles L. Graves, which was read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, directed to allow credit in the accounts of Charles L. Graves, superintendent and special disbursing agent at Jicarilla Agency, N. Mex., for payments aggregating $51,277, made from tribal funds of the Jicarilla Indians to various persons in connection with the purchase of sheep for issue to various members of the tribe, to which payments exception was taken by the General Accounting Office for the reason as claimed that there was no authority of law therefor.

Mr. McKELLAR. Mr. President, will not the Senator from Oklahoma explain this bill? It seems to be a complicated matter.

Mr. THOMAS of Oklahoma. Mr. President, the bills we have just passed, and the ones immediately to follow, are bills which have been investigated by the Bureau of Indian Affairs, and are recommended by that Bureau. They have the approval of the Budget Bureau where such approval is necessary.

It seems that in this particular case a new Indian agent taking jurisdiction of an Indian reservation was not familiar with some of the routine necessary in the transaction of business. The particular agent involved spent some money in the purchase of feed. The authorization was entirely proper, but it did not comply with the rules and regulations of the Comptroller's Office.

The office of the Interior Department advises that everything was regular, save that the proper procedure was not followed; that no money was misapplied or misappropriated. The result would have been just the same had the agent followed the rules and regulations laid down by the Comptroller's Office. The bill is only for the purpose of correcting the record.

Mr. McKELLAR. It does not appropriate money further than to make the original authorization good?

Mr. THOMAS of Oklahoma. It merely corrects the record, and involves the appropriation of no money whatever.

Mr. McKELLAR. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHARLES E. DAGENETT

The bill (S. 1520) for the relief of Charles E. Dagenett was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized to credit the accounts of Charles E. Dagenett, supervisor of Indian employment and special disbursing officer (retired), in the sum of $125.56, representing funds expended by him in that sum for telephone tolls, lodging, traveling expenses, etc., for himself and others in connection with work under his supervision.

SHOALWATER INDIAN RESERVATION, WASH.

The Senate proceeded to consider the bill (S. 1814) to authorize the creation of an Indian village within the Shoalwater Indian Reservation, Wash., and for other purposes, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to reserve and set aside for Indian village purposes, and to survey and plat into village blocks, lots, streets, and alleys, a suitable area of land within the Shoalwater (Georgetown) Reservation in Washington. The lots shall be subject to assignment by the superintendent or other officer in charge of the Shoalwater Reservation, under the direction of the Commissioner of Indian Affairs, to qualified Indians for use and occupancy only.

SEC. 2. That the Secretary of the Interior is hereby authorized, in his discretion, to expend so much of the $15,150 derived from the sale of timber on the reservation and now carried in "special deposits" to the credit of the superintendent of the Taholah Agency, as may be needed to carry out the provisions of section 1 of this act and to assist the Indians who receive lots, in developing the village and building homes therein, including the construction of such water, sewer, and fire-protection facilities as may be practicable: *Provided*, That the balance of said funds remaining unexpended after development of the village may be used in promoting the health and the educational and industrial welfare of the Indians living therein.

Mr. McKELLAR. Mr. President, as I understand it, this bill has the recommendation of the Department.

Mr. THOMAS of Oklahoma. It has. All the bills reported by the committee have the recommendation of the Department.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for the third reading, was read the third time, and passed.

ZUNI INDIAN RESERVATION, N. MEX.

The bill (S. 1831) transferring certain national-forest lands to the Zuni Indian Reservation, N. Mex., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the lands in townships 8 and 9 north, ranges 16 and 17 west, of the New Mexico principal meridian, New Mexico, comprising the Miller Division of the Cibola National Forest, are hereby eliminated from the Cibola National Forest and withdrawn as an addition to the Zuni Indian Reservation, subject to any valid existing rights of any persons thereto.

SENECA NATION OF INDIANS

The bill (S. 1942) to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927 (44 Stat. L. 932), is hereby repealed.

BILL PASSED OVER

The bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals; and for other purposes, was announced as next in order.

Mr. DICKINSON. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

ESTATE OF JOSEPH GAYTON

The bill (S. 1414) for the relief of the rightful heir of Joseph Gayton, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jean Marcella Mentz Gayton (now Wicks), the rightful heir of Joseph Gayton, deceased Sioux allottee no. 1724 of the Standing Rock Agency in North Dakota, as determined by the Secretary of the Interior pursuant to existing law, the sum of not to exceed $4,400.25: *Provided*, That the Secretary of the Interior may deposit the said sum to the credit of the said heir and handle it in the same manner as other individual Indian moneys: *Provided further*, That not to exceed 5 percent of this amount shall be paid to any attorney or attorneys for services rendered in this case: *And provided further*, That should the person herein named be not living upon the date of the passage of this act the said sum shall be credited to and become a part of her estate.

MRS. GUY A. M'CONOHA

The Senate proceeded to consider the bill (S. 951) for the relief of Mrs. Guy A. McConoha, which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Guy A. McConoha, of Poplar, Mont., the sum of $425.50 in full satisfaction of all claims of such Mrs. Guy A. McConoha against the United States resulting from the loss sustained by her when dispossessed by the Government of a certain Ford automobile purchased with a like sum by the said Mrs. Guy A. McConoha, such automobile, without her knowledge, having been previously forfeited to the United States under the Internal Revenue laws and laws relating to the suppression of the traffic in intoxicating liquors among the Indians: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELSIE SEGAR

The Senate proceeded to consider the bill (S. 2218) for the relief of Elsie Segar, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "$4,700" and to insert in lieu thereof "$1,200"; on page 2, line 5, to strike out "$1,955" and to insert in lieu thereof "$800" and to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elsie Segar, administratrix of C. M. A. Sorensen, the sum of $1,200 for loss on September 1, 1924, of a boathouse, engine parts, tools, electric fittings, marine supplies, and clothing belonging to C. M. A. Sorensen, at Bayou St. John, city of New Orleans, La., while said boathouse was being used by and in the sole occupancy of Government prohibition agents, pursuant to rental privileges granted by C. M. A. Sorensen to prohibition agents of the United States Government, at New Orleans, La.; and to Holger E. Sorensen, the son of C. M. A. Sorensen, the sum of $800 for loss to Holger E. Sorensen of personal property and belongings in the said boathouse at the time of said boathouse destruction: *Provided*, That no part of the amount appropriated in this Act, in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HARRY LAYMAN

The Senate proceeded to consider the bill (S. 276) for the relief of Harry Layman, which had been reported from the Committee on Claims with amendments, on page 1, line 5, to strike out "$5,000" and to insert in lieu thereof "$1,000"; on line 6, after the word "Ohio", to strike out the words "as damages" and to insert the words "in full settlement of all claims against the Government"; and to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Harry Layman, of Cincinnati, Ohio, in full settlement of all claims against the Government for injuries incurred while working in the military stone quarry at the United States penitentiary annex, Fort Leavenworth, Kans.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELTON FIRTH

The Senate proceeded to consider the bill (S. 728) for the relief of Elton Firth, which had been reported from the Committee on Claims with amendments, on page 1, line 5, to strike out "$5,000" and to insert in lieu thereof "$1,000"; and on line 9, after the date "1931", to insert the words "and that Elton Firth shall be admitted to such naval hospital as may be directed by the Chief of the Bureau of Medicine and Surgery of the Navy Department for necessary care and treatment: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding "$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay to Elton Firth, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 in full payment of personal injuries sustained as a result of the explosion of a bomb dropped by a United States naval airplane near Plum Tree Point, York County, Va., on November 11, 1931, and that Elton Firth shall be admitted to such naval hospital as may be directed by the Chief of the Bureau of Medicine and Surgery of the Navy Department for necessary care and treatment: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GUY CLATTERBUCK

The Senate proceeded to consider the bill (S. 1872) for the relief of Guy Clatterbuck, which had been reported from the Committee on Claims with an amendment to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $35 to Guy Clatterbuck, a forest ranger employed on the Flathead National Forest, State of Montana, in payment for a horse which was lost during a forest fire in said national forest: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, is there a favorable report from the Department on this bill?

The PRESIDING OFFICER. The Chair is informed that there is a favorable report.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CARL C. CHRISTENSEN

The Senate proceeded to consider the bill (S. 1566) for the relief of Carl C. Christensen, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "$7,500" and to insert in lieu thereof "$3,500", and to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Carl C. Christensen, of Spider Lake, Vilas County, Wis., the sum of $3,500, in full satisfaction of all claims of said Carl C. Christensen against the United States for damages resulting from personal injuries sustained by him on April 22, 1934, when shot by one Lester M. Gillis (alias Baby Face Nelson), while assisting two agents of the Department of Justice, Division of Investigation, in their endeavor to apprehend one John Dillinger and his associates: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. DUFFY. Mr. President, for the sake of the RECORD, let me say that the last bill passed arose out of the unpleasant visit our State received from "Baby Face" Nelson and John Dillinger. I want the RECORD to show that the amendment which has been added with reference to attorneys' fees is merely a matter of routine by the committee; that no attorneys have been connected with the presentation of the case.

A large number of people in northern Wisconsin were very much interested in seeing some financial relief given to the man who is the beneficiary under the bill, who was assisting the Federal officers at the time he was injured. It is only a matter of procedure for the committee to insert the provision that there shall not be an attorney's fee of over a certain percentage. As a matter of fact, no attorneys have been connected with the presentation of the bill.

JOHN MULHERN

The Senate proceeded to consider the bill (S. 814) for the relief of John Mulhern, which had been reported from the Committee on Claims with amendments, on page 1, line 3, to strike out the words "That there is hereby authorized to be appropriated for payment by the Secretary of the Treasury to John Mulhern, or his legal representatives," and to insert in lieu thereof the words "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to John Mulhern, out of any money in the Treasury not otherwise appropriated" and to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to John Mulhern, out of any money in the Treasury not otherwise appropriated, the sum of $202, as full compensation for a gasoline tank, gasoline pump, and 105 gallons of gasoline, destroyed on March 11, 1934, by fire caused by pupils of the Truxton Canon Indian School, Valentine, Ariz.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PERTH AMBOY, N. J.

The Senate proceeded to consider the bill (S. 156) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J., which was read, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J., for the recovery of money expended in 1918 by the city of Perth Amboy pursuant to an alleged agreement with the United States to extend the city's water system for the purpose of supplying water to the

Raritan Arsenal and Colonial Base Hospital, No. 2, less the present estimated value of the equipment installed under such agreement.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations, except that said city shall be required to give sufficient assurance to the United States that it will preserve the facilities for furnishing water on account of which this claim is made and will not destroy or render them unfit for use except with the consent of the Secretary of War. Proceedings for the determination of such claim, and appeals from, and payment of any judgment thereon shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

Mr. McKELLAR. Mr. President, will not the Senator from New Jersey state the nature of this bill?

Mr. BARBOUR. Mr. President, the circumstances in connection with the claim covered by the bill briefly are as follows: A considerable sum of money was spent by the city of Perth Amboy, N. J., in 1918, for the purpose of supplying water to the Raritan Arsenal and Colonial Base Hospital, No. 2. The city has endeavored in many ways to have its rights determined and to adjust the matter. The committee recommends that the city be given an opportunity to bring its case before the Court of Claims.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for the third reading, was read the third time, and passed.

CONSOLIDATED ASHCROFT HANCOCK CO., INC., BRIDGEPORT, CONN.

The Senate proceeded to consider the bill (S. 208) for the relief of the Consolidated Ashcroft Hancock Co., Inc., Bridgeport, Conn., which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the Consolidated Ashcroft Hancock Co., Inc., for an amount not exceeding $1,705.98 as liquidated damages deducted by the Navy Department in making payments under contract no. 28225, dated August 23, 1932, for certain valves when the contractor was delayed in the completion of delivery for the reason that valves superior to contract requirements were developed and delivered by the contractor. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sum not to exceed $1,705.98 for payment of the claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per centum thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS GROWING OUT OF CIVILIAN CONSERVATION CORPS ACTIVITIES

The bill (S. 553) to authorize the settlement of individual claims for personal property lost or damaged arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War, was announced as next in order.

Mr. KING. Mr. President, doubtless some compensation should be paid because of the torts committed by some of the members of the C. C. C. camps, but it seems to me that there ought not to be a direct appropriation out of the Treasury of the United States for that purpose; that settlement ought to come from money allocated to the Civilian Conservation Corps. If the members of that corps commit torts and enter into contracts, and then persons who are injured are compelled to come to Congress, and we make a direct appropriation out of the Treasury, whereas if they are entitled to compensation, it ought to come out of the C. C. C. appropriation or authorization, we shall doubtless be besieged by many, many persons coming here for compensation.

I shall object to the consideration of this bill only for the purpose of seeing if we cannot work out some plan which will be just, because I know there will be a multitude of claims presented to Congress for alleged misdemeanors and torts committed by C. C. C. members.

Mr. SHEPPARD. Mr. President, the Senator's suggestion is a valuable one; and I shall see that it is considered by the Department and also by the proper committee.

Mr. KING. I thank the Senator.

The PRESIDING OFFICER. The bill will be passed over.

COL. WILLIAM L. KELLER

The Senate proceeded to consider the bill (S. 2024) to give proper recognition to the distinguished services of Col. William L. Keller, which had been reported from the Committee on Military Affairs with an amendment.

Mr. McKELLAR. Mr. President, I approve that bill very, very highly. I hope it will pass.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 1, after the word "Columbia", it is proposed to insert "*Provided*, That such designation shall be subject to the said Col. William L. Keller's acceptance and terminable at his pleasure."

The amendment was agreed to.

Mr. SHEPPARD. The action proposed is in recognition of the outstanding service of one of the outstanding surgeons of the world, and it seems to me the Senate would do well to pass the bill unanimously.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in recognition of the outstanding service and contribution made to the science of medicine and surgery by Col. William L. Keller, Medical Corps, United States Army, and to provide that his mature professional judgment and long experience may continue to remain available to the public service, the President is hereby authorized to designate the said Col. William L. Keller, upon his retirement from the active list, as consultant in surgery at the United States Army Medical Center (Walter Reed Hospital), Washington, D. C.: *Provided*, That such designation shall be subject to the said Col. William L. Keller's acceptance and terminable at his pleasure; and it is further provided that he shall be entitled to the full active-duty pay and allowances of the grade held by him at the time of his retirement.

Mr. SHEPPARD subsequently said: Mr. President, in connection with the Senate bill 2024, referring to Col. William L. Keller, I ask that the report of the committee be set out in the RECORD.

There being no objection, the report (No. 333) was ordered to be printed in the RECORD, as follows:

The Committee on Military Affairs, to whom was referred the bill (S. 2024) to give proper recognition to the distinguished services of Col. William L. Keller, having considered the same, report favorably thereon with a recommendation that it do pass, amended as follows:

Line 12, following the word "Columbia"; including the semicolon, insert the following:

"*Provided*, That such designation shall be subject to the said Col. William L. Keller's acceptance and terminable at his pleasure."

This measure authorizes the President to designate Col. William L. Keller, upon his retirement from the active list, as consultant in surgery at the United States Army Medical Center (Walter Reed Hospital), Washington, D. C. The purpose of this proposed action is to recognize in a fitting way the outstanding service and contribution made to the science of medicine and surgery by Colonel Keller, Medical Corps, United States Army, and it is also to make available his mature professional judgment and long experience to the public service after the statutory date of his retirement is reached.

The War Department approves the enactment of this bill. In its report, the Department points out that in the general case it is opposed to the enactment of preferential legislation or legislation seeking to continue on the active list persons who have attained the statutory retirement age, but the Department correctly adds that this bill does not seek to continue Colonel Keller on the active list, but it seeks to place him in an office not now existent under the Department, with the active-duty pay and allowances of the grade held by him at the time of his retirement.

Your committee feels that this measure is most meritorious. Inasmuch as Colonel Keller's designation as consultant in surgery should be conditioned upon his acceptance of the position, and should be terminable at his pleasure, the above-noted amendment has been added to the bill by your committee.

Report of the War Department on S. 2024 follows:

MARCH 5, 1935.

Hon. MORRIS SHEPPARD,
Chairman Committee on Military Affairs,
United States Senate.

DEAR SENATOR SHEPPARD: Careful consideration has been given to the bill (S. 2024, 74th Cong., 1st sess.) to give proper recognition to the distinguished services of Col. William L. Keller, which you transmitted to the War Department under date of February 26, 1935, with a request for information, and the views of the Department relative thereto.

There is no provision of law applicable to this case.

Colonel Keller is a man of outstanding character and ability as a medical officer, particularly as a surgeon. This ability is recognized and highly appreciated by both the War Department and the Army at large. The loss of his valuable services and advice, upon his retirement, will be greatly regretted.

In the general case the War Department is opposed to the enactment of preferential legislation or legislation seeking to continue on the active list persons who have attained the statutory retirement age. Such legislation as a rule tends to establish undesirable precedents. However, the proposed legislation does not seek to continue Colonel Keller on the active list; it seeks to place him in an office not now existent under the War Department, with the active-duty pay and allowances of the grade held by him at the time of his retirement. Further, as stated in the bill, it would continue to make available to the public service Colonel Keller's mature professional judgment and long experience, which, in all probability, cannot be replaced. Therefore, in expressing its approval of S. 2024, it is considered that the circumstances and conditions are unusual, and that a similar case is not likely again to present itself.

With reference to the wording of the bill, it is believed that Colonel Keller's designation as consultant in surgery should be conditioned upon his acceptance of the position and should be terminable at his pleasure. As he has now been in the Government service for over 35 years and is approaching the age of 64, it is believed that he should be allowed a full retirement status after his retirement if he should so desire. Accordingly, it is recommended that the following proviso be inserted in the bill before the semicolon which follows the word "Columbia":

"*Provided*, That such designation shall be subject to the said Col. William L. Keller's acceptance and terminable at his pleasure."

Amended as indicated above, the War Department recommends the enactment of S. 2024.

The views set forth in the foregoing are in consonance with a report submitted by the War Department to the Committee on Military Affairs, House of Representatives, on H. R. 3158, an identical bill introduced in the present session of Congress in behalf of Colonel Keller.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

At the request of Senator SHEPPARD, Chairman of the Senate Military Affairs Committee, Maj. Gen. E. M. Markham, at present Chief of Engineers of the United States Army, who has been in personal touch with the career of Colonel Keller for more than 30 years, wrote Senator SHEPPARD as follows:

MARCH 9, 1935.

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

MY DEAR SENATOR SHEPPARD: As requested by you verbally yesterday, I am very happy, indeed, to indict the following respecting Col. William L. Keller, Medical Corps, and my lengthy personal knowledge of his character and talents.

I first became acquainted with Colonel Keller at Manila in the year 1901, when he was, even at the tender years of a lieutenant of the Medical Corps, the operating surgeon at the Army General Hospital. At that time his stupendous volume of work, the continuity of his outstanding achievements, and his fine character as a human being were "the talk of the islands."

My personal knowledge and interest at Manila was gained as an incident to the hospitalizations and operation requirements of officers and enlisted men of the Engineer Corps. I recall very distinctly the statement of Lieutenant Keller's superior at the time, that he was gravely concerned respecting a replacement for Lieutenant Keller, as related to the safety of the operative cases of the service. There can be no doubt that Lieutenant Keller's great work in the remote Philippine Islands at the early date referred to attracted explosively the attention of the total military service.

Since that time, and frequently so, I have known intimately of his practically unbroken successes in the saving of the life and health of the commissioned and enlisted forces of the Army, with the consequence of my unceasing admiration of his professional skill, of his highly uncommon attention to his surgical commitments, and of his fine character. I believe his attitude toward his duties to be a matter of spiritual inspiration and devotion to the military service.

In recent years I have had quite definite knowledge and the gravest concern as to the surgical side of the great Walter Reed Hospital. I observed daily for a lengthy period the manner and character of the attention of Colonel Keller to the surgical cases committed to that hospital.

I would strengthen my language if I could in urging that Colonel Keller's service of nearly two score years in the Medical Corps of the Army be rewarded to the moderate extent contemplated by the bill to which you referred yesterday.

Without doubt, I am but repeating what yourself and congressional associates must have heard many times when I refer to the modesty and the utter void of self-seeking which have been characteristic of Colonel Keller's service since he committed himself thereto.

Additional to any more personal encomiums respecting Colonel Keller, it seems to me that the real issue of the very highest gravity should be the perpetuation of Colonel Keller's great talents and his uncommonly expansive experience in the interest of the health and life of the military service until he can no longer handle an instrument or voice an opinion.

Trusting that the above may be helpful in your considerations, and assuring you that there is no consciousness of exaggeration in my views of and respect for Colonel Keller, believe me,

Sincerely,

E. M. MARKHAM,
Major General, Chief of Engineers.

ACQUISITION OF RED HILL, THE ESTATE OF PATRICK HENRY

The bill (S. 997) to provide for the acquisition by the United States of Red Hill, the estate of Patrick Henry, was announced as next in order.

Mr. GLASS. Mr. President, at the request of the chairman of the committee, I ask that that bill be recommitted.

The PRESIDING OFFICER. The bill will be recommitted to the Committee on Public Lands and Surveys.

G. ELIAS & BRO., INC.

The Senate proceeded to consider the bill (S. 371) for the relief of G. Elias & Bro., Inc., which had been reported from the Committee on Claims, with amendments.

Mr. McKELLAR. Mr. President, will the Senator from New York tell us what this bill is?

Mr. COPELAND. Yes; I shall be glad to do so.

Mr. McKELLAR. The War Department opposed it.

Mr. COPELAND. The War Department under a previous administration opposed it, and I do not wonder that they opposed it.

Mr. McKELLAR. Did the present administration oppose it?

Mr. COPELAND. The present administration, being different in heart and justice than the preceding one, naturally would not oppose it.

Mr. McKELLAR. Why should not such a claim as this, carrying such a large amount, be referred to the Court of Claims? I have no objection to referring it to the Court of Claims, or even to the Comptroller General.

Mr. COPELAND. Permit me to say a word before the Senator makes any suggestion as to amendment.

The Elias firm in Buffalo were asked to bid on two airplanes. The planes were to be completed according to certain prints which were furnished by the Government and then put on cars, f. o. b. cars, near claimant's factory at Buffalo, for domestic shipment. As a matter of fact, this firm were being urged to get out these airplanes. They had their dies and jigs and patterns and everything ready to make the planes, and when they came to check up on the plans they found that the blueprints furnished by the Government were so utterly defective that they were useless; so the firm had to throw away all the dies and jigs and parts which had been made in order to build a plane which would work.

Mr. McKELLAR. What department of the Government did that?

Mr. COPELAND. The War Department.

Mr. McKELLAR. The War Department ordered the planes?

Mr. COPELAND. The War Department under a previous administration ordered the planes. It was provided that the planes should be put on cars f. o. b. Buffalo for domestic shipment; and then it was found that the Department wanted to ship the planes abroad, or do something else with them, and the firm in Buffalo, in order to comply with the request of the Government, had to have big box cars built in order to carry the planes.

If there ever in the world was a just claim, it is this claim, and I hope the Senator will permit the bill to pass.

Mr. McKELLAR. Mr. President, from the Senator's statement the claim is evidently a worthy and proper one, but I do not think this is the proper tribunal to pass upon such a

large amount. If the Senator will change his bill and provide that the claim shall be referred to the Court of Claims without regard to any statute of limitations, or anything else, so that they may hear the claim and determine how much is due the claimants, I shall have no objection; but I do not think the Senate ought to pass on it.

Mr. COPELAND. Mr. President, Mr. Elias, who was the claimant, was a very old-time friend of mine in Buffalo. He wore himself out coming down here to Washington to see the various commissions. Every time he came he dropped in to see me. He wore himself out and died. Now the widow of this old friend, helpless and penniless, is here asking justice from the Government. If the events complained of had occurred under the present administration, I should be decidedly outraged; but they did not.

Mr. WHEELER. Mr. President, I agree with the Senator from Tennessee that this claim ought to go to the Court of Claims. I ask to have it go over at this time, until we can look into it further.

The PRESIDING OFFICER. Objection is heard.

Mr. McKELLAR. It ought to go to the Court of Claims or to the Comptroller General to pass upon the facts.

Mr. WHEELER. I agree with the Senator.

Mr. COPELAND. Mr. President, I beg the Senator to withhold his objection for a moment. I never before have been placed in this position in the Senate. I know so much about this matter from the very beginning of the controversy, and I have heard so much about it, that I am convinced beyond question that the claim is a just one and ought to be paid, and I beg Senators to let the bill be passed.

Mr. NEELY. Mr. President, the able Senator from New York [Mr. COPELAND] is about to rob Lazarus of his reputation of being the world's most famous beggar. In order to prevent this irreparable injury to the fame and credit of the illustrious dead, let us yield to the Senator's stirring appeal and pass his bill without delay.

The PRESIDING OFFICER. Objection having been heard, the bill will be passed over.

Mr. COPELAND. Mr. President, I understood the Senator from Montana to withdraw his objection.

The PRESIDING OFFICER. Does the Senator from Montana withdraw his objection?

Mr. WHEELER. I withdraw my objection.

The PRESIDING OFFICER. Is there further objection to the present consideration of the bill? The Chair hears none. The amendments of the committee will be stated.

The CHIEF CLERK. On page 1, line 6, after the words "sum of", it is proposed to strike out "$30,859.28" and to insert in lieu thereof "$24,139.28", and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to G. Elias & Bro., Inc., out of any money in the Treasury not otherwise appropriated, the sum of $24,139.28, in full settlement for losses suffered by the said G. Elias & Bro., Inc., by reason of changes in the specifications and extra work from which the Government received the benefit but for which no pay whatever has been paid to the said G. Elias & Bro., Inc., under contracts W 535 AC–602 and W 535 AC–628 dated December 14, 1926, and January 28, 1927, with the Air Corps for furnishing certain airship parts and equipment to the United States Army Air Corps: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISPOSITION OF REMAINS OF CIVILIAN COMPONENTS OF THE ARMY

The Senate proceeded to consider the bill (S. 1713) to further amend section 6, act of March 4, 1923, so as to make better provision for the recovery and disposition of bodies of members of the civilian components of the Army who die in line of duty, and for other purposes, which had been reported from the Committee on Military Affairs with amendments, on page 3, line 1, after the word "that", to insert "which would be"; and in line 2, after the word "services", to insert "in the case of an officer of the Regular Army", so as to make the bill read:

Be it enacted, etc., That section 6 of the act of March 4, 1923, as amended by the act of April 26, 1928 (45 Stat. 461), is hereby further amended by inserting in the seventh line, after the word "Army", the words "and members of the National Guard of the United States", so that the second clause of the section will read as follows: "members of the Officers' Reserve Corps and of the enlisted reserve corps of the Army and members of the National Guard of the United States who suffer personal injury or contract disease in line of duty while on active duty under proper orders;".

SEC. 2. Said section 6 of the act of March 4, 1923, as amended, is also hereby further amended by striking out the last sentence of the first paragraph of said section 6 and inserting in lieu thereof the following:

"If the death of any person mentioned herein occurs while he is on active duty, or undergoing training or hospital treatment contemplated by this section, the United States shall, under regulations prescribed as aforesaid, pay the necessary expenses for recovery of the body, its preparation for burial, including the use of such of the uniform and articles of clothing issued to him as may be required, interment (or cremation if requested by his relatives), and transportation of his remains, including round-trip transportation and subsistence of an escort, to his home or the place where he received orders for the period of training upon which engaged at the time of his death, or to such other place as his relatives may designate, provided the distance to such other place be not greater than the distance to his home: *Provided*, That when the expenses of the recovery, preparation, and disposition of remains herein authorized, or any part thereof, are paid by individuals, such individuals may be reimbursed therefor at an amount not exceeding that which would be allowed by the Government for such services in the case of an officer of the Regular Army."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

VEHICLES AND SUPPLIES FORFEITED FOR VIOLATION OF LIQUOR LAWS

The Senate proceeded to consider the bill (S. 1885) to authorize turning over to the Indian Service vehicles, vessels, and supplies seized and forfeited for violation of liquor laws, which was read, as follows:

Be it enacted, etc., That any vehicle, vessel, or other conveyance used in the transportation of intoxicating liquors unlawfully into the Indian country or other restricted area within or adjoining an Indian reservation, and which under proper proceedings by the Federal court is authorized to be sold or destroyed, may, upon order of the court, be transferred to the Indian Service for its use in the enforcement of the law or other official purposes; said property, when so transferred to the Indian Service, to be accounted for as in all other property of a similar nature: *Provided*, That no car seized and forfeited under this act shall be transferred for official purposes in the same Federal judicial district in which the seizure and forfeiture took place.

SEC. 2. Any articles or supplies seized and ordered sold or destroyed under similar conditions by the Federal court may be transferred to the Indian Service for use in its activities, and when so transferred shall be accounted for by the bonded superintendent or other official.

Mr. KING. Mr. President, I should like to ask the Senator from Oklahoma [Mr. THOMAS] whether he regards it as wise legislation to provide for turning over without any inventory and without any knowledge of its value property belonging to the United States simply because it has been confiscated or taken from persons who have been violating the law. It seems to me there ought to be an inventory; the property ought to be appraised; it ought to be sold; or, if it should be turned over to some department, it ought to be charged against that department and charged against its appropriation.

Mr. THOMAS of Oklahoma. Mr. President, the facts are that liquor is being introduced into Indian reservations, and very often the person engaged in such activities is apprehended; and most often his means of conveyance is an automobile. Under the law the automobile is confiscated. Of course, the Department could put the automobile up for sale and sell it and obtain a few dollars for it and turn the money into the Treasury. It is thought to be better practice, however, not to sell the automobile, but rather to turn it over to the Indian Service, though not permitting the

automobile to be used in the same jurisdiction where it was captured.

For example, if an automobile were captured in the Osage Reservation in Oklahoma it should be sent up to Iowa, or to Nebraska, or to Utah for further use. That is on the theory that perhaps the person who lost the automobile would not want to see his car used by Federal officials in his own vicinity. Under the law, when a car is captured it belongs to the Government. Sending the car to some other jurisdiction, where the defendant or guilty person would not see it, is thought to be a better use of such a car than to put it up locally and sell it and get a few dollars for it and turn the money in to the Treasury.

That is the whole purpose of the proposed legislation. It has the approval and the recommendation of the Secretary of the Interior.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. I desire to say to the Senator from Utah that I advocated this kind of legislation in substance, and urged it on the Department, for the reason that the Department could make use of many of the automobiles which were formerly being taken by the Prohibition Unit instead of buying new and expensive automobiles. They could use these second-hand automobiles and save the Government money. I have advocated that the Park Service try to get some of the boats which have been confiscated, for instance, to be used in the Park Service on the lakes in some of the parks. That would result in a saving to the Government, and I am sure it would really be a very good thing to do.

Mr. KING. Mr. President, I was not objecting to the confiscation of the property, or to its utilization after it had been confiscated; but I think the property ought to be appraised, and, if it is turned over to a department, the department ought to be charged with it, and it ought to be upon the books of the organization as a charge or a credit, whatever term is the proper one. I think it is rather an unwise practice to take property and have no accounting of it, and transfer it to some other agency of the Government without its being a charge, and without the books of the Government showing what disposition was made of the property. Such practice, in my opinion, will lead to a misuse of property, and to carelessness in the use of confiscated property.

Mr. THOMAS of Oklahoma. Mr. President, the bill, I think, covers that matter fully. I find the following language in the bill:

> Said property, when so transferred to the Indian Service, to be accounted for as in all other property of a similar nature: *Provided*, That no car seized and forfeited under this act shall be transferred for official purposes in the same Federal judicial district in which the seizure and forfeiture took place.
>
> SEC. 2. Any articles or supplies seized and ordered sold or destroyed, under similar conditions by the Federal court, may be transferred to the Indian Service for use in its activities, and when so transferred shall be accounted for by the bonded superintendent or other official.

I think that covers the exact objection raised by the Senator from Utah.

Mr. BONE. Mr. President, I should like to ask the Senator from Oklahoma a question.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Washington?

Mr. THOMAS of Oklahoma. I yield.

Mr. BONE. As I take it, this refers only to cars seized while handling contraband in Indian territory; it does not refer to cars which may be seized by the Customs Service or any other service outside?

Mr. THOMAS of Oklahoma. I think the Senator is correct in his interpretation.

The PRESIDING OFFICER. If there be no objection, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WAR DEPARTMENT APPROPRIATIONS

Mr. COPELAND. Mr. President, I ask that the Senate proceed to the consideration of the amendments of the House of Representatives to the amendments of the Senate nos. 7 and 25 to the War Department appropriation bill, being House bill 5913.

The PRESIDING OFFICER. Is there objection?

Mr. LA FOLLETTE. I object.

The PRESIDING OFFICER. Objection is made.

Mr. COPELAND. I should like to ask why objection is raised.

Mr. LA FOLLETTE. I want to have the consideration of the calendar concluded.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from New York has the floor. Does he yield to the Senator from Utah?

Mr. COPELAND. I withdraw my request.

Mr. KING. Mr. President, I understood the Senator from Arkansas [Mr. ROBINSON] to state that we should proceed during the morning hour with the consideration of the calendar. That was my understanding.

Mr. LA FOLLETTE. I had no such understanding. I thought it was understood that we should proceed with the calendar until the call of the calendar had been completed; and it seems to me rather strange that the Senator from New York, who has had a number of bills disposed of here one way or the other, should seek to bring up at this time the action of the House of Representatives on the amendments of the Senate to the bill referred to by him.

Mr. COPELAND. I had assumed that at 2 o'clock it would be in order to take up the matter.

Mr. SHEPPARD. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. SHEPPARD. I make the point of order that the Senate met today following a recess; that, therefore, there is no morning hour; and that the order of business is to continue with the consideration of the calendar.

The PRESIDING OFFICER. The point of order is well taken.

Mr. COPELAND. Mr. President, I shall not renew the request until the calendar shall have been disposed of; but I hope, if possible, before the end of the session today that the War Department appropriation bill may be disposed of.

The PRESIDING OFFICER. The clerk will proceed with the call of the calendar.

BILLS PASSED OVER

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. McKELLAR. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 164) for the relief of Donald L. Bruner was announced as next in order.

Mr. McKELLAR. Mr. President, I notice that bill is opposed by the Department, and, therefore, I will ask that it go over.

The PRESIDING OFFICER. On objection, the bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1453) to create a board of shorthand reporting, and for other purposes, was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

ZELMA HALVERSON

The Senate proceeded to consider the bill (S. 952) for the relief of Zelma Halverson, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $50 per month in an amount not to exceed $5,000 to Zelma Halverson to compensate her for the death of her husband, Harry Halverson, who lost his life August 21, 1933, while fighting a forest fire in Montana: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOGAN MULVANEY

The bill (H. R. 816) for the relief of Logan Mulvaney was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any funds in the Treasury not otherwise appropriated, to Logan Mulvaney, the sum of $233.40 in full settlement of all claims against the United States for property destroyed by fire at Fort Oglethorpe, Ga., on February 18, 1922.

COST OF PRODUCTION OF COTTON MANUFACTURES

The resolution (S. Res. 104) submitted by Mr. METCALF on the 13th instant, and reported by the Committee on Finance without amendment, authorizing the United States Tariff Commission to investigate differences in the costs of production of cotton manufactures, under paragraphs 903 and 904 of the Tariff Act of 1930, was considered and agreed to, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic article and of any like or similar foreign articles: Cotton manufactures, included in paragraphs 903 and 904 of such act.

LT. COMDR. G. C. MANNING

The Senate proceeded to consider the bill (S. 884) for the relief of Lt. Comdr. G. C. Manning, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$200" and insert "$146", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lt. Comdr. G. C. Manning the sum of $146 as reimbursement for damages to his furniture by the Navy in shipment from Shanghai, China, to New York.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REDUCED RATES FOR OFFICERS AND ENLISTED MEN ON LEAVE OF ABSENCE

The bill (S. 95) to provide for the carrying at reduced rates of officers and enlisted men of the military and naval forces while on leave of absence or furlough at their own expense was announced as next in order.

Mr. KING. Over.

Mr. TRAMMELL. Mr. President, will the Senator afford me an opportunity to explain the bill?

Mr. KING. Very well; I withhold the objection.

Mr. TRAMMELL. Mr. President, under the law, the Interstate Commerce Commission is authorized to afford reduced rates to members of the Marine Corps and officers and enlisted men of the Navy ordered to their homes or the hospital, but the law does not go to such an extent that they may be authorized to afford reduced rates to enlisted men and officers while on leave of absence, traveling to and fro from their posts of duty to their homes. The bill seeks to broaden the law so that the Interstate Commerce Commission, if they deem proper, may authorize reduced rates to the men personally while traveling on leave of absence. I cannot see why the law should not be changed to that effect. That is, briefly, the explanation of the bill.

Mr. KING. I withdraw the objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That paragraph (1) of section 22 of the Interstate Commerce Act, as amended, is amended by striking out the semicolon immediately following the phrase "under arrangements with the board of managers of said homes" and inserting in lieu thereof a comma and the following: "or to officers and enlisted men of the military and naval forces of the United States while on leave of absence or furlough at their own expense;".

CLAIMS OF CHIPPEWA INDIANS OF MINNESOTA

The bill (S. 1494) to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in all suits filed under the act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555), either party, with the consent of the court first had and obtained, shall have the right to amend the pleadings at any time prior to the entry of final judgment so as to include all claims said Indians may have under said act against the United States and any defense the United States may have thereto.

BILL PASSED OVER

The bill (S. 2241) to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484), was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

HESTER HAMILTON

The bill (H. R. 829) granting 6 months' pay to Hester Hamilton was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to pay, out of the appropriation "Pay of the Army, 1935", to Hester Hamilton, dependent mother of Milton Hamilton, deceased, late of Company K, Twenty-second Regiment United States Infantry, an amount equal to 6 months' pay at the rate said Milton Hamilton was receiving at the date of his death.

BILLS PASSED OVER

The bill (S. 363) to increase the efficiency of the Veterinary Corps of the Regular Army was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 18) to amend section 1015 of the Revised Statutes was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 17) making it a contempt to willfully fail to appear after having been admitted to bail was announced as next in order.

Mr. KING. I also ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

REVOLVING FUND FOR CROW INDIANS

The bill (S. 2145) extending the time for repayment of the revolving fund for the benefit of the Crow Indians was announced as next in order.

Mr. RUSSELL. Over.

Mr. KING. I should like an explanation of that bill.

Mr. THOMAS of Oklahoma. Mr. President, in 1920 the Congress passed a bill creating a revolving fund for the Crow Tribe of Indians. The revolving fund has worked so well that the Department wants to have it extended from June 30, 1935, when, otherwise, the authority will expire, and to keep the fund intact. The revolving fund is serving a large number of Indians, and it should be kept intact and loaned and reloaned. The bill involves no new appropriation, but extends the time during which this money may be used for this, in my opinion, worthy purpose.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the time for repayment to the tribe of the $50,000 revolving fund for the benefit of the Crow Indians, created by the act of June 4, 1920 (41 Stat. 755), for the purchase of seed, animals, machinery, tools, implements, and other equipment is hereby extended from June 30, 1935, to June 30, 1945, and said fund is hereby made available for such purposes for the further period of 10 years from and after June 30, 1935.

WALTER J. BRYSON PAVING CO.

The Senate proceeded to consider the bill (S. 659) for the relief of Walter J. Bryson Paving Co., which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Walter J. Bryson Paving Co., out of any money in the Treasury not otherwise appropriated, the sum of $3,500.50, in full and final settlement of all claims against the Government for certain dredging work performed by said company in the improvement of the channel in the Anclote River, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 566) for the relief of George Yusko was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

ESTATE OF R. A. WALLACE TREAT

The bill (H. R. 2569) for the relief of the estate of R. A. Wallace Treat was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of R. A. Wallace Treat the sum of $876. Such sum shall be in full settlement of all claims against the United States on account of the damages sustained by the late R. A. Wallace Treat, former American consul at Smyrna, as a result of fire in the consulate of Smyrna on March 23, 1923.

INDIANS OF FLATHEAD RESERVATION

The Senate proceeded to consider the bill (S. 2146) for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park, which had been reported from the Committee on Indian Affairs with amendments; on page 1, at the beginning of line 6, strike out "to compensate", and insert the words "in full settlement of all claims of"; at the beginning of line 8, to strike out the word "injured" and insert the words "against the United States, arising out of any and all injuries sustained while"; and on page 2, line 14, after the word "ceremonies", to strike out "in full settlement of all claims against the United States arising out of the death or injury of these Indians while en route to the dedication ceremonies of the Going-to-the-Sun Highway in Glacier National Park", and insert "of the Going-to-the-Sun Highway in Glacier National Park in full settlement of all claims against the United States arising out of the death of the said Indians on the said occasion", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,890 in full settlement of all claims of the following Indians of the Flathead Indian Reservation, Mont., against the United States, arising out of any and all injuries sustained while en route to the dedication ceremonies of the Going-to-the-Sun Highway in Glacier National Park in the amounts indicated: Sopie Conko, $600; Mary Calowahcan Smallsalmon, $190; Alexander Calowahcan, $250; Michael Smallsalmon, $250; Joseph Woodcock, $30; Martine Siwahsah, $20; Sophie C. Granjo, $20; Sophie Moiese, $600; Isabel Granjo, $30; Eneas Granjo, $50; Mary Kyser Stateah, $600; Eneas Michel Conko, $50; Pierre Pierre, $50; William Michel, $50; Andrew Manybear, $100: *Provided*, That if any of the beneficiaries under this act are deceased, payment herein authorized shall be made to their heirs; and to pay the sum of $3,000 to the heirs of Louise Cullooyah, deceased, and the sum of $3,000 to the heirs of Michel Kizer, deceased, also of the Flathead Indian Reservation, who were killed while en route to the said dedication ceremonies of the Going-to-the-Sun Highway in Glacier National Park in full settlement of all claims against the United States arising out of the death of the said Indians on the said occasion.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SISKIYOU NATIONAL FOREST, OREG.

The Senate proceeded to consider the bill (S. 1513) to add certain lands to the Siskiyou National Forest in the State of Oregon, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 1, line 5, after the word "lands", to insert "subject to valid existing rights", so as to make the bill read:

Be it enacted, etc., That the boundaries of the Siskiyou National Forest, in the State of Oregon, are hereby extended to include the following-described lands, subject to valid existing rights:

Section 31, township 30 south, range 9 west.

Sections 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, and 18, township 31 south, range 9 west.

Sections 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36, township 30 south, range 10 west.

All of township 31 south, range 10 west.

Sections 1, 2, 3, 9, 10, 11, 12, 13, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, and 36, township 31 south, range 11 west.

All of Willamette meridian.

SEC. 2. Lands hereafter conveyed to the United States within the above-described area, upon acceptance of title, shall become parts of the said Siskiyou National Forest and subject to all laws relating thereto. Any lands within the above-described area which are part of the land grant to the Oregon & California Railroad Co., title to which revested in the United States under the act of June 9, 1916 (39 Stat. 218), shall remain subject to all laws relating to said revested land grant.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DESCHUTES NATIONAL FOREST, OREG.

The Senate proceeded to consider the bill (S. 1680) to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 2, at the beginning of line 1, to strike out "Secretary of Agriculture" and insert "Secretaries of Agriculture and of the Interior", so as to make the bill read:

Be it enacted, etc., That the act entitled "An act authorizing the adjustment of the boundaries of the Deschutes National Forest, in the State of Oregon, and for other purposes", approved February 2, 1922, is amended by adding at the end thereof the following new section:

"SEC. 2. Such lands in public ownership within 6 miles of the exterior boundaries of the Deschutes National Forest, in the State of Oregon, as may be found by the Secretaries of Agriculture and of the Interior to be chiefly valuable for national-forest purposes, may be added to the Deschutes National Forest by proclamation of the President, subject to any valid existing claims in such lands."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PISGAH NATIONAL FOREST, N. C.

The bill (S. 1787) to add certain lands to the Pisgah National Forest, in the State of North Carolina, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the tract of land in Buncombe County, N. C., locally known as the "Grove Tract", acquired by the United States on December 19, 1927, for the use of the Veterans' Administration, being approximately 442 acres, be, and the same is hereby,

added to the Pisgah National Forest and made subject to all laws and regulations relating to the use and administration of the national forests: *Provided, however,* That the tract shall be so managed as to conserve and protect the water thereon, which water shall remain available for the use of the Veterans' Administration.

LOSSES FROM ERADICATION OF MEDITERRANEAN FRUIT FLY

The bill (S. 933) to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture was announced as next in order.

Mr. McNARY. Mr. President, at the request of an absent Member of the Senate, I ask that the bill go over for the day.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. TRAMMELL. Mr. President, is the Senator from Oregon willing to divulge who the absent Member is who is objecting to the bill?

Mr. McNARY. The Senator from Michigan [Mr. VANDENBERG], who has been opposed to the bill, is not present, and I think it should go over.

Mr. TRAMMELL. I merely want to get a little information, and inquire whether the Senator from Michigan is opposing the bill now? He has opposed it once or twice before, but I thought he finally withdrew his objection at a previous session of Congress.

Mr. McNARY. I recall when he has been here he has opposed it, and I thought, in all fairness, in his absence the Senator from Florida would be willing that the bill should go over, of course.

Mr. TRAMMELL. I regret it very much. This bill has been pending for some time and a similar bill has been passed by the Senate on three or four occasions at different sessions of Congress. I should much appreciate it if the Senator who opposes it would be present the next time the bill shall be reached on the calendar.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes, was announced as next in order.

Mr. RUSSELL. Over.

The PRESIDENT pro tempore. The bill will be passed over.

AMERICAN CONSERVATION WEEK

The concurrent resolution (S. Con. Res. 3) favoring the designation and appropriate observance of American Conservation Week was read, considered, and agreed to, as follows:

Whereas under the inspiring leadership of President Cleveland it became the settled policy of this Nation to conserve its natural resources; and

Whereas the establishment of an American Conservation Week will have the desired effect of bringing the American people to realize in the words of that great conservationist, President Roosevelt, that "the conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our national life": Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is requested to issue each year a proclamation designating the first week in April as American Conservation Week and inviting the people of the United States to observe that week in schools, churches, museums, parks, and other suitable places, with ceremonies appropriate to the occasion.

The preamble was agreed to.

BILL PASSED OVER

The bill (S. 1988) to revive and reenact section 5 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and for completing the construction of other bridges over the navigable waters of the United States", approved March 4, 1933, was announced as next in order.

Mr. RUSSELL. Mr. President, I should like to have some explanation of the bill.

Mr. SHEPPARD. Mr. President, let the bill go over for the present, until its author may be present.

CHESAPEAKE BAY BRIDGE

The bill (S. 2156) to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md., authorized to be built by the Chesapeake Bay Bridge Co. by section 11 of the act of Congress approved March 4, 1933, and extended by act of Congress approved June 12, 1934, are hereby further extended 1 and 3 years, respectively, from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

DANIEL FREEMAN HOMESTEAD, NEBRASKA

The Senate proceeded to consider the bill (S. 1307) to establish a national park on the Daniel Freeman homestead in Gage County, Nebr., which had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 3, after the word "that", to insert the words "the Secretary of the Interior is hereby authorized and directed to acquire, on behalf of the United States, by gift, purchase, or condemnation"; in line 11, after the name "Daniel Freeman", to strike out the words "be purchased and designated as a national park to be named the 'Homestead National Park of America'" and to insert the words "and that when so acquired the said area be designated 'The Homestead National Monument of America'"; on page 2, line 5, after the word "appropriated", to strike out the words "the sum of" and insert the words "a sum not to exceed"; in line 8, after the words "purpose of", to strike out the word "purchasing" and insert the word "acquiring", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to acquire, on behalf of the United States, by gift, purchase, or condemnation, the south half of the northwest quarter, the northeast quarter of the northwest quarter, and the southwest quarter of the northeast quarter section 26, township 4 north, range 5 east, of the sixth principal meridian, Gage County, Nebr., the same being the first homestead entered upon under the General Homestead Act of May 20, 1862, by Daniel Freeman, and that when so acquired the said area be designated "The Homestead National Monument of America."

SEC. 2. That there is authorized to be appropriated a sum not to exceed $24,000, out of any money in the Treasury not otherwise appropriated, for the purpose of acquiring said tract.

SEC. 3. It shall be the duty of the Secretary of the Interior to lay out said land in a suitable and enduring manner so that the same may be maintained as an appropriate monument to retain for posterity a proper memorial emblematical of the hardships and the pioneer life through which the early settlers passed in the settlement, cultivation, and civilization of the great West. It shall be his duty to erect suitable buildings to be used as a museum in which shall be preserved literature applying to such settlement and agricultural implements used in bringing the western plains to its present high state of civilization, and to use the said tract of land for such other objects and purposes as in his judgment may perpetuate the history of the country mainly developed by the homestead law.

SEC. 4. For the purpose of carrying out the suggestions and recommendations of the Secretary of the Interior, the necessary annual appropriations therefor are hereby authorized.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to establish the Homestead National Monument of America in Gage County, Nebr."

Mr. NORRIS. Mr. President, in connection with the bill just passed, I ask that the report of the committee be printed in the RECORD at this point.

There being no objection, the report (No. 365) was ordered to be printed in the RECORD, as follows:

The Committee on Public Lands and Surveys, to whom was referred the bill (S. 1307) to establish a national park on the Daniel Freeman Homestead in Gage County, Nebr., having considered the same, recommend that the bill pass with the following amendments:

Strike out the title and insert a new title to read as follows:

"A bill to establish the Homestead National Monument of America in Gage County, Nebr."

Page 1, line 3, after the word "that", insert "the Secretary of the Interior is hereby authorized and directed to acquire, on behalf of the United States, by gift, purchase, or condemnation."

Page 1, lines 9 and 10, strike out the language "be purchased and designated as a national park to be named the Homestead National Park of America" and insert in lieu thereof the following: "and that when so acquired, the said area be designated the Homestead National Monument of America."

Page 2, line 2, strike out the words "the sum of" and insert in lieu thereof "a sum not to exceed."

Page 2, line 3, strike out the word "purchasing" and insert in lieu thereof the word "acquiring."

As thus amended the committee recommends the passage of the bill.

It is the object of this proposed legislation to establish a proper memorial which will be emblematical of the hardships and the trials of pioneer life in the settlement of the great West. That part of the country which is now the bread basket of the Nation was, in the main, settled under the national homestead law.

The National Homestead Act was signed by Abraham Lincoln and took effect on the 1st day of January 1863. It is still on the statute books, but there now remains only a comparatively small proportion of the public domain available to entry under its terms. Indeed, withdrawal orders have, for the present at least, suspended its operation. This legislation seeks to preserve for posterity the historic emblems and relics of a period in our Nation's history which is rapidly being forgotten. The committee believes it is eminently proper that the events of this period should be preserved and while the place of commemoration might be selected anywhere in the country settled under the Homestead Act, yet it is fitting that the place selected for its preservation should be on the land which constitutes the first homestead entry made under the act.

Daniel Freeman was a Union soldier in the Civil War. He was in Nebraska on a leave of absence from his command. This leave of absence was about to expire, and in order to get back to his command before its expiration it was necessary that the land office at Brownville, Nebr., where his homestead filing was made, be opened at 12 o'clock midnight in order to permit him to make the filing. This was done and Mr. Freeman made his filing during the first few minutes of the day on which the homestead law took effect and started immediately back to his command. He served during the entire Civil War and then returned to the homestead and in due time made final proof thereon.

Under this act there have been taken up in original homestead entries more than 505,000,000 acres of land and an area in excess of 275,000,000 acres has gone to final proof and United States patents have been issued therefor.

It is expected, if this bill becomes a law, that this homestead will become a museum in which the literature, the implements of agriculture, the means of transportation, and all other past incidents of pioneer life of the period through which the western settlers had to pass in winning the great West will be preserved to future generations.

ARMY DAY

The concurrent resolution (S. Con. Res. 13) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That Saturday, April 6, 1935, be recognized by the Senate and House of Representatives of the United States of America, as Army Day, and that the President of the United States be requested, as Commander in Chief, to order military units throughout the United States to assist civic bodies in appropriate celebration to such extent as he may deem advisable.

Mr. SHEPPARD. Mr. President, in connection with the concurrent resolution just adopted, I ask that the report of the Committee on Military Affairs may be printed in the RECORD at this point.

There being no objection, the report (No. 316) was ordered to be printed in the RECORD, as follows:

The Committee on Military Affairs, to whom was referred Senate Concurrent Resolution 13, to recognize April 6, 1935, as Army Day, having considered the same, report favorably thereon with a recommendation that it do pass.

Practically ever since the World War, April 6 of each year has been observed throughout the United States as Army Day. The purpose of Senate Concurrent Resolution 13 is to give official recognition to this date for the present year. It requests the President, as Commander in Chief, to order military units throughout the United States to assist civic bodies in appropriate celebration to such extent as he may deem advisable.

The spirit in which Army Day was conceived and in which it is commemorated each year is excellently and laconically set forth in the following extract from a recent editorial:

"Army Day is devoted to the maintenance and development of the Army of the United States and to memorialize the great patriotic figures who have honored the Army by their service in it and who have been honored by the Army by their service in it."

BILL PASSED OVER

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act, was announced as next in order.

Mr. RUSSELL. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

CHARLES E. UPSON

The Senate proceeded to consider the bill (H. R. 3071) for the relief of Second Lt. Charles E. Upson, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 9, after the word "organization", to insert the words "on May 8, 1918", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Second Lt. Charles Upson, who was a member of the Three Hundred and Thirty-ninth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on May 8, 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CORA A. SNYDER

The bill (H. R. 2117) for the relief of Cora A. Snyder was considered, ordered to a third reading, read the third time, and passed.

JOHN S. CANNELL, DECEASED

The Senate proceeded to consider the bill (H. R. 1575) to correct the military record of John S. Cannell, deceased, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 8, after the word "have", to strike out the words "been honorably discharged from the military service of the United States as a member of said organization on the 13th day of September 1918" and to insert in lieu thereof the words "died on the 12th day of September 1918 as a member of said organization, and that his death was in the line of duty and was not the result of his own misconduct", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, their widows, or dependent relatives, John S. Cannell, late of the Provisional Military Police Company, First Depot Division, American Expeditionary Forces, shall be held and considered to have died on the 12th day of September 1918 as a member of said organization, and that his death was in the line of duty and was not the result of his own misconduct: *Provided*, That no bounty, back pay, pension, or allowance shall accrue as a result of the passage of this act, except what may accrue by reason of the World War Adjusted Compensation Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of John S. Cannell, deceased."

JOHN W. DADY

The bill (S. 2333) for the relief of John W. Dady was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of John W. Dady, superintendent and special disbursing agent of the Mission Indian Agency, Riverside, Calif., for payments aggregating $582.50, made to Thomas Lucas, an Indian, as mileage for travel performed by automobile while employed as subforeman in emergency conservation work.

QUALIFICATIONS OF PRACTITIONERS OF LAW IN DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 395) relative to the qualifications of practitioners of law in the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment was, in section 1, on page 2, after line 4, to insert the following new paragraph:

A member of the bar of the highest court of any State, not recorded as disbarred upon the membership rolls of the bar of the Supreme Court of the District of Columbia, shall be entitled to represent parties or interests in the courts of the District of Columbia in causes which arise from time to time affecting parties and subject matter without the District of Columbia. No court of the District of Columbia shall enforce against any such member of the bar of the highest court of any State any rule promulgated by such court which would require that there be joined of record associate counsel having an office in the District of Columbia or providing for the exclusion of such member of the bar from practice in such causes if the party represented shall file, at the time counsel enters his appearance, with the clerk having jurisdiction consent that service upon said clerk shall be service upon said party and his counsel.

So as to make the section read:

That the act entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, be, and the same hereby is, further amended by inserting after section 218 thereof the following:

"SEC. 218a. No person who is not a member of the bar of the Supreme Court of the District of Columbia shall engage in the practice of law, or any branch thereof, in the District of Columbia; nor shall any partnership, corporation, association, or firm engage in the practice of law, or any branch thereof, in the District of Columbia, except associations, partnerships, and firms all of the members of which are members of the bar of the Supreme Court of the District of Columbia.

"A member of the bar of the highest court of any State, not recorded as disbarred upon the membership rolls of the bar of the Supreme Court of the District of Columbia, shall be entitled to represent parties or interests in the courts of the District of Columbia in causes which arise from time to time affecting parties and subject matter without the District of Columbia. No court of the District of Columbia shall enforce against any such member of the bar of the highest court of any State any rule promulgated by such court which would require that there be joined of record associate counsel having an office in the District of Columbia or providing for the exclusion of such member of the bar from practice in such causes if the party represented shall file, at the time counsel enters his appearance, with the clerk having jurisdiction consent that service upon said clerk shall be service upon said party and his counsel.

The amendment was agreed to.

The next amendment was, on page 4, line 10, after the word "same", to strike out "nor to prevent any person or firm now registered or hereafter registered by the United States Patent Office as an 'attorney' or otherwise from engaging in or holding himself or itself out as qualified to engage in the preparation or prosecution of any patent application or case in the United States Patent Office on behalf of any inventor or applicant; nor to prevent any person now registered or hereafter registered to practice by the United States Patent Office, who is a member of the bar of the Supreme Court of the District of Columbia, from engaging in the general practice of law", and to insert in lieu thereof, "nor shall anything in said sections contained prevent any person, partnership, or firm, now or hereafter registered by the United States Patent Office, to practice before it, and not a member of the bar of the Supreme Court of the District of Columbia, from performing any and all of the services incident to patent, trade mark, copyright, and unfair competition practice before and out of the Patent Office and out of court; nor prevent any member of the bar of the Supreme Court of the District of Columbia, who is also a member of or an associate of a firm or partnership which is registered to practice before the United States Patent Office, but all the members of which are not members of the bar of the Supreme Court of the District of Columbia, from practicing law to the full extent of his authority as a member of said bar"; so as to make the section read:

SEC. 218d. Nothing contained in section 218a, 218b, or 218c shall prevent persons or partnerships who are now or shall hereafter be admitted to practice before the Supreme Court of the United States, the Court of Appeals of the District of Columbia, the Court of Customs and Patent Appeals, or the Court of Claims, from practicing before the same, or prevent them from using the words forbidden to be used by section 218b when such words are used (1) in connection with other words stating the court or courts before which they are then so admitted to practice, or (2) in their practice before said courts or any of them; nor shall anything in the said sections contained (a) prevent persons or partnerships who are now or shall hereafter be authorized or permitted by any department, commission, bureau, agency, or other authority of the United States or of the District of Columbia to practice before the same from doing so, or (b) apply to the use by them of words forbidden by section 218b when such words are used (1) in connection with other words stating the department, commission, bureau, agency, authority, or one or more or all of them before which they are so authorized or permitted to practice, or (2) in their practice before the same, nor shall anything in said sections contained prevent any person, partnership, or firm, now or hereafter registered by the United States Patent Office, to practice before it, and not a member of the bar of the Supreme Court of the District of Columbia, from performing any and all of the services incident to patent, trade mark, copyright, and unfair competition practice before and out of the Patent Office and out of court; nor prevent any member of the bar of the Supreme Court of the District of Columbia, who is also a member of or an associate of a firm or partnership which is registered to practice before the United States Patent Office, but all the members of which are not members of the bar of the Supreme Court of the District of Columbia, from practicing law to the full extent of his authority as a member of said bar, or prevent any person from acting as attorney for the United States Government while actually engaged by it so to do, nor shall anything in the said sections referred to be construed so as to prevent any title insurance company while authorized to carry on its business in the District of Columbia from examining, abstracting, reporting upon, certifying, guaranteeing or insuring titles to real estate, settling sales, conveyances, and exchanges thereof, or doing conveyancing work in connection therewith.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, be, and the same hereby is, further amended by inserting after section 218 thereof the following:

"SEC. 218a. No person who is not a member of the bar of the Supreme Court of the District of Columbia shall engage in the practice of law, or any branch thereof, in the District of Columbia; nor shall any partnership, corporation, association, or firm engage in the practice of law, or any branch thereof, in the District of Columbia, except associations, partnerships, and firms all of the members of which are members of the bar of the Supreme Court of the District of Columbia.

"A member of the bar of the highest court of any State, not recorded as disbarred upon the membership rolls of the bar of the Supreme Court of the District of Columbia, shall be entitled to represent parties or interests in the courts of the District of Columbia in causes which arise from time to time affecting parties and subject matter without the District of Columbia. No court of the District of Columbia shall enforce against any such member of the bar of the highest court of any State any rule promulgated by such court which would require that there be joined of record associate counsel having an office in the District of Columbia or providing for the exclusion of such member of the bar from practice in such causes if the party represented shall file, at the time counsel enters his appearance, with the clerk having jurisdiction consent that service upon said clerk shall be service upon said party and his counsel.

"SEC. 218b. No corporation or association shall, nor shall any person or partnership forbidden by section 218a to practice law in the District of Columbia, use therein in any way except as hereinafter expressly allowed the expressions 'attorney at law', 'counselor at law', 'lawyer', 'attorney', 'counselor', 'law office', or any of them, or the plural of any of them, or any other title, word, or phrase as descriptive of the user or of the office, business, or practice of the user which indicates that the user thereof is engaged or is entitled to engage in the practice of law in said District of Columbia.

"SEC. 218c. Every letter, writing, circular, postal card, picture, print, engraving, photograph, newspaper, pamphlet, book, or other publication, matter, or thing of any kind, containing any matter forbidden by section 218b is hereby declared to be nonmailable, and the mailing or attempted mailing of the same to be a misdemeanor and subject to the penalties hereinafter provided.

"SEC. 218d. Nothing contained in section 218a, 218b, or 218c shall prevent persons or partnerships who are now or shall hereafter be admitted to practice before the Supreme Court of the United States, the Court of Appeals of the District of Columbia, the Court of Customs and Patent Appeals, or the Court of Claims, from practicing before the same, or prevent them from using the words forbidden to be used by section 218b when such words are used (1) in connection with other words stating the court or courts before which they are then so admitted to practice, or (2) in their practice before said courts or any of them; nor shall anything in the said sections contained (a) prevent persons or partnerships who are now or shall hereafter be authorized or permitted by any department, commission, bureau, agency, or other authority of the United States or of the District of Columbia to practice before the same from

doing so, or (b) apply to the use by them of words forbidden by section 218b when such words are used (1) in connection with other words stating the department, commission, bureau, agency, authority, or one or more or all of them before which they are so authorized or permitted to practice, or (2) in their practice before the same, nor shall anything in said sections contained prevent any person, partnership, or firm, now or hereafter registered by the United States Patent Office, to practice before it, and not a member of the bar of the Supreme Court of the District of Columbia, from performing any and all of the services incident to patent, trade mark, copyright, and unfair competition practice before and out of the Patent Office and out of court; nor prevent any member of the bar of the Supreme Court of the District of Columbia, who is also a member of or an associate of a firm or partnership which is registered to practice before the United States Patent Office, but all the members of which are not members of the bar of the Supreme Court of the District of Columbia, from practicing law to the full extent of his authority as a member of said bar, or prevent any person from acting as attorney for the United States Government while actually engaged by it so to do, nor shall anything in the said sections referred to be construed so as to prevent any title insurance company while authorized to carry on its business in the District of Columbia from examining, abstracting, reporting upon, certifying, guaranteeing or insuring titles to real estate, settling sales, conveyances, and exchanges thereof, or doing conveyancing work in connection therewith.

"SEC. 218e. No corporation, association, person, or partnership shall do on behalf of another anything which that other is forbidden to do by sections 218b or 218c.

"SEC. 218f. Every person, corporation, and association, who or which shall violate any provision of section 218a, 218b, or 218c shall be guilty of a misdemeanor, and on conviction thereof shall be punished by fine not exceeding $5,000 or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court, and the Supreme Court of the District of Columbia and the police court of the District of Columbia shall have concurrent jurisdiction of all prosecutions under this section."

SEC. 2. If any clause, sentence, paragraph, word, or part of this act shall, for any reason, be invalid or inoperative the remainder thereof, and each sentence, paragraph, and part of this act shall stand with like effect as though separately and severally enacted, unaffected by the invalidity or inoperativeness of any other part.

SEC. 3. All acts and parts of acts inconsistent or in conflict with the provisions of this act are hereby repealed to the extent of such inconsistency or conflict.

GRADY D. COLEMAN

The bill (S. 983) for the relief of Grady D. Coleman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws and laws conferring rights and privileges upon honorably discharged soldiers and their widows and dependent relatives Grady D. Coleman, late private, Troop E, Fourth Regiment United States Cavalry, shall be held and considered to have been honorably discharged from the military service of the United States as a member of said organization on May 29, 1931: *Provided*, That no back pay, bounty, pension, or other emolument shall accrue prior to the passage of this act.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS

The bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, was announced as next in order.

Mr. RUSSELL. Mr. President, that is the general supply bill for the Department of Agriculture. I ask unanimous consent that it may be taken up at the conclusion of the call of the calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 1994) to amend the Inland Waterways Corporation Act was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 93) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appriation Act, 1934, was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

FLOOD CONTROL ON THE COQUILLE RIVER, OREG.

The bill (S. 448) to authorize a preliminary examination of Coquille River and its tributaries in the State of Oregon with a view to the control of its floods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Coquille River and its tributaries in the State of Oregon, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

FLOOD CONTROL OF UMPQUA RIVER, OREG.

The bill (S. 449) to authorize a preliminary examination of Umpqua River and its tributaries in the State of Oregon with a view to the control of its floods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Umpqua River and its tributaries in the State of Oregon, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

FLOOD CONTROL IN TILLAMOOK COUNTY, OREG.

The bill (S. 1317) authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

FLOOD CONTROL ON WILLAMETTE RIVER, OREG.

The Senate proceeded to consider the bill (S. 865) authorizing a survey of the Willamette River and its tributaries, in the State of Oregon, with a view to controlling floods, which had been reported from the Committee on Commerce with amendments, on page 1, line 4, after the words "cause a", to strike out the word "survey" and insert in lieu thereof the words "preliminary examination"; in line 5, before the word "tributaries", to insert the word "its"; in line 6, after the words "view to", to strike out the words "preparing detailed plans and estimates at the cost of such work as may appear advisable for"; in line 8, after the word "floods", to strike out the words "and for the protection of eroding banks"; and on page 2, line 2, after the word "such", strike out the word "survey" and insert the words "preliminary examination", so as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the Willamette River and its tributaries, in the State of Oregon, with a view to the prevention and control of floods in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917. The cost of such preliminary examination shall be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:: "A bill authorizing a preliminary examination of the Willamette River and its tributaries, in the State of Oregon, with a view to controlling floods."

MARYSVILLE SCHOOL DISTRICT, SNOHOMISH COUNTY, WASH.

The bill (S. 1533) to provide funds for cooperation with Marysville School District No. 325, Snohomish County,

Wash., for extension of public-school buildings to be available for Indian children was announced as next in order.

Mr. O'MAHONEY. Over.

Mr. BONE. Mr. President, may I inquire of the Senator his objection to the Marysville bill?

Mr. O'MAHONEY. It conflicts with the President's financial program.

Mr. BONE. The report of the committee does not so indicate. The report of the committee is very precise and indicates that the proposed legislation would not conflict, as I recall the statement.

A group of Indian pupils were attending a Federal school which was closed and those pupils were sent to the public school at Marysville. That school district is financially unable to carry the additional burden. A similar bill passed the Senate last year, but I think was lost in the House in the closing days of the session. The bill has had the approval of the Department and was introduced at their request because conditions in Marysville school district were becoming intolerable.

Mr. O'MAHONEY. Does the Senator say the Department has approved it?

Mr. BONE. It did last year.

Mr. O'MAHONEY. The letter of the Acting Secretary of the Interior concludes with the statement:

While I personally favor enactment of S. 1533, the Director of the Budget, under date of March 4, 1935, advises that the proposed legislation would not be in accord with the financial program of the President.

Mr. BONE. It may not be in financial accord with his program, but it is assuredly not in financial accord with the condition of the school district. The Federal Government put the burden on a little school district which could not and cannot carry it. If the Federal Government wants to do a thing of that kind, I am perfectly willing.

Mr. O'MAHONEY. I withdraw my objection.

There being no objection the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $38,000 for the purpose of cooperating with Marysville School District, No. 325, Snohomish County, Wash., for extension and improvements of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuitions, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

AGREEMENT RESPECTING WATERS OF COLUMBIA RIVER

The bill (S. 1077) to further extend the time in which the States of Washington, Idaho, Oregon, Montana, and Wyoming may enter into a compact or agreement respecting the disposition and apportionment of the waters of the Columbia River and its tributaries was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the time within which the States of Washington, Idaho, Oregon, Montana, and Wyoming may enter into a compact or agreement respecting the disposition and apportionment of the waters of the Columbia River and its tributaries as authorized by the act entitled "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes", approved March 4, 1925, as amended and extended, is extended to January 1, 1937.

AGREEMENT RESPECTING WATERS OF LITTLE MISSOURI RIVER

The Senate proceeded to consider the bill (S. 1571) granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Little Missouri River, which had been reported from the Committee on Irrigation and Reclamation with an amendment, on page 1, line 6, after the words "January 1", to strike out "1936" and insert in lieu thereof "1937", so as to make the bill read:

Be it enacted, etc., That consent of Congress is hereby given to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact or agreement not later than January 1, 1937, providing for an equitable division and apportionment between the States of the water supply of the Little Missouri River and of the streams tributary thereto, upon conditions that one suitable person, who shall be appointed by the President of the United States, shall participate in said negotiations as the representative of the United States and shall make report to Congress of the proceedings and of any compact or agreement entered into: *Provided*, That any such compact or agreement shall not be binding or obligatory upon either of the parties thereto unless and until the same shall have been approved by the legislature of each of said States and by the Congress of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF TIMBER ON NATIONAL FORESTS

The Senate proceeded to consider the bill (H. R. 2881) authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 1, line 8, after the words "prior to", to strike out "May 1, 1933" and insert in lieu thereof "June 30, 1934", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized, upon application of the contracting parties involved, and after due notice publicly given, when such action is necessary in his judgment to prevent hardship or unemployment, and under such rules and regulations as he may prescribe, to terminate any contract made prior to June 30, 1934, for the sale of timber on national forests, without requiring the payment of damages for failure to cut all of the timber involved, except as the value of the remaining timber may have been reduced by the cutting and removal done by the purchaser: *Provided*, That all applications for action by the Secretary under the authority of this act shall be submitted within 1 year from the date of its approval.

The amendment was agreed to.

The bill was read the third time, and passed.

IMPORTS OF AGRICULTURAL PRODUCTS

Mr. VANDENBERG. Mr. President, on Tuesday last I submitted a resolution (S. Res. 111) simply requesting information from the departments respecting certain tariff items. I have conferred with the majority leader, the Senator from Arkansas [Mr. ROBINSON], and he is perfectly willing the resolution should be adopted with the preamble stricken out. I am willing to perfect the resolution by eliminating the preamble, and I ask for its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Michigan?

Mr. HARRISON. Mr. President, reserving the right to object, I understand the Senator desires to strike out the preamble?

Mr. VANDENBERG. Yes.

Mr. HARRISON. The resolution merely seeks information from the Treasury, Commerce, and Agriculture Departments?

Mr. VANDENBERG. That is the total extent of the resolution.

Mr. HARRISON. I see no objection, although I think it is the better practice for such resolutions first to go to a standing committee.

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Secretary of the Treasury be requested to transmit to the Senate full and detailed information regarding the imports of agricultural products into the United States from January 1, 1934, to March 1, 1935, by countries of origin, dates of importation, the kinds, volume, and value in dollars of such imports, the names of the transporting ships, and the United States ports of entry; be it further

Resolved, That the Secretaries of Commerce and Agriculture and Special Foreign Trade Adviser Hon. George N. Peek be requested to transmit to the Senate any information available in their departments covering the calendar or fiscal years from 1904 to December 31, 1934, showing the cotton acreage, annual production and consumption, and the annual import and export in volume and dollar value of the cotton produced and consumed by the separate countries of the world, together with the annual world surplus; and be it further

Resolved, That the Secretaries of Commerce and Agriculture and Special Foreign Trade Adviser Hon. George N. Peek be requested to transmit to the Senate any information available in their departments covering the calendar and/or fiscal years from 1904 to December 31, 1934, showing the wheat acreage, annual production and consumption, and annual import and/or export in volume and dollar value of the wheat produced and consumed by the separate countries of the world, together with the annual world surplus.

The preamble was stricken out.

ERADICATION OF MEDITERRANEAN FRUIT FLY

Mr. TRAMMELL. Mr. President, I ask unanimous consent to recur to calendar 374, the bill (S. 933) to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture. I think it was objected to under a misapprehension when it was reached on the calendar.

Mr. FLETCHER. Mr. President, I hope that my colleague's request may be granted.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 3, line 13, after the words "sum of", to strike out "$25,000" and insert in lieu thereof "$10,000", so as to make the bill read:

Be it enacted, etc., That a board is hereby created, to be known as the Mediterranean Fruit Fly Board, to be composed of five individuals to be appointed by the Secretary of Agriculture, two of whom shall be representatives of the Department of Agriculture (one to be chairman of the board), two citizens of the State of Florida, and one man at large. Any vacancy occurring in the board shall be filled in the same manner as the original appointment. Each member of the board, other than members holding office under the State or Federal Government, shall receive compensation at the rate of $10 per day while actually employed on the business of the board. The board shall cease to exist upon transmitting its report under section 2 of this act.

SEC. 2. The board is authorized and directed to conduct a complete investigation and survey of all losses sustained by growers and farmers in the State of Florida resulting from the campaign to eradicate the Mediterranean fruit fly in such State and transmit to the Secretary of Agriculture not later than December 31, 1935, a full report of the results of such investigation and survey: *Provided*, That such report shall serve as information only and shall not be construed as imposing any legal or moral obligation upon the Government of the United States. The Secretary of Agriculture shall, not later than January 10, 1936, transmit such report of survey to Congress, together with such recommendations as he may, in his judgment, deem advisable.

SEC. 3. With the approval of the Secretary of Agriculture, the board may (1) without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States employ and fix the compensation and duties of such employees as may be necessary to carry out the purposes of this act; but the compensation of such employees shall correspond, so far as may be practicable, to the rates established by the Classification Act of 1923, as amended; and may (2) make such expenditures, including expenditures for travel and subsistence expenses, for personal services at the seat of government and elsewhere, and for printing and binding, as are necessary for the efficient execution of its functions under this act. All expenses of the board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the Board and the Secretary of Agriculture.

SEC. 4. That there is hereby authorized to be appropriated the sum of $10,000, or so much thereof as may be necessary, for the purpose of carrying out the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. SAMUEL B. HILL, Mr. CULLEN, Mr. TREADWAY and Mr. BACHARACH were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 10, 17, 26, 28, and 32 to the said bill and concurred therein; and that the House had receded from its disagreement to the amendments of the Senate numbered 7 and 25 to the bill and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 403. An act to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections numbered 5 and 6;

S. 406. An act to amend an act approved May 1, 1906, entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes"; and

H. J. Res. 174. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes.

AMENDMENT OF INLAND WATERWAYS CORPORATION ACT

Mr. FLETCHER. Mr. President, when Senate bill 1994 was reached on the calendar, a Senator objected to its consideration. It is a bill introduced by the Senator from California [Mr. JOHNSON], referred to the Committee on Commerce, and favorably reported. There is no objection to it. The Department recommends it. The bill merely extends to certain waterways in California the provisions of the Inland Waterways Corporation Act.

The PRESIDENT pro tempore. Does the Senator from Florida ask unanimous consent to recur to that bill?

Mr. FLETCHER. I do.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1994) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subdivision (e) of section 3 of the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes", approved June 3, 1924, as amended, is amended by striking out the words "or Snake Rivers" and inserting in lieu thereof "Snake, Sacramento, or San Joaquin Rivers."

AGRICULTURAL DEPARTMENT APPROPRIATIONS

Mr. RUSSELL. In conformity with the unanimous-consent agreement heretofore entered into, I now ask that the Senate proceed to the consideration of House bill 6718, the agricultural appropriation bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. RUSSELL. I ask that the formal reading of the bill be dispensed with and that the bill be read for amendment, the amendments of the committee to be first considered.

The PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of Agricul-

ture—Office of the Secretary—Salaries", on page 3, line 19, after the word "exceed", to strike out "$30,000" and insert "$33,400", so as to read:

For the Secretary of Agriculture, Under Secretary of Agriculture, Assistant Secretary, and for other personal services in the District of Columbia, and elsewhere, $584,712: *Provided*, That in expending appropriations or portions of appropriations contained in this act for the payment for personal services in the District of Columbia in accordance with the Classification Act of 1923, as amended, with the exception of the Assistant Secretary, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act as amended and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade, except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade but not more often than once in any fiscal year and then only to the next higher rate: *Provided further*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, or (2) to require the reduction in salary of any person whose compensation was fixed as of July 1, 1924, in accordance with the rules of section 6 of such act, (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade, in the same or different bureau, office, or other appropriation unit, (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the Classification Act of 1923, as amended, and is specifically authorized by other law, or (5) to reduce the compensation of any person in a grade in which only one position is allocated: *Provided further*, That the Secretary of Agriculture is authorized to contract for stenographic reporting services, and the appropriations made in this act shall be available for such purposes: *Provided further*, That the Secretary of Agriculture is authorized to expend from appropriations available for the purchase of lands not to exceed $1 for each option to purchase any particular tract or tracts of land: *Provided further*, That not to exceed $33,400 of the appropriations available for salaries and expenses of officers and employees of the Department of Agriculture permanently stationed in foreign countries may be used for payment of allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. VII, title 5, sec. 118a), but the amount so used for any one person shall not exceed the amount permitted by law to be so used, during the fiscal year 1936, for any one person in the foreign service of the Department of Commerce:

The amendment was agreed to.

The next amendment was, on page 4, line 16, after the word "any", to strike out "statement, oral or written" and insert "written statement", so as to read:

Provided further, That no part of the funds appropriated by this act shall be used for the payment of the salary of any officer or employee of the Department of Agriculture who as such officer or employee, or on behalf of the Department of Agriculture, issues or causes to be issued or to be made public any written statement which advocates reduced consumption of, or which asserts that it is harmful or undesirable to use, any wholesome agricultural food commodity or any manufacture thereof; but this proviso shall not apply to any assertion that an article is adulterated or misbranded within the meaning of the Food and Drugs Act of June 30, 1906, as amended, or to the issue or publication of any suggested balanced diet for food or feed purposes.

The amendment was agreed to.

The next amendment was, under the heading "Extension Service—Payments to States, Hawaii, and Alaska", on page 16, line 6, after the name "Washington", to strike out "$85,000" and insert "$97,030", so as to read:

Agricultural exhibits at fairs: To enable the Secretary of Agriculture to make suitable agricultural exhibits at State, interstate, and international fairs held within the United States; for the purchase of necessary supplies and equipment; for telephone and telegraph service, freight and express charges; for travel, and for every other expense necessary, including the employment of assistance in or outside the city of Washington, $97,030.

The amendment was agreed to.

The next amendment was, on page 16, line 20, after the word "expenses", to strike out "$902,754" and insert "$914,784", and in line 21, after the word "exceed", to strike out "$510,536" and insert "$516,536", so as to read:

In all, salaries and expenses, $914,784, of which amount not to exceed $516,536 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 16, line 23, to increase the total appropriation for the Extension Service from $4,974,754 to $4,986,784.

The amendment was agreed to.

The next amendment was, on page 16, line 25, to increase the grand total appropriation, Office of the Secretary of Agriculture, from $11,622,554 to $11,634,584.

The amendment was agreed to.

The next amendment was, under the heading "Weather Bureau—Salaries and expenses", on page 20, line 2, after the word "exceed", to strike out "$482,819" and insert "$494,419", so as to read:

Total, Weather Bureau, $3,429,204, of which amount not to exceed $494,419 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Animal Industry", on page 25, line 16, before the word "elsewhere", to strike out "and/or" and insert "and", so as to read:

Animal husbandry: For all necessary expenses for investigations and experiments in animal husbandry; for experiments in animal feeding and breeding, including cooperation with the State agricultural experiment stations and other agencies, including repairs and additions to and erection of buildings absolutely necessary to carry on the experiments, including the employment of labor in the city of Washington and elsewhere, rent outside the District of Columbia, and all other necessary expenses, $757,663, including $12,500, for livestock experiments and demonstrations at Big Springs and elsewhere in Texas, to be available only when the State of Texas, or other cooperating agency in Texas shall have appropriated an equal amount or, in the opinion of the Secretary of Agriculture, shall have furnished its equivalent in value in cooperation for the same purpose during the fiscal year ending June 30, 1936.

The amendment was agreed to.

The next amendment was, on page 26, line 9, after the "products", to strike out "$366,755" and insert "$391,755", so as to read:

Diseases of animals: For all necessary expenses for scientific investigations of diseases of animals, including the construction of necessary buildings at Beltsville, Md., the maintenance of the Bureau experiment station at Bethesda, Md., and the necessary expenses for investigations of tuberculin, serums, antitoxins, and analogous products, $391,755.

The amendment was agreed to.

The next amendment was, on page 30, line 2, before the words "of which", to strike out "$11,298,419" and insert "$11,323,419", so as to read:

Total, Bureau of Animal Industry, $11,323,419, of which amount not to exceed $789,029 may be expended for departmental personal services in the District of Columbia, and not to exceed $55,325 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

Mr. CLARK. Mr. President, I have no disposition or desire to slow up the consideration or passage of this measure; but I should like to ask the chairman of the subcommittee, the Senator from Georgia [Mr. RUSSELL], whether there is any legislation in the committee amendments?

Mr. RUSSELL. Mr. President, the Senator from Missouri is advised that there is no legislation whatever in the committee amendments. If the committee had reported any amendment in the way of legislation, the entire bill, of course, would have been subject to a point of order and would have been recommitted.

There is a minor amendment in the nature of legislation which provides for the establishment of a meteorological station in the State of Montana, and makes an annual appropriation of $10,000 therefor, which the Senator in charge of the bill has been requested by the committee to offer from the floor. No other amendment embracing legislation will be offered by the Senator having the bill in charge.

Mr. CLARK. That was precisely the purpose of my inquiry—to ask the Senator in charge of the bill whether it is the intention of the committee to offer, on behalf of the committee, any amendments creating new offices or involving a real legislative change.

Mr. RUSSELL. The Senator from Missouri is advised that no such amendment could possibly be involved, unless it be the amendment in which the Senator from Montana [Mr. WHEELER] is interested, providing for the establishment of a meteorological station to attempt to safeguard against forest fires.

Mr. CLARK. I have no objection, and I am certain no Member of the Senate has any objection, to that amendment. What I was trying to guard against was what happened in the last session, when the office of Under Secretary of Agriculture was created by a committee amendment without what I regard as due notice to the Senate.

Mr. RUSSELL. The Senator from Missouri is on the floor and may object to any amendment that is offered. He is as familiar with the rules as any other Member of this body, and much more familiar with them than is the Senator from Georgia.

Mr. DICKINSON. Mr. President, I do not expect to bring this matter before the Senate, but there has been a great deal of criticism of the county agents in the Extension Service acting as secretaries of the various corn-hog committees. I therefore ask that the testimony of Dr. Warburton, commencing on page 37 of the Senate committee hearings on the bill and ending on page 40, be inserted in the RECORD at this point, so as to show the position of the Department with reference to this particular phase of the work.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

SERVICE OF COUNTY AGENTS IN A. A. A. ACTIVITIES

Senator DICKINSON. Dr. Warburton, what percentage of the time of the county agents in the Extension Service is now being taken up with the expansion and direction and activities of the Agricultural Adjustment Administration?

Dr. WARBURTON. That varies greatly, Senator DICKINSON, according to the importance of the adjustment effort in the particular county. In the Iowa counties, for instance, where on the average 1,700 corn-hog contracts were written, necessarily a very considerable portion of the time of the county agent is taken up with that work.

Senator DICKINSON. What is the reason for the county agent being selected as the secretary of these corn-hog committees in the various counties?

Dr. WARBURTON. The corn-hog associations, as well as other production-control associations, elect their own officers; and in Iowa a considerable number of the county associations have elected the county agent as the secretary of the association. That is accomplished by free vote of the members of those associations.

Senator DICKINSON. The suggestion I wanted to make was that either your Extension Service is not of any value, or it is being absolutely laid aside and subrogated to the A. A. A. program. I know of no reason why the corn-hog committee in a county in Iowa or any other State should not select its own secretary, and let the county agent do the Extension Service work that he used to do.

Either you must admit that your Extension Service work was not of value, or you must admit that the work is being absolutely laid aside and nothing is being done on your extension work, and you are giving your whole time to the economic end of the problem, rather than the educational and scientific end of it that was formerly the duty of the county agent.

Dr. WARBURTON. I certainly would not admit, and I think you would not admit, that the Extension Service has been of no value.

Senator DICKINSON. No; I do not admit it, and I want you to think about the offering of an amendment here which will provide that none of the funds appropriated in this bill shall go to pay the salary of a county agent who gives any of his time to the A. A. A. program.

Senator O'MAHONEY. Would not that tend to increase the expenditure?

Senator DICKINSON. No; it does not tend to increase it at all. Why? What they are doing is diverting the county agent's salary over to the A. A. A. program and neglecting the Extension Service work and saving the A. A. A. the expense of doing what they ought to do, and that is to select their own secretaries and pay them.

Dr. WARBURTON. I know of nothing that would more quickly wreck the Extension Service than such a prohibition as the Senator suggests.

A little less than 2 years ago, when the Agricultural Adjustment Act was passed, the question was raised as to whether the Extension Service should provide the field representation for the Adjustment Administration. The Extension Service had a wide-spread organization with representatives in the larger part of the agricultural counties in the United States. There was no comparable organization in, I think, any other Government activity. There was no other agency which could so quickly have presented the plans of the Agricultural Adjustment Administration to the farmers of the country. If the Agricultural Adjustment Administration had not used the Extension Service and had set up an organization wholly of its own, paralleling the Extension Service, the net result would have been very generally that the farm people of the country would have said, "There are just too many Federal agents in this county; and the one that we can do something about getting rid of is the extension agent, because we pay part of his salary."

Senator DICKINSON. You are playing right into their hands by admitting that the county agent is not worth anything as an extension agent, and therefore he becomes an economic agent of the corn-hog man.

Dr. WARBURTON. Not at all, Senator. The Adjustment Administration is putting into effect agricultural economics in a way that the Extension Service has not been able to do. We have been talking for years about the agricultural outlook, trying to get farmers to produce in accordance with prospective demand; but on that we have not been able to accomplish a great deal. We have had some effect on production. The Adjustment Administration, through the production-control contracts, has made a definite effort to accomplish something along that line; and in some counties I admit that a very considerable part of the county agent's time has been taken up with the adjustment effort. That has been time that has been well used by the extension agents; and, for one thing, it has given the extension agents opportunity to contact a very large number of farmers who never came near their offices before. They have a very much wider acquaintance than they ever had before. They have shown the rural people that they are in a position to give them service, which opportunity they have not had to so great a degree at any previous time.

There is a very considerable demand on the part of the rural public for what we might call the old-line extension work, a desire on the part of the farm people of the country to have the extension agents get back to giving a much larger share of their time than they have given during the past year or year and a half to such things as insect control, the best ways of feeding livestock, advice on fertilizers, and all the other subjects on which many farmers have come to look to the extension agents for advice. We feel that there will be opportunity, during the next year or so, for the extension agents to give a much larger part of their time to the regular extension program, because in these production-control associations there are many thousands of farm people—committeemen, officers of the associations—who are much more familiar with the plans and procedure of the Adjustment Administration than was the case a couple of years ago.

Senator DICKINSON. The strongest answer to your argument is the fact that the counties got along just as well where the county agent was not made secretary of the control committee as they did where he was made secretary.

Dr. WARBURTON. Your view as to the county agent being secretary of the control association is entirely in accord with mine. I should very much prefer that the county agent not be secretary of the control association, just as I should prefer to insist that he not be the manager of a cooperative marketing association. However, the members of these county control associations in a considerable number of cases have elected the county agent as secretary, and it did not seem wise for us to say definitely that the county agent should not serve.

What I hope will develop, and develop rather promptly, is that, as farmers become more familiar with the operation of the Adjustment Administration, the county agents very largely will be replaced as secretaries.

Senator DICKINSON. Why not replace them this year? There is a committee in every county. They know what the business is. There is no reason why they should not select their own party and pay him in their own way. What this really amounts to is a diversion of a large amount of money from the educational and scientific work of the Extension Service.

What is the total amount that you pay out as county agents' salaries?

Dr. WARBURTON. The total of the county agents' salaries from Federal funds?

Senator DICKINSON. Of Federal funds; yes.

Dr. WARBURTON. The total Federal appropriation for extension work going to the States is about $9,000,000. I cannot say offhand what proportion of that goes into salaries of county agricultural agents.

Senator DICKINSON. About half of it, does it not?

Dr. WARBURTON. Probably half of it.

Senator DICKINSON. Somewhere around there. All right. What it means, then, is that you are diverting from the educational and scientific work of the Extension Service $4,000,000 worth of service over the adjustment program, which is presumed to finance itself; so it means, indirectly, that you are financing this work out of regular appropriations.

Dr. WARBURTON. That depends entirely on how far you go in your proposed prohibition. If it looks only to a prohibition of the service of a county agent as secretary of a control association, that is a comparatively small matter. If you forbid a county agent to have anything to do with the adjustment program, giving any information about it, or assisting in any way with the adjustment program, that is a very different matter. On the whole, a comparatively small number of county agents are now serving as secretaries of control associations.

Senator DICKINSON. Can you give me that number?

Mr. WARBURTON. I cannot give you the number for the entire country. I know that by far the larger part of the county agents in Iowa happen to be serving in that way. In some States there are no county agents whatever who are serving as secretaries of control associations.

There are conditions under which the service of the county agent as secretary of the control association is desirable.

Senator DICKINSON. I would like to know what they are.

Mr. WARBURTON. I am thinking particularly of the counties which have a comparatively small membership in those associations, counties which are in very poor financial shape, which cannot support from county funds the employment of a county agent, and if the county agent serves as secretary of the control association, the

control association provides the local cooperation in the employment of the agent which normally would be provided from county funds. There are some counties which have been unable, or which have refused, to make appropriations for county agents. In order to have a county agent there we have accepted a contribution from the control association, and in return for that have permitted the county agent to serve as secretary of the association.

Senator DICKINSON. Is that common?

Dr. WARBURTON. That is not the basis for such service in a State like Iowa. That is more common in the Dakotas and in some of the Montana counties than I think in any other part of the country. It is not a general practice.

Senator WHEELER. Counties in eastern Montana have been so hard hit it has been impossible for them to contribute anything to the county agents.

Dr. WARBURTON. The same is true in the Dakotas and in some of the Nebraska counties.

Senator RUSSELL. Referring to the bottom of the page, line 21, adding $6,000 to the salary limitation on Extension Service, that will not be necessary unless the appropriation for the agricultural exhibit at fairs were included.

Mr. JUMP. Yes. It is a contingent amendment, dependent upon the action taken on the major amendment there.

The PRESIDENT pro tempore. The reading of the bill will be continued.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "Bureau of Plant Industry", on page 32, line 12, after the word "control", to strike out "$36,635" and insert "$136,635, of which $100,000 shall be expended in connection with State agricultural colleges for scientific investigation concerning control and eradication of weeds", so as to read:

Botany: For investigation, improvement, and utilization of wild plants and grazing lands, and for determining the distribution of weeds and means of their control, $136,635, of which $100,000 shall be expended in connection with State agricultural colleges for scientific investigation concerning control and eradication of weeds.

Mr. NORRIS. Mr. President, I desire to offer an amendment to the committee amendment.

On page 32, line 14, after the word "of" and just before the word "weeds", I move to insert "binder weed, bind weed, and other noxious", so that, if amended, it will read:

Investigation concerning control and eradication of binder weed, bind weed, and other noxious weeds.

Mr. RUSSELL. I have no objection to that amendment. I think it will carry out the intention of the committee perhaps better than the verbiage contained in the committee amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nebraska to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. NORRIS. Mr. President, now that the amendment as amended, has been adopted, I desire to say just a few words. I do this mainly for the purpose of placing the facts in the RECORD. I thought I had here the material which I wished to put in, but I find that I do not have it, so I shall have to rely upon my memory to state the facts.

I desire to place in the RECORD something in relation to this particular amendment in order that the conferees may have it before them when they come to consider the amendment.

Among the many pests of agriculture there is now one which in a way is comparatively new, and that is the bind weed. People generally, at least outside of the Missouri Valley and the Middle West, do not understand exactly what it is, and a great many of those people have not yet come in contact with it. It is one of the worst pests I know to the farmer and to agriculture; and this year in particular, when the farmers all through that part of the country have been suffering, the probabilities are that on account of the drought itself this dangerous pest, called "bind weed", will be scattered over a large portion of the country which so far has not been bothered with it.

The bind weed is a weed looking something like the morning glory. It takes full possession of farm lands when it gets started. It will grow in wet weather and in dry weather. The drought has had no effect upon it. When land becomes infested with the weed, and it covers the land, the land becomes practically useless. So far, no method of extermination has been devised that is practical for the farmer to use.

Twenty States in the Middle West are now infested with this weed. It spreads by seed and also by its roots. The bind-weed plant grows out 15 feet from the place where it starts, so, when it is full grown, it covers a radius of 30 feet; and when the weed once covers the soil it costs more to eradicate the weed and get rid of it thoroughly than most soils are worth.

This amendment is intended to enable the Federal Government to assist the States in discovering, if possible, some more economical method of exterminating this weed.

Estimates very carefully made in the State of Kansas show that, although a comparatively small number of acres, considering the entire State, are infested, to exterminate the bind weed existing in Kansas by methods now known would cost $8,000,000 and take 10 years. The chemical which must be used to kill it is too expensive.

Perhaps the most practical method employed by farmers in exterminating bind weed has been intense cultivation, using a cultivator shovel which spreads out, with very sharp edges which cut the weed off. It grows again, however, and has to be cut off several times. It takes 2 years of such active cultivation to kill bind weed and exterminate it. During the 2 years the farmer loses the use of his land.

Loan companies at this time are refusing to make loans on land where it is known to be infested with this pest. The Federal Government refuses to lend on such farms. The Federal farm-loan banks will not lend money now upon land so infested.

There was recently held in the city of Washington a sort of a convention, attended by farmer delegates from Wisconsin, Illinois, Minnesota, Iowa, Nebraska, and Kansas, and, I think, from some other States. Those delegates earnestly urged the scientific men of the Department of Agriculture to devise some way by which the destruction of this pest could be made more economical and more effectual.

Mr. DICKINSON. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. DICKINSON. It was the hope, in offering this amendment, that there could be set up a special subdivision on weed eradication.

Mr. NORRIS. Yes.

Mr. DICKINSON. And that, doing so, the Department would put experts in position to work in conjunction with the agricultural colleges of the various States in the Middle West.

Mr. NORRIS. That is the idea.

Mr. DICKINSON. For that reason, the amendment provided that the work was to be done in cooperation with the State agricultural colleges.

Mr. NORRIS. Yes.

Mr. DICKINSON. The next weed they seem to have in mind is what is known as the "creeping Jennie", which is another very obnoxious weed, and which practically eliminates a crop where it once infests the land.

Mr. NORRIS. Oh, yes; it is almost impossible to get rid of it.

Mr. President, I simply desired to call attention to this bind weed because it is a comparatively new pest. I wanted to call this to the attention of the Congress, and especially to the attention of the member of the committee who will be on the conference committee, so that he will understand the seriousness of this particular amendment.

Mr. RUSSELL. Mr. President, I am much impressed by the Senator's argument, and will endeavor to see that the amendment is retained in the bill.

Mr. FLETCHER. In what kind of soil does this weed grow?

Mr. NORRIS. It will grow in almost any soil.

Mr. FLETCHER. Sandy soil or rich soil?

Mr. NORRIS. Yes; in dry soil or wet soil.

Mr. HARRISON. Mr. President, I do not like to ask anything unusual, but the Committee on Finance is meeting,

and I am very anxious to go to the meeting. Will not the Senator permit me at this time to offer an amendment, which is very simple in its nature, and with which I think the Senator is familiar?

Mr. RUSSELL. Certainly.

Mr. HARRISON. On page 33, line 18, after the numerals "$290,346", I move to insert a comma and the following words, "of which at least $7,500 shall be available for the continuation of the Mississippi-Alabama experiment station at West Point, Miss."

This amendment merely calls for $7,500. It does not increase the appropriation in the aggregate, but merely makes it possible for this experiment station to continue. There is a condition in Mississippi affecting farm crops such as grains. The station has been of wonderful benefit to the section of the State where it is located, and I hope the Senator will permit the amendment to go into the bill.

Mr. RUSSELL. I have no objection to having the matter go to conference.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 33, line 18, after the numerals "$290,346", it is proposed to insert the words "of which at least $7,500 shall be available for the continuation of the Mississippi-Alabama experiment station at West Point, Miss.", so as to read:

Forage crops and diseases: For the purchase, propagation, testing, and distribution of new and rare seeds; for the investigation and improvement of grasses, alfalfa, clover, and other forage crops, including the investigation and control of diseases, $290,346, of which at least $7,500 shall be available for the continuation of the Mississippi-Alabama experiment station at West Point, Miss.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, on page 33, line 1, after the figures "$406,435", to insert a comma and "of which sum not exceeding $20,000 shall be used for experimenting in Sea Island cotton", so as to read:

Cotton and other fiber crops and diseases: For investigation of the production of cotton and other fiber crops, including the improvement by cultural methods, breeding, and selection, fiber yield and quality, and the control of diseases, $406,435, of which sum not exceeding $20,000 shall be used for experimenting in Sea Island cotton.

The amendment was agreed to.

The next amendment was, on page 34, line 12, after the word "storage", to strike out "$1,151,192" and insert "$1,178,692", so as to read:

Fruit and vegetable crops and diseases: For investigation and control of diseases, for improvement of methods of culture, propagation, breeding, selection, and related activities concerned with the production of fruits, nuts, vegetables, ornamentals, and related plants, for investigation of methods of harvesting, packing, shipping, storing, and utilizing these products, and for studies of the physiological and related changes of such products during processes of marketing and while in commercial storage, $1,178,692.

The amendment was agreed to.

The next amendment was, on page 38, line 4, before the words "of which", to strike out "$4,958,497" and insert "$5,085,997", so as to read:

Total, Bureau of Plant Industry, $5,085,997, of which amount not to exceed $1,691,221 may be expended for departmental personal services in the District of Columbia and not to exceed $15,675 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "National Forest Administration", on page 41, line 23, after the word "sale", to strike out "and/or" and insert "and", so as to read:

For the administration, protection, and development of the national forests, including the compensation and traveling expenses of field personnel; the purchase of materials, supplies, and equipment; the establishment and maintenance of forest tree nurseries, including the procurement of tree seed and nursery stock by purchase, production, or otherwise, seeding and tree planting and the care of plantations and young growth; the maintenance and operation of aerial fire control by contract or otherwise, but not including the purchase of landing fields or aircraft; the maintenance of roads and trails and the construction and maintenance of all other improvements necessary for the proper and economical administration, protection, development, and use of the national forests: *Provided*, That where, in the opinion of the Secretary of Agriculture, direct purchases will be more economical than construction, improvements may be purchased; the construction and maintenance of sanitary facilities and for fire preventive and other measures incident to recreational developments and use; control of destructive forest tree diseases and insects; timber cultural operations; development and application of fish and game management plans; propagation and transplanting of plants suitable for planting on semiarid portions of the national forests; estimating and appraising of timber and other resources and development and application of plans for their effective management, sale, and use; examination, classification, surveying, and appraisal of land incident to effecting exchanges authorized by law and of lands within the boundaries of the national forests that may be opened to homestead settlement and entry under the act of June 11, 1906 (U. S. C., title 16, secs. 506–509), and the act of August 10, 1912 (U. S. C., title 16, sec. 506), as provided by the act of March 4, 1913 (U. S. C., title 16, sec. 512), and all other expenses necessary for the use, maintenance, improvement, protection, and general administration of the national forests and lands under contract for purchase or for the acquisition of which condemnation proceedings have been instituted under the act of March 1, 1911 (U. S. C., title 16, sec. 521), and the act of June 7, 1924 (U. S. C., title 16, secs. 471, 499, 505, 564–570).

The amendment was agreed to.

The next amendment was, under the subhead "Forest research", on page 45, line 14, after the figure "9", to strike out "$129,703" and insert "$250,000", so as to read:

Forest survey: A comprehensive forest survey under section 9, $250,000.

The amendment was agreed to.

The next amendment was, on page 45, line 17, after the word "expenses", to strike out "$9,818,165" and insert "$9,938,462", so as to read:

In all, salaries and expenses, $9,938,462; and in addition thereto there are hereby appropriated all moneys received as contributions toward cooperative work under the provisions of section 1 of the act approved March 3, 1925 (U. S. C., title 16, sec. 572), which funds shall be covered into the Treasury and constitute a part of the special funds provided by the act of June 30, 1914 (U. S. C., title 16, sec. 498).

The amendment was agreed to.

The next amendment was, under the subhead "National Forest Reservation Commission", on page 47, line 19, after the words "Forest Service", to strike out "$11,460,676" and insert "$11,580,973", so as to read:

Total, Forest Service, $11,580,973, of which amount not to exceed $41,885 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia, and in addition thereto there is authorized for expenditure from funds provided for carrying out the provisions of the Federal Highway Act of November 9, 1921 (U. S. C., title 23, secs. 21, 23), not to exceed $7,425 for the purchase of motor-propelled passenger-carrying vehicles for use by the Forest Service in the construction and maintenance of national forest roads.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Chemistry and Soils", on page 49, line 22, to strike out "$348,930" and insert "$383,930", so as to read:

Agricultural chemical investigations: For conducting the investigations contemplated by the act of May 15, 1862 (U. S. C., title 5, secs. 511, 512), relating to the application of chemistry to agriculture; for the biological, chemical, physical, microscopical, and technological investigation of foods, feeds, drugs, and insecticides and substances used in the manufacture thereof, including investigations of the physiological effects of such products; for the investigation and development of methods for the manufacture of sugars and sugar sirups and the utilization of new agricultural materials for such purposes; for investigation of the action and changes produced by micro-organisms, including molds and fungi; for investigation and development of methods for the utilization of agricultural wastes and residues, in cooperation with the Bureau of Standards, Department of Commerce, without duplication of work; for investigation and development of methods for the prevention of heating of agricultural products and the prevention of farm fires and fires in cotton gins, cotton-oil mills, grain elevators, and other structures, and to cooperate with associations and scientific societies in the development of methods of analysis, $383,930.

The amendment was agreed to.

The next amendment was, on page 50, line 11, to strike out "$61,741" and insert "$81,741" so as to read:

Naval stores investigations: For the investigation and demonstration of improved methods or processes of preparing naval stores, the weighing, handling, transportation, and the uses of same, $81,741.

The amendment was agreed to.

The next amendment was, on page 51, line 4, before the words "of which", to strike out "$1,229,434" and insert "$1,284,434", so as to read:

Total, Bureau of Chemistry and Soils, $1,284,434, of which amount not to exceed $963,646 may be expended for personal services in the District of Columbia, and not to exceed $1,770 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Entomology and Plant Quarantine", on page 53, line 10, before the word "prevention", to strike out "and/or" and insert "and", so as to read:

Phony-peach eradication: For determining and applying such methods of eradication, control, and prevention of spread of the disease of peach trees known as "phony peach" as in the judgment of the Secretary of Agriculture may be necessary, including cooperation with such authorities of the States concerned, organizations of growers, or individuals, as he may deem necessary to accomplish such purposes, including the certification of products out of the infested areas to meet the requirements of State quarantines, $49,828.

The amendment was agreed to.

The next amendment was, on page 54, line 16, before the word "prevention", to strike out "and/or" and insert "and", so as to read:

Blister rust control: For applying such methods of eradication, control, and prevention of spread of the white pine blister rust as in the judgment of the Secretary of Agriculture may be necessary to accomplish such purposes, and in the discretion of the Secretary of Agriculture no expenditures shall be made for these purposes until a sum or sums at least equal to such expenditures shall have been appropriated, subscribed, or contributed by State, county, or local authorities, or by individuals or organizations concerned, $250,000.

The amendment was agreed to.

The next amendment was, on page 55, line 14, after the words "corn borer", to strike out "$339,729" and insert "$354,729", so as to read:

Cereal and forage insects: For insects affecting cereal and forage crops, including sugarcane and rice, and including research on the European corn borer, $354,729.

The amendment was agreed to.

The next amendment was, on page 55, line 23, after the word "control", to strike out "and/or" and insert "and", so as to read:

Barberry eradication: For the eradication of the common barberry and for applying such other methods of eradication, control, and prevention of spread of cereal rusts as in the judgment of the Secretary of Agriculture may be necessary to accomplish such purposes, $200,000.

The amendment was agreed to.

The next amendment was, on page 56, line 19, to strike out "$53,000" and insert "$68,000", so as to read.

Bee culture: For bee culture and apiary management, $68,000.

The amendment was agreed to.

The next amendment was, on page 57, line 1, before the word "survey", to strike out "insect-pest" and insert "insect pest", so as to read:

Insect pest survey and identification: For the identification and classification of insects, including taxonomic, morphological, and related phases of insect-pest control, the importation and exchange of useful insects, and the maintenance of an insect pest survey for the collection and dissemination of information to Federal, State, and other agencies concerned with insect-pest control, $134,798.

The amendment was agreed to.

The next amendment was, on page 57, line 6, before the word "control", to strike out "and/or" and insert "and", so as to read:

Control investigations: For developing equipment or apparatus to aid in enforcing plant quarantines, eradication and control of plant pests, determining methods of disinfecting plants and plant products to eliminate injurious pests, determining the toxicity of insecticides, and related phases of insect pest control, $62,518.

The amendment was agreed to.

The next amendment was, on page 57, line 22, after the word "entry", to strike out "and/or" and insert "and", so as to read:

Foreign plant quarantines: For enforcement of foreign plant quarantines, at the port of entry and port of export, and to prevent the movement of cotton and cottonseed from Mexico into the United States, including the regulation of the entry into the United States of railway cars and other vehicles, and freight, express, baggage, or other materials from Mexico, and the inspection, cleaning, and disinfection thereof, including construction and repair of necessary buildings, plants, and equipment, for the fumigation, disinfection, or cleaning of products, railway cars, or other vehicles entering the United States from Mexico, $625,956.

The amendment was agreed to.

The next amendment was, on page 60, line 8, after the word "organization", to strike out "and/or" and insert "and", and in line 13, after the word "State", to strike out "and/or" and insert "and", so as to read:

Screw-worm control: For the determination and application of such methods of control of screw worms as, in the judgment of the Secretary of Agriculture, may be necessary, in cooperation with authorities of the States concerned, organizations, or individuals to accomplish such purposes; printing and binding; traveling expenses; research, education, and demonstration; purchase and transportation of materials; construction of treating pens and chutes, and such other expenses as may be deemed necessary, to be immediately available and to remain available until June 30, 1936, $480,000: *Provided*, That the cooperating State, organization, and individual shall be responsible for the handling and treatment of livestock, including full labor costs: *Provided further*, That, in the discretion of the Secretary of Agriculture, no part of this appropriation shall be expended for control of screw worms in any State until such State and organization or individuals therein have made provision for cooperation satisfactory to him.

The amendment was agreed to.

The next amendment was, on page 60, line 23, before the words "of which" to strike out "$7,778,921" and insert "$7,808,921", so as to read:

Total, Bureau of Entomology and Plant Quarantine, $7,808,921, of which amount not to exceed $828,749 may be expended for personal services in the District of Columbia, and not to exceed $44,375 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Biological Survey", on page 62, line 22, after the word "animals", to strike out "$453,692" and insert "$1,000,000", so as to read:

Control of predatory animals and injurious rodents: For investigations, demonstrations, and cooperation in destroying animals injurious to agriculture, horticulture, forestry, animal husbandry, and wild game; and in protecting stock and other domestic animals through the suppression of rabies and other diseases in predatory wild animals, $1,000,000.

The amendment was agreed to.

The next amendment was, on page 63, line 23, after the word "therewith" to strike out "$167,978" and insert "$277,978", so as to read:

Protection to migratory birds: For all necessary expenses for enforcing the provisions of the Migratory Bird Treaty Act of July 3, 1918 (U. S. C., title 16, secs. 703–711), to carry into effect the treaty with Great Britain for the protection of birds migrating between the United States and Canada (39 Stat., pt. 2, p. 1702), and for cooperation with local authorities in the protection of migratory birds, and for necessary investigations connected therewith, $277,978: *Provided*, That of this sum not more than $20,500 may be used for the enforcement of sections 241, 242, 243, and 244 of the act approved March 4, 1909 (U. S. C., title 18, secs. 391–394), entitled "An act to codify, revise, and amend the penal laws of the United States", and for the enforcement of section 1 of the act approved May 25, 1900 (U. S. C., title 16, sec. 701), entitled "An act to enlarge the powers of the Department of Agriculture, prohibit the transportation by interstate commerce of game killed in violation of local laws, and for other purposes", including all necessary investigations in connection therewith.

The amendment was agreed to.

The next amendment was, on page 64, line 14, to strike out "$71,596" and insert "$164,486", so as to read:

Enforcement of Alaska game law: For the enforcement of the provisions of the Alaska game law, approved January 13, 1925

(U. S. C., title 48, secs. 192–211), and as amended by the act of February 14, 1931 (46 Stat., pp. 1111–1115), $164,486.

The amendment was agreed to.

The next amendment was, on page 66, line 5, before the words "of which" to strike out "$1,195,184" and insert "$1,944,382"; in the same line, after the word "exceed", to strike out "$294,409" and insert "$399,869"; in line 7, after the word "exceed" to strike out "$13,825" and insert "$19,425"; and in line 10, after the name "District of Columbia", to insert "and not to exceed the sum of $15,000 shall be available for the purchase and operation of airplanes in Alaska", so as to read:

Total, Bureau of Biological Survey, $1,944,382, of which amount not to exceed $399,869 may be expended for personal services in the District of Columbia, and not to exceed $19,425 shall be available for the purchase of motor-propelled passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia and not to exceed the sum of $15,000 shall be available for the purchase and operation of airplanes in Alaska.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Public Roads—Federal-Aid Highway System", on page 69, after line 16, to insert:

For the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, under the provisions of the act of June 24, 1930 (46 Stat. 805), and as authorized by section 6 of the Highway Act of June 18, 1934 (48 Stat. 994), $2,500,000, to be immediately available and remain available until expended.

The amendment was agreed to.

The next amendment was, at the top of page 70, to strike out:

NATIONAL INDUSTRIAL RECOVERY HIGHWAY FUNDS

For emergency construction of public highways and other related projects in accordance with section 1 of the act entitled "An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes", approved June 18, 1934 (48 Stat. 993), the sum of $100,000,000 (being the remainder of the amount of $200,000,000 authorized to be appropriated by section I of such act) shall be made immediately available for the foregoing purposes from the appropriation in section 1 of the Emergency Relief Appropriation Act of 1935 and continue available until expended.

The amendment was agreed to.

The next amendment was, on page 70, at the end of line 25, to increase the total appropriation for the Bureau of Public Roads, from $48,559,256.14 to $51,059,256.14.

The amendment was agreed to.

The next amendment was, on page 76, line 8, before the word "condition" to strike out "and/or" and insert "and"; so as to read:

Market inspection of farm products: For enabling the Secretary of Agriculture, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, boards of trade, chambers of commerce, or other associations of business men or trade organizations, and persons or corporations engaged in the production, transportation, marketing, and distribution of farm and food products, whether operating in one or more jurisdictions, to investigate and certify to shippers and other interested parties the class, quality, and condition of cotton, tobacco, fruits, and vegetables, whether raw, dried, or canned, poultry, butter, hay, and other perishable farm products when offered for interstate shipment or when received at such important central markets as the Secretary of Agriculture may from time to time designate, or at points which may be conveniently reached therefrom, under such rules and regulations as he may prescribe, including payment of such fees as will be reasonable and as nearly as may be to cover the cost for the service rendered: *Provided*, That certificates issued by the authorized agents of the Department shall be received in all courts of the United States as prima facie evidence of the truth of the statements therein contained, $431,203.

The amendment was agreed to.

The next amendment was, under the heading "Food and Drug Administration", on page 83, line 19, after the word "therein", to strike out "$1,515,879" and insert "$1,765,879", so as to read:

Enforcement of the Food and Drugs Act: For enabling the Secretary of Agriculture to carry into effect the provisions of the act of June 30, 1906 (U. S. C., title 21, secs. 1–15), entitled "An act for preventing the manufacture, sale, or transportation of adulterated, or misbranded, or poisonous, or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes"; to cooperate with associations and scientific societies in the revision of the United States Pharmacopoeia and development of methods of analysis, and for investigating the character of the chemical and physical tests which are applied to American food products in foreign countries, and for inspecting the same before shipment when desired by the shippers or owners of these products intended for countries where chemical and physical tests are required before the said products are allowed to be sold therein, $1,765,879.

The amendment was agreed to.

The next amendment was, on page 85, line 7, before the words "of which", to strike out "$1,943,637" and insert "$2,193,637"; in the same line, after the word "exceed", to strike out "$595,262" and insert "$662,352"; and in line 9, after the word "exceed", to strike out "$21,860" and insert "$30,740", so as to read:

Total, Food and Drug Administration, $2,193,637, of which amount not to exceed $662,352 may be expended for personal services in the District of Columbia, and not to exceed $30,740 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Forest roads and trails", on page 90, line 3, after the figures "1934", to insert the following proviso:

Provided, That the Secretary of Agriculture shall, upon the approval of this act, apportion and prorate among the several States, Alaska, and Puerto Rico, as provided in section 23 of said Federal Highway Act, the sum of $10,000,000 authorized to be appropriated for the fiscal year ending June 30, 1936, by the act approved June 18, 1934: *Provided further*, That the Secretary of Agriculture shall incur obligations, approve projects, or enter into contracts under his apportionment and prorating of this authorization, and his action in so doing shall be deemed a contractual obligation on the part of the Federal Government for the payment of the cost thereof: *Provided further*, That total expenditures on account of any State or Territory shall at no time exceed its authorized apportionment.

The amendment was agreed to.

The next amendment was, on page 91, after line 9, to insert:

SEC. 2. No part of any appropriation contained in this act shall be used for the payment of personal services or for the maintenance of any activity not specifically authorized by law.

The amendment was agreed to.

The PRESIDENT pro tempore. That concludes the committee amendments.

Mr. RUSSELL. Mr. President, I desire to bring to the attention of the Senate a matter on which the committee has spent considerable time. It has to do with the language found on page 4, commencing with the word "*Provided*", on line 11.

There was a good deal of discussion in the committee as to the purpose and propriety of this proviso. The various conflicting ideas in regard to it have now been reconciled, and I think I can speak for the entire committee when I move to strike from the bill the language found on page 4, commencing with the word "*Provided*", in line 11, down to the word "purposes", in line 24.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 4, line 11, to strike out the proviso, as follows:

Provided further, That no part of the funds appropriated by this act shall be used for the payment of the salary of any officer or employee of the Department of Agriculture who as such officer or employee, or on behalf of the Department of Agriculture, issues or causes to be issued or to be made public any written statement which advocates reduced consumption of, or which asserts that it is harmful or undesirable to use, any wholesome agricultural food commodity or any manufacture thereof; but this proviso shall not apply to any assertion that an article is adulterated or misbranded within the meaning of the Food and Drugs Act of June 30, 1906, as amended, or to the issue or publication of any suggested balanced diet for food or feed purposes.

Mr. COSTIGAN. Mr. President, will not the able Senator from Georgia be good enough to explain the ends to be achieved by the motion? As I understand the language proposed to be stricken, I am in sympathy with the purpose of

the motion, but I should like to have the RECORD show the reasons for it.

Mr. RUSSELL. Mr. President, I do not know that I could state the effect of the motion as it might appeal to the minds of the members of the committee, for there was a wide difference of opinion as to what the language proposed to be stricken out meant, as well as to the effect of the proviso. The construction I placed upon it was that no part of the funds appropriated by this bill should be used to pay the salary of any officer or employee of the Department of Agriculture who, as such officer or employee, or on behalf of the Department of Agriculture, issued or caused to be made public any statement, oral or written, which advocated the reduced consumption of or which asserted that it was harmful or undesirable to use any wholesome agricultural food commodity or any manufacture thereof. The last clause relaxed this prohibition somewhat, however, and provided that the restriction should not apply to the issue or publication of any balanced diet for food or feed purposes.

The controversy originally arose, I understand, through the belief of certain milling interests, and others interested in the production and consumption of wheat in this country, that various bulletins being issued by the Bureau of Home Economics, particularly those for the use of relief organizations and also prescribing a balanced diet for families within various income ranges, had a tendency to reduce the consumption of wheat in the United States.

The Secretary of Agriculture appeared before the committee, with the expert at the head of the Bureau of Home Economics, and asserted that that would not be the effect of the use of the diets suggested; that if, as a matter of fact, these diets could be placed in all of the homes in the country, the result would be an enormous increase in the consumption of wheat. There was one school of thought in the committee in favor of striking out this language in its entirety because they thought it was an improper restriction on an important department of Government in the performance of a duty which had been delegated to it by law.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. COSTIGAN. It was, if I recall correctly, testified with reference to information disseminated by the Department of Agriculture that if the suggested balanced diets were generally used there would be consumed at least two and one-half billion pounds more of wheat flour and cereals annually than in the period 1931–33.

Mr. RUSSELL. Not only did the Secretary of Agriculture make that statement, but if the Senator from Colorado will read the entire record he will find that other experts testified that would be the effect of a wide use of the bulletin which this provision sought to suppress. They expressed the opinion the effect of the diet would be to increase the use of wheat and cereals.

As I have stated, and as the Senator from Colorado, perhaps, did not understand, all the parties in interest have now agreed that the inclusion of this language in the bill can serve no useful purpose, and I move that it be stricken.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FLETCHER. I do not understand just what the Senator's purpose is. What does the Senator propose to strike out?

Mr. RUSSELL. It is proposed to strike all of the language on page 4, commencing with the word "Provided", in line 11, down to and including the word "purposes", in line 24; in other words, to strike out any reference whatever to a limitation upon the Bureau of Home Economics or any other branch or department of Government in carrying out the duties and functions which are imposed upon them by law.

Mr. COSTIGAN. Mr. President, will the Senator again yield?

Mr. RUSSELL. I yield.

Mr. COSTIGAN. If I understand the motion, the effect of it will be to permit the dissemination by the Department of Agriculture of the results of scientific research?

Mr. RUSSELL. The Senator from Colorado is eminently correct.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LA FOLLETTE. I desire to express my hearty accord with the amendment which the Senator in charge of the bill has offered, not only as it relates to the particular controversy which has arisen but because I believe that if a provision of this type were permitted to be written into the agricultural appropriation bill, we should find other interests in the country requesting similar provisions regarding other departments of the Government; and ultimately it might result in the complete abandonment of all the scientific research which has been carried on by the various departments of the Government and the dissemination of information of a useful character to the citizens of this country.

I certainly hope the Senate conferees will insist upon this amendment if it should prevail.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. COSTIGAN. This is the last inquiry I expect to make.

In confirmation of what the able Senator from Georgia has said, and what has just been stated by my friend the Senator from Wisconsin [Mr. LA FOLLETTE], is it not true that if this clause were permitted to remain in the bill, and the bill were to become law, there would be interference under the law with the practice of the Department of Agriculture of disseminating information, such as that with respect to the effects of certain food on pellagra, or the importance of milk to children and expectant mothers? It is my understanding that there was testimony before the committee supporting the apprehension that such information, unless the language being discussed is stricken, could not be distributed by the Department of Agriculture.

Mr. RUSSELL. Some opinion was expressed to the effect that that would be the result of the language. However, it was my personal opinion that the last clause of the proviso which is proposed to be stricken would have permitted the publication of the bulletins in question without regard to the other language of the proviso, because it specifically excepts "the issue or publication of any suggested balanced diet for food or feed purposes."

However, I hold to the opinion expressed by the able Senator from Colorado that it is entirely proper that the entire provision should be stricken from the bill, that it constitutes an improper limitation on a most important agency of Government which is now serving a very useful purpose in promoting the public health, and otherwise protecting the interests of all concerned.

Mr. COSTIGAN. I am very happy to join with the Senator in this matter.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. COPELAND. I am sure, very sure, that it would be a great pity if we attempted to place any limitations on the Department in giving advice to expectant mothers and to the people generally. I hope the amendment proposed by the Senator from Georgia will be agreed to.

Mr. NORRIS. Mr. President, in order again to make a record so that the conferees may have it, I desire to add my approval to that of the Senator in charge of the bill, and put into the RECORD a reference to some very interesting results of investigations which have been brought about on account of this language having originally been put into the bill by the House. It was inserted under what I believe to have been a false theory on the part of those who suggested it who were of the opinion that a certain bulletin, no. 296, providing for diets, would, if given publicity, have the result of decreasing the amount of wheat that might be sold or that might be used. A great many people, including millers and some farmers who were opposed to that suggestion, found fault, I think unjustly, with this particular bulletin.

The various organizations all over the United States who are interested in health and the protection of health, and in economy in housekeeping, have taken up this matter; and I desire to put into the RECORD the names of some of the organizations which have given study to it, and, as a result of their study, have asked that this language be stricken out of the bill.

Mr. GERRY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. GERRY. I desire to ask the Senator if any criticism was made of the diets suggested as to their effect on health.

Mr. NORRIS. No.

Mr. GERRY. The criticisms were purely to the effect that activities along this line were not advisable financially from the standpoint of those who grow wheat?

Mr. NORRIS. That is all. I do not believe anyone would accuse me, for instance, of trying to work against the wheat farmers. I am in entire sympathy with them; but I should not be in favor of advising a diet which had too much wheat in it, even though it did result in the financial benefit of all those who produced wheat.

Mr. GERRY. Anyone who knows the Senator of course knows that to be true.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COPELAND. I wish to say that there is nothing in these publications which seeks to reduce the consumption of wheat. The discussion was wholly about how much better it is to balance wheat with other articles of food. So, even the wheat farmer need have no complaint about that.

Mr. NORRIS. I do not think the wheat farmer is going to lose; but it is a question far beyond that of financial benefit to anyone. The organizations to which I referred are the American Association of University Women, the American Diet Association, the American Home Economics Association, the National Congress of Parents and Teachers, the National League of Women Voters, and the National Woman's Trade Union League. They have all studied this matter and have all reached the same conclusion.

I desire to have printed in the RECORD an article, which, while rather lengthy, is one to which I have given my most careful consideration, and I commend it to those who are interested in a fair discussion of this question. It is an article prepared and issued on behalf of the American Home Economics Association, room 620, Mills Building, Washington, D. C. I ask unanimous consent that the document be printed at this place in the RECORD as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

SUMMARY

An amendment attached to the agricultural appropriation bill at the instigation of a few milling and baking interests would prevent any employee of the Department of Agriculture from giving information that might be construed as advocating reduced consumption of any wholesome food product.

The amendment is based on allegations by these interests that a circular published by the Bureau of Home Economics advocates reduced consumption of wheat products in the United States.

The amendment should not be passed by Congress for several very important reasons:

1. The circular in question does not advocate reduced consumption of wheat. On the contrary, if its recommendations were carried out in accordance with what people can afford to eat in the United States on the basis of existing income distribution, America would consume a considerably larger quantity of flour and cereals than it now consumes.

2. Certain milling and baking interests have deliberately twisted one aspect of the circular to suit their argument. In the dietary plans presented for people at different income levels, milk, vegetables, fruits, meat, and eggs are shown in increased quantities at the top level. Because the size of the human stomach is limited, this means a reduced quantity of grain products. But it represents what actually happens when families have comfortable incomes and cannot be regarded in any sense as "propaganda" against wheat.

3. The material in the circular is based entirely on the work of the world's recognized authorities in nutrition, and the circular itself is a valuable and useful contribution in this field.

4. It is conservative and scientific and has nothing to do with dietary fads, as organized interests allege.

5. Considered from any angle, its dietary suggestions would result in increased consumption of important agricultural products, and therefore are in the interest of farmers, not opposed to them, as alleged.

6. Carrying on research and disseminating information about human and animal nutrition is a necessary function of the Department of Agriculture. Like medical research, it is for the benefit of the people as a whole. The purpose of the amendment is to cripple this work for the sake of supposed interest of a small but powerful commercial group. This is as indefensible as crippling research in medicine for similar selfish reasons.

7. Although the final clause in this amendment nullifies its provisions to a considerable extent, its purpose and tendency is still to cripple the legitimate work of scientists. To let the amendment stand would be to open the door for other private interests to attempt the same kind of dictation and regimentation of scientific activities.

Proposed and sponsored by certain milling and baking interests, an amendment to the agricultural appropriation bill has been pushed to successful passage in the House of Representatives. It is now being considered by the Senate.

The acknowledged aim of the amendment is to hamstring nutrition work and suppress the giving of information about nutrition.

The Government agencies chiefly affected are the Bureau of Home Economics, the Extension Service, and land-grant colleges receiving Federal aid, all of which carry on work in this field for the benefit of consumers, and the various agencies in the Department of Agriculture that carry on work in animal nutrition for the benefit of farmers and consumers.

The reasons for defeating this amendment are overwhelming and unanswerable. These reasons are briefly presented herewith.

THE SCIENCE OF NUTRITION IN THREE SENTENCES

Working hand in hand with modern medicine, the science of nutrition in modern times has made splendid contributions to lessening mortality in early life, increasing the average expectancy of life, reducing the ravages of disease, making better health possible for children and adults, and, in the field of animal nutrition, greatly increasing the productiveness of farm animals, helping farmers to keep animals in vigorous, healthy condition.

These achievements are based on three simple facts, the first of which was a startling discovery only a few years ago:

1. Certain elements in foods are absolutely essential for life, physical well-being, and protection against disease; and certain foods must be eaten in large enough amounts to give the body a sufficient supply of these elements.

2. The stomach of man or animal is limited in size.

3. Therefore, in order to achieve the proper balance and get enough of certain wholesome foods, it is necessary to limit the quantity of other wholesome foods eaten.

Stripped of all complex details, this is the sum and substance of the whole modern science of nutrition, which has been potent in its effects on human welfare.

WHAT THE AMENDMENT PROHIBITS

Fact no. 3 above presents an inescapable dilemma that follows from the limited size of the stomach. No scientist, teacher, doctor, nurse, or anyone else can give advice of any sort about nutrition and avoid this dilemma.

But the amendment to the agricultural appropriation bill, in its first clause, expressly prohibits a Department of Agriculture employee from issuing or making public any statement, orally or in writing, that might be construed as advocating reduced consumption of "any wholesome agricultural food commodity or any manufacture thereof."

What would this mean in specific cases?

In the homes of ignorant people children sicken and die from the wrong kind of diet—that is, eating too much of certain essentially wholesome foods, too little of others. Department of Agriculture employees would not be allowed to tell parents how this could be remedied.

Sugar is fatal to people with diabetes. No Department of Agriculture employee would be allowed to say so, orally or in writing. It would result in reduced consumption of a wholesome food.

People with tuberculosis or threatened with tuberculosis or people suffering from anemia need considerable quantities of certain foods. The diet in specific cases may need to be changed completely. No Government employee could advise this, however, even if life depended on it, because it might mean reducing the consumption of some wholesome foods in favor of others.

In the South pellagra is common in some areas. It is caused entirely by deficiencies in the diet—too much salt pork, molasses, and corn, too little of other necessary foods. But for a Government employee to say so or to advocate a diet that would wipe out pellagra would be against the law. For salt pork, molasses, and corn are all wholesome foods.

Expectant and nursing mothers need increased quantities of milk and other foods if they are to safeguard their own health and have healthy children. In a great many, perhaps most cases, this means changes in the diet and eating less of some things that are perfectly wholesome in themselves. A Government employee would be unable to advise expectant mothers how to change their diet.

Nor would any Government employee be able to advise farmers how to feed their animals in order to get increased production of milk, eggs, pork, beef, at less expense. Such advice involves advocating less of one wholesome product, more of another.

SINISTER IMPLICATIONS OF THE AMENDMENT

These are not extreme or isolated examples. Some of them are in line with the everyday work of the Department of Agriculture. And this kind of work has been considered vital to the needs of the people whom the Department is supposed to serve.

Perhaps the interests that framed the amendment to the appropriations bill did not have these specific things in mind. They could not have realized the absurdities to which their amendment would lead. But the fact is that the amendment has these far-reaching implications.

Workers in the Department of Agriculture and in the Public Health Service and doctors in the Army and the Navy have a splendid record of achievement in fighting diseases and disabilities that attack men and animals alike. Some of these men and women have been on the dramatic frontiers of science, among the hunger fighters, and the microbe hunters. This kind of work is directly menaced by such legislation as this amendment, intended solely to gratify a small but powerful commercial group.

It is fair to believe that the amendment is only an entering wedge. If it is finally passed by Congress other groups will rightly consider that the way is open for them to come and do likewise.

Impartial scientific work in the public welfare is often in apparent conflict with certain special interests. The principle at stake is whether these interests shall dictate what may and what may not be done in this work.

MORE WHEAT—NOT LESS

The question naturally arises: What is the basis for the amendment to the agricultural appropriation bill? Why was it proposed and pushed with all the adroit propaganda certain milling interests could command?

The reason advanced by millers and bakers is that the Bureau of Home Economics has been advocating reduced consumption of wheat products. Specifically, they object to Circular 296, published by the Bureau, and called "Diets at Four Levels of Nutritive Content and Cost."

A brief analysis of this circular, which suggests healthful dietary plans for American families in accordance with what they can afford to eat, will be presented later. But here it can be said unequivocally and categorically that the circular does not and is not intended to advocate reduced consumption of wheat products.

On the contrary, analysis of the material in the circular shows that if the American people as a whole lived up to its dietary suggestions for different income levels we would consume at least two and one-half billion pounds more wheat flour and cereals annually than we did consume anunally in 1931-33.

For three-fourths of the American people the circular suggests a greater consumption of these products than is the case at present.

Whether deliberately or not, millers have overlooked or failed to present this aspect of the circular. They have concentrated on another aspect and used this to convince Members of Congress that the Bureau of Home Economics carries on propaganda against wheat products.

All this has nothing to do with the principles involved in the controversy. But it adds an ironical note. Some commercial group other than the millers might readily raise a hue and cry against the Bureau of Home Economics for carrying on propaganda in favor of wheat at the expense of the particular product of that group. This would be precisely as justifiable as the assertions of the millers. It all depends on what commercial interest is interpreting the material.

Repressive legislation, in favor of conflicting private interests, inevitably leads to absurdities of this sort. The scientist is left to twiddle his thumbs. There is nothing he can say without offending somebody.

WHAT CIRCULAR 296 DOES

The circular under attack was prepared to assist people in planning food purchases so as to have a sound, healthy diet, no matter what the income level. To do this involved three things:

1. Summarizing modern knowledge of nutrition, using accepted facts gathered from the world's recognized authorities.

2. Translating this technical knowledge into terms of everyday foods available to the consumer.

3. Suggesting dietary plans based on food costs, so that a family might fit its meals to its pocketbook and at the same time be sure of safeguarding health.

Four broad dietary plans were suggested, with cost as the limiting factor:

1. A restricted diet, for emergency use—suitable for families at the lowest income level; perhaps, at present, those with incomes of $800 to $900 a year.

2. An adequate diet, at minimum cost—suitable, at present food prices, for families with incomes of around $1,000 to $2,500 a year.

3. An adequate diet, at moderate cost—suitable for families with incomes roughly approximating $2,500 to $3,800 a year.

4. A liberal diet—suitable for families with incomes of perhaps $4,000 a year and up.

Information that reliably correlates diet with food costs is difficult to obtain. At the same time, it is the one thing consumers most want to know, since it answers the housewife's pressing question: "How can we be sure of getting healthful meals with the money we have available for food?" Circular 296 is recognized by authorities as an exceptionally thorough job and a sorely needed contribution in this field.

Statistics on income distribution show that—

More than 75 percent of the American people cannot afford to spend more for food than is needed for the two lower-cost dietary plans.

Less than 25 percent can afford to spend enough for the two higher-cost plans.

About 10 percent can afford the most expensive dietary plan.

WHAT CIRCULAR 296 DOES NOT DO

It recommends nb food fads and no dietary extremes. Advocates of the amendment have persistently asserted that it does. But reputable nutritionists are as opposed to fads and extremes as reputable physicians. The information given in the circular is drawn entirely from, and checks with, the work of reputable nutritionists outside the Bureau of Home Economics.

It attempts no regimentation of diet. Proponents of the amendment have asserted that it does this also. On the contrary, the dietary plans are purposely made so flexible in the choice of specific foods that they can be used by people of any nationality, or in any section of the United States, to plan meals that fit familiar tastes and habits. Foods are divided into broad groups only, and the proportions between these groups balance the diet.

It does not advocate reduced consumption of wheat products. At the lower income levels grain products are given a larger place in the diet than is common in America, and the circular stresses their importance as the backbone of any economical diet. At the higher income levels there are increasing amounts of milk, vegetables, fruits, meat, and eggs. The quantity of grain products is therefore necessarily less.

The amounts of milk, vegetables, fruits, meat, and eggs suggested at the higher levels are based entirely on the findings and recommendations of leading modern nutritionists, and check with their published technical material.

But quite aside from nutrition, it is well known that with a more liberal income people naturally tend to eat more of these products and less grain.

The contrast is strikingly illustrated by the diet of a Chinese coolie compared with that of an American miller. The coolie lives almost entirely on grain—rice. The miller does not—and presumably he is healthier and happier for it. Similarly, a poor East Indian is content to wear nothing but a loin cloth. A United States miller would be unhappy under these circumstances.

To recognize tendencies such as this is plain common sense and has nothing to do with propaganda. It is also good business sense. To the extent that business men fume over such everyday facts, they impair their judgment and efficiency, ruin their digestions, and spoil their enjoyment of life.

HOW THE UPPER TENTH EATS

The liberal diet offers the greatest variety of any of the four plans. The foods included are also the most costly—for example, there is provision for a liberal use of meat, which is expensive in comparison with bread and many other foods.

But comparison with actual family expenditures shows that the liberal diet is closely in line with what people at this income level ordinarily buy. In other words, it suggests no radical departure from the dietary habits of people with comfortable incomes.

It contains the largest amounts of the elements that spell resistance to disease and maximum all-round health. In that sense it is a desirable diet, and nutritionists would repudiate everything modern science teaches if they did not say so.

But by the same token, trips to Bermuda or Florida, vacations in the mountains and at the seashore, and an occasional world tour are all desirable for human beings, and they doubtless conduce to good health. The Bureau of Home Economics would not seriously consider recommending them, however, to the average person who comes to the Government for advice about troublesome everyday problems.

The parallel with these dietary plans is very close. It will be a long time before any large proportion of Americans could possibly afford the kind of meals that only people earning at least $4,000 a year—less than 10 percent of the population—can now afford. By that time the present generation in the milling industry and the Department of Agriculture will very likely have been forgotten.

The Bureau of Home Economics points out that the liberal diet is desirable for anyone who can afford to spend this much for food, and that it is in line with the way people who can afford it do eat. That is all the Bureau says. Is this what has aroused the enmity of milling interests to the point where they wish to suppress dietary information?

MISLEADING ARGUMENTS

Certain arguments presented in favor of this amendment have greatly confused the issue. For example, authorities in the field of nutrition were asked whether they believed that a reduction in the quantity of wheat consumed by the American people is desirable. They answered, naturally, in the negative. It was then argued that this disproved the contentions of the Bureau of Home Economics.

It has been shown that the Bureau does not advocate a reduction but an increase in the consumption of wheat in America on the basis of dietary plans made to fit existing economic levels. Had the Bureau been asked the same question—which it was not—the answer would have been the same as that of the authorities outside the Government.

Efforts were also made to convince farmers that the recommendations of the Bureau are against their interests. As a matter of fact, improvements in the American dietary suggested by the Bureau would benefit not only grain farmers but all farmers, for—

1. Raising the dietary to the levels represented by the four plans, in accordance with present income distribution, would considerably increase the consumption of wheat products.

2. Adding more milk and meat to the dietary would not only greatly benefit dairy farmers, cattlemen, and hog farmers, it would also necessitate a corresponding increase in grain acreage to feed these animals.

With foreign markets as they are, anything that would tend to increase domestic consumption of major farm products is certainly not to be discouraged. To attempt to persuade farmers that the Bureau of Home Economics is working against their interests is a particularly gross and insidious falsification of the facts.

WHY THE AMENDMENT SHOULD BE DEFEATED

The final clause of the amendment, providing that it "shall not apply * * * to the issue or publication of any suggested balanced diet for food or feed purposes", was bitterly fought by the milling interests. Their opposition to it is final proof of their unalterable intention to destroy all efforts on the part of the Department of Agriculture to work for better nutrition for human beings or animals.

Exactly what lies behind this intention only the milling interests know.

The final clause certainly makes the amendment less objectionable. But its tendency and intent is still to tie the hands of impartial scientists working for human welfare and for the benefit of farmers and to limit the information they can give.

Farmers produce food for human beings and for animals. The problems of human and of animal nutrition cannot help being intimately bound up with the problems of agriculture. They always have been and they always will be. Some of the greatest contributions to modern knowledge in this field started with work done with animals to help farmers.

To permit small special groups to cripple this work in any degree would be as inexcusable as to permit them to cripple medical research. The object of both is to save lives, reduce suffering, and improve the lot of mankind. By comparison with these things the interests of special groups do not weigh in the balance.

Through all the biased pleading and adroit arguments this should be kept firmly in mind. It is the real issue at stake.

Mr. NORRIS. Mr. President, I have a great deal of other literature which would be valuable; but it seems to me the article I have just submitted covers the ground rather fully, and I am content to leave the matter there.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. RUSSELL. From the Committee on Appropriations I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 19, after line 18, it is proposed to insert the following:

Meteorological station, western Montana: For the establishment, equipment, and maintenance of a meteorological station, upon a site to be selected by the Secretary, for western Montana, $10,000, to be immediately available.

The amendment was agreed to.

Mr. MURRAY. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 45, line 9, it is proposed to strike out "$134,435" and insert "$174,435."

Mr. MURRAY. Mr. President, the purpose of this amendment is to provide funds for carrying on certain experimental stations in Montana. For many years in the past great areas in that section have been plowed up and cultivated and subsequently abandoned. As a result, soil conditions are such that wind erosion is completely destroying large portions of that region.

In addition to that, various sections there have also been affected by overgrazing, and the Department have set up these experimental stations for the purpose of studying ways and means of correcting such conditions and saving the land.

The station to which I have particular reference is known as the "Northern Rocky Mountain Forest and Range Experiment Station." It has been in operation for many years and has conducted some very valuable investigations. It is necessary that that work be continued in order to safeguard against the conditions which are developing in the western section of the country.

Mr. RUSSELL. Mr. President, while the amendment was not presented to the Committee on Appropriation, I have no objection to its going to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

The amendment was agreed to.

Mr. THOMAS of Utah. I offer an amendment to come in on page 88, line 11. I send the amendment to the desk and ask that it be read.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 88, line 11, it is proposed to strike out "$281,362" and insert in lieu thereof "$531,362."

Mr. THOMAS of Utah. Mr. President, this amendment will provide compensation, if I may so express it, for all the work that is being done in reforestation at the present time. The money will be used entirely for research work and for dealing in a research way with the problems which are facing our forest and range land. The amendment will provide for a work national in scope and will not be devoted to any particular section. The need for this amendment becomes apparent when it is realized that the small sum appropriated is divided into four different parts, and that the only money that will come to the research investigation in plant development in attempting to overcome soil erosion will be something like $17,000 a year.

I think that the chairman of the committee will not have objection to this amendment. In order that its purposes may be more fully explained, I ask that a statement be inserted in the RECORD at this point for consideration when the bill comes before the conferees.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement referred to is as follows:

The proposed amendment of $250,000 for soil-erosion investigations is for research on forest and range lands. This money would be used to expand and carry on the work now inadequately financed at various forest and range experiment stations throughout the United States. There are seven major regions where watershed investigations are badly needed to furnish basic information on which policies and programs of forest and range land management can be based.

Four of these regions are in the West, where the primary problem is the management of watersheds in order to provide for the delivery of maximum supplies of usable water for irrigation, power, and domestic use. Also, the problem of controlling destructive floods is of vital concern. These problems grow out of forest fires, overgrazing on large areas of range land, and destructive timber cutting.

Three of these regions are in the East, largely in the Mississippi River drainage. The problem is not one of water supplies, but of the control of excess silt-laden flood waters. Conservationists are becoming increasingly convinced, on the basis of research to date, that the most effective control is that which provides sufficient vegetation to check the water where it falls. The problem is so complex and so extensive that it will be adequately met only by considerable expansion of research.

Investigations have been under way in California for several years. These have shown the great importance that attaches to maintaining a good cover on chaparral-clothed slopes to prevent floods and destructive erosion. Similar investigations are needed in the forest-covered Sierras, where heavy cutting and destructive fires threaten expensive irrigation and power developments. Such investigations are all the more needed now that California is embarking upon a comprehensive scheme of water conservation in order to develop more adequately the latent agricultural values in the Great Valley. The proposed investigations would furnish the basis for proper watershed management on streams where water is extremely valuable both for irrigation and for domestic use.

Investigations have been under way in the intermountain region for several years studying the effect of mountain grassland cover on erosion and water delivery, especially on the Boise River irrigation project in southern Idaho and in central Utah. These have shown that as a result of destruction of the vegetative cover accelerated erosion and destructive floods have become more prevalent. They indicate relative value of different vegetative types in the areas studied in erosion control and water delivery. The studies of flood and erosion control in northern Utah, where large values are at stake, should be intensified. Also, intensive studies should be started on the Colorado River Watershed, where a preliminary survey shows more or less serious erosion and unsatisfactory water delivery on about 75 percent of the watershed north of the Arizona-Utah line.

Investigations in the Southwest, which have been under way for several years, on chaparral and semidesert forest and range lands show the importance of reestablishing a perennial grass cover on

these semidesert lands. An adequate water supply is of vital concern to southwestern irrigation. Floods on the Rio Grande and on other rivers are often destructive. The investigations in Arizona need to be intensified, and similar intensive studies should be started on the Rio Grande Watershed in New Mexico.

In the northern Rocky Mountains at the headwaters of the Colorado River large areas of forests have been turned to brush fields by destructive fires. The proposal has been advanced that continued burning is necessary to prevent further fires. Several very destructive floods have occurred, however, from these brush-covered slopes following torrential rains of the last few years. Detailed investigations of the effect of forest and brush cover on behavior of streams is extremely important in the control of floods and the permanency of important engineering structures on the Columbia River.

The Southern Appalachian Mountains of Kentucky, Tennessee, and North Carolina are at the headwaters of many of the major tributaries of the Ohio River. Floods in these streams annually cause great property losses and occasionally loss of life. Most of these floods originate in these high mountains where rainfall is the heaviest in the eastern United States. The construction of the Norris Dam and other big developments on the Tennessee River make necessary that utmost efforts be made to control erosion and to regulate water supplies. This undoubtedly means that forestry will be called to play an even greater part than it has in the past and in safeguarding these investments. It is but natural, therefore, that investigations furnish the basis for such watershed management.

Although on a meager scale to date, the erosion stream-flow investigations in the South have furnished the basis for much of the emergency erosion-control work now carried on by numerous agencies in that region. One needs only to recall the flood disasters of the Cold Water River in northern Mississippi this year to realize the necessity for expanding the current investigations so as to provide for more adequate control of destructive floods and erosion. The Ouachita-Ozark Plateau is a region in which most of the destructive floods of the lower Mississippi River develop. Here repeated heavy rainfall on badly burned, heavily grazed, and destructively logged forest lands send huge volumes of soil-laden water into the Mississippi River. Investigations elsewhere have shown that through forest practices it would be possible to control the destructive powers of these storms, at least in part. Investigations therefore seem necessary in this region to furnish the basis for proper action to safeguard values threatened nearly every year in the lower Mississippi Valley.

Throughout the rolling lands of the lower Ohio River and other similar streams in the Central States region, fires, overcutting, grazing, and submarginal farming have reduced the forest to scattered open stands. It is believed these stands can be so improved as to have a marked bearing on water absorption, hence on floods, regularity of stream flow, abundance of ground water, and silting of streams. Investigations of this problem are urgently needed and should aid in an important manner in the rural rehabilitation of this area.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. THOMAS].

The amendment was agreed to.

Mr. BYRNES. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 91, after line 13, after the committee amendment heretofore agreed to, it is proposed to insert a new section, as follows:

SEC. 3. That the processing tax authorized by Public Act No. 10, Seventy-third Congress, when levied upon cotton, shall be assessed and collected at the time that the goods are invoiced for sale by the processor.

Mr. BYRNES. Mr. President, I merely wish to explain in a few words the object of the amendment.

The processing tax upon cotton is levied at the time the bale of cotton is delivered to the processor. As a result, when under conditions in the cotton-textile industry such as now exist, the manufacturer is willing to operate his mill in order to afford employment to his operatives, even though he has no demand for the goods he is manufacturing, he is required on the delivery of the cotton to pay the tax to the collector of internal revenue. Then when he manufactures the goods and the goods are stored for 6 months the Government has the use of his money. In the case of every other tax of this kind the tax is collected and assessed at the time of the sale of the commodity. It should be collected from the cotton manufacturer at the time he sells or invoices his goods for sale. If that should be done, the Government would collect its money, but it would not collect it from the manufacturer months before he ever has an opportunity to sell his goods.

Just at this time some manufacturers are urging as a reason for shutting down their mills and putting operatives out of employment that they cannot continue to operate if they are forced to pay the tax at the moment the bale of cotton is delivered to the mill. I hope there will be no objection to the adoption of this amendment.

Mr. RUSSELL. Mr. President, I am heartily in favor of the amendment offered by the Senator from South Carolina. I think it is very meritorious and will affect beneficially my State; but unfortunately, under the rules, I am forced to make a point of order against the amendment.

Mr. BYRNES. I concede that the point of order applies, but in order that action may be taken I ask unanimous consent that rule XVI of the Senate be suspended in order that the amendment may be in order and may be offered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina for unanimous consent that rule XVI of the Senate, on which the point of order is based, be suspended so that the amendment may be in order and may be considered at this time?

Mr. McCARRAN. Mr. President, am I not correct in my understanding that there should be a notice given of a proposal to suspend the rule?

Mr. BYRNES. Of course, without such notice the rule may only be suspended by unanimous consent.

Mr. McCARRAN. I will ask that the notice go over.

Mr. BYRNES. I may say to my friend the Senator from Nevada, of course, if I should be required to give notice a day ahead it would not be possible to have the amendment attached to the pending bill and considered by the conferees. I may say to the Senator, in order that he may understand the situation existing today in the cotton-textile industry, that operatives are writing to every Member of the Senate from the southern States where cotton mills are located, and from the States of New England, that hundreds and hundreds of men and women are threatened with dismissal from their employment on the ground, as the manufacturers state, that they cannot operate when they have no immediate sales in prospect, if they have to pay the processing tax at the time the cotton is delivered instead of at the time it is sold. If such a requirement is not made of them, then they can go ahead and manufacture and continue to give their operatives employment, but they cannot do so if they have to pay the tax at the time the cotton is delivered to the mill.

I will state further to the Senator from Nevada that at the time the original bill was pending in the Senate last year the Senate unanimously adopted an amendment similar to this, but it was eliminated in conference. The employees of the cotton mills throughout the country are vitally interested in anything which at this time may enable them to continue their work. I ask the Senator if he will not waive his objection and allow this amendment to go to conference?

Mr. McCARRAN. Mr. President, I wish to say that, of course, so far as the employees of the cotton mills are concerned, I am for anything that will give employment, but as I listened to the amendment as read from the desk it struck me that it really belonged to another piece of legislation. In other words, it has to do with the processing tax which comes under the A. A. A., as I understand.

Mr. BYRNES. It is in the nature of an amendment to the original bill which was passed in 1933, but if it were introduced in the form of a bill and referred to the committee and then passed by the Senate and sent to the other body for action, the Senator from Nevada knows that it is a very serious question as to when it could be finally passed, and, in the meantime, great harm would be done to a number of people in whom I know the Senator from Nevada is as much interested as am I.

Mr. McCARRAN. I have an interest in them, of course, although I am not at all interested in this particular line of industry, because there is no industry of this kind in the State which I happen, in part, to represent; but, at the same time, the explanation of the Senator from South Carolina is exceedingly plausible. The only question in my

mind is whether the amendment belongs to the pending bill, whether or not the best results would be obtained from it; and whether or not it would augment the so-called "A. A. A." If it should do so I would oppose it.

Mr. BYRNES. I may say that the only reason it was eliminated last year by the conferees, so far as I could ascertain, was that someone connected with the A. A. A. objected to it being in the bill, on the ground that it would be difficult to administer. I could never find out, and until this day have never been able to find out, from any man connected with any department why it would be any more difficult to collect the tax at the time of the sale of the goods than at the time when the bale of cotton is delivered to the mill.

I have more confidence in the conferees upon this measure that if the amendment shall be added to this bill it may have better success than it did a year ago.

Mr. McCARRAN. Mr. President, in view of the explanation of my good friend from South Carolina, and in view of the further fact that my friend from Virginia is also standing behind him, I withdraw my objection.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina that rule XVI of the Senate be suspended in order that he may offer the amendment? The Chair hears no objection, and the rule is suspended. The question now is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. STEIWER. Mr. President, I was authorized by the committee to make inquiry concerning a certain item and then to offer an amendment to provide a greater amount of money for snow surveys. The committee did not include the item in the bill, chiefly for two reasons: One was an uncertainty as to the agency which should be charged with the disbursement of the money, and the other was the question of possible conflict and overlapping with other agencies of the Government. Upon inquiry of Mr. Clapp, Assistant Forester, and of other employees of the Department, I find that the amendment should be offered to the provision for the Bureau of Agricultural Engineering. I have not prepared the amendment, but orally I now move, on page 72, line 13, to strike out the figures "$370,669" and insert "$406,669." This will result in an increase in the appropriation for that Bureau of $36,000.

I ask if the Senator in charge of the bill is prepared to indicate his acceptance of the amendment?

Mr. RUSSELL. Gladly. The Appropriations Committee, as the Senator from Oregon stated, went into the matter fully, and authorized him to offer the amendment on the floor and authorized me to accept the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I ask that the clerks be authorized to correct all totals in the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEIWER. Mr. President, in connection with the matter just presented, I am advised by the Chief of the Bureau of Agricultural Engineering that no further amendment is necessary in order to make effective the appropriation just agreed to by the Senate, but others have suggested to me that the language now found on page 71 of the bill might not be sufficient. I shall not insist upon it, but I am going to submit a request to add, on page 71, appropriate language that will make certain that the appropriation just provided for shall be available. Accordingly I move, on page 71, line 17, following the word "irrigation", to insert the words "snow surveys and forecasts of irrigation water supplies."

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 71, line 17, after the word "irrigation", it is proposed to insert the words "snow surveys and forecasts of irrigation water supplies", so as to make the clause read:

The customs regulations, and laws affecting irrigation, snow surveys and forecasts of irrigation water supplies.

The amendment was agreed to.

Mr. GLASS. Mr. President, it may seem singular for me to ask the Senator from Georgia a question about the appropriation bill, inasmuch as I am Chairman of the Appropriations Committee; but I was not given an opportunity to attend the meetings of the committee at which the bill was fully considered, because I had charge of the relief joint resolution on the floor of the Senate.

I wish to ask the chairman of the subcommittee, who is now managing the bill, if there is any provision in the bill which specifically authorizes a publicity bureau in the Department of Agriculture.

Mr. RUSSELL. Mr. President, the Senator from Virginia, with his long experience on the Appropriations Committee, knows that the supply bill for the Department of Agriculture covers in the neighborhood of 3,000 items. While I have diligently sought to familiarize myself with all of them, I fear there are some few activities in the Department with which I have not thoroughly acquainted myself. So far as I am advised, there is nothing specific in the bill which would justify such a bureau as indicated by the Senator from Virginia.

Mr. GLASS. I asked the question because an outstanding newspaperman told me the other day that there are more newspapermen now employed in the various bureaus and departments of the Federal Government than are employed on the newspapers themselves. Some of the bureaus are actually printing illustrated magazines, and one of them a triweekly newspaper.

I ask to have read at the desk that which I am now sending forward, so the departments may be upon notice hereafter that they have no lawful right to expend the money of the Government in that way.

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The Chief Clerk read the following:

WASHINGTON.—A law passed more than 20 years ago is causing some of the multifarious press-relations representatives of the new deal more sleepless nights than the airplanes which used to fly over the White House.

Title 5 of the United States Code, annotated, contains the following paragraph, on page 50:

"Publicity experts not to be employed without specific appropriation. No money appropriated by any act shall be used for the compensation of any publicity expert unless specifically appropriated for that purpose. (Oct. 22, 1913, c. 32, 38 Stat. 212.)"

Mr. GLASS. Mr. President, I have not made any extended investigation of the matter, but I personally know of one bureau which has a publicity branch and which has no more use for a publicity branch or agent than I have for some people I know. [Laughter.]

Mr. CLARK. Mr. President, in connection with what the Senator from Virginia has said, it has been a matter of common knowledge for the last 3 or 4 or 5 years in Washington and over the country that many very highly paid eminent men in the newspaper profession have left responsible positions with great newspapers to take over publicity connections or relations with various bureaus and departments of the Government.

Mr. GLASS. There is a statute which provides that it may not be done except by specific authorization of Congress.

Mr. CLARK. The Senator knows as well as I do that it has been done.

Mr. GLASS. That is what I am complaining of now.

Mr. CLARK. I am complaining about it, too.

The PRESIDENT pro tempore. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. RUSSELL. Mr. President, I move that the Senate insist on its amendments, request a conference with the

House on the amendments, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. RUSSELL, Mr. HAYDEN, Mr. SMITH, Mr. KEYES, and Mr. NYE conferees on the part of the Senate.

WAR DEPARTMENT APPROPRIATIONS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives on House bill 5913, the War Department appropriation bill, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES
OF THE UNITED STATES,
March 29, 1935.

Resolved, That the House recede from its disagreement to the amendments of the Senate nos. 10, 17, 26, 28, and 32 to the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate no. 7 to said bill, and concur therein with the following amendment: Omit the matter stricken out by said amendment, and, on page 10, line 20, of the engrossed bill, after the word "men", insert ", such additional sums to be available for the objects embraced by and in addition to other appropriations contained in this act"; and

That the House recede from its disagreement to the amendment of the Senate no. 25 to said bill, and concur therein with the following amendment: Restore the matter stricken out by said amendment, amended to read as follows:

"No appropriation contained in this act shall be available for any expense for or on account of a larger number of mounted units and wagon and service companies of the National Guard than were in existence on June 30, 1932: *Provided*, That officers, warrant officers, and enlisted men of the National Guard and Organized Reserves who, under regulations prescribed by the Secretary of War, volunteer to participate without pay as competitors in the national rifle matches to be held during the fiscal year 1936, may attend such matches without pay, notwithstanding any provision of law to the contrary, but shall be entitled to travel and subsistence allowances at the same rates as are provided for civilians who attend and participate in said matches."

Mr. COPELAND. I move that the Senate concur in the House amendments to Senate amendments nos. 7 and 25.

The motion was agreed to.

ACQUISITION OF LAND IN THE DISTRICT OF COLUMBIA

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 404) to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes, which was, on page 3, line 4, after "Columbia", to insert:

Provided, That in the event of sale as herein authorized, notice of not less than 20 days before such sale shall be published in a daily newspaper published in the District of Columbia, and notice by registered mail before such sale be mailed to the last known address of the persons listed on the records of the assessor of the District of Columbia as the owners of the land abutting the land to be sold and sold at not less than the fair market value at the time sold as determined by appraisement of the assessor of the District of Columbia.

Mr. KING. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

SAFETY ON PUBLIC HIGHWAYS IN THE DISTRICT

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes.

Mr. KING. I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. KING, Mr. COPELAND, and Mr. CAPPER conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. GERRY, from the Committee on Finance, reported favorably the nomination of Joseph J. Cunningham, of North Providence, R. I., to be collector of customs for customs collection district no. 5, with headquarters at Providence, R. I., in place of Emery J. San Souci.

Mr. KING, from the Committee on the District of Columbia, reported favorably the nomination of Riley E. Elgen, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years from July 1, 1934.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment, by transfer, in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

The calendar is in order.

THE JUDICIARY

The Chief Clerk read the nomination of Walter Bragg Smith to be United States marshal, middle district of Alabama.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, it is so ordered.

That completes the calendar.

JOSEPH J. CUNNINGHAM

Mr. GERRY. I ask unanimous consent for the confirmation at this time of the nomination of Joseph J. Cunningham, of North Providence, to be collector of customs for customs collection district no. 5, with headquarters at Providence, R. I.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the nomination is confirmed.

RECESS TO MONDAY

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 25 minutes p. m.) the Senate, in legislative session, took a recess until Monday, April 1, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 29 (legislative day of Mar. 13), 1935

COLLECTOR OF CUSTOMS

Joseph J. Cunningham to be collector of customs for customs collection district no. 5, with headquarters at Providence, R. I.

UNITED STATES MARSHAL

Walter Bragg Smith to be United States marshal, middle district of Alabama.

POSTMASTERS

NEW YORK

Priscilla A. Fairbank, Ashville.
Carlton A. Daigler, Clarence.
William J. Gleason, Cortland.
Georgia B. Ostrander, Ghent.
Gretchen V. Lawson, Helmuth.
Dudley C. Merritt, Locust Valley.
John P. Hewitt, Phelps.

PENNSYLVANIA

Theodore C. Lamborn, Berwyn.
Dorothy C. Westrick, Colver.

Albert Van Horn, Dawson.
James J. McNany, Du Bois.
Mary G. Wilson, George School.
John R. Duffy, Harrisville.
Elmer T. Smith, Hopewell.
James M. Eagen, Jermyn.
Michael J. Pitoniak, Jessup.
Leo McAlee, Johnsonburg.
Stephen M. Telep, Mayfield.
William S. Bolinski, Mocanaqua.
George E. Lay, Monaca.
Blanche C. Anderson, Monongahela.
Stanley B. Janowski, Nanticoke.
Charles W. Aldrich, New Milford.
Olin V. Deterick, Orangeville.
J. Ross Owens, Parkesburg.
Cora B. Rufe, Riegelsville.
Philip A. Schmidt, Ringtown.
Ann Conner, Rossiter.
John Zelinski, Simpson.
William J. Forsythe, Sligo.
Samuel C. Zellers, Stewartstown.
Wooda N. Carr, Uniontown.
Edward L. Middleswarth, Yeagertown.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 29, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most gracious God, with a chastening sense of sin and failure we pray Thee to enrobe us with the spirit of prayer. O divine Teacher of the art of right living, hear us, for our goodness is so little as our sins rise before us. Let them fade from our memory, and may the royal pardon cancel them forever. Almighty God, we praise Thee for Mary's Holy Child. Inspire us to learn of Him in joy and sorrow, in strength and weariness, in success and failure, and in life and death. Heavenly Father, this present day, flushed with pleasure, intoxicated with the wrong sense of freedom, and blinded by the pride of willfulness, O stay its alarming currents; touch that life which is below this painful and forbidding surface. Bring forth the elements of good and the possibilities of recovery. Revive and make new again the sources of righteousness, and may "Our Father" become the universal name for God the Omnipotent One. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 174. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6359. An act to repeal certain provisions relating to publicity of certain statements of income.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. HARRISON, Mr. KING, Mr. GEORGE, Mr. KEYES, and Mr. METCALF to be the conferees on the part of the Senate.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication, which was read by the Clerk:

MARCH 29, 1935.

Hon. JOSEPH W. BYRNS,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I hereby resign as a member of the Invalid Pensions Committee.

Respectfully yours,

J. BURRWOOD DALY.

The resignation was accepted.

CONFERENCE REPORT—WAR DEPARTMENT APPROPRIATION BILL, 1936

Mr. PARKS. Mr. Speaker, I call up the conference report on the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read as follows:

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment no. 1: Appropriates $200,000, as proposed by the Senate, instead of $180,000, as proposed by the House, for contingent expenses of the War Department proper at Washington.

On amendment no. 2: Appropriates $87,000 for contingencies, Military Intelligence Division, instead of $46,000, as proposed by the House, and $107,000, as proposed by the Senate, the amount agreed upon being intended more nearly to equalize the maintenance allowances of military and naval attachés.

On amendment no. 3: Appropriates $446,774 for field exercises, as proposed by the Senate, instead of $350,465, as proposed by the House, the increase being compensated for by a reduction in the appropriation "Travel of the Army."

On amendment no. 4: Corrects the text of the appropriation "Welfare of enlisted men."

On amendments nos. 5, 6, 8, 9, 11, and 12, relating to "Pay, etc., of the Army": Limits flying pay to not exceeding five medical officers, as proposed by the House; strikes out, as proposed by the Senate, the clause making the additional appropriation for increasing the enlisted strength of the Regular Army available for objects of expenditure embraced by appropriations other than "Pay, etc., of the Army", and makes a direct appropriation of $20,000,000 on account of such increase in enlisted strength, as proposed by the Senate, instead of an indefinite appropriation, as proposed by the House; provides for the employment of 7 retired officers on active duty instead of 5, as proposed by the House, and 85, as proposed by the Senate; appropriates $6,238,656 for rental allowances, as proposed by the House, instead of $6,299,516, as proposed by the Senate, and corrects totals.

On amendments nos. 13 and 14, relating to "Travel of the Army": Reduces the appropriation from $3,095,630, proposed by the House, to $2,999,321, as proposed by the Senate, the amount of the reduction being transferred to the appropriation "Field exercises", and broadens the proposal of the House with respect to using other appropriations for traveling expenses when approved by the Director of the Bureau of the Budget.

On amendment no. 15: Appropriates $50,000 for expenses of courts martial, as proposed by the Senate, instead of $35,000, as proposed by the House.

On amendment no. 16: Appropriates $4,450,221 for clothing and equipage, as proposed by the Senate, instead of $4,388,423, as proposed by the House.

On amendments nos. 18 and 19, relating to Army transportation: Permits the use of 390 modernized class B trucks, as proposed by the Senate, instead of 267 of such trucks, as proposed by the House, and strikes out the Senate proposal to permit the use, at the discretion of the Secretary of War, of any motor-propelled vehicle procured prior to January 1, 1920.

On amendment no. 20: Appropriates $297,155 for the purchase of 1,500 horses for the Army instead of $222,155 for the purchase of 1,000 horses, as proposed by the House, and $372,155 for the purchase of 2,000 horses, as proposed by the Senate.

On amendment no. 21: Appropriates $10,549,104 under the head of "Barracks and quarters and other buildings and utilities", instead of $10,049,104, as proposed by the House, and $11,094,104, as proposed by the Senate.

On amendments nos. 22 to 24, both inclusive, relating to the National Guard: Makes a direct appropriation of $500,000 for increasing the enlisted strength of the National Guard, instead of an indefinite appropriation, to be expended at the discretion of the President, as proposed by the House, and a direct appropriation of $2,500,000, as proposed by the Senate, and strikes out the Senate proposal designed to require that a portion of the increase

in the enlisted strength of the National Guard be used for establishing a National Guard air squadron in the State of Mississippi.

On amendment no. 27, relating to the Organized Reserves: Appropriates $6,372,178, as proposed by the House, instead of $8,258,428, as proposed by the Senate.

On amendments nos. 29 and 30, relating to the Reserve Officers' Training Corps: Appropriates $4,452,304 instead of $3,452,304, as proposed by the House, and $4,896,078, as proposed by the Senate, and strikes out the proposal of the Senate to raise the ban on the maintenance of an additional number of mounted, motor transport, or tank units.

On amendment no. 31: Appropriates $2,000,000 for training approximately 30,000 citizens' military training camp trainees instead of $1,000,000 for training approximately 14,000, as proposed by the House, and $2,560,000 for training approximately 37,500, as proposed by the Senate.

On amendments nos. 33 and 34, relating to rivers and harbors: Provides for including illustrations in printed reports of stream surveys, as proposed by the Senate, and appropriates $34,057,270, as proposed by the House, instead of $27,057,270, as proposed by the Senate.

Disagreements

The committee of conference have not agreed upon the following amendments of the Senate:

No. 7: Relating to increasing the enlisted strength of the Regular Army.

No. 10: Relating to rental and subsistence allowances of officers.

No. 17: Relating to laundry charges.

No. 25: Limiting the number of National Guard units.

No. 26: Relating to traveling expenses of dependents of Regular Army personnel traveling in connection with the Organized Reserves.

No. 28: Relating to training retired and disabled officers of the Officers' Reserve Corps.

No. 32: Relating to the extension of Vicksburg National Cemetery.

TILMAN B. PARKS,
THOMAS L. BLANTON,
THOMAS S. MCMILLAN,
J. BUELL SNYDER,
JOHN F. DOCKWEILER,
CHESTER C. BOLTON,
D. LANE POWERS,
Managers on the part of the House.

Mr. PARKS. Mr. Speaker, the War Department appropriation bill, as reported to and passed by the House, carried a total of $378,699,448.

The House did not add a single dollar to the bill, and when it left here it carried $542,795 less than the total of the Budget estimates, exclusive of two contingent indefinite appropriations for increasing, at the discretion of the President, the enlisted strength of the Regular Army and the National Guard.

The Senate placed 34 amendments on the bill, 17 of that number affecting the amounts of money carried in the bill.

They added $28,977,206, and they reduced the river and harbor appropriation by $7,000,000, making a net increase over the House bill of $21,977,206.

The gross increase was made up very largely of six items, namely:

1. A direct appropriation instead of an indefinite appropriation for increasing the enlisted strength of the Regular Army	$20,000,000
2. An increase for maintenance of public works under the cognizance of the Quartermaster	1,000,000
3. A direct appropriation instead of an indefinite appropriation for increasing the enlisted strength of the National Guard	2,500,000
4. An increase to provide 15-day training for 30,000 Reserve officers, instead of 20,000 as provided by the House	1,866,250
5. An increase to permit the establishment of 113 additional R. O. T. C. units	1,443,774
To which was coupled other increases totaling	193,460
6. An increase to take care of 37,500 C. M. T. C. trainees, instead of 14,000 such trainees, as provided by the House	1,560,000
These particular items total	28,583,484

As agreed to, the Senate has yielded in money as to those particular items a total of $5,583,484.

With the reduced amount there will be available—

A direct appropriation of $20,000,000 for increasing the enlisted strength of the Regular Army;

A direct appropriation of $500,000 for increasing the enlisted strength of the National Guard;

An increase of $500,000 for maintenance of barracks and quarters;

An increase of $1,000,000 for establishing additional R. O. T. C. units; and

An increase of $1,000,000 for additional C. M. T. C. trainees—between a total of 28,000 and 30,000.

The Senate receded entirely from its proposal to increase the appropriation for the Organized Reserves.

The reduced amount agreed upon for the National Guard is considered adequate for an increase of 5,000 in the enlisted strength of the Guard, the conferees were advised, on the basis of only such additional expenditures as are contemplated on account of additional enlisted men taken into the Regular Army. In other words, the increase will be used in expanding existing units and not for establishing new units and providing them with motor equipment and implementation of various kinds. I assume no responsibility for this reduction.

There are one or two other items of general interest to which I might refer:

The Senate receded from its amendment increasing the number of medical officers who might draw flying pay; also, from its amendment increasing from 5 to 85 the number of retired officers who may be employed on active duty. The number agreed upon is 7, 2 more than the House had proposed.

We compromised on horses and provide for the procurement of 1,500, or 500 less than the Senate had proposed.

Of course, we would not and could not agree to the proposal to reduce the amount provided by the House for the maintenance of existing river and harbor works. This reduction, your conferees were advised, was made entirely through a misunderstanding.

As agreed to, the bill carries a total of $341,348,204 for military activities and $60,649,966 for nonmilitary activities. This is an increase of $23,216,722 over the House bill for military activities and $82,000 for nonmilitary activities. In the aggregate, the bill carries $401,998,170 for both military and nonmilitary activities.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. PARKS. I yield.

Mr. RAMSPECK. Do I understand it is the gentleman's purpose, with reference to Senate amendment no. 7, to move to recede and concur in the amendment?

Mr. PARKS. That is the item for increase of the Army?

Mr. RAMSPECK. Yes; for increasing the enlisted strength of the Army.

Mr. PARKS. Yes.

Mr. WITHROW. Mr. Speaker, will the gentleman yield?

Mr. PARKS. I yield.

Mr. WITHROW. As I understand it, the Senate amendments increased the War Department appropriation bill as it left the House approximately $24,000,000.

Mr. PARKS. With the reductions it amounts to about $21,000,000.

Mr. WITHROW. I thank the gentleman.

Mr. PARKS. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Speaker, I yield to no Member in the desire to provide adequate funds for national defense, but the conference report we are considering today, particularly in view of the amendments of the Senate, goes far beyond the point of providing adequate national defense.

It seems peculiar, but very characteristic, that when this House, and particularly the Appropriations Committee, are considering the War Department or Navy Department appropriation bills the lid is off entirely; and, literally speaking, they run hog wild. There are, of course, individuals and groups who are very desirous of spending huge sums of money for War Department activities, but the interests of these individuals are selfish; they will profit by reason of these extraordinary activities. These groups have spread a great deal of propaganda; they have built up a "straw man" and the "straw man" is that there is danger of the United States engaging in war with some foreign country. At the present time it is most convenient, and it is the main factor in their propaganda, that there is grave danger of a war with Japan.

I know of no better argument against this false assumption than the argument offered by Franklin D. Roosevelt himself, when he was Assistant Secretary of the Navy, in an article he wrote and authorized to be published, and which was published in the magazine, Asia, in July 1923. This article was reprinted, I believe, about a year ago. In this article he dealt with the fallacy, the absolute absurdity of a war between Japan and the United States. I shall quote briefly from that article written by the man who now is President of the United States, but who at that time was the Assistant Secretary of the Navy. I quote:

* * * For the Japanese to have invaded—or rather to have maintained any invasion—on our Pacific coast would have been an impossible task. * * * The point will bear the emphasis of repetition, that this impasse was reached before the days of effective submarines and aircraft, and that, even at that time, when offensive operations over long sea distances were less difficult than now, war would, in all probability, have been decided on economic issues. And in these the United States had, and has, a vast superiority.

From the same article I quote the following:

As long as 10 years ago naval experts said that a fleet crossing a wide ocean from its home base must of necessity lose from a quarter to a third of its fighting value. If that judgment was true 10 years ago, then the principle is even more true today; for the addition of two new dimensions, under water and in the air, to the fighting area has made the protection of the capital ship, superdreadnaught or battle cruiser, the fundamental fighting unit—a much harder task than it was then.

* * * And on the other hand, even if Japan in 1914 had any false notion that she could threaten us either through Mexico or by direct invasion of the Pacific coast, it is safe to say that her strategists have now tacitly abandoned such ideas.

[Here the gavel fell.]

Mr. PARKS. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. WITHROW. If those arguments were pertinent at that time, they are doubly so today. Now, Mr. Speaker, it seems to me to be entirely inconsistent to grant an appropriation of this kind without hardly the "batting of an eye" at a time when thousands of schools throughout the Nation are closing for lack of sufficient funds. As the authority for the acute education situation we have none other than the statement of Dr. Richard W. Hogue, director of the Public Education League, who states. I quote:

Approximately one-eighth of the country's school children face the prospect of being unable to attend school through the final term of the current session. Their schools will be closed to them soon after the 1st of April, if not before that date, due to exhaustion of local and State funds as a result of the prolonged depression. This calamity can and must be prevented by the Federal Government.

Day before yesterday a gentleman on your side of the aisle rose and offered a resolution asking for an appropriation of $30,000,000 in order to prevent the closing of these schools. The first question that was asked him when the resolution was read was, Where are we going to raise the money? When it comes to a question of providing funds for educational purposes there are Members of this body whose first question is, How are we going to raise the money?—but when it comes to a question of providing huge sums for the war lords of this country these same gentlemen are not interested in how the money is to be raised. Mr. Speaker, I say that is an entirely inconsistent position.

When the original War Department appropriation was brought in by the Appropriations Committee, the committee said that the funds provided for in the appropriation would provide adequate national defense. However, the measure as it is before the House today had been amended by the Senate, and the appropriation has been boosted by approximately $21,000,000 by reason of these amendments. Notwithstanding these facts, the Appropriations Committee is willing to accept the amendments without a struggle. I say again, in this measure we are going far beyond the point of providing adequate national defense.

In conclusion, may I say that we have been mighty liberal in appropriating the taxpayers' money to the War Department. May I ask that we be equally liberal in appropriating funds for educational purposes and for emergency relief for our dairy farmers. Our dairy farmers, our veterans, and our ordinary citizens are entitled to receive the same consideration which we are giving to our national defense. [Applause.]

[Here the gavel fell.]

Mr. PARKS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I rise to say that this bill has been very thoroughly debated during the time it was before the House. It is very much desired that we finish it rapidly, and I hope that in 4 or 5 minutes we will be able to move the previous question on the conference report.

Mr. Speaker, I yield the gentleman from Texas [Mr. BLANTON] 5 minutes.

Mr. BLANTON. Mr. Speaker, I am not a militarist and have never been, but I am willing, and it is my purpose as long as I am on this committee, to give the Government everything it needs in order to repel any internal insurrection of domestic enemies at home, and to prevent any foreign enemy from ever landing on our shores.

We have given the General Staff of the Army and our War Department everything that they have assured us they need in order adequately to protect and safeguard this Government. An ounce of preventative is worth a pound of cure. We can safeguard human life and property by being prepared. We can keep out of war by being prepared.

Mr. Speaker, I was one of those who on April 6, 1917, voted to declare war against the Imperial German Government. In the preceding Congress there had been introduced by a distinguished newspaperman from the South, who happened to be at that time a Member of Congress, Mr. Jeff McLemore, of Texas, what was known as the "McLemore resolution", which in substance provided that where there were two foreign governments fighting and had their hands on each other's throats in a death grapple, this Government would not afford the protection of its flag to any of its nationals who foolishly saw fit to enter the war zone. This country was not yet ripe for such sound and wise legislation. Those howling for war hooted, ridiculed, and attacked Mr. McLemore, even accusing him of being "yellow." Yet, after all, he had far more courage, both moral and physical, than those who maligned him. That man went to his premature death because of the ridicule that came from the "jingoes" of the country.

Mr. Speaker, if that McLemore resolution had been passed, there would have been a chance for the United States of America honorably to have kept out of that horrible and costly war. The present Secretary of State, the Honorable Cordell Hull, is making now a careful investigation of just such a proposal as to whether this Government should embark upon the kind of policy expressed in the McLemore resolution.

Mr. RANKIN. Will the gentleman yield?

Mr. BLANTON. In just a minute, after I have finished what I have on my mind. I will then gladly yield to my friend from Mississippi.

If you are sitting on your front porch, you have a perfect right and an inherent right to cross the street at will. You may leave your yard and cross to the other side of the street whenever it pleases you to do so. But if you see two mad dogs fighting over there, you would be a fool to cross over there and enter their war zone.

It is ridiculous for this country on behalf of the selfish interests of a few traders and a few merchants and a few traveling pleasure seekers to involve the safety and the rights of 125,000,000 people of the United States and thrust us into a terrible war simply because those few merchants and pleasure seekers want the protection of our flag in order to visit the war zone.

I hope that our distinguished Secretary of State, Mr. Hull, will see fit to submit to this House before long a recommendation that will bring to life that kind of a policy expressed in the McLemore resolution, and it will keep us out of war. Now, while there is no war, is the time for us to take steps to keep out of war. If the President should send us such a recommendation, I hope that Congress will pass it immediately.

When I remember all of the tearful protestations made by France when she sent her high commission here begging for money and men, at a time when Germany had her on her knees practically begging for mercy, and I remember the great sacrifices our people made to buy bonds to furnish that money and the sadness and grief that entered so many American homes when their boys bravely donned uniforms and went across mine-laden oceans, menaced on all sides by deadly submarines, and saved France from peonage, I am disgusted and have no patience with the base ingratitude France has displayed toward our friendly Nation ever since the war.

Of all human traits, ingratitude is the most despicable. Ingratitude in a nation is many times more despicable than it is in an individual.

I remember a patriotic citizen in Texas who, when he failed in business, turned over to his creditors everything he possessed, including even his home, which was exempt from debts, and thereafter on borrowed capital opened up a small drug store in Fort Worth. The local committee selling liberty bonds to raise the needed money to loan France and our other Allies notified him that they had marked him down to purchase a thousand-dollar bond. He tried to explain to them that it was impossible, because he was wholly without means; but when he came to his place of business the next morning he found that during the night the front of his store and his front sidewalk had been painted yellow.

Besides giving their sons, thousands of families in various States made great sacrifices to buy these bonds and thus furnish this money for France and our other Allies.

France charged us outrageous sums for transporting our soldiers to Europe in her ships when they were crossing the ocean to save France from destruction. For every little imaginary injury to highways caused by our caissons moving to defend France and for alleged injury to trees and property naturally incident to all warfare France made us pay to the very limit, when had it not been for our men and munitions Germany would have annihilated France.

While I was one of those who in 1917 voted to declare war against the Imperial German Government, remembering now all the base ingratitude of France in repudiating her sacred debt of honor to our country, if Germany and France should again cross swords, which God forbid should happen, I hope the Imperial German Government will whip the very devil out of France, and while she is doing it I want to see our Government remain absolutely neutral, and keep all of our men, money, and munitions at home.

Never again will I vote to send American youths over to Europe to protect France, when France has not appreciated it, and has shown such base ingratitude.

Mr. Speaker, our distinguished colleague, the gentleman from Indiana [Mr. LUDLOW], than whom there is no more valuable Member in this House, has introduced a resolution here providing that where there is no invasion, before this Government can declare war, it must be left to a plebiscite. That is where there is no invasion. His resolution also provides that when this Government does enter war it may take over every resource of the country needed to win the war. That will take the profits out of war, and when you eliminate the profits there will be no wars.

[Here the gavel fell.]

Mr. PARKS. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. RANKIN. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Mississippi.

Mr. RANKIN. May I say to the gentleman from Texas [Mr. BLANTON] that I hear a great many of these "dollar-a-year" men, who are now worth millions of dollars, clamoring for us to tax the profits of the next war. I want to tax the profits of the last war, then we will not have any next war in your day and mine. [Applause.]

Mr. BLANTON. I will help the gentleman do that any time he brings in such a bill. I will vote for it any time the gentleman gets such a bill on the floor for consideration. The World War created a whole army of millionaires and multimillionaires. I have always been in favor of making them disgorge.

When I remember those infamous costs plus 10-percent contracts and the 10 percent plus profits that were made on those contracts, where contractors had men build up structures and then tear them down and build them up again in order to increase costs, so as to increase profits, I want to see those profits taken out and those fellows made to disgorge.

I hope that every friend of the resolution which has been introduced by my friend the gentleman from Indiana [Mr. LUDLOW] will go before the Committee on the Judiciary in a few days when this hearing is held and let that committee know their views upon it. If you are in favor of it, I hope you will help the gentleman from Indiana [Mr. LUDLOW] get this resolution out of committee and passed in this Congress before we adjourn.

What are the particular provisions in this bill that are criticized? Oh, all that our friend who last spoke against it gave us was general criticism. He stated the committee had gone hog-wild. In what way has it gone hog-wild? On what item has it gone hog-wild? Is there anything here that the committee has done that you would not have done? The sentiment of this House when this bill left it to go to the Senate was that there should have been provided in the first instance 165,000 men for the Army. This was the sentiment of the House, and the only thing that kept the committee from following it was our understanding that the President preferred for the matter to be left to him. When we found out that the President was not adverse to the increase your committee readily agreed that the increase should be provided, and I believe your committee did this with the approval of the great majority of this House. [Applause.]

Mr. PARKS. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, I want to read a short letter from a distinguished constituent of mine, a man in Topeka, Dean John Warren Day, a patriot and a thinker. He writes me as follows:

> As a citizen of the United States and a World War veteran, I am taking this opportunity to express my complete disapproval of the present militaristic trends of the administration and its policies. More particularly do I wish to express my thorough disapproval of the contemplated naval maneuvers in the northern Pacific from May 3 to June 10.
>
> It would seem to me, in the present situation existing between Japan and the United States, that nothing could be more carefully planned to excite the Japanese and to display a "nose thumbing" attitude of our Government toward the Japanese people. The contemplated naval maneuvers are not only provocative but seemingly arranged by an insane desire to excite the Japanese people against the people of the United States. I hope you will do everything in your power to stop this policy of saber rattling.

[Applause.]

Mr. PARKS. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Speaker, I want to thank the gentleman for granting me this time. I appreciate it very highly. I realize that whatever I may say against this increased appropriation for the military and naval establishments will accomplish nothing and get nowhere in this House, but I want to be sure that I make my own record here and that my own record is a protest against these vast increases.

I am not opposed to adequate appropriations to insure our security, but I am opposed, and without reservation, to vast increases that before this session is through will amount to $1,500,000,000 for the Army and the Navy; and during the same period of time, during this month of March, 5,000 elementary schools in these United States have closed for lack of funds. The gentleman from Oklahoma [Mr. LEE], told us only on Wednesday that in the State of Texas where they are appropriating $20,000,000 for the sake of airports and naval bases and structures in connection therewith, 250 schools have already closed and 1,000 more schools will close within the next 2 weeks.

This is a national question. As your and my President stated in a message to Congress—

Education has been regarded in this country as a responsibility of the State and local governments and should remain so. In the joint attack on economic security which we suggest, Federal participation, however, is most desirable. To a considerable extent the Federal Government is already participating in this endeavor and we believe that it should continue to do so, if possible, on an extended scale.

This is the message of Franklin D. Roosevelt this year, and we claim that these appropriations for our schools should have been made before you come in with an Army and Navy appropriation. We have nearly 700,000 school children in this country attending schools that are condemned as unsafe and unfit. In the State of Mississippi 2,000 school districts do not even have a schoolhouse. In the State of Arkansas there are children who, for 2 or 3 years, have not even had a textbook. Yet we go on increasing and increasing, first in one House and then in the other, these vast appropriations for armament and for war with a country that nobody can name.

In addition to this, I want to add this one other significant point. There are in the neighborhood of 400,000 school children going to schools where the drinking water is polluted and over 300,000 school children attending schools where there are no toilet facilities of any kind whatsoever.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. SAUTHOFF. I yield.

Mr. CHRISTIANSON. What does the gentleman think of the present policy of using P. W. A. funds for building battleships?

Mr. SAUTHOFF. Well, that is one more thing that this Democratic Congress will have to defend itself for next year.

Mr. CHRISTIANSON. Does not the gentleman believe that it is a dangerous policy for this Congress to surrender the power which the Anglo-Saxon people captured during a thousand years of struggle of control over war expenditures, by giving the Executive money for one purpose which he is using for an entirely different purpose?

Mr. SAUTHOFF. I may add to the statement of the gentleman from Minnesota that when you get your works-relief-program bill back here from the Senate, which you will probably have today, you will find that the $40,000,000 amendment that Senator CUTTING had placed on that measure in the Senate, has been deleted, and we cannot even get $40,000,000 for our schools, while we are appropriating over $400,000,000 in this one bill alone. [Applause.]

This appropriation bill for the Army represents an increase of $50,000,000 over last year. The Senate, not satisfied with that vast increase, added $21,000,000 more, so that the bill, as it now comes before us, means an increase of $71,000,000 over last year. But that is not all. Last Wednesday a Navy bill was before us which contained an appropriation of $38,000,000. Mind you, that is not the regular appropriation bill for the Navy. By no means. That sum, $38,000,000, is merely an extra relating to construction, and so forth. Here are some of the items:

Storehouse at Mare Island	$800,000
Graving dock	3,500,000
Floating drydock	10,000,000
Cold-storage plant	595,000
Industrial-shop building	1,400,000
Quarters for officers	3,071,000
Carpenter shop at Newport	80,000

Here is the report on this carpenter shop:

The present carpenter shop is a two-story, wooden structure, supported on piles. It is 28 years old and in danger of collapse because of extreme deterioration of the piling and superstructure.

Let me point out to you gentlemen that there are thousands of elementary schools in the United States that are 60 to 70 years old, and little children are sitting in them every day for 4 and 5 hours. Think of it, Mr. Speaker! Old, decrepit structures 60 to 70 years old in which little boys and girls must attend school, their very lives threatened every minute, but not one single, solitary dollar is appropriated to take care of this appalling situation, while $80,000,000 is hustled through the Congress without question to build a new carpenter shop for the Navy because the present one is 28 years old. That is the very thing I wish to protest against this afternoon. It is my contention that education is a fundamental necessity in a republic. It should receive primary consideration but it is being relegated to the background while many less important matters are receiving first consideration. The gentleman from Oklahoma [Mr. LEE] has a very meritorious measure before the Committee on Education. It seeks to appropriate $30,000,000 for the immediate needs of our schools.

The very pressing needs of this money have been shown without question. Dr. Studebaker and Dr. Dawson have testified before the committee and have shown that unless there is immediate Federal aid one-eighth of the school children of this country will not have any school of any kind for the balance of this school year. And what about our teachers? What is their present situation? A survey by the N. E. A. indicates that $100,000,000 is now due the school teachers of this Nation for back salaries, which are unpaid, and which will remain unpaid unless there is Federal aid. I recall that Vice President Dawes secured a loan of $90,000,000 for his bank that was already insolvent when he got it. Ninety million dollars for General Dawes' busted bank but not one cent for our school teachers. There are between 900,000 and 1,000,000 school teachers in this country. That means about as many as the membership of the American Legion and the Veterans of Foreign Wars combined, and yet they get nothing. Why not? Because they are not organized. There are school teachers in our country getting as low as $24 per month. That is less than relief workers. The trouble with the school teachers is that they are not organized. If they had a union and were a part of the American Federation of Labor, you can rest assured that they would get every consideration. My advise to the teachers is to get together. Arouse the mothers of this Nation to the dangers confronting our elementary-school system. Bring pressure to bear on those in authority, and your demands will receive prompt attention, and your wrongs will be redressed.

COMMITTEE ON INSULAR AFFAIRS

Mr. KOCIALKOWSKI. Mr. Speaker, I ask unanimous consent that the Committee on Insular Affairs be permitted to sit this afternoon during the session of the House.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the Committee on Insular Affairs be allowed to sit this afternoon during the session of the House. Is there objection?

There was no objection.

CONFERENCE REPORT, WAR DEPARTMENT APPROPRIATION BILL

Mr. PARKS. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion by Mr. PARKS to reconsider the vote was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Page 10, line 25, after the word "increasing", strike out "at the discretion of the President and in such increments as he may deem necessary from time to time."

Mr. PARKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with the following amendment.

The Clerk read as follows:

Amendment no. 7: Omit the matter stricken out by said amendment, and on page 10, line 20, of the engrossed bill, after the word "men", insert the following: ", such additional sums to be available for the objects embraced by and in addition to other appropriations contained in this act."

So that if this amendment be adopted, taken in conjunction with amendment no. 6, to which the House has agreed in the adoption of the conference report, the entire provision with respect to increasing the enlisted strength of the Regular Army will read as follows: "together with such additional sums as may

be necessary, not exceeding $20,000,000, to defray the cost of increasing the enlisted strength of the Regular Army from an average of 118,750 to an average of 165,000 enlisted men, such additional sums to be available for the objects embraced by and in addition to other appropriations contained in this act."

The SPEAKER. The question is on the motion of the gentleman from Arkansas to concur with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 12, line 8, after the figures, insert:
" : *Provided further*, That effective from and after July 1, 1935, the value of one subsistence allowance, as that term is used in section 5 of the Pay Readjustment Act of June 10, 1922 (42 Stat. 628), as amended, shall be and remain fixed at 60 cents per day; and the rate for one room for the purpose of computing the money allowance for rental of quarters authorized in section 6 of said act shall be and remain fixed at $20 per month."

Mr. PARKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 23, line 6, after the figures " 1936 ", insert:
" : *Provided*, That laundry charges, other than for service now rendered without charge, shall be so adjusted that earnings in conjunction with the value placed upon service rendered without charge shall aggregate an amount at least equal to the cost of maintaining and operating laundries and dry-cleaning plants."

Mr. PARKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 25: Page 51, beginning in line 21, strike out lines 21, 22, 23, 24, and 25, as follows:
" No appropriation contained in this act shall be available for any expense for or on account of a larger number of mounted and medical units, and military police, wagon and service companies of the National Guard than were in existence on June 30, 1932."

Mr. PARKS. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment which I send to the desk.

The Clerk read as follows:

Restore the matter stricken out by said amendment, amended to read as follows:
" No appropriation contained in this act shall be available for any expense for or on account of a larger number of mounted units and wagon and service companies of the National Guard than were in existence on June 30, 1932: *Provided*, That officers, warrant officers, and enlisted men of the National Guard and Organized Reserves, who, under regulations prescribed by the Secretary of War, volunteer to participate without pay as competitors in the national rifle matches to be held during the fiscal year 1936, may attend such matches without pay, notwithstanding any provision of law to the contrary, but shall be entitled to travel and subsistence allowances at the same rates as are provided for civilians who attend and participate in said matches."

The SPEAKER. The question is on the motion of the gentleman from Arkansas to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 26: Page 53, following the word " reserves ", in line 2, insert: " and for travel of dependents, and packing and transportation of baggage of such personnel."

Mr. PARKS. Mr. Speaker, I move that the House recede and concur in the amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 28: Page 54, after the word " State ", in line 19, insert: "*Provided*, That nothing in this provision shall be so construed as to prevent the application of funds herein contained to the pay, allowances, or traveling expenses of any officer or enlisted man of the Reserve Corps who may surrender said pension, disability allowance, disability compensation, or retired pay for the period of his active duty in the Reserve Corps."

Mr. PARKS. Mr. Speaker, I move the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 32: Page 65, after line 7, insert: " For purchase of additional land for the extension of the Vicksburg National Cemetery, $82,000."

Mr. PARKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. PARKS. Yes.

Mr. RICH. Is there any bonded indebtedness on the county in which this cemetery is located; and, if so, will the county ask the Federal Government to take over the bonds belonging to that county in order that they may be redeemed?

Mr. PARKS. Mr. Speaker, this is a part of the national park at Vicksburg, and there is no indebtedness upon it. That is our information about it. It is a Federal national park, a part of the cemetery at Vicksburg.

Mr. RICH. Later on the Federal Government will not be asked to redeem any bonds?

Mr. PARKS. I understand not. I do not see how it could be possible.

The SPEAKER. The question is on the motion of the gentleman from Arkansas to recede and concur in the Senate amendment.

The motion was agreed to.

PUBLICITY OF INCOME TAX

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the bill H. R. 6359, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object to inquire whether this is the " pink slip " bill?

Mr. DOUGHTON. It is.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. DOUGHTON, Mr. SAMUEL B. HILL, Mr. CULLEN, Mr. TREADWAY, and Mr. BACHARACH.

ELECTION TO COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 176

Resolved, That J. BURRWOOD DALY, of Pennsylvania, be, and he is hereby, elected a member of the Standing Committee of the House of Representatives on Rivers and Harbors.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. DOUGHTON. Also the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 177

Resolved, That Theodore B. Werner, of South Dakota, be, and he is hereby, elected a member of the Standing Committee of the House of Representatives on Public Lands.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

MILITARY AFFAIRS COMMITTEE—PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs be granted permission to sit during the session of the House this afternoon.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. GILLETTE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, to make an important statement.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes following the statement of the gentleman from Iowa.

The SPEAKER. Is there objection?

There was no objection.

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes, following the gentleman from Massachusetts [Mr. CONNERY].

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. How many more are there? I shall not object to this one, but must object to any others.

The SPEAKER. Is there objection?

There was no objection.

Mr. GILLETTE. Mr. Speaker, at the request of a group of the membership of this House who have been working rather earnestly and unremittingly in the study of legislation of particular interest to agriculture, I have filed a motion with the Clerk of the House to discharge the Rules Committee from the consideration of Resolution 161.

I have asked for this time to make an explanation of why many of us feel that is the necessary procedure.

In the early part of the session there was introduced in the House and in the Senate companion measures which were to be known as the "Farm Credit Act of 1935", correcting certain necessary matters in the various laws pertaining to the furnishing of farm credit. In the Senate the bill S. 1384 was called up and an amendment was adopted which is popularly known as the "Wheeler amendment", and which, among other things, cuts the interest on Federal land-bank loans from 4½ to 3½ percent. It passed the Senate by a close vote, was messaged to the House, was referred to the Committee on Agriculture, and on the 18th day of February it was reported to this House by the Committee on Agriculture. At the request of the chairman of that committee it was given a privileged status and placed upon the Union Calendar of the House, where it has remained from that day to the present.

Mr. CULKIN. Will the gentleman yield?

Mr. GILLETTE. I yield.

Mr. CULKIN. Does the gentleman have a petition on that bill on the desk now?

Mr. GILLETTE. It is not on that bill. I am just explaining it.

Mr. CULKIN. What I am getting at is, that is intermingled with other subjects? That decrease in the interest rate does not stand alone, but it is intermingled with other subjects?

Mr. GILLETTE. No; the measure takes up other matters of correction as well as the Wheeler amendment.

That, as I stated, has been on the Union Calendar of this House since February 18. I am informed that there is no intention, and, from the 6 weeks that have elapsed, there is probably no intention of bringing it before the Membership of this House. I am informed that under the rules no one can call it up except the chairman of the committee or someone whom the Committee on Agriculture directs to call it up. Therefore we have taken the only method that was open to us, the introduction of a resolution which was referred to the Rules Committee, Resolution No. 161, asking that that measure be made a special order in the House and authorizing another member of the Committee on Agriculture to call it up for action, dividing the time between the chairman of the committee and the member to be recognized to call it up. That resolution has been in the hands of the Rules Committee for 8 or 9 legislative days without being reported. Then it was necessary to file a motion to discharge the Rules Committee from consideration of that resolution, which I have done. That petition is now on the desk to get the 218 signatures, if possible.

I do not have the time nor the intention nor the desire to discuss the wisdom or unwisdom of the rule under which we are operating. This House adopted it. The gentleman from New York [Mr. O'CONNOR] last Tuesday stated that we are operating here by a majority; that a majority could do anything. A majority of what? A majority of a quorum can pass a bill. Under this rule it takes a majority of the 435 Membership of this House before we can bring a measure up for consideration. There is no desire to transcend or contravene or interfere with the rights of a committee. Committees are appointed to assist this House in functioning.

The SPEAKER. The time of the gentleman from Iowa [Mr. GILLETTE] has expired.

LEAVE OF ABSENCE

Mr. GILLETTE. Mr. Speaker, due to necessary absence from the city, may the RECORD show that I am excused from attending the sessions of the House until Wednesday, April 3?

The SPEAKER. Without objection, the request is granted.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. The gentleman from Massachusetts [Mr. CONNERY] is recognized for 5 minutes.

Mr. CONNERY. Mr. Speaker, this morning the papers told us there are strikes imminent in the automobile industry, the textile industry, the rubber industry, and the coal industry—strikes which will affect approximately 1,000,000 workers, to say nothing of their dependents, which will probably reach somewhere near 10,000,000 people in the United States.

I rise at this time to call to the attention of this body that the Committee on Labor, of which I have the honor to be chairman, in the last session of Congress reported a 30-hour work week bill to this House, and in the present session of Congress, has reported an equal labor representation bill to this House, and if those bills, together with the Wagner-Connery labor-disputes bill, were passed by this House there would be no strike in the automobile industry, the textile industry, the coal industry, or the rubber industry. Somebody will ask, "Why are they not passed?" We reported the 30-hour-week bill in the last session of Congress. We could not get a rule from the Rules Committee. We got 83 names only on the petition which I filed to discharge the Rules Committee. We could not get a rule on it. The Wagner-Connery bill, which is to settle labor disputes and give the National Labor Relations Board real power to settle labor disputes, was cast aside in the last session of Congress, was not allowed to come up for action and an innocuous resolution was brought in in the last days and passed to pacify labor, which did nothing for labor even though the members of the National Labor Relations Board did everything humanly possible to help labor. Their hands were tied because they had no power.

In this session of Congress the Committee on Labor has unanimously reported a bill to the House of Representatives calling for equal labor representation on the code authorities and on all boards having to do with the betterment of the conditions of workers in the United States. That bill is now before the Rules Committee. We cannot get a rule on that bill. That bill would do something for labor. It would do justice to labor. The codes of the N. R. A. as written today are written to crush labor. The code authorities are composed of all the big employers anxious to crush unionism and to drive the small independent business man out of business. Testimony before our Labor Committee showed instances of big cigarette indus-

tries making net profit of $779,000,000 in 10 years, while their labor costs were only 2 percent. Under the present code set-ups the rich are getting richer and the poor are getting poorer. The bills reported by the House Labor Committee would cure these evils and prevent strikes and bloodshed. Why does not this House demand their passage? I am telling you today, my colleagues, that the responsibility for the 1,000,000 men who will go out on strike in the very near future, the loss of bread and wages to their families rests upon you here and not upon labor. It rests upon you, the Congress of the United States.

Mr. RICH. Will the gentleman yield?

Mr. CONNERY. I yield, but I only have 5 minutes.

Mr. RICH. I think the Members of Congress realize that the 30-hour-week bill will do more injury to labor and to the country than anything they can do at this time, and for that reason they are not interested in passing a bill of that kind.

Mr. CONNERY. That is merely the opinion of my friend from Pennsylvania. Why not bring the 30-hour work week bill on the floor here and discuss it, and not try to smother it as other labor legislation is being smothered?

Mr. MOTT. Will the gentleman yield?

Mr. CONNERY. I think this is of tremendous importance, and I would like to make my statement, and then if I have any time left I will be glad to yield.

Mr. MOTT. I did not understand whether the gentleman said the Labor Committee of this House had already reported the 30-hour bill or not.

Mr. CONNERY. Not this session. The House Labor Committee at present is awaiting action by the Senate on the Black 30-hour bill, which, I understand, may come up this coming week in the Senate for a vote. The Labor Committee of the House would, I believe, report out the Connery 30-hour bill unanimously tomorrow morning if we could get a rule from the Rules Committee to get it on the floor, but we know we cannot; we have been informed we cannot get a rule.

Mr. MOTT. I am for the 30-hour bill. Why not report it out and then circulate a petition to discharge the Rules Committee?

Mr. CONNERY. Because to discharge the committee requires 218 signatures, and we got only 83 in the last session.

Mr. MOTT. But we got 218 on the bonus petition.

Mr. CONNERY. We are going to take up the petition question in the committee next Tuesday morning.

Mr. MOTT. I hope the gentleman's committee will report it out.

Mr. CONNERY. Our committee will decide upon its plan of action on Tuesday, and I am sure that the House will have an opportunity soon to act on the 30-hour-week bill by the petition unless the Rules Committee change their views.

Let me say this in conclusion, Mr. Speaker, I want the House to know that these strikes could be avoided. Before the Military Affairs Committee a few days ago I offered a bill to prohibit the use of the National Guard in strikes unless permission is first secured from the Secretary of War. We know by bitter experience what is going to happen throughout the coal strike, throughout the automobile strike, throughout the rubber strike, throughout the textile strike; on the cry of "protect property rights" Governors will call out the National Guard and drive the strikers back into the mills with their bayonets as they did in Georgia; you are going to have National Guard men sticking their bayonets in the strikers' backs and then stepping on their bodies to pull the bayonets out. We heard such testimony before the Committee on Military Affairs. Human rights will mean nothing. You are going to have another spectacle such as that where the National Guard drove 300 striking girls into a warehouse and kept them there merely because those girl strikers asked for a decent wage and a decent opportunity to live.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. MAY. In the instance of the striker who had the bayonet stuck in his back, it was done right on his own front porch in front of his family.

Mr. CONNERY. Yes, on his own front porch; and in practically all instances where strikers have been shot and killed in these strikes they have been shot or bayoneted in the back, which proves they were not taking the aggressive and trying to look for trouble. I think the House of Representatives realizes the importance of preventing such atrocities, the importance to the House of Representatives and to the American people of 1,000,000 workers going out on strike solely and only because they have been forbidden the right to bargain collectively, forbidden to call their souls their own; forbidden to join a union labor organization under penalty of discharge; spied upon at their work to find out if their sympathies were with the unions; speeded up like animals by the stretch-out and speed-up system.

Mr. Speaker, I could recount at length the atrocities committed against American workers by hired thugs and gunmen of the employers. I feel that unless Congress passes the legislation to which I have referred, then this House of Representatives is directly responsible for the desperation which drives 1,000,000 American workers to strike, because they feel that their Government is controlled by the big-moneyed employers of the country and that they can no longer look for justice or protection of their rights to the Congress of the United States.

[Here the gavel fell.]

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

Mr. TAYLOR of South Carolina. Mr. Speaker, I object.

Mr. RYAN. Mr. Speaker, I want to make a very few remarks about a claims bill which is extraordinary and unusual, and which will be considered probably within the next few days—that is, the Minnesota fire sufferers claim bill, H. R. 3662, introduced by me and favorably reported by the Claims Committee.

This bill is unusual in that the President of the United States has asked the Attorney General to make an investigation into the provisions of the bill, and the Attorney General has reported that the bill is meritorious. The President has joined in that finding of the Attorney General in writing.

The claims arise out of damages that occurred in October 1918 when the Government was operating our railroads. Fires caused by negligent operation of the railroads destroyed 1,500 to 2,000 square miles of territory in northeastern Minnesota. Seven thousand homes were burned in that fire, and 500 people lost their lives. Litigation was started and dragged on for years, and cases arising from various areas represented in this bill went to the Supreme Court of the State of Minnesota, and were decided by that court in favor of the claimants, establishing the liability of the Government in the areas dealt with in this bill. After a couple of years it became evident that because of the condition of the calendar and the number of claims involved it would be impossible to determine those claims in the courts of Minnesota in any reasonable time. It was estimated that if all the courts in Minnesota worked on nothing but fire-claim suits it would take 10 years to decide them. Consequently, it was absolutely necessary that some settlement be arrived at. The Government sent out its claim agents and asked the people to submit their claims. They submitted their claims, and the Government scaled the claims down and agreed upon what they, the Government attorneys, believed was the actual loss sustained. They did not pay that actual loss but paid 50 percent of what they themselves determined was the actual loss these people sustained.

I want to clear up one of the misapprehensions that has existed about these claims, and to make the unequivocal statement that there is no paid lobby working for the enactment of this bill. The bill contains the usual attorneys' fees clause limiting attorneys' fees to 10 percent.

This bill was considered in the Seventy-third Congress and previous Congresses, and was in the last session of the Seventy-third Congress passed unanimously by the Senate. Lengthy hearings have been held in the past by the Claims Committee of the House, and the bill has been reported favorably by that committee several times. Since this bill has unquestioned merit and has been found to be meritorious by the Claims Committee, the Attorney General, and the President, I hope that its passage will not be prevented by failure to examine and ascertain its merits by the Members of the House.

In the Seventy-third Congress some question arose as to the President's endorsement of the merits of this bill, and in order to put that fact beyond question of doubt I wish here to insert a letter written by Mr. M. H. McIntyre, secretary to the President:

MAY 7, 1934.

Hon. PAUL KVALE,
Hon. EINAR HOIDALE,
House of Representatives, Washington, D. C.

GENTLEMEN: Reference is made to Congressman KVALE's letter under date of May 1 pertaining to S. 770, a bill for the relief of the sufferers by fire in Minnesota in 1918, and to previous correspondence on this same subject.

I have taken up with the President the question raised in Mr. KVALE's letter, and he has asked me to tell you gentlemen that it is true that the Attorney General said that the bill is meritorious and that he, the President, concurred in what the Attorney General said.

Sincerely yours, M. H. MCINTYRE,
Assistant Secretary to the President.

I wish to include herein a letter written by John P. Devaney, chief justice of the Supreme Court of the State of Minnesota, concerning these claims.

MAY 11, 1934.

Hon. EINAR HOIDALE,
Member of Congress, Washington, D. C.

MY DEAR CONGRESSMAN: In response to your letter of the 10th inst. in which you request me to make a brief statement of facts concerning the Minnesota forest fire cases of October 1918, a bill for the relief of claimants is now pending before Congress, will say:

It gives me great pleasure to relate to you the facts within my knowledge concerning this great catastrophe. Early in the year 1919 I became associated with other attorneys in representing a large group of claimants in the Moose Lake Lawler Soo Line area.

We tried the Anderson case in this district in the fall of 1919 and secured a jury verdict in favor of the plaintiff. The case was taken to the supreme court and was there affirmed. The rule of law applicable to the fire cases there laid down was never disturbed.

In the spring of 1920 the so-called " Cloquet " cases were grouped under a stipulation for a trial before five district judges on the question of liability and at about the same time a group of between 800 and 1,000 cases in the Moose Lake area was agreed to be tried under a similar stipulation before the same district judge.

The Cloquet cases were determined by the judges about the middle of September and by that determination liability was fixed upon the Railroad Administration for the destruction of the city of Cloquet and this case was later affirmed in the supreme court.

Following the Cloquet judge decision and on September 20, 1920, we began the trial of the Moose Lake cases. This trial continued with a few short intermissions until May 1921. The evidence was then concluded but because of the great number of witnesses the amount of territory covered and the enormous amount of detail work necessary to analyze the various cases, decision was not made by the judges.

I feel safe in saying that in the great majority of these cases there was little question but that the plaintiffs would recover the full amount of their loss.

In July 1921 the Cloquet case was decided in the supreme court and considerable effort was made to secure an adjustment not only of adjudicated cases but those not yet concluded where it was safe to say liability would be established.

One can hardly appreciate the condition of these claimants. Their homes and all their personal belongings, except what they had on their backs at the time of the fire, was destroyed. They had neither property, money, nor credit. Money had to be raised to meet the necessary expenses of the witnesses and plaintiffs while the cases were being tried. The courts of the district were literally glutted with actions. Many thousands were pending. It was humanly impossible to determine all of these cases separately within any reasonable time. After the determination in the Cloquet case the Railroad Administration announced that it would be their policy from then on to insist upon the trial of each case to a jury and to a final determination in the supreme court and that no cases would be permitted to be grouped. This policy of the Administration in view of the then conditions, amounted to a denial of justice for they well knew that the claimants in their destitute condition were powerless to continue such an unequal fight against the United States Government.

Prior to the grouping of these cases, it was specifically announced that the Administration wanted some determinative adjudication—something that would be outstanding—and for that reason the Cloquet cases were grouped because they afforded an excellent opportunity to determine a large amount of damages and broad scope of territory and also afforded as good a defense as the Administration had hoped to present in any case. We were also advised that if the claimants succeeded in that case they would be paid 100 cents on the dollar for their losses. But if they were defeated, the Government would pay nothing and it would practically determine the controversy.

We found a reversal of announced policy and a change of attitude on the part of the Administration when they were defeated in the Cloquet cases. Their (the Railroad Administration) subsequent conduct indicated very clearly that they were intent upon making as small a settlement as possible with the claimants. They were in a position to force such settlement and proceeded to do so.

When judgments were entered in the various cases demand was made for payment and payment was refused. Under the Federal statutes the Director General was instructed to promptly pay final judgments. This he refused to do.

In the fall of 1921, after final determination in the Cloquet case, the Director General proposed a somewhat general settlement in which he insisted that all determined cases be included and offered 50 percent of the net loss provided everyone accepted the settlement; otherwise no one was to be paid. In this proposal he stipulated further that each claimant must prepare and file with him an itemized, verified statement setting forth in great detail each item of loss.

As I have indicated, claimants were in great distress—many were living on charity. They knew that the Government could continue litigation indefinitely and any settlement that would give them partial relief they were compelled to accept.

The fact that they were not permitted to levy an execution to enforce payment of their judgments was a determining factor in compelling this settlement. After their acceptance of the proposal they filed verified statements of loss and the railroad claim agents and investigators carefully examined and scrutinized the claims and the administration itself, contrary to the desire and wishes of the claimant, fixed and determined the amount of the loss. Then they applied the 50 percent to such determined amount. The result was that in practically every instance claimant did not receive in excess of 25 percent of his actual loss.

What your bill proposes to do, as I understand it, is to provide for the payment to these claimants whose losses were absolutely adjudicated, the balance of the amount the Government determined they lost. It is not a case of the ordinary railroad settlement where a claimant insists upon a large amount and a compromise amount is agreed upon and then paid in full.

These claimants were first compelled to itemize and verify their loss, then the railroad, after a complete investigation, arbitrarily determined the amount of the loss and then paid them only half of that determined amount.

I know it is hard for anyone who did not actually go through this litigation and know the terrible conditions that existed to understand the nature of this transaction. I do not hesitate in saying that, in my judgment, this amounts to coercion and duress arising from necessity and poverty and the unequal position of the litigants. The Railroad Administration had a revolving fund of $300,000,000 out of which these claims could be paid. They spent in the neighborhood of a million dollars defending the cases. The litigation continued over a period of about 7 years. The Administration absolutely refused to even make an offer of settlement in any district where adjudication was not had and liability fixed.

It is difficult to make a brief statement of the facts touching these cases. The fire extended over some 1,500 square miles of territory—more than 7,000 homes were destroyed, more than 500 people lost their lives, upwards of 2,000 people were so badly injured they needed medical attention.

No one who knows the facts can fail to sympathize with these people and their cause.

When they come before Congress asking for the balance of their loss, as determined by the Railroad Administration officials, they are only asking for justice. When this amount is paid in full the Government will have made a fair settlement of these losses.

The thing that appeals to me particularly in this situation is that in the first instance the Railroad Administration invited a determination by the district judges and the courts of Minnesota of the question of liability, and when that question was determined they absolutely ignored the findings of the courts of our State.

I do hope this statement may be of service to you in bringing this just cause to the attention of Congress in the interest of the people of Minnesota.

Respectfully submitted. JOHN P. DEVANEY,
Chief Justice Minnesota Supreme Court.

In order that there may be no misunderstanding about the method by which these claims were settled, I wish to insert the following statement indicating in sample cases the amounts claimed, the actual loss determined, and the amounts actually paid:

	Amount of loss claimed by fire sufferers	Amount of loss determined by Railway Administration	Amount paid by Government
Therese Kupso (Cloquet)	$3,827.62	$2,800	$1,400
Otto Bush (farmer)	13,134.50	7,900	3,160
James R. Grady (farmer)	23,976.75	12,000	4,800
Anton Dombrosky (farmer)	20,429.00	10,000	4,000
Erick Lundberg (farmer)	10,847.60	6,000	2,400
Ole Johnson (farmer)	12,571.50	9,500	3,800
George A. Parker (farmer)	11,816.35	7,000	2,800
Edmund Archambault (farmer)	9,385.65	5,000	2,000
Fred A. Balcom (farmer)	8,781.50	4,000	1,600
Henry F. Colson (mechanic)	6,139.59	4,000	1,600
Fred A. Peterson (farmer)	9,078.50	6,500	2,600
Charles DeWitt (mechanic)	8,782.58	6,750	3,375
John Iwasko (farmer)	19,875.40	13,000	6,500
Total	158,646.54	94,450	40,035

Every claim affected by this bill is based on similar judgment or determination by the Railway Administration.

In fairness, I wish to state that some of these claimants received insurance, the amount of which was deducted from the amount of loss determined by the Railroad Administration, and thereafter the Government paid a percentage of the amount after such deduction; so that no claimant received total payments of more than 50 percent of such determined loss.

A careful study and consideration of this bill will show without question the justice of these claims; and on behalf of the thousands of people who lost their homes and their property in this fire I wish to commend this bill, H. R. 3662, to your careful and impartial consideration.

[Here the gavel fell.]

Mr. RYAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a letter from the Chief Justice of the Supreme Court of the State of Minnesota and a letter from Mr. McIntyre, secretary to the President.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, I would like to say to the House that quite a large number of Members have requested time to speak; some ask for 30 minutes, and several are quite insistent upon speaking immediately after the reading of the Journal. I have made no objection to short speeches to limit of 5 minutes. But when the order of business is determined, and the majority whip has notified the Members and they convene in this way to help attend to that business, it is an imposition on the House to have to sit and listen to long speeches before the regular business of the day is taken up.

I have been trying to persuade all Members who feel they must have more time than 5 minutes to either take it during general debate or later in the day when it will not compel the other Members to sit here sometimes an hour or more waiting for the business of the House to begin. I do not want to be the sole censor of speeches, or how long they shall be, or when they shall be delivered, but I do feel that business is more important than speeches.

Today is, by unanimous consent, set apart for the consideration of the Private Calendar, and there are 240 bills on that calendar, and the authors and many other Members are here expressly for that purpose, and they have already listened to some half dozen speeches. Many Members complain of the custom of permitting numerous speeches, especially long ones, before business begins. Of course, on important anniversaries or some special occasion it may be eminently fitting.

As the temporary acting leader of the House I want to be courteous to all, and as fair as possible to both sides of the House, but I fear I am subject to some criticism for being too good-natured in relation to speeches. I just submit this situation to the House. If any other Member feels that a request to speak more than 5 minutes, especially before the business of the House is commenced, he will ordinarily have my hearty approval.

Mr. BACON. Will the gentleman yield?

Mr. TAYLOR of Colorado. I yield to the gentleman from New York.

Mr. BACON. I will help the gentleman be the censor of the House. If he does not want to object, I will.

Mr. TAYLOR of Colorado. I will appreciate the gentleman execising his good judgment for the orderly conduct of the business of the House. I am not going to object to this gentleman's request to speak 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RICH. Mr. Speaker, reserving the right to object, I appreciate the position of the gentleman from Colorado [Mr. TAYLOR] in reference to Members who want time in order to make speeches. I also would like to have the Members have a little sympathy for those who are trying to protect the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, on the 14th, 15th, and 16th of March this year the Federal Treasury agents raided and seized 1,281 bootleg stills. For the entire year of 1934 their average per month was from 1,100 to 1,500 stills.

Mr. KNUTSON. Was that in the gentleman's district?

Mr. DIRKSEN. The capacity for the illicit production of liquor in this country, by Mr. Choate's own intimation, and he is Chairman of the Federal Alcohol Control Authority, exceeds the original allocations made to the legitimate distilleries of the United States. In my remarks I will dwell at some length on the misguided program and policy of the Treasury Department in seeking to cope with the bootleg element of this country, thereby not only serving to destroy the legitimate industry but seeking ostensibly also to destroy the cooperage industry as well.

Mr. Speaker, for the benefit of the Members of the House, may I say that no beverage may be marketed in containers in excess of 1 gallon, and those containers must be glass. The glass people have a monopoly on all the containers used for this purpose at the present time at the expense of the cooperage industry. If the Members will read my remarks in the CONGRESSIONAL RECORD tomorrow they will find that "snoopism" is going on to such an extreme that they are tracing every shipment of sugar, molasses, and all the ingredients that go into that good old Arkansas and Tennessee "corn" in the hope that they will thereby put the crossroads bootlegger and moonshiner out of business. If Mr. Morgenthau continues with this policy I am afraid he will have an agent camped on every doorstep to see whether the housewife is using the family sugar supply for domestic purposes or for conversion into illicit liquor.

Mr. ECKWALL. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. CELLER. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. CELLER. I may say to the gentleman that I was the only Member on the floor of the House who opposed the regulation in reference to bottle containers to which the gentleman refers. Will the gentleman join with me in getting that provision repealed?

Mr. DIRKSEN. I will be only too happy to join with the distinguished gentleman from New York in an effort to rid the Nation of this bootleg industry at the expense of legitimate business.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. FITZPATRICK. The only way to stop bootlegging is to take the duty off all imported liquors and thereby throw all of the bootleggers of the country out of business.

Mr. DIRKSEN. What I started to say is there appeared this week in a press dispatch published in one of the Washington newspapers, a disclosure that in three raids made by the Treasury Department agents on March 14, 15, and 16, 1,281 illicit stills were seized. That in itself is a sad commentary on the handling of the liquor business in this country, but what intrigued me most about that report was that so-called "materials detectives" of the Treasury are tracing shipments of corn, molasses, sugar, and other materials to ascertain whether or not they go into legal or illegal channels. In fact, reports are now required from manufacturers, importers, jobbers, dealers, and others who must report allegedly large sales of sugar and molasses and other ingredients of the celebrated "cawn liquor", whether shipped by truck or train and to whom sold. If a confectioner buys a sizable quantity of such materials, he is investigated to determine whether it is being used for candy or "cawn liquor." In fact, it is boasted that mountain moonshiners are now having such difficulty in obtaining moonshine supplies that they now resort to the use of ordinary cane sugar, purchased in small quantities at the crossroads grocery. All of which proves by the Treasury's own admission that "snooping" is by no means a lost art and that the housewife better hide the family sugar bowl or the Treasury might become suspicious and place its agents on the trail to find out whether the family sugar supply is being used for fudge, angel food, coffee, and strawberries, or whether it is being converted into sparkling moonshine. Will governmental "snoopery" ever end, after a fateful 13 years of prohibition and 1 year of repeal, or must this generation go through life, as the snoopiest in the history of the Republic?

Perhaps an equally pertinent question would be: What has this mistaken policy of the Treasury accomplished—this policy of high but disappointing taxes, rigorous code regulations, burdensome restrictions, coupled with a determination to use more Federal agents, more Coast Guard cutters, and more enforcement methods to stamp out bootlegging? The answer might be nothing. Perhaps a better answer would be worse than nothing.

The Treasury stands condemned by its own record and its own accomplishment. One thousand two hundred and eighty-one illicit stills in 3 days in this month of March 1935. An average of from 1,100 to 1,500 seizures per month for the entire year of 1934. A total of $163,534,397 in revenue from distilled spirits for 1934 as against anticipated revenues that were estimated between $350,000,000 and $500,000,000. A total withdrawal of tax-paid spirits for consumption in 1934 of 69,648,303 gallons, of which 7,178,608 gallons were imported, as against an average consumption of 130,000,000 gallons between the years of 1912 and 1916, despite the fact that since that time we have gained 23,000,000 in population. It is a most inglorious record, and the question naturally arises as to how long the Treasury will persist in this mistaken policy before it sees the light and adopts a policy of crushing the illicit manufacture and sale of liquor by taking the profit out of that nefarious enterprise.

Conservative estimates are that the bootlegger is still doing from 50 to 70 percent of the Nation's liquor business. On the basis of all still seizures in 1934, it is estimated that the production capacity of illicit stills was in excess of 270,000,000 gallons, which is greater than the original allotted capacity of legal distilleries. Even Mr. Choate, the Administrator of the Federal Alcohol Control Authority, admits the probability that, aside from smuggling and illegal diversion of spirits, the bootleggers are producing a quantity of liquor that "cannot be much less than we drank before prohibition."

Why does the bootlegger persist? Why does he thrive as never before? If any one doubts the latter statement, permit me to say that a vinegar plant in New York went so far as to get an R. F. C. loan of $40,000, on which $25,000 has actually been disbursed, only to have the R. F. C. discover a little later that Government agents arrested the owner and proprietor of the plant for illegal diversion of alcohol. When bootleggers manage to procure R. F. C. loans, who will deny that they are thriving; and, if so, there must be a reason.

Obviously the first reason is high taxes. An excise tax of $2 per gallon plus a rectifiers' tax of 30 cents per gallon is a satisfactory profit in itself for any bootlegger, and so long as high taxes remain there will be bootlegging. As a natural corollary, so long as bootlegging flourishes a large proportion of the spirits consumed in this country will pay no taxes and the Federal Treasury will be the loser.

A second reason is the unjustifiable restrictions in the codes which prohibit the sale of liquor in any other containers except glass bottles with a capacity not in excess of 1 gallon. This restriction applies to all except rectifiers, blenders, and State-owned stores, who are permitted to purchase in bulk.

It was contended that the limitation of the sale and distribution of liquor to bottled goods made it easy to identify packages and aid in enforcing the regulations, but it must be apparent to everyone now that since the bootleggers market their fluid wares in 5-gallon cans, and since a vast number of retailers have taken to filling empty bottles with illicit liquor in a way which completely defies detection unless a Federal agent is at hand the very moment the operation takes place, it can no longer be contended that sale of liquor only in bottles is an aid to enforcement. The record in that respect speaks for itself.

On the other hand, this bottle restriction, together with added freight rates, adds from $1.25 to $1.60 and more to the cost of a gallon of liquor. First of all, it may be safely asserted that the cost of labels, corks, bottles, cartons, seals, bottling-machinery investment, and other items adds from $1 to $1.25 per gallon. In addition to that, a 48-gallon barrel of liquor when bottled into 16 cases of 24 pints each will weigh nearly 500 pounds more than when in bulk and, for average distances, will add from 25 to 35 cents per gallon to the cost because of extra freight charges. These extra charges when added to the high excise taxes offer some explanation of the fact that prices for liquors are high and thereby confer a decided advantage upon the bootlegger, who pays no taxes and markets his goods in bulk.

One of the penalties of this bottle limitation is that it is no longer possible for small distillers to finance a portion of their inventories by the sale of warehouse receipts. Time was when a tavern keeper could purchase whisky by the barrel, leaving it in bond and withdrawing it as it was needed. It was aged in the wood, and when withdrawn made it possible for him to sell good liquor in bulk at a reasonable price. Who will contend that liquor can age in a glass bottle, and who will deny that the redtape and the restrictions which now enmesh the sale and distribution of liquor have added materially to the price and opened the door for chiseling and cheating?

There appears in the picture, however, this additional consideration. The restriction on the sale and distribution of liquor in glass bottles not to exceed 1-gallon capacity has operated to penalize the cooperage industry which for years enjoyed prosperity, gave employment to quite a number of people, and scattered its benefits among farmers and growers of oak timber as well.

In anticipation of repeal they rehabilitated their plants in different sections of the country, contracted for timber and raw materials, and went to tremendous expense, only to find that through unjust and onerous regulations, their production would be confined almost entirely to standard 48-gallon barrels which are used to store and age whisky in warehouses. There are 119 of these plants in this country who could normally employ about 20,000 men, but today they employ little more than 4,000. If these arduous restrictions in the codes were lifted, they could not only manufacture more barrels but kegs of various sizes as well, and thereby employ many more men and aid to that extent in the solution of the most important problem before the Nation today—the problem of unemployment.

It is therefore imperative that the Treasury in the interest of more taxes, in the interest of fairness to legitimate industry, in the interest of ridding the Nation of bootleggers,

in the interest of better and more reasonably priced liquor, and in the interest of playing fair with an industry which is as old as the Republic itself, that these code restrictions be lifted and that taxes be reduced.

Once more for the sake of emphasis, let me point out that the Federal tax today on 190-proof alcohol is $3.80 per gallon. This alcohol can be made and sold at a profit for 60 cents per gallon, making a total of $4.40. Bootleggers are now selling illicitly made alcohol for $1.80 per gallon, realizing a profit of $1.20, selling their wares at a price which is $2 per gallon below the tax and at the same time defrauding Uncle Sam and cheating the public. With such a large profit in this business and the spirit of adventure still moving some people to try a business that is so profitable, how can the Treasury ever expect to rid the Nation of this evil by its present policies?

THE PRIVATE CALENDAR

The SPEAKER. Under the previous order of the House the Clerk will call the Private Calendar, starting with the first bill on the calendar.

In accordance with the rule recently adopted, under which the Private Calendar will be called, two objections are required. The Chair, under the rule, will not be permitted to recognize any Member for a reservation of objection.

LAKE B. MORRISON

The Clerk called the first bill on the Private Calendar (H. R. 617), to correct the military record of Lake B. Morrison.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Lake B. Morrison, late of Captain Horner's company, Third Regiment Potomac Home Brigade Maryland Volunteer Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 29th day of September 1862: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DANIEL W. SEAL

The Clerk called the next bill, H. R. 1846, for the relief of Daniel W. Seal.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Daniel W. Seal, who was a member of Company B, Fiftieth Regiment Wisconsin Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 25th day of August 1865: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

SAMUEL KAUFMAN

The Clerk called the next bill, H. R. 3722, for the relief of Samuel Kaufman.

Mr. DOCKWEILER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice, because the bill has already passed the House and is now on the Senate Calendar. Through some mistake the clerk of the Military Affairs Committee has put this bill on the calendar twice. It was passed on a previous Private Calendar day.

The SPEAKER. Does the gentleman want this bill laid on the table?

Mr. DOCKWEILER. Mr. Speaker, I ask unanimous consent that the bill may go over without prejudice, because the bill is already agreed to so far as the House is concerned.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

JOHN COSTIGAN

The Clerk called the next bill, H. R. 972, for the relief of John Costigan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws and laws conferring rights upon honorably discharged soldiers, their widows, and dependent relatives, John Costigan shall hereafter be held and considered to have been in the military service of the United States as a private in Company D, Fifth Regiment United States Cavalry, from March 27, 1878, and to have been honorably discharged May 31, 1881: *Provided*, That no back pay, pension, or other back allowance shall accrue by reason of the passage of this act.

Mr. COSTELLO. Mr. Speaker, I object to the consideration of this bill.

Mr. COCHRAN. Mr. Speaker, I make the point of order that the objection stage is passed.

The SPEAKER. The bill has been read and has passed the objection stage.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NELLIE OLIVER

The Clerk called the next bill, H. R. 5133, for the relief of Nellie Oliver.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Robert Oliver, alias John Lear, deceased, who was a member of Company C, Thirteenth Regiment New Hampshire Volunteer Infantry, shall hereafter be held to have been honorably discharged from the military service of the United States as a member of that organization on the 6th day of July 1864: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. ROGERS of New Hampshire. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of New Hampshire: Page 1, line 5, after the word "deceased", strike out the comma and insert the words "husband of Nellie Oliver."

The amendment was agreed to.

Mr. ROGERS of New Hampshire. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of New Hampshire: Page 1, line 8, strike out the word "honorably" and insert after the word "discharged" the following: "under honorable conditions."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM H. STROUD

The Clerk called the next bill, H. R. 3173, for the relief of William H. Stroud.

Mr. COSTELLO and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

ARTHUR VAN GESTEL, ALIAS ARTHUR GOODSELL

The Clerk called the next bill, H. R. 318, for the relief of Arthur Van Gestel, alias Arthur Goodsell.

Mr. COSTELLO and Mr. CLARK of Idaho objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

ROBERT D. HUTCHINSON

The Clerk called the next bill, H. R. 3787, for the relief of Robert D. Hutchinson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Robert D. Hutchinson, who was a member of Company D, One Hundred and Fourteenth Supply Train, transferred May 10, 1918, to Guard and Fire Company, No. 331, Newport News, Va., shall thereafter be held and considered to have been honorably discharged from the military service of the United States as a private,

first class, of that organization, on the 17th day of April 1919: *Provided*, That no bounty, back pay, pension, allowance, or any payment provided under the World War Veterans' Act, 1924, as amended, the World War Adjusted Compensation Act, 1924, as amended, or other benefit whatsoever to which said person may be or become entitled by law, shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN H. D. WHERLAND, ALIAS HENRY LOWELL

The Clerk called the next bill, H. R. 3830, for the relief of John H. D. Wherland, alias Henry Lowell.

Mr. COSTELLO and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

HARRISON BRAINARD, ALIAS HARRY WHITE

The Clerk called the next bill, H. R. 1637, for the relief of Harrison Brainard, alias Harry White.

Mr. COSTELLO. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Harrison Brainard, alias Harry White, who served in the Coast Artillery Corps, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on or about the 30th day of December 1910.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ALEX TERLIZZI

The Clerk called the next bill on the Private Calendar, H. R. 373, for the relief of Alex Terlizzi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 to the American Surety Co., of New York, in full settlement of all claims against the Government of the United States, which sum was paid by it December 31, 1928, to the United States by reason of the forfeiture of the bail bond of Alex Terlizzi, who appeared in court and pleaded guilty of a charge of possession of liquor and paid a fine of $25: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of the American Surety Co. of New York."

VIRGINIA ENGINEERING CO., INC.

The Clerk called the next bill on the Private Calendar, H. R. 396, for the relief of the Virginia Engineering Co., Inc.

Mr. HOPE and Mr. HANCOCK of New York objected, and under the rule the bill was recommitted to the Committee on Claims.

RUTH RELYEA

The Clerk called the next bill on the Private Calendar, H. R. 419, for the relief of Ruth Relyea.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Ruth Relyea, of Albany, N. Y., in full settlement against the Government for all claims resulting from injuries sustained when struck by a United States War Department motor vehicle: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER F. NORTHROP

The Clerk called the next bill on the Private Calendar, H. R. 531, granting compensation to Walter F. Northrop.

Mr. HOPE and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Claims.

CLIFFORD N. RAYMOND

The Clerk called the next bill on the Private Calendar, H. R. 1442, for the relief of Clifford N. Raymond.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Clifford N. Raymond, who was a member of Company A, Postal Express Service, United States Army, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as private of that organization on the 10th day of October 1919: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUY CARLTON BAKER

The Clerk called the bill (H. R. 2311) to correct the records of the War Department to show that Guy Carlton Baker and Calton C. Baker or Carlton C. Baker is one and the same person.

The SPEAKER. Is there objection?

Mr. COSTELLO and Mr. TRUAX objected, and the bill was recommitted to the Committee on Military Affairs.

JAMES R. DAVIS, JR.

The Clerk called the bill (H. R. 2431) for the relief of James R. Davis, Jr.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers James R. Davis, Jr., who was a member of Company C, First Regiment Florida Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 3d day of December 1898, and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOSEPH J. M'MAHON

The Clerk called the bill (H. R. 3533) for the relief of Joseph J. McMahon.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Joseph J. McMahon, formerly of Villisca, Iowa, shall be held and considered to have served as a private in Company B, Fifty-first Regiment Iowa Volunteer Infantry, United States Volunteers, in the War with Spain, from November 1, 1898, to November 2, 1899, and to have been honorably discharged on said last day.

SEC. 2. That said Joseph J. McMahon be, and he is hereby, entitled to all privileges and immunities belonging to a private

soldier of said regiment, including all medals, citations, and decorations for remaining in the service after the expiration of the usual term of enlistment during the War with Spain, the same as though he had been regularly enlisted therein.

Mr. COSTELLO. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. COSTELLO: Page 2, after line 7, strike out the period and insert in lieu thereof a colon and the following: "*Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The amendment was agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS LEE MITCHUM

The Clerk called the bill (H. R. 3547) for the relief of Thomas Lee Mitchum.

The SPEAKER. Is there objection?

Mr. COSTELLO. I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Thomas Lee Mitchum, who served as a member of Company K, Fourth Provisional Regiment, One Hundred and Fifty-sixth Depot Brigade, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 31st day of January 1921: *Provided*, That no back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS M. BARDIN

The Clerk called the bill (H. R. 231) for the relief of Thomas M. Bardin.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Thomas M. Bardin, who was a member of Troop A, Second Regiment Volunteer Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private in that organization on the 15th day of September 1896: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Line 6, strike out the word "Volunteer" and insert the words "United States."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ZINSSER & CO.

The Clerk called the bill (H. R. 319) for the relief of Zinsser & Co.

The SPEAKER. Is there objection?

Mr. TRUAX and Mr. LESINSKI objected, and the bill was recommitted to the Committee on Military Affairs.

MICHAEL ILITZ

The Clerk called the bill (S. 488) for the relief of Michael Ilitz.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons retired from the United States Army, Michael Ilitz, who served as master sergeant, Hospital Corps, shall be held and considered to have been retired as captain, military storekeeper, United States Army, on June 28, 1916: *Provided*, That no pension, pay, or bounty shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GEORGE TATUM

The Clerk called the bill (H. R. 5518) for the relief of George Tatum.

The SPEAKER. Is there objection?

Mr. HOPE and Mr. HANCOCK of New York objected, and the bill was recommitted to the Committee on Military Affairs.

FLORENCE OVERLY

The Clerk called the bill (H. R. 607) for the relief of Florence Overly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Florence Overly, of Columbus, Ohio, the sum of $6,500, in full settlement against the Government, as compensation for the death of her father, William B. Overly, who was killed when struck by a Government ambulance at Broad and High Streets, Columbus, Ohio, on January 14, 1929.

With the following committee amendments:

Line 6, strike out "$6,500" and insert "$5,000", and at the end of line 10, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN L. HOFFMAN

The Clerk called the next bill, H. R. 760, for the relief of John L. Hoffman.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 to John L. Hoffman, of Buffalo, N. Y., who was injured June 16, 1917, by Pvt. Joseph A. Keller, Company M, Seventy-fourth Regiment Infantry, New York National Guard: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on acccount of services rendered in connection with said claim.

SEC. 2. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUTHER M. TURPIN AND AMANDA TURPIN

The Clerk called the next bill, H. R. 805, for the relief of Luther M. Turpin and Amanda Turpin.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized and directed to execute a quitclaim deed to Luther M. Turpin and Amanda Turpin, quitclaiming to said grantees all rights, title, or interest of the United States in and to the following-described lands: Being a part of lots 19 and 20 in the fourth district of Rabun County, Ga., beginning at a stake on the west bank of Cliff Creek, on the line between the lands formerly owned by Miles Phillips and L. V. Cannon; thence north 59° west 400 feet, north 51° east 1,150 feet, north 23° west 500 feet, north 51° east 200 feet, south 23° east 1,150 feet, south 51° west 210 feet, north 40° west 350 feet, south 51° west 400 feet, south 24° east 480 feet, south 29° west 490 feet, thence to the beginning, containing 15 acres.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLENSBURGER DAMPFERCOMPAGNIE

The Clerk called the next bill, H. R. 918, for the relief of Flensburger Dampfercompagnie.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX and Mr. LESINSKI objected, and, under the rule, the bill was recommitted to the Committee on Claims.

THERESA M. SHEA

The Clerk called the next bill, H. R. 923, for the relief of Theresa M. Shea.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Theresa M. Shea, of Brooklyn, N. Y., out of any money in the Treasury not otherwise appropriated, the sum of $2,500 in compensation for injuries sustained on March 9, 1918, when struck and knocked down by a United States mail motor truck.

With the following committee amendments:

On page 1, line 6, strike out "$2,500 in compensation", and insert in lieu thereof "$2,000 in full settlement of all claims against the Government of the United States."

On line 10, insert the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE A. FULLER CO.

The Clerk called the next bill, H. R. 928, to authorize the Comptroller General of the United States to settle and adjust the claim of the George A. Fuller Co.

Mr. TRUAX and LESINSKI objected, and the bill, under the rule, was recommitted to the Committee on Claims.

GENERAL WAREHOUSING CO.

The Clerk called the next bill, H. R. 967, for the relief of the General Warehousing Co.

The SPEAKER pro tempore (Mr. FULLER). Is there objection to the present consideration of the bill?

Mr. COSTELLO, Mr. HOPE, and Mr. HANCOCK of New York objected, and the bill, under the rule, was recommitted to the Committee on Claims.

JAMES P. SPELMAN

The Clerk called the next bill, H. R. 968, for the relief of James P. Spelman.

The SPEAKER pro tempore. Is there objection?

Mr. COSTELLO and Mr. MOTT objected, and the bill, under the rule, was recommitteed to the Committee on Claims.

ARTHUR SMITH

The Clerk called the next bill, H. R. 1030, for the relief of Arthur Smith.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill, S. 1856.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur Smith, of Roanoke, Ind., the sum of $5,000, in full satisfaction of all claims of such Arthur Smith against the United States for damages resulting from injuries received by him when struck by a United States Army truck driven by one Jerry E. Dodds (Citizens' Conservation Corps enrollee numbered 5K-4159), on Federal Highway No. 24, between Roanoke and Fort Wayne, Ind., on August 31, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

JOE G. BAKER

The Clerk called the next bill, H. R. 1032, for the relief of Joe G. Baker.

The SPEAKER pro tempore. Is there objection?

Mr. COSTELLO. Mr. Speaker, I object to the consideration of this bill.

The SPEAKER pro tempore. Only one objection is heard. The Clerk will report the bill.

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill, S. 747.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider, when filed, the claim of Joe G. Baker, of Gas City, Ind., for disability alleged to have been incurred by him on the 6th day of August 1931 while in the employment of the Veterans' Administration Hospital at Marion, Ind., and to determine said claim upon its merits: *Provided*, That no benefits shall be held to have accrued by reason of this act prior to its passage.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

Mr. TAYLOR of Colorado. Mr. Speaker, the Members on both sides of the aisle, who are officially requested and designated to carefully examine into the reports and merits of all these bills on this Private Calendar, have not had time to sufficiently examine further than 65 or 70 of these bills, and, inasmuch as under the new rule, that we are considering these bills, next Tuesday is set apart for this calendar, I feel that we ought to give the examiners that time within which to finish the remainder of these bills and be prepared to take them up at that time.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. TAYLOR of Colorado. I yield.

Mr. TAYLOR of Tennessee. Did I understand the gentleman to say this calendar would be taken up again next Tuesday?

Mr. TAYLOR of Colorado. Yes. Under this new rule which we adopted the other day, the Private Calendar is in order on the first and third Tuesdays of each month, so that next Tuesday is definitely set aside for this calendar.

Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

H. R. 6026

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MORITZ. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following bill to promote

the general welfare of the citizens of the United States introduced by me.

A bill to promote the general welfare of the citizens of the United States by the exercise of the police powers of the Government through the imposition of an excise charge upon the privilege of the use and enjoyment of large landholdings, based upon their unimproved value, and a special excise charge with respect to the carrying on or doing business by corporations, joint-stock companies, or associations

Whereas through inadequate exercise of the State and National power to tax the unimproved value of land created by the existence of the community, grievous abuses have arisen, including speculation in land, deprivation of citizens of their free right to labor, and interference with industry by individual and corporate activity; and

Whereas it is desirable that the privilege of ownership in valuable tracts of land, rather than agriculture, industry, and the processes of production and exchange should bear a special burden through a levy upon the enjoyment of such privilege; and

Whereas for the purpose of promoting the general welfare it is incumbent upon the Government of the United States to levy such a charge and such levy is done as a carrying out of the police powers of the Government; therefore

Be it enacted, etc.,

DEFINITIONS

LAND; LAND VALUE

SECTION 1. (1) The term "land" shall mean and include the surface of the ground with all easements in, on, and over the same, whether covered by water or not, and including water power and rights, docks, natural deposits of minerals of all kinds, waters, oils, gases, peats, and other substances, and including advantages of access to markets, and including any rights-of-way, terminals, and franchise permits, and/or grants for the purpose of acquiring, constructing, maintaining, or operating any railroad, public utility, or water power, and/or for the purpose of the conservation and regulation of the height and flow of water in public reservoirs, and the term "land value" or "value of the land" shall not include the value of improvements, nor physical preparation cost, nor the value of standing timber, nor the value of original or improved fertility: *Provided,* That the value of the land thus ascertained shall not exceed the fair market value of the land.

IMPROVEMENT VALUE

(2) The phrase "value of improvement" shall mean and include, in their existing condition of depreciation, depletion or obsolescence, computed on the basis of original cost at the time when the improvement was made, not including interest and not on the basis of cost of reproduction, the value of all structures on, above, or under the surface of the ground, whether buildings, fences, wells, dams, tiling, mining improvements, road improvements, or other structures or improvements upon, over, or under the surface of the land, whether similar to these or not, which are or have been required to be constructed and maintained at the expense of the taxpayer.

PREPARATION COST

(3) The term "preparation cost" shall mean and include the net cost of clearing, drainage, or other original preparation of the land prior to or in preparation for improvement or cultivation and not requiring to be maintained at the expense of the taxpayer; and shall include any special assessments for permanent improvements assessed to the owner of the land: *Provided,* That from any valuation of preparation cost shall be deducted such part of said value as shall equal the accrual of 3 percent of the same for each year since the time when such preparation cost was incurred, and without interest on the same.

STANDING TIMBER VALUE

(4) The term "value of standing timber" shall mean and include the gross value on the stump of growing trees, whether natural growth, seeded, or planted, and the value of orchard trees, and shall not include such value as the land would have if depleted of standing timber or fertility but not cleared for cultivation.

FERTILITY VALUE

(5) The term "value of fertility" shall mean and include the value of the original and improved fertility of the soil but not including the value of the land in a depleted condition. The value of original fertility shall mean the value of the fertility of the soil in its original or virgin condition, determined as 50 percent of such value as the land would have exclusive of standing timber, preparation cost, improvements, and improved fertility in its existing location were its original fertility to remain at par: *Provded,* That in no case shall the value of original fertility exceed 50 percent of the value of the land for exclusively agricultural purposes. The value of improved fertility shall be determined as the reasonable value in existing condition of the fertility added to the land in excess of the value of the original fertility.

EXCISE CHARGE; CORPORATIONS

SEC. 2. All persons, firms, and associations not of a corporate character, owning land or lands whose aggregate value is in excess of $3,000, whether in possession or leased to others, shall be subject to an excise charge upon the privilege of the use and enjoyment of such excess at the rate of 1 percent per annum. Where land is leased and the value of the lease is in excess of $3,000, such value shall be deducted from consideration in determining the charge to be assessed against the owner, and shall be charged against the lease. Where the title to land is held in common or by entireties, or in joint tenancies, or subject to estates of dower or life estates or otherwise, so that the several ownerships make up the complete legal title and the entire ownership has a value in excess of $3,000, then the several ownerships shall pay an excise charge based upon their proportionate share in the ownership, and for the purpose of estimating the value of the proportionate share of those owning estates less than an unqualified fee simple, the Commissioner of Internal Revenue shall establish rules based upon average life expectancy or otherwise, as the case may be.

EXCISE CHARGE; NOT CORPORATIONS

SEC. 3. Every corporation, joint-stock company, or association, organized for profit and having a capital stock represented by shares, shall pay annually, aside from any special taxes levied upon them, a special excise charge with respect of the carrying on or doing business by such corporation, joint-stock company, or association, equivalent to 1 percent upon the value of land or lands whose aggregate value is in excess of $3,000 whether in possession or leased to others. The remaining provisions of section 2 shall apply to such corporations, joint-stock companies, or associations organized for profit in a manner corresponding to their application to persons, firms, and associations not of a corporate nature.

RETURNS

SEC. 4. It shall be the duty of every owner of any interest in land, including those holding an active trusteeship, held either in fee or in lease, the value of the fee or lease of which is in excess of $3,000, to return under oath his interest therein before March 1 of each year to the Commissioner of Internal Revenue on blanks to be prepared by him. Such blanks shall contain, among other information, provisions for the following:

Description of tracts in which an interest is held and the nature and extent of interest, price paid by owner, or, if he received the same by gift, death, devise, or inheritance, the amount paid by his predecessor in interest for the entire tract with its improvements, if any; valuation placed upon entire land or lease of interest therein by owner; offers received by owner for any parcel of such land or interest therein within the 2 previous years; price at which improvements have been reckoned in any offer of sale; amount spent by the owner, or, so far as he knows, any person in making improvements; net price at which owner would be willing to sell land with and without improvements; assessed value of land for all purposes with separate value of improvements if given separately on local tax books, and the values claimed for preparation cost, standing timber, and fertility.

Such return shall not be conclusive of the value of the land, but the Commissioner of Internal Revenue shall determine therefrom, and from such other data as he may obtain, the true value of the landholdings of any owner. The returns shall be as of the date of the preceding December 31. But in any proceedings of condemnation or otherwise in which the United States may be concerned, said return may be used as evidence of facts therein stated as of the date of the return.

It shall be the duty of the owner in the event of the sale of all or of any part of the land of which he has reported himself the owner or any assignment of lease thereof within the calendar year in which his return is made to include in his return to the Commissioner of Internal Revenue the price at which said sale or assignment may be taken place.

ASSESSMENT OF EXCISE CHARGE; NOTICE

SEC. 5. As soon as practicable after the return is filed it shall be the duty of the Commissioner of Internal Revenue to examine the same; to compute the amount of excise charge against each owner chargeable therefor and on or before the 1st day of June in each year to mail to the said owner a statement showing the amount of excise charge due and payable by him, but a failure on the part of said Commissioner to mail the same or on the part of the party charged to receive it shall not invalidate the assessment or relieve the owner of his duty to pay said excise charge.

PAYMENT OF EXCISE CHARGE

TIME OF PAYMENT

SEC. 6. (1) The total amount of excise charge imposed by this act shall be paid on or before the 1st day of August following the computation of the charge.

INSTALLMENT PAYMENTS

(2) The charge payer may elect to pay the charge in three equal installments, in which case the first installment shall be paid on the date prescribed for the payment of the charge, the second installment shall be paid on or before the 1st day of October thereafter, and the third installment shall be paid on or before the 1st day of December thereafter. If any installment is not paid on or before the day fixed for its payment, the whole amount of the charge unpaid shall be paid upon notice and demand from the collector.

EXTENSION OF TIME FOR PAYMENT

(3) At the request of the taxpayer, the Commissioner may extend the time for payment of the charge, or any installment thereof, for a period not to exceed 6 months from the date prescribed for the payment of the tax or an installment thereof. In such case the amount in respect of which the extension is granted shall be paid on or before the date of the expiration of the period of the extension, together with interest at the rate of 6 percent per annum computed for the period of the extension.

FRACTIONAL PART OF A CENT

(4) In the payment of any charge under this act, a fractional part of a cent shall be disregarded, unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent.

RECEIPTS

(5) Every collector to whom any payment of any excise charge is made shall, upon request, give to the person making such payment a full written or printed receipt therefor.

FAILURE TO FILE RETURN

SEC. 7. In case of any failure to make and file a return required under section 4 within the time prescribed by law, 25 percent of the excise charge shall be added to the charge, except that when a return is filed after such time and it is shown that the failure to file it was due to reasonable cause and not to willful neglect no such addition shall be made to the charge. The amount so added to any charge shall be collected at the same time and in the same manner and as a part of the charge, unless the charge has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the charge.

ADDITIONS TO EXCISE CHARGE IN CASE OF NONPAYMENT

SEC. 8. If any excise charge or installment thereof is not paid on or before the date prescribed for its payment, there shall be collected as part of the charge interest upon such unpaid amount at the rate of 1 percent per month from the date prescribed for its payment until it is paid.

COLLECTION AFTER ASSESSMENT

SEC. 9. If any excise charge or installment thereof shall remain unpaid at the time prescribed in section 6 (1 and 2) or after the time agreed upon in section 6 (3) such charge may be collected by distraint or by a proceeding in court, but only if begun within 6 years after the assessment of the charge or prior to the expiration of any period for collection agreed upon in writing by the Commissioner and the chargepayer before the expiration of such 6-year period. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

SEPARABILITY CLAUSE

SEC. 10. If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provisions to other persons and circumstances shall not be affected thereby.

SEC. 11. This act shall apply to the United States, Alaska, Hawaii, and Puerto Rico.

EFFECTIVE DATE OF ACT

SEC. 12. This act shall take effect upon its enactment, and the first return required under section 4 shall be made as of January 1, 1936.

THE 6-CENT EQUIPMENT ALLOWANCE

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, I am impelled to say a few words in behalf of the rural letter carriers, to whom the Nation owes such a deep debt of gratitude for faithful, efficient service that means so much to the country.

There will be unanimity among Members of the House when I express appreciation of the work of these splendid public servants. Congressmen from country districts, familiar with the obstacles and burdens of the rural carrier, delivering mail over roads that are frequently in poor condition and in all kinds of weather, no matter how stormy, will be in particular agreement with me.

This leads to a mention of the Dockweiler bill (H. R. 6724), which would increase the equipment allowance of these carriers from 4 to 6 cents a mile and would limit the length of future routes to 60 miles. This bill received the unanimous approval last year of the House Committee on the Post Office and Post Roads and will, I am confident, be approved by the committee again this year. Before the measure was introduced, Congressman DOCKWEILER conferred with Chairman "JIM" MEAD, of the committee, who has long been an advocate of the 6-cent rate and the 60-mile limit.

The justice of the 6-cent rate is especially noteworthy in South Dakota, where 80 percent of the highways are dirt roads. In my State it is doubtful if even 6 cents a mile is a sufficient equipment allowance, but probably it would be a fair middle-ground figure for the whole country. Even if 4 cents is enough in some localities, it is not enough in most places, and it is very unjust to the carrier to expect him to take care of the wear and tear of his equipment out of a measly 4 cents for each mile of the route.

CLAIMANTS WHO SUFFERED LOSS FROM FIRES SET BY GOVERNMENT-OPERATED RAILROADS IN MINNESOTA IN 1918

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PITTENGER. Mr. Speaker, in the CONGRESSIONAL RECORD for yesterday, on page 4644, I discussed some features of the Minnesota fire claimants' bill introduced by Congressman RYAN. It is H. R. 3662, and the report number is 255. I pointed out that the Government operated the railroads, set the fires that caused the damage, and that the courts so held. Then, as I indicated in my remarks, the Government refused to pay for the loss in full, but insisted on a so-called "compromise", and paid only a portion of the loss.

I want to discuss with you this so-called "compromise", because one of my colleagues remarked today that the bill, according to his information, ought not pass the House because the claimants executed releases to the Government. I said to him: "That statement that has been made to you is only a half truth. You have not been told that the governmental officials did things that amount to coercion." He admitted that he had never heard about that.

I think, perhaps, that other colleagues may have been misinformed as to the so-called "releases" and "satisfactions of judgments" in connection with these various claims. It is true that these documents were executed. But the people who signed them had no choice in view of the attitude of the Railroad Administration which dictated absolutely the terms and conditions.

Congressman Goodwin, of Minnesota, said in the hearing before the Claims Committee, on March 28, 1930:

> The ordinary man who has a claim against the Government realizes the tremendous power that lodges in the Government. They are rather fearful and hesitant about pressing a claim which involves litigation—long-drawn-out litigation. So that when the Railroad Administration, or the Government, which is the same thing in this case, offered these settlers certain terms, amounting to 40 percent or 50 percent on the dollar, with the hopelessness of the situation confronting them, they were just as much obliged to settled those cases in their helpless situation as though a man stood over them threatening physical violence.
>
> I see no difference between a threat of physical violence and the terms offered these settlers. These Government agents told those settlers on what basis they would settle, and the settlers understood that if those terms were not accepted the Government would proceed to try every case individually, and there would be years and years of delay and a tremendous expense imposed upon people who did not have a dime with which to pay attorneys or prosecute their claims. I maintain that these families who have suffered this tremendous loss—they lost everything they had in the world, and most of them stood under the open sky with empty hands, fathers with families and wives and children dependent upon them, and no place to turn for shelter or help—are entitled to fair consideration.

There is no doubt that former Congressman Goodwin correctly stated the circumstances under which releases and satisfactions of judgment were secured. It is ridiculous to suggest that there was any fairness in the method followed to obtain these documents. The Ryan bill, H. R. 3662, is entitled to your support.

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, may I ask the majority leader what the program is for Monday?

Mr. TAYLOR of Colorado. The Consent Calendar will be called on Monday, and, I understand, there are quite a number of bills on this calendar. There may be some suspensions also.

Mr. MARTIN of Massachusetts. Is it the expectation to take up the conference report on the works-relief bill on Monday?

Mr. TAYLOR of Colorado. We expect to; that is the present intention.

Mr. MICHENER. Mr. Speaker, does the majority leader know what bills will be taken up under suspension of the rules?

Mr. TAYLOR of Colorado. No, I do not; that is in the hands of the Speaker.

Mr. MARTIN of Massachusetts. Mr. Speaker, is the Chair able to tell us what bills are likely to be taken up under suspension?

The SPEAKER. The Chair is not in position to give the gentleman this information. The Chair has made no commitments for suspensions except probably with respect to a bill in reference to a treaty with Mexico relating to reciprocity.

EXTENSION OF REMARKS

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to insert in the RECORD in my remarks made upon the floor this morning a small portion of a letter I received from Dr. Richard W. Hogue relative to the educational situation.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes on Monday after the reading of the Journal and the disposition of business on the Speaker's table. I wish to talk about the textile industry. We are having an extremely difficult time in this industry, as is known.

The SPEAKER. The Chair is very sure the gentlewoman from Massachusetts will have no trouble Monday if she will defer this request, in view of the announcement the Chair made a week or two ago with reference to requests for permission to address the House at a future date.

Mrs. ROGERS of Massachusetts. The Chair wishes me to make the request on Monday?

The SPEAKER. If the gentlewoman from Massachusetts does not mind deferring it until then.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 732. An act for the relief of Zinsser & Co.; to the Committee on Military Affairs.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 174. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 403. An act to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections nos. 5 and 6; and

S. 406. An act to amend an act approved May 1, 1906, entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes."

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 57 minutes p. m.) the House, under its previous order, adjourned until Monday, April 1, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 4324. A bill to carry out certain obligations under certain tribal agreements; with amendment (Rept. No. 524). Referred to the Committee of the Whole House on the state of the Union.

Mrs. GREENWAY: Committee on Indian Affairs. H. R. 6435. A bill to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of the Yavapai Indians, Arizona; without amendment (Rept. No. 525). Referred to the Committee of the Whole House on the state of the Union.

Mr. STUBBS: Committee on the Public Lands. H. R. 6544. A bill to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public land included within the Santa Barbara National Forest, Calif., from location and entry under the mining laws; without amendment (Rept. No. 526). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 6616. A bill to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes; with amendment (Rept. No. 527). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 7054. A bill to provide for the protection of land resources against soil erosion, and for other purposes; with amendment (Rept. No. 528). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. RYAN: Committee on Claims. H. R. 796. A bill for the relief of A. E. Clark; with amendment (Rept. No. 529). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 2183. A bill for the relief of the estate of Milton L. Baxter; with amendment (Rept. No. 530). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 2259. A bill for the relief of Addie I. Tryon and Lorin H. Tryon; with amendment (Rept. No. 531). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3737. A bill for the relief of George L. Stone; with amendment (Rept. No. 532). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4820. A bill for the relief of Lawrence S. Copeland; without amendment (Rept. No. 533). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 42. An act for the relief of Emmett C. Noxon; with amendment (Rept. No. 534). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 279. An act to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations; without amendment (Rept. No. 535). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 535. An act for the relief of William Cornwell and others; without amendment (Rept. No. 536). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 558. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of an individual claim approved by the War Department; without amendment (Rept. No. 537). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. S. 581. An act for the relief of Harold E. Seavey; with amendment (Rept. No. 538). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. S. 998. An act to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.; with amendment (Rept. No. 539). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. S. 1846. An act for the relief of the estate of Anton W. Fischer; without amendment (Rept. No. 540). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

The joint resolution (H. J. Res. 223) conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States; Committee on Claims discharged, and referred to the Committee on War Claims.

The bill (H. R. 4394) granting an increase of pension to Roy Smith; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

The bill (H. R. 848) for the relief of Edward N. Sonnenberg; Committee on Claims discharged, and referred to the Committee on War Claims.

The bill (H. R. 3574) for the relief of Nellie T. Francis; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

The bill (H. R. 6633) granting a pension to Maud Melville; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIES: A bill (H. R. 7120) to provide for the exclusion and expulsion of alien Fascists and Communists; to the Committee on Immigration and Naturalization.

By Mr. DOUGHTON: A bill (H. R. 7121) to amend title I of the National Industrial Recovery Act; to the Committee on Ways and Means.

By Mr. DUNN of Pennsylvania: A bill (H. R. 7122) providing for the granting of pensions by the Federal Government to certain blind persons, imposing duties upon the United States Treasurer in connection therewith, providing penalties, and making an appropriation; to the Committee on Pensions.

By Mr. FOCHT: A bill (H. R. 7123) to provide Federal aid for aged persons of the District of Columbia who have attained the age of 60 years. The amount of aid to which any such person shall be entitled shall be fixed with due regard to the conditions in each case; but in no case shall it be an amount which when added to the net income of the applicant from all other sources, including income from property as computed under the terms of this act, shall exceed a total of $1 per day; to the Committee on the District of Columbia.

By Mr. HENNINGS: A bill (H. R. 7124) to authorize the erection of an addition to the existing Veterans' Administration facility, Jefferson Barracks, Mo.; to the Committee on World War Veterans' Legislation.

By Mr. KLOEB: A bill (H. R. 7125) to prohibit the making of loans or the extension of credit to the government or national of any nation engaged in armed conflict, unless the United States is engaged in such conflict as an ally of such nation; to the Committee on Foreign Affairs.

By Mr. KRAMER: A bill (H. R. 7126) to amend section 17, as amended, of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

Also, a bill (H. R. 7127) to reduce the interest rate on delinquent taxes; to the Committee on Ways and Means.

By Mr. McCLELLAN: A bill (H. R. 7128) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, as amended; to the Committee on Flood Control.

By Mr. MARTIN of Colorado: A bill (H. R. 7129) to authorize the erection of a recreation-gymnasium building at the Veterans' Administration facility, Fort Lyon, Colo.; to the Committee on World War Veterans' Legislation.

By Mr. NICHOLS: A bill (H. R. 7130) to authorize the erection of additional facilities to the existing Veterans' Administration facility, Muskogee, Okla.; to the Committee on World War Veterans' Legislation.

By Mr. WARREN: A bill (H. R. 7131) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 7132) to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.; to the Committee on Merchant Marine and Fisheries.

By Mr. WERNER: A bill (H. R. 7133) to authorize the erection of an addition to the existing United States Veterans' Administration facility at Hot Springs, S. Dak.; to the Committee on World War Veterans' Legislation.

By Mr. UTTERBACK: A bill (H. R. 7134) to authorize the erection of an addition to the existing Veterans' Administration facility, Knoxville, Iowa; to the Committee on World War Veterans' Legislation.

By Mr. FULMER: A bill (H. R. 7135) to authorize the erection of an addition to the existing United States Veterans' Administration facility at Columbia, S. C.; to the Committee on World War Veterans' Legislation.

By Mr. CULKIN: Resolution (H. Res. 178) directing the Secretary of Agriculture to furnish the House of Representatives with certain information concerning share-croppers and tenant farmers in the State of Arkansas; to the Committee on Agriculture.

By Mr. DOUGHTON: Concurrent resolution (H. Con. Res. 19) authorizing the Committee on Ways and Means of the House of Representatives to have printed for its use additional copies of the hearings on the Economic Security Act; to the Committee on Printing.

MEMORIALS

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Coat and Suit Code Authority of New York City; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 7136) granting a pension to Martha J. Rhodes; to the Committee on Invalid Pensions.

By Mr. BACHARACH: A bill (H. R. 7137) for the relief of Cassie M. Lyne; to the Committee on Claims.

By Mr. CULKIN: A bill (H. R. 7138) granting a pension to Mary Love; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7139) granting an increase of pension to Ella A. Hart; to the Committee on Invalid Pensions.

By Mr. DISNEY: A bill (H. R. 7140) for the relief of the Bell Oil & Gas Co.; to the Committee on Claims.

By Mr. GEHRMANN: A bill (H. R. 7141) granting a pension to Alta A. Crofoot; to the Committee on Invalid Pensions.

By Mrs. GREENWAY: A bill (H. R. 7142) granting a pension to Esther K. Payne; to the Committee on Pensions.

Also, a bill (H. R. 7143) for the relief of Mary F. Platten; to the Committee on Claims.

By Mr. HOEPPEL: A bill (H. R. 7144) to extend the benefits of World War veterans' legislation to certain military and naval personnel permanently disabled as a result of aviation or submarine activities; to the Committee on World War Veterans' Legislation.

By Mr. JENKINS of Ohio: A bill (H. R. 7145) granting a pension to Mary Ann Melvin; to the Committee on Invalid Pensions.

By Mr. O'CONNELL: A bill (H. R. 7146) for the relief of Rocky Brook Mills Co.; to the Committee on War Claims.

By Mr. SCOTT: A bill (H. R. 7147) authorizing a preliminary examination and survey of the San Gabriel and Los Angeles Rivers and their tributaries; to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods; to the Committee on Flood Control.

By Mr. SCHNEIDER: A bill (H. R. 7148) granting an increase of pension to Anna Daul; to the Committee on Invalid Pensions.

By Mr. SHANLEY: A bill (H. R. 7149) for the relief of William J. Roper; to the Committee on Military Affairs.

By Mr. THOMASON: A bill (H. R. 7150) extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5748. By Mr. ROGERS of Oklahoma: Petition headed by J. M. Gates, of Walters, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5749. Also, petition headed by Billy Bray, of Lawton, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5750. Also, petition headed by J. W. McCain, of Drumright, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5751. Also, petition headed by W. J. Akers, of Stonewall, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5752. Also, petition headed by George H. Mossey, of Shawnee, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5753. Also, petition headed by L. C. Smith, of Bristow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5754. Also, petition headed by Charles F. Deshazo, of Seminole, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5755. Also, petition headed by A. H. Stone, of Walters, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5756. Also, petition headed by C. O. Schnapel, of Hastings, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5757. Also, petition headed by M. Redwine, of Chickasha, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5758. Also, petition headed by J. M. Morgan, of Bristow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5759. Also, petition headed by Bob McAlister, of Depew, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5760. Also, petition headed by W. H. Juedeman, of Bristow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5761. Also, petition headed by D. Crows, of Bristow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5762. Also, petition headed by J. C. Brown, of Depew, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5763. Also, petition headed by Tom Shockley, of Bristow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5764. Also, petition headed by M. A. Bolin, of Bristow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5765. Also, petition headed by W. M. Dowd, of Asher, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5766. Also, petition headed by Francis Williams, of Prague, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5767. Also, petition headed by A. Boyd, of Allen, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5768. Also, petition headed by J. R. Sanders, of Seminole, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5769. Also, petition headed by R. Gordon, of Okemah, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5770. Also, petition headed by B. J. Coffman, of Shawnee, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5771. Also, petition headed by A. Hicks, of Hinton, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5772. Also, petition headed by M. Briscoe, of Walters, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5773. Also, petition headed by M. E. Gibson, of Walters, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5774. Also, petition headed by R. L. Harris, of Walters, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5775. Also, petition headed by R. L. Thompson, of Hastings, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5776. Also, petition headed by V. Clearelin, of Walters, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5777. Also, petition headed by J. J. McNickles, of Leon, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5778. Also, petition headed by E. L. Dowell, of Lawton, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5779. Also, petition headed by R. Ford, of Wichita, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5780. Also, petition headed by Joe H. Moore, of Sedgwick, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5781. Also, petition headed by J. M. Paul, of Sedgwick, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5782. Also, petition headed by J. W. Davis, of Hunnewell, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5783. Also, petition headed by A. M. Jockers, of Corbin, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5784. Also, petition headed by Stanley J. Paxton, of Wellington, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5785. Also, petition of D. J. Couch, of Bentley, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5786. Also, petition headed by M. Northrup, of Wellington, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5787. Also, petition headed by N. O. Leach, of Gracemont, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5788. Also, petition headed by A. Smith, of Tecumseh, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5789. Also, petition headed by J. Moore Williams, of Marlow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5790. Also, petition headed by A. J. Conner, of Zion, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5791. Also, petition headed by A. Steverson, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5792. Also, petition headed by L. Fielder, of Wichita, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5793. Also, petition headed by A. C. Sounsen, of Wauconda, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5794. Also, petition headed by Gus Thompson, of Argo, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5795. Also petition headed by C. C. Bates, of Lawton, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5796. Also, petition headed by S. J. Thomas, of Ada, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5797. Also, petition headed by J. L. Bush, of Clearview, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5798. Also, petition headed by W. T. Blake, of Seminole, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5799. Also, petition headed by Percy E. King, of Wewoka, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5800. Also, petition headed by M. Viney, of Ada, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5801. Also, petition headed by A. T. Ray, of Olney, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5802. Also, petition headed by H. H. Hobbin, of Stonewall, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5803. Also, petition headed by Bud Stewart, of Connerville, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5804. Also, petition headed by W. H. Chronster, of Frisco, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5805. Also, petition headed by John C. Maines, of Bristow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5806. Also, petition headed by D. S. Clemens, of Oilton, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5807. Also, petition headed by Carl R. Young, of Sapula, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5808. Also, petition headed by John White, of Drumright, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5809. Also, petition headed by H. P. Boswell, of Kiefer, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5810. Also, petition headed by M. Mosely, of Seminole, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5811. Also, petition headed by Samuel Parker, of Ravia, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5812. Also, petition headed by W. A. Bodkins, of Sapulpa, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5813. Also, petition headed by A. F. Kean, of Mason, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5814. Also, petition headed by G. C. West, of Bristow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5815. Also, petition headed by Sol Welsch, of Pupico, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5816. Also, petition headed by A. Bell, of Whistler, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the

Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5817. Also, petition headed by C. M. Fuller, of Dry Prong, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5818. Also, petition headed by W. L. Thatcher, of Mounds, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5819. Also, petition headed by Charles W. Cole, of Mannsville, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5820. Also, petition headed by B. A. Rounsivill, of Jennings, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5821. Also, petition headed by J. W. Straily, of Shamrock, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5822. Also, petition headed by J. M. Gates, of Walters, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5823. Also, petition headed by M. M. Burch, of Duncan, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5824. Also, petition headed by O. Lindsey, of Walters, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5825. Also, petition headed by Bill Hicks, of Hinton, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5826. Also, petition headed by Jimmie Osborne, of Amber, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5827. Also, petition headed by O. Stofer, of Devol, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5828. Also, petition headed by Charles M. Guynes, of Chickasha, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5829. Also, petition headed by Aaron McDonald, of Binger, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5830. Also, petition headed by Thomas Jester, of Walters, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5831. Also, petition headed by H. P. Thomas, of Frisco, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5832. Also, petition headed by L. A. Leonard, of Coalgate, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5833. Also, petition headed by S. Henry, of Stonewall, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan, for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5834. Also, petition headed by Paul Middleton, of Allen, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5835. Also, petition headed by J. F. Germany, of Coalgate, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5836. Also, petition headed by M. O. Underwood, of Stroud, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5837. Also, petition headed by J. F. Norman, of Sasakwa, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5838. Also, petition headed by G. A. White, of Hazel, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5839. By Mr. BEITER: Petition of the members of the National Association Opposed to Blue Laws, Inc., and nonmembers opposed to blue laws, urging enactment of House bill 5850, to amend an act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia; to the Committee on the District of Columbia.

5840. Also, petition of the Council of the City of Buffalo, urging approval of the General Pulaski Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

5841. By Mr. CULKIN: Petition of the Senate of the State of New York, requesting that the Secretary of the Interior be memorialized to appropriate funds for slum clearance in the State of New York; to the Committee on Appropriations.

5842. By Mr. DRISCOLL: Petition of the citizens of Franklin, Pa., opposing House bill 5423; to the Committee on Interstate and Foreign Commerce.

5843. By Mr. ENGLEBRIGHT: Petition of the Crane Creek Lumber Co., Willow Ranch, Calif., protesting against the adoption of the 30-hour week bill; to the Committee on Labor.

5844. By Mr. JENKINS of Ohio: Petition signed by 63 citizens of Ironton and community, urging favorable action on the Wheeler-Huddleston bills providing for regulation of interstate highway transportation; to the Committee on Interstate and Foreign Commerce.

5845. By Mr. KENNEY: Concurrent resolution adopted by the House of Assembly, State of New Jersey, memorializing the President and Congress of the United States to pass immediately a bill to provide relief to depositors in closed national banks, to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks; to the Committee on Banking and Currency.

5846. Also, petition of the Regular Democratic Club of Little Ferry, N. J., endorsing, and would like to see enacted into law in the present session of Congress, the bill sponsored by Hon. EDWARD A. KENNEY, of the Ninth New Jersey Congressional District, legalizing a national lottery; to the Committee on Ways and Means.

5847. By Mr. KRAMER: Resolution of the Oil Producers Agency of California, relative to the necessity of including in all appropriation measures that provide for the construction of Federal roads or highways, a provision that will require the use of domestic materials, etc.; to the Committee on Roads.

5848. Also, resolution of the producers of crushed stone, sand, and gravel of southern California, relative to the contract system against the force account system in connection

with work done under the relief program, etc.; to the Committee on Appropriations.

5849. By Mr. MARTIN of Colorado: Petition of divers citizens of Pueblo, Colo., favoring the enactment of the Costigan-Wagner antilynching bill; to the Committee on the Judiciary.

5850. Also, House Joint Memorial No. 8, of the General Assembly of the State of Colorado, favoring the Hayden highway amendment to House Joint Resolution No. 117; to the Committee on Appropriations.

5851. Also, House Joint Memorial No. 10 of the General Assembly of the State of Colorado, favoring payment to the producers of silver the monetary value thereof; to the Committee on Coinage, Weights, and Measures.

5852. By Mr. O'CONNELL: Resolution passed by the General Assembly of Rhode Island, relative to the retention of the old frigate *Constellation* in Newport; to the Committee on Naval Affairs.

5853. By Mr. PFEIFER: Petition of the National Association of Cotton Manufacturers, Boston, Mass., urging continuation of the National Industrial Recovery Act; to the Committee on Appropriations.

5854. Also, petition of O. W. Thomas & Co., Inc., New York City, favoring continuation of the National Recovery Administration Coffee Code; to the Committee on Appropriations.

5855. Also, petition of Association of Employees, Long Lines Department, American Telephone & Telegraph Co., New York, concerning the National Labor Relations Act (S. 1958); to the Committee on Interstate and Foreign Commerce.

5856. Also, petition of the United Spanish War Veterans, Washington, D. C., favoring the passage of House bill 6995, to restore the rights of Spanish War veterans; to the Committee on Pensions.

5857. Also, petition of the Jacobs Bros. Co., Inc., Brooklyn, N. Y., concerning the Connery 30-hour-week bill; to the Committee on Labor.

5858. Also, petition of the Velvet Textile Corporation, West Haven, Conn., favoring continuation of the National Industrial Recovery Act; to the Committee on Appropriations.

5859. By Mr. TARVER: Petition of James Garnett and 13 other citizens of Whitfield County, Ga., favoring the old-age pension; to the Committee on Ways and Means.

5860. By Mr. THOMASON: Petition of residents of Upton County, Tex., opposing the Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

5861. By Mr. TRUAX: Petition of Local No. 504 of the United Brick and Clay Workers of America, by their secretary, Henry Hawkins, Strasburg, Ohio, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

5862. Also, petition of the Springfield Township Relief Association, Inc., by their secretary, Ralph R. Milhoan, Sawyerwood, Ohio, going on record as favoring the Duffy old-age pension bill and urging Congressmen to do all in their power to bring about its passage; to the Committee on Ways and Means.

5863. Also, petition of Local No. 225 of the I. A. of M., Dayton, Ohio, by their recording secretary, David J. Walters, urging support of House bill 6288, known as the "Connery disputes bill"; to the Committee on Labor.

5864. Also, petition of Local No. 473 of the United Brick and Clay Workers of America, Dover, Ohio, by their secretary, David Reiger, urging their Congressmen to vote for the Wagner-Connery labor-disputes bill now pending in Congress; to the Committee on Labor.

5865. Also, petition of the Cleveland Association of Commercial Lawyers, Cleveland, Ohio, by their secretary, R. C. Renane, resolving that House bill 5356, providing for the placing of referees in bankruptcy upon a salary and the appointment of referees in bankruptcy by the President of the United States, be, and the same hereby is, disapproved and condemned upon the ground that the effect of the adoption of the said bill will be the removal of this branch of the judiciary from its position of independence and the creation of the office of referee in bankruptcy as a political office; to the Committee on the Judiciary.

5866. By the SPEAKER: Petition of Frank Charles Thomas; to the Committee on the Judiciary.

5867. Also, petition of the city of Los Angeles, Calif.; to the Committee on Labor.

SENATE

MONDAY, APRIL 1, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Friday, March 29, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 488. An act for the relief of Michael Ilitz;

S. 747. An act for the relief of Joe G. Baker; and

S. 1856. An act for the relief of Arthur Smith.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 231. An act for the relief of Thomas M. Bardin;

H. R. 373. An act for the relief of the American Surety Co. of New York;

H. R. 419. An act for the relief of Ruth Relyea;

H. R. 607. An act for the relief of Florence Overly;

H. R. 617. An act to correct the military record of Lake B. Morrison;

H. R. 760. An act for the relief of John L. Hoffman;

H. R. 805. An act for the relief of Luther M. Turpin and Amanda Turpin;

H. R. 923. An act for the relief of Theresa M. Shea;

H. R. 972. An act for the relief of John Costigan;

H. R. 1442. An act for the relief of Clifford N. Raymond;

H. R. 1637. An act for the relief of Harrison Brainard, alias Harry White;

H. R. 1846. An act for the relief of Daniel W. Seal;

H. R. 2431. An act for the relief of James R. Davis, Jr.;

H. R. 3533. An act for the relief of Joseph J. McMahon;

H. R. 3547. An act for the relief of Thomas Lee Mitchum;

H. R. 3787. An act for the relief of Robert D. Hutchinson; and

H. R. 5133. An act for the relief of Nellie Oliver.

REPORT OF THE BOY SCOUTS OF AMERICA

The VICE PRESIDENT laid before the Senate a letter from the chief scout executive of the Boy Scouts of America, submitting, pursuant to law, the Twenty-fifth Annual Report of the Boy Scouts of America, which, with the accompanying report, was referred to the Committee on Education and Labor.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the House of Representatives of the State of Oklahoma, which was ordered to lie on the table:

A resolution memorializing the Congress of the United States to appropriate a sufficient fund to enable the public schools of the Nation to maintain a normal term in the present general emergency

Be it resolved by the House of Representatives of the Fifteenth Legislature of the State of Oklahoma:

Whereas the public schools in many of the States are in a serious plight due to lack of funds whereby they may be kept open and in operation for the remainder of the current school year; and

Whereas local and State revenues are in many cases completely exhausted and schools are being closed, thereby seriously disturbing the educational program and endangering the welfare of the Nation; and

Whereas many sources of revenue hitherto reserved for use by the several States or their subdivisions are now being used by the Government of the United States, thereby decreasing the abilities

of said States and subdivisions to finance education adequately; and

Whereas education should be recognized as an exceedingly important function of government, and one that can be neglected only at the Nation's peril; and

Whereas there is now up for consideration by the Congress of the United States an amendment to the general relief measure providing that the sum of $40,000,000 be allocated to the several States for the purpose of maintaining a normal length of school term throughout the Nation: Therefore be it

Resolved by the House of Representatives of the fifteenth session of the Oklahoma Legislature, That the Congress of the United States be, and it is memorialized to allocate said sum of $40,000,000 to maintain a full and normal term of school in the several States of the Nation that are unable to finance their educational programs for the remainder of the current school year.

Resolved further, That engrossed copy of this resolution be immediately forwarded to the Speaker of the House of Representatives of the United States Congress, and a copy to each of our United States Senators and Representatives in Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Finance:

Assembly Joint Resolution 39. relating to memorializing Congress to incorporate in a national old-age-pension plan the principles and objectives of the Townsend plan

Whereas various proposals for the establishment of old-age pensions are now under consideration by the Congress of the United States; and

Whereas the revolving old-age-pension plan originated by Dr. F. E. Townsend, of California, has been presented to the United States Senate and the National House of Representatives; and

Whereas the program contemplates both relief for the aged and wide-spread adjustments in our economic system certain to result in improved working conditions and in extensive reduction of unemployment among thousands of men and women under the age of 60 years; and

Resolved by the Assembly and the Senate of the State of California, jointly, That the Congress of the United States is respectfully urged to enact H. R. 3977, introduced in the House of Representatives January 16, 1935, and cited as the "Townsend Old-Age Revolving Pension Act", which is as follows:

"SEC. 2. That every citizen of the United States 60 years of age and over, or who shall attain the age of 60 years after the passage of this act, while actually residing in the United States, shall be entitled to receive, upon application and qualification, a pension in the sum of $200 per month during the life of the pensioner: *Provided,* That (a) the pensioner shall discontinue and refrain from all gainful competitive pursuits or salaried positions of any kind; (b) the pensioner shall covenant and agree that he or she will within 30 days of receipt of said pension expend all of the same for goods, commodities, or services within the jurisdiction of the United States; (c) proof of age and citizenship shall be according to the law and procedure of the State of residence of the pensioner; and (d) this pension shall be wholly exempt from attachment, garnishment, or execution.

"SEC. 3. There is hereby levied a tax of 2 percent on the gross dollar value of each business, commercial, and/or financial transaction done within the United States. The President of the United States is hereby empowered by Executive order to increase or decrease the 2 percent tax by not more than 50 percent, when in his discretion he deems it advisable, in order to adequately finance the said pension roll. This tax shall be levied in addition to any other Federal tax on goods or commodities. This tax so levied shall be paid by the seller once each calendar month, calculated on the seller's aggregate gross sales, in accordance with rules and regulations to be promulgated by the Secretary of the Treasury of the United States.

"(a) It is hereby provided, in order to facilitate the collection of this tax, that all sellers of goods, commodities, and commercial things of value shall obtain a license upon payment of a fee, the amount thereof to be fixed by the Secretary of the Treasury, who is empowered with full authority to use his discretion as to methods and means of collecting this tax.

"SEC. 4. Any qualified pensioner who, for any justifiable reason, has failed to legally receive and disburse said pension, may, upon proper proof, be reinstated and thereafter receive the pension.

"(a) All pensioners under this act shall be permitted to expend not more than 15 percent of each monthly pension for charity, church, and fraternal organizations.

"(b) Pensioners under this act shall receive no other pension from the United States nor from any State nor any political subdivision thereof, except all disabled war veterans now receiving or who may receive disability allowance, compensation, or pension from the United States Government.

"(c) The benefits of this act shall not accrue to any person while an inmate of an insane asylum, eleemosynary institution, or while under penal sentence in any jail or penitentiary.

"SEC. 5. Immediately after the passage of this act, the Secretary of the Treasury shall authorize all National and State banks, members of the Federal Insurance Deposit Corporation, to credit each properly identified pensioner the first day of each calendar month in the sum of $200, and said banks shall be reimbursed by the United States Treasury for the amounts so credited to pensioner or pensioners.

"SEC. 6. All salaries for individual services are hereby exempted from the tax provisions of this act.

"SEC. 7. Pensions under this act shall be forfeited or discontinued for the following reasons:

"(a) Any person who has been duly convicted of a felony shall be ineligible for this pension for a period of 10 years following the completion of his sentence.

"(b) Any pensioner under this act who is convicted of a felony shall immediately forfeit his said pension.

"(c) Any pensioner who violates the conditions imposed by (a) and (b) of section 2 of this act may be deprived of the said pension.

"SEC. 8. The Secretary of the Treasury shall appoint pension boards of three members, who shall constitute a district pension board. No two members of this board may belong to the same political party. Such boards may appoint deputies within their districts. All members of the board shall serve without compensation other than their pensions. Such boards shall have supervision of the administration of this act in their respective districts and shall be governed by rules and regulations promulgated by the Secretary of the Treasury. A pension board shall be so set up for each county in the United States other than the areas of metropolitan cities, wherein boards shall be created in each ward or similar political subdivision.

"SEC. 9. Any and all oaths or affirmations required under the provisions of this act may be administered by any officer authorized by the law of any State to take acknowledgments for the conveyance of real property or by any member of a duly constituted pension board as herein provided.

"SEC. 10. It shall be a felony and punishable as such for any pensioner or seller as herein described to misrepresent or make a false statement with regard to any provisions of this act with intent to defraud the Government of the United States, under penalty of a fine of not more than $1,000 or imprisonment for not more than 2 years, or both."

Resolved, That the Governor of the State of California is hereby requested to forward a copy of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Military Affairs:

A joint resolution memorializing Congress to enact a universal service act which will take profits out of war

Whereas disclosures made by the Senate Munitions Investigating Committee and information secured by independent agencies indicate that munition and armament firms not only made excessive profits during the World War but are engaged in times of peace in disseminating propaganda tending to insite fear among nations, to increase their armaments, thereby encouraging and eventually leading to declaration of war; and

Whereas there is now pending before Congress measures which provide for the adoption of a universal service act which provides for the conscription of capital and industry, as well as man power, in time of war and the use of each in the service of the Nation, without special preference or profit; and

Whereas by taking profits out of war it would automatically destroy one of the greatest incentives for war: Now, therefore, be it

Resolved by the House of Representatives of the State of Minnesota (the senate concurring), That we earnestly urge the Congress of the United States to adopt a universal service act which will take profits out of war and provide for the conscription of capital and industry as well as man power in time of war; be it further

Resolved, That the secretary of state of Minnesota be instructed to send copies of this resolution to the President of the United States, to both Houses of Congress, and to each Member in Congress from the State of Minnesota.

The VICE PRESIDENT also laid before the Senate a resolution adopted by Local Union No. 23, International Jewelry Workers, of Los Angeles, Calif., favoring the passage of the so-called "Wagner-Connery bill" and the Black 30-hour work-week bill, which was referred to the Committee on Education and Labor.

He also laid before the Senate petitions of sundry citizens of the United States, praying for the passage of old-age-pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by Townsend Club, No. 14, and the Executive Council of Townsend Clubs, both of San Diego, Calif., favoring the adoption of the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the ninth annual council of the National Society United States Daughters of 1812 in the State of Pennsylvania, favoring the

enactment of House bill 2897, to make communism and the dissemination of Communist literature a crime punishable by imprisonment or fine, or both, which was referred to the Committee on Immigration.

He also laid before the Senate a petition of members of Western Illinois State Teachers College and sundry citizens of Macomb, Ill., praying for the prompt enactment of legislation to eradicate all subversive movements aimed at the destruction of the Government by force or violence, which, with the accompanying papers, was referred to the Committee on Immigration.

He also laid before the Senate resolutions adopted by the New York City I. C. O. R. Committee, Unemployment Councils, of New York; the New Theatre League; the American Union Against Reaction; Carpenters Local Union No. 2090; the Tremont Workers Center; the A. F. L. Trade Union Committee for Unemployment Insurance and Relief, all of New York City; and the New Group of Brooklyn, all in the State of New York, protesting against the enactment of alien and sedition legislation, which were referred to the Committee on Immigration.

He also laid before the Senate petitions of sundry citizens of the United States praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

Mr. GUFFEY presented a resolution adopted by the Council of the Borough of Derry, Pa., favoring the prompt passage of legislation providing for the cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

Mr. MALONEY presented resolutions of the Common Council of the City of Middletown and the Polish Central Council, of New Haven, both in the State of Connecticut, favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. CAPPER presented a petition of the Service Men's Civil League of Kansas City, Kans., praying for the passage of the so-called "Patman bill", providing for immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from the Shawnee Chapter, International Society of Master Painters and Decorators, of Topeka, Kans., praying for the enactment of legislation extending the National Industrial Recovery Act, which was referred to the Committee on Finance.

Mr. McCARRAN presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Education and Labor:

Assembly joint resolution memorializing Congress to create a department of education and providing a secretary of education therefor, to sit in the President's Cabinet and to preside over said department

Resolved by the Assembly and the Senate of the State of Nevada, That Congress be memorialized to create a bureau of education at Washington, D. C., and provide for the selection of a secretary of education to sit in the President's Cabinet and to preside over said department; be it further

Resolved, That upon the adoption of this resolution a certified copy thereof be dispatched by the Secretary of State to the President of the United States, and to each of our Senators in the United States Senate, and to our Representatives in Congress.

Mr. GERRY presented the following resolution of the Senate of the State of Rhode Island, which was referred to the Committee on Finance:

Senate resolution urging the Congress of the United States to secure the repeal at once of the cotton processing tax (passed Mar. 29, 1935)

Whereas the increased cost of manufactured products due to this tax falls most heavily on those who can least afford to pay it, the laboring people of this country; and

Whereas it affords little relief to cotton growers as with mills unable to continue operating under this tax, and closing all over the country, less cotton is consumed; and

Whereas it adds an enormous burden amounting to at least 40 percent of mill pay rolls on the mills who cannot pass the tax along to the consumer; it adds 8 to 15 percent to the cost of inventories in times of great financial stress; it is unjust and indefensible in that it is in fact a sales tax without the virtue of universal application: Now, therefore, be it

Resolved, That the Senate of the State of Rhode Island, in regular session, urges the Congress of the United States to secure the repeal at once of the cotton processing tax for these reasons; and be it further

Resolved, That copies of this resolution be transmitted by the secretary of state to the President of the United States, the Secretary of Agriculture, and to the Rhode Island Senators and Representatives in Congress.

Mr. TYDINGS presented the following resolution of the Senate of the State of Maryland, which was referred to the Committee on Patents:

Senate resolution requesting that the Congress of the United States cause an investigation into the activities of the American Society of Composers, Authors, and Publishers of New York and its Subsidiaries

Whereas unless certain abuses now being pursued by the American Society of Composers, Authors, and Publishers of New York and its Subsidiaries upon hundreds of corporations, firms, and persons conducting establishments wherein music is played within the State of Maryland is abated, grave consequences therefrom may follow to the injury, through loss of employment, by many now employed within these business organizations; by reason of unreasonable demands by the American Society of Composers, Authors, and Publishers of New York and its Subsidiaries that are bias and unjust; and

Whereas there is no adequate relief at law until this matter is brought before the Congress of the United States for adjudication and adjustment; and

Whereas, under certain rulings of the Supreme Court of the United States, the American Society of Composers, Authors, and Publishers of New York and its Subsidiaries are exercising dictatorial powers, developing "a racket" that could never have been intended, or the purpose, to endow upon any organization by any court: Therefore be it

Resolved by the Senate of Maryland, That the Congress of the United States shall cause an investigation into the activities of the American Society of Composers, Authors, and Publishers of New York and its Subsidiaries as speedily as possible; and be it further

Resolved, That a copy of this resolution, duly authenticated, be sent to Senator MILLARD E. TYDINGS, Senator GEORGE L. RADCLIFFE, and each of the six Representatives in Congress, and they are hereby directed to introduce such resolution as may be necessary, into the Congress of the United States, to bring about an investigation of the activities of the American Society of Composers, Authors, and Publishers of New York and its Subsidiaries for the purpose of remedial action that will afford relief to the oppressed.

Mr. GEORGE presented the following resolution of the Senate of the State of Georgia, which was referred to the Committee on Immigration:

Whereas it appears from the CONGRESSIONAL RECORD that more than 3,000,000 undesirable aliens are in our country; and

Whereas they are receiving aid and employment from our country, when their principles breed communism, which are debauching the very life of our democracy, and thus are depriving real American citizens from employment; and

Whereas in order to protect the social order of our great country and perpetuate our democracy rigid enforcement of existing immigration laws must be maintained and deportation of these alien enemies must be enforced: Therefore be it

Resolved, That the Senate of the General Assembly of Georgia go on record as condemning communism and urge that immediate deportation of the alien enemies for the welfare and best interests of the country be effected; be it further

Resolved, That a copy of these resolutions be sent the two Georgia Senators and each Congressman from Georgia; be it further

Resolved, That a copy of these resolutions be given the press for publication.

Mr. GEORGE also presented the following resolution of the General Assembly of the State of Georgia, which was referred to the Committee on Commerce:

Whereas McIntosh County, Ga., is the center of the coastal fisheries district of Georgia; and

Whereas the fisheries resources of the coastal section of Georgia are in serious need of development, both sports and commercial fishing being available here in all seasons, to meet the growing demand for the products of the Georgia coastal waters; and

Whereas the residents of said coastal region of Georgia are anxious to improve conditions in said fisheries: Therefore be it hereby

Resolved, That the General Assembly of the State of Georgia respectfully requests the Seventy-fourth Congress of the United States to look with favor upon this request for the establishment of a fish hatchery in McIntosh County, Ga., and to transmit with recommendation for favorable action this request to the United States Bureau of Fisheries; be it further

Resolved, That copy of this resolution be forwarded to each member of the Georgia delegation in the Seventy-fourth Congress.

Mr. GEORGE also presented the following concurrent resolution of the Legislature of the State of Georgia, which was referred to the Committee on Commerce:

Whereas the Chattahoochee River flows through a large number of the counties of this State; and

Whereas the development of this river as a navigable stream, will result in untold benefits to the citizens of the Chattahoochee Valley, and to all of the people of Georgia and Alabama; and

Whereas said developments will also result in—

1. The prevention of soil erosion over a vast area of both Georgia and Alabama;
2. Reforestation;
3. Flood control;
4. The providing of large fresh-water lakes and hydroelectric power sites, a feature which squares with the President's idea about publicly owned hydroelectric water powers;
5. The employment of a large number of people now on relief rolls or unemployed;
6. A downward revision of transportation rates through competition between water and rail transportation;
7. The making of Fort Benning, the largest infantry school in the world, a port military camp with untold advantage in a military way in case of war;

Whereas the Chattahoochee Gulf Association, in cooperation with the chamber of commerce and other civic organizations of Atlanta and Columbus, and other towns in the section, have been actively working in behalf of this development for a number of years; and

Whereas this general assembly is informed through the press that the development of this project has now been approved by the United States Army engineers: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the Georgia Legislative Assembly (the Senate and the House concurring), that this proposed development be now approved under the President's relief program, and that work be commenced at once in order that the many untold benefits as enumerated in this resolution be no longer withheld from the people of Georgia and Alabama, and that the sense of this body is that the Senators and Representatives in Congress from Georgia and Alabama lend their immediate cooperation and their assistance in urging the immediate completion of this project; be it further

Resolved, That a copy of this memorial be sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from the State of Georgia and the State of Alabama, and to the Committee of the National Rivers and Harbors Congress.

REPORTS OF COMMITTEES

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (H. R. 2128) for the relief of Rosetta Laws, reported it without amendment and submitted a report (No. 396) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 1469) to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona, reported it without amendment and submitted a report (No. 397) thereon.

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (H. R. 3105) for the relief of Samuel Kaufman, reported it with an amendment and submitted a report (No. 398) thereon.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (S. 1789) to retire Walter L. Rosasco with the rank of second lieutenant, Air Corps, United States Army, reported it with amendments and submitted a report (No. 899) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 2045) for the relief of Stephen Sowinski, reported it with an amendment and submitted a report (No. 401) thereon.

Mr. PITTMAN, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 1305) to further extend the operation of the act entitled "An act to further extend the operation of the act entitled 'An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law', approved April 1, 1932", approved March 27, 1934, reported it with an amendment.

Mr. AUSTIN, from the Committee on the Judiciary, to which was referred the bill (S. 993) directing the Comptroller General to adjust the account between the United States and the State of Connecticut, reported it without amendment.

MUNITIONS INVESTIGATION

Mr. NYE. Mr. President, I submit a preliminary report of the Select Committee on Investigation of the Munitions Industry, which I desire to have printed. The report is brief, and I ask that it be read at the desk.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Dakota that the report be read? The Chair hears none, and the clerk will read.

The Chief Clerk read the report (No. 400), as follows:

[Report No. 400 (No. 1)]

APRIL 1, 1935.

The United States Senate Special Committee Investigating the Munitions Industry, pursuant to Senate Resolution No. 8 (74th Cong., 1st sess.), wishes to make the following preliminary report:

I. The committee has examined 116 witnesses, taken 3,502 pages of testimony and exhibits, and has spent 62 days in the discussion of that testimony. It has consulted with a considerable number of Government departments in executive session.

II. The committee is in substantial agreement on a very thorough plan to take the profits out of war and to equalize the economic burden of war, and expects to report on this subject to the Senate legislation on the matter in the immediate future and for action in the present session of Congress. This relates to the actual period of war only. The presentation of this report and the legislation covers one of the three major obligations imposed upon the committee.

III. The committee is emphatically convinced that no bill which contains only general authorizations to the President to fix prices or to commandeer industry or to arrange for priorities and licensing is at all adequate "to equalize the burdens and take the profits out of war."

IV. The committee is in substantial agreement on a principle to govern the export of munitions and contraband in case of a major war and expects to make certain recommendations to the Senate on this subject in the immediate future and for action in the present session of Congress. This is the only phase of the neutrality problem which the committee considers to be within its jurisdiction.

V. The committee has investigated in detail the foreign sales activities of certain munitions companies and the significance of the methods used in the industry. This study is not yet completed. When it is completed, the committee will have definite recommendations to make for the control of the industry in peace time.

VI. At the moment the committee looks with interest and sympathy on the efforts of the American Government to secure agreement on more rigorous international control of the arms traffic and believes that the United States Senate should be glad to consider cordially an international convention based on the general broad outlines of control now known as the "American draft convention."

VII. The committee also expresses its interest in and support of a constitutional amendment to eliminate tax-exempt bonds, because it finds this exemption to be an inevitable and unjustified loophole in respect to the conclusive control of war profits.

VIII. The committee has taken considerable testimony on the increased costs and profits of the industry engaged in naval shipbuilding for the Government. The committee expects to close its hearings on this subject in April and to report as promptly as possible thereafter. Hundreds of millions of dollars are involved in the present system of naval building, and evidence of collusion is under consideration.

IX. The committee has heard a great amount of testimony covering Government aid in support of the private munitions makers in their domestic and foreign business. It requests ample time to continue this investigation and to make its findings constructive and conclusive.

X. The committee has heard sufficient evidence concerning the interchange of military information to begin its report on this subject.

XI. The committee has heard a considerable amount of evidence on the part taken by munition makers in embargoes and international conferences and international policy. It requests ample time to complete its studies of this subject.

XII. In addition to subjects already listed as in preparation, the committee has yet to finish its study of the profits and interest of the banking group in the munitions business during and since the war. The committee earnestly desires to progress with this study.

XIII. The committee has not yet finished its study of the influence of certain other large groups on the Nation's munitions policy and foreign policy, including the chemical warfare companies, the steel companies, and the airplane and machine-gun companies. No munitions investigation can be considered reasonably adequate and complete unless this field is conclusively studied with a view to adequate protection of the public interest.

XIV. The committee has also heard and analyzed a great mass of evidence on the industrial conduct and control during the World War and has had referred to it certain Army bills intended to mobilize industry and man power effectively in any future war. The committee believes it should continue hearings on the subject matter of these bills before reporting on them.

XV. The committee has been unable so far to engage in a thorough study of one obligation laid upon it by the Senate,

that of the practicability of the Government's purchasing and owning munitions plants. A study of the number and cost of plants necessary for peace-time production is a feasible study, although involving a very considerable engineering personnel which the committee is now in no position to obtain.

XVI. The matter of these further studies will be discussed in the Senate later at a time when the committee will have presented the first of its legislative recommendations, and the Senate must then determine whether an additional and final appropriation shall be made available to implement these final investigations.

Mr. NYE. Mr. President, in explanation I wish to say that this particular report is presented pursuant to Senate Resolution 206, Seventy-third Congress, second session, and in response to the language of Senate Resolution No. 8, of the present session, adopted by the Senate on the 17th of January this year asking for a preliminary report at this time.

ENROLLED BILLS PRESENTED

Mr. LONERGAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on March 29, 1935, that committee presented to the President of the United States the following enrolled bills:

S. 403. An act to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections numbered 5 and 6;

S. 406. An act to amend an act approved May 1, 1906, entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes"; and

S. 935. An act to authorize the Secretary of War and the Secretary of the Navy to lend Army and Navy equipment for use at the national jamboree of the Boy Scouts of America.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McADOO:

A bill (S. 2458) for the relief of Mary M. Wade; to the Committee on Claims.

By Mr. BURKE:

A bill (S. 2459) authorizing adjustment of the claim of Francis B. Kennedy; to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 2460) to amend the act of June 6, 1924, entitled "An act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes"; to the Committee on Naval Affairs.

By Mr. BORAH:

A bill (S. 2461) to amend the Securities Act of 1933; to the Committee on Banking and Currency.

A bill (S. 2462) to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 2463) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claim which the Kiowa, Comanche, and Apache Tribes of Indians may have against the United States, and for other purposes; to the Committee on Indian Affairs.

A bill (S. 2464) for the relief of the Bell Oil & Gas Co.; to the Committee on Claims.

By Mr. DUFFY:

A bill (S. 2465) to amend the act entitled "An act to amend and consolidate the acts respecting copyright", approved March 4, 1909, as amended, and for other purposes; to the Committee on Patents.

By Mr. BANKHEAD:

A bill (S. 2466) to require the manager of the cotton pool and the Secretary of Agriculture to immediately replace the spot cotton sold by them from the pool cotton and for which future contracts are held; to the Committee on Agriculture and Forestry.

By Mr. THOMAS of Utah:

A bill (S. 2467) for the retirement of William J. Stannard, leader of the United States Army Band; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

A bill (S. 2468) for the relief of Arthur O. Anderson; to the Committee on Finance.

By Mr. BLACK:

A bill (S. 2469) for the relief of E. L. Hice and Lucy Hice; to the Committee on Claims.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 373. An act for the relief of the American Surety Co., of New York;

H. R. 419. An act for the relief of Ruth Relyea;

H. R. 607. An act for the relief of Florence Overly;

H. R. 760. An act for the relief of John L. Hoffman;

H. R. 805. An act for the relief of Luther M. Turpin and Amanda Turpin; and

H. R. 923. An act for the relief of Theresa M. Shea; to the Committee on Claims.

H. R. 231. An act for the relief of Thomas M. Bardin;

H. R. 617. An act to correct the military record of Lake B. Morrison;

H. R. 972. An act for the relief of John Costigan;

H. R. 1442. An act for the relief of Clifford N. Raymond;

H. R. 1637. An act for the relief of Harrison Brainard, alias Harry White;

H. R. 1846. An act for the relief of Daniel W. Seal;

H. R. 2431. An act for the relief of James R. Davis, Jr.;

H. R. 3533. An act for the relief of Joseph J. McMahon;

H. R. 3547. An act for the relief of Thomas Lee Mitchum;

H. R. 3787. An act for the relief of Robert D. Hutchinson; and

H. R. 5133. An act for the relief of Nellie Oliver; to the Committee on Military Affairs.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS—AMENDMENTS

Mr. McNARY (for Mr. JOHNSON) submitted two amendments intended to be proposed by Mr. JOHNSON to Senate bill 5, known as the "pure food and drugs bill", which were ordered to lie on the table and to be printed.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 6223, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 84, after line 22, to insert the following:

"Big Dry Wash Battlefield: For erection by the National Park Service, in cooperation with the United States Forest Service, of a marker to commemorate the battle at Big Dry Wash, Ariz., during the Indian wars on ground owned by the United States, $500, to be immediately available."

GOVERNMENT OF THE VIRGIN ISLANDS

Mr. TYDINGS. Mr. President, there is on the calendar Order of Business No. 400, Senate Resolution 98, which provides for an investigation of the administration of the government of the Virgin Islands. The resolution was reported unanimously from the Committee on Territories and Insular Affairs and then sent to the Committee to Audit and Control the Contingent Expenses of the Senate, which has likewise reported it unanimously with an amendment.

It will be necessary, if the investigation is to be held, for certain machinery to be set up, and I ask unanimous consent that the resolution may be considered and acted upon. If it brings on any debate I shall not, of course, press my motion, but, inasmuch as it is necessary to have the machinery established in order to conduct the investigation, and all the committees which have dealt with it have passed on it unanimously, I should be very much obliged to the Senate if it would allow the resolution to be adopted, so that work may be started on the investigation.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 98) providing for an investigation of the administration of the government of the Virgin Islands, which had been reported from the Committee on Territories and Insular Affairs on March 8 without amendment, and from the Committee to Audit and Control the Contingent Expenses of the Senate on March 29 with an amendment, on page 2, line 8, after the word "exceed", to strike out "$25,000" and to insert in lieu thereof "$12,000", so as to make the resolution read:

Resolved, That a special committee of five Senators to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the administration of the government of the Virgin Islands. The committee shall report to the Senate, as soon as practicable, the results of its investigations, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee which shall not exceed $12,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

The amendment was agreed to.

The resolution, as amended, was agreed to.

INCREASE OF BATTLESHIP STRENGTH—ARTICLE BY SENATOR GERRY

Mr. TRAMMELL. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by the Senator from Rhode Island [Mr. GERRY], which appeared in yesterday's Washington Herald. The article discusses in a most interesting and illuminating way the important part played by battleships in naval warfare, a subject with which the Senator from Rhode Island is especially well qualified to deal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald, Mar. 31, 1935]

SENATOR GERRY MAKES PLEA FOR MORE BATTLESHIPS AS BACKBONE OF OUR NAVY—AIRPLANES AND SUBMARINES SUPPLEMENT BUT CANNOT SUPPLANT CAPITAL SHIPS, HE SAYS

(By Peter G. Gerry, United States Senator from Rhode Island and for 12 years a member of the United States Senate Naval Affairs Committee)

The denouncing of the Washington Treaty by Japan and the demand that she be given naval parity with Great Britain and the United States have again brought to the attention of the people the question of the importance of our fleet.

The discussion that is now in progress will make anyone realize who has made a study of naval strategy that the general public has not a good conception of what constitutes a well-rounded fleet and why the Navy is so insistent on certain types of vessels.

The development of the submarine by Germany, with its large size and great efficiency, its success in commerce destroying, the sinking of the Lusitania, and the near starving of England emphasized especially the value of that vessel in naval warfare.

ENGLISH AND ALLIES LOSING HEAVILY

The Zeppelin raids and the development of the airplanes, with their gallant engagements, naturally impressed the imagination, so to this day a not properly balanced importance has been given to the work done by other factors.

The essential part the capital ships played in the winning of the war has been lost sight of.

The Germans learned as time went on that by increasing the surface speed of submarines and putting guns on them in addition to torpedoes, they were able to catch and sink more and more merchantmen.

Where there was concentration of shipping, the submarines were able to do greatly increased damage. The English and the Allies were losing heavily.

By 1916 ships were being sunk faster than England could replace them. The German campaign was nearly successful because England was unable to feed or supply herself with many necessities. If it had gone on, it would have starved her into submission.

CONVOY SYSTEM MET THE PROBLEM

But there began to be methods of meeting the menace. The most important was the convoy system, which collected merchantmen into groups and protected them by armed vessels. From then on the submarine campaign began to diminish in effectiveness.

The success of the convoy system is a good example of the submarine's limitations.

A submarine cannot make better than 8 knots when submerged, and she cannot continue this speed for more than a few hours, because to do so uses up her batteries.

On the surface the big German submarines were fast, and therefore had little difficulty in catching up with anything except very fast liners. When used as surface fighting ships they were effective and had the advantage of being able to submerge and escape.

With destroyers looking for them on the surface, attempting to ram them when they came up, the submarine was anything but comfortable. If they submerged below 250 feet the hydrostatic pressure caused them to leak, and if they went down much farther it would crush them like an eggshell.

Not only did the destroyer attack the submarine by ramming and by gunfire but it also dropped depth bombs, which if they exploded near the submarine meant certain destruction.

NAVY CONVOYS GREAT SUCCESS

The submarine's best chance of getting her prey in numbers was by lying in wait in a lane where ships were approaching port. In this manner the *Lusitania* was sunk after she had slowed down off the Irish coast.

Of the 2,000,000 soldiers the United States sent to Europe not one was lost under convoy by the American Navy.

The final blow to the German submarine campaign was a mine barrage placed in the North Sea. When submarines tried to pass north they hit the mines and were destroyed. This broke the morale of their crews and forced the mutiny at Wilhelmshaven.

In a fleet engagement, with screens of cruisers and destroyers and airplanes covering miles and protecting the battleships, there is little chance for the submarine. She dare not come to the surface, because to do so means to be sunk.

The Battle of Jutland was fought at about 20 knots. What chance had a submarine to reach, let alone attack, battleships in a fleet like that?

You never find any nation basing its fleet supremacy on anything but the capital ship. And today, when Japan is demanding equality with Great Britain and the United States, it is based primarily on parity in capital ships.

The theory of the battleship is a preponderance of heavy guns and armament, which produces a broadside of enormous weight that can outrange any smaller vessel and destroy it before the latter is able to fight back with broadsides of lesser range and weight.

GERMAN FLEET BOTTLED UP

Besides, the big ships have heavy armor that can withstand terrific blows, both from big guns and torpedoes.

The capital ships at Scapa Flow bottled up the German fleet and took away the command of the sea from Germany.

There were a few cruisers like the *Emden* and the fleet under Von Spee at sea, but they did not last long. Von Spee's cruisers obtained a victory over Craddock's because their guns carried farther and their ships were faster.

On the other hand, when Von Spee's fleet met Sturdee's, with its battle cruisers, of greater range and speed, Von Spee was easily defeated.

JUTLAND SOLVED SEA SUPREMACY

The supremacy of the Allied fleet meant that trans-Atlantic steamers, tramps, etc., were able to carry on allied commerce, bringing in war material and food at will.

If Germany had been able to destroy the British Fleet at the Battle of Jutland, she would have had command of the sea. Her fleet would have pursued and sunk the lighter ships of the Allies, just as Sturdee's cruisers sank Von Spee's cruisers, and Von Spee's cruisers had sunk Craddock's. In such event there would not have been any need for her submarine campaign.

Another question much discussed is the control of the air, and whether or not airplane protection alone makes battleships obsolete.

There is not a high naval officer today who does not attach great importance to the command of the air and believes in the absolute necessity of the airplane as part of the naval force.

We have special airplane carriers which take airplanes with the fleet. We also carry airplanes aboard other warships. They are needed not only for scouting and fighting but also to enable the ships to get the range of the enemy.

With the 14- and 16-inch guns naval battles are fought at such great range that often the enemy cannot be seen. If your airplane is able to get over the enemy it enables your ship to obtain the range. But in order to do this it will be obliged to fight off enemy planes.

Added to its use in range finding, airplanes are of first importance in scouting, most valuable in attacking and harassing the enemy fleet by bombs and gunfire, and are effective against submarines. But to say it has made the capital ships obsolete is not borne out by the facts.

BATTLESHIPS NOT EASY TARGET

To sink a battleship by a bomb dropped from an airplane is very difficult. Battleships, having only a 100-foot beam, when moving fast and zigzagging, are not an easy target to hit by a plane going at a much greater speed and contending with anti-aircraft gunfire.

A hit by a bomb might do considerable damage, but modern battleships have horizontal armor protecting their decks. A bomb has little chance of penetrating into vital parts of the ship sufficiently to sink her. Cruisers and destroyers are much more vulnerable.

During the World War the German warships *Bresleau* and *Goeben* came out of the Dardanelles on a raid and went aground. They were bombed by allied planes for 4 or 5 days. After that bombing they finally got themselves off and went back to Constantinople.

So, with these experiences and experiments that have been conducted, you will find that naval strategists, while strongly for the use of airplanes as a valuable adjunct to the fleet, are insistent that they have not replaced the capital ship but have simply added another weapon that must be used with her, for unless the capital ships are defeated there can be no victory.

THERE IS NO DEFENSIVE NAVY

For America, with the ocean on both sides, our Navy means a protection that nothing else can give. It affords us an opportunity to keep the horrors of war as far away from our coasts as possible.

There is no such thing as a defensive navy. If we were to have only a so-called "defensive navy", it would mean that our fleet would be bottled up in port, as the German Navy was bottled up, and the loss of our commerce on the seas.

The enemy could attack our shores and interfere with our commerce at will.

Superiority in naval force means the direct opposite. It means protection to our shores and confidence to our people. In all great wars it has been generally found to be the determining factor, as it was in the World War, between victory and defeat.

ACHIEVEMENTS OF THE ADMINISTRATION—ADDRESS BY SENATOR BYRNES

Mr. CLARK. Mr. President, I ask unanimous consent to insert in the RECORD an address delivered by the Senator from South Carolina [Mr. BYRNES] at Charleston, S. C., on March 22, on the achievements of the Democratic administration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On March 4 of this year the Democratic Party had been in control of the Government of the United States for 2 years. The occasion inspired a recital of the achievements of the administration by its friends. It aroused the severe criticism of those who are opposed to the administration and who have in mind the fact that in November 1936 the Democratic Party must seek an endorsement at the hands of the people.

Criticism has come not only from Republicans but from some Democrats. I believe in free speech. Constructive criticism is helpful. Destructive criticism should be exposed. There can be no intelligent appraisal of the actions of this administration unless there is an appreciation of the condition of the Government and of the people when the Democratic Party came into power. Only by recalling this condition can you pass judgment upon the necessity for the legislation that has been enacted.

During the war we speeded up production in factories and upon the farms. The Government loaned billions of dollars to foreign governments, which enabled them to purchase our surplus products. After the war there was a decrease in our foreign trade. Then the New York bankers and importers embarked upon the policy of encouraging individuals in this country to lend money in other countries. They began purchasing the bonds of foreign governments and foreign corporations and unloaded those bonds upon the so-called "country banks" and upon private individuals. The money thus transferred to foreigners enabled them to purchase our surplus products and maintained the volume of our foreign trade. Of course, there had to be an end to this artificial stimulant, and also an end to the speculative era which brought suffering to the people of this Nation. The figures tell the story better than I can.

For the 5 years preceding 1929 the total agricultural income of the Nation ranged between ten and twelve billion dollars. It is a coincidence that during the same period the total pay rolls of the factories of the Nation likewise ranged from ten to twelve billion dollars. In 1932 our agricultural income dropped to $5,000,000,000. The total amount of the pay rolls of our factories dropped to approximately $5,000,000,000. To bring the problem home to you: In 1929 the value of all South Carolina crops, livestock and livestock products, was $157,935,000. In 1932 the value dropped to $68,513,000.

Cotton was then selling for 5 cents per pound and wheat for 30 cents per bushel. Estimates as to the number of unemployed ranged from twelve to fifteen million persons.

All the banks of the Nation were closed. The railroads faced bankruptcy, and serious consideration was given to the question of the Government having to operate the railroads. The securities of the railroads were held in great part by the life-insurance companies. As these securities decreased in value, the assets of the insurance companies dwindled, and men doubted the value of their policies; mortgages upon the farms of the Nation and mortgages upon the homes of the cities were being foreclosed. In the West, as judges signed foreclosure decrees, they were threatened with death. The people had lost confidence in the courts and in government, and finally lost confidence in themselves.

As these conditions developed the Government did nothing. Those in control believed that because government under such circumstances had never done anything, it should never do anything. They talked of rugged individualism, and declared that nature would have to take its course. Well, it developed that the individuals were not very rugged, and the course that many of them took was the road to bankruptcy, to insane asylums, and to the grave.

When the Democratic Party came into power, the President of the United States and his party took a different view. They determined they would not sit idly by while the people of this Nation, fighting as individuals, were overcome by economic forces beyond their control. The banks of the Nation were opened, but only after an examination that justified the belief that they could remain open. The money deposited in the banks was insured so that the people could go to sleep at night without the fear that the next morning they would read that their savings had been swept away.

Government then undertook to adjust production to consumption and stated as its goal the raising of commodity prices to such an extent that those who borrowed money would be able to repay it in the same kind of dollars they had borrowed. As a result of the various legislative acts, cotton increased from 5 cents per pound to more than 12 cents per pound, and even today, after the inexplicable break of the last week, is still selling for twice as much as it sold for in the closing days of the previous administration. Wheat, instead of selling for 30 cents per bushel, has sold for more than $1 per bushel. Tobacco has been selling at the highest prices it has brought in years. The number of the unemployed has been reduced and is being reduced month by month. The owners of homes in the cities and upon farms have had their mortgages refinanced for long periods and at low rates of interest.

The railroads remain under private control. The people no longer doubt the value of their insurance policies. The merchants of the Nation admit that their sales have vastly increased. Labor is receiving more money for a shorter day's work. I care not what your business may be, I know that, unless yours is a most unusual case, you are in better financial condition today than you were on March 1, 1933.

Notwithstanding that this is true, the administration is the target of criticism. Ultraconservatives assert that the President and his associates are entirely too liberal in their view. They charge that while the President has good intentions he is influenced by men who are socialistic in their views. They seldom name them. Sometimes they name Harry Hopkins as one of them. I am glad that you have today had the opportunity to meet him. I think you will conclude there is no justification for calling him a Socialist.

The conservative critic says that there is too much interference with business. There has never been a time when big business has not made that charge against Government. They have absolutely no objection to Government interfering to help big business. What they object to is Government interfering to protect the man who cannot help himself. In the enactment of the Esch-Cummins Act the railroads of this country succeeded in inducing the Government to interfere; and under that act, no matter how much money you have, you cannot build a railroad unless you first receive a certificate showing that it is in the interest of the public, is a necessity, and will not seriously injure an existing railroad.

The captains of industry have never hesitated to ask Government to interfere and levy tariff duties in order to require the consumers of the Nation to pay more for their commodities. They have never hesitated to ask the Government to interfere and pay subsidies to develop a merchant marine upon the sea or to develop the construction and operation of aircraft. Most reforms have been inaugurated over the objection of conservative business men. As a rule they are opposed to change.

In 1913 the bankers of this country were opposed to the Federal Reserve Act. Today not one of them would repeal this act.

As a rule, the bankers were likewise opposed to the insurance of deposits. It was declared to be paternalistic and unsound. Today they are almost unanimously in favor of its continuance.

A year ago the brokers and members of the stock exchange were opposed to the bill regulating many practices of the exchange. Today the majority of them believe that the regulation was essential and that the results are beneficial.

Severe criticism is directed toward the activities authorized by the Agricultural Adjustment Act. Our critics denounce the control of the production of crops. They have never questioned the wisdom of the United States Steel Corporation in reducing production when there is a decreased demand for the products of that corporation. They expect curtailment of every other industry, but when it comes to agriculture their argument is that the farmer should be encouraged to continue to grow all the cotton he can, even though there is no market for it and the only result must be to reduce the price to 4 or 5 cents per pound.

The manufacturers of the East complain that the benefits paid to farmers for withdrawal of lands from production are a subsidy. Well, they may as well realize that the Government intends to stand by the cotton farmer in the effort to adjust production to consumption and thereby secure for him a reasonable price for his product. Critics complain that it encroaches upon the right of a farmer to cultivate his lands. Well, as far as cotton is concerned, when the question was submitted to the cotton farmers of the South more than 80 percent of them voted for the continuance of compulsory control.

Those interested in cotton can rely upon the Government continuing to make loans upon the next crop. This can be done only if control continues. The probabilities are that the allotment will be reduced to the same figure as last year—10,000,000. In addition,

there are outstanding certificates for 700,000 bales, which certificates were issued for the last crop and are good for the next crop. While the total allotment is not definitely settled, it is settled that loans will be made to a farmer only upon cotton within his allotment. This is essential to prevent farmers in some sections where cotton is produced cheaply from making more than their allotments with the expectation of borrowing from the Government.

But our critics—Democratic and Republican—say whatever justification there is for other activities, there is no excuse for the expenditures for relief. Well, in considering this controversial matter we should be fair. Not one dollar was appropriated by the United States Government for relief until the State of South Carolina, and every other State, through its Governor, certified in writing that the State, counties, municipalities, and charitable organizations of the State were unable to care for their needy and destitute. Then, and then only, was the credit of the Government used to prevent suffering among human beings.

But, they say, some persons who are not in need have received assistance. Undoubtedly this is true in every community of the United States. No church organization ever attempted to spend money for the relief of the needy that a certain percentage of the money did not go to the undeserving. That is inevitable in the disbursement of relief funds by the Federal Government because this money must be handled by human beings who never have been and never will be perfect. In every community there are a few plausible persons who will borrow money they never expect to repay and will get you to cash a check when they have no funds in banks. These persons will deceive the relief administrators. But we cannot permit deserving and needy persons to starve because some plausible but undeserving person deceives the relief administrators. The State administrators are appointed upon the recommendation of the Governors of the respective States who, in turn, appoint the county administrators. If mistakes are made, they are made by our own people, not the people of other States. We should realize, too, that while of the total amount spent for relief in Connecticut 85 percent comes from that State, its counties, and cities; in South Carolina 99 percent comes from the Federal Government and 1 percent from the State. In expenditures for relief by States Connecticut stands at the top of the list and South Carolina at the bottom.

I take occasion here to make a personal statement. During the administration of relief in South Carolina, while the office was under the control of Malcolm Miller and Mr. Baker, I have no recollection of ever filing a letter of recommendation for the employment of any employee at the administration headquarters. No county administrator was ever appointed upon my recommendation. When Miller Foster was appointed State administrator upon the recommendation of Governor Johnston, I told him that I would make only one recommendation to him and that was that he kept politics out of the F. E. R. A. and that he kept the F. E. R. A. out of politics. Thereafter I refused to communicate with him as to any appointments. A few days ago I made the same statement to Colonel Fulp, the new administrator. I would like to help persons seeking appointments, but this is an organization established for the purpose of relieving human suffering. It is one organization that should be kept free of politics, and the man in charge of it should have the knowledge that his power to appoint or to dismiss is not to be influenced by a Senator, Congressman, or any other man holding a political office.

When the civilian conservation camps were first proposed, I was one of those who doubted the wisdom of the proposal. They have been in operation for almost 2 years. I have changed my mind. I believe they have accomplished great good. Think for a moment of the young men who during the last few years graduated from school. They were induced to remain in school because of the assurance that thereby they would be able to achieve success in life. When they graduated they walked the streets of the cities, but were unable to secure employment of any kind. They were disappointed and disillusioned. They were at the crossroads of life. I dislike to think what would have become of these splendid young Americans had it not been for the establishment of these camps. They have received physical training; they have received military training, and gradually they are finding employment in private industries. If the camps had done nothing other than to save these young men, they would have justified every dollar spent for their maintenance.

It is said, however, that while some good has been accomplished by the administration, the public debt has gradually increased. Attention should be called to the fact that a considerable portion of the money which has been appropriated has been loaned and will be repaid. The Chairman of the Reconstruction Finance Corporation advises the Congress that he is now collecting more money than he is lending. He states that he will not lose 5 percent of the amount which has been loaned since Mr. Roosevelt became President. Money loaned by the Public Works Administration will likewise be repaid.

Large sums have been loaned through the Federal Land Bank upon the farms of the Nation, and through the Home Owners' Loan Corporation upon city homes. These sums will be repaid unless the homes of the cities and the farms of the Nation become worthless. If that ever occurs, there will be no hope for any of us.

But it is said that, so far as South Carolina is concerned, while we have paid taxes to the Government, we have not received anything except "crumbs from the table." Well, let us see. We have received in loans:

Through the Public Works Administration	$7,182,712
Farm Credit Administration	25,260,920
Reconstruction Finance Corporation	22,260,920
Total loans in State	54,704,552

I do not have the figure showing the amount loaned through the Home Owners' Loan Corporation but know it is a substantial amount. In addition to this money which has been loaned and which must be repaid, we have received in grants and gifts the following amounts:

Public works grants	$2,305,880
General projects on Federal property	17,496,730
Civil Works Administration	9,127,881
Relief Administration	27,401,684
Department of Commerce	356,000
Department of Agriculture	21,147,888
Total gifts and grants	77,836,063

Pretty good crumbs!

Three years ago neither the State of South Carolina nor any county in the State could sell its securities. No city in South Carolina could sell its securities. The city of Charleston was using scrip to pay its employees. Today the situation is entirely changed. Taxes, not only for the current year but for past years, have been paid. The credit of the State, counties, and cities is restored. This is due to the fact that when loans have been made by the Federal land bank or the Home Owners' Loan Corporation, sufficient money has been loaned to make possible the payment of all taxes due. The Home Owners' Loan Corporation has paid taxes amounting to $701,388 to the State, county, and city governments. I have not the figures from the Federal land bank and the farm-loan commissioner, but know that in refinancing the farmers throughout the State, a large amount of money has been paid in taxes due upon farms.

Our critics, however, are not confined entirely to the ultraconservatives who view with alarm the activities of the administration on the ground that things are being done that were never done before. There is another group of critics who charge that the administration is dominated by Wall Street. These critics cannot be ignored. We must remember that there are approximately 5,000,000 people on the relief rolls. One and one-half million are, because of their age or infirmity, unemployable; three and one-half million are capable of working. The man who has never been out of a job cannot understand the mental attitude of these people. Many of them think that there is something wrong in an economic system that makes it impossible for them to secure employment. There are other millions who are not out of employment, but who have lost the savings of a lifetime.

They are sore and disgruntled. Men in this mental condition are easily misled by plausible talkers, who place personal ambition above the public welfare. These critics charge that the social-security program of the administration is entirely inadequate. Of course, nothing that was proposed would please them. The Congress must consider the interests of all the people. A sane plan will be worked out that will in any ordinary period of depression save us from having to resort to the dole, which is so objectionable to our people.

That is true of old-age pensions. Many States have such laws. The pending proposal is to aid the States. It must be done in a sane way. We must bear in mind that the money must come out of the pockets of the people. Consideration must be given to those who pay the bills, as well as to those who are the beneficiaries of such legislation. I will not attempt to discuss at this time the proposal of the extremists. I have an abiding confidence in the common sense of the people. They may be misled for a short while, but they realize that in the history of the Government no President has shown as much interest in relieving the suffering of unfortunate people; and no man who has ever occupied the White House has done more to promote the cause of the wage earners of this Nation than has Franklin D. Roosevelt.

The wreckage wrought during 12 years of Republican misrule could not be repaired in 2 years. We have made progress, but we are still confronted with many serious problems. For the first year and a half the President had the cooperation not only of his own party but of a considerable portion of the Republican Party. If this condition existed today, we would entertain greater hope for the recovery program. Unfortunately we approach an election. Because of the attitude of some Democrats the Republicans for the first time have some hope of success. Their strategy is to encourage disgruntled Democrats to lead the fight against the administration. As a result of these tactics the recovery program is being retarded.

I do not believe that everything done by the Democratic administration is necessarily right. Mistakes have been made and will be made. The President has said that he would be happy if in blazing a new trail to lead us out of our difficulties he could be right 75 percent of the time.

There isn't a Democrat in Congress who doesn't know that if he desires publicity, he need only to desert his party and declare that his conscience will not permit him to vote with his party associates. He will receive the applause of every enemy of his party and receive the headlines in the newspapers. I am not that kind of a Democrat.

When in the House, during the administration of Woodrow Wilson, I supported that administration. In 1932 the people of this

country elected Franklin D. Roosevelt as President. We cannot all be generals. Every army must have its colonels, captains, and privates. An army that spends its time and strength fighting among themselves can never win a war. If I do not agree with the proposals of the President, I do not hesitate to tell him that I disagree with him. He has shown a willingness, not only to discuss every proposal, but to compromise in order to have the Democratic Party present a united front.

All legislation is enacted as the result of compromises. When I have presented my views, if the President and my Democratic associates disagree with me, I am not going to sulk. Unless the question involves a sacrifice of a principle affecting the people of this State, I am going to stand by the President of the United States and the leader of my party. My hope is that he will continue to diseregard the advice of the whining tories on the one hand and of the crackpots on the other hand, and stay in the middle of the road, continuing his fight for the return of prosperity to the people of this Nation.

DELAYING SUPREME COURT ACTION—EDITORIAL FROM ST. LOUIS GLOBE-DEMOCRAT

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the St. Louis Globe-Democrat entitled "Delaying Supreme Court Action."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat]

DELAYING SUPREME COURT ACTION

Consideration of the constitutionality of the National Industrial Recovery Act by the Supreme Court has been indefinitely deferred by the action of the Department of Justice in dismissing without hearing its appeal in the Belcher case. This is the case affecting the provisions of the lumber code which it was expected would bring before the Court for its decision the main constitutional questions involved in the application of the act through the N. R. A. While the Department of Justice explains its action in a statement to the effect that the lumber code contains provisions peculiar to itself that are in process of revision, it is obvious that it has withdrawn the appeal because of the fear of an adverse ruling.

The plain inference is that the administration does not want to take the risks incurred in a Supreme Court hearing at a time when it is endeavoring to obtain legislation to extend the N. R. A. in a modified form for 2 years more. And yet it seems to us that a Supreme Court decision on the constitutionality of the N. R. A. is urgently needed right now. It is either unconstitutional in its main features or it is not. If it is unconstitutional, then the entire experiment must be terminated, and any effort to extend the act would be useless. The recent decisions of the lower courts present conclusions showing that it is fundamentally in conflict with the basic law in its control of industrial operations and management not construable as functions of interstate commerce, and it is difficult to see how the Supreme Court, when confronted with these questions, could fail to concur in the primary opinions of the lower courts. These decisions at least throw a very grave doubt upon the constitutionality of the N. R. A. system. Yet in the face of that doubt Congress is proceeding with the consideration of legislation, such as the Wagner labor bill and the 30-hour-week bill, in addition to the extension of the N. I. R. A., that if the Supreme Court should decide in harmony with the Neilds decision at Wilmington, for example, would be automatically invalidated.

It seems to us of the utmost importance that these questions of constitutionality should be definitely decided as soon as possible. Nothing can be gained by delay. Decision by the Supreme Court would clear the air of much that works to the suffocation and blindness of industry. If the Court should sustain the Government's position the country at any rate would be assured that the administration is acting within constitutional limitations, whatever the view of the wisdom of its undertakings. On the other hand, adverse decision would show what are the limitations of Federal legislative or executive action within the field of industry, and Congress would be enabled to deal intelligently with the problems before it in conformity with the Supreme Court's rulings. What is the use of proceeding with experiments of such revolutionary nature as those in operation or now proposed when their constitutionality has been made so doubtful by court decisions and when opportunity to obtain definite rulings by the Supreme Court are immediately at hand? It was suggested sometime ago that the Department of Justice might unite the N. R. A. cases that it has appealed and endeavor to obtain an immediate settlement of the constitutional questions involved in them. That program seems to have been set aside, if, indeed, it were ever seriously contemplated, and the policy of deferring such settlement as long as possible adopted.

Meanwhile Congress is being urged to go ahead with legislation that is clearly unconstitutional unless lower Federal courts are gravely at fault in their reasonings and their citations. To what end? If these courts are correct, such legislation will be declared invalid, and the difficulties of readjustment necessitated by such decisions will be greatly increased by the operation of the new laws now proposed. All of which adds to the uncertainties which confront industry and further confuse the economic situation. We have said time and time again that what the country needs above all else is a reasonable measure of certainty as to the future that will enable business to plan ahead, that will permit and encourage capital investment, and that will stimulate initiative and enterprise. That, it seems, is something that is persistently denied us, and uncertainties are increasing rather than diminishing. Some Supreme Court decisions on fundamental questions of the moment would, we believe, be a great help to confidence and security.

THE BURDEN OF TAXATION

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the RECORD an article which appeared in the March 15 edition of Forbes Magazine, by Mr. J. W. Oliver.

I have ascertained from the Joint Committee on Printing that it is within the rule as far as the space it will consume in the RECORD is concerned.

I am not unmindful that the author, Mr. J. W. Oliver, Treasurer of the American Management Association, is also secretary of the Linen Thread Co., of which company I was at one time the president, but my request to insert this article in the RECORD is solely because of the value and importance, particularly in these times, of the message conveyed therein.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MR. UNITED STATES CITIZEN, WORLD'S CHAMPION TAXPAYER

(B. J. W. Oliver, secretary the Linen Thread Co., treasurer American Management Association)

When the average American looks at the tax problem he receives a distorted picture like the reflection of a trick mirror in a sideshow.

The harassed property owner examines his books and concludes rightfully that his taxes are excessive. The poor man compares his cost of living with his income and declares he is unable to pay anything toward governmental upkeep. The rich man claims that he is already taxed within an inch of his life. Briefly, everyone believes that he is overburdened and this gives rise to a national theory of revenue raising which, summed up, merely amounts to: "Soak the other fellow."

In a land bristling with political expediency, this is an invitation which cannot be ignored. Therefore, taxes are sugar-coated to please the voter's palate. This unfortunate practice has resulted in certain definite misconceptions which must be dispelled before Americans will realize that we are all adrift in the same boat; that taxes are mounting without relieving anybody; that the cost of doing business is increasing daily; and that the Nation at present is taxed at a higher rate than any other world power.

DON'T BE AN OSTRICH

There is only one real question involved in the problem, and that is: "How much does our Government cost us?" At the mere mention of this hobgoblin most people stick their heads in the sand, shrug their shoulders in sublime disregard, and reply: "Well, we don't know exactly, but, thank Heaven, it is not as high as that of Great Britain, when you consider the income ratio." No? Let us consider the facts.

The latest authentic figures available in connection with British tax collections apply to the fiscal period 1931–32, in which the national income was £3,842,000,000. The ratio of all costs is set forth in the following table:

Item	Taxes	Percent of taxes to income
Imperial Government	£733,000,000	19.08
Local authorities	167,984,000	4.37
Employers' contributions to unemployment, health, and social insurance	42,500,000	1.11
Total	943,484,000	24.56

Complete figures for later periods are not at hand, but the indications are that the cost of government has decreased, whereas the national income has increased. We may safely assume that the cost of British government is less than 25 percent of the national income.

LET'S LOOK AT THE FIGURES

Now, let us look at the figures for our own country in the past year. The national income for 1934 is estimated at approximately $45,000,000,000. It is also estimated that governmental expenditures for the fiscal year will be as follows:

Federal	$7,000,000,000
State	2,000,000,000
Local	8,000,000,000
Total	17,000,000,000

Since approximately half of the Federal expenditure item represents loans which will eventually be recovered, it would be unfair to say that the actual cost of our Government is 38 percent of the national income; but if we make allowance for that and record the Federal item as $3,500,000,000, we still find ourselves with a tax load of $13,500,000,000, which is 30 percent of the national income. Therefore, the common notion that our British cousins pay propor-

tionately more for their government than we do for ours is exploded beyond peradventure of doubt.

This misconception is due in large part to the fact that American business men make no attempt to ascertain their total revenue expenses. Although corporation heads maintain a close check upon the costs of labor, operations, and materials, few of them could give an accurate answer to the question: "What is the total tax in your cost of operations?" And it is my belief that if every corporation's annual report contained an isolated item showing all governmental charges, the public would soon learn where its money goes and would soon demand that some order be brought out of chaos.

UNBELIEVABLE—BUT A FACT!

In my own organization we have computed our total tax bill for last year and have found that it comes to approximately 12 percent of our total gross sales. This figure sounds unbelievable until it is considered that most of our taxes are concealed in the prices of materials, and so forth. It is only when you grapple with the hydra of taxation that its many heads—processing taxes, excise taxes, sales taxes, income taxes, license taxes, and what not—come into view.

Before plunging further into this morass of governmental costs let us consider briefly the various imposts to which a company operating in New York City is subject today. First, there is a property tax; then there is a gross-receipts tax; then there is a Federal income tax, import duties, processing and compensatory taxes, and special excise taxes; then there is a State income and franchise tax; then there is a city levy of 15 percent of the Federal income tax; and last but not least there is a 2-percent sales tax.

This brings into the spotlight another huge item in the actual cost of our revenue scheme, an item which we shall call the "invisible tax." This is the cost of determining liability, of complying with thousands of statutory requirements, of preparing documents, and so on. It is merely the cost of paying taxes. And it is this item, amounting to 10 percent of all governmental expenditures, which is sheer economic waste and which is obstructing the business road. Manufacturing corporations which operate on a national scale are required to file literally hundreds of reports and to comply with literally thousands of overlapping tax statutes throughout the country. In most cases the tax itself does not equal one-half the cost of preparing the return and of meeting the requirements of the law.

For example, in 1932 the State of Massachusetts received an average of $55 for each corporate report. The cost of preparing the average report was estimated at $200, a ratio of almost 4 to 1. In the same year New York State received an average of $175 per industrial corporate report. There were about 90,000 of such reports and, of these, 60,000 paid only the minimum tax of $25. We may wager that very few cost merely $25 to prepare and file.

As an example of the wildly unrelated system of revenue collecting prevailing in this country, consider the fact that in 1933 alone more than a thousand different revenue statutes were passed. Today there are pending some 1,400 or 1,500 different items of tax legislation in the legislatures now in session. This may give some inkling as to why it costs so infinitely much more to comply with complex State and local tax schemes than with the Federal.

What is the total cost of all this to the Nation? Practically, it is inestimable. In my own company over half of the accounting expenses (to say nothing of the cost of professional services) are due to tax ramifications, and the sum of these indirect expenses may not even be guessed at. But we can estimate the direct costs, and this total is amazing enough.

In 1930 a high authority placed the costs to taxpayers of complying with Federal taxation—legal fees, accountants' fees, traveling expenses, etc.—at $400,000,000. At that time we were operating under the Revenue Act of 1928, the simplest of all Federal revenue measures since the war. We may assume that in today's increased confusion the total has risen to at least $600,000,000. Although State and local costs would probably run higher, let us be safe and place it at $400,000,000. We have now a total of a billion dollars a year as the cost of paying taxes.

But we have not yet considered governmental administration. The cost of this whole item may not be quite as high, so let us fix it at $500,000,000. That brings our total up to one and one-half billions of dollars. Thus, even a distinctly conservative estimate shows that we are burdened with a charge for preparing to pay taxes which is 10 percent of the cost of running the Government.

SUGAR-COATING COSTS MONEY

Unfortunately, there has never been an actual survey of all taxation expenses, but the American Management Association is now making such a study, which will reveal to the Nation what is taking place.

There is no question that political expediency is the chief cause of this revenue situation. The simple truth is that there are too many taxing bodies. In one important sense, we are living under an archaic form of government. There is no earthly reason why this country should maintain 183,000 individual political units, except that most of these divisions have their staff of officials who are unwilling to relinquish their sinecures and who are politically potent enough to prevent common-sense consolidation.

Furthermore the sugar-coating on tax measures is expensive. For instance, the present administration has said, in effect: "We must not have a sales tax. We must not tax the poor man's necessities of life." So the legislators have adopted a plan of processing and compensatory taxes as well as selective excises which is the most complicated system obtainable. And it is important to note that discriminations and complications are what make taxes costly. The more you rule, the narrower you define, the more involved the whole plan becomes.

The consumer must be made to understand that he bears the brunt of all taxation, anyway. For example, my company is satisfied with a profit of 1 cent on a pound of twine. But the processing tax on that pound of twine is 5 cents. Obviously, there is no way in which the company can absorb that 5 cents if it is to stay in business. Therefore, the consumer pays it, and if he prefers to be kept unaware of that fact, he must expect to pay more for a ball of twine than he would if the taxing method had a more equitable application. The consumer, be he rich or poor, can well assume that he is paying a high tax on everything, including basic commodities. Nothing illustrates this quite so well as the fact that processing taxes and other commodity imposts yield about two dollars to the Government for every one yielded by income taxes.

While over half the population of the United States is under some form of sales tax today, there are, unquestionably, a number of things wrong with such a method of revenue collection in addition to the demagogue's claim that it is a tax on an inability to pay. In the first place, the sales tax as we have it is confined within local boundaries, whereas business itself is not so confined. Moreover, it is very complex and very difficult to collect. And since the small man knows full well that his business cannot be audited, it places a burden upon honesty and upon those companies which must pay the evader's share.

The chief fault, however, is that any tax based upon the ultimate sale is subject to all sorts of rulings, and the further it is defined, the more complicated it becomes. For example, the question of interstate commerce always causes trouble. One railroad recently had to apply for a ruling upon meals eaten in dining cars while crossing a State line. At what point in the meal did the tax apply? Upon ordering, after the soup, the entree, or the dessert?

FALSE TEETH VERSUS GLASS EYES

There is also the problem of resale. Twine bought by a department store for binding packages is not taxable because it is bought for resale. Twine bought for use by a wholesaler is taxable.

Under the present New York City sales tax the seller must pass the tax on to the buyer; if he absorbs it, he is liable to heavy penalties. Now, let us assume that the seller is a branch of an establishment selling goods at nationally advertised prices and meeting competitive prices, and that a substantial number of his customers live outside New York City. Since these customers have no credit rating, it is their habit to sell produce or other goods in the city, then to go to this store to buy the things they need to carry on their business. What is the result of the sales-tax law? Simply, that these buyers no longer are going to patronize New York City establishments.

There is the further question of whether or not a dentist who makes false teeth is subject to tax. A recent ruling was that he is a repair man and that his charge, being a service fee, is not taxable. But a manufacturer of glass eyes sought a similar ruling, which was denied on the ground that his goods are not true repairs, since you cannot see with a glass eye but you can chew with false teeth.

All these complications would be humorous if they were not, at the same time, so tragic. The spectacle of American business and American courts enmeshed in such nonsense is not an edifying one to the discerning taxpayer.

Clearly there is a crying need for public education in this whole matter. As long as people do not know they are paying outrageous taxes under the present set-up, there will be no change. But as soon as they learn that the various measures adopted under the guise of social reforms are not actually redistributing wealth but are merely multiplying the industrial overhead, there will be some chance, at least, for remedying this expensive situation.

But is there any simple, inexpensive method of raising revenue? A few figures provide us with the answer. In 1929 there were 211,000 companies in the country which were accountable for 99 percent of the total manufactured output. At the same time there were 1,500,000 retailers. Therefore, it is obvious that the ideal business tax would not be a levy upon sales or processing, but would be a manufacturers' excise tax, leviable at the source of all finished goods, to take the place of the existing Federal processing taxes, selective Federal sales and nuisance taxes, as well as all forms of sales and business taxes imposed by State and local governments. It would not be discriminatory in any way and it would make no fine distinctions. It would be collected by the Federal Government and allocated to the various States on a basis involving population, individual consumption, and assessed valuations of property.

It would be one broad business tax, easily collectible, which would reduce the costs of complying with Federal statutes by at least 50 percent, and which would eliminate the costs of State and local compliance altogether. The Federal Government would also be the only agency empowered to levy taxes upon motor fuel, tobacco, and liquor, and would be the only collecting agency for all taxes, excepting those levied upon property.

Even then the taxpayer would not be freed from unnecessary costs until the expense of maintaining the Nation's 183,000 political units was reduced by the consolidation of local divisions. However, we should be on our way toward some semblance of a coordinated revenue system.

That our present course of confusion and complication is a sure way to bankruptcy and ruin is inescapable. If we continue along the same path, our governmental expenses are certain to rise and

this promises nothing but danger. It can mean one of only two things: First, that the Federal Government will start the printing press and State and local governments will be forced to repudiate; or, second, that we will attempt to carry an even more staggering burden of taxation which might reach or exceed 50 percent of the national income. One needs only to look at Europe to realize what either outcome will do to our standards of living.

ARMY DAY—ARTICLE FROM NATIONAL BULLETIN

Mr. SHEPPARD. Mr. President, I present for publication in the RECORD an excerpt from the Military Order of the World War National Bulletin for February 1935 giving the history of Army Day, together with letters from President Roosevelt, Secretary of War Dern, and Chief of Staff Gen. Douglas MacArthur in reference to Army Day.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Military Order of the World War National Bulletin, February 1935]

ARMY DAY—APRIL 6, 1935

HISTORICAL

April 6, 1935, marks the eighth annual celebration of Army Day, which commemorates America's entrance into the Great War 18 years ago. The day was established with a very modest beginning by the Military Order of the World War in 1928, and has ever since been sponsored by our order.

At a meeting of our general staff, held in New York City in January 1928 the Army Day idea was launched. At that meeting "the commander in chief was directed to call upon all chapters to organize patriotic celebrations on May 1, to bring to the attention of the public our Army—what it stands for and what it needs, all to aid in the great problem of national defense." He was further "authorized to obtain endorsements from other veteran and patriotic organizations, as well as from State and city officials." The date of May 1 was selected at that time to offset the then prevailing communistic activities and youth-movement parades that had been scheduled throughout the United States for May Day. Modest celebrations were held by various chapters throughout the country.

FIRST ENDORSEMENT

It is believed that the first endorsement that was received at our national headquarters came from the Reserve Officers' Association in March 1928. The first official proclamation that we have record of was issued by the mayor of Philadelphia. He was followed closely by the mayor of New York. The Military Order of Foreign Wars, American Legion, Veterans of Foreign Wars, and others quickly followed with their endorsements.

One of the most interesting ceremonies, held on the first Army Day in 1928, was under the auspices of the District of Columbia Chapter, of which Admiral T. J. Cowie was the commander. The ceremonies were held before the Tomb of the Unknown Soldier in Arlington National Cemetery.

The photograph appearing in the Military Order of the World War National Bulletin, published shortly after this ceremony in 1928 depicts this historical beginning with Past Commander in Chief Admiral T. J. Cowie delivering the principal address to a distinguished group, in the front row of which stood Gen. Charles P. Summerall, the Chief of Staff, United States Army; Admiral Charles F. Hughes, the Chief of Naval Operations; and Maj. Gen. John A. Lejeune, Commandant United States Marine Corps.

APRIL 6 SELECTED

During 1928 it became evident that it would be advisable to hold Army Day celebrations on some day other than the 1st of May. The concensus of opinion seemed to favor April 6, the anniversary of America's entrance into the World War as the most appropriate day.

Accordingly, at the 1928 national convention of the Military Order of the World War, a resolution was adopted naming April 6 as Army Day. By virtue of such action, our then commander in chief, Col. Thatcher T. P. Luquer, made public proclamation announcing the establishment of Army Day and its sponsorship by the Military Order of the World War.

Since that modest beginning, Presidents of the United States, Governors of States, mayors of cities and towns, cabinet officers, military authorities, public officials, and patriotic, veteran, and civic groups have annually added their official proclamations and endorsements.

THIS YEAR

The celebrations this year throughout the country and insular possessions are expected to surpass all previous occasions.

THE WHITE HOUSE,
Washington, March 16, 1935.

Lt. Col. GEORGE E. IJAMS,
Commander in Chief, Military Order of the World War,
Washington, D. C.

MY DEAR COLONEL IJAMS: The general observance of Army Day on April 6 should bring back to our mind the efforts and sacrifices of our soldiers which have been so decisive in the creation, preservation, and development of this great Nation. It should be an occasion for the Army to rededicate itself to its glorious heritage of service to our country, both in times of peace and in times of war.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

WAR DEPARTMENT,
Washington.

Commemorating, as it does, our entry into the World War, Army Day serves to keep fresh in the public mind the value of preparedness for national defense. To the Military Order of the World War, whose leadership is largely responsible for this annual observance, I extend hearty greetings and assurance of appreciation of its patriotic endeavors.

GEO. H. DERN,
Secretary of War.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, D. C.

Maj. EDWIN S. BETTELHEIM, Jr.,
Adjutant General, Military Order of the World War,
Washington, D. C.

MY DEAR MAJOR BETTELHEIM: Army Day brings to me once again the opportunity of testifying to the high regard that the Army holds for the Military Order of the World War.

The members of your organization displayed, in the greatest war of history, qualities of leadership that brought them into positions of responsibility and distinction. During succeeding years they have continued to exhibit an unflagging interest in our country's welfare, which has earned for the order an enviable reputation and made of it a distinct national asset.

It is a privilege to extend, through the national bulletin of the order, Army Day greetings and best wishes to each of your members.

Sincerely,

DOUGLAS MACARTHUR,
General, Chief of Staff.

NEW RECORD FOR PEACE-TIME SPENDING—ARTICLE FROM UNITED STATES NEWS

Mr. DICKINSON. Mr. President, I ask unanimous consent that an article from the United States News of April 1, 1935, entitled "New Record for Peace-Time Spending", together with the detailed spending record of the Federal Government from 1789 to 1936 be inserted in the Appendix of the RECORD.

There being no objection, the article and table were ordered printed in the RECORD, as follows:

[From the United States News, Apr. 1, 1935]

NEW RECORD FOR PEACE-TIME SPENDING—THE 3-YEAR BUDGET OF THE NEW DEAL IS EQUAL TO THAT OF ALL ADMINISTRATIONS FROM GEORGE WASHINGTON TO WOODROW WILSON

Congress is giving the President $4,880,000,000 in one lump sum to spend on jobs.

No such vast grant is recorded in the previous peace-time history of the Nation. Added to other appropriations, and plans for appropriations, this action calls attention to the following fact:

TWENTY-FOUR BILLION IN 124 YEARS

From the first term of George Washington to the first term of Woodrow Wilson—124 years—the United States Government spent $24,521,845,000.

From the first Budget of President Roosevelt to his latest Budget—covering 3 years—the United States Government outlines spending of $24,206,533,000.

That raises the question: Just how much is $24,000,000,000?

It is $12 each for every man, woman, and child on the face of the earth. It represents nearly $1,000 for each family in the United States.

It was enough to finance the National Government through 31 Presidential terms of 4 years each.

During that time were fought four wars. The Nation grew from 13 sparsely populated Atlantic Seaboard States to a vast expanse of 48 highly developed, immensely rich States, comprising the wealthiest area in all the world.

Four years of the War between the States were fought by President Lincoln with less than three and one-half billions of dollars.

The War of 1812, the War with Mexico, and the War with Spain could have been thrown in for good measure and still the expenditure would have been less than the $4,880,000,000 being appropriated by Congress for 1 year of present-day unemployment relief.

THE COST PER CAPITA

Only during the World War was there a comparable rate of spending. Then, in 2 years, the United States poured out $32,000,000.

But during the first 124 years of the Nation's existence the average annual cost of the central Government was just $195,085,000, or about $5.26 for each person.

During the next 20 years, from 1914 to 1933, including the World War years, this average annual cost rose to $4,767,160,000, or $42.16 per capita.

Now, through the fiscal years 1934, 1935, and 1936, the average annual cost of the Federal Government has risen to $8,068,800,000, or $64.55 for each person in the country.

SPENDING $13,000 A MINUTE

Broken down into more understandable terms, as done by Senator BYRD (Democrat), of Virginia, these figures show that the Federal Government is spending nearly $13,000 every minute of the day and night. Of that $13,000, he estimates that about

$7,000 is being added to the public debt to be paid by future generations.

In those figures, officials see the story of the shift in importance of the Federal Government from a mere central agent for the sovereign States to a centralized government dominating economic as well as political affairs of the country.

UNCLE SAM'S SPENDING RECORD: 1789 TO 1936

From the time George Washington took his first oath of office on Wall Street until the last dollar of President Taft's last budget was spent on June 30, 1913, the total cost of running Uncle Sam's Government was $24,521,845,000.

Compared with this figure for 124 years are the estimated expenses of the first 3 years of President Roosevelt's administration, $24,206,533,000. Figures used were obtained from the latest annual report of the Secretary of the Treasury.

TABLE I.—*Federal total annual expenditures from 1789 to June 30, 1913*

	Total expenditures
1789 to 1791	$4,269,000
1792	5,080,000
1793	4,482,000
1794	6,991,000
1795	7,540,000
1796	5,727,000
1797	6,134,000
1798	7,677,000
1799	9,666,000
1800	10,786,000
1801	9,395,000
1802	7,862,000
1803	7,852,000
1804	8,719,000
1805	10,506,000
1806	9,804,000
1807	8,354,000
1808	9,932,000
1809	10,281,000
1810	8,157,000
1811	8,058,000
1812	20,281,000
1813	31,682,000
1814	34,721,000
1815	32,708,000
1816	30,587,000
1817	21,844,000
1818	19,825,000
1819	21,464,000
1820	18,261,000
1821	15,811,000
1822	15,000,000
1823	14,707,000
1824	20,327,000
1825	15,857,000
1826	17,636,000
1827	16,139,000
1828	16,395,000
1829	15,203,000
1830	15,143,000
1831	15,248,000
1832	17,289,000
1833	23,018,000
1834	18,628,000
1835	17,573,000
1836	30,868,000
1837	37,243,000
1838	33,865,000
1839	26,899,000
1840	24,318,000
1841	26,566,000
1842	25,206,000
1843 [1]	11,858,000
1844	22,338,000
1845	22,937,000
1846	27,767,000
1847	57,281,000
1848	45,377,000
1849	45,052,000
1850	39,543,000
1851	47,709,000
1852	44,195,000
1853	48,184,000
1854	58,045,000
1855	59,743,000
1856	69,571,000
1857	67,796,000
1858	74,185,000
1859	69,071,000
1860	63,131,000
1861	66,547,000
1862	474,762,000
1863	714,741,000
1864	865,323,000
1865	$1,297,555,000
1866	520,809,000
1867	357,543,000
1868	377,340,000
1869	322,865,000
1870	309,654,000
1871	292,177,000
1872	277,518,000
1873	290,345,000
1874	302,634,000
1875	274,623,000
1876	265,101,000
1877	241,334,000
1878	236,964,000
1879	266,948,000
1880	267,643,000
1881	260,713,000
1882	257,981,000
1883	265,408,000
1884	244,126,000
1885	260,827,000
1886	242,483,000
1887	267,932,000
1888	267,925,000
1889	299,289,000
1890	318,041,000
1891	365,774,000
1892	345,023,000
1893	383,478,000
1894	367,525,000
1895	356,195,000
1896	352,179,000
1897	365,774,000
1898	443,369,000
1899	605,072,000
1900	520,861,000
1901	524,617,000
1902	485,234,000
1903	517,006,000
1904	583,660,000
1905	567,279,000
1906	570,202,000
1907	579,129,000
1908	659,196,000
1909	693,744,000
1910	693,617,000
1911	691,202,000
1912	689,881,000
1913	724,512,000
Total	24,521,845,000

[1] From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date on June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

TABLE I.—*Federal total annual expenditures from 1789 to June 30, 1913*—Continued.

TABLE II.—*Estimated Federal expenditures, 1934 to 1936*

1934	(actual)	$7,105,050,000
1935	(estimated)	8,581,069,000
1936	(estimated)	8,520,414,000
Total		24,206,533,000

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

Mr. ROBINSON obtained the floor.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from New York?

Mr. ROBINSON. I yield.

Mr. COPELAND. I move that the Senate proceed to the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated, or misbranded foods, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes.

Mr. CLARK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. ROBINSON. I yield.

Mr. CLARK. Did the Senator from Arkansas yield to the Senator from New York for the purpose of making the motion?

Mr. ROBINSON. Yes; I yielded to the Senator for that purpose, but I will now suggest the absence of a quorum.

The VICE PRESIDENT. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Barbour	Borah	Byrd
Ashurst	Barkley	Brown	Byrnes
Austin	Bilbo	Bulkley	Capper
Bachman	Black	Bulow	Clark
Bankhead	Bone	Burke	Connally

Coolidge	Hale	Metcalf	Schwellenbach
Copeland	Harrison	Minton	Sheppard
Costigan	Hastings	Moore	Shipstead
Couzens	Hatch	Murphy	Steiwer
Cutting	Hayden	Murray	Thomas, Okla.
Dickinson	King	Neely	Thomas, Utah
Dieterich	Lewis	Norbeck	Trammell
Donahey	Logan	Norris	Truman
Duffy	Lonergan	Nye	Tydings
Fletcher	Long	O'Mahoney	Vandenberg
Frazier	McAdoo	Pittman	Van Nuys
George	McCarran	Pope	Wagner
Gerry	McGill	Radcliffe	Walsh
Glass	McKellar	Reynolds	Wheeler
Gore	McNary	Robinson	White
Guffey	Maloney	Russell	

Mr. McNARY. I wish to announce that the Senator from California [Mr. JOHNSON] is absent on account of illness.

Mr. DUFFY. I have been requested to announce that my colleague the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent today, due to illness. I ask that this announcement may stand for the day.

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from North Carolina [Mr. BAILEY] and the Senator from South Carolina [Mr. SMITH] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness; that the Senator from Minnesota [Mr. SCHALL] is absent on account of a death in his family; that the Senator from Wyoming [Mr. CAREY] is absent on official business; and that the Senator from Delaware [Mr. TOWNSEND], the Senator from New Hampshire [Mr. KEYES], and the Senator from Vermont [Mr. GIBSON] are necessarily absent. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

The question is on agreeing to the motion of the Senator from New York [Mr. COPELAND] to proceed with the consideration of Senate bill 5.

Mr. CLARK. Mr. President, I desire to address myself to that motion, but, pending that, will the Senator from New York yield to me for the purpose of presenting a unanimous-consent request?

Mr. COPELAND. I yield.

SUPREME COURT TEST OF CONSTITUTIONALITY OF N. I. R. A.

Mr. CLARK. I send to the desk a resolution and ask that it be read, and I also ask unanimous consent for its present consideration. I offer this resolution on behalf of the Senator from Delaware [Mr. HASTINGS] and myself.

The VICE PRESIDENT. The Senator from Missouri, for himself and the Senator from Delaware [Mr. HASTINGS], submit a resolution, which will be read.

The Chief Clerk read the resolution (S. Res. 113), as follows:

Whereas there is pending in the Supreme Court of the United States, October term, 1934, no. 628, entitled "*United States of America, appellant,* v. *William Elbert Belcher, alias W. E. Belcher,* being an appeal from the United States District Court for the Northern District of Alabama"; and

Whereas the following information appears from an examination of the papers in said case, to wit:

Belcher was indicated for violation of the National Industrial Recovery Act, the indictment being filed on August 24, 1934. In the said indictment he was charged with the violation of the said act and the violation of the terms and provisions of the Code of Fair Competition for the Lumber and Timber Products Industries.

Among other things, Belcher was charged with violating the code in transactions affecting interstate and foreign commerce by permitting certain persons employed by him to work more hours than the code prescribed and for less wages than the code prescribed. Belcher is alleged to have been engaged in interstate commerce in that he was shipping lumber out of Alabama and into other States.

On October 13, 1934, a demurrer was filed on behalf of Belcher. The substance of said demurrer is hereinafter set forth in the Solicitor General's assignments of error.

On October 31, 1934, the demurrer was sustained, and the indictment dismissed.

On November 26, 1934, the district attorney for the northern district of Alabama filed his assignment of errors, and on November 28, 1934, served notice of appeal.

On January 4, 1935, the Solicitor General and the United States attorney for the northern district of Alabama filed a statement, showing the basis of the jurisdiction of the Supreme Court to entertain the appeal.

On January 9, 1935, the Solicitor General, pursuant to rule 13 of the Supreme Court, stated that he intended to rely on all of the points set out in the assignment of errors. These points, he states, may be summarized and grouped as follows:

"1. The district court erred in holding that the National Industrial Recovery Act is invalid and unconstitutional—

"(a) Because it is not within the powers conferred upon Congress to regulate interstate and foreign commerce;

"(b) Because it delegates legislative power in violation of section 1 of article I of the Constitution;

"(c) Because it encroaches upon powers reserved to the States, in violation of the tenth amendment;

"(d) Because the provisions of the act authorizing the President to regulate minimum wages paid to and maximum hours worked by persons employed in the production of lumber are invalid under the fifth amendment;

"(e) Because section 3 (f) of the act is invalid under the sixth and eighth amendments;

"(f) Because it delegates judicial power to the President, contrary to the Constitution;

"(g) Because the act, as applied to the defendant under the facts charged in each count of the indictment, is not within the powers conferred upon Congress to regulate interstate and foreign commerce.

"2. The district court erred in holding that the Code of Fair Competition for the Lumber and Timber Products Industry is invalid and unconstitutional—

"(a) Because the code provisions which the defendant is charged with having violated are not within the powers conferred upon Congress to regulate interstate and foreign commerce.

"(b) Because the code contains an invalid delegation of legislative power, in violation of section 1 of article I of the Constitution.

"(c) Because the code provisions which the defendant is charged with having violated encroach upon powers reserved to the States, in violation of the tenth amendment.

"(d) Because the code provisions which the defendant is charged with having violated are in conflict with the fifth amendment.

"(e) Because the code, as applied to the defendant under the facts charged in each count of the indictment, is not within the powers conferred upon Congress to regulate interstate and foreign commerce.

"(f) Because the code, as applied to the defendant under the facts charged in each count of the indictment, deprives the defendant of his property without due process of law, in violation of the fifth amendment.

"3. The district court erred in holding that the indictment, and each count thereof, does not charge an offense under the laws of the United States.

"The appellant deems the entire record, as filed in the above-entitled cause, necessary for the consideration of the above points."

The time fixed for the argument of the said case in the Supreme Court is Monday, the 8th day of April 1935; and

Whereas it has been announced through the public press during the past few days that the Government will not prosecute the said appeal, but will ask that the case be dismissed; and

Whereas the questions involved in said case are the constitutionality of the National Industrial Recovery Act and the codes made in accordance with the provisions of said act; and

Whereas the Congress has been urged by the President to extend the said act for another period of 2 years; and

Whereas the Finance Committee of the Senate is now conducting hearings for the purpose of ascertaining whether the said act should be extended and, if so, what changes should be made in it; and

Whereas a decision by the Supreme Court on the questions involved in the case above referred to would be of great assistance to the Senate in determining what changes are necessary, or whether a constitutional act could be passed to accomplish the purposes desired: Now, therefore, be it

Resolved, That the Attorney General of the United States be, and he is hereby, respectfully requested and urged to prosecute the said appeal and to oppose any delay in the argument, with the hope that the Supreme Court will render a decision in time to be of service to the Senate in its consideration of the extension of the National Industrial Recovery Act.

The VICE PRESIDENT. Is there objection to the request of the Senator from Missouri?

Mr. ROBINSON. Mr. President, I shall not object to the resolution being submitted, but I do object to its present consideration. I suggest that it be referred to the Committee on Finance.

Mr. LONG. Mr. President, does it not involve a judicial question? I suggest to the Senator that it would be better to refer it to the Committee on the Judiciary.

Mr. ROBINSON. No; I think the Finance Committee has jurisdiction of the matter. The resolution raises no judicial question. It is a proposal to instruct the Attorney General or to request the Attorney General. It does not raise any question of law, as the Senator must well know. It merely seeks to advise the Attorney General. If the Senator from

Missouri is willing that it shall go to the Committee on Finance of which he is a member, I suggest that reference.

Mr. CLARK. It was my purpose to request that the resolution go over under the rule. I am primarily interested in getting action on the resolution. Since undoubtedly a motion to refer would be made tomorrow if it did go over under the rule, I am entirely willing to accede to the suggestion of the Senator from Arkansas.

Mr. ROBINSON. I move that the resolution be referred to the Committee on Finance.

Mr. LONG. Did I understand the Senator from Missouri to be willing that the resolution be referred to that committee?

Mr. CLARK. Yes; I think it will expedite action.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas to refer the resolution to the Committee on Finance.

The motion was agreed to.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The VICE PRESIDENT. The question recurs on the motion of the Senator from New York [Mr. COPELAND] that the Senate proceed to the consideration of Senate bill no. 5.

Mr. CLARK. Mr. President, before the motion is voted on, if the Senator from New York does not desire to address himself to it, I should like to do so.

The VICE PRESIDENT. Does the Senator from New York desire the floor?

Mr. CLARK. If the Senator from New York does not desire to discuss the motion I should like to take the floor in my own right.

Mr. COPELAND. Very well.

The VICE PRESIDENT. The Senator from Missouri is recognized.

Mr. CLARK. Mr. President, I hope very much the Senator from New York will not press his motion at this time. The bill involves a matter of very great importance; a matter regarding which the President of the United States has lately sent to Congress a message. There has been no meeting of the Commerce Committee since the message of the President was received.

The subject matter of the bill is an extremely complex one, upon which meetings have been held for many days in the last Congress and in the present one. There have been many differences of opinion in the committee and in the Senate, which have to some extent been ironed out by conferences and by amendments.

I particularly urge that the motion be not pressed at this time by reason of the fact that the leading member of the Committee on Commerce opposed to the bill, the Senator from North Carolina [Mr. BAILEY], has been unavoidably detained from the Senate by a personal injury, a sprained ankle, for the past 10 days. I am advised that he will return to the Senate tomorrow morning.

In addition to that, when the bill, after many redrafts and many changes, was ready to be reported from the Commerce Committee the statement was distinctly made in the committee that there would be no haste and no lack of notice in relation to taking up the bill for consideration. There has been no notice to the Senate that the bill would be taken up today. As I said, the leading member of the committee opposed to the bill is unavoidably detained, but will be here tomorrow, I am informed; and I think, as a matter of fair play, the bill should go over at least until tomorrow.

So far as I am concerned I have never, since I have been a Member of this body, opposed due consideration of a bill or its expeditious consideration. I have no desire to oppose the expeditious consideration of this bill. I think none of the members of the committee who agree with my views have any such desire. As a matter of fact, the changes which have been made in the bill are such that I am very much inclined to favor its provisions. While there are some to which I still object, yet there will be no disposition on the part of myself or other members of the committee who share my views to unduly delay consideration. However, as a matter of common fairness to the Senator from North Carolina and other Senators who may desire to be heard, I believe the bill should go over until tomorrow at least.

Mr. McKELLAR. Mr. President, is there a minority report on the bill, or was the committee unanimous?

Mr. CLARK. I will state to the Senator from Tennessee that at the time the bill was reported, about 10 days ago, I reserved the right to file a minority report. The Senator from North Carolina [Mr. BAILEY], the ranking member of the committee, opposed to the bill, desired to participate in the preparation of that minority report. Owing to the unavoidable absence of the Senator from North Carolina it has been impossible to present the minority report. I may say that I stated to the Senator from North Carolina last week, through his secretary, on what I believed to be the authority of the Senator from New York [Mr. COPELAND]—I am informed this morning that I misunderstood his remarks—that he might have time in North Carolina to recover from his injury and return here in time to prepare the minority report. I make that statement in fairness to the Senator from North Carolina.

Mr. COPELAND. Mr. President, I merely desire to say that this bill in one form or another has been before the Senate since a year ago last June. The bill which we now have before us is the ninth reprint of the bill. Extensive hearings have been held upon it. Everybody who had an interest should have been heard, and I hold in my hand three large volumes indicating that everybody has been heard. More than that, I have had private conferences, I think, with every industry concerned almost every day since a year ago last June.

In reply to what the Senator from Missouri has said, I will state that he came to me at the end of week before last and said that our colleague, the Senator from North Carolina [Mr. BAILEY], had been injured, for which I am extremely sorry. I am sorry he is not present. He asked me not to bring up the bill last week. I readily agreed to that suggestion, although, of course, it could not have been brought up, anyhow, as it happened; but I did not make any promise beyond that.

I can see no reason why we should not proceed at once with the consideration of the bill, and, with all respects to my friend from Missouri, I should like to have action taken by the Senate to consider the bill.

Mr. VANDENBERG. Mr. President, I wish to testify to the loyal attention the Senator from New York has given to this proposed legislation for 2 years.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. CLARK. On that point I should like to join very heartily in the testimony borne by the Senator from Michigan. I have been a member of the subcommittee with the Senator from New York, and I may say that no Senator or Representative in my observation and experience has ever worked harder to perfect a very complicated measure and bring it to consideration than has the Senator from New York.

Mr. VANDENBERG. I think all the Senator from Missouri says is true. When the Senator from New York pressed the bill for final consideration at the last meeting of the Commerce Committee I voted with him in favor of reporting the measure. I am in general sympathy with the bill. I am particularly in sympathy with the attitude of the Senator from New York toward the proposed legislation, because from the beginning it has been an attitude that has been utterly fair, and he has demonstrated a complete anxiety to meet opposition views wherever feasible and possible.

But, Mr. President, I share the opinion of the Senator from Missouri that we shall not make any progress by attempting to proceed with the bill at the present time. The first notice I had that there was any remote contemplation of bringing the measure to immediate consideration was when I entered the Senate at noon today. I understood from the Senator from New York, when I addressed a query to him upon the subject last week, that it would be some time before the Senate would be asked to take up the problem textually.

I repeat that I am in favor of the general proposition, but there are numerous technical problems embedded in the bill. They are problems which seriously concern legitimate business. I am not interested in attempting to protect the illegitimate business which the Senator from New York wishes to attack, and which I join him in wishing to attack, but surely we are not going to burn down the barn in order to kill the rats. Surely reasonable notice should be given to those of us who wish to present amendments in behalf of legitimate business in order that we may have that opportunity.

I am not prepared to proceed today. The Senator from North Carolina [Mr. BAILEY] is not here, and he is the chief opponent of the bill. Under the circumstances, it seems to me the bill should at least go over until tomorrow, so that those of us who have followed the proposed legislation with some intimacy during the past 2 years may at least have our files in order, and may proceed with some degree of pertinency in the consideration of the bill.

Mr. ROBINSON. Mr. President, there is little legislative business that is ready for consideration. The Calendar was sounded a day or two ago for unobjected bills, and such bills were disposed of.

Senate bill 5 has been pending on the Senate Calendar for some 2 weeks. It was not expected that the measure should be disposed of today, but I do not see why we should not proceed with its consideration at this time. I myself am not so familiar with the bill as I should like to be, but unless we shall proceed with it we will have little other legislative business that is ready. I think the Senate should take up the bill and hear an analysis of it from the Senator from New York. I assume he is ready to make such a statement. Then, if Senators are not ready to proceed with the measure, we may make other arrangements; but, in view of all the circumstances, I believe it should be taken up.

Mr. McNARY. Mr. President, I must frankly confess that I have been disturbed by the slow manner in which we have been proceeding during the present session of Congress. If the program which has been detailed to us and given by the press is to come before the Senate, we shall not adjourn until midsummer. I hope there will be a great curtailment of that program; but we have done scarcely anything since we have been here.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. ROBINSON. I agree with the Senator that the progress of legislation during this session has been slow. That has been due to the fact that the committees which have the bills under consideration for the most part have been unable to reach conclusions and to make reports. This bill, as was stated by some Senators, has been before the Senate in one form or another for a very long time.

Mr. McNARY. Mr. President, I do not care to go into the reasons why progress has been almost negligible. I desire to speak for only a moment on the pending motion.

I was appointed about a year ago as a member of the subcommittee on the so-called "pure food and drug bill." That subcommittee made a report to the Committee on Commerce, to which the bill was referred. The committee considered the measure again at the present session, and I am anxious to proceed to enact some legislation on the subject if we are to have any brought before us this year; but a peculiar situation confronts us this morning.

Our colleague the Senator from Michigan [Mr. VANDENBERG] has stated—and, as a member of the committee, I know his statement to be correct—that the Senator from North Carolina [Mr. BAILEY] is very much opposed to this measure. The Senator from Missouri [Mr. CLARK] is much opposed to some parts of it. I favor the proposed legislation. I favor action on some measure of this kind; but, in view of the absence of the Senator from North Carolina, caused by the injury which he has sustained, and in view of the want of notice generally to the members of the committee and the Senate, I appeal to the Senator from New York to postpone for 1 day consideration of this measure. I think it will help its progress in the Senate to be considerate of those who are absent and of those who have not had time to read the report and study the bill.

I speak as one who is anxious to go forward; but under the existing peculiar situation I think it would be tactful, it would be the right thing to do, to let the bill go over today and take it up tomorrow, when the Senator from North Carolina can be here, and the Senator from Michigan and the Senator from Missouri and others may have an opportunity to consider the very complicated provisions of the bill.

Mr. COPELAND. Mr. President, when we shall proceed with this bill depends wholly upon the attitude of the majority leader. As I understand, the way is now clear, and we ought to be working; we ought to proceed with legislation.

If my motion shall prevail, and the bill shall be placed before us, if it shall be the desire of the Senate to have me explain it and then let it go over until tomorrow for action, I shall have no objection at all to that course. I do think, however, we ought to be making progress. The Congress has been in session for a long time, and the country is demanding that we proceed with our work. This is one of the several bills which have been before us for an extended period. It ought to be, if I may say so in all good spirit, well understood by this time by every Member of the Senate; but if, after we shall have made some progress with the bill today in the way of explanation, and so forth, it shall be desired to have it go over until tomorrow, I shall have no personal objection to taking that course.

I am anxious to have the Senator from North Carolina [Mr. BAILEY] express his views. I always find his views to be sane and sensible and well founded. I have no desire in the world to deprive him of an opportunity to participate in the debate; but I think we might well make some progress with the bill today, because the particular matters in which the Senator from North Carolina is interested are fundamental matters which really come at the end of the bill. The question which presents itself most strongly to his mind is as to where the supervision of advertising shall be administered—whether in the Food and Drug Administration, as the bill provides, or in the Federal Trade Commission.

In other words, if we were to proceed well along with the bill today, the fundamental matter to which the Senator from North Carolina most vigorously objects would still be before us. I think we ought to go forward at least reasonably today; and then, as I say, so far as I am concerned, I should not resist any effort to put the further consideration of the bill over until tomorrow.

Mr. VANDENBERG. Mr. President, will the Senator from Oregon permit me to ask a question of the Senator from New York?

Mr. McNARY. I yield.

Mr. VANDENBERG. The Senator recognizes the fact that my position is one of entire friendliness to the proposed legislation?

Mr. COPELAND. Oh, yes; entirely so.

Mr. VANDENBERG. I simply wish to say to the Senator that if the bill may go over until tomorrow, and the Senator from New York and I may have a chance to confer this afternoon upon a series of technical amendments which cannot possibly be fought out on the floor of the Senate in advance, I am sure it will substantially promote the ultimate passage of the bill.

Mr. ROBINSON. Mr. President, may I make a suggestion to the Senator from Oregon?

Mr. McNARY. I yield.

Mr. ROBINSON. Or, rather, may I repeat the suggestion which I made a few moments ago? Many Senators are not familiar with the general provisions of this bill. There is not any reason why the chairman of the committee, the Senator from New York, should not have the opportunity now to make a statement concerning it and explain it. There is no disposition to crowd amendments or the bill itself to a vote today. Ample opportunity will be afforded the Senator from New York and the Senator from Michigan to have the conference which has been suggested.

Mr. McNARY. Mr. President, I do not think I should complain of an arrangement whereby the Senator from New York [Mr. COPELAND], the Chairman of the Committee on Commerce, and the author of the bill, would make a statement today, at the conclusion of which, and after the consideration of such questions as might be propounded, we should take a recess until tomorrow.

Mr. ROBINSON. There are some matters to be taken up in executive session.

Mr. McNARY. I mean so far as the unfinished business is concerned.

Mr. ROBINSON. I do not wish to enter into any agreement at this time with reference to the business to be transacted today.

Mr. McNARY. In making the suggestion I am speaking only of the unfinished business. I am assuming the Senator from New York desires to make a statement, and then let us defer the matter until tomorrow. I think that would be a very happy solution of the problem.

Mr. CLARK. Mr. President, I should like to ask the Senator from Arkansas whether he proposes that the bill be not proceeded with other than have a statement regarding it by the Senator from New York?

Mr. ROBINSON. I have stated twice that it is not my thought that controversial matters should be taken up during the consideration of the bill today, in view of the statements which have been made by the Senator from Missouri, the Senator from Michigan, and the Senator from Oregon; but it does seem to me, having in mind the situation, which has been made clear, that there is no occasion to postpone discussion of the bill by the Senator from New York. That much time at least could be utilized. I have no disposition to suggest that a vote be taken on any controversial matter during the day.

Mr. CLARK. The purpose of my inquiry was to find out whether the consideration of the bill was to be limited to a statement by the Senator from New York. Many changes have been made in the draft of the bill, and I think some changes have been made since the committee reported the bill. I do not think those matters ought to be considered today, even if the Senator from New York is to address the Senate upon the bill.

Mr. ROBINSON. We do not wish to take up controversial matters.

Mr. CLARK. The Senator says "controversial matters." The point I make is that if the Senator from New York is content to make his statement, and confine the consideration of the bill to his statement, I shall not oppose the motion for consideration. If, on the other hand, it is the purpose to move the bill along by the consideration of amendments, then I propose to oppose the motion for consideration.

Mr. LONG. Mr. President, as I understand, the idea is simply to allow the Senator from New York to explain the bill and not have a vote today. Is not that the suggestion?

The VICE PRESIDENT. The question is on the motion of the Senator from New York [Mr. COPELAND] that the Senate proceed to the consideration of Senate bill 5. [Putting the question.] The ayes seems to have it.

Mr. CLARK. I ask for the yeas and nays, unless we can reach an agreement that the consideration be limited to the statement of the Senator from New York.

The VICE PRESIDENT. The Senator from Missouri demands the yeas and nays. Is the demand seconded?

The yeas and nays were ordered, the Chief Clerk proceeded to call the roll, and Mr. ADAMS voted "yea" when his name was called.

Mr. McNARY. Mr. President, I think it is unnecessary to have a yea-and-nay vote. I think there is agreement on all sides that we should proceed no further with the bill today than to have the statement of the Senator from New York.

Mr. ROBINSON. Mr. President, if some other Senator should desire to make a statement concerning the bill, why should he be precluded from doing so? I cannot understand the attitude of the Senator from Missouri. I have stated that, so far as I am concerned—and I think the Senator from New York concurs—there is no disposition to have a vote today. If that is not satisfactory, I am unable to say anything that would be satisfactory.

Mr. CLARK. Mr. President, if the Senator will yield, he has finally made himself clear.

The VICE PRESIDENT. The Senator from Oregon has the floor, and when he ceases to claim the floor the Senator from Nebraska [Mr. NORRIS] will be recognized, since he has given notice that he desires the floor in his own right.

Mr. McNARY. Mr. President, I think the whole situation is understood, and that the matter is composed; that there will be no vote on the bill. Therefore I ask unanimous consent that the order for the yeas and nays be rescinded.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon? The Chair hears none, and the order for the yeas and nays is rescinded.

The question is on agreeing to the motion of the Senator from New York.

Mr. BORAH. Mr. President, when the Senator from Oregon says there is to be no vote on the bill, does he mean no vote on the bill or any amendments?

Mr. McNARY. Yes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from New York.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, which had been reported from the Committee on Commerce with amendments.

Mr. COPELAND obtained the floor.

WORK-RELIEF PROGRAM

Mr. ROBINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. I yield.

Mr. ROBINSON. I wish to make a brief statement which seems to me of some importance.

A situation has arisen respecting the work-relief joint resolution under which I believe it may be necessary that the bill be further considered by the conferees. There was inserted in the tentative conference report a provision which limits the application of the $900,000,000 portion of the work-relief fund to projects upon which at least one-third of the expenditures shall be made for direct relief. There is perhaps another amendment which may require further action. It is the amendment relating to the confirmation of administrators.

The work-relief provision appears to be new legislation. It was not in the joint resolution either as it was passed by the House bill or by the Senate. It was inserted in conference apparently in violation of the rule of the Senate. The effect of the provision is to make impossible or impracticable the loaning of any part of the $900,000,000 portion of the fund for housing, rural electrification, and perhaps some other projects. Experience has shown that customarily slightly less than 33⅓ percent of the expenditure is made for direct work on these classes of projects.

When the bill was sent to conference, pursuing the custom which had prevailed in the Senate of naming the senior members of the committee, it happened that four of the five Senate conferees were opposed to the legislation. It is not intended as any reflection on the conferees to make this statement; they had a perfect right to oppose the legislation; but, under those circumstances, the bill having passed the Senate by a vote of 68 to 16, it does not seem to me that the representatives of the Senate should stand in the way of prompt enactment of the legislation under a conference agreement which will fairly reflect the views of the Senate.

The bill involved many controversies, as we all know. Numerous amendments were inserted in the Senate. The matter would not be of pressing importance if it were not for the fact that the relief fund has been practically ex-

hausted, and there is need for immediate action. If the bill is recommitted to conference by the body at the other end of the Capitol, I express the hope that it may be found practicable on the part of the Senate conferees to reach an agreement which will eliminate the provisions to which I have referred, and enable the Congress speedily to pass the legislation. If that cannot be done, it will be necessary for the Senate to take such action as it may and can to speed up the legislation.

I make no complaint at the delay which has occurred with regard to the enactment of the legislation, and I think the conference committee acted promptly and diligently in its efforts to reach a conclusion. I think it is regrettable that the custom prevails in the Senate, or has prevailed, of too frequently committing a measure to its enemies in conference. It is recalled that just a few days ago two Senators rose on this floor and refused to serve on a conference committee because they were opposed to legislation carried in the bill which had been passed over their objection.

I think we all realize that in a measure of so great importance, a measure that carries so many amendments, it is not possible for anyone to secure exact provisions he desires; but I do feel that it is practicable that the legislation should be confined to the differences actually in conference and that it is practicable to work out a quick conclusion of this matter.

I thank the Senator from New York for yielding.

Mr. GLASS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Virginia?

Mr. COPELAND. I yield.

Mr. GLASS. The Senator from Arkansas, with his accustomed civility, has mildly rebuked the senior Senators of the Appropriations Committee for accepting service on the conference committee in the effort to reconcile the disagreeing votes of the two Houses. It is true that some of the conferees, including myself, voted against a major provision of the joint resolution appropriating approximately $5,000,000,000 for use for relief and work relief. The Senate, I am sure, will recall that the chairman of the committee, being instructed by the committee to report the joint resolution, justified every amendment which the Appropriations Committee put upon the measure. He voted against the large amount, and has no apology to make to anyone because he did vote against it; and the Senate having refused to reduce the amount, he voted against the joint resolution on that account. In the conference committee that question did not arise at all, however, and could not arise, because the stated amount appeared in both the House and the Senate measures.

We discussed very earnestly for more than a day other proposed amendments to the joint resolution. I now send to the desk, and ask unanimous consent that it be read, a letter addressed by me last night to the Secretary of the Interior, upon which I shall comment after it shall have been read.

The PRESIDENT pro tempore. Without objection, the letter will be read.

The legislative clerk read as follows:

SUNDAY, MARCH 31, 1935.

Hon. HAROLD L. ICKES,
Secretary of the Interior, Washington, D. C.

MY DEAR MR. SECRETARY: Last night I received by messenger your letter having reference to a certain provision of the conference report on House Joint Resolution 117, and have managed, after much delay, to reach one of my office stenographers today in order that I may promptly respond to your communication.

The provision of the conference report to which you object is classification of projects (g), Senate amendment (3) as amended in conference, as follows:

"(g) Loans or grants, or both, for projects of States, Territories, possessions, including subdivisions and agencies thereof, and self-liquidating projects of public bodies thereof, municipalities, and the District of Columbia, where not less than one-third of the loan or the grant or the aggregate thereof is for expenditures for direct work, $900,000,000."

Your objection seems founded (1) upon the theory that by restricting loans and grants to projects where not less than one-third of the loan or grant, or the aggregate thereof, is for expenditure for "direct work", only work "at the site of the project" may be credited as "direct work" within the meaning of the provision; and (2) because "the more desirable the project from a social and economic point of view, the less chance will there be of its qualifying under the language" of the amendment as agreed to in conference.

The President, in his message to Congress, assured us that there are many millions of unfortunate persons out of employment, some of whom are in serious circumstances; and, accordingly, the clear legislative purpose of the conference report on House Joint Resolution 117 is to make available nearly $5,000,000,000 of public money to "provide relief, work relief, and to increase employment by providing for useful projects."

Apparently you do not agree with this clear legislative purpose, but feel that the public moneys involved should be made available, first, for any social revision or upheaval determined upon by those selected to administer the legislation, and, second, for such employment as their "social and economic" program may permit.

In my view, shared by my colleagues, any plan for accomplishing a marked change in our social structure, especially through Federal direction and uses of public moneys, should be considered by the Congress as such and not under the guise of merely providing work for millions of persons out of employment.

As to your objection (1), you mistakenly read into the amendment language not appearing therein by adding the words "at the site of the project." These words, specifically rejected in conference, nowhere appear in the report. Hence, "direct work" as used in the amendment means actual work on the loan project, and not necessarily "at the site of the project."

Such was the understanding of every member of the conference. For instance, in a loan project for construction of a municipal water system or electric-lighting plant or gas plant or other public utility there would be for crediting as "direct work" not only the work of constructing the plant, installing the machinery, laying the mains, etc. (all of which would be, of course, at the site of the project), but the work involved in the construction of pumps, motors, other machinery, etc., if actually constructed for the particular plant, even if constructed far from the site of the project; also the work actually involved in the transporting, trucking, and unloading thereof, etc. There is nothing in the amendment limiting "direct work" to "labor directly employed at the site of the project." To be sure of this, the conferees called in the Comptroller General and by him were assured he would so hold in any matter submitted to him for decision.

The public moneys, as we understand, are being provided in the joint resolution to "increase employment" and a project that does not involve direct work to the extent of at least one-third of the expenditures involved, may not fairly be considered one designed to materially increase employment. It is not difficult to think of projects for which money might be loaned, if there be no reasonable restriction, which would not involve the employment of a single one of the 3,500,000 employable persons now on relief.

As to objection (2), that under the amendment "the more desirable the project from a social and economic point of view the less chance will there be of its qualifying", I respectfully submit that there is a distinctive conflict between this and the expressed legislative purpose of the joint resolution. Apparently you think the purpose of the joint resolution is to accomplish revision of the social structure, whereas the legislative purpose, it seems clear to me, is to increase employment in the interest of the millions of persons out of work.

The amendment is designed to prevent loans for purchase of existing plants with no appreciable amount of new and direct work involved and merely or largely to effect a change in ownership or management.

As to the possibility of courts holding that the required amount of direct work is not shown to be involved in a loan project and, if such be the fact, enjoining prosecution of the project, it would seem that the courts might feel it their duty to so give effect to the law; and why not, if there should be attempted an evasion of the law?

In this connection I venture to suggest that should the Congress state no minimum requirement for direct work in connection with loans-and-grants projects the courts might feel it their duty to enjoin in all cases where the direct work shown to be involved fails to bring the project, in the judgment of the court, within the basic purposes of the enactment—to "provide relief, work relief, and to increase employment by providing for useful projects."

Stating in the joint resolution a minimum requirement of one-third for direct work discloses the legislative purpose to raise no question for the courts in cases fully meeting such statutory requirement.

With respect to any administrative duty to "certify" that a loan project will provide "direct work" to the extent of one-third of the expenditures, it may be pointed out that under the amendment any such project may not be the subject of a loan until the amount of direct work involved is established as a fact.

But aside from these matters, Mr. Secretary, the measure has reached such legislative stage that it would be impracticable, if not quite impossible, to make major changes therein and secure action thereon in the near future. Apparently there are now open but two courses: to send the measure back to conference, which might mean further protracted consideration of all the disagreeing provisions of the joint resolution by both the Senate and the House, and long delay, or to approve the conference report and then, by means of further legislation, make any amendments or changes determined by the Congress to be appropriate or necessary. Frankly, the Senate conferees are all opposed to sending the measure back to conference.

Of course, I completely understand that you have no personal interest in the matter and can readily comprehend that you have not greatly enjoyed the disagreeable duty of making P. W. A. allotments. I certainly could not suppose that you would covet the task of further doing this critical work. But I would not have you imagine that any action taken in conference involved any criticism of your official activities or of you. Personally, I have omitted no proper occasion to commend you and, frankly, I should regret to see your functions turned over to any other person attached to the Washington administration. I am always glad to oblige you; but in this particular instance, I think you are clearly wrong and the conference report clearly right.

With very genuine respect, sincerely yours,

CARTER GLASS.

Mr. GLASS. Mr. President, section 3 of the joint resolution, as it went to conference, was wholly an insertion by the Senate itself; no word of it was in the joint resolution as passed by the House; but the House conferees undertook to alter that provision of the joint resolution in various respects, and, with the assent of the Senate conferees, succeeded in doing so.

At the last, having their attention drawn to the fact that under the section as it stood the entire amount of $900,000,000, with such addition as the President might please to make to the amount, in his discretion, under the 20-percent permission, might be expended without employing a single human being in addition to those already now employed, the Senate conferees undertook to write into the provision a requirement that this money should not be loaned to States, municipalities, and subdivisions of States or the District of Columbia unless the project for which the money was loaned involved the expenditure of one-third of the amount for labor.

As I stated in my letter to the Secretary, he has fallen into the error, which has been spread broadcast in the Washington newspapers, of asserting that the measure requires that one-third of the labor shall be done on the site of the project. There is not a word or sentence in the report of the conferees which justifies any such assumption. On the contrary, the conferees took the view that any work entering into a given project for which any part of the $900,000,000 should be loaned should be counted in estimating the one-third required to be expended on direct labor.

In order to make sure that that was a correct interpretation of the provision, the conferees asked the Comptroller General to come before them, to examine the provision, and to give his interpretation of it. He told us that the interpretation of the Senate conferees was his interpretation and that he should feel obliged so to rule in any matter that might come before him for decision.

Mr. COPELAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from New York?

Mr. GLASS. Certainly.

Mr. COPELAND. The Senator from Virginia might state also that, while it was proposed by someone in the conference that the language should be further restricted to require one-third of the work to be done at the site, the proposal was overwhelmingly "thrown out of the window."

Mr. GLASS. Yes. To show that the Senate conferees had not in mind in the text of their report or in the spirit of it to require that the one-third of the direct work should apply to the site of the project, that proposal was made and almost unanimously rejected by the conferees. The purpose of the conferees was to require that when any part of the $900,000,000, plus whatever might be added to it, should be loaned to a State or community or subdivision of a State for a project, the project must involve enough work to consume one-third of the loan.

As I stated in my letter to the Secretary, for example, if a waterworks plant should be erected out of money loaned from the $900,000,000, not only must the work on the site make up a part of the one-third expenditure, but all the work on a motor be manufactured a thousand miles away or on other machinery manufactured far away, and all work involved in the transportation and the handling of the machinery that related itself to the particular project for which the amount should be loaned, would be counted.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. COUZENS. I should like to ask the Senator how the conferees arrived at one-third? It seems to me that is the minimum amount which should be used for labor.

Mr. GLASS. The first proposal was "a major part", which might mean 50 or 51 percent. In the very earnest discussion which ensued there were various proposals reducing the amount, one proposal to make it 45 percent, another 40 percent, another 35 percent, until finally we reached, as we thought, the exceedingly reasonable amount of 33⅓ percent.

Mr. O'MAHONEY. Mr. President——

Mr. GLASS. If the joint resolution is a measure for work relief and for the employment of persons so as to take them off of the relief roll, the conferees came to the conclusion that this was a very reasonable provision.

I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Do I understand the Senator to say that the limitation respecting the one-third for direct work applies to the entire $900,000,000?

Mr. GLASS. Yes, and only to the $900,000,000.

Mr. O'MAHONEY. Only to the $900,000,000?

Mr. GLASS. Yes.

Mr. O'MAHONEY. Has the Senator's attention been directed to the thought that, as the provision has been changed and now reads, it seems to include two different kinds of projects, and that it is susceptible of the interpretation that the new limitation applies only to self-liquidating projects of public bodies, and not to loans or grants, or both, for projects of States, Territories, or possessions? There is that possibility of interpretation which the conferees might well desire to take into consideration.

Mr. GLASS. Any interpretation or any contention is possible to a lawyer. [Laughter.] The provision "self-liquidating public bodies" was put into the measure by the House conferees.

Mr. ROBINSON. Mr. President, may I ask the Senator from Virginia a question?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Arkansas?

Mr. GLASS. Certainly.

Mr. ROBINSON. The interpretation which the Senator places on the words "direct work" seems to me of doubtful correctness. What does the word "direct" mean if it is not intended to eliminate work done at the factories in the manufacturing of material, and work of similar character? What application can it have unless it is intended to restrict the expenditure to work on the particular project?

I cannot give to the language the meaning which the Senator states the Senate conferees gave to it. If they had used simply the word "work", or the words "work direct and indirect", it would seem to me their interpretation would be correct; but having restricted it to direct work, it certainly means something different from "work" or "indirect work." If it does mean something different, what does it mean? It cannot mean anything else in law or in reason, according to my interpretation, than that the term will restrict the expenditure to those projects where the actual work done by employees on the project must cost 33⅓ percent of the amount expended.

In the same connection let me say that the limitation has added significance when we refer to the report pertaining to emergency relief appropriations, where it is shown, with respect to slum clearance, non-Federal projects of a character financed by the P. W. A., rural housing and rural electrification, that every class just mentioned the direct work as reported by the Emergency Relief Administration falls below the limitation provided in the amendment.

I have reached a conclusion directly in conflict with that which the able Senator from Virginia has stated, namely, that the effect of the limitation is to exclude loans from the $900,000,000 for any of the four purposes to which I have referred. If that limitation be retained, the President could then make grants for the purpose of rural electrification,

housing, and slum clearance, and certain P. W. A. projects, but he could not make loans. He would be denied the opportunity and privilege of making the expenditure under such conditions that the Government could get the money back.

Laying aside any question of law connected with the insertion by the conference committee of a provision which was not in either measure, I say that the effect of the limitation is to undo what the Senate plainly intended should be done.

I know it may be said that it is desirable to spend as much money out of this fund as may be spent for work, for employment; but it happens that, with respect to the particular classes of projects to which I have referred—slum clearance, rural housing, rural electrification, and non-Federal projects of a character financed by P. W. A.—we already have a report showing that in every instance the direct work falls below the limitation found in this conference amendment.

There is another thought which is well worthy of consideration. Perhaps I should not take the time of the Senator from Virginia; but I will finish my statement now, with his permission. That is, it gives the Comptroller General virtually the power to veto projects which do not meet his approval.

If the administrator, the President, should certify that the expenditure was 33⅓ percent or above for direct work, the Comptroller General even then could go into the question as to whether actually that amount had been expended for direct work. If "direct work" does not mean work on the project itself, I wish to know what it means, and where the term originated; why it was necessary to insert in this amendment the unusual, the peculiar expression "direct work" unless it was intended to mean that the expenditure on every project for which loans may be made from the $900,000,000 fund must be 33⅓ percent for the purpose of employing persons on the project. I cannot conceive of any other interpretation which could be given it.

I apologize to my friend the Senator from Virginia for taking so much of his time.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. GLASS. Certainly; I yield.

Mr. COUZENS. Cannot the Senator from Arkansas conceive of a project which would need a great deal of machinery and motors and equipment on which this money could be spent and still be spent directly for the project?

Mr. ROBINSON. The Senator makes an issue which I am glad to meet. Does the Senator maintain that the expenditure of funds for machinery would be for direct work?

Mr. COUZENS. Absolutely.

Mr. ROBINSON. I do not agree with that.

Mr. COUZENS. It is direct work upon the project.

Mr. ROBINSON. I do not believe anyone would employ the term "direct work" if he meant to use the fund for the purchase of machinery. "Direct work" does not mean purchasing machinery. It does not mean it in law, and it does not mean it in reason. "Direct work", whatever it may mean, certainly cannot mean the purchase of equipment, for that is not work. "Direct work" means labor, if you please, not equipment, and it does not mean machinery.

I apologize to the Senator from Virginia for taking so much of his time.

Mr. COUZENS. Mr. President, will the Senator from Virginia yield to me?

Mr. GLASS. Yes; I yield to the Senator from Michigan.

Mr. COUZENS. The expenditure of this money to put men to work to build a turbine engine or a power plant is obviously direct work for the project. Of course the Senator from Arkansas has had much more experience than some others in manufacturing production. He dogmatically states that the expenditure of money for labor on machinery and equipment is not direct expenditure for the completion of a project.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Kentucky?

Mr. GLASS. I do.

Mr. BARKLEY. According to that interpretation, there might be so much machinery on the site of any project that one man operating the machinery could do all the work; and I suppose, according to that theory, all that was spent on the machinery would be regarded as money spent for direct work.

Mr. ROBINSON. There need not be any expenditure at all for labor. The money could all be spent for machinery, which everybody knows, notwithstanding the statement of the Senator from Michigan, is not a sound construction.

Mr. COUZENS. The Senator from Arkansas may have his opinion about that, but I submit that it is not correct.

Mr. GLASS. The Senator from Arkansas suggests that this language gives the Comptroller General veto power.

Mr. NORRIS. Mr. President, may I interrupt the Senator there?

Mr. GLASS. Yes.

Mr. NORRIS. I think this very discussion illustrates what I tried to point out when the joint resolution was before the Senate—the unwisdom of the attempt to limit by legislation the discretion of those who are going to be compelled to spend the money. I call the attention of the Senate to the fact that, regardless of what one person may think or what another one may think, we have already seen distinguished scholars right here in the Senate differ on the meaning of this language. There are several hundred Federal judges in this country, and on this question of "work" and "direct work" they might have as many different opinions as we find in the Senate. If we should have any limitation at all there, I fear those who might carry out or try to carry out the intent of Congress, however honestly and fairly they might undertake to do it, would be met with injunction after injunction all over the land.

Mr. ROBINSON. Mr. President, will the Senator from Virginia permit me to ask the Senator from Nebraska a question?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Arkansas?

Mr. GLASS. Yes.

Mr. ROBINSON. Does the Senator believe that the purchase of machinery is an expenditure for direct work?

Mr. NORRIS. The expression "direct work" in this proposed legislation is rather new to me. If the question were put up to me, and that language were put in, I should say, offhand, that it meant work on the site. I do not think striking out the word "site" affected the real intent; but I concede that others may have a different opinion. They may be right; but does not that illustrate the difficulty of carrying out the purpose of a measure of this kind when too many limitations are imposed?

Suppose the President should undertake to provide for some rural electrification, or those carrying out his orders should undertake to do so, I think that when there is any possibility of doubt, especially since we are really governed by courts more than we are governed by legislatures, the work would be held up all over the United States. So long as we put in anything we will leave a doubt. As the Senator from Virginia well said, lawyers can disagree on everything, and all judges are lawyers.

Mr. GLASS. Mr. President, I do not know how good a lawyer the Comptroller General is. We have had him there for nearly 15 years upon the assumption that he is a good lawyer and knows his business. I think he has saved the Government many, many millions of dollars by his attention to his business.

Mr. NORRIS. Mr. President, if the Senator will permit me, I agree fully with that statement. I have great faith and confidence in the Comptroller General.

Mr. GLASS. The other conferees all agreed with that statement, and we had the Comptroller General come before us to scrutinize this language; and, as I stated in my letter to the Secretary of the Interior, the Comptroller General held that any work involving labor done on any given

project for which any part of the $900,000,000 should be loaned would be accounted by him, should the matter be brought to his attention, as direct work on that project, and within the meaning of the proposed enactment.

Mr. NORRIS. Mr. President, I should like to ask the Senator a question. I should like to get his idea of this matter, and I am asking for information. What function has the word "direct" in the proposed legislation? What is the use of it if we are to construe it as the Senator does?

Mr. GLASS. The use of it is that the work shall be direct; and the interpretation of the Comptroller General is that it is direct if the laborer manufactures anything or assists in any way on a given project for which money may be loaned.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GLASS. Will not Senators please let me get somewhere?

Mr. BARKLEY. Certainly.

Mr. GLASS. Go ahead, however, I yield to the Senator.

Mr. BARKLEY. I do not interpret the expression in that way, but I should like to have the Senator finish his sentence.

Mr. GLASS. Go ahead.

Mr. BARKLEY. What I desired to ask was whether labor performed in the manufacture of a piece of machinery in Detroit or Philadelphia which is bought in Arizona for the purpose of being used in the construction of a project in Arizona would be regarded as direct labor.

Mr. GLASS. If the machinery were manufactured for any given project in Arizona, it would be regarded as direct labor on that project.

Mr. BARKLEY. Suppose it were machinery manufactured and kept in stock.

Mr. GLASS. Then it would not be regarded as direct labor; and that is the reason for using the word "direct." In other words, this is a work-relief measure.

Mr. BARKLEY. Would the profit by the factory in the manufacture of a piece of machinery made specifically for use in some one project figure in any way?

Mr. GLASS. The profit would not figure.

Mr. BARKLEY. While I am on my feet, I should like to ask the Senator another question.

Regardless of the merits of this new provision, it seems to me it clearly violates the rules of both Senate and House, which provide that new matter shall not be inserted by conferees in a bill, and that matter in a bill, upon which both Houses have agreed prior to its being sent to the conference, shall not be eliminated by the conferees. The Senator, of course, may not agree with my interpretation of the rules, but did the Senator or any of the conferees in the insertion of this language consider whether it violated that injunction of the rules of both Houses of Congress?

Mr. GLASS. Of course, we discussed it, and I have stated here on the floor that there was not a word in amendment no. 3 in the joint resolution as it originally passed the House, and, therefore, we were advised by competent parliamentarians that that provision of the measure was subject to any alteration to which the conferees might agree. Not only that but I pointed out here, when the Senator was not in the Chamber, that the conferees made half a dozen alterations in that provision of the joint resolution before we reached this particular alteration.

Mr. BARKLEY. Of course, each one of those alterations would have to stand on its own bottom as to whether or not it complied with the rules of both Houses. But it seems to me that it must be admitted that the $4,000,000,000 appropriated in the joint resolution as passed by the House was without limitation.

Mr. GLASS. For what was it appropriated?

Mr. BARKLEY. For work and work relief, to be administered by the President.

Mr. GLASS. For work and work relief, and an increase of employment.

Mr. BARKLEY. I understand, but there was no language in the joint resolution which limited the President to any proportion which should be expended for labor or material. The Senate amendment changed that only in the particular that it allocated a certain number of millions of dollars to certain types of work, still without any limitation as to the proportion which might be expended for labor and the proportion which might be expended for materials or other purposes. So that neither House inserted in the measure as it passed the respective Houses any language attempting to set up any standard by which the President or anybody else should be governed in deciding the proportion.

Mr. GLASS. The Senator is discussing a point of order. I respectfully represent to him that the conference report is not as yet before the Senate. The Senator will be at liberty to make his point of order for decision by the Chair when the conference report shall come before the Senate, if it shall come before the Senate. We discussed that matter in the committee, and the conferees came to the conclusion that the amendment was not subject to a point of order, and were so advised by what we regarded as very competent parliamentary authority.

Something has been said about not making loans for housing and slum clearance. The joint resolution appropriates $450,000,000 for housing, which does not involve the lending of money, and it appropriates other amounts for slum clearance, which does not involve the lending of money. This restriction relates only to the $900,000,000 to be loaned to States and subdivisions thereof, and under the joint resolution as it went to conference, the administrators of the measure could lend every dollar of the $900,000,000 without employing a single, solitary man of the 3,500,000 on relief rolls. Does anyone want that done? Is this a work-relief measure?

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. MURPHY in the chair). Does the Senator from Virginia yield to the Senator from Tennessee?

Mr. GLASS. I yield.

Mr. McKELLAR. And is it not true that the argument in favor of the House proposal to incorporate this provision in the joint resolution, was that under the terms of the joint resolution as it stood every dollar of the money could be used by the States or the subdivisions borrowing it without having any work done at all with it? That argument was advanced, and that was the argument which had its weight with me, that the whole $900,000,000 could be used for such loans without having a dollar's worth of work done, or any relief granted.

Mr. ROBINSON. Mr. President, will the Senator from Virginia permit me to ask the Senator from Tennessee a question?

Mr. GLASS. Certainly.

Mr. ROBINSON. Was the question discussed in the conference that the effect of this amendment might be to prevent loans for slum clearance, rural housing, rural electrification, and non-Federal projects of the character financed by the P. W. A.?

Mr. McKELLAR. Yes; those questions were before us. We had the figures, it is true; but there was a separate provision for housing, which would seem to take care of both the slum clearance and the housing.

Mr. ROBINSON. That is the very point—the separate provision for housing and the separate provision for rural electrification and for other purposes all contemplate grants, or the use of the funds, by the Federal Government; they do not contemplate loans. The $900,000,000 item constitutes a fund which could be loaned for these very purposes. So that with the insertion of the limitation, it is left in such form that the President could make grants for the various purposes which I have just named, but he could not make loans for them. In other words, he would not have the opportunity of making loans so that the Government could get the money back.

Mr. GLASS. Let me ask the Senator from Arkansas how slums are cleared—by magic, or by labor? How are houses built—by magic, or by labor?

Mr. ROBINSON. Mr. President, if the Senator will permit me to answer, I have just pointed out, and do so again,

that for slum clearance the cost of the direct labor on a given project is 28 percent.

Mr. GLASS. That is under the interpretation of the Secretary of the Interior as to what we mean by "direct labor." He undertakes to put words into the joint resolution which are not there.

Mr. ROBINSON. Oh, no; the Senator uses the same language in the joint resolution, and the interpretation which has been given throughout the relief administration is to the effect that direct labor does not mean the purchase of materials, it does not mean the purchase of machinery, but means what it says; it means work on the project.

Mr. GLASS. It means work on the project, but not necessarily on the site. It was so held by the conferees, and confirmed by the Comptroller General.

Mr. ROBINSON. Conceivably it might not be on the site if something is made for use on the project, of course, but direct work does not mean the purchase of materials.

Mr. GLASS. It means the purchase of any material that is to go into a given project, whether it is slum clearing, or housing, or something else.

Mr. ROBINSON. The word "direct" has no particular application to work, but it has a very well-defined meaning. It means "straight", "without deviation", "without going in a circuit." Then, when you go in a circuit to make it mean the purchase of material, you are giving it an interpretation which I do not think any court would apply to it.

Mr. WAGNER. Mr. President, will the Senator from Virginia yield to me?

Mr. GLASS. I yield.

Mr. WAGNER. The words "direct workers" have become generally known as meaning those working directly on a particular project being constructed.

Mr. ROBINSON. They are laborers, are they not?

Mr. WAGNER. Yes, and the words "indirect workers" mean those who are employed upon the material which is manufactured or produced somewhere else, and usually the direct employment is only one-third of the indirect employment upon any project.

Mr. GLASS. Well, we require that it be only one-third. Does the Senator want to give away this $900,000,000 without employing a single, solitary one of the 3,500,000 people who are on relief?

Mr. WAGNER. Of course not.

Mr. GLASS. Does the Senator think the Senate wants to do that? That is what would have been the effect before we amended the joint resolution, and that is what some people want to do.

Mr. WAGNER. Oh, no——

Mr. GLASS. Yes; that is what they want to do. They want to go around this country and buy established power plants—electric-light plants, gas plants, and other utilities—and lend money to communities to take them over; and there is not one lick of labor involved in that sort of expenditure of money.

Mr. ROBINSON. That is no more work relief than the purchase of machinery and equipment is direct work.

Mr. GLASS. It is not work relief at all. It may involve the discharge of many people, rather than the employment of people.

Mr. McKELLAR. Mr. President, if the Senator will yield for an observation, the Comptroller General told the committee that without this limitation the administrator could buy such plants as have been mentioned and not use one dollar of the money for work or work relief.

Mr. GLASS. The fact is that there are some executive officials in Washington who not only want to perform the duties committed to them but they want to legislate for the Congress of the United States. This whole tempest was raised by one of these officials, who threatens not to administer the law unless we write it as he wants it written. If Congress is willing to take that humiliating position, it is up to Congress to do it.

After all, however, the conferees, after long and earnest discussion and consideration, agreed upon the conference report. It has been reported to the other branch of Congress and is there for action. If there is anything in the joint resolution, as reported from the conferees, which needs correction, the orderly procedure is to introduce another joint resolution and make the correction, and let Congress act upon the proposed correction, if there need be any correction; but that is not the way we are proposing to do.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. ROBINSON. Why should that be done before this proposed legislation is passed? Of course, what the Senator from Virginia suggests is one remedy; but here we have a situation where the conference report has never been submitted to the Senate, and it may never be submitted to the Senate.

Mr. GLASS. I think it will never be submitted to the Senate; and the reason why it is held up is that a public official desires to legislate for us.

Mr. ROBINSON. Oh, no; I do not think that is true.

Mr. GLASS. I think it is. That is my very definite conclusion.

Mr. ROBINSON. I do not think the Senator can stand on that statement.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. WAGNER. I do not think I made quite clear to the Senator what I had in mind as to the danger of the use of the words "direct labor." I think what the Senator ought to include is "direct or indirect labor", so long as it is labor. That would include labor upon materials which are supplied for the particular work-relief project, and I think that is what the Senator intends.

Mr. GLASS. This particular provision relates only to one feature of the joint resolution—that providing for loans to States and communities. There is not such an all-fired haste to make loans of the taxpayers' money to people, particularly if the projects which are in mind involve no additional labor. So why can we not amend the joint resolution in an orderly way, or correct it in the orderly way, if there need to be any correction, which I deny? Why hold up the conference report? I venture to say it never before happened in the history of the Congress of the United States that an executive official came up to the Capitol and held up a conference report which had already been agreed upon and submitted to one House for conference.

Mr. WAGNER. I may say to the Senator that I had no intention of holding up a report. I tried to explain to the Senator what the words "direct labor" represent in the construction of a particular project.

Mr. GLASS. I have given the Senate the Comptroller General's considered opinion as to what it means. It not only means the project on the site but it means every ounce of labor used in the machinery, whatever it be or wherever made, for that particular project.

Mr. WAGNER. Generally, however, when we speak of "direct labor" we speak of labor upon the site of the project, and when we speak of "indirect labor" we refer to the labor upon the material which is supplied for the project. I did not wish to have those words confused in our consideration of the subject matter.

Mr. GLASS. But the Comptroller General told the conferees that in any matter submitted for his decision he would hold that any work done, wherever done, for a given project would come within this language.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. ROBINSON. The interpretation of any language must be within the limitations of the language itself. The words "direct work" never have, in any court or in any tribunal, meant machinery. Expenditure for direct work never has meant expenditure for the purchase of material; and "relief and work relief", the primary purposes of all the appropriations proposed to be provided by the joint resolution, do not embrace expenditures for the mere purchase of going plants.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. GLASS. I will yield in a moment, as soon as I say one more word. I merely wish to say that the Senator from Virginia is at a complete disadvantage when he engages with learned lawyers here in the interpretation of language, being nothing in the world but a practical printer and newspaperman.

Mr. ROBINSON. Oh, the Senator is a great deal more than that. Do not tell us that.

Mr. GLASS. I have tried to learn something about the English language and its meaning; but when it comes to discussing it with the learned attorneys here, I confess myself at a total disadvantage.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. GEORGE. If the Senator from Virginia will permit me, I am not one of the learned attorneys, but I agree thoroughly with him.

Mr. GLASS. The Senator from Georgia is one of the "learnedest" attorneys. [Laughter.]

Mr. GEORGE. Money advanced on any grant or loan for direct labor means money for any labor performed in consequence of the loan; and I do not see how that conclusion can be escaped, whether the labor is performed at the plant or elsewhere.

Mr. ROBINSON. That is entirely true; but the term does not mean expenditures for the purchase of material. That is an entirely different matter, which has no relationship to direct work.

Mr. GEORGE. It does mean expenditures for any material which has not been already constructed into a completed project.

Mr. GLASS. Exactly.

Mr. GEORGE. And it must necessarily mean any labor performed in consequence of that loan in order to carry out that project.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. WAGNER. I am quite content to have the RECORD show that that is our intent in using the words "direct labor"; but I should like to call the Senator's attention to the fact that in the collection of statistics on the subject of unemployment or any related subject a distinction is always made between the words "direct labor" and "indirect labor." it has been variously estimated that direct labor represents only about one-third of the actual labor used upon a particular project; that for every one employed upon the project, two or more are employed off the project in the manufacture of material.

Mr. GEORGE. I understand that; but I still contend that it is a sound construction in every case of a loan of money or advance of money which restricts that money, or a portion of it, to direct labor. It means that if labor is done in consequence of the loan, the language is fully satisfied.

Mr. GLASS. In confirmation of what the Senator from Georgia says, the Comptroller General was so explicit on the subject that I embodied his statements as mine in my letter to the Secretary of the Interior. Here is what he said:

> There would be for crediting as "direct work" not only the work of constructing the plant, installing the machinery, laying the mains, etc. (all of which would be, of course, at the site of the project), but the work involved in the construction of pumps, motors, other machinery, etc., if actually constructed for the particular plant—

Upon which the loan is made.

Mr. GEORGE. I think that is clear.

Mr. GLASS. He continues:

> Even if constructed far from the site of the project.

And listen—

> Also, the work actually involved in the transporting, trucking, and unloading thereof.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. WAGNER. That answers my question. If the words "direct labor" are to be interpreted as including what we both say is ordinarily considered to be direct and indirect labor, that answers the question I raised.

Mr. GLASS. That was the construction of the Comptroller General, and that was the construction of the conference committee.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. GLASS. Yes; I always have yielded.

Mr. O'MAHONEY. On every occasion. The interpretation which the Senator has read, and which he himself has asserted here, excludes all manner of commissions and profits; does it not?

Mr. GLASS. Yes; it does, and it ought to.

Mr. O'MAHONEY. It ought to, of course. So any profit which a manufacturer of machinery may make in the manufacture or sale of machinery must be excluded. Any profit which the transporting agency makes must be excluded.

Mr. GLASS. Yes; but any work done in connection therewith must be included.

Mr. O'MAHONEY. That is perfectly true. All sorts of commissions and extra charges must be excluded.

Mr. ROBINSON. Transportation would not be direct labor.

Mr. O'MAHONEY. Not at all.

Mr. ROBINSON. Certainly not.

Mr. O'MAHONEY. It must be excluded. Therefore, Mr. President, I am leading to the conclusion, which must be perfectly apparent, that in determining what the one-third is it will be necessary for the Comptroller General to analyze and make an audit of every penny which is expended; and it seems to me the inescapable result would be to make it almost impossible for the Government to make any loan or any grant to the agencies which it is desired to serve.

Mr. GLASS. I would rather the Government should not make any loan than to spend $900,000,000 of the taxpayers' money without employing a single human being.

Mr. O'MAHONEY. I think there is no possibility of that.

Mr. GLASS. There was such authorization in the form in which the joint resolution went to conference.

Mr. O'MAHONEY. It seems to me that as the conferees bring back their report there is positively no authorization for it, because the very first amendment limits the appropriation to "relief, work relief and to increase employment by providing for useful projects." So the appropriation is tied down absolutely to work; and it seems to me there is no possibility of making any such loan for the purchase of plants as the Senator fears.

Mr. GLASS. It is not tied down at all. The $900,000,000, plus $800,000,000 more, if the President sees fit, may be applied to the purchase of plants and not be used to employ anybody.

Mr. President, I am not in the habit of uselessly taking up the time of the Senate. I understand that the other branch of Congress has yielded to the dictation of the executive department and sent the report back to conference and that is where the matter stands.

MESSAGE FROM THE HOUSE—WORK-RELIEF PROGRAM

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, informed the Senate that the House had recommitted to the committee of conference the report of that committee on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 404. An act to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes;

S. 488. An act for the relief of Michael Ilitz;

S. 747. An act for the relief of Joe G. Baker;

S. 1856. An act for the relief of Arthur Smith;

H. R. 83. An act to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes;

H. R. 340. An act for the relief of Louis Zagata;

H. R. 816. An act for the relief of Logan Mulvaney;

H. R. 829. An act granting 6 months' pay to Hester Hamilton;

H. R. 2117. An act for the relief of Cora A. Snyder;

H. R. 2569. An act for the relief of the estate of R. A. Wallace Treat;

H. R. 2678. An act for the relief of Carl L. Bernau;

H. R. 3477. An act relating to the incorporation of Trinity College of Washington, D. C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia, as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia;

H. R. 4538. An act to change the designation of Leffler Place to Second Place;

H. R. 5032. An act for the relief of the dependents of Carl Lindow, known also as Carl Lindo; and

H. R. 5913. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes.

WORK-RELIEF PROGRAM

Mr. COPELAND. Mr. President, before I proceed with my discussion of the food and drug bill, I wish to make reference to a statement made by the Senator from Arkansas [Mr. ROBINSON]. In the statement which he made he said:

> When the bill was sent to conference, pursuing the custom which had prevailed in the Senate of naming the senior members of the committee, it happened that 4 of the 5 Senate conferees were opposed to the legislation. It is not intended as any reflection on the conferees to make this statement; they had a perfect right to oppose the legislation; but, under those circumstances, the bill having passed the Senate by a vote of 68 to 16, it does not seem to me that the representatives of the Senate should stand in the way of the prompt enactment of the legislation under a conference agreement which will fairly reflect the views of the Senate.

The Senator from Arkansas said further:

> I think it is regrettable that the custom prevails in the Senate, or has prevailed, of too frequently committing a measure to its enemies in conference.

Mr. President, I wish to say that I never have known a conference committee which was freer and fairer in its discussion of matters presented to it than the conference committee on the work-relief joint resolution. So far as I am personally concerned, I voted for the Byrd amendment, and I voted for the Adams amendment, but I voted finally for the joint resolution. I did this because I come from a community that needs relief, that needs employment more than any other community in America. So certainly I am not an "enemy" to the legislation, and I did not see evidence on the part of any conferee that he was an enemy to the legislation.

I do not think the Senator from Arkansas intended to reflect upon the members of the conference committee, but certainly the language he used, if I may say so, in all good feeling, was unfortunate, because the members of the conference committee on the part of the Senate, regardless of how they voted on the matter that was before us in the Senate, were honest and liberal in their interpretation of the spirit of the Senate. I do not think there were any more on our side at the conference table who originally opposed the legislation than on the other side; but, be that as it may, I want to say for the conferees that it was a full and free and honest conference. Whether the Senators who served as conferees might be termed "enemies" of the legislation or not, they, at least, were not enemies to the desire to have the conference report properly and honestly prepared and presented.

Mr. President, I have taken pains to read the section of our manual about conferences. I read there that—

> Conferees may not strike out in conference anything in a bill agreed to and passed by both Houses.

We did not do that.

> Conferees may include in their report matters which are germane modifications of subjects in disagreement between the Houses and committed to the conference.

That is exactly what we did do. The amendment which was adopted in the conference was certainly germane to the matter under consideration. Further, so far as I am concerned, I favor the particular provision we have been discussing this morning, because this is a relief measure; it is intended to provide work. If, in the case of a given project, one-third of the amount allocated to it cannot be used directly to pay the workmen engaged on it, the project is not worthy of our consideration. That is what the joint resolution is for.

As the Senator from Virginia has pointed out, there was an effort made in the conference on our side to have that direct work apply to the "site of the project." That effort was defeated almost unanimously.

The Comptroller General explained to us that "direct" work means not alone work on the site, but also work on any materials which are to be used on the site, provided that work is actually done after the project is adopted. If $900,000,000 were used to buy materials now manufactured and now in existence, we would not be giving a dollar for work relief. The intention of the conferees was not to destroy the joint resolution, but to make certain that it would be administered in such a way as to serve the purposes for which it was designed, which were to afford work and to relieve unemployment.

I wanted to say that much in justice to myself and in justice to my colleagues on the conference committee. Certainly there was no man on that conference, so far as I could see, on either side of the table, who could be counted an enemy to the legislation which has to do with the relief of unemployment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. Yes.

Mr. CLARK. Did the Senator ever before, in his legislative experience, hear the contention advanced that a bill would be expedited in passage or that funds designed for emergency relief in a great national crisis, when existing funds had been exhausted, or for any other purpose, could be made more quickly available by sending the bill back to conference in a servile yielding to the man who was the administrative official?

Mr. COPELAND. I agree with the Senator.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Arkansas?

Mr. ROBINSON. I thought the Senator from New York had concluded his remarks.

Mr. COPELAND. I had concluded my statement. I was going to proceed to discuss the bill which is before the Senate.

Mr. ROBINSON. I will take the floor for just a moment to discuss further the question which has been under consideration.

It is true that the Senator from New York [Mr. COPELAND] voted for the joint resolution, and that the Senator from Tennessee [Mr. MCKELLAR] voted for it and heartily supported it; but all the other conferees, according to my recollection, voted against it. Senators will recall that the Senator from New York spent most of his time while discussing the joint resolution in opposing its provisions. I said a while ago that he had a perfect right to do so; every Senator has the right to vote against any measure; but the theory of a conference, according to general parliamentary law, is that when a measure has been fought through the legislative assembly the friends of the legislation shall go on the conference.

I repeat, we have not always seen that done in the Senate, but it is rather remarkable that legislation so seriously and gravely contested as was this should pass into conference with four of the five representatives of the Senate really against the proposed legislation.

As I said at first, I think the Senators who were on the conference committee did conscientious work; they acted promptly and diligently; but that does not obviate the fact that they were unfriendly to the legislation; if any Senator

here who heard my friend the Senator from New York speak on the joint resolution, eloquently and forcefully, can conclude that he was within the class of those who could be called "cordial supporters" of the legislation, such Senator is able to reach a conclusion at variance.

The Senator from New York had a perfect right to oppose the joint resolution, but I say that it is not good parliamentary practice after a measure has been fought out and passed to intrust it to conferees who were against it. I stand on that proposition; I think it is sound.

Mr. GLASS. Mr. President, if I may interrupt for a moment, so far as I am concerned, the Senate is at liberty to select other conferees.

Mr. ROBINSON. We understand that. We hope the issue may be disposed of without resort to such action; but the Senate is entitled to have its conferees reflect its views. The conferees inserted a provision that was not in the joint resolution as it passed either body, a provision which eliminates the possibility of carrying on projects which the majority of the Senate wish to see carried on.

Mr. HALE. What are they?

Mr. ROBINSON. I will name them again: Slum clearance, rural electrification, rural housing, non-Federal P. W. A. projects. All four of those classes are eliminated by the provision inserted in conference.

Mr. HALE. Mr. President, that was not my impression.

Mr. ROBINSON. We have been arguing that question all morning, and I concede that we probably would never reach an agreement as to the meaning of "direct work", but we have had definitions given to it here this morning which, in my judgment, will not stand the test of either logic or of law. However, I submit the matter, and the Senator from New York may proceed with his bill.

Mr. COPELAND. Mr. President, I wish to say further in regard to this matter that, so far as I am concerned, I did not want to be a conferee, and I told the chairman of the committee so. But the conferees were appointed in accordance with the practice in the Senate. If it is not a good one, let us abolish it; but I wish to say again that if the most ardent friends of this legislation had been the conferees there could not have been a more honest or straightforward or more well-intentioned report than the one which was adopted.

Mr. GLASS. Mr. President, I have a letter from the Secretary of the Interior, in response to the letter written by me to him, which I had read from the desk, and I am perfectly willing—in fact, I am anxious—that it shall go into the RECORD.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

Mr. COUZENS. Mr. President, would the Senator mind having the letter read at the desk?

Mr. GLASS. I shall be glad to have that done.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

FEDERAL EMERGENCY ADMINISTRATOR OF PUBLIC WORKS,
Washington, April 1, 1935.

Hon. CARTER GLASS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I thank you for going to the pains to reply in your letter of March 31 in such detail to my letter to you of March 30. If I may do so, I would like to correct one impression that my letter gave you and then comment briefly on one or two points you raise.

My use of the language "The more desirable the project from a social and economic point of view, the less chance will there be of its qualifying under the language" of the amendment was unfortunate since it led to a conclusion on your part that was not intended. I have not had any thought that this new appropriation would be used "for any social revision or upheaval determined upon by those selected to administer the legislation." All I was referring to were projects of the same nature as those for which we have been making allocations under the original Public Works Act. I have no thought that in administering the pending act one should go outside of the categories already established by P. W. A., nor have I in mind a single project outside of that classification for which I would desire to see an allocation made. Naturally, some of the projects for which we have been making appropriations are more desirable socially than others, as for instance school buildings, water works, bridges, subways, hospitals, public buildings, etc. I had these types of projects in mind as being more desirable "from a social point of view" than some others, and I am apprehensive that under the amendatory language it would be impossible to lend money for many, if not all, of such projects.

I believe that the greater the degree to which this money may be spent, to quote the language of the President, "to increase employment by providing for useful projects" rather than to "provide relief" or "work relief", the better it will be for the country economically, and the better it will be for the morale of the unemployed. I seriously doubt whether any real program of public works on a loan and grant basis can go forward under this qualifying amendment.

Carelessly, in my haste in writing to you, I spoke of the "direct work", referred to in the amendment, as labor employed directly at the site of the project. This, of course, was an error on my part, but, nevertheless, I do not believe that the effect of the broader language on any possible public-works program would be much different than if the limitation were as strict as I inadvertently stated it to be.

I note that the Comptroller General has given assurance that he would rule that direct work means not only the actual work at the site but, in addition, "work involved in the construction of pumps, motors, other machinery, etc., if actually constructed for the particular plant, even if constructed far from the site of the project; also, the work actually involved in transporting, trucking, and unloading thereof, etc." This undoubtedly would mean some enlargement of the restrictive language, but it is to be doubted whether in the general run of non-Federal projects, any specially made machinery, etc., would be required to be fabricated and transported. Except in such few special instances, the effect of the amendment would be to require the expenditure of not less than 33⅓ percent of the allocation for the project for direct labor at the site.

Moreover, not the Comptroller General but the courts in the final analysis would determine whether labor on special machinery a thousand miles away from the site was direct labor on the project. True, in arriving at a decision the courts ought to, and doubtless would, seek to determine what the congressional intent was in employing this terminology, but a judicial determination cannot be guaranteed in advance, and there is no assurance that a careful study of the whole record would not still leave a court of the opinion that direct labor on a project meant direct labor at the site.

But even supposing that the courts would interpret the language as it was intended, I still am of the opinion that no one could administer a public-works program with this limiting language in the act. How would the Comptroller General know, as a matter of fact, that direct labor, both at the site and in making special parts and transporting them to the site, would take more or less than 33⅓ percent of the money expended on the project?

In your letter you say: "It may be pointed out that under the amendment any such project may not be the subject of a loan until the amount of direct work involved is established as a fact." I fully agree with you, and that means to me that even if we should go ahead in all good faith with a loan to a municipality for a schoolhouse, or some other equally desirable project, it could not be determined until the project was finished whether or not it came under the act. So I say that even with the best of intentions on the part of the Administrator and of the Comptroller General, the act could not be administered to include loans for non-Federal projects. Of course, as I said in my former letter to you, there is no restriction on giving the money away; it can be scattered to the four corners of the country as dust before a high wind. Every leaf can be carefully raked and every blade of grass assiduously trimmed, but the money cannot be loaned on useful self-liquidating public works as I see it.

There seems to be a misconception in some quarters, although I do not think you share it, that if 33⅓ percent of direct labor is required in connection with a project, that is all the labor there will be in connection with that project; that the balance of the allocation will go for the purchase of property, profits, etc. Of course, this is not an accurate statement of the facts. I can hardly think of any construction project where upward of 70 percent will not go either for direct or for indirect labor. The direct labor in the main will be at the site. The indirect labor will be in mill and factory, in stone quarries, and on transportation lines. And it seems to me well and proper that this should be so. In no other way can it be hoped to spread the benefits of employment so equally throughout the country.

Take such a State as New York, or Pennsylvania, or Illinois, where unemployment is the heaviest. It is absolutely beyond hope that enough actual projects could be put into these States to absorb the unemployed. But if a great number of projects are scattered throughout the country in the nonindustrial States, those projects will absorb the unemployed in their localities and still give employment to thousands of workmen in the industrial States. After all, employment in producing a steel beam in Pittsburgh for a public building in Kentucky is just as valid and just as beneficial as if that employment were directly on the site. Under our complicated industrial system there could be no hope of successfully combatting unemployment under a law requiring an undue percentage of employment at the site unless there were some possibility, as there is not, that projects can be located in communities in proportion to their unemployment. It is obvious that this cannot be done. As a matter of fact, the city of Chicago, where the unemployment situation is very bad, indeed, can use very few more public buildings and no more public utilities than a city of 100,000.

It requires greater capacity, but duplication of plants would be wasteful even if they could be financed.

There seems to be a misapprehension in some quarters that unless some such restriction as the one under discussion is put into the act the money may be used to purchase properties instead of to give employment. There was no such limitation as is now proposed in the act under which P. W. A. is now operating, but we early established it as our policy that only a small proportion of any allocation could go for the purchase of property. After all, a public building cannot be erected unless land is bought upon which to build it unless the municipality already owns the site upon which it is proposed to build, and that is rarely the case. If the purchase of property is what the amendment was intended to cover, the matter could easily be reached directly by a limitation on the proportionate amount of any allocation that could be spent either for a site or for existing facilities.

In conclusion may I say, with all due respect, that I am still of the opinion that the limiting language not only puts a premium upon waste and extravagance and reckless dissipation of public money, it practically requires that this money be so distributed.

With keenest appreciation of your very friendly and cordial reference to me and with kindest personal regards, I am,

Sincerely yours,

HAROLD L. ICKES,
Administrator.

Mr. COPELAND. Mr. President——

Mr. LONG. Mr. President, will the Senator yield for a moment?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. LONG. I want the record to be made permanent that our party leaders disagree to this system of appointing conferees. When we had amendments here raising the income taxes and inheritance taxes we would present them to the Finance Committee. The Finance Committee would vote them down. Then we would come into the Senate and overturn the Finance Committee. Then the leaders on the Finance Committee would be appointed as conferees and go into conference with the House conferees and knock out those amendments. That has been going on for 3 straight years to my certain knowledge. Every time we would overturn the committee and raise the income taxes and inheritance taxes the Finance Committee conferees would go into conference with the House conferees, and very nicely concede that we had no right to do what had been done in the Senate, which was what they had tried to keep the Senate from doing.

It seems that in his last hours the atheist will invoke the Lord and the royalist will call on the republic. This is one of those peculiar instances in which there happens to be gored the ox of the administration leaders who have been profiting by this abortion on legislation ever since the Senate has been here. They will raise the holy flag of the will of the Senate having been perverted now; but the next time we come in here and overturn one of their charmed committees, they will go right in and start killing rats again, just as they have been doing here all the time. It will take another protracted week and another good Holy Ghost and hell-fire sermon to hold one of them converted until water gets hot the next time it comes. [Laughter.]

I am very sorry the Senator from Virginia has left here. I wanted to break bread with him for just a moment. I know how to sympathize with him. It is due to the leadership and personal influence of the Senator from Virginia that the labor amendment was finally defeated in the Senate. Had it not been for him, the McCarran amendment would have gone out of this Chamber as a part of the law; and, according to the Democratic leaders, it was this leadership which saved the joint resolution by keeping the McCarran amendment from being adopted. So great gratitude was naturally due to the Senator from Viriginia for having done what they said resulted in the salvation of the joint resolution. Now, however, the time has come when gratitude must be shown in its proper way and along the accustomed lines that this administration have followed. They have, therefore, taken up the man who saved their joint resolution and kicked labor out of it, and now they have decided to hang him along with the rest of us; so we shall all hang together on the great cross of "gratitude" which has been erected here.

Just one more little line: When they finally spend this $5,000,000,000 and make the public debt $35,000,000,000 instead of $30,000,000,000, labor will be worse off, the country will be worse off, the taxpayers will be worse off, and then we shall all begin to wonder what the whole thing was about, as we did 1 year ago.

Mr. ROBINSON. Mr. President, will the Senator from New York yield for a moment?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. I yield.

Mr. ROBINSON. We have just listened to the lamentations of the modern Jeremiah. [Laughter.] Nothing that this administration can do, nothing that it can propose, meets with his approval or commendation.

It is not possible to have conferees who will reflect every view that is expressed in the Senate. It is not possible to intrust legislation to conferees who in their personal views represent the views of the Senate on every particular amendment; but it is possible to have reflected the general position of the Senate respecting the legislation.

As to what my friend the Senator from Louisiana, Jeremiah the Second, has just said about the results of this proposed legislation, I do not anticipate that all our troubles will disappear when this measure shall become law. I know many things will remain to vex us, among them the Senator from Louisiana. [Laughter.] Nevertheless, this measure is founded on a just, a reasonable, and a sound basis. Its purpose is to take care of those who are in need of sustenance during the period when they cannot obtain work, and to provide work for as many workers as practicable. Certainly there will continue to be difficulties after this legislation shall have been enacted. There will be difficulties of administration; and no doubt the Senator from Louisiana will come back and tell us, as he is in the habit of doing when any difficulty arises, "Oh, yes; I told you so." After all, however, we must do something. We cannot refrain from making provision for destitution relief. We feel that there is an obligation to provide as full a measure of employment to the idle, to the unemployed, as is practicable; and when we shall have done that we shall have done a great deal more than has been proposed by those who oppose this measure.

I thank the Senator from New York for yielding to me.

Mr. LONG. Mr. President, will the Senator from New York permit me just one little reference, for a second?

Mr. COPELAND. If it is very brief.

Mr. LONG. It is not going to be very long.

I am very much pleased that the Senator from Arkansas has again placed me higher in his respect and imagination and labeled me "Jeremiah the Second." However, what I am undertaking to say is rather in the voice of Job's children.

Mr. President, what I wish to have understood is simply this: In 1932, in the month of April, I did say that what is going on now would be going on. I am sorry that later I had to say, "I told you so." We are right where we were in 1932 under Mr. Hoover, only a bit worse off; and I will say to Senators who are disagreeing with me now, particularly my friend from Arkansas, that when year after year they are told that they are leading on a steady course of financial bankruptcy and unemployment and distress, when someone comes back in 1933 and shows them that it happened in 1932, and comes back in 1934 and shows them that it happened in 1933, and comes back in 1935 and shows that it happened in 1934, I hope some day they will turn and have a constitutional form of government again.

This cabinet government, these bandbox schemes that have been handed out here by the bureaucrats and appointees and nonelective officials of the President, have now gone to the point where one appointive officer can go down and turn back both Houses of Congress. We have reached the point of what I consider almost legislative oblivion. We have finally undertaken to abandon Congress. We have tried every remedy that the administrations have brought in, both Hoover and Roosevelt, and it has been just like practicing up on an automobile; the only thing left for them

to do is to take off the wheels to see if it will not expedite the progress of recovery.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes.

Mr. COPELAND. Mr. President, after the exciting debate over other matters, it may seem very prosaic to go to a matter so simple as the protection of the public health. To my mind, however, it is more important to protect the public health than it is to protect the public pocketbook; but I suppose there may be difference of opinion about that.

Mr. President, if there are any Senators here who are interested in this bill, or if they have any questions to ask about it, I wish they would come over this way and help me to get through as fast as I can. I shall confine my remarks to such comments on the bill as will, I hope, help to dissipate doubts which may be in any senatorial mind.

It has been 28 years since the Wiley Law was passed. That is a monument to a great man. But in these 28 years there has developed, of course, knowledge of the weakness of many features of the law. The Department has been thwarted in its efforts to enforce what has come to be an incomplete law. I desire to call attention to one or two or three things before I speak about the bill itself.

The public has been economically exploited. I hold in my hand a section of a package supposed to be filled with cheese. If Senators will look at it, they will notice that there is one layer of cheese on the top of this box and pasteboard at the bottom. When the housewife bought what she thought was a full box of cheese she did not receive even half a box. There has been great difficulty in protecting the housewife against slack filling.

Here is a package of macaroni. There has been cut in it a window, and some cellophane inserted, in order that one who looks at it may discover the truth—that this box, supposed to be a full box of macaroni, is only two-thirds full. The housewife has been robbed of one-third of the money she paid for that box.

I present here a bottle filled with a tincture made from horse-tail weed. If there is any Senator suffering from diabetes, he will be cured by taking proper doses of horse-tail weed, according to the labeling on this bottle. Unfortunately, under the law as it is at present, the housewife is robbed when she buys the brand of cheese to which I have referred, or the brand of macaroni I have mentioned; and the poor suffering citizen who has diabetes, and by modern treatment could be cured, continues to suffer when he takes horse-tail weed. He takes it until the time comes when it is too late to get relief. By proper treatment given in the first place, he might have been restored to health.

I have here a bottle of a "medicine", originally made for horse linament. Now it is advertised to cure tuberculosis, pneumonia, laryngitis, bronchitis, pleurisy, influenza, la grippe, asthma, everything, indeed, from asthma to zymosis. Yet there are citizens in the United States who are opposed to such legislation as that before us, no doubt entirely honest in thinking there is no need for legislation. As a matter of fact, most of these articles of commerce which I have presented here are now on the market, and it has been impossible, under existing law, to protect society against such frauds, indeed, what is worse than fraud. The taking of these "remedies" for diseases which could not thus be cured or alleviated has resulted frequently in the diseases becoming incurable by reason of the delay of proper medical treatment. This is a practice which is of course inimical to health, yet it is impossible to prohibit their sale under the existing law.

I hope Senators are sufficiently interested to look at the card I hold in my hand; here are X-ray pictures of children, actual pictures of children. Found in the throat or lung of each one of these children is a metal object, in one case a fish, I am not sure whether this is a "kingfish" or not [laughter]; in another case a rooster, somewhat bedraggled, like the Republican rooster [laughter]. Here are pictures of other articles which have gotten into the throats or lungs of children through their eating candy in each piece of which was a metallic object of some sort. The poor little kid chewing the candy finds in it something hard, and swallows it, or breathes it in, and suffers in consequence. Many a child in the United States has died because of the sale of such candies, which, under the present law, cannot be prevented.

Mr. President, I cannot quite keep up with the styles, but I understand it is quite a fad among the ladies to be slender. Many fraudulent products upon the market, products which are really harmful in their effect, are used by women in their proper desire to be slim and beautiful, but at the expense of their health.

In the old law no provision was made for protecting the public against harmful cosmetics. It has been 28 years since that law was enacted, and when it was put on the statute books very few cosmetics were used. Now the industry engaged in manufacturing cosmetics has grown until the sale of cosmetics is perhaps one of the greatest industries in the United States.

I regard it as the solemn duty of every woman to be as beautiful as she can be, and I do not blame any woman for using cosmetics if they tend in the direction of making her more attractive. But I want all women, in whom I have an interest, to be guarded and protected against the use of things which may be damaging.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. McADOO in the chair). Does the Senator from New York yield to the Senator from Texas?

Mr. COPELAND. I yield.

Mr. CONNALLY. The Senator said it was a "solemn duty" of the women. Does he not think he would better use another adjective? It seems to be the more solemn they are, the less cosmetics they use.

Mr. COPELAND. Did I speak of it as their solemn duty? I mean, of course, it is my solemn duty to help them to be as beautiful as they can be.

I hold in my hand an article which is used to remove hair from under the arms. Unfortunately this contains a substance which will remove the local hair, but it is also absorbed by the system and when it gets into the system it does more than remove the offensive hair; its absorption into the system results in the destruction of all the hair on the head as well, because it poisons the system and destroys the hair roots.

I hold in my hand a picture which portrays a beautiful girl, not only a beautiful girl, but one who was so popular in her community in Ohio, where she had been a social worker, that the citizens tendered her a complimentary dinner. In preparing for the dinner, after having a marcel, she used a preparation upon her eyelashes to make them black. I show Senators a second photograph, which shows what happened. In 3 weeks the girl was blind, permanently blind, because of the effect of this substance upon her eyes.

Mr. President, I shall not go on with the exhibition of the articles in this "chamber of horrors." There are many articles in reserve similar to those to which I have referred. I call attention to these particular things to show Senators that there are evils against which we must protect our people.

It is not an easy thing to write a food and drugs bill. I do not blame any industry involved, I do not blame those interested in producing articles of food or medicine, if they come here protesting against certain provisions of the bill. But there is no honest manufacturer in the United States who can say that he has not had a chance to explain his position and to explain away what he thought were things which we criticized.

A year ago last June there was handed to me a bill which had been prepared in the Department. I introduced the bill. To be honest with the Senate, I did not read it until October. I realized that I should know what was in the bill, because we would have to have some hearings on it. Then I read it and studied it thoroughly.

We had hearings where all of the manufacturers and other interested persons had opportunity to come and present their criticisms of what appeared in that particular bill. I joined them in criticism of many of the features of the measure. A hearing was held on December 7 and 8 of 1933, where these men had an opportunity to find fault with the bill. The bill was modified. Three different prints of the bill were made, and finally it was acted upon by the Commerce Committee and reported on the floor of the Senate, but so late in the session that nothing could be done with it.

Through the summer and fall I had almost daily conferences with the consumer groups, the interested industries, and the Department, seeking to see about further revisions or amendments if they were necessary. The bill was finally presented to the committee and we had another hearing. So already we have had two hearings this session. Then we thought we had reached the point where we might refer the matter to the committee for action.

I may say now that all this time I had the most helpful assistance of the Senator from Oregon [Mr. McNARY], whose long experience as chairman of the Committee on Agriculture had given him familiarity with the problems involved in the Bureau of Food and Drugs. I had also the assistance of Senator CARAWAY who took a very intelligent and active interest in the bill.

Then having presented that bill this year to the committee, ready for report, the committee said, "No, we must have another hearing." So for one steady week, from March 2 to March 9, inclusive, we had further hearings, and out of those hearings came the bill which is now presented for your consideration.

Mr. President, I submit that no interested person can complain that he has not had a full opportunity to make known his wishes and to present any objection which he might have to this legislation.

Out of these various private and public hearings comes this bill, S. 5. It was presented to the Commerce Committee 2 weeks ago, given consideration by that committee, and several amendments were made then. Now we have it before us, and I hope tomorrow to take up these amendments one by one and try to justify them.

Mr. ROBINSON. Mr. President, is the Senator prepared now, or would it be convenient for him now to state the general provisions of the legislation and the purposes thereof?

Mr. COPELAND. I am happy to do that.

Senators will find on their desks a full report on the bill. It gives in detail, section by section, and subsection by subsection, everything which the bill undertakes to do.

What does it undertake to do? In the first place there is a new provision in the bill which is not in existing law; it has to do with the control of false advertising. There is no provision of law at present to regulate advertising of food products except so far as that regulation is in the hands of the Federal Trade Commission.

For 22 years the Federal Trade Commission has had the power to do something about advertising of food and drug products, but they have little power. A matter is brought before them, hearings are held, injunction suits are brought, and so it goes year after year. I know one case brought by a friend of mine which has been kept in court for 5 years, and finally at the end of that time a "cease and desist" order was entered.

I regard the Federal Trade Commission as performing a very useful function having to do with economic needs, unfair trade practices, all those things which have to do with the business interests of these various industries. But what is dealt with in the pending measure is a matter which has to do with the health of the people. No one disputes that the Food and Drug Administration should determine the quality of the product; no one disputes that it should determine what is on the label. Who can raise any question that advertising is really an extension of the label? In the last analysis the Food and Drug Administration would have to pass upon those matters because there is no machinery in the Federal Trade Commission to deal with them.

For this and other reasons, then, we have provided as a new provision of the food and drug bill the control of false advertising.

Is there any question to be raised on that particular feature?

Mr. AUSTIN. I wonder if this would be a good time to ask the Senator from New York whether it is true that the distinction between the kind of work done by the Federal Trade Commission and that intended to be done by the Food and Drug Administration in the proposed legislation is that in the one case—that is, in the case of the Federal Trade Commission—the principal objective is the regulation of competition in interstate and foreign commerce, and therefore concentrates upon the interests of commerce, whereas the objective of the Food and Drug Administration is the consumer, the public, rather than the interest of commerce? Is that the distinction?

Mr. COPELAND. That is exactly the distinction.

Mr. AUSTIN. I thank the Senator.

Mr. COPELAND. The Senator has stated it far better than I could think of doing it. The Federal Trade Commission has to do with the business, with the industry, with its competition with others; to guarantee fair-trade practices. But the proposed legislation has to do with the protection of the individual citizen, to guard him against the taking of food or drugs which are damaging and which may impair his health, or even endanger his life.

Mr. President, I do not want to hold the Senate longer. I will say a few words more and then, as far as I am concerned, I am through for the day. I revert to the matter of advertising.

In the original bill, the bill which was introduced in June of 1933, arbitrary power was given to the Secretary of Agriculture. Since that time there have been various modifications, until now we have worked out, I think, a good provision, particularly as to advertising. I may say for the advertising features of the bill that the advertising association, the group of men who are in advertising professionally, are heartily in favor of the bill. Two national organizations of publishers, representing about 90 percent of the newspaper and magazine industry, have given their endorsement to this bill. The National Editorial Association has for 50 years been the spokesman for the small daily and weekly newspapers of this country. It is an organization having an affiliated membership of 10,000 newspapers, the so-called "country press"—dailies and weeklies familiar to those who have lived in the small towns.

The bill furthermore has the approval of the National Publishers' Association, representing the magazine group. The membership has publicly endorsed this measure. The periodicals in this organization have a per issue circulation in excess of 50,000,000. They have periodicals of Nation-wide circulation, as well as business, fraternal, religious, and farm papers belonging to their association.

The only newspaper groups asking for transfer of the advertising section enforcement to the Federal Trade Commission is the American Newspaper Publishers' Association, which, according to the testimony before the Senate Commerce Committee, represents 400 daily newspapers. I have been informed that their membership is largely in the big cities. Undoubtedly they have many small city dailies on their rolls.

It seems to me, in view of this situation, that it would be unfair to say that the publishing industry wants the control over advertising transferred to the Federal Trade Commission. Briefly, a vast majority of newspapers and magazines are willing to have the control of advertising in the Department.

I may say about advertising, and that applies not alone to advertising in print, but also to radio advertising, that responsibility is placed upon the manufacturer who supplies the copy or the material. That is where the responsibility ought to lie. The man who disseminates the advertising only puts out what is given him by the manufacturer. So far as the magazine and the newspaper and the radio, the disseminators of the advertising, are concerned, they are guarded by placing the responsibility where it belongs. So long as they have on file statements from the manufacturers they have nothing to fear from the bill.

The fact is that all through this bill runs the thought that the honest manufacturer, the honest producer, the honest advertiser, the men and women who are engaged in industries covered by this bill, have nothing to fear so long as they tell the truth about their products. The purpose of the bill is to guarantee truthfulness in advertising, and to make certain that the products which are sold under such advertising and under the bill itself may be products which are safe for human consumption.

Mr. President, unless some Senator has a question to ask, I will not continue further.

Mr. SCHWELLENBACH. Mr. President——

Mr. COPELAND. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. I should like to ask a question. In the Northwestern section we pack for consumption in other portions of the country various products, the chief product being fish, and we also pack fresh fruit and can them in various ways and send them to other sections of the country. During the past 15 years, representing a large number of small packers, I have had numerous personal experiences with the Food and Drug Administration. They would make an examination of fish, for example, in a warehouse in the city of Seattle. On numerous occasions I personally have attempted to get the Food and Drug Administration to give us a decision there in the State of Washington as to whether or not they believed that the products which we proposed to ship conformed to the Food and Drug Act, but it has been impossible to get a decision at the point of packing or at the point of shipping. For example, 2 years ago a client of mine had a large shipment of fish which he had sold in the city of New York. Three sets of samples were taken from that pack of fish, examination was made of the samples, and I attempted over a period of time to have the Department say whether or not they believed that shipment complied with the Pure Food and Drug Act. We have there two separate, independent agencies that make examinations for the same purposes; both those agencies indicated that they believed the shipment referred to complied with the act, and yet it was impossible to secure any decision at the point of shipment as to the opinion of the Department.

We were told then, as I have been repeatedly told over a period of 15 years, that my client could ship his goods to New York or St. Louis or Georgia or some other part of the United States and then, when the goods reached the point where they were sold, the Department would determine whether or not it wanted to seize the shipment; and if it seized the shipment there, the people living in the State of Washington would be compelled to go to New York or St. Louis or Georgia or some other section of the United States and start an action for the repossession of their goods.

Is there any provision in this proposed act which will place upon the Department the necessity of making its examination at the point of packing if it is within the United States or at the point of shipment from a place in the United States and not so unreasonably place upon those who ship the goods the necessity of going to the point of ultimate sale before they may know whether or not the Department considers that they have complied with the law?

Mr. COPELAND. Let me say in reply to the Senator from Washington that last year the then Senator from Mississippi, Mr. Stephens, who had identical conditions to deal with in his State, secured the adoption of an amendment to the Food and Drug Act providing for exactly what the Senator has in mind—the local inspection to determine at the scene of operations whether or not the product was a proper one to use and to ship. That bill, a copy of which I will hand to the Senator, provides:

> SEC. 10A. The Secretary of Agriculture, upon application of any packer of any sea food sold in interstate commerce, may at his discretion designate supervisory inspectors to examine and inspect all premises, equipment, methods, materials, containers, and labels used by such applicants in the production of such food. If the food is found to conform to the requirements of this act, the applicant shall be authorized, in accordance with regulations prescribed by the Secretary of Agriculture, to mark the food so as to indicate such conformity.

Then the goods may be sent in interstate commerce without embarrassment.

I think probably the Senator will find that there is now such a provision of law. In order to protect the very interests he has in mind—and it is a proper protection to accord them—the Senator will find on page 56, the last page of the bill, beginning at line 2, the following proviso:

> *And provided further*, That amendment to the Food and Drugs Act, section 10 A, approved June 22, 1934, shall remain in force and effect and be applicable to the provisions of this act.

So the situation to which the Senator from Washington refers is fully protected.

Mr. SCHWELLENBACH. I thank the Senator.

Mr. COPELAND. Mr. President, there are, of course, some controversial features in this bill which I have not attempted to go into today. I have no doubt in the debate they will be discussed, but, with a considerable background of experience in the matter of protecting the public in this field, I am here to say that I am satisfied we have here a proposed statute which will make for the safety of the citizens, protect them against harmful drugs, foods, and cosmetics, and protect the honest manufacturer by helping him to make his unworthy competitors conform to decent standards. Furthermore, it will not interfere with the honest expressions of opinion in publications, will not interfere with harmless trade "puffing", and will, at the same time, give ample protection so far as can be done by the enactment of law, to persons who are now suffering because of harmful practices, but who can be protected in view of the advanced knowledge gained during the last quarter of a century. In my judgment the bill will serve to give a degree of safety to the citizens, to the women, the babies, the children, the housewives of the Nation, and go far toward overcoming the evils which have been perpetuated and from which our citizens have suffered baneful effects.

Mr. LONG. Mr. President, the Senator is familiar with antiseptics?

Mr. COPELAND. Yes; I am.

Mr. LONG. What would this bill, if enacted, do to antiseptics?

Mr. COPELAND. If the Senator from Missouri [Mr. CLARK] were here, we could have that question threshed out now. There is no other part of the bill which has been so much discussed and so carefully studied as has that one. The Senator from Missouri and I have been in conferences, and we think we have found language which will satisfy those who are interested, and, at the same time, afford the public full protection. We will discuss that, if the Senator does not mind, when the Senator from Missouri shall be present.

If there is no other question desired to be asked, I will yield the floor to the leader of the majority.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ARNOLD, Mr. LUDLOW, Mr. BOYLAN, Mr. GRANFIELD, Mr. O'NEAL, Mr. TABER, and Mr. MCLEOD were appointed managers on the part of the House at the conference.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

Mr. COPELAND. It being understood that the bill which has been under consideration will be under consideration tomorrow?

Mr. ROBINSON. It is under consideration.

The PRESIDING OFFICER (Mr. MCGILL in the chair). The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of Joseph T. Votava, of Nebraska, to be United States attorney, district of Nebraska, vice Charles E. Sandall, term expired.

He also (for Mr. DIETERICH), from the Committee on the Judiciary, reported favorably the nomination of Howard L. Doyle, of Illinois, to be United States attorney, southern district of Illinois, to succeed Frank K. Lemon, term expired.

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be received and placed on the Executive Calendar. If there be no further reports of committees, the clerk will state the first business in order on the calendar.

INTER-AMERICAN ARBITRATION TREATY

The Senate, as in Committee of the Whole, proceeded to consider the treaty, Executive F (73d Cong., 2d sess.), a general treaty of inter-American arbitration, signed at Washington on January 5, 1929, which was read the second time, as follows:

THE INTERNATIONAL CONFERENCE OF AMERICAN STATES ON CONCILIATION AND ARBITRATION, WASHINGTON, DECEMBER 10, 1928–JANUARY 5, 1929

GENERAL TREATY OF INTER-AMERICAN ARBITRATION

The Governments of Venezuela, Chile, Bolivia, Uruguay, Costa Rica, Perú, Honduras, Guatemala, Haiti, Ecuador, Colombia, Brazil, Panamá, Paraguay, Nicaragua, Mexico, El Salvador, the Dominican Republic, Cuba, and the United States of America, represented at the Conference on Conciliation and Arbitration, assembled at Washington, pursuant to the Resolution adopted on February 18, 1928, by the Sixth International Conference of American States held in the city of Habana;

In accordance with the solemn declarations made at said Conference to the effect that the American Republics condemn war as an instrument of national policy and adopt obligatory arbitration as the means for the settlement of their international differences of a juridical character;

Being convinced that the Republics of the New World, governed by the principles, institutions, and practices of democracy and bound, furthermore, by mutual interests, which are increasing each day, have not only the necessity but also the duty of avoiding the disturbance of continental harmony whenever differences which are susceptible of judicial decision arise among them;

Conscious of the great moral and material benefits which peace offers to humanity and that the sentiment and opinion of America demand, without delay, the organization of an arbitral system which shall strengthen the permanent reign of justice and law;

And animated by the purpose of giving conventional form to these postulates and aspirations with the minimum exceptions which they have considered indispensable to safeguard the independence and sovereignty of the States and in the most ample manner possible under present international conditions, have resolved to effect the present treaty, and for that purpose have designated the Plenipotentiaries hereinafter named:

Venezuela:
Carlos F. Grisanti.
Francisco Arroyo Parejo.
Chile:
Manuel Foster Recabarren.
Antonio Planet.
Bolivia:
Eduardo Diez de Medina.
Uruguay:
José Pedro Varela.
Costa Rica:
Manuel Castro Quesada.
José Tible-Machado.
Perú:
Hernán Velarde.
Victor M. Maúrtua.
Honduras:
Rómulo Durón.
Marcos López Ponce.
Guatemala:
Adrián Recinos.
José Falla.
Haití:
Auguste Bonamy.
Raoul Lizaire.
Ecuador:
Gonzalo Zaldumbide.
Colombia:
Enrique Olaya Herrera.
Carlos Escallón.
Brazil:
S. Gurgel do Amaral.
A. G. de Araujo-Jorge.
Panamá:
Ricardo J. Alfaro.
Carlos L. López.
Paraguay:
Eligio Ayala.
Nicaragua:
Maximo H. Zepeda.
Adrian Recinos.
J. Lisandro Medina.
Mexico:
Fernando González Roa.
Benito Flores.
El Salvador:
Cayetano Ochoa.
David Rosales, Jr.
Dominican Republic:
Angel Morales.
Gustavo A. Díaz
Cuba:
Orestes Ferrara.
Gustavo Gutiérrez.
United States of America:
Frank B. Kellogg.
Charles Evans Hughes.

Who, after having deposited their full powers, found in good and due form by the Conference, have agreed upon the following:

ARTICLE 1

The High Contracting Parties bind themselves to submit to arbitration all differences of an international character which have arisen or may arise between them by virtue of a claim of right made by one against the other under treaty or otherwise, which it has not been possible to adjust by diplomacy and which are juridical in their nature by reason of being susceptible of decision by the application of the principles of law.

There shall be considered as included among the questions of juridical character:

(a) The interpretation of a treaty;

(b) Any question of international law;

(c) The existence of any fact which, if established, would constitute a breach of an international obligation;

(d) The nature and extent of the reparation to be made for the breach of an international obligation.

The provisions of this treaty shall not preclude any of the Parties before resorting to arbitration, from having recourse to procedures of investigation and conciliation established in conventions then in force between them.

ARTICLE 2

There are excepted from the stipulations of this treaty the following controversies:

(a) Those which are within the domestic jurisdiction of any of the Parties to the dispute and are not controlled by international law; and

(b) Those which affect the interest or refer to the action of a State not a Party to this treaty.

ARTICLE 3

The arbitrator or tribunal who shall decide the controversy shall be designated by agreement of the Parties.

In the absence of an agreement the following procedure shall be adopted:

Each Party shall nominate two arbitrators, of whom only one may be a national of said Party or selected from the persons whom said Party has designated as members of the Permanent Court of Arbitration at The Hague. The other member may be of any other American nationality. These arbitrators shall in turn select a fifth arbitrator who shall be the president of the court.

Should the arbitrators be unable to reach an agreement among themselves for the selection of a fifth American arbitrator, or in lieu thereof, of another who is not, each Party shall designate a non-American member of the Permanent Court of Arbitration at The Hague, and the two persons so designated shall select the fifth arbitrator, who may be of any nationality other than that of a Party to the dispute.

ARTICLE 4

The Parties to the dispute shall formulate by common accord, in each case, a special agreement which shall clearly define the particular subject-matter of the controversy, the seat of the court, the rules which will be observed in the proceedings, and the other conditions to which the Parties may agree.

If an accord has not been reached with regard to the agreement within three months reckoned from the date of the installation of the court, the agreement shall be formulated by the court.

ARTICLE 5

In case of death, resignation or incapacity of one or more of the arbitrators the vacancy shall be filled in the same manner as the original appointment.

ARTICLE 6

When there are more than two States directly interested in the same controversy, and the interests of two or more of them are similar, the State or States who are on the same side of the question may increase the number of arbitrators on the court, provided that in all cases the Parties on each side of the controversy shall appoint an equal number of arbitrators. There shall also be a presiding arbitrator selected in the same manner as that provided in the last paragraph of Article 3, the Parties on each side of the controversy being regarded as a single Party for the purpose of making the designation therein described.

ARTICLE 7

The award, duly pronounced and notified to the Parties, settles the dispute definitely and without appeal.

Differences which arise with regard to its interpretation or execution shall be submitted to the decision of the court which rendered the award.

ARTICLE 8

The reservations made by one of the High Contracting Parties shall have the effect that the other Contracting Parties are not bound with respect to the Party making the reservations except to the same extent as that expressed therein.

ARTICLE 9

The present treaty shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures.

The original treaty and the instruments of ratification shall be deposited in the Department of State of the United States of America which shall give notice of the ratifications through diplomatic channels to the other signatory Governments and the treaty shall enter into effect for the High Contracting Parties in the order that they deposit their ratifications.

This treaty shall remain in force indefinitely, but it may be denounced by means of 1 year's previous notice at the expiration of which it shall cease to be in force as regards the Party denouncing the same, but shall remain in force as regards the other signatories. Notice of the denunciation shall be addressed to the Department of State of the United States of America which will transmit it for appropriate action to the other signatory governments.

Any American State not a signatory of this treaty may adhere to the same by transmitting the official instrument setting forth such adherence to the Department of State of the United States of America which will notify the other High Contracting Parties thereof in the manner heretofore mentioned.

In witness whereof the above-mentioned plenipotentiaries have signed this treaty in English, Spanish, Portuguese, and French and hereunto affix their respective seals.

Done at the city of Washington, on this 5th day of January, 1929.

[Translation]

The Delegation of Venezuela signs the present Treaty of Arbitration with the following reservations:

First. There shall be excepted from this Treaty those matters which, according to the Constitution or the laws of Venezuela, are under the jurisdiction of its courts; and, especially, those matters relating to percuniary claims of foreigners. In such matters, arbitration shall not be resorted to except when, legal remedies having been exhausted by the claimant, it shall appear that there has been a denial of justice.

Second. There shall also be excepted those matters controlled by international agreements now in force.

[SEAL] CARLOS F. GRISANTI
[SEAL] FR. ARROYO PAREJO

[Translation]

Chile does not accept obligatory arbitration for questions which have their origin in situations or acts antedating the present Treaty, nor does it accept obligatory arbitration for those questions which, being under the exclusive competency of the national jurisdiction, the interested parties claim the right to withdraw from the cognizance of the established judicial authorities, unless said authorities decline to pass judgment on any action or exception which any natural or juridical foreign person may present to them in the form established by the laws of the country.

[SEAL] MANUEL FOSTER
[SEAL] A. PLANET

[Translation]

The Delegation of Bolivia, in accordance with the doctrine and policy invariably maintained by Bolivia in the field of international jurisprudence, gives full adherence to and signs the General Treaty of Inter-American Arbitration which the Republics of America are to sanction, formulating the following express reservations:

First. There may be excepted from the provisions of the present agreement questions arising from acts occurring or conventions concluded before the said treaty goes into effect, as well as those which, in conformity with international law, are under the exclusive jurisdiction of the state.

Second. It is also understood that, for the submission to arbitration of a territorial controversy or dispute, the zone to which the said arbitration is to apply must be previously determined in the arbitral agreement.

[SEAL] E. DIEZ DE MEDINA.

[Translation]

I vote in favor of the Treaty of Arbitration, with the reservation formulated by the Delegation of Uruguay at the Fifth Pan American Conference, favoring broad arbitration; and with the understanding that arbitration will be resorted to only in case of denial of justice, when the national tribunals have jurisdiction, according to the legislation of their own country.

[SEAL] JOSÉ PEDRO VARELA.

[Translation]

Reservations of Costa Rica:

(a) The obligations contracted under this treaty do not annul, abrogate, or restrict the arbitration conventions which are now in force between Costa Rica and another or others of the high contracting parties and do not involve arbitration, disavowal, or renewed discussion of questions which may have already been settled by arbitral awards.

(b) The obligations contracted under this treaty do not involve the arbitration of judgments handed down by the courts of Costa Rica in civil cases which may be submitted to them with regard to which the interested parties have recognized the jurisdiction of said courts.

[SEAL] MANUEL CASTRO QUESADA
[SEAL] JOSÉ TIBLE-MACHADO
[SEAL] HERNÁN VELARDE
[SEAL] VICTOR M. MAÚRTUA

[Translation]

The Delegation of Honduras, in signing the present treaty, formulates an express reservation making it a matter of record that the provisions thereof shall not be applicable to pending international questions or controversies or to those which may arise in the future relative to acts prior to the date on which the said treaty goes into effect.

[SEAL] RÓMULO E. DURÓN
[SEAL] M. LÓPEZ PONCE

[Translation]

The Delegation of Guatemala makes the following reservations:

1. In order to submit to arbitration any questions relating to the boundaries of the nation, the approval of the Legislative Assembly must first be given, in each case, in conformity with the Constitution of the Republic.

2. The provisions of the present Convention do not alter or modify the conventions and treaties previously entered into by the Republic of Guatemala.

[SEAL] ADRIÁN RECONOS
[SEAL] JOSÉ FALLA
[SEAL] A. BONAMY
[SEAL] RAOUL LIZAIRE

[Translation]

The Delegation of Ecuador, pursuant to instructions of its Government, reserves from the jurisdiction of the obligatory arbitration agreed upon in the present treaty:

1. Questions at present governed by conventions or treaties now in effect;

2. Those which may arise from previous causes or may result from acts preceding the signature of this treaty;

3. Pecuniary claims of foreigners who may not have previously exhausted all legal remedies before the courts of justice of the country, it being understood that such is the interpretation and the extent of the application which the Government of Ecuador has always given to the Buenos Aires Convention of August 11, 1910.

[SEAL] GONZALO ZALDUMBIDE

[Translation]

The Delegation of Colombia signs the foregoing Convention with the following two declarations or reservations:

First. The obligations which the Republic of Colombia may contract thereby refer to the differences which may arise from acts subsequent to the ratification of the Convention;

Second. Except in the case of a denial of justice, the arbitration provided for in this Convention is not applicable to the questions

which may have arisen or may arise between a citizen, an association, or a corporation of one of the parties and the other contracting state when the judges or courts of the latter state are, in accordance with its legislation, competent to settle the controversy.

[SEAL] ENRIQUE OLAYA HERRERA
[SEAL] C. ESCALLÓN
[SEAL] S. GURGEL DO AMARAL
[SEAL] A. ARAUJO-JORGE
[SEAL] R. J. ALFARO
[SEAL] CARLOS L. LÓPEZ

[Translation]

Reservation of the Delegation of Paraguay:

I sign this treaty with the reservation that Paraguay excludes from its application questions which directly or indirectly affect the integrity of the national territory and are not merely questions of frontiers or boundaries.

[SEAL] ELIGIO AYALA
MÁXIMO H. ZEPEDA
[SEAL] ADRIÁN RECINOS
J. LISANDRO MEDINA

[Translation]

Mexican Reservation:

Mexico makes the reservation that differences which fall under the jurisdiction of the courts, shall not form a subject of the procedure provided for by the convention, except in case of denial of justice, and until after the judgment passed by the competent national authority has been placed in the class of *res judicata*.

[SEAL] FERNANDO GONZÁLEZ ROA
BENITO FLORES

[Translation]

The Delegation of El Salvador to the Conference on Conciliation and Arbitration assembled in Washington accepts and signs the General Treaty of Inter-American Arbitration concluded this day by said Conference, with the following reservations or restrictions:

1. After the words of paragraph 1 of Article 1 reading: "under treaty or otherwise", the following words are to be added: "subsequent to the present convention". The article continues without any other modification.

2. Paragraph (a) of Article 2 is accepted by the Delegation without the final words which read: "and are not controlled by international law", which should be considered as eliminated.

3. This treaty does not include controversies or differences with regard to points or questions which, according to the Political Constitution of El Salvador, must not be submitted to arbitration, and

4. Pecuniary claims against the nation shall be decided by its judges and courts, since they have jurisdiction thereof, and recourse shall be had to international arbitration only in the cases provided in the Constitution and laws of El Salvador, that is in cases of denial of justice or unusual delay in the administration thereof.

[SEAL] CAYETANO OCHOA
[SEAL] DAVID ROSALES, HIJO

[Translation]

The Dominican Republic, in signing the General Treaty of Inter-American Arbitration, does so with the understanding that controversies relating to questions which are under the jurisdiction of its courts shall not be referred to arbitral jurisdiction except in accordance with the principles of international law.

[SEAL] A. MORALES
[SEAL] G. A. DÍAZ
[SEAL] ORESTES FERRARA
[SEAL] GUSTAVO GUTIÉRREZ
[SEAL] FRANK B. KELLOGG
[SEAL] CHARLES EVANS HUGHES

Mr. PITTMAN. Mr. President, this is a treaty of inter-American arbitration. It was recommended at Habana in February 1928; it was prepared in December 1928; it was signed at Washington on January 5, 1929. It provides for the selection of arbitrators in the event of disputes between American governments. It does not preclude, however, the submission of any question or dispute to other arbitral boards or to investigation and conciliation.

In 1932 this treaty was ratified by the Senate of the United States with two reservations. The first reservation reads as follows:

With the understanding, to be made a part of such ratification, that the special agreement in each case shall be made only by the President, and then only by and with the advice and consent of the Senate, notwithstanding any provisions of the treaty to the contrary.

The second reservation was as follows:

Also, with the understanding, to be made a part of such ratification, that the provisions of this treaty shall not be applicable to pending international questions or controversies or to those which may arise in the future relative to acts prior to the date on which said treaty goes into effect, or to controversies arising under treaties negotiated prior to the date on which said treaty goes into effect.

The second reservation was construed by the State Department substantially to nullify the arbitration treaty. It so limited its scope that the treaty would add nothing to the existing treaties with regard to investigation or conciliation, and therefore ratifications were not exchanged. The treaty was sent back to the Senate and referred to the Foreign Relations Committee. The committee heard representatives of the State Department with regard to the matter and came to the conclusion that the second reservation was entirely unnecessary by reason of the terms of the treaty itself and by reason of the fact that it must be ratified by two-thirds of the United States Senate.

It will be observed that in the body of the treaty itself it is provided:

There are excepted from the stipulations of this treaty the following controversies:

(a) Those which are within the domestic jurisdiction of any of the parties to the dispute and are not controlled by international law; and

(b) Those which affect the interest or refer to the action of a state not a party to this treaty.

There is in addition to that in the body of the treaty the following article:

ARTICLE 4

The parties to the dispute shall formulate by common accord in each case a special agreement which shall clearly define the particular subject matter of the controversy, the seat of the court, the rules which will be observed in the proceedings, and the other conditions to which the parties may agree.

If an accord has not been reached with regard to the agreement within 3 months reckoned from the date of the installation of the court, the agreement shall be formulated by the court.

In view of these exceptions and limitations in the treaty itself, the Foreign Relations Committee unanimously considered the second reservation entirely unnecessary. We did, however, strengthen the first reservation by adding the following:

With the understanding, to be made a part of such ratification, that the special agreement in each case shall be made only by the President, and then only by and with the advice and consent of the Senate, provided two-thirds of the Senators present concur.

That last proviso is an addition to the reservation which we adopted in 1932.

The committee was unanimous in its report. The treaty of arbitration between the Americas expressly provides that the parties shall select their own tribunal or court; that there shall be a special agreement governing it all; that if they cannot agree on a special court, then each of the parties to the controversy shall select two representatives from their own country who shall select a fifth, who shall not be a national of either of the countries involved in the dispute; that in the event those four are unable to agree on the fifth, then they shall select from their representatives at The Hague a representative each, and such representatives shall select a fifth.

It is a very flexible treaty. It has been approved by nearly all the South American countries. It has been discussed for several years and is considered a very valuable addition to our arbitration treaties.

In view of the fact that it was ratified heretofore, in view of the fact that the committee has unanimously reported it favorably after investigating the whole subject, coming up to date on the correspondence and on the statistics, I feel that at this time the Senate should advise and consent to the treaty.

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification, with the reservation reported by the committee, will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive F, Seventy-third Congress, second session, a general treaty of inter-American arbitration, signed at Washington on January 5, 1929, with the understanding, to be made a part of such ratification,

that the special agreement in each case shall be made only by the President, and then only by and with the advice and consent of the Senate, provided two-thirds of the Senators present concur.

The PRESIDING OFFICER. The question is on agreeing to the reservation to the resolution of ratification.

The reservation was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification as amended by the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification, as amended by the reservation, is agreed to, and the treaty is ratified.

TREATY RELATING TO BILLS OF LADING FOR CARRIAGE OF GOODS BY SEA

The Senate, as in Committee of the Whole, proceeded to consider Executive E (69th Cong., 2d sess.), relating to bills of lading for the carriage of goods by sea and the protocol of signature thereto, which was signed on behalf of the United States by the American Ambassador at Brussels on June 23, 1925, which was read the second time, as follows:

INTERNATIONAL CONVENTION FOR THE UNIFICATION OF CERTAIN RULES RELATING TO BILLS OF LADING

The President of the German Republic, the President of the Argentine Republic, His Majesty the King of the Belgians, the President of the Republic of Chile, the President of the Republic of Cuba, His Majesty the King of Denmark, His Majesty the King of Spain, the Chief of the Estonian State, the President of the United States of America, the President of the Republic of Finland, the President of the French Republic, His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Possessions beyond the seas, Emperor of India, the Regent of the Kingdom of Hungary, His Majesty the King of Italy, His Majesty the Emperor of Japan, the President of the Republic of Latvia, the President of the Republic of Mexico, His Majesty the King of Norway, Her Majesty the Queen of the Netherlands, the President of the Republic of Peru, the President of the Republic of Poland, the President of the Portuguese Republic, His Majesty the King of Rumania, His Majesty the King of the Serbs, Croats and Slovenes, His Majesty the King of Sweden and the President of the Republic of Uruguay.

Having recognized the utility of laying down in common accord certain uniform rules relating to bills of lading have decided to conclude a Convention to that effect and have designated as their Plenipotentiaries, namely:

The President of the German Republic:
His Excellency Mr. von Keller, Minister of Germany at Brussels.
The President of the Argentine Republic:
His Majesty the King of the Belgians:
Mr. L. Franck, Minister of Colonies, President of the International Maritime Committee;
Mr. A. Le Jeune, Senator, Vice President of the International Maritime Committee;
Mr. F. Sohr, Doctor of Law, Secretary General of the International Maritime Committee; Professor at the University of Brussels.
The President of the Republic of Chile;
The President of the Republic of Cuba;
His Majesty the King of Denmark;
His Majesty the King of Spain;
His Excellency the Marquis of Villalobar and Guimarey, Ambassador of Spain at Brussels.
Chief of the Estonian State:
His Excellency Mr. Pusta, Minister of Estonia at Brussels.
The President of the United States of America:
His Excellency Mr. William Phillips, Ambassador of the United States at Brussels.
The President of the Republic of Finland:
The President of the French Republic:
His Excellency Mr. M. Harbette, Ambassador of France at Brussels.
His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Possessions beyond the seas, Emperor of India:
His Excellency the Right Honorable Sir George Grahame, G. C. V. O., K. C. M. G., Ambassador of His Britannic Majesty at Brussels.
The Regent of the Kingdom of Hungary:
Count Olivier Woraczicky, Baron of Pabienitz Chargé d'Affaires of Hungary at Brussels.
His Majesty the King of Italy:
Mr. J. Daneo, Charge d'Affaires ad interim of Italy at Brussels
His Majesty the Emperor of Japan:
His Excellency Mr. M. Adatci, Ambassador of Japan at Brussels.
The President of the Republic of Latvia:
The President of the Republic of Mexico:
His Majesty the King of Norway:
Her Majesty the Queen of the Netherlands:
The President of the Republic of Peru:
The President of the Republic of Poland:
His Excellency Count Jean Szembek, Minister of Poland at Brussels.
The President of the Portuguese Republic:
His Majesty the King of Rumania:
His Excellency Mr. Henry Catargi, Minister of Rumania at Brussels.
His Majesty the King of the Serbs, Croats and Slovenes:
Messrs. Straznicky and Verona
His Majesty the King of Sweden:
The President of the Republic of Uruguay:
Who, duly authorized therefor have agreed on the following:

ARTICLE 1

In this convention the following words are employed with the meaning set out below:

(a) "Carrier" includes the owner of the vessel or the charterer who enters into a contract of carriage with a shipper.

(b) "Contract of carriage" applies only to contracts of carriage covered by a bill of lading or any similar document of title, in so far as such document relates to the carriage of goods by sea; it also applies to any bill of lading or any similar document as aforesaid issued under or pursuant to a charter party from the moment at which such instrument regulates the relations between a carrier and a holder of the same.

(c) "Goods" includes goods, wares, merchandise, and articles of every kind whatsoever except live animals and cargo which by the contract of carriage is stated as being carried on deck and is so carried.

(d) "Ship" means any vessel used for the carriage of goods by sea.

(e) "Carriage of goods" covers the period from the time when the goods are loaded on to the time they are discharged from the ship.

ARTICLE 2

Subject to the provisions of Article 6 under every contract of carriage of goods by sea the carrier, in relation to the loading, handling, stowage, carriage, custody, care, and discharge of such goods shall be subject to the responsibilities and liabilities, and entitled to the rights and immunities hereinafter set forth.

ARTICLE 3

1. The carrier shall be bound before and at the beginning of the voyage to exercise due diligence to—

(a) Make the ship seaworthy:

(b) Properly man, equip, and supply the ship:

(c) Make the holds, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage, and preservation.

2. Subject to the provisions of Article 4 the carrier shall properly and carefully load, handle, stow, carry, keep, care for, and discharge the goods carried.

3. After receiving the goods into his charge the carrier or the master or agent of the carrier shall, on demand of the shipper, issue to the shipper a bill of lading showing among other things:

(a) The leading marks necessary for identification of the goods as the same are furnished in writing by the shipper before the loading of such goods starts, provided such marks are stamped or otherwise shown clearly upon the goods if uncovered, or on the cases or coverings in which such goods are contained, in such a manner as should ordinarily remain legible until the end of the voyage;

(b) Either the number of packages or pieces, or the quantity, or weight, as the case may be, as furnished in writing by the shipper;

(c) The apparent order and condition of the goods;

Provided that no carrier, master, or agent of the carrier shall be bound to state or show in the bill of lading any marks, number, quantity, or weight which he has reasonable grounds for suspecting not accurately to represent the goods actually received or which he has had no reasonable means of checking.

4. Such a bill of lading shall be prima facie evidence of the receipt by the carrier of the goods as therein described in accordance with paragraph 3 (a), (b), and (c).

5. The shipper shall be deemed to have guaranteed to the carrier the accuracy at the time of shipment of the marks, number, quantity, and weight, as furnished by him, and the shipper shall indemnify the carrier against all loss, damages, and expenses arising or resulting from inaccuracies in such particulars. The right of the carrier to such indemnity shall in no way limit his responsibility and liability under the contract of carriage to any person other than the shipper.

6. Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the carrier or his agent at the port of discharge before or at the time of the removal of the goods into the custody of the person entitled to delivery thereof under the contract of carriage, such removal shall be prima facie evidence of the delivery by the carrier of the goods as described in the bill of lading.

If the loss or damage is not apparent, the notice must be given within three days of the delivery.

The notice in writing need not be given if the state of the goods has at the time of their receipt been the subject of joint survey or inspection.

In any event the carrier and the ship shall be discharged from all liability in respect of loss or damage unless suit is brought within 1 year after delivery of the goods or the date when the goods should have been delivered.

In the case of any actual or apprehended loss or damage the carrier and the receiver shall give all reasonable facilities to each other for inspecting and tallying the goods.

7. After the goods are loaded the bill of lading to be issued by the carrier, master, or agent of the carrier to the shipper shall, if the shipper so demands, be a "shipped" bill of lading, provided that if the shipper shall have previously taken up any document of title to such goods, he shall surrender the same as against the issue of the "shipped" bill of lading. At the option of the carrier such document of title may be noted at the port of shipment by the carrier, master, or agent with the name or names of the ship or ships upon which the goods have been shipped and the date or dates of shipment, and when so noted, if it shows the particulars mentioned in paragraph 3 of article 3, it shall for the purpose of this article be deemed to constitute a "shipped" bill of lading.

8. Any clause, covenant, or agreement in a contract of carriage relieving the carrier or the ship from liability for loss or damage to or in connection with goods arising from negligence, fault, or failure in the duties and obligations provided in this article, or lessening such liability otherwise than as provided in this convention, shall be null and void and of no effect. A benefit of insurance in favor of the carrier or similar clause shall be deemed to be a clause relieving the carrier from liability.

ARTICLE 4

1. Neither the carrier nor the ship shall be liable for loss or damage arising or resulting from unseaworthiness unless caused by want of due diligence on the part of the carrier to make the ship seaworthy and to secure that the ship is properly manned, equipped, and supplied and to make the holds, refrigerating and cool chambers, and all other parts of the ship in which goods are carried fit and safe for their reception, carriage, and preservation in accordance with the provisions of paragraph 1 of article 3. Whenever loss or damage has resulted from unseaworthiness, the burden of proving the exercise of due diligence shall be on the carrier or other person claiming exemption under this article.

2. Neither the carrier nor the ship shall be responsible for loss or damage arising or resulting from:

(a) Act, neglect, or default of the master, mariner, pilot, or the servants of the carrier in the navigation or in the management of the ship.

(b) Fire, unless caused by the actual fault or privity of the carrier.

(c) Perils, dangers, and accidents of the sea or other navigable waters.

(d) Act of God.

(e) Act of war.

(f) Act of public enemies.

(g) Arrest of restraint of prices, rules, or people or seizure under legal process.

(h) Quarantine restrictions.

(i) Act or omission of the shipper or owner of the goods, his agent, or representative.

(j) Strikes or lockouts or stoppage or restraint of labor from whatever cause, whether partial or general.

(k) Riots and civil commotions.

(l) Saving or attempting to save life or property at sea.

(m) Wastage in bulk or weight or any other loss or damage arising, from inherent defect, quality, or vice of the goods.

(n) Insufficiency of packing.

(o) Insufficiency or inadequacy of marks.

(p) Latent defects not discoverable by due diligence.

(q) Any other cause arising without the actual fault or privity of the carrier, or without the fault or neglect of the agents or servants of the carrier, but the burden of proof shall be on the person claiming the benefit of this exception to show that neither the actual fault or privity of the carrier nor the fault or neglect of the agents or servants of the carrier contributed to the loss or damage.

3. The shipper shall not be responsible for loss or damage sustained by the carrier or the ship arising or resulting from any cause without the act, fault, or neglect of the shipper, his agents, or his servants.

4. Any deviation in saving or attempting to save life or property at sea or any reasonable deviation shall not be deemed to be an infringement or breach of this convention or of the contract of carriage, and the carrier shall not be liable for any loss or damage resulting therefrom.

5. Neither the carrier nor the ship shall in any event be or become liable for any loss or damage to or in connection with goods in an amount exceeding 100 pounds sterling per package or unit or the equivalent of that sum in other currency unless the nature and value of such goods have been declared by the shipper before shipment and inserted in the bill of lading.

This declaration, if embodied in the bill of lading, shall be prima facie evidence but shall not be binding or conclusive on the carrier.

By agreement between the carrier, master, or agent of the carrier and the shipper another maximum amount than that mentioned in this paragraph may be fixed, provided that such maximum shall not be less than the figure above named.

Neither the carrier nor the ship shall be responsible in any event for loss or damage to, or in connection with, goods if the nature or value thereof has been knowingly misstated by the shipper in the bill of lading.

6. Goods of an inflammable, explosive, or dangerous nature to the shipment whereof the carrier, master, or agent of the carrier has not consented with knowledge of their nature and character may at any time before discharge be landed at any place or destroyed or rendered innocuous by the carrier without compensation, and the shipper of such goods shall be liable for all damages and expenses directly or indirectly arising out of or resulting from such shipment. If any such goods shipped with such knowledge and consent shall become a danger to the ship or cargo, they may in like manner be landed at any place or destroyed or rendered innocuous by the carrier without liability on the part of the carrier except to general average, if any.

ARTICLE 5

A carrier shall be at liberty to surrender in whole or in part all or any of his rights and immunities, or to increase any of his responsibilities and liabilities under this convention provided such surrender or increase shall be embodied in the bill of lading issued to the shipper.

The provisions of this convention shall not be applicable to charter parties, but if bills of lading are issued in the case of a ship under a charter-party they shall comply with the terms of this convention. Nothing in these rules shall be held to prevent the insertion in a bill of lading of any lawful provision regarding general average.

ARTICLE 6

Notwithstanding the provisions of the preceding articles, a carrier, master, or agent of the carrier and a shipper shall in regard to any particular goods be at liberty to enter into any agreement in any terms as to the responsibility and liability of the carrier for such goods, and as to the rights and immunities of the carrier in respect of such goods, or concerning his obligation as to seaworthiness so far as this stipulation is not contrary to public policy, or concerning the care or diligence of his servants or agents in regard to the loading, handling, stowage, carriage, custody, care, and discharge of the goods carried by sea, provided that in this case no bill of lading has been or shall be issued and that the terms agreed shall be embodied in a receipt which shall be a nonnegotiable document and shall be marked as such.

Any agreement so entered into shall have full legal effect:

Provided that this article shall not apply to ordinary commercial shipments made in the ordinary course of trade, but only to other shipments where the character or condition of the property to be carried or the circumstances, terms, and conditions under which the carriage is to be performed are such as reasonably to justify a special agreement.

ARTICLE 7

Nothing herein contained shall prevent a carrier or a shipper from entering into any agreement, stipulation, condition, reservation, or exemption as to the responsibility and liability of the carrier or the ship for the loss or damage to, or in connection with, the custody and care and handling of goods prior to the loading on, and subsequent to the discharge from, the ship on which the goods are carried by sea.

ARTICLE 8

The provisions of this convention shall not affect the rights and obligations of the carrier under any statute for the time being in force relating to the limitation of the liability of owners of seagoing vessels.

ARTICLE 9

The monetary units mentioned in this convention are to be taken to be gold value.

Those contracting states in which the pound sterling is not a monetary unit reserve to themselves the right of translating the sums indicated in this convention in terms of pound sterling into terms of their own monetary system in round figures.

The national laws may reserve to the debtor the right of discharging his debt in national currency according to the rate of exchange prevailing on the day of the arrival of the ship at the port of discharge of the goods concerned.

ARTICLE 10

The provisions of this convention shall apply to all bills of lading issued in any of the contracting States.

ARTICLE 11

After an interval of not more than two years from the day on which the convention is signed, the Belgian Government shall place itself in communication with the governments of the high contracting parties which have declared themselves prepared to ratify the convention, with a view to deciding whether it shall be put into force. The ratifications shall be deposited at Brussels at a date to be fixed by agreement among the said governments. The first deposit of ratifications shall be recorded in a procès-verbal signed by the representatives of the powers which take part therein and by the Belgian Minister for Foreign Affairs.

The subsequent deposits of ratifications shall be made by means of a written notification, addressed to the Belgian Government and accompanied by the instrument of ratification.

A duly certified copy of the procès-verbal relating to the first deposit of ratifications, of the notifications referred to in the previous paragraph, and also of the instruments of ratification accompanying them, shall be immediately sent by the Belgian Government through the diplomatic channel to the powers who have signed this convention or who have acceded to it. In the cases contemplated in the preceding paragraph the said Government shall inform them at the same time of the date on which it received the notification.

ARTICLE 12

Nonsignatory States may accede to the present convention whether or not they have been represented at the International Conference at Brussels.

A State which desires to accede shall notify its intention in writing to the Belgian Government, forwarding to it the document of accession, which shall be deposited in the archives of the said Government.

The Belgian Government shall immediately forward to all the States which have signed or acceded to the convention a duly certified copy of the notification and of the act of accession, mentioning the date on which it received the notification.

ARTICLE 13

The high contracting parties may at the time of signature, ratification, or accession declare that their acceptance of the present convention does not include any or all of the self-governing dominions, or of the colonies, overseas possessions, protectorates, or territories under their sovereignty or authority, and they may subsequently accede separately on behalf of any self-governing dominion, colony, overseas possession, protectorate, or territory excluded in their declaration. They may also denounce the convention separately in accordance with its provisions in respect of any self-governing dominion, or any colony, overseas possession, protectorate, or territory under their sovereignty or authority.

ARTICLE 14

The present convention shall take effect, in the case of the States which have taken part in the first deposit of ratifications, one year after the date of the procès-verbal recording such deposit. As respects the States which ratify subsequently or which accede, and also in cases in which the convention is subsequently put into effect in accordance with Article 13, it shall take effect six months after the notifications specified in paragraph 2 of article 11, and paragraph 2 of Article 12, have been received by the Belgian Government.

ARTICLE 15

In the event of one of the contracting States wishing to denounce the present convention, the denunciation shall be notified in writing to the Belgian Government, which shall immediately communicate a duly certified copy of the notification to all the other States informing them of the date on which it was received.

The denunciation shall only operate in respect of the State which made the notification, and on the expiry of one year after the notification has reached the Belgian Government.

ARTICLE 16

Any one of the contracting States shall have the right to call for a fresh conference with a view to considering possible amendments.

A State which would exercise this right should notify its intention to the other States through the Belgian Government, which would make arrangements for convening the conference.

Done at Brussels, in a single copy, August 25, 1924.

For Germany:
(Signed) KELLER.
For the Argentine Republic:
For Belgium:
(Signed) LOUIS FRANCK.
(Signed) ALBERT LE JEUNE,
(Signed) SOHR.
For Chile:
For the Republic of Cuba:
For Denmark:
For Spain:
(Signed) THE MARQUIS OF VILLALOBAR.
For Estonia:
(Signed) PUSTA
For the United States of America:
(Signed) WILLIAM PHILLIPS.
For Finland:
For France:
(Signed) MAURICE HERBETTE.
For Great Britain:
(Signed) GEORGE GRAHAME.
For Hungary:
(Signed) WORACZICZKY.
For Italy:
(Signed) GIULIO DANEO.
For Japan:
(Signed) M. ADATCI.

Subject to the reservations formulated in the note relative to this treaty and appended to my letter dated August 25, 1925, to His Excellency Mr. Emile Vandervelde, Minister for Foreign Affairs of Belgium.

For Latvia:
For Mexico:
For Norway:
For the Netherlands:
For Peru:
For Poland and the Free City of Danzig:
(Signed) SZEMBEK.
For Portugal:
For Rumania:
(Signed) HENRY CATARGI.
For the Kingdom of the Serbs, Croats and Slovenes:
(Signed) Dr. MILOVAD. STRAZNICKY.
(Signed) Dr. VERONA.
For Sweden:
For Uruguay:

PROTOCOL OF SIGNATURE

The high contracting parties may give effect to this convention either by giving it the force of law or by including in their national legislation in a form appropriate to that legislation, the rules adopted under this convention.

They may reserve the right:

1. To prescribe that in the cases referred to in paragraph 2 (c) to (p) of Article 4, the holder of a bill of lading shall be entitled to establish responsibility for loss or damage arising from the personal fault of the carrier or the fault of his servants which are not covered by paragraph (a).

2. To apply article 6 in so far as the national coasting trade is concerned to all classes of goods without taking account of the restriction set out in the last paragraph of that article.

Done at Brussels, in a single copy, August 25, 1924.

For Germany
(Signed) KELLER.
For the Argentine Republic:
For Belgium:
(Signed) LOUIS FRANCK.
(Signed) ALBERT LE JEUNE.
(Signed) SOHR.
For Chile:
For the Republic of Cuba:
For Denmark:
For Spain:
(Signed) THE MARQUIS OF VILLALOBAR.
For Estonia:
(Signed) PUSTA.
For the United States of America:
(Signed) WILLIAM PHILLIPS.
For Finland:
For France:
(Signed) MAURICE HERBETTE.
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(Signed) GEORGE GRAHAME.
For Hungary:
(Signed) WORACZICZKY.
For Italy:
(Signed) GIULIO DANEO.
For Japan:
For Latvia:
For Mexico:
For Norway:
For the Netherlands:
For Peru:
For Poland and the Free City of Danzig:
(Signed) SZEMBEK.
For Portugal:
For Rumania:
(Signed) HENRY CATARGI.
For the Kingdom of the Serbs, Croats and Slovenes:
(Signed) Dr. MILOVAD STRAZNICKY.
(Signed) Dr. VERONA.
For Sweden:
For Uruguay:

PROCES-VERBAL OF SIGNATURE

August 25, 1924, the international Convention for the unification of certain rules relating to bills-of-lading was opened at the Belgian Ministry of Foreign Affairs for signature by the Plenipotentiaries of the States represented at the International Conference on Maritime Law.

The signatures of the Plenipotentiaries whose names follow, have been successively received:

September 8, 1924, for Belgium,
Mr. L. FRANCK,
Mr. LE JEUNE,
Mr. SOHR.
November 15, 1924, for Great Britain,
H. E. the Right Honorable Sir GEORGE GRAHAME.

In proceeding to the signature of the present Convention, His Excellency made, in the name of his Government, the declaration of which the terms are reproduced in an annex to the present Proces-Verbal.

I, the Undersigned, His Britannic Majesty's Ambassador at Brussels, on affixing my signature to the Protocol of Signature of the International Convention for the unification of certain rules relating to Bills of Lading, on this 15th day of November 1924, hereby make the following declarations by direction of my Government.

I declare that His Britannic Majesty's Government adopt the last reservation in the additional Protocol of the Bills of Lading Convention.

I further declare that my signature applies only to Great Britain and Northern Ireland. I reserve the right of each of the British Dominions, Colonies, Overseas Possessions and Protectorates, and of each of the territories over which His Britannic Majesty exercises a mandate to accede to this Convention under Article 13.

(s) GEORGE GRAHAME,
His Britannic Majesty's Ambassador at Brussels.

Brussels, this 15th day of November 1924.

At the moment of proceeding to the signature of the International Convention for the unification of certain rules relating to

Bills of Lading, the undersigned, Plenipotentiary of Japan, makes the following reservations:

a) *To Article 4.*

Japan reserves to itself until further notice the acceptance of the provisions in (a) of paragraph 2 of Article 4.

b) Japan is of the opinion that the Convention does not in any part apply to national coasting trade: consequently, there should be no occasion to make it the object of provisions in the Protocol. However, if it be not so, Japan reserves to itself the right freely to regulate the national coasting trade by its own law.

(s) M. ADATCI.

BRUSSELS, *August 25, 1925.*

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

Mr. PITTMAN. Mr. President, before asking for the advice and consent of the Senate to the treaty, I think it would be well for the Senator from Utah [Mr. THOMAS], who is chairman of the subcommittee which considered the treaty, to explain it to the Senate.

Mr. THOMAS of Utah. Mr. President, the convention which the Senate now has under consideration merely provides for the unification of certain rules relating to bills of lading for the carriage of goods by sea and the protocol of signature thereto. It was signed on behalf of the United States at Brussels on June 23, 1925.

Due to the fact that the convention has been some time coming to the point of ratification, and due to the fact that many changes have occurred in our international monetary relations, the committee decided that it was necessary, in recommending the ratification of the treaty, that it be done with the following understanding:

That notwithstanding the provisions of article 4, section 5, and the first paragraph of article 9 of the convention, neither the carrier nor the ship shall in any event be or become liable within the jurisdiction of the United States of America for any loss or damage to or in connection with goods in an amount exceeding $500, lawful money of the United States of America, per package or unit unless the nature and value of goods have been declared by the shipper before shipment and inserted in the bill of lading.

Mr. President, this understanding, as I said, is necessary because the convention itself calls for a valuation of 100 English pounds and states that the valuation shall be computed according to the rate of exchange.

I move that the Senate give its consent to this understanding.

The PRESIDING OFFICER. The question is on the reservation submitted by the Senator from Utah in behalf of the committee. The resolution of ratification embracing the reservation will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive E, Sixty-ninth Congress, second session, a convention for the unification of certain rules relating to bills of lading for the carriage of goods by sea and a protocol of signature thereto, signed on behalf of the United States at Brussels on June 23, 1925, with the understanding, to be made a part of such ratification, that, notwithstanding the provisions of article 4, section 5, and the first paragraph of article 9 of the convention, neither the carrier nor the ship shall in any event be or become liable within the jurisdiction of the United States of America for any loss or damage to or in connection with goods in an amount exceeding $500, lawful money of the United States of America, per package or unit unless the nature and value of goods have been declared by the shipper before shipment and inserted in the bill of lading.

Mr. THOMAS of Utah. Mr. President, the first diplomatic conference regarding this convention was held at Brussels October 17–26, 1922, and was attended by the duly appointed delegates of 24 nations.

The convention, which was opened for signature in Brussels in 1924, has been signed or adhered to by 16 nations, as follows:

Belgium	1924
Chile	1927
Danzig	----
Estonia	1926
France	1925
Germany	1925
Great Britain	1924
Hungary	1926
Italy	1924
Japan	1925
Yugoslavia	1926
Netherlands	1924
Poland	1925
Portugal	1931
Rumania	1925
United States of America	1925

Six nations have already ratified the convention—Great Britain, Belgium, Netherlands, Spain, Portugal, and Hungary.

The rules of the convention have to date been enacted, by national legislation, in Great Britain and 53 British possessions and in Australia, Belgium, Netherlands, India, and Italy. The effective date of the Italian decree has, however, been postponed to await similar action by other countries.

This convention was signed on behalf of the United States by the American Ambassador at Brussels on June 23, 1925, and was submitted to the Senate by the President of the United States on February 26, 1927.

The purpose of the convention is to secure uniformity in the laws of the leading commercial countries, on the subject of ocean bills of lading. These documents are widely accepted by bankers, as security for advances, and it is essential that their reliability shall be maintained, in order that the movement of our exports and imports may be readily financed. International transportation has, however, been seriously handicapped due to the fact that the law governing ocean carriers has been different, in important particulars, in practically every country of the world and uniform shipping documents have, therefore, been impossible. As a result, bankers have been in doubt as to their security when discounting drafts drawn against bills of lading, cargo underwriters have not known the risks which they covered, when insuring goods in transit, and carriers and shippers have been in constant litigation. For the purpose of overcoming these difficulties, a code has been prepared for international adoption and is embodied in this convention. This code is based upon the law of this country and Judge Hough, of the Circuit Court of Appeals for the Second Circuit, who was chosen by Secretary Hughes as the leading American delegate to the Brussels Diplomatic Conference, acted as the chairman of the committee which put the code into its final form.

It is interesting to note, as is stated at some length in the committee report, that the same difficulties which exist today, internationally, because of the diversity of the laws of the various nations, were originally encountered in our interstate transportation, because of the diversity of the laws of the different States. This was corrected by the general adoption of a Uniform State Bill of Lading Act, which was prepared by the National Conference of Commissions on Uniform State Laws. That act was first adopted by Massachusetts in 1910 and is now the law in 27 States, which are named in the report.

The Federal Bill of Lading Act was also passed to make the law as laid down by our Federal courts uniform with that of the State act, and the present convention, which seeks international uniformity, is simply another step in the same direction.

The convention will do more, however, than produce international uniformity, for it will also meet the insistent demands which have been made by American shippers for the past 30 years for greater protection in the handling of their goods. In particular, a shipper will be allowed 1 year within which to bring suit for damage to his cargo (instead of the very short period which now appears in most bills of lading), and carriers who have received goods sound and have delivered them damaged will be required to pay for that damage unless they prove that there has been no negligence on their part. Carriers also will not be allowed to limit their liability below $500 per package.

This code has been in force in Great Britain and Australia since 1924, was incorporated in the code of Holland in 1927, and was enacted in Belgium in 1928. In those countries it has been effective in actual operation and has done much to eliminate litigation. It has also been proved that the additional responsibility which the carriers have been called upon to assume has not, in fact, cost them more

money, since greater care is now exercised in the handling of cargo because of the greater liability imposed.

In addition to the countries which have already enacted the code, Norway, Sweden, Denmark, and Finland have recently announced their acceptance of it, and it is expected that the code will be enacted in those countries as soon as the legal formalities can be complied with.

In Italy a decree has been entered enacting the rules, but the effective date has been postponed to await the action of other nations. The Italian Government has indicated that it will deposit its ratification and make the rules operative as soon as the United States takes similar action.

Canada has also, within the last few weeks, given the same assurance.

In France the Senate subcommittee charged with the consideration of the bill, which has already been passed by the Chamber of Deputies, has reported favorably on that bill.

After the United States has ratified the convention and Italy, Canada, and the Scandinavian countries have taken similar action, it will mean that a uniform law will be applicable to 88 percent of the total ocean tonnage of the world.

As you will see from the committee report, Latin America has also, since 1931, taken definite action looking toward the adoption of this convention. At the Fourth Pan American Commercial Conference, which met in Washington in October 1931, a resolution was unanimously adopted recommending the prompt enactment of this code by all the nations of the Americas, and that the subject be placed upon the agenda of the next conference of American States. When that conference was held at Montevideo in December 1933, a resolution was passed recommending to the American Republics the adoption of the code and prompt adherence to the Brussels convention. Since that date Uruguay has actually ratified.

The code has been strongly urged by American shippers, cargo underwriters, and bankers, who are unanimous that it will remove a wholly unnecessary and serious trade barrier. The United States Shipping Board has also repeatedly requested the passage of a law enacting the code as one of the means for promoting American shipping.

I do not pretend to be versed in the intricacies of admiralty law, nor do I understand many of the details which enter into the handling of our overseas trade; but it seems to me obvious that when every transaction necessarily involves five parties—shipper, carrier, cargo underwriter, discounting banker, and purchaser—and when each of those parties may be, and often is, of a different nationality, it is undesirable to have the laws of all five countries different.

I also rely strongly upon the report which was submitted to the President by Judge Hough and Mr. Norman B. Beecher, then admiralty counsel of the United States Shipping Board, after the Brussels Conference. They said:

> We regard the rules as finally formulated at Brussels a beneficial advance upon anything heretofore known in respect of bills of lading.
>
> In our judgment, these rules are a response to the demand of American as well as other shippers; they are being insistently urged for legislative adoption, especially in Great Britain. We think that for business reasons the American shipowner will be wise to offer as good a bargain to the shipper as do his competitors.
>
> In conclusion, it is our opinion that the "Rules for the Carriage of Goods by Sea" is a thing finished; it lies with the maritime nations of the world to take it or leave it. We think it ought to be taken.

I assume that if the Senate ratifies this convention, Congress will also pass an act extending its benefits to all American shippers who are engaged in international, coastwise, and intercoastal trades. The convention alone, without legislation, would not, of course, protect American citizens while dealing with each other; and it is important that American exporters and importers shall have the benefit of the rules laid down in the convention, not only when they are using foreign carriers but also when American carriers are employed.

The Senator from Maine [Mr. WHITE] has already introduced a bill, S. 1152, which is intended to enact this code; and I hope it will receive prompt consideration as soon as the convention shall have been ratified.

Mr. WHITE. Mr. President, may I ask the Senator from Utah whether there is anything in the convention which would require any radical change in the legislation which has been introduced, and to which he refers?

Mr. THOMAS of Utah. The Senator will note, on page 18 of the report, that anticipating just such a question we have inserted in the report an answer to the Senator's question. It probably would be advantageous if that portion of the report were read. It is headed "Changes Which the Convention Will Effect in the American Law."

Mr. WHITE. My question was not with respect to the present American law but whether the convention would require any radical changes in the proposed legislation which I have introduced in two or three Congresses; or is the bill, in the form in which it now appears, substantially responsive to the convention?

Mr. THOMAS of Utah. If I correctly understand the Senator's point, in going over Senate bill 1152, which the Senator from Maine introduced, I discovered that in the first title and through the first 13 or 14 sections his bill and the convention itself are practically identical.

Mr. WHITE. So there is no real antagonism between the bill which is pending and the convention?

Mr. THOMAS of Utah. No; instead of there being antagonism, there is almost complete agreement.

Mr. WHITE. That is all I wanted to be sure about.

The PRESIDING OFFICER. The question is on agreeing to the reservation to the resolution of ratification.

The reservation was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification as amended by the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification, as amended by the reservation, is agreed to, and the convention is ratified.

SPECIAL CLAIMS COMMISSION, UNITED STATES AND MEXICO

Mr. PITTMAN. Mr. President, while we are on the subject of treaties, I desire to state that the President has requested the Senate to return to him Executive L, Seventy-second Congress, first session, being a convention of June 18, 1932. It is a treaty to extend the life of the Special Claims Commission, United States and Mexico. Another treaty having been adopted settling the whole matter en bloc, the treaty to which I refer can serve no further purpose; and I ask unanimous consent that it be returned to the President in accordance with his request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the next business in order on the calendar.

PUBLIC UTILITIES COMMISSION, DISTRICT OF COLUMBIA

The legislative clerk read the nomination of Riley E. Elgen, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the Army nominations on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

That completes the calendar.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 35 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Tuesday, April 2, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 1 (legislative day of Mar. 13), 1935

PUBLIC UTILITIES COMMISSION, DISTRICT OF COLUMBIA

Riley E. Elgen to be a member of the Public Utilities Commission of the District of Columbia.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

First Lt. Richard Herbert Torovsky to Quartermaster Corps.

Second Lt. William Roberts Calhoun to Field Artillery.

Second Lt. William Roy Thomas to Field Artillery.

PROMOTIONS IN THE REGULAR ARMY

Elliott Watkins to be captain, Infantry.

Paul Thomas Cullen to be first lieutenant, Air Corps.

Robert Purcell Rea to be captain, Medical Corps.

POSTMASTERS

GEORGIA

E. Stelle Barrett, Union City.

ILLINOIS

John J. Matejka, Oaklawn.

MISSOURI

Zera Lee Stokely, Poplar Bluff.

NEW YORK

Ida P. Jenkens, Greenwood Lake.

Arthur J. Belgard, Ogdensburg.

TEXAS

Raymond Ross, Del Rio.

Helen L. Hall, League City.

WEST VIRGINIA

James T. Murphy, Grafton.

Thomas J. Hamilton, Moundsville.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 1, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who art the Most High, we rejoice that there is one God and Father of us all, who is over all, through all, and in all. We praise Thee for Him whose footsteps are revealed on earth. Heavenly Father, just now let us feel the breath of the higher world. In a serious and reverent spirit we wait for this. May we be led in the practice of every duty and virtue. Almighty God, most graciously abide with our Speaker and the Congress. O Spirit of our blessed Lord, anoint our eyes that we may see, heal us with Thy touch, and speak to us that we may behold Thy glory. Strengthen us to greet the unseen with fortitude, the future with eagerness and not with reluctance, with confidence and not regret. With quenchless aspiration and abounding faith may we pass these days as the faithful leaders and servants of our people throughout the land. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, March 29, 1935, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 83. An act to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes;

H. R. 340. An act for the relief of Louis Zagata;

H. R. 816. An act for the relief of Logan Mulvaney;

H. R. 829. An act granting 6 months' pay to Hester Hamilton;

H. R. 2117. An act for the relief of Cora A. Snyder;

H. R. 2569. An act for the relief of the estate of R. A. Wallace Treat;

H. R. 2678. An act for the relief of Carl L. Bernau;

H. R. 3477. An act relating to the incorporation of Trinity College of Washington, D. C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia, as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia;

H. R. 4538. An act to change the designation of Leffler Place to Second Place; and

H. R. 5032. An act for the relief of the dependents of Carl Lindow, known also as Carl Lindo.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1575. An act to correct the military record of John S. Cannell, deceased;

H. R. 2881. An act authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes; and

H. R. 3071. An act for the relief of Second Lt. Charles E. Upson.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 37. An act authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post office and courthouse building at Rutland, Vt.;

S. 82. An act to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work;

S. 93. An act to authorize certain officers of the Navy and Marine Corps to administer oaths;

S. 95. An act to provide for the carrying at reduced rates of officers and enlisted men of the military and naval forces while on leave of absence or furlough at their own expense;

S. 156. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.;

S. 170. An act for the relief of Alva A. Murphy;

S. 208. An act for the relief of the Consolidated Ashcroft Hancock Co., Inc., Bridgeport, Conn.;

S. 276. An act for the relief of Harry Layman;

S. 371. An act for the relief of G. Elias & Bros., Inc.;

S. 380. An act to reserve 80 acres on the public domain for the use and benefit of the Kanosh band of Indians in the State of Utah;

S. 395. An act relative to the qualifications of practitioners of law in the District of Columbia;

S. 438. An act for the relief of Roy Chandler;

S. 448. An act to authorize a preliminary examination of the Coquille River and its tributaries in the State of Oregon with a view to the control of its floods;

S. 449. An act to authorize a preliminary examination of Umpqua River and its tributaries in the State of Oregon, with a view to the control of its floods;

S. 538. An act for the relief of H. Kaminski & Co., Kaminski Hardware Co., and the Carolina Hardware Co.;

S. 560. An act for the relief of the Western Electric Co., Inc.;

S. 613. An act to add certain public-domain land in Montana to the Rocky Boy Indian Reservation;

S. 654. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands;

S. 659. An act for the relief of Walter J. Bryson Paving Co.;

S. 708. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation;

S. 724. An act for the relief of James T. Moore;

S. 728. An act for the relief of Elton Firth;

S. 780. An act for the relief of the Standard Dredging Co.;

S. 794. An act for the relief of the Bowers Southern Dredging Co.;

S. 814. An act for the relief of John Mulhern;

S. 865. An act authorizing a preliminary examination of the Willamette River and its tributaries in the State of Oregon, with a view to controlling floods;

S. 881. An act for the relief of Leo James McCoy;

S. 883. An act directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years;

S. 884. An act for the relief of Lt. Comdr. G. C. Manning;

S. 908. An act for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass.;

S. 933. An act to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture;

S. 951. An act for the relief of Mrs. Guy A. McConoha;

S. 952. An act for the relief of Zelma Halverson;

S. 983. An act for the relief of Grady D. Coleman;

S. 1024. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co.;

S. 1041. An act for the relief of Cohen, Goldman & Co., Inc.;

S. 1051. An act for the relief of the Western Union Telegraph Co.;

S. 1065. An act to further extend the period of time during which final proof may be offered by homestead and desert-land entrymen;

S. 1073. An act for the relief of Louis Finger;

S. 1077. An act to further extend the time in which the States of Washington, Idaho, Oregon, Montana, and Wyoming may enter into a compact or agreement respecting the disposition and apportionment of the waters of the Columbia River and its tributaries;

S. 1099. An act for the relief of Ethel G. Remington;

S. 1142. An act to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.;

S. 1210. An act authorizing certain officials under the Naval Establishment to administer oaths;

S. 1290. An act for the relief of Walter Motor Truck Co., Inc.;

S. 1307. An act to establish the Homestead National Monument of America in Gage County, Nebr.;

S. 1317. An act authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods;

S. 1410. An act for the relief of Thomas G. Carlin;

S. 1414. An act for the relief of the rightful heir of Joseph Gayton;

S. 1431. An act for the relief of the Collier Manufacturing Co., of Barnesville, Ga.;

S. 1432. An act to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes";

S. 1494. An act to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555);

S. 1498. An act for the relief of Robert D. Baldwin;

S. 1499. An act for the relief of Robert J. Enochs;

S. 1502. An act for the relief of Charles L. Graves;

S. 1513. An act to add certain lands to Siskiyou National Forest in the State of Oregon;

S. 1520. An act for the relief of Charles E. Dagenett;

S. 1533. An act to provide funds for cooperation with Marysville School District No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children;

S. 1548. An act for the relief of Douglas B. Espy;

S. 1566. An act for the relief of Carl C. Christensen;

S. 1571. An act granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Little Missouri River;

S. 1606. An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges issued by the Navy Department;

S. 1680. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof;

S. 1713. An act to further amend section 6, act of March 4, 1923, so as to make better provision for the recovery and disposition of bodies of members of the civilian components of the Army who die in line of duty, and for other purposes;

S. 1787. An act to add certain lands to the Pisgah National Forest, in the State of North Carolina;

S. 1814. An act to authorize the creation of an Indian village within the Shoalwater Indian Reservation, Wash., and for other purposes;

S. 1821. An act for the relief of Frank White and others;

S. 1831. An act transferring certain national-forest lands to the Zuni Indian Reservation, N. Mex.;

S. 1855. An act to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931;

S. 1864. An act for the relief of the State of Nebraska;

S. 1872. An act for the relief of Guy Clatterbuck;

S. 1885. An act to authorize turning over to the Indian Service vehicles, vessels, and supplies seized and forfeited for violation of liquor laws;

S. 1942. An act to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927;

S. 1987. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

S. 1994. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended;

S. 2024. An act to give proper recognition to the distinguished services of Col. William L. Keller;

S. 2145. An act extending the time for repayment of the revolving fund for the benefit of the Crow Indians;

S. 2146. An act for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park;

S. 2156. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.;

S. 2205. An act for the relief of Thomas F. Cooney;

S. 2218. An act for the relief of Elsie Segar;

S. 2333. An act for the relief of John W. Dady;

S. Con. Res. 3. Concurrent resolution favoring the designation and appropriate observance of American conservation week; and

S. Con. Res. 13. Concurrent resolution relative to the recognition of Army Day.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 408) entitled "An act to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KING, Mr. COPELAND, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 404. An act to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes.

The message also announced that the Senate had passed with amendments the bill (H. R. 6718) entitled "An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes", insists upon its amendments and requests a conference with the House thereon, and appoints Mr. RUSSELL, Mr. HAYDEN, Mr. SMITH, Mr. KEYES, and Mr. NYE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate to the bill (H. R. 5913) "making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes", numbered 7 and 25.

APPROPRIATIONS FOR RELIEF (H. J. RES. 117)

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the conference report on House Joint Resolution 117, making appropriations for relief purposes, be recommitted to the Committee of Conference.

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman from Texas [Mr. BUCHANAN], explain why he wants to have the joint resolution recommitted?

Mr. BUCHANAN. Mr. Speaker, there are several reasons.

Mr. WOODRUM. Mr. Speaker, I demand the regular order.

Mr. TABER. Then I shall object, Mr. Speaker.

Mr. WOODRUM. The gentleman is going to object anyway.

Mr. TABER. Mr. Speaker, I object.

Mr. BUCHANAN. Mr. Speaker, I move to suspend the rules and recommit the conference report on House Joint Resolution 117, making appropriations for relief purposes, to the Committee of Conference.

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, does the gentleman from New York [Mr. TABER] desire to use some of his time?

Mr. TABER. Mr. Speaker, I want the House to know what this is all about. This is a most remarkable procedure. This bill was brought before the Appropriations Committee in January, not quite, but almost 3 months ago, and we were told that the relief funds were almost exhausted, that we must make haste, and that unless we passed the bill in 2 weeks the relief funds would be out and there would be nothing to take care of the destitute.

The bill passed the House in about 2 weeks. It was perfectly apparent it was not a relief bill.

Mr. MICHENER. Mr. Speaker, I make a point of no quorum. We will have to have a quorum here anyway for a vote. It is well that all the Members should understand this matter. I therefore make the point of no quorum.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-five Members present; not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 42]

Allen	Berlin	Casey	Darrow
Andrew, Mass.	Bolton	Chapman	Dies
Bankhead	Brennan	Cooley	Dingell
Beam	Brooks	Crowther	Doutrich
Drewry	Hancock, N. C.	McAndrews	Sabath
Duffey, Ohio	Hart	McKeough	Sadowski
Dunn, Miss.	Hartley	McLeod	Shannon
Faddis	Hess	McMillan	Snyder
Ferguson	Higgins, Conn.	Meeks	Stack
Frey	Igoe	Mitchell, Ill.	Sumners, Tex.
Gambrill	Johnson, Tex.	Norton	Sweeney
Gillette	Kennedy, Md.	O'Brien	Taylor, Tenn.
Goldsborough	Kerr	Palmisano	Thomas
Granfield	Lamneck	Patton	Wadsworth
Green	Lemke	Peyser	White
Greenway	Lesinski	Polk	Wigglesworth
Griswold	Lundeen	Quinn	Wolcott

The SPEAKER. Three hundred and sixty-three Members have answered to their names. A quorum is present.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

Mr. TABER. Mr. Speaker, I started to say a while ago that this bill was brought up in a hurry. It was passed by the House in a hurry. We did not have time to consider the bill and it was impossible to allocate the funds. The bill then went over to the Senate, where it stayed 2 months, and the Senate made some sort of an allocation but not an effective one. It goes to conference and a conference report is filed limiting some things and trying to put the bill somewhere where somebody might have control over the matter.

In this bill the House delegated all of its authority with reference to this money. The Senate has practically delegated all its authority and the conference report practically delegates all authority. Now the chairman of the conferees comes in here and moves to recommit the bill to conference. For what purpose? It must be some purpose that will not stand the light of day, for no one dares to come here and tell us why they want this bill recommitted. It must be for some purpose contrary to the Constitution of the United States and contrary to the liberties of the American people or they on that side would come out here and tell us the truth.

Mr. Speaker, I am wondering if the Democratic Members of the House are so subservient that they take their stuff done up in packages blind?

Mr. O'CONNOR. Do not worry about them.

Mr. TABER. I do not worry about you. I know that it is practically the purpose to cease to consider legislation over there on the Democratic side, or to care what is in it as long as you get your orders on what to do. Is it not about time that the House of Representatives knew what it was doing? Is it not about time that the Membership of the House of Representatives insist on doing their own constitutional duty with reference to legislation?

We have all sorts of rumors around here, rumors that this member of the Cabinet or some member of the "brain trust" objects to some provision that the conferees have inserted providing that some employment must be provided if the money is to be spent. It looks as though the "brain trust" wanted to use all this money for rackets and not to provide employment.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. HOFFMAN. How will they be able to report it back until the President returns from his fishing trip?

Mr. TABER. The gentleman means that the fishing trip is more important than the bill?

Mr. HOFFMAN. They must learn what to do.

Mr. TABER. Of course, they must have their orders, and they must be operating under sealed orders, because that is the only kind they like to work under.

Mr. HOFFMAN. Why not wait until he comes back?

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. RICH. In the morning papers it is stated that the Speaker of the House wired the President in order that Congress might receive their orders so we could act on this particular bill. If the Speaker of the House has received his orders from the fishing expeditionary forces, then he should enlighten the Membership of the House with respect to the matter that we might know what the President has

to say and can then use our own best judgment for the country's good.

Mr. COX. Mr. Speaker, will the gentleman yield to me to make an observation?

Mr. TABER. I yield to the gentleman from Georgia.

Mr. COX. I am not particularly interested in any rereference of the measure, because I cannot conceive of its being possible to make it any worse than it is in its present form. I have the fear that the adoption of this bill puts us down the road so far toward a paternalistic state as to make it impossible for us to ever turn back toward sound constitutional government without violent breach of public faith, with destruction of private property rights. [Applause.]

While this bill professes the purpose of ending the dole by putting people to work, in effect it is an invitation and an urge to the people to look to the Government for solution of all their problems. It puts the Government into a field of activity into which it should never have entered and out of which it should take itself as quickly as possible. It pledges the Government to uneconomic expenditure of public money amounting to waste on a gigantic scale. [Applause.]

Mr. TABER. Mr. Speaker, the gentleman from Georgia has made a fine, patriotic statement. Would that a majority of the Membership on the Democratic side of the aisle would put patriotism before blind, ignorant partisanship and vote down this terrible bill which will destroy American liberty. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. BUCHANAN. Mr. Speaker, my colleague the gentleman from New York says that no one dares tell the House why this motion to recommit the conference report is made. I do not see why the gentleman should be so interested in debating this conference report. He was on the conference; his Republican colleague the gentleman from New York [Mr. BACON] was on the conference; and neither one signed or approved the conference report. [Applause.] Neither one even voted for the bill on its original passage through the House. So that the enemies of the bill and the enemies of the administration are getting up here and trying to tell Democrats in this House how to vote.

Why should the bill be recommitted? I am not going to go into this at length, but there is a provision in this measure requiring 33⅓ percent of the money to be used for direct labor on all projects under the $900,000,000. If this had been direct and indirect labor it would be a different proposition, but it is confined practically to labor actually performed on the site of the project. The man, no matter who he is, who fails to realize that the employment problem in the United States is national and not local, fails to measure up to proper citizenship in this country. Indirect labor is of just as much importance as direct labor, because indirect labor is that labor which is expended in the fabrication of the material used in these projects, and the fabrication of material for these projects is accomplished in your cities where the factories are located and where the great proportion of unemployment exists, and yet they want it confined to one-third for direct labor, practically on the sites of the projects when such sites may not be in congested centers where great unemployment exists.

This will mean the killing of every project where the direct labor on the site is less than 33⅓ percent of the loan, yet the indirect labor, the labor actually employed in fabricating the material may be 20 or 30 percent in addition to the direct labor. For instance, the amount for slum clearance allotted by the Senate amendment is $450,000,000 and the direct labor is only 28 percent. Grade-crossing elimination, which may be done by contract, though a loan, is only 30 percent.

Mr. BACON. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Not now.

Rural electrification and, in fact, construction of all hydroelectric plants and necessary incidental work to be done is only 30 percent. In other words, taking your total appropriation $900,000,000, there is practically one-third of the projects that would be excluded under the 33⅓ percent for direct labor practically on the site.

Another amendment the Senate put in the bill prohibited any money for warships, ammunition, matériel, and so forth. That is all right, but as written in the conference report it excludes new construction for Army or Navy posts, Reserves, and so forth. In that construction, 70 percent is labor.

Ah, Mr. TABER, we want to pass this bill as quickly as possible, but we want to make it practicable and efficient. The President has requested it and has assumed responsibility for it. We owe it to him to give him a bill that he will make a success of in shifting from the dole to honest labor.

That is all we ask. We ask you to vote to recommit the report. You will have another report giving the President a practicable bill, one that he can administer and get rid of the dole, shifting people on the dole to gainful employment. That is all.

Mr. MARTIN of Massachusetts. Will the gentleman yield for a question?

Mr. BUCHANAN. What is it?

Mr. MARTIN of Massachusetts. I should like to ask the gentleman if there is a disposition on the part of the conferees to eliminate the so-called "amendment" offered by Senator GEORGE?

Mr. BUCHANAN. The House conferees fought that, but it was contended that its elimination would endanger the conference report in the Senate. Rather than endanger the bill, we let it stay in it, because it is harmless, ineffective, and cannot be put into effect, because it does not provide for any reduction of the processing tax nor its elimination.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Speaker, I want to call the attention of the House to the fact that this provision for one-third to be expended for direct labor applies only to subsection (g). In other words, it applies only to the provisions for loans or grants to States and subdivisions thereof. The question of roads and grade crossings mentioned by the gentleman from Texas is in another subsection and are not involved in this proposal for one-third direct labor.

Most of the loans or grants heretofore made under the Public Works Administration have been for public schools and other public buildings. I am reliably informed that on this class of projects the direct labor on the job is somewhere between 45 and 50 percent of the total cost of the project. Therefore the proposed limitation of one-third of the cost for direct labor will not hamper any loan or grant for a school or other public building.

It applies only to one subsection in section 3, and the thought behind this provision is that if this is to be a real relief bill there should be some relief in it. The contention of the Senate is that if a municipality or subdivision of a State comes to the Federal Government for money, for a loan or a grant, that at least one-third of that money loaned or granted should be expended on direct relief, a thoroughly reasonable proposition. This provision does not apply to any other section in the bill.

Mr. WOODRUM. Mr. Speaker, will the gentleman yield?

Mr. BACON. Wait until I am through. The figure of one-third, of course, was a compromise, as all conference reports are compromises, and it was put at one-third in order to cover all of the sample projects given before the committee by Admiral Peoples in his testimony. The Senate conferees held out for sometime for a 50-percent provision instead of one-third. Further than that, there has been a tendency in the past for State subdivisions and municipalities to come to the P. W. A. with projects not for the primary purpose of giving relief but for the purpose of furthering, at Federal expense, some pet local object that ought to be financed locally. This is what the Senate has tried to prevent. If the Congress is going to loan or grant money to States and subdivisions thereof for purposes of relieving unemployment, it is only reasonable to insist that at least one-third shall go to direct relief in the State or subdivision where the work is performed. This provision will also check favoritism, political or otherwise. It will set up a uniform standard.

Mr. WOODRUM. Mr. Speaker, will the gentleman now yield?

Mr. BACON. I have no more time.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, it seems to me that we are in a very peculiar position here today. As I understand the situation, the conferees, or at least a majority of them, signed this conference report. In listening to the statement made by the chairman of the conferees, I did not understand him to give any information to the House as to what new light or information has been brought to him which causes him to change his position between the time he signed the conference report last Friday and this morning. If the reports carried in the newspapers are correct, and that is the only reason given so far why the conferees are backing up on their own conference report, it is that the report is not satisfactory to the "brain trust" and the various people in the executive departments that are to administer the fund, then it seems to me that Congress has reached a pretty low ebb when it cannot even pass on a conference report without getting orders from the Chief Executive. It also seems to me that the Chief Executive himself is more interested in having a good time on the palatial yacht of Mr. Astor in southern waters than he is in passing this relief bill. It is also specially interesting to know you cannot do anything without first asking his permission.

Mr. KELLER. Oh, shame on you.

Mr. SNELL. Mr. Speaker, I mean exactly what I say, whether the gentleman from Illinois [Mr. KELLER] agrees with me or not. I have the floor, and he can answer what I say in his own time. The President told us that this is a very important measure, and that it had to be passed before the 10th of February. It is now nearly 2 months from that time, and his own representatives here in the House want to send it back to the committee and delay it for a still longer time. They will not tell us the reason for this unprecedented action. Your action now is characteristic of your actions during the entire consideration of this bill. You evidently do not want anyone to know what your plans are or what you intend to do. Why this secrecy? Why should the people not know something about such an important and expensive piece of legislation? The only excuse I have heard is that 30 percent of the relief bill must be expended for labor.

Mr. BACON. Only 30 percent of one part of the relief bill.

Mr. SNELL. That applies to only $900,000,000 of it. If this is a relief bill, is there anything unreasonable to ask that at least 30 percent of a part of it be spent for direct labor? If there is any objection to this you better change the name and purpose of the bill.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Speaker, we are again having another chapter in the distressing and painful spectacle of finding our Republican brethren in the House unable to make any contribution to the present dilemma in which the country finds itself, except to throw monkey wrenches into the machinery and place obstacles in the way of the recovery bandwagon. My two distinguished colleagues from New York on the Appropriations Committee now plead with the House in behalf of some provision which they say is in this conference report. Do not be deceived by that. Neither of the gentlemen voted for the bill originally, and neither of them would vote for the conference report this minute if it were brought up for a vote. They did not sign the conference report and they are not for it. There is only one thing they agree on. They are unanimous in wanting to do everything on earth they can do to block the program of Franklin D. Roosevelt, and they do not miss any effort to do that.

Mr. TABER. The program is bad, is it not?

Mr. WOODRUM. Shame on the genial Kentucky colonel, Mr. SNELL, that he should get up and let his partisan feelings cause him to cast aspersions on the great Chief Executive of the United States, who for the moment is trying to get some much-needed relaxation. Oh, yes; that is just what he did. What was the object of all these remarks about the President being on vacation?

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Not now.

Mrs. ROGERS of Massachusetts. Why not?

Mr. WOODRUM. I do not yield to the lady.

The SPEAKER. The gentleman declines to yield.

Mr. WOODRUM. You know it is not often we men are in a position where we can make the ladies sit down and keep quiet. [Laughter.]

My friends on the Democratic side, the minority is very much interested in recovery until some plan comes for recovery, and then they are against it.

Now, there is nothing unusual about this request. Many times committees in this House have reported bills, conference committees have brought in reports, and after they were filed some matter has come up making it desirable that they should reconsider it, and a unanimous-consent request is made and is granted, and no one ever pays any attention to it. The conferees take it back or the committee takes the bill back to the committee and they fix it up as they think it should be presented, and they bring it to the House. The House has lost no right. It has a full opportunity to consider every provision in it and it has not lost any of its rights.

You would not hear anything of this request today and there would not be all this mess about it today except our friends know that once this instrumentality of recovery is placed in the hands of the President, the recovery bandwagon and the new deal will leap forward. When it does leap forward it will flatten out a little more those good gentlemen on the other side of the aisle, if it is possible to flatten them out more. There ought not be a single Democratic vote against this motion today. I appeal to you gentlemen on the Democratic side. It is no use to appeal to the Republicans. I appeal to you gentlemen for a 100-percent party vote for this motion, because the Republicans are making it a partisan matter. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, it is always a pleasure to listen to Simon Legree over on the Democratic side and hear him crack the whip and watch you fellows get under the lash. We all remember how in 1933 it was said a great emergency came upon us and the President went off across the Atlantic and Pacific on that fishing trip. Friday a member of the conference committee brought in this conference report and expected us to vote for it. Now, between Friday and Monday another emergency has arisen, and you do not want us to vote for the conference report until you have orders. Tell us why you do not want to vote for it this morning? That is all we want to know.

Mr. KELLER. Because we can do better.

Mr. HOFFMAN. Because you can do better? What has happened? You can do like Wallace did with the A. A. A. He said that was a political expediency. Is this another one?

Mr. KELLER. Maybe.

Mr. HOFFMAN. I guess probably it is. Trying to fix up a job for somebody. Is that the reason you want the report recommitted?

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, it is difficult for me to follow the gentleman from Virginia [Mr. WOODRUM] when he says the Republicans of the House today are obstructing the passage of this bill. The parliamentary situation is we are actually voting against a delay. I do not think any Republican can be justly charged with partisanship when he stands up and asserts the American people are

expecting, in this tremendous relief bill, a major share of the money shall go to the people who are actually unemployed. [Applause.]

There could be no other justification for the bill. Huge taxes which result from this legislation can only be excused on the ground it gives actual relief to the vast army of unemployed who are in need. It certainly is no time to waste the resources of a nation, to waste money which may be sorely needed before we escape from the depression. I am sorry the chairman of the committee would stand up in the House and say the so-called "George amendment", which is included in the conference report, is innocuous and will be of no avail. When he makes the statement he says, in effect, the President of the United States has prejudged the case of the textile people and will not take advantage of the power to lift the taxes from this prostrate industry. The amendment offered by the distinguished Senator from Georgia [Senator George] has given the one bright ray of hope to the textile industry in more than a year. Through both the action and the lack of action by the administration the textile industry, the second largest industry in this country, has been placed on the brink of despair and close to destruction. In one instance the industry has been loaded with taxes unjustly imposed, and then the administration has permitted Japanese imports to continue unchecked. As a consequence the industry is in dire distress.

Now we are told these millions of people who are seeking relief are not to be considered in a measure designed for relief. More relief would be given by lifting the processing tax from the textile industry than will be gained in spending the money in many of the fields to which it will be sent.

The Secretary of Agriculture has demonstrated, through his statements, he has no concern for the textile industry; that he is simply thinking of his own activity. He is not broad enough to give equal justice to all of the American people. He is entirely oblivious to the millions who are in dire distress because of his policies.

Mr. FORD of California. Will the gentleman yield?

Mr. MARTIN of Massachusetts. The Secretary cannot see he is bringing back the cotton growers of the South to a civilization which will be based on a production of 6,000,000 bales of cotton. He cannot see the 750,000 small cotton growers he has forced on the public-welfare list. He does not see, and probably does not care, that 500,000 textile workers of this country are in danger of losing their jobs. He does not care, apparently, that whole communities in this great land of ours are being reduced to destitution and destruction.

He goes blindly on preaching his doctrine of scarcity in a world hungry for food and clothing. He is still for an experiment which has failed.

Now it is stated here the bright hope given a distressed industry by the efforts of Senator GEORGE will be of no avail. I cannot believe the President will be deaf to the calls of this sick industry. I cannot believe the chairman speaks with knowledge when he leaves this impression.

Mr. BUCHANAN. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. ARNOLD].

Mr. ARNOLD. Mr. Speaker, our friends on the opposite side of the aisle ask us why we are asking that this bill be sent back to conference. There are none so blind as those who will not see and none so deaf as those who will not hear. The chairman of this committee told the House plainly and distinctly why it was deemed advisable to send this bill back to conference. The conferees on the part of the House insisted, of course, on the House provisions in the bill the way it passed the House. In the conference, necessarily, concessions had to be made and concessions were made on some provisions of the bill, especially on the provision which makes an allocation of $900,000,000 for loans and grants, on the condition that at least one-third of the aggregate in loans and grants should be for direct labor. We have since learned that the conference report in that regard will make the bill very difficult in administration. Now, we are met with the situation that loans or grants on the condition that one-third of the total be for direct labor excludes all labor that might be performed in fabricating plants in carrying out the general purposes of the bill for the relief of unemployment. If this were "labor, direct or indirect" this question would not arise. Now, the time to correct this in order to make the bill more practicable and more workable, is at the first opportunity and this is the first opportunity.

We are asking this House to send this bill back to conference that we may correct that one matter especially. Other corrections may be found advisable.

This is an unemployment and relief bill; we want to get the bill in shape to accomplish this purpose to the fullest extent. It is designed to bring relief to our unemployed, and in doing so fabricating industries and men engaged in fabricating plants are just as much entitled to assistance and funds from this bill as are men engaged directly at the site of operations. The Comptroller General has ruled that "direct labor" excludes labor in fabricating plants. To carry out the purpose of this bill and to accomplish what was originally intended, it should go back to conference in order that this matter may be corrected and that States, subdivisions, and agencies thereof as well as self-liquidating projects of public bodies created by States and municipalities, cities, and other public institutions to which loans and grants may be made may procure money for the benefit of labor generally as well as for direct labor at the site of operations. This is the purpose of the committee in asking this be returned, and the chairman of the committee explained the matter very fully. The gentlemen on the other side of the aisle that now raise the question would have known, had they but listened, the purpose in sending this bill back to conference. Now, I call upon you, Democrats on this side of the aisle, to go along with us and send this bill back to conference that the real purpose of the bill may be made more effective and put in proper form. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield the balance of my time to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Speaker, the objection is made to the present conference report that 33⅓ percent of the funds loaned to subdivisions of government be spent for direct labor. I call the attention of the House to the fact that this is the estimate submitted by Admiral Peoples himself. No objection was made at the time of his testimony before the committee. If this is to be a work bill, to take people off the dole, certainly the money must be used in direct wages, and it is not unreasonable to put in restrictions insuring that of the money allotted, a fair share will go for direct labor. If you would like us to go along with you, you should explain why there should be objections to this 33⅓ percent requirement.

Perhaps you gentlemen on the other side of the aisle have information that we do not possess; perhaps you know what the program for the expenditure of this money is, but you certainly have not let us in on the information, if you have it.

Maybe if you would tell us what the works program is, and how the money is to be spent, we might know more about your objection to one-third of the money going for direct wages in the community in which it is allotted.

Why should not at least one-third of this money go for direct labor? If a substantial portion of the money is not spent in the local communities, then you will merely continue the process of draining the money off into a few financial and industrial centers. That is the very policy that brought about the collapse that resulted in the present depression.

The very thing we want to do is get this money into circulation in the various States and local communities. Wages are the best way to do it.

I am not concerned with the politics and partisanship involved, but I am amused when gentlemen on the other side say that we are blocking the President's program. As a matter of fact, no President of this country ever has had such complete cooperation from the minority as the present occupant of the White House; and no administration ever was so much blocked by purely partisan political obstructionist tactics as the past administration was by you gentle-

men. Its program had no opportunity, because that administration could get no cooperation from your side of the aisle. As I say, I am not concerned with the political side; but I am concerned with the question of the right of the people to be represented in a legislative body. We are no longer a legislature; we have become a blind pig. Everything is being shoved through blindly; you are passing legislation without even giving us a chance to discuss it. Last year you put bills through without the Members even being permitted to see a copy of the bills before they were passed by the House. You put through major bills involving hundreds of millions of dollars in 10 minutes. Why, then, all this delay now, when people are in actual want and relief is in a critical condition?

[Here the gavel fell]

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER. Mr. Speaker, the gentleman from Minnesota [Mr. MAAS], who has just spoken, states we are passing legislation blindly. He should be reminded that we are now trying to prevent the House from doing what he condemns. The question now pending is the motion of the Chairman of the Appropriations Committee to recommit this bill for further conference and not to pass it. It is not unusual for conferees to submit such a motion, and it shows an earnest purpose on the part of the conferees to correct any mistakes in the conference report before finally submitting it to the House.

The four House conferees representing the majority party, all of whom voted for the bill when it first passed the House, and without whose vote no conference report could have been brought back to the House, now unanimously ask that the conference report be recommitted and frankly tell you that this course is necessary in order to correct what they now believe are mistakes and would make it impossible for the bill to be efficiently administered. No pride of opinion prevents the majority conferees from making this frank statement to the House.

It is not my desire in the short time remaining to repeat arguments previously made, since this House does not enjoy superfluous talk. You have heard brief, convincing, and forceful statements by two of the majority House conferees giving some reasons why, in their judgment, the report should be recommitted. I wish to refer to another reason which, in my opinion, suggests that the report should be recommitted for further consideration, namely, the provision requiring confirmation by the Senate of certain administrative officials appointed by the President. It would, in my judgment, greatly delay the effectiveness of the bill primarily designed, if you please, to meet emergency needs.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. OLIVER. I yield.

Mr. RANKIN. As I understand it, the Democratic conferees, the ones who signed this conference report, are all asking that it be recommitted.

Mr. OLIVER. Absolutely.

Mr. RANKIN. And if they had made a motion to agree to the conference report the gentlemen on the other side immediately would have opposed it.

Mr. OLIVER. I think so; and let me conclude with this statement: The conferees whom you appointed have given sufficient reasons, I believe, why our colleagues on the majority side should send this bill back to conference. I give you another reason, ad hominem, perhaps, but the shortness of the time allotted me does not permit more than brief mention of it. Two gentlemen on the minority side, whom I respect, and who are conferees, did not vote for this bill, when it originally passed the House; they did not sign the conference report; and they would not now vote for the conference report, if it was submitted to the House. When you find these two minority conferees, now so vigorously opposing the motion to recommit, I respectfully submit, it furnishes to our colleagues on the majority side a very good and cogent reason why the motion to recommit should be carried.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. O'CONNOR. The two conferees on the minority side never voted to report the bill out of conference and are today opposed to sending it back to conference, yet, if they had their way, it would be in conference now.

Mr. OLIVER. The gentleman is absolutely correct.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. OLIVER. I yield.

Mr. MAY. I understand this is a unanimous report of the conferees, both of the Senate and of the House; but I have not yet understood why the report should be recommitted. [Laughter and applause.]

Mr. OLIVER. The gentleman was not in the Chamber when the matter was explained, and I have not time to repeat what has been said. I think the reasons given were sound. I can say to the gentleman from Kentucky, however, that it is not unusual for the Supreme Court, both of the Nation and of the several States, to recall announced opinions; nor is it unusual for our highest courts to grant rehearings and state their reasons afterward.

[Here the gavel fell.]

The SPEAKER. The question is on the motion of the gentleman from Texas [Mr. BUCHANAN] to suspend the rules and recommit the conference report to the committee of conference.

The question was taken; and on a division (demanded by Mr. SNELL) there were—yeas 208, noes 74.

Mr. SNELL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 257, nays 110, not voting 64, as follows:

[Roll No. 43]

YEAS—257

Adair	Dickstein	Jones	Peterson, Ga.
Arnold	Dies	Kee	Pettengill
Ashbrook	Dietrich	Keller	Pfeifer
Barden	Disney	Kelly	Pierce
Beiter	Dobbins	Kennedy, N. Y.	Rabaut
Bell	Dockweiler	Kenney	Ramsay
Biermann	Dorsey	Kleberg	Ramspeck
Bland	Doughton	Kloeb	Randolph
Blanton	Doxey	Kocialkowski	Rankin
Bloom	Drewry	Kopplemann	Rayburn
Boehne	Driscoll	Kramer	Reilly
Boland	Driver	Lambeth	Richards
Boylan	Duffy, N. Y.	Lanham	Richardson
Brown, Ga.	Duncan	Larrabee	Robertson
Brown, Mich.	Dunn, Pa.	Lea, Calif.	Robinson, Utah
Brunner	Eagle	Lee, Okla.	Rogers, N. H.
Buchanan	Eckert	Lesinski	Rogers, Okla.
Buck	Edmiston	Lewis, Colo.	Romjue
Buckler, Minn.	Eicher	Lewis, Md.	Rudd
Buckley, N. Y.	Ellenbogen	Lloyd	Russell
Bulwinkle	Evans	Lucas	Ryan
Burch	Farley	Luckey	Sanders, La.
Burnham	Fiesinger	Ludlow	Sanders, Tex.
Caldwell	Fitzpatrick	McClellan	Sandlin
Cannon, Mo.	Flannagan	McCormack	Schaefer
Carden	Fletcher	McFarlane	Schuetz
Carmichael	Ford, Calif.	McGehee	Schulte
Cartwright	Ford, Miss.	McGrath	Scott
Cary	Fuller	McLaughlin	Scrugham
Castellow	Fulmer	McReynolds	Sears
Celler	Gasque	McSwain	Secrest
Chandler	Gassaway	Mahon	Shanley
Chapman	Gavagan	Mansfield	Sirovich
Citron	Gearhart	Martin, Colo.	Sisson
Claiborne	Gingery	Mason	Smith, Conn.
Clark, Idaho	Gray, Ind.	Massingale	Smith, Va.
Clark, N. C.	Greenwood	Maverick	Smith, Wash.
Cochran	Greever	Mead	Smith, W. Va.
Coffee	Gregory	Merritt, N. Y.	South
Colden	Haines	Miller	Spence
Cole, Md.	Hamlin	Mitchell, Tenn.	Starnes
Colmer	Harlan	Montague	Steagall
Cooley	Harter	Montet	Stubbs
Cooper, Tenn.	Healey	Moran	Sullivan
Corning	Hennings	Moritz	Sumners, Tex.
Costello	Higgins, Mass.	Murdock	Sutphin
Cox	Hill, Ala.	Nelson	Tarver
Cravens	Hill, Knute	Nichols	Taylor, Colo.
Crosby	Hill, Samuel B.	O'Connell	Taylor, S. C.
Cross, Tex.	Hobbs	O'Connor	Terry
Crowe	Hoeppel	O'Day	Thom
Cullen	Hook	O'Leary	Thomason
Cummings	Houston	Oliver	Thompson
Daly	Huddleston	O'Neal	Tolan
Darden	Imhoff	Owen	Tonry
Dear	Jacobsen	Parks	Turner
Deen	Jenckes, Ind.	Parsons	Umstead
Delaney	Johnson, Okla.	Patton	Underwood
Dempsey	Johnson, Tex.	Pearson	Utterback
DeRouen	Johnson, W. Va.	Peterson, Fla.	Vinson, Ga.

Vinson, Ky.	Weaver	Whelchel	Wilson, La.
Wallgren	Welch	Whittington	Woodrum
Walter	Werner	Wilcox	Young
Warren	West	Williams	Zimmerman
Wearin			

NAYS—110

Amlie	Eaton	Knutson	Reed, N. Y.
Andresen	Ekwall	Kvale	Rich
Andrews, N. Y.	Engel	Lambertson	Robsion, Ky.
Arends	Englebright	Lehlbach	Rogers, Mass.
Ayers	Fenerty	Lord	Sauthoff
Bacharach	Fernandez	McGroarty	Seger
Bacon	Fish	McLean	Short
Binderup	Focht	Maas	Snell
Blackney	Gehrmann	Maloney	Stefan
Boileau	Gifford	Mapes	Stewart
Brewster	Gilchrist	Marcantonio	Taber
Buckbee	Gildea	Marshall	Thurston
Burdick	Goodwin	Martin, Mass.	Tinkham
Carlson	Gray, Pa.	May	Tobey
Carpenter	Guyer	Merritt, Conn.	Treadway
Carter	Gwynne	Michener	Truax
Cavicchia	Halleck	Millard	Turpin
Christianson	Hancock, N. Y.	Monaghan	Wadsworth
Church	Hildebrandt	Mott	Wilson, Pa.
Cole, N. Y.	Hoffman	O'Malley	Withrow
Collins	Hollister	Patterson	Wolcott
Connery	Hope	Perkins	Wolfenden
Cooper, Ohio	Hull	Pittenger	Wolverton
Crawford	Jenkins, Ohio	Plumley	Wood
Crosser, Ohio	Kahn	Powers	Woodruff
Culkin	Kimball	Ransley	Zioncheck
Dirksen	Kinzer	Reece	
Dondero	Kniffin	Reed, Ill.	

NOT VOTING—64

Allen	Dunn, Miss.	Holmes	Patman
Andrew, Mass.	Faddis	Igoe	Peyser
Bankhead	Ferguson	Kennedy, Md.	Polk
Beam	Frey	Kerr	Quinn
Berlin	Gambrill	Lamneck	Sabath
Bolton	Gillette	Lemke	Sadowski
Brennan	Goldsborough	Lundeen	Schneider
Brooks	Granfield	McAndrews	Shannon
Cannon, Wis.	Green	McKeough	Snyder
Casey	Greenway	McLeod	Somers, N. Y.
Crowther	Griswold	McMillan	Stack
Darrow	Hancock, N. C.	Meeks	Sweeney
Dingell	Hart	Mitchell, Ill.	Taylor, Tenn.
Ditter	Hartley	Norton	Thomas
Doutrich	Hess	O'Brien	White
Duffey, Ohio	Higgins, Conn.	Palmisano	Wigglesworth

So two-thirds having voted in favor thereof, the rules were suspended and the motion to recommit the report to the committee of conference was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Goldsborough and Mr. Granfield (for) with Mr. Darrow (against).

Mr. McAndrews and Mr. O'Brien (for) with Mr. Thomas (against).

Mr. Palmisano and Mr. Meeks (for) with Mr. Wigglesworth (against).

Mr. Gillette and Mr. Ferguson (for) with Mr. Ditter (against).

Mr. Berlin and Mr. Sabath (for) with Mr. Hartley (against).

Mr. Dingell and Mr. Lamneck (for) with Mr. Doutrich (against).

Mr. Patman and Mr. McKeough (for) with Mr. Cannon of Wisconsin (against).

Mr. Frey and Mrs. Norton (for) with Mr. Hess (against).

Mr. Kennedy of Maryland and Mr. Gambrill (for) with Mr. Bolton (against).

Mr. Beam and Mr. Somers of New York (for) with Mr. Crowther (against).

Mr. Bankhead and Mr. Stack (for) with Mr. Taylor of Tennessee (against).

Mr. Igoe and Mr. Hart (for) with Mr. Holmes (against).

Mr. McMillan and Mr. Casey (for) with Mr. Andrew of Massachusetts (against).

Mr. Hancock of North Carolina and Mr. Griswold (for) with Mr. Higgins (against).

Mr. Sadowski and Mr. Peyser (for) with Mr. Allen (against).

Mr. Faddis and Mr. Brooks (for) with Mr. McLeod (against).

General pairs:

Mr. Kerr with Mr. Lemke.

Mr. Taylor of South Carolina with Mr. Schneider.

Mr. Hennings with Mr. Lundeen.

Mr. Sweeney with Mr. Quinn.

Mr. Brennan with Mr. White.

Until further notice:

Mr. Shannon with Mr. Mitchell of Illinois.

Mr. Duffey of Ohio with Mr. Greenway.

Mr. Green with Mr. Polk.

Mr. Dunn of Mississippi with Mr. Snyder.

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts [Mr. GRANFIELD] is away on official business. If present, he would vote "aye." The same thing applies also to the gentleman from Massachusetts [Mr. CASEY].

Mr. UTTERBACK. Mr. Speaker, I desire to announce that my colleague the gentleman from Iowa [Mr. GILLETTE] is unavoidably absent and, if present, would vote "aye."

Mr. DOBBINS. Mr. Speaker, my colleague the gentleman from Illinois [Mr. MEEKS] desires it to be known that if present today, which he is unable to be on account of illness, would vote "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE PUBLIC-UTILITIES HOLDING COMPANY BILL AND T. V. A.

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the public-utility holding-company bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, as a member of the Committee on Interstate and Foreign Commerce, I wish to make a few preliminary remarks on the public-utility bill now before that committee.

Newton D. Baker once said that "the test of intelligence is a capacity to suspend judgment until the facts are known."

I would like the country to know that a group of level-headed and fair-minded men—the members of that committee—are trying to ascertain the facts. They are proceeding with patience and without passion. They are hearing every side of the question. The hearings have now been going on morning and afternoon for 5 weeks, and are by no means concluded.

Despite excited statements that the bill as first drafted would be "railroaded" through with only 12 hours for a $12,000,000,000 industry to present its case, the committee has already given the industry 48 hours, and still more time will be given. The defense has already consumed more time than the proponents of the bill.

This brief recital ought to reassure anxious investors that the case will be heard before it is judged, and that judgment will be the result of reason, not emotion. The Committee on Interstate and Foreign Commerce is not a punitive body, on the one hand, nor the creature of the Power Trust on the other.

Its task is as delicate as that of the surgeon—to cut away cancerous tissue and leave unharmed the sources of life and growth. It has but one interest—the public interest. It has but one desire—to promote recovery and the confidence that underlies recovery.

It can build for the future, but it cannot salvage the past. Responsibility for the past rests on other shoulders.

If the key men in the industry in all cases had been industrial statesmen and not, as in some cases, Ponzi financiers, there would be no problem before the industry or Congress today.

An attempt will be made by some of the Ponzis of the industry to deposit their illegitimate offspring on the doorstep of Congress.

Congress did not cause the losses of the past and will not do vicarious atonement for them. Congress did not engage in "write-ups"; it did not capitalize imagination; it issued no watered stocks; it made no "upstream" loans; it did not "trade out" or induce old ladies to exchange sound securities in operating companies for "convertible, redeemable, refunding second preferred, but nonvoting, junior warrants" in holding companies many degrees removed from the stone and steel and coal and falling water which lie at the bottom of the pyramid and alone sustain it.

On the other hand, Congress did not build the magnificent physical properties which today constitute the greatest of the miracles of science. Let the credit go where it belongs and the blame fall where it should.

To keep the record straight let me give these facts. They are taken from the testimony of Mr. David Friday, an economist engaged by the industry to appear before our committee. He states that the market value of utility securities on September 1, 1919, was: Holding companies, $4,444,709,029, and operating companies, $5,294,949,486, a

total of $9,739,658,515. On July 1, 1932, values of holding-company securities had shrunk 87 percent and operating companies 79 percent. In other words, $9,739,658,515 had shrunk to $1,684,773,000, showing a market value loss of $8,054,885,000, or an average decline of 83 percent. No doubt the value in 1929 was too high and the value in 1932 was too low. Stocks formerly selling for $100 declined to $5 or less.

That staggering shrinkage in value cannot be blamed on Congress or the present administration or its policies or the pending bill. It occurred before anyone now holding office was elected.

Since the date last given there has been a further shrinkage in the value of public-utility securities. Since March 4, 1933, the present administration has been in power and Insull and others have been fighting to keep out of prison. I shall not attempt to further apportion the responsibility for any continuing loss of confidence in the value of these securities.

It is time for the leaders in Congress and the leaders in business to reestablish that lost confidence and to rebuild this great industry. Let us build it upon the rock of character, and not on the sands of cunning and greed. The light and power industry needs the light of publicity and the power of public opinion. The industry has nothing to fear from the public if it deals fairly with the public. I will play my last card on the sense of fairness of the American people.

I am satisfied, too, that many utilities were managed with as high a degree of honor as prevailed generally in the 1920's—even among politicians—and that their present management is entitled to confidence.

In the task of reconstruction I think government has its part to play. I refer now to the huge hydroelectric program begun with Boulder Dam in the Hoover administration and continuing with Muscle Shoals in the present administration.

I think the Government should make absolutely explicit the frontiers of that program. If more millions of dollars are to be advanced by private investors in the expansion of the light and power industry, if more machinery and equipment is to be bought, more men to be employed, more pay rolls to enter the homes of America, it seems to me imperative that private enterprise must know, with confidence, the limits of that program.

If private business is to be asked to play the game, it must be assured that it will still have a game to play. I would like to repeat that statement in letters a foot high and hang them on the wall of every office in Washington.

I make no criticism of the Tennessee Valley Authority as a "yardstick" to measure the cost of electrical energy. That yardstick has been voted by Congress and is not now the issue.

But the yardstick must be an honest one if it is to be a reliable measure of a competing service. Men have many virtues. A yardstick has only one—honesty. The Tennessee Valley yardstick must contain every item of cost that private enterprise has to include in its operating expense. I have no doubt that that is the intention of the management of the T. V. A. But that intention is not now made clear. It should be, in justice to T. V. A., to the communities it serves, and to the private enterprise with which it competes.

T. V. A. is excepted from the provisions of the pending bill. Private enterprise is included. Uniform accounting is to be required of private utilities but not of the Government utility. Private enterprise is to be subject to Federal regulation, as it is now subject to State regulation. T. V. A. asserts that it is subject to no regulation, State or Federal.

The good intentions of the high-minded men in charge of T. V. A. will not remove the present timidity of private capital. T. V. A. should be like Caesar's wife. Its record of business management should be written where those who run may read. It owes that to itself and to the Nation.

This is no time for hysteria or recrimination or suspicion. It is time when honest men in government and honest men in business should build confidence by an exchange of confidence.

Public office and public utilities should both be a public trust.

We must liquidate the faults of the past and solidify the foundations of the future.

The hope of tomorrow depends on the candor and courage and character with which we all attack the problems of today.

The yardstick of tomorrow must be the Golden Rule.

TRADE TREATIES

Mr. BACHARACH. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an interview which I gave to the New York Times and which was published on yesterday, on Trade Pacts.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, what is it the gentleman wants to insert in the RECORD?

Mr. BACHARACH. I just stated it was an interview which I gave to the New York Times on trade pacts with foreign countries.

Mr. BACON. It is the gentleman's own remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. BACHARACH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following interview which I gave to the New York Times, published on March 31, on Trade Treaties:

[From the New York Times, Sunday, Mar. 31, 1935]

BACHARACH WARNS ON TRADE TREATIES—ASSERTS RECIPROCAL PACTS AID FOREIGN FARMERS, BUT FAIL TO PROTECT GROWERS HERE—ASKS REPEAL OF THE ACT—SEES STATE INDUSTRIES HURT BY BELGIAN ACCORD—FEARS LINKS WITH ITALY AND JAPAN

(By ISAAC BACHARACH, Representative in Congress from the Second New Jersey Congressional District and Republican Member of the House Ways and Means Committee)

WASHINGTON, March 30.—In the last Congress we enacted, at the behest of the Roosevelt administration, what is known as the "Reciprocal Tariff Act." I was opposed to the enactment of this legislation and am still opposed to it. So far, under the terms of this act, the President has entered into trade agreements with Cuba and Belgium, but negotiations have begun with other nations, including Colombia, Haiti, Brazil, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Sweden, Spain, Switzerland, Finland, the Netherlands, Italy, and Canada.

Agreements with any and all of these countries vitally affect the State of New Jersey. With the exception of Belgium, agreement with the other countries above mentioned would affect principally our agricultural interests.

We already had a 20-percent differential in favor of Cuban products, but among other concessions made to Cuba under the trade agreement, we have made reductions of from 25 to 50 percent below previous existing tariff duties on lima beans, white potatoes, tomatoes, cucumbers, egg plant, peppers, squash, etc., in the seasonal period from December 1 through the spring months, a time when the domestic producers most need the protection that was afforded under our present tariff act.

TOMATO GROWERS TO SUFFER

Negotiations are under way for a trade agreement with Italy. If this agreement goes through, and I have no doubt on that score, the farmers of New Jersey and other Northeastern States will be materially affected. This is particularly true with relation to any agreement which would lower the tariff on tomatoes and tomato products. Any reduction in these tariff rates will be reflected immediately in lower prices to tomato growers. Even under the benefits of the present tariff law, which has reduced substantially imports of tomatoes and tomato products, producers are unable to sell their produce at a fair profit and they are asking the canners for a 10-percent increase in price. This will be voided if the canners are threatened with a surplus from other countries, and tomato brokers and jobbers are declining to buy tomatoes in view of the negotiations with Italy and the probability of a reduction in tariff rates.

As a result the market is stagnant, prices are depressed below the 1934 level and growers are facing higher production costs due to codes and the competition from higher labor wages in industry. Another thing which confronts the tomato growers of New Jersey and other Eastern States, is the fear of competition from Midwestern areas where much wheat and corn land has been removed from these crops under benefit payments, but are not held under any restrictions as to what crops can be produced thereon.

It is understood that the administration is in process of negotiating an agreement with Canada, with the possibility of a reduction in the tariff on Canadian potatoes, in accordance with the

precedent established in the Cuban agreement. New Jersey is a great potato-growing State. Already potato growers of the country are suffering from foreign competition, which has ruined prices and subjected them to a tremendous financial loss. To help them there should probably be an increase in tariff rates instead of a reduction. This is true also of the poultry and egg industry, which is suffering from ruinous competition from China and other foreign countries.

THE BELGIAN AGREEMENT

Industrial New Jersey will be very much affected by the agreement entered into with Belgium. Under that agreement 54 products were affected, and of these 54 products on which concessions were granted, reductions in rates of duty were made on 48, the present duty was bound on 1, and 5 products were bound on the free list.

The 48 products on which reductions were made include 8 chemicals; 7 ceramics, including cement, glass, sand, laminated, plate, rolled, cylinder, crown, and sheet glass; 10 iron and steel products; 3 agricultural products; 8 textiles; 5 paper products; and 7 sundries. The reductions on tariff rates on these products range from 17 percent to 50 percent.

The State of New Jersey will feel the effects of this trade agreement with Belgium, since all of the products on which tariff duties have been reduced under the agreement are produced in our State.

So far as I know, negotiations have not been undertaken yet with Japan looking toward a trade agreement with that country, but, should such a calamity develop—for it would be nothing short of a calamity—it would spell ruin for American industry and the welfare of American workers.

To my mind it is evident that in entering into these trade agreements we are more concerned with the prosperity and welfare of foreign farmers and workers and foreign manufacturers than we are with the welfare of our own farmers, workers, and manufacturers, and I fail to see how we are going to cure unemployment, increase wages, and do the other things so vitally necessary to pull us out of the depression if we are to throw wide open the doors of foreign competition and thereby tear down our tariff walls through these vicious trade agreements.

The law should be repealed before it is too late.

CLAIMANTS WHO SUFFERED LOSS FROM FIRES SET BY GOVERNMENT-OPERATED RAILROADS IN MINNESOTA IN 1918

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H. R. 366.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTENGER. Mr. Speaker, I hope my colleagues have read my remarks in the CONGRESSIONAL RECORD for March 28 on page 4644, and also in the RECORD for March 29, on page 4717, in which I discuss H. R. 3662 and point out the objections to the measure are without merit because the courts held the Government liable. The Government, then, in violation of law, forced the claimants to take a percentage of the loss as determined by the Government or else take nothing. This bill has for its purpose the payment to the claimants of the balance of the loss admitted by the Government.

Those who do not understand the bill, and therefore oppose it, say something like this, "Oh, this is an old claim, hoary with age, has been here a long time", and so forth. I want to correct this error. Following the 1918 fire, the Director General of Railroads denied liability for the loss, claimed other fires did the damage, and so forth, and entered into litigation which covered a period of years. In order to force everybody to take what the Director General would pay, he refused to pay anyone a portion of the loss until all would agree to accept a portion of the loss. This disgraceful procedure took time. When the citizens of a great Republic were given no other alternative than to sign on the dotted line, it took considerable time to settle the thousands of claims which had been filed. The last cases were not actually settled until 1927 or 1928. In 1929, in the "lame duck" session, the first bill was introduced in Congress by my predecessor. I took office on March 4, 1929, and at the regular December session that year I introduced a bill for the fire claimants. In March 1930 Ed. M. Erwin, Chairman of the Claims Committee, appointed a subcommittee to conduct hearings. These hearings were held. They extended over a period of several days and contained over 300 pages of testimony and evidence. The former Director General of Railroads appeared in opposition to the claims. This took several months, and Congress adjourned in 1930 with the bill still pending before the committee. At the third session of the Seventy-first Congress consideration of the bill was again had, and on February 17, 1931, Hon. Fred Johnson, of Nebraska, submitted a favorable report to the House. The bill was not reached on the Private Calendar. The bill was again favorably reported in the Seventy-second Congress, and one objection prevented its consideration. It passed the Senate in the Seventy-third Congress. I cite these facts to show that there has been proper diligence, and the bill is not "hoary with age", but has been properly before Congress, where action could not be obtained under the old rules of procedure, where one objection can stop a bill, no matter how meritorious.

Congressman Johnson of Nebraska, in his report in 1931, said, in part:

The testimony developed in the hearings on this case is uncontroverted as to the situation which resulted in part payment of the losses suffered by the fire claimants. The testimony leads to the conclusion that the fire sufferers were practically forced to accept such payments as the Director General of Railroads was willing to make. When he made those part payments it is true that the fire sufferers had no other alternative except to comply with his pronouncements. He required that a legal release of all claims against the Government be executed; he required that a legal stipulation for the entry of judgment be executed; he required that a legal satisfaction of judgment be signed and executed. He took all of these steps so as to forever bar any claimant from having any legal or equitable causes of action against the United States in any of its courts. The only redress, therefore, which the claimants in this bill have is a bill in Congress.

The Government is still indebted to them, in spite of these legal instruments, for the balance of a loss which was ascertained by the Government, on a liability that was established by the courts of Minnesota, and on which only partial payment has been made.

The United States insists that its citizens discharge their duties and obligations fully. In collecting income taxes, it does not accept a percentage of the amount due. The Government should, therefore, recognize its just obligations and, through Congress, ought to treat fairly with its citizens. Either the Government owed the fire sufferers the amount of loss which each of them sustained or else it owed them nothing. It recognized liability in making part payments on these claims. The only way that justice can be done is to pass this bill and pay the balance.

The above language is that of the Committee on Claims in 1931, and was the deliberate judgment of the committee after hearing witnesses and obtaining information as to the fire claims. The members of the Claims Committee were men of high standing. They would not, and did not, submit a report that was not correct and proper. When this claim was considered in the Senate last session, the same results were reached. Surely, those of us who are interested in this measure have proved the justice of these claims. It is unfair for one or two or three men, who did not hear the testimony, or consider it, and who cannot without long and careful study, know the facts, attempt to speak with authority on this measure, or successfully oppose its passage.

Read report no. 255, and note carefully Senator LOGAN'S report in the Seventy-third Congress, incorporated therein.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

TRIBUTE TO W. W. HOWES

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, a majority of the Congressmen come in contact frequently with our genial, accommodating First Assistant Postmaster General, W. W. Howes, and will verify my assertion that no man has ever occupied this important office who has been more conscientious, faithful, and efficient.

As a South Dakotan, I am especially proud of "Bill" Howes, and so are the people of my State in general, for he is one of us—a resident of Wolsey, a former State's attorney for Beadle County, and for years one of the most stalwart leaders of the Democracy of the State. Mr. Howes is still a comparatively young man, yet it is acknowledged by all who know him that he performs the multifarious and detailed

duties of his difficult position with rare devotion as well as exceptional tact.

Back when the Democratic Party of South Dakota was in a hopeless minority, Mr. Howes was just as dependable and unwavering a Democrat as he is today. In the days when it seemed that no Democrat had a chance of winning an election, he fought battle after battle as cheerfully and energetically as though victory had been in sight. The years went on and his long and tireless efforts were crowned with success. No Democrat in the country had more right to rejoice over the final triumph than Mr. Howes. I campaigned with him, and I know how splendidly he gave his time and talents to the Democratic cause when defeat was a certainty.

Unlike some men in high office, Mr. Howes' promotion came as the reward of hard work and real service. For him there is no hour limit. He customarily works overtime. Early and late, day and night, he is at his office. It is no simple task to have the responsibility to greater or lesser extent for 48,000 postmasterships. After the Civil Service Commission has certified the names of the three eligibles for a postmastership, the recommendation of the Congressman or the local party organization of the one to be named goes to Mr. Howes for consideration and check-up before it is finally passed on to the Postmaster General. The immense amount of detail work involved may be realized in part, but it is far greater than can easily be realized.

Mr. Howes is a credit to the Nation, to his home State, to his party, and to himself. He is not only an able and painstaking official but he has steadily demonstrated that it is possible for a public servant to be kindly, thoughtful, considerate, and friendly. His friends are legion—as they ought to be—and they include almost as many Republicans as Democrats.

It is a pleasure to turn from ordinary routine of congressional duties and say a few well-merited words in behalf of Mr. Howes. It is my thought that it would not be out of place to make this a matter of record so that proper credit might be given such a splendid example of the best citizenship of governmental efficiency.

PREVENTION OF WAR

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection?

Mr. HOUSTON. Mr. Speaker, as a Member of this House who is both sincere in conviction on the subject and pledged to exert every possible effort to allay the hazards of war, I would like to consume this time so graciously accorded me in outlining a few aspects of the war problem which, I believe, have not yet been extensively examined in the course of current discussions.

While it is generally agreed that war should be abolished, and while sober thinkers realize that there is little possibility that any nation of the world not under the control of madmen would attempt armed invasion of another in the near future, it is too much to hope that another terrible world conflict is not inevitable. No. Of course, we do not want war—but we cannot help but recall the post-war remark of that war-time English statesman, Lloyd George, who said:

> No country really wanted war in 1914, but we gradually slid into it.

No country really wants war today, but once the conflagration starts and patriotism is fired up with martial music and propaganda, the demands of the mass of people will be such that sober reflection and calm judgment will be forced to give way to the feverish desire to annihilate the enemy. War is inevitable; even with all of its gruesome aspects, its vile frightfulness and brutality forever engraved on the minds of those who participated in the last one; with the horrors of human conflict, murderous and fatal, dimmed by a few intervening years, those who yesterday swore they would never again bear arms will be among the first to come forward to fight to the tune of "save democracy" or "down with tyrants" or another catch phrase of like ring.

Why is war inevitable?

While the answer to this question may easily be complicated by examination of historical precedent, it finally narrows down to the bare fact that the cause of war is economic, and as long as the ambitions of men direct them toward progress in trade and commerce, just so long will the desires of the nationals of one land conflict with those of another and ultimately lead to inhuman warfare among humans. The inception of war is motivated by the desire for human gain, in the first instance, and is always followed by a synthetic patriotism, fostered and nurtured into the actual and necessary patriotic fervor which is the prerequisite of the murder and suicide of war. This we well know. We also know that when war is imminent these facts are obscured as reason vanishes in the face of blind unreason.

Even in peace time we appear to find it difficult to get together on methods of minimizing war hazards. I quote a brief item entitled, "How to Abolish War Profits", taken from a recent issue of the United States News:

> Three clashing viewpoints on taking the profits out of war, as set forth in House committee hearings on the McSwain bill:
>
> For the veterans: "Freeze prices, equalize the recompense of workers and soldiers, license business, combat any strike of capital by martial law, seize all war profits."
>
> For organized labor: No conscription of labor; no freezing of prices, which would enrich employers as volume of production mounts.
>
> For steel manufacturers: Abolish war.
>
> The bills provisions, in line with recommendations of anti-profiteers Hugh S. Johnson and Bernard M. Baruch: Conscription of men between the ages of 21 and 30; Presidential power to fix prices, license business, determine priority for filling orders. Fine for violations, $100,000.

Mr. Speaker, I believe the McSwain bill to be an excellent measure. It is properly termed "a declaration of policy" and should become a powerful factor in preventing this country from going into war against another nation. I shall certainly vote for its adoption. I also am heartily in accord with the use of the taxing power of the Congress to eliminate any possibility that another world war will again produce in this country 21,000 new millionaires and give some 69,000 men an opportunity to divide war profits of $3,000,000,000, over and above normal profits, as was the case in the last war.

However, the McSwain bill and similar measures, although designed to help prevent war, cannot be regarded as more than one more step in the right direction, even if an extremely important one. After its adoption we must continue to cast about for other means of assuring world peace. We must carry on the good work of encouraging and executing peace pacts and nonaggression treaties, so that when the militaristic influences of the few countries which might feel compelled to fight over some real or imagined grievance would find few allies to join them.

The McSwain bill and the proposed taxing of war profits are, of course, based upon and justified by the idea that it is the duty of the individual citizen of the United States to abide by laws enacted by chosen representatives who, in effect, have a mandate from the people as a whole, demanding, among other things, that they—the representatives—make every possible effort to allay the possibilities of war.

I ask you, Mr. Speaker, if this particular mandate is not of sufficient importance to justify extraordinary measures of control. Should we not take every step possible in an effort to bring about the ultimate elimination of this uncivilized legal murder of human beings? If the answer to this question is in the affirmative—and I am confident that it will be—I propose that the Congress of the United States inform every citizen of this country that it shall be the duty of that citizen to not only subject himself to such rules of law as will prevent this country from going to war, but shall also refuse to profit by warfare between nations or within nations anywhere in the world. In other words, let us not only avoid such entanglements as a nation, but let us also discourage our citizens from participating, directly or indirectly, in the affairs of foreign nations at war.

The plan I propose is simple in conception, although admittedly complex as to execution. Through the power of Congress to tax incomes, I would impose a levy of 100

percent upon profits accruing to an American citizen from within any nation which happened to be in a state of war at the time such profits existed. This tax should apply with equal force whether the income entered the United States or remained on deposit abroad, and penalties for avoidance should be sufficiently stringent to compel compliance.

I am aware that such a law would cause a small reduction in our foreign trade from time to time, resulting in benefits for other countries, but if the nations of the world desire peace they will adopt similar laws. As a family of nations we talk, talk, and talk, and then talk some more about limiting armaments. We negotiate peace treaties. We send good-will ambassadors across international boundaries to cultivate friendship and understanding.

All of these moves are excellent and indispensable. But, if we know that war is primarily an economic problem why use half-measures in its prevention? Why not attack it in the same manner we go after other economic sore spots in our existence, by striking at the basic cause of the whole sorry mess—the desire for human gain.

What better method could be used to test the sincerity of all nations than to propose a treaty which would arbitrarily end profits for noncombatants, both as nations and individuals?

It is because I believe that this proposal should first be presented in the form of a treaty for legislative consideration that I have not drafted a measure along these lines. Also, I am as yet not sure as to the constitutionality of the taxing method proposed and shall require further time for study. If, however, an amendment to the Constitution is found necessary, I am sure the people of this country would vote almost unanimously in favor of its inclusion.

The proposal should be discussed from all angles before any definite plan is crystallized. It is with this thought in mind that I commend it to your consideration.

PROTECTION AGAINST SOIL EROSION

Mr. WHELCHEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHELCHEL. Mr. Speaker, I wish to take this occasion to voice my whole-hearted endorsement of the measure before the House today, H. R. 7054, the purpose of this bill being "to provide for the protection of land resources against soil erosion and the making of this project a permanent measure."

The bill itself is very explicit, and the information contained in its provisions set out fully the purposes, and I ask consent that said bill be included herein and made a part of my remarks.

A bill to provide for the protection of land resources against soil erosion, and for other purposes

Be it enacted, etc., That it is hereby recognized that the wastage of soil and moisture resources on farm, grazing, and forest lands of the Nation, resulting from soil erosion, is a menace to the national welfare and that it is hereby declared to be the policy of Congress to provide for the control and prevention of soil erosion and thereby to preserve natural resources, control floods, prevent impairment of reservoirs, and maintain the navigability of rivers and harbors, protect public lands, and relieve unemployment, and the Secretary of Agriculture, from now on, shall coordinate and direct all activities with relation to soil erosion and in order to effectuate this policy is hereby authorized, from time to time—

(1) To conduct surveys, investigations, and research relating to the character of soil erosion and the preventive measures needed, to publish the results of any such surveys, investigations, or research, to disseminate information concerning such methods, and to conduct demonstrational projects in areas subject to erosion by wind or water;

(2) To carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary, for the purposes of this act; and

(4) To acquire lands, or rights or interests therein, by purchase, gift, condemnation, or otherwise, whenever necessary for the purposes of this act.

SEC. 2. The acts authorized in section 1 (1) and (2) may be performed—

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands, upon obtaining proper consent or the necessary rights or interests in such lands.

SEC. 3. As a condition to the extending of any benefits under this act to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of this act, require—

(1) The enactment and enforcement of local laws imposing suitable permanent restrictions on the use of such lands and otherwise providing for the prevention of soil erosion;

(2) Agreements and/or covenants as to the permanent use of such lands; and/or

(3) Contributions in money, services, materials, or otherwise, to any operations conferring such benefits.

SEC. 4. For the purposes of this act, the Secretary of Agriculture may—

(1) Secure the cooperation of any governmental agency;

(2) Subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such officers and employees as he may deem necessary, except that employees of the organization heretofore established for the purpose of administering those provisions of sections 202 and 203 of the National Industrial Recovery Act which relate to the prevention of soil erosion may be continued without regard to the civil-service laws or regulations and the Classification Act for a period not to exceed 4 months from the date of this enactment; and any persons with technical and expert knowledge, connected with any educational or research institution, may be jointly employed and compensated under this act and by such institution on a basis to be determined by the Civil Service Commission; and

(3) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of law books and books of reference, for printing and binding, for the purchase, operation, and maintenance of passenger-carrying vehicles, and perform such acts, and prescribe such regulations, as he may deem proper to carry out the provisions of this act; and any violation of any such regulation shall be punishable by a fine of not to exceed $100.

SEC. 5. The Secretary of Agriculture shall establish an agency to exercise the powers conferred on him by this act and may utilize the organization heretofore established for the purpose of administering those provisions of sections 202 and 203 of the National Industrial Recovery Act which relate to the prevention of soil erosion, together with such personnel thereof as the Secretary of Agriculure may determine, and all unexpended balances of funds heretofore allotted to said organization which shall be available until June 30, 1937, and shall assume all obligations incurred by said organization prior to transfer to the Department of Agriculture. Funds provided in House Joint Resolution 117, "An act making appropriation for relief purposes" (for soil erosion) shall be available for expenditure under the provisions of this act; and in order that there may be proper coordination of erosion-control activities the Secretary of Agriculture may transfer to the agency created under this act such functions, funds, personnel, and property of other agencies in the Department of Agriculture as he may from time to time determine.

SEC. 6. There are hereby authorized to be appropriated for the purposes of this act such sums as Congress may from time to time determine to be necessary.

It is not my purpose, and in no wise do I attempt to discount the legislation being enacted by this Congress, but I do want to take this opportunity of saying, to my mind, the work being done, and that anticipated in regard to the erosion of our soil is of vast importance, and its value is inestimable to our Nation.

Never in the history of our country have the American people faced a situation so appalling, and unless something is done to check this waste, the fertility of our soil will be so depleted that from the standpoint of agriculture and earning a living from the soil it will be a thing of the past. May I say to you that there is in the approximate of 100,000 acres of land being laid in waste by this evil of soil erosion each year.

Of course, I can understand the damage in this connection. It is occasioned by winds in the Western States, but, in my opinion, this evil is doing its deadly work more where watersheds are in evidence than any other place. The fact is, the damage caused by wind erosion is small compared to the land made useless by water, and this is particularly so in north Georgia, and the whole piedmont belt. The fields which were fertile only a few years ago are today ravines and could be truthfully termed "waste lands."

Each year there has been carried from acres of this section many tons of fertile soil that it has taken years to

place there by nature and the efforts of man and which is so valuable and means so much to the inhabitants of our country.

There is another evil to this situation, which is predominating in Georgia, and that is where the soil is washed from the lands in the northern portion of our State and these acres left bare. This same soil is being deposited in streams lower down in the State, and it is fast filling the beds of these streams, which causes the water to overflow its banks, and where there were once thousands of acres of fertile lowlands, today they are worthless swamps, made so by seepage from the streams that have been filled by this soil, and you can see from this that, not only is it causing the land in the northern portion of the State to be worthless but it is working such damage to the lowlands that they are becoming untenable and worthless, also, and from this explanation you can see that this soil erosion in Georgia has a twofold evil.

Much has been said, and justly so, in tribute of two men, Hon. H. H. Bennett and Hon. Samuel W. Phillips, who, it is contended, have been instrumental in furtherance of soil erosion in the United States. I would not detract from this praise given these gentlemen, but may I call your attention to the untiring efforts of Hon. Loy E. Rast, regional director of this project, of Athens, Ga.?

It was through this gentleman that I became interested in soil erosion and to really see its value. On every occasion Mr. Rast presented this evil to the people, and, to my mind, he is outstanding in this work and too much cannot be said in his behalf, and I think it is nothing but fair that mention should be made of the splendid results he has attained in Georgia. The people feel that they have, in this gentleman, one whose interest is their interest, in this pioneering soil-erosion project.

In conclusion, may I say that in my opinion this is one of the most important measures presented to Congress, certainly since my stay here, and one that should receive the unqualified support of every American.

REREFERENCE OF BILL

Mr. RAYBURN. Mr. Speaker, in the transfer of bills from the Committee on Interstate and Foreign Commerce to the Committee on Merchant Marine and Fisheries, one bill was overlooked. I therefore ask unanimous consent that H. R. 6119 be referred from the Committee on Interstate and Foreign Commerce to the Committee on Merchant Marine and Fisheries?

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

IDENTITIES OF INTEREST IN RESTORING FOREIGN TRADE

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a speech made by Secretary of Agriculture Henry A. Wallace, on World Trade. It is a good speech.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, it is impossible for the Members of the House to hear what these requests are.

Mr. MAVERICK. I asked unanimous consent to print a speech made by Secretary of Agriculture Wallace on the subject of World Trade.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Henry A. Wallace, Secretary of Agriculture, in the series of radio broadcasts on world trade and recovery, Washington, D. C., March 30, 1935:

We are now in the seventeenth year since the close of the Great War. Throughout these years people of vision in every country have sought to persuade their countrymen along paths that would lead them out of the wilderness of hatred, chaos, and despair into the promised land of a new world order. Undaunted by reverses and disappointments on all sides, these practical idealists have fought on for policies founded on a spirit of peaceful cooperation between nations.

Yet from the first they have struggled against terrific odds. Instead of unity of purpose and breadth of understanding, so essential to restoring the world to economic health, the spirit of hatred, suspicion, and of intense and narrow nationalism engendered by war remained predominant. Finally in 1929 the whole world economic fabric gave way under the cumulative impact of nationalistic policies. In the severe world depression that has followed, nation after nation has sought refuge in measures of economic exclusion, whose only effect has been to intensify the very disease with which all are afflicted.

The story of our own contribution to the development of this world malady is one upon which I need not dwell. We raised our tariffs higher and higher in amazing disregard of the fact that we had become a great creditor country and one still heavily dependent upon export trade. When we should have lowered our tariffs, we raised them; when we should have accepted more imports, we shut the door against them; when we loaned vast sums abroad, we refused to let our debtors pay us back in the only way they could—in goods.

It is a discouraging fact that we have not yet learned how a mature creditor nation must behave. Five years of depression have not convinced us, apparently, that there is any relationship between foreign trade and national welfare. Individuals, industries, even whole localities and regions whose very life depends upon the restoration of foreign trade, have thus far failed to grasp the true realities of the situation. If they do not become aware of their true interests, the contest will go by default, and it will go 100 percent against them.

Let me begin by reminding you of what has actually taken place with respect to world trade and our own share in it. In 1929 the gold value of the foreign commerce of the world aggregated $69,000,000,000. By 1933 it had declined to twenty-four billion, and in 1934 was probably not far from that figure. Thus, in value, world trade has fallen to but a third of its 1929 level. In actual quantity the decline has been much less than this, because for many commodities entering into world trade the effects of the depression and of trade barriers have been felt primarily in lower prices rather than reduced volume of shipments. Nevertheless, the actual quantity of goods moving in international trade had by 1933 declined to about three-fourths of what it was in 1929, and is still probably not far from that figure.

Our own foreign trade has fared even worse. In value it declined from a little less than $10,000,000,000 in 1929 to less than $4,000,000,000 in 1934, in United States dollars, but to about $2,500,000,000 if figured on the old gold basis. In terms of quantity it amounted in 1934 to only 60 percent of the 1929 volume. What has happened is that we have not only suffered a trade loss since 1929 aggregating in value something like $30,000,000,000, but have also been securing a progressively smaller share of the reduced world trade. Indeed, our share of the world's trade has declined more than that of almost every other country. In 1929 we obtained 13.8 percent of the total world trade. By 1934 our share had fallen to 9.8 percent. Thus our share relative to that of the other countries actually fell by nearly 30 percent. What this means is that a considerable part of our trade loss represents actual diversion of trade to other countries. It will not be easy to recapture.

Foreign trade means bread and butter to millions of people in this country. Relatively few of them seem to realize it. The cotton farmer may know very well that perhaps half his production will be sold abroad, but the railroad employee may not give much thought to the fact that he derives part of his earnings from moving these export and import products. That part of the cargo from our farms, factories, mines, and forests which enters into export trade must move by rail or truck or steamer to one of our port cities and in moving creates employment for thousands of people engaged in transportation, and for the people engaged in manufacture of transportation equipment, in producing coal or oil, or in selling merchandise to the workers. About 10 percent of the workers of this country are in the transportation and communication business. Moreover, it must be remembered that such cargo, after arrival at the port, furnishes livelihood for clerks in export houses, for stevedores, insurance men and brokers, bankers, sailors, and all the other people dependent on shipping. The same can be said of imports. What all this means to our port cities and to transportation agencies, among others, is regularly ignored.

Consider, for example, what has happened with respect to the volume of goods moving through some of our leading port cities. Take New York City. In the year ended June 30, 1929, nearly 29,000,000 tons of goods moved through the port of New York. By 1933 the total had declined to 12,700,000 tons, and though it increased to 15,500,000 tons in 1934, it was still scarcely more than half the 1929 figure.

Philadelphia's foreign trade fell from 6,500,000 tons in 1929 to less than 4,000,000 tons by 1933. Baltimore fared still worse, for its foreign commerce fell from 6,400,000 tons to a little over 2,000,000 tons in the same period. Boston's trade was more than cut in half by 1933, while New Orleans and the minor Louisiana ports saw their commerce fall from 10,400,000 tons to 3,500,000, or little more than one-third the 1929 figure. The California ports suffered less, but their tonnage fell from 10,500,000 long tons in 1929 to 6,900,000 tons in 1933, and the ports of Washington State found tonnage dropping from 4,000,000 tons down to 1,700,000.

The past year has seen some recovery in volume, but our foreign trade is still only 60 percent of the predepression tonnage, and distress in the port cities is still very great. Baltimore has 16.4 percent of its families on relief. New York has 19.4 percent, San

Francisco 20 percent, Boston 24 percent, and New Orleans 25.4 percent. Of course, it is not to be supposed that more than a part of these families come from the group normally obtaining its livelihood directly from foreign trade. Yet who will question what a godsend it would be to these port cities if trade were restored.

There would be increased work for thousands of sailors and stevedores, for laborers in repair plants and shipbuilding yards, for clerks in shipping offices, bankers, and trading firms, for truckmen now out of work by the thousands, for railroad employees, and for the much larger number of people who live by selling supplies directly or indirectly to people engaged in foreign trade.

Consider further what the decline of foreign trade has meant to ocean shipping in terms of idle tonnage and of empty cargo space in vessels under operation. Despite the decline of about 25 percent in the volume of international trade since 1929, world tonnage of vessels of 100 gross tons or over (which would include coastwise shipping) has declined by only about 5 percent. Between January 1, 1930, and January 1, 1933, idle tonnage of vessels of 100 gross tons or over more than quadrupled, increasing three and one-tenth million to twelve and seven-tenths million tons. Our own idle tonnage increased from 2,000,000 to three and five-tenths million. Since that time normal retirement and subsidized scrapping of tonnage in other countries have cut the idle world tonnage to a little more than double what it was in 1930.

Although on January 1, 1934, the volume of world sea-borne trade was less than in 1913, the carrying capacity of ocean shipping was 75 percent greater than in 1913. Although freight earnings per ton of cargo were no higher than in 1913, the expenses of ship operation were estimated to be 40 percent higher. The freight losses to shipping engaged in American foreign trade since 1929 are reflected in the decline of 40 percent in tonnage transported and in an aggregate loss of some 174,000,000 tons that would have been carried during 1930–34 if there had been no recession of trade after 1929.

Now consider what the decline in our foreign trade has meant to the railroads. Apparently no detailed study of this sort has ever been made. We can get some idea of the magnitude of the loss, however, by referring to two specific cases for which it has been possible to work out rough estimates. The first includes automobiles, trucks, and automobile parts. On this item alone it is estimated that the decline in exports has resulted in an aggregate loss of revenue to the railroads for the 5-year period 1930–34, inclusive, running in the neighborhood of $70,000,000. The other item is wheat and flour. From the decline in this item the loss of revenue to the railroads during the same 5-year period appears to have been in the neighborhood of $80,000,000.

For some items the decline in actual volume shipped for export has not been great. This was notably true, until recently, in the important case of cotton. However, on the basis of very rough calculations, I am inclined to think that the aggregate loss of revenue to the railroads from the decline of our entire foreign trade during the period since 1929 would amount to at least a billion dollars and probably nearer a billion and a half.

Finally, there are the producers of the things that we export. They are, of course, the most important of the groups adversely affected by the trade decline. The prosperity of our export industries, including those branches of agriculture which normally export a large part of their output, is of the greatest importance to the welfare of the country. In 1929 such industries employed over 7,000,000 workers out of a total of less than 50,000,000 persons gainfully employed in the United States. It is estimated that no less than two and one-half million persons were engaged in producing goods for export. If one includes the families of such persons, this means that some ten millions of our population were directly dependent for their livelihood upon production for export.

Moreover, these workers were in large measure concentrated in certain industries and areas. As a result, the decline in exports has tended to disrupt business much more than it would if this labor and capital had been more generally distributed throughout the country. This is particularly true in the case of agriculture. The 2,000,000 cotton farmers sell more than half of their crop abroad. Forty percent of our tobacco is exported, nearly half of our dried fruit, and about a quarter of our canned fruit. In 1929 a third of our lard went abroad, but restrictions imposed by foreign countries cut this down to quarter by 1933. About two-thirds of the gum rosin produced in this country is exported and more than half of our gum turpentine, as well as large proportions of a multitude of other products of the farm and forest.

Our great manufacturing industries for the most part have not been so dependent upon foreign trade as the farmers raising export crops, but their stake is much larger than is commonly supposed. Approximately 15 percent of all industrial machinery is exported and a quarter of the agricultural implements. From 5 to 10 percent of our automobiles are exported. Forty percent or so of our refined copper is sent abroad as well as a substantial part of a vast number of other industrial products. It is hardly necessary to enumerate the long list of manufactured and mineral products which we export, or were exporting before the depression.

The loss of export markets has been a severe blow to branches of agriculture and industry, such as those that I have just mentioned, which have built up their plant to provide for both the domestic and foreign demand. In many cases exports have declined to a fraction of the former figure. Although exports in 1934, because of improved economic conditions and devaluation of the dollar, were somewhat greater than in the previous year, the volume was nevertheless pitifully small.

The loss to the country from this shrinkage of foreign trade has been far greater, I repeat, than most of our people even faintly suspect. In no small degree it has been responsible for the depth and length to which the depression has extended. Yet the fundamental cause of the decline in exports still persists. We are not importing enough goods to enable our foreign customers to buy more from us.

The volume of our exports depends upon the volume of goods which this country will accept in payment. The nature of our international transactions is such that our only hope of increasing exports again is to increase imports even more. Indeed, I will go further and say that in order to maintain even our present level of exports this country must import more goods and services from abroad.

During the past year the deficiency of imports was made up with gold. Few foreign countries can part with much more without undermining the bases of their currencies. Not only are we faced, therefore, with the possibility of a continuation of exports at the present low level, but we are in real and immediate danger of a still further recession unless steps are taken to make possible greater imports from abroad.

Nevertheless, the simple fact that if we are to have any exports we must have imports gets only lip service throughout the country. Minority groups, among whom tariff-protected groups are plentiful, clamor as of old for special favors enabling them to grab a larger share of the national income. Of 177 bills or resolutions involving foreign trade introduced into Congress up to the 1st of March, only 5 seemed designed to increase imports, while 56 were designed to restrict them even further.

This pressure of interested groups for still further restrictions upon imports, though discouraging in present circumstances, is not surprising. It is, after all, an old story. It has, however, been something of a surprise to me to find advocates of continued, or even more severe, trade restriction among some impartial students whose intellectual integrity cannot be doubted. Some of them take the view that this country should maintain barriers sufficiently high to exclude everything that can be produced in this country. Others seem to feel that we should not permit imports of goods which can be produced efficiently in the United States; but in failing to define what they mean by efficiency, they leave us in great doubt as to what goods would in fact be permitted to get in.

We can, of course, exclude all goods even remotely competitive. The trend of opinion seems to be in that direction. There is still, as I reckon it, about a third of our import trade that might conceivably be called "competitive" if we stretched the word "competitive" to include everything that our domestic industries contend is competitive. Some would even go further and say that bananas compete with apples, or coffee with milk and soft drinks.

But if we refuse to import more goods, or insist upon still further elimination of imports, we ought at least to be prepared to face the consequences. We must be prepared for economic and social readjustments of the most far-reaching kind. In agriculture alone, as I have repeatedly pointed out, we would have to make permanent the retirement of from 40 to 100 million acres of crop land. We would be faced with the necessity of a regimentation of our economic life and of our activities in general compared with which such measures as the Agricultural Adjustment Act would seem quite insignificant. This, as I have often stated, is not the course that I would prefer. The pain of adjustment would be less, I think, if we took a planned middle course; one which might perhaps call for imports of an additional half billion dollars' worth of goods annually, and for the permanent withdrawal of either 25,000,000 acres of good farm land or an equivalent amount of poor farm land.

In order to follow such a course we shall have to reduce our tariff. Against great obstacles we are now endeavoring to do this. Under authority of the trade agreements act, passed last year, we are negotiating trade agreements with foreign countries providing for reciprocal trade concessions. Progress thus far has been retarded by a number of factors: Delays involved in organizing the program; new problems of trade negotiation arising from the complex character of present-day trade restrictions; and the many obstacles always inherent in any attempt to reduce trade barriers. Nevertheless, progress has been made. Agreements have been negotiated with Cuba, Brazil, Belgium, and Haiti, and are in process of negotiation with a large number of others. Of the four that have been negotiated, only one—that with Cuba—has gone into effect.

Our experience under the Cuban agreement has been illuminating. I will not burden you with the long list of concessions made by Cuba on both agricultural and manufactured products. Two items will do for illustration, namely, lard and automobiles.

On lard the duty was cut from the prohibitive rate of 9.6 cents a pound to 2.3 cents; in other words, to about a fourth its previous level. Moreover, during the second year of the agreement, the duty will be further reduced to 1.9 cents a pound, and during the third year, to 1.5 cents—less than a sixth of the old rate.

Until she began imposing prohibitive duties, Cuba had long been one of our most important outlets for lard. Already, our lard exports to Cuba have shown a marked response to the duty cut, and this has been in spite of the sharp rise in domestic lard prices in recent months. For the year 1934 our shipments to Cuba were well over twice the amount shipped in 1933, although the new rates did not go into effect until late in August. During the last 4 months of the year our shipments were nearly three times what they had been during the last 4 months of 1933. During

the first 2 months of the present year, though our total exports of lard to all countries were only a little more than a third of what they were last year, our shipments to Cuba were about three times the amount shipped last year. These are most encouraging indications that under reasonably normal conditions Cuba will again become a major export outlet for American lard.

On automobiles the duties were cut by about a half on the lower-priced cars and about a third on the medium-priced. For the entire year 1934 shipments to Cuba were almost three times those in 1933. During the 4 months following the signing of the agreement they were nearly 9 times what they had been during the same period of 1933. During the first 2 months of this year they were 10 times the quantity shipped during the same months last year.

The trade-agreements program has been achieving real results, but it has been doing so without anything like the body of public support that must come if the possibilities of the program are to be fully realized. While its enemies have been hard at work, most of its friends have been asleep. Without an aroused and intelligent public opinion in support of trade agreements they cannot continue.

This means, first of all, that there must be a clear understanding of what the restoration of our foreign trade will mean to our people and, conversely, what the failure to restore it will mean to them. If, in the light of these alternatives, they choose a policy of trade rather than economic isolation, they must then be prepared to take the steps that are necessary in order to restore trade. This means that they will have to do more than lip service to the axiom that it is necessary to buy in order to sell. They will have to begin opposing, instead of proposing, measures of trade exclusion. They will have to get squarely behind the trade-agreements program and every other sound measure for the restoration of trade.

Particularly is it appropriate that I should stress the interest of agriculture in this matter. There are a few groups of producers in agriculture who derive immediate benefits from duties on their products. But throughout almost our entire history the bulk of our farmers have been engaged in producing things the prices of which are determined in world markets, but they have bought their necessities in the protected domestic market. In short, most of them have been buying in a protected market and selling in a free market. Through recent adjustment measures of a stop-gap character this balance against the farmers has been partly redressed. Fundamentally, however, our agriculture is still organized to produce vast surpluses for export. For the majority of farmers, therefore, a revival of our foreign trade will bring direct and important gains. For all of them, I am inclined to think, it will ultimately bring large benefits, for it must be remembered that those farmers who are not on the export market themselves will be materially affected by producers whose export market is denied them. I hope that the true identity of interest that exists between the farmer and the transportation worker, between the interior and the seaboard, can be discovered and put to work before it is too late.

PERMISSION TO ADDRESS THE HOUSE

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes at the conclusion of the remarks by the gentlewoman from Massachusetts [Mrs. ROGERS].

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, may I ask the gentleman from Massachusetts whether this is going to be on the controversy raging between himself and the gentleman from Indiana?

Mr. TREADWAY. No. This has nothing to do with any previous remarks.

Mr. TAYLOR of Colorado. I have been endeavoring to draw these requests to a close.

Mr. BLAND. Mr. Speaker, reserving the right to object, this is the day we take up the Consent Calendar. A considerable amount of time has been taken up, and if these speeches are going to continue, we will not be able to reach the Consent Calendar at all.

Mr. TREADWAY. I have only requested 5 minutes. Will the gentleman from Virginia suggest when time may be secured?

Mr. BLAND. It may be secured on any appropriation bill. There are appropriation bills coming on later.

Mr. TREADWAY. In a week or two hence.

Mr. McFARLANE demanded the regular order.

Mr. BLAND. I will not object to the request of the gentlewoman from Massachusetts [Mrs. ROGERS] or the gentleman from Massachusetts [Mr. TREADWAY], but I shall object to any more unanimous-consent requests along that line.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

STATUE TO GEN. ROBERT E. LEE AT ARLINGTON, VA.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, the time has come to put at rest any lingering enmity, animosity, or resentment arising out of the Civil War. We are a united Nation with a common interest in the destiny of our Republic, no matter what section of the country we come from. The past differences between the North and South must be forever buried, and all sections of the country must present a solid and united front in defense of the ideals and principles of government which they cherish and to uphold them against our enemies from within who seek to tear them down and destroy our free institutions and republican form of government.

With this purpose in view and in a spirit of good will, and to further cement the feeling of unity between the North and South, engendered by both the Spanish and World Wars, I introduced today a resolution authorizing funds to erect an equestrian statue of Gen. Robert E. Lee, to be located at Arlington, Va., his home prior to the Civil War, and where both northern and Confederate soldiers have found their last resting place.

General Lee's ancestors fought in the Revolutionary War. He was a graduate of West Point, served with distinction in the Mexican War, was Superintendent of the Military Academy at West Point, and commander in chief of the Confederate armies in the field. Robert E. Lee is universally beloved and esteemed in the North and South for his private as well as public qualities. He was one of the most remarkable men in American history, of lofty and pure character, an able, brilliant, and daring general, who ranks not only among the most famous of our own country but of any nation and of any time. Even in defeat he retained the affection and faith of his troops and the respect of General Grant and his victorious army and of the people of the North. Time will increase his fame and the high regard in which he is held by the American people, regardless of partisanship and sectionalism.

There is a splendid equestrian statue of General Grant in a conspicuous place between the Capitol and the Washington Monument. There are also equestrian statues of other famous northern generals, such as Sherman, Thomas, and Sheridan, located throughout the city of Washington.

I shall ask for a public hearing on the resolution so that ample opportunity will be afforded to American citizens to express their sentiments on honoring the name and fame of Gen. Robert E. Lee, one of the noblest characters and greatest generals born in America. There are few survivors of the Grand Army of the Republic, but I am confident that they would be among the first to pay tribute to the memory of their gallant foe.

WHY NOT HAVE A VOTE ON THE TOWNSEND OLD-AGE REVOLVING PENSION PLAN?

Mr. TOLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD?

The SPEAKER. Is there objection?

There was no objection.

Mr. TOLAN. Mr. Speaker, it seems to me that the Townsend old-age pension plan, now before Congress, is entitled from every standpoint to a record vote before adjournment. Without criticizing anyone, calling any names, or becoming excited, let us approach this matter calmly and fairly, and ascertain if this great humanitarian measure is not of sufficient importance for the hired servants of the people, their agents and representatives in Congress, to record their vote for or against the Townsend old-age pension plan.

A very short while ago there was a humble, lovable, physician, with scarcely any means whatever, attending the poor, the sick, and the dying in and about Long Beach, Calif. He was a kindly man, going about doing good and worrying over the distress and poverty of the people. He lay awake nights, and, finally, in his golden heart and fertile mind, he

evolved what is now known as the "Townsend old-age revolving pension plan." This man was Dr. Townsend—and that name will go down into the ages remembered, honored, and loved, for he has made America "old-age-pension conscious."

As the idea grew within him he gave up his practice, transmitted his enthusiasm to others, and from an humble and almost impossible beginning he has thousands upon thousands of Townsend clubs throughout the United States and approximately one-fifth of our population, or 25,000,000 signatures, on petitions in favor of the Townsend plan. Surely, they cannot all be wrong.

Dr. Townsend has never had a thought of himself and does not now. They claim it is a money scheme, and that he has made money out of it. I deny this charge and challenge anyone to prove it. Just take a look at his kindly, honest face and frail form, practically giving up his life for the love of his fellow men, and there you will find your answer.

What is this plan? First, to effect and maintain complete recovery in the United States and sustain this prosperity by a sufficient supply of purchasing power; secondly, to create a condition of employment assurance by replacing those over 60 now employed with younger workers who are walking the streets, thousands of them high school and college graduates; thirdly, to create a retirement fund for each individual who can and does qualify upon reaching the age of 60.

Logically, the next question is: "How and where are we going to raise the money to pay each person over 60 years of age $200 a month?" Permit me to quote an economist, one of the most noted in the United States. I quote Dr. Robert R. Doane, one of the foremost economists of our time. Dr. Doane is a professor and lecturer in schools of economics, a consultant of the United States Departments of Labor and Commerce, and, in addition, to 15 other outstanding national organizations. The following are his exact words:

> The cumulative effect of a uniform Nation-wide turnover tax at the low rate of 2 percent on limited transactions could easily put a stop to further Budget deficit and finance such a social security program as envisaged by the Townsend plan.
>
> Certainly sufficient funds could be raised by this turnover tax to more than care for the social security program now before the country.
>
> The turnover method of taxation is an equitable and fair way to provide means to pay as you go the service charge of Government that will bring revenue and a blessing to all business and social enterprises once it is put into action.

"Where are we going to get the money?" This cry has echoed and reechoed down the ages when any measures for the welfare of the many instead of the few have been proposed. This question was not asked in 1917 and 1918 when we spent in about 17 months nearly $40,000,000,000. Twenty billions of it for shot and shell, death and destruction. Thousands of American boys are sleeping their eternal sleep beneath the soil of Flanders field. Nine billion dollars were spent to feed the hungry and starving of Europe. But it is a different story when it is even mentioned that we should take care of the poor and aged of our own country.

When Lincoln first suggested taking the chains off of millions of slaves a roar of protest went up. The argument was made that it was impossible and impracticable, for the reason that labor could not be obtained to take the place of the slave. Yet the emancipation proclamation will go down in history as an immortal document, and Lincoln is considered the tenderest memory in our history.

Where is the money coming from to take care of the aged of this country?

I ask you, where does the money come from to pay nearly $2,000,000,000 a year for direct help, crime, and welfare work in this Nation? Where does the money come from to pay millions and millions every year to paint the lips and cheeks of the women of this country? This remark may not help me with the ladies, but it goes anyway. Where does the money come from to pay our terrible bills for cheating and killing each other? Where do the billions come from for automobiles, airplanes, and injuries and deaths that result from our speed mania? When we dare mention anything for father and mother and their old age we are laughed at.

Maybe I am old-fashioned, but I say to Congress that never since man was first created did a son or a daughter ever live to see the day that they regretted being good to father and mother. Never will any nation ever fall for taking adequate care of the aged and the helpless.

When I was a boy I heard my mother sing a thousand times and more, Over the Hills to the Poorhouse, I Wander Alone and to Die; now it is Over the Hills to the County Hospital, I Wander Alone and to Die. Why, that little, frail mother of mine, with 11 children, carrying a load the average man would break under—I know just what she would say, "Son, you be good to the old folks, and God will bless you."

This is old-fashioned, I know, but I am just a new Member and will let it stand. Living with me in Oakland, Calif., for 15 years, she is the sweetest memory of my life, and the hands that used to feed me and cool my fevered brow now touch me only in my dreams. But if she were living today, I would love to fold her in my arms and never let her go. So Members of Congress, if this is old-fashioned, make the most of it.

Dr. Townsend has, to my mind, one of the most humane and helpful ideas since Lincoln freed the slaves. It is not perfect; what measure of man is perfect? There is hope, sweetness, and love in the Townsend old-age pension plan.

But they tell us it is a crime for Dr. Townsend and his supporters to offer hope to the old folks of this country through an impracticable plan. Who knows today what will work and what will not work?

Is this plan practicable? I claim any plan is practicable which absorbs hundreds of thousands of indigent inmates of poor farms, poorhouses, and other charitable institutions, some supported by city, county, State, and fraternal organizations. All of these people, at the age of 60, would come within the provisions of the Townsend plan, removing a huge tax burden.

This plan would take the aged of this country, lonely and destitute, from the county poor farms and county hospitals and place them in their own homes. Do you not think they would be happier with their own cookstove, their own furniture, their own beds, and their own neighbors to talk to?

We can pass unanimously in the House and Senate a monetary plan that would prove useless and impracticable tomorrow. We think we know, but in these fast-changing international times we know very little. Not one single individual ever died on account of hope, but rather from a lack of it. Hope is the white light burning in every human heart; the thought that we will be happier tomorrow than today. When that light goes out we are done, for life is such a difficult game and there are so many things over which we have no control—financial troubles, sickness, and death—but always, high up in the blue skies, shines the silver star of human hope.

Two thousand years ago a man came upon this earth and said, "Love thy neighbor as thyself." It was a simple doctrine, but it still stands unrecalled. After 2,000 years we have been trying to improve on that doctrine, but have failed miserably. Times have proven that if we do not take care of our neighbors voluntarily, we will be obliged to take care of them involuntarily, as we are doing today, when we have over 20,000,000 people on the relief roll.

I say to my colleagues, in all humility, for I honestly feel that I know so little, "Do you not think that we should forget for a moment our selfish pride and individual bills, our pet ideas, and pay attention to a great humanitarian measure like the Townsend old-age-pension plan?"

Do you not think one-fifth of our people, in favor of a certain measure, are entitled to at least a vote? Again I say they cannot all be wrong. Parliamentary procedure or no parliamentary procedure, do you not think that the millions of mothers of this country who went into the shadow of death for you and me are entitled to a hearing? I am not mentioning father, for he will get along somehow.

Do you not think these millions of American people who are in favor of the Townsend plan are entitled to have this

measure brought on the floor of the House for a vote? If you have any amendments as to the amount or otherwise, let us debate them. Let us not laugh at the hopes of the old folks of this country.

Let me appeal to you to give the old folks a vote on the Townsend old-age-pension plan. Can you not sense the voices of these mighty millions? Can you not hear the countless prayers on bended knees, in hovels of mud and misery, in the desert shack and in the farmhouse, in the foreclosed home, in the hearts and souls of millions of our troubled people who sacrificed so that our Nation is what it is today? They feel that it is their only hope against the poverty and misery of old age.

I know that you will give them a record vote, and for my poor little 1-vote self, so there will be no misunderstanding, I shall take my stand alongside of the poor, the troubled, the aged, the lonely, the helpless, and voiceless of this country and vote for and support the Townsend old-age-pension plan. And if it goes down—well, you can just laugh at me if you want to, but I will go down with it just the same.

THE EFFICACY OF THE LOTTERY

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short editorial appearing in the Evening Record, of Hackensack, N. J.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, the colony of New Jersey had its seat of government at Burlington in 1772. On November 28 of that year, Governor Franklin (son of Benjamin), of New Jersey, transmitted to the Earl of Dartmouth the Minutes of Council and Assembly in a letter wherein he wrote:

I have the Honour to transmit to Your Lordship by this opportunity Copies of the Journals of the Privy and Legislative Council, the Votes of the Assembly and the Laws passed at the last Session held at Perth Amboy. Of these, three are passed with Clauses suspending their taking effect until His Majesty's Pleasure shall be signified thereupon viz.

The acts referred to were:

First—

An Act for establishing the Boundary or partition Line between the Colonies of New York & Nova Caesarea or New Jersey, and for confirming the Titles & possessions.

Second—

An Act to enable all Persons who are His Majesty's Liege Subjects, either by Birth or Naturalization, to inherit and hold real Estates, notwithstanding any defects of Purchases made before Naturalization within this Colony.

Third—

An Act to enable certain persons to erect and draw a Lottery for raising the Sum of One Thousand & fifty pounds, to be applied for the purposes therein mentioned.

With respect to the lottery act, Governor Franklin said:

The principal purpose of this Lottery is to defray the Expenses of making a Road that will be highly beneficial to the Inhabitants settled in the North Eastern parts of this province, and to the City of New York, which must otherwise fall upon a public spirited Gentleman who has already expended considerable Sums on that account. This Law being of immediate necessity, it would be extremely agreeable to the Inhabitants of that part of the Colony to have His Majesty's Confirmation of it as soon as possible, and I cannot but earnestly recommend it to Your Lordship.

The road, it seems, had been constructed by Col. John Scuyler, at his own expense, some years before, for 3 miles from his copper mine at Second River to the main road leading from Newark to New York.

Royal assent to the act was finally had and the road funds were raised by lottery.

Subsequently the seat of the Colonial Government removed to Perth Amboy and then New Jersey joined the Continental Congress.

In the documents relating to the Colonial History of New Jersey prepared and edited by authority of the State, at the request of the New Jersey Historical Society (newspaper extracts) are found interesting reference to numerous lotteries held from time to time for various worthy purposes.

From the New York Mercury of December 3, 1759, there is mention of the lottery conducted for the benefit of the Lutheran Church in Hackensack, N. J. To quote, in part, from the reference:

SCHEME OF A LOTTERY

For repairing of the Lutheran Church, in Hackensack, erected and to be drawn near Shuter's Island, about Two Miles from Elizabeth—Town Point; consisting of Four Thousand Tickets, at Two Dollars each: * * *

The Drawing to commence on the 11th day of December inst. if full, under the Inspection and Management of Lawrence Van Buskirk, Jacob Titsort, Johannes Demarest, Esquires, Capt. Jacobus Van Buskirk, Lawrence Van Horn, and John Vanorden; who are to be under Oath for the true Performance of the Trust reposed in them.

On behalf of the lottery the Pennsylvania Journal, No. 843, February 1, 1759, printed the following:

TO THE INHABITANTS OF PENNSYLVANIA

In the Pennsylvania Journal of November 30th, and in that of January 25th, an indiscriminate charge is brought against lotteries, as in their own nature irreligious, and ruinous to society in their consequences. * * * It would be endless for me to mention, many lotteries carried on by the Trustees of the College of New Jersey (now Princeton), the governments of New York and Connecticut, and almost every other on the continent. Yet all these this writer brings under the general imputation of being the enemys of Religion and of the Poor, the abettors and patrons of the most contagious and dangerous vice. * * *

Is the use of lots forbidden by God in scripture? By no means; he ordered his chosen tribes to use them in the division of their inheritance. Are they contrary to the Christian revelation? So far from it, that we know they were used by the apostles themselves.

From the archives of the General Assembly of the Province of New Jersey we have recorded under date of March 10, 1762, the following:

That the Speaker with the House waited upon the Governor who gave assent to the following bills.

* * * * * * *

2. An Act to impower the Church-Wardens and Vestry-Men of St. Mary's Church in the City of Burlington, to raise by Lottery a Sum of Money for repairing the Church, Parsonage-House and Burying-Ground in said City.

3. An Act to impower the Managers of the Bound-Brook Bridge, in the County of Somerset, to raise by Lottery, a Sum of Money for rebuilding and compleating the said Bridge.

In the New York Mercury of January 9, 1764, is found the following announcement:

SCHEME OF A LOTTERY FOR THE USE OF THE COLLEGE OF NEW JERSEY

The Legislature of the Colony of New Jersey, having been pleased to countencae this rising Seat of Learning, so far as to pass an Act, enabling the Trustees to erect and draw a Lottery, for raising any sum, not exceeding Three Thousand Pounds, Proclamation Money; it is hoped, that the generous Design in making this Law, will be carried into Execution, by all those who wish well to the Institution, or who are desirous of promoting useful Knowledge in these Infant Countries, and preparing our own Youth to sustain the publick Offices in Church and State. The following Scheme is calculated for raising the Sum of Two Thousand Nine Hundred and Ninety-nine Pounds Eighteen Shillings and Six Pence Proclamation Money: * * *

The New York Gazette, or the Weekly Post Boy, no. 1517, May 11, 1772, carries the following:

ROAD LOTTERY

For raising the Sum of Five Hundred Pounds, to be applied in erecting Bridges, and in repairing the Post-Road leading from Powles- Hook Ferry to the City of Albany, through the Counties of Bergen, Orange, Ulster and Albany.

The New York Journal, or the General Advertiser, no. 1537, June 18, 1772, carries this announcement:

SCHEME OF A LOTTERY

For raising the Sum of Four Hundred and Fifty Pounds, New-York Currency, for the Benefit of Christ Church, in New- Brunswick. * * *

The Congregation of Christ Church, being under the Necessity of proposing this Lottery, in Order to assist them in erecting a Steeple, and making some Necessary Repairs to their Church; hope it will meet with a favorable Reception from the Public * * *

In the New York Gazette, or the Weekly Post Boy, no. 1537, September 28, 1772, is found the following:

WOODBRIDGE LOTTERY

For raising the Sum of One Hundred and Sixty-eight Pounds, New York Currency, for repairing and finishing of the Metuchin Presbyterian Meeting House, in the upper part of said Woodbridge, in the Province of East- New Jersey.

Another church lottery was conducted to raise the sum of £545, New York money, for the benefit of the Presbyterian Society at Springfield in east New Jersey.

In the announcement of April 29, 1773, Rivington's New York Gazetteer, no. 2, it is set forth:

The Church is enclosed, but Money is wanting to finish it. The good People of this Country are therefore earnestly intreated to contribute their Assistance that the Tickets may be immediately disposed of, and the Inhabitants assemble together for the Performance of Divine Worship. * * *

The Delaware lottery was conducted primarily for the benefit of the College of New Jersey (now Princeton). It asked for the raising of £5,626, or $15,000, for the use of the College of New Jersey, the Presbyterian congregation at Princeton, and the united Presbyterian congregations of New Castle and Christiana Bridge.

Rivington's New York Gazetteer, no. 4, May 13, 1773, sets forth the following regarding it:

The growing importance of the College of New- Jersey, for the use of which the above Lottery is principally designed, is now generally known through every province of America. It has hitherto subsisted, and been raised to its present situation, entirely by the favour of the public. In the center of North- America, and in a pleasant healthy country, it is well fitted for the most extensive usefulness. The success which hath attended the vigorous efforts already made to raise its funds, and furnish the means of a compleat and finished education, to all who are sent to it, has encouraged those concerned in the present attempt, especially as several judicious persons have warmly recommended it, signifying their Surprize, that at a time, when so many have taken this method of promoting public undertakings, a Seminary, of such importance, should not also put in for a share of the general benevolence. This added to other schemes for the support and improvement of the College, will afford to many friends of that institution an opportunity of contributing, with very little risk of losing, and a considerable chance of gain to themselves, who would not incline that the small sums they could spare, should appear in a subscription paper.

In New Jersey Archives, first series, vol. XXVIII, page 522, may be found the following newspaper extract:

TRENTON, *May 22, 1773.*

The Managers of the Fishing- Island Lottery, for the Benefit of the Episcopal and Presbyterian Churches, in Trenton, are under the Necessity of postponing drawing said Lottery, until Thursday, the first Day of July next, at which Time the Lottery will certainly be drawn. They desire their Friends who have had Tickets to sell (if they have any on hand) to return them to the Managers before that time.

At page 524 of the same work is found the following:

SCHEME OF THE CREEK LOTTERY

For raising the sum of £300, New York currency, to be applied in clearing and deepening the channel of Elizabeth- Town Creek, in New Jersey, so as to make it navigable for lumber boats, from the mouth thereof, to the Stone Bridge, in the Center of the town.

The New York Journal, no. 1594, July 22, 1772, prints this announcement:

SCHEME OF A LOTTERY

To raise the sum of two hundred and fifty two pounds New-York money, for the benefit of the Presbyterian Congregation at Elizabeth- Town Raway, to enable the said congregation to repair their Meeting- House, and for other purposes necessary for the support of the Gospel at that place.

From New Jersey in this year of grace comes anew a Nation-wide movement for a lottery—this time a national lottery.

The Irish Sweepstakes winnings of a few days ago tend to focus attention upon the value of straight thinking now as in the olden times, when revenue much needed was not available from ordinary sources.

So it is that the Bergen Evening Record, of Hackensack, N. J., in its issue of March 29, 1935, printed the following worth-while editorial:

[From the Bergen Evening Record, Mar. 29, 1935]

ARE WE A RACE OF HYPOCRITES?

Four Bergen County residents are sharing rich cash rewards for their luck in holding winning tickets in the Irish Hospital Sweepstakes. The race was run this morning.

It is impossible to estimate how much Bergen County money went to Ireland for participation in the lottery. One only hears of the few winners, not of the many holders of losing tickets. But it is significant that one-third of the 1,266 winning tickets drawn were held by Americans.

Despite the antigambling laws, despite the fact that the Government had clamped down on the distribution of such tickets here, and efforts of the postal authorities to block them in the mails, a fortune in American money went overseas for participation in the lottery—money that might just as well have been kept here if the Kenney lottery bill were passed.

Every Member of Congress knows that gambling on lotteries is prevalent, that human nature being what it is it cannot be stopped, but they prefer to go along in smug hypocrisy rather than liberalize the laws. It was so with prohibition for a decade. Liquor was sold openly over the bars, gangsters and racketeers became rich from their illicit trade, and not one penny in taxes went to the Government. When given the opportunity, the people quickly ended the farce.

Where are the bootleggers today? Some are still plying their trade because Government taxes were made too high, but the majority of them probably will be found running lottery rackets. Their activities may be curtailed by alert police departments, but the traffic can never be entirely stamped out. It is a moot question whether the time has not come to recognize the fact that we cannot legislate morals into people. If they insist on gambling and are willing to pay a tax for the privilege, the revenue had better go to governmental agencies, which need it badly, rather than the racketeers and the politicians corrupted by such easy money.

The New Jersey Legislature is faced with a similar problem. The joint resolution that would permit the people to decide for themselves whether the antigambling section of the State constitution should be repealed has been blocked by a few votes in the house of assembly.

The weakest argument advanced by those opposed to liberalization of the laws is that the people would vote for legalized gambling, if given the opportunity, and the assembly should save them from themselves. Public gambling may create certain evils, but it might be better to have it in the open, which would at least end the hypocrisy and corruption, and prevent the criminal element that thrives on them from becoming a tacitly accepted factor in American community life.

PERMISSION TO ADDRESS THE HOUSE

Mr. GILDEA. Mr. Speaker, I ask unanimous consent to address the House for 12 minutes following the gentleman from Massachusetts [Mr. TREADWAY].

Mr. BLAND. Mr. Speaker, reserving the right to object, cannot the gentleman cut that down a bit?

Mr. GILDEA. No; I am asking for 12 minutes.

Mr. BLAND. With 10 minutes granted to the other side, I shall not object.

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes following the remarks of the gentleman from Pennsylvania [Mr. GILDEA].

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, Consent Calendar is mandatory on the Speaker. He must call it on this day. It has never been the intent that this day be taken up with speeches. I do not know how these previous requests to make speeches were allowed. They should have been objected to; and if no one else does it, I shall object.

Mr. SNELL. The gentleman was present when the gentleman from Pennsylvania got 12 minutes.

Mr. O'CONNOR. I did not hear the request or I should have objected to it. The procedure of this House must be protected. I object, Mr. Speaker.

The SPEAKER. Under the previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I think the Members of the House must think I am a very generous and a very patient waiter. I am very sorry that the gentleman from Virginia [Mr. WOODRUM] is not on the floor at the moment. I shall not ask him the question or say what I had planned to say.

There are none so blind as those who will not see; and I feel ashamed, thrice ashamed, for the people who seem to be deliberately strangling a great industry.

I am going to speak first to the southern Members, the Members who have the cotton farmers in their districts; there are 2,000,000 of these farmers. There are 9,000,000 people who gain their livelihood from the raw-cotton industry. Multiply this by 3, the number in the average family, and you have 27,000,000 people affected by any curtailment of the cotton-growing industry.

In 7 months of this year, two and a half million fewer bales of cotton were exported to other countries than the year before. The normal production of cotton is from fourteen to fifteen million bales. It is down to 10,000,000 bales and going lower.

Think what it means to kill the great cotton-textile industry of this country, which employs 400,000 people. It means, with the average family of 3, that 1,200,000 are affected. Think of the suffering that will cause.

The Secretary of Agriculture states that we may have a higher processing tax. I ask, Mr. Speaker, that the membership of this House do something to remove the processing tax, instead of increasing it. Do you realize how you are literally torturing the people who work in the mills? I have protest after protest from people all over New England, and also from the South, who are affected by the closing of the mills.

Do you realize that during January and February of this year 24,000,000 square yards of cotton were imported from Japan, according to textile-industry figures, and we are doing nothing about it? It seems to me this is one of the greatest tragedies this country faces.

Do you of the West know what it is going to mean to you, if the cotton pickers and the cotton growers lose their work? Do you know what it is going to mean, if mill after mill is closed? Do you know what it is to go through a mill or a mill town when the mills are closed? It is like going through a graveyard.

All our people want is a chance to work, and I honestly believe, if you cannot raise the tariff enough under the present law to protect our mills from the imports coming in from foreign countries, you can have a quota or you can have an embargo which will stop this tremendous importation of foreign cotton goods now coming into this country. The President has the power now to do this; but if he will not act, Congress must.

I am pleading with you, my friends. This is not a sectional matter. I know how the South has hurt the northern mills, but you of the South are just as vitally interested in preventing the strangulation of every branch of the cotton industry as we are. Perhaps your farmers are getting a little money, but what of the people who pick the cotton? What of their families, who have no money to spend? How can you look with any sort of equanimity upon the killing of one of the greatest industries in our country?

I earnestly ask you to work to wipe out the processing tax and to enact a law which will prevent the importation of cotton textiles.

You have promised so much and talked about being interested in the welfare of the country and in giving work to the people, I want you to act upon your promises—and shame, thrice shame upon you if you do not. [Applause.]

[Here the gavel fell.]

The SPEAKER pro tempore (Mr. CARTWRIGHT). Under the order of the House, the gentleman from Massachusetts [Mr. TREADWAY] is recognized for 5 minutes.

Mr. TREADWAY. Mr. Speaker, the time has arrived for a show-down between the "new dealers" and the American people. On the one hand the Department of Justice withdraws a case which has reached the Supreme Court testing the constitutionality of the N. R. A., and on the other hand the lord chief executioner of the N. R. A., Donald Richberg, informs the public that prosecutions will follow failure to comply with its requirements. The administration, undoubtedly from the facile pen of Mr. Richberg, has prepared a brandnew authorization of the N. R. A. with still further powers than in the original act. Senator HARRISON introduced this revised administration bill last Friday. It is time for a show-down as to whether greater authority is granted to prosecute innocent people under N. R. A. or whether business can be let alone and allowed to attend to its own affairs.

Another illustration: On the one hand the Secretary of Agriculture threatens to increase the processing tax and on the other a leading authority on cotton, the distinguished Senator GEORGE, flays the Secretary of Agriculture for this threat, and says he is not only turning the cotton export trade over to foreign countries but that he is unfit to be Secretary of Agriculture. We need a show-down right here.

Who is this Secretary Wallace, anyway, who is telling the people of the country that if they do not like his method he will give them more of it? He is Secretary of Agriculture by the grace of President Roosevelt, without the slightest experience in governmental affairs, but the owner of a rural agricultural publication. That may be sufficient qualification for a man to tell the American people what he is going to do to them; but if it is, it is a new-deal type. Let us have a show-down.

On the one hand we have the Secretary of State and Chairman of the Tariff Commission uttering pretty words without argument over the radio in an endeavor to convince the public of the merits of reciprocal tariff treaties, while on the other hand Members of Congress of both parties, realizing the iniquity of these treaties, have introduced bills in behalf of American industry calling for the repeal of the reciprocal tariff law. It is high time for a show-down.

I quote from an editorial which appeared in the Washington Post on Sunday:

> Two years ago the President informed Congress that he was then studying a "broad public-works labor-creating program." This program, if any has been formulated, has never been vouchsafed to Congress. Instead of furnishing a bill of particulars, the President has merely demanded unprecedented spending powers, leaving Congress to make a silk purse out of a sow's ear while he goes fishing.

In 2 years no constructive program has been offered, but there has been profligacy of expenditure unequaled and unrivaled in peace time in all history. The country has been anxious to supply all needs for relief, but it has now reached the point where it wants to know whether this orgy of spending is to be continued and no bottom found to the sieve, or whether constructive business restoration is to result. We want a show-down.

Senator WALSH, in the Senate, and my colleague, Mrs. ROGERS in the House, have called attention to the textile difficulties in New England. These cannot be cured unless manufacturers know where they stand and under what laws they will be called on to transact business. Sweetly worded radio addresses by Secretary Hull and Chairman O'Brien will fail to convince the people of the merits of tariff reductions when in 2 years there have been only 21 cases of appeals to the Tariff Commission.

There is a right way and a wrong way to revise the tariff. The right way is by congressional action. The wrong way is by political subterfuge. With tremendous majorities in both Houses for over 2 years and a Democratic President in the White House there has been ample opportunity for such revision provided there was any occasion for it. Why did not President Roosevelt take a leaf out of the book of history made by President Wilson? The latter no sooner entered the White House than he called Congress in special session to revise the tariff in accordance with Democratic doctrines. If President Roosevelt had followed this example the people of the country and the Republican Party could have found no fault as that was high right under majority rule. But instead he adopted the wrong method and was misled by theorists like Secretary Hull and Assistant Secretary Sayre into revising the tariff by subterfuge. At his dictation Congress was forced to pass a law permitting the President in cooperation with representatives of other governments to write the tariff laws of this country rather than Congress itself. That is the wrong way. The people and business resent it and I predict that from now on the going will be harder for the Democratic Party and the new deal. The time has come for a show-down.

We are told the most recent trade treaty is one with Haiti wherein the duty on Haitian rum is reduced 50 percent for the purpose of preventing bootlegging. The tariff has been accused of all sorts of iniquities, but whoever heard of it before as part of a rum-bootlegging proposition? If this is reason to change tariff rates fixed by Congress, excuses for

murder under the guise of liberty of action will soon be the law of the land.

All the people of the country ask is a square deal, which was the slogan of a famous predecessor of the President, rather than the theories of "brain trusters" under the new deal. The day for a show-down is here.

Secretary Wallace and his cohorts have endeavored to throw up a smoke screen about an increase of exports conditional upon an increase of imports. He raises the false alarm of isolationism. There is no such thing. This country is dependent on foreign countries for many raw materials, and these are practically all on the free list. What Secretary Wallace wants to do is what he admitted in his testimony last year before the Ways and Means Committee, namely, to put out of business small industries in this country. Let us have a show-down.

No one doubts that foreign countries dislike our tariff rates as they deprive them to a certain extent of the best market in the world, namely, the United States of America. No one doubts that every nation invited to sit around a table and tell our people what laws to write reducing tariff rates will be tickled to pieces to do so and praise such men as Secretaries Wallace and Hull and Chairman O'Brien. I care more what the American people say than what representatives of foreign governments think. We have been accused of favoring special interests. Under this administration the words "special interests" are synonymous with "foreign manufacturers." It is time for a show-down. [Applause.]

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. GILDEA] is recognized for 12 minutes.

Mr. GILDEA. Mr. Speaker, ladies and gentlemen of the House, April 1 is observed in United Mine Workers circles and by my constituents back home in Pennsylvania as 8-hour day. The wheels of industry are silenced today as the miners and their friends pay tribute to the sturdier trades-unionists who established the 8-hour day. This year the All Fools' Day connection attending the annual recurrence of April 1 seems apt and applicable to any 8-hour celebration held anywhere, because with 50,000 people in my home county of Schuylkill on the relief list, with the Governments of the State of Pennsylvania and the United States pouring $500,000 monthly into the bottomless abyss of relief—one-half million dollars for food orders alone—it is time to call time out and ask, Where are we headed?

To those of you who uphold the sanctity of contract—the sacredness of private enterprise—who deplore with uplifted hands the regimentation of men, let me ask how many of you have stood and watched the forming of a relief line in any of our towns and cities? Can there be a more abject picture of regimentation than that offered by distressed humanity forming in line to fill out "pink slips" of poverty and wretchedness that they may be recognized as deserving of a weekly food-order dole?

And so, Mr. Speaker, on this 8-hour day I intrude upon the time of the greatest deliberative body in all the world to pay tribute to those who hurdled the obstacle of "divine-right" consciousness in establishing labor's right to a place in the sun, and without dwelling too long in the past, let us look ahead from the 8-hour-day milestone to the 30-hour-week goal and to the day when we as the Congress of these United States measure up to our responsibilities and refuse to rest satisfied until every citizen of this country who wants to work is again employed at a gainful occupation.

In criticizing past action needed remedy must be offered. Today we have considered the administration work bill. We did not stand up to be counted when the $50 average was written into that measure, and, having passed the buck once, we pass it again, and in so doing admit that we are not satisfied to pay the full price for recovery—not satisfied to go the full distance toward putting all our unemployed to work.

The Townsend plan has been laughed out of court. It has been branded illogical, fantastic, a gold brick sold irresponsible people.

In truth it is just as practical as we want to make it. The Townsend plan in its revenue-raising provisions is an admission that if we want recovery we must be satisfied to pay for it.

I hold no brief for the proposition offered to retire every man and woman in this country 60 years of age or over on a $200-per-month spending allowance.

But I do say $4,800,000,000 spread over a 2-year period is not the price America must pay to lift this country up by its boot straps.

It has been said that the Townsend plan necessitates the raising of $24,000,000,000 yearly. I am not in position to testify as to the accuracy of Dr. Townsend's figures, but I am mathematician enough to know that just half of $24,000,000,000—$12,000,000,000—would put 10,000,000 men to work 12 months in each year, at a monthly wage of $100—just twice the average offered in the work bill today engaging attention.

Let us be honest with ourselves. Let us ask the question our President asked the country in his fireside talk 1 year ago. Is the district we represent better off today than it was this time last year—or this time 2 years ago?

To be truthful about it, the Thirteenth District of Pennsylvania in this third year of the new deal is going backward instead of forward, and the fault is not the President's; the responsibility is yours and mine.

Panaceas are offered in the form of old-age insurance, unemployment insurance, labor relations, equal representation, and other shop-worn and antiquated cure-alls, when in truth the day for poultices is past; a major operation is needed.

Certainty of employment for all is more important than unemployment insurance.

Certainty of employment in mid-age provides the best policy of old-age insurance that can be written.

Labor relationship means nothing to the man divorced from his job, and the only cure worth thinking about or talking about must come through raising the general wage rate all over the country by fixing a minimum wage for skilled and unskilled labor on public works and thereby compelling industries to raise wages to hold employees.

Let us count the cost. You and I have been told the Townsend transaction tax would raise the price of necessities 25 percent and increase the cost of luxuries from 60 to 80 percent.

The only figures I am interested in are these:

A man earning $100 per month, paying 2 cents on every dollar he spends, can only be taxed $2 per month.

If his income is $200 per month, his tax bill doubles, and he is called upon to pay $4 per month.

If you happen to be fortunate enough to have a congressional checking account after April 1 of $833.33 per month, you could be called upon, under a 2-cent transaction tax, to return to the Government of the United States $16.66 monthly to purchase security for our beloved country, to give jobs to 10,000,000 idle Americans, and to fulfill the promise of our esteemed President to make the security of our men, women, and children the paramount aim of the new deal and his administration.

Mr. MOTT. Will the gentleman yield?

Mr. GILDEA. I yield.

Mr. MOTT. As Democrats suggested these remedies, I would like to ask the gentleman if he is not aware that the President is opposed to all of these suggestions—the minimum wage, the 30-hour law, and adequate pensions?

Mr. GILDEA. I am fully aware of it but I regret the fact.

As a new Member of Congress—one of those freshmen of the class of 1935 commonly supposed to have ridden into Congress on the President's coat tails—I have sat patiently through endless discussions—I have enjoyed the political gestures toward 1936 offered by well-meaning gentlemen on both sides of the aisle, but as one who realizes the unimportance of his own political future, I say to you in all sincerity that the only thing worth while, the only future at stake, is the security of America, and we as a Congress of the United

States first, and as new dealers, or 1936 opportunists second, should approach the problems now before us with honest convictions and give real attention to the social measures promised and as yet unfulfilled.

The 30-hour week in a Nation beset with idleness is not abhorrent.

Back home there are mine workers who, at one time in the mining industry, never saw the light of day from the start of winter until the lengthening daylight hours of spring gave them a chance to bask in the glory of God's sunshine on the way to work in the morning and for a few hours as the day lengthened upon returning home.

The present Lieutenant Governor of the State of Pennsylvania, as a boy, went into the mines before sun-up and returned home in the shadows of darkness after completing 10 hours or more underground.

When the 12-hour day gave place to 10 hours, when the 10-hour day gave place to 9, when progress lessened the work period from 9 to 8, there were those who stood in the pathway of progress and lamented the fact that men of property were no longer permitted to manage their business as they saw fit. "Divine Right" Baer used all the arguments in 1902 that are being used now. It remained for an earlier Roosevelt, through the use of a big stick, to whip Baer's generation of mossbacks into line, and my regret today is, that with an overwhelming Democratic majority in the House, with an administration elected through a decided leaning to the left—we lack the courage to do what is right and what is expected with a full 100-percent follow-through.

Mr. CONNERY. Will the gentleman yield?

Mr. GILDEA. I yield.

Mr. CONNERY. Practically every one of the strikes—the textile strike, the automobile strike, the coal strike, and the rubber strike are based on the fact that they are asking for a 30-hour week.

Mr. GILDEA. That is true.

Mr. Speaker, as a member of the Labor Committee of this House, I regret the lack of a definite labor program or policy.

Labor relationship, equal representation, and all other bromides should be placed secondary to the problem of putting idle Americans to work at a security wage.

I believe and suggest that the 30-hour-week bill is worthy of the best thought and utmost attention that can be given it by the membership of this House. It merits a place on the calendar—it demands its day in court, and the 50,000 men, women, and children back in my home county depending on a food-order dole demand that I ask this Government to cease subsidizing a soulless industry to the extent of $500,000 per month and to move toward a more abundant future by spreading work through the 30-hour-week process—spreading work through limiting machinery and mass production to 30 hours per week and then, with eyes trained on a definite and happy goal, impose the Townsend transaction tax that we may pay as we go and fulfill the President's promise by putting every American citizen who wants to work back on the job.

Mr. Speaker, and you, ladies and gentlemen of the House, I propose putting these ideas into form of a spread-the-work, pay-as-you-go bill, and I ask your earnest consideration of the measure to the end that we cease temporizing with this gigantic problem and devote ourselves seriously to the task of lifting 10,000,000 Americans to our accepted standards of living as a safeguard and provision against their pulling our American structure and standard of living down to the unemployment level.

This country cannot endure with one-third its employable citizens condemned to idleness. [Applause.]

Mr. MARCANTONIO. Will the gentleman yield?

Mr. GILDEA. I yield.

Mr. MARCANTONIO. Is it not a fact that the great majority of labor disputes prevailing today are due to the wrong and unfair interpretation placed on section 7 (a) by Mr. Richberg, now appointed as head of the N. R. A.?

Mr. GILDEA. Most all our troubles are due to legalisms and to the wrong interpretation of intent legalistic minds are permitted to place an ordinary phraseology. The 8-hour day United Mine Workers are today celebrating back home has been made a mockery through permitting a qualifying clause justifying the working of overtime on emergency or necessary repair work to become the law. The clause referred to reads: "Or other causes necessary to efficient operation" and strange to say in a contract establishing an 8-hour day this clause has been so construed as to permit the operation of three 8-hour shifts in a single day being worked at the central breaker and stripping operation, adding to unemployment and leaving no cause for rejoicing or 8-hour celebration. So also section 7a has been swerved from its original purpose by wrong interpretation of intent.

Mr. McGROARTY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McGROARTY. Mr. Speaker, my purpose in addressing the House at this time is to inform the Members that I have today introduced a bill to provide for the aged people of our country. On the 16th day of January last I introduced a somewhat similar bill, which was designated as H. R. 3977. The bill was referred to the Committee on Ways and Means, but the committee declined to report it out. A petition to discharge the committee was laid on the Clerk's desk, but has failed to receive the necessary number of signatures.

In the meantime we have been informed of the objections held by the Committee on Ways and Means and many Members of the House to H. R. 3977, and as a result of these objections, and after consultation with Members, a new bill has been drawn, the bill which I have today introduced.

The present bill retains the basic principle of the now world-famed Townsend plan, but with many modifications and changes in technique, although not departing essentially from Dr. Townsend's idea. I apprehend that this new bill will also be referred to the Committee on Ways and Means for its consideration, and, I trust, for its favorable action. At any rate the bill will, in the ordinary course, be printed so that all members of the House can come into immediate possession of an official copy. It will be on the desks of the Members in their offices for scrutiny and study.

In order that this measure, as now proposed, may receive the close scrutiny and earnest study of the Members, let me say that the bill is the result of long and patient labor on the part of a sincere group of experienced Members of this House. It is a group composed of men who strongly favor an adequate old-age pension, but who could not reconcile themselves to the Townsend plan as set forth in H. R. 3977. So they took the matter in hand and have prepared the measure which I now submit. Even in its present form, it may not meet with the approval of all, but it certainly meets with the approval of many who could not see their way clear to support the first bill.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. McGROARTY. Yes.

Mr. BEITER. What was wrong with the old Townsend bill, the original bill? Clubs were formed all over the country favoring that bill. What was wrong with it?

Mr. McGROARTY. It did not go far enough; it did not go into detail enough. For one thing, the old bill provided that everybody 60 years and over who would withdraw from gainful occupation must receive a pension of $200 a month. The new bill provides that it shall not exceed $200 a month. This new bill is so carefully drawn and so fair and just in its provisions that I am sure a great many Members of the House who did not agree with the original bill will agree with this.

What I want to urge upon the Committee on Ways and Means is to let us have the bill here on the floor of the House for debate or for amendment, but, above all things, for action, no matter what that action may be.

It is not a matter which we can lightly ignore. We are to bear in mind that the country has become old-age-pension minded. There are 30,000,000 of the people of this country back of the Townsend plan alone, and that is a vast force of

public opinion to be behind anything. It is a force that must be reckoned with, no matter who likes it or who does not, a force that must be faced sooner or later. Pensions or annuities, as we prefer to call them, are inevitable. And they must be so adequate as to make living secure and comfortable for the aged, a proposal that will preserve to them the dignity of life and not a pauper's dole that woud humiliate them before the world and bow their heads in shame before their fellow men and still leave them without sufficient means to exist.

Here we present to you a solution to the problem of business depression, a sure antidote to the machine which is devouring us and will continue to devour us unless the antidote is applied—purchasing power put in the hands of the masses. That is the antidote and the only antidote. If full prosperity were to return tomorrow the machine in 6 months would again so overproduce goods and materials as to again put men out of work. Yet we cannot rid ourselves of the machine. We have it and must keep it. The only way to keep up with it is to put purchasing power in the hands of the masses, to take men over 60 years of age out of competition with younger men and at the same time make it possible for the elders to become purchasing consumers. This bill which I have introduced today will do that. And it will not cost the Government a penny to do it. It is a challenge to the exercise of your common sense. Let no man tell me that this Nation, the richest and the most powerful the world has ever known, is futile to care for its aged citizens. I would be ashamed of my country were it to make such a humiliating admission.

We propose a plan that is workable, practicable, and sound. It should be enacted into law without hesitation or delay.

Good, hard-headed business is a reason for it. And, if at the same time, we can be kind, then all the better for us. We live in a broken world that kindness can patch together again.

So many minds, so many creeds,
So many ways that wind and wind,
When all the help this sad world needs
Is just the art of being kind.

Let us face the task like men and in a valiant and honorable spirit.

LEAVE TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection?

Mr. BLAND. Mr. Speaker, I object.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the first bill on the Consent Calendar.

WAR MINERALS RELIEF STATUTES

The Clerk called the bill (H. R. 2077) to amend section 5 of the act of March 2, 1919, generally known as the "war mineral relief statutes."

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. As I recollect, this is a bill for the payment of $1,250,000 for interest under the war minerals relief statute from March 2, 1919, up to date. I understand that the principal has been paid, and the interest has been paid from the time that the original relief statute was passed up until the 2d day of March 1919.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. ZIONCHECK. Yes.

Mr. VINSON of Georgia. The gentleman's information is not entirely correct. It is true a portion of this money is for interest. The law permitted a reimbursement of all net losses, and the net loss of interest is just as important as the net loss of principal.

Mr. ZIONCHECK. Mr. Speaker, as I understand it, there are several large claims here where the interest alone amounts to more than the principal. The principal has already been paid to these companies, and had they applied the principal payment to their indebtedness there would be no occasion for interest.

Mr. VINSON of Georgia. Mr. Speaker, if the gentleman from Washington is going to object, there is no need of engaging in argument about it. This bill passed the Senate Friday. It is merely to carry out what was the intent of Congress in 1919, when Congress passed the War Minerals Refund Act. These claimants have been driven to the Supreme Court four different times. It was the intention of Congress to pay them their net loss and all that is sought in this bill is to reimburse these people their net loss.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. COX. To permit me to ask the gentleman from Georgia a question.

Mr. ZIONCHECK. Yes.

Mr. COX. Is this the bill which the Rules Committee granted a special rule for in the last session of Congress?

Mr. VINSON of Georgia. That is correct. This bill was given a special rule in the last session of Congress.

Mr. COX. And in the consideration of that rule the gentleman from South Carolina [Mr. McSWAIN] made the statement that his committee was then investigating certain charges that had been made against some people in the different departments of the Government in reference to the manner in which these claims had been handled.

Mr. McFARLANE. Was it this company?

Mr. VINSON of Georgia. No; it was not.

Mr. COX. No. With the leave of the House consideration of the rule was withdrawn. Mr. McSWAIN, as I understand it, has since made the statement that this committee has gone into all these matters thoroughly, and has found that this concern had nothing to do with any of those things his committee was investigating.

Mr. VINSON of Georgia. Mr. Speaker, my colleague from Georgia is correct. When this bill was under consideration in the last session of Congress, the Committee on Military Affairs was conducting an investigation of activities of the War Department and asked that the bill be laid aside even after debate had been carried on for approximately an hour and a half.

They made a thorough investigation. There were no complaints whatsoever against any of these war mineral claims. Let me state to the gentleman from Washington [Mr. ZIONCHECK] that there are approximately 300 claims involved. Over half of them are less than $500. We are seeking by this bill to carry out the intent of Congress expressed in 1919. The Supreme Court has on four different occasions decided that interest on borrowed capital was an item that came within the purview of this law. The only reason this bill is here today is because they placed a cut-off date as of March 2, 1919, in the bill. There is not a line in the War Minerals Relief Act saying for what period of time interest on loans shall be calculated.

Mr. PITTENGER. Will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. PITTENGER. The claims covered by this bill are for interest actually lost on money advanced at the request of the War Department?

Mr. VINSON of Georgia. Absolutely.

Mr. ZIONCHECK. How could these people lose interest for a period of 16 years subsequent to the war when they have already been paid the interest and principal up to the 2d of March 1919?

Mr. VINSON of Georgia. Let me say that if the gentleman borrows $1,000 and that obligation is not due until a certain date and he goes to the lender and offers him $1,000, that does not relieve him of the obligation to pay interest. That is this case exactly. These people, at the request of the Secretary of the Interior, went out and borrowed this money. They borrowed this capital. These obligations did not fall due until after March 2, 1919. The Supreme Court held they were entitled to collect interest up to March 2, 1919——

Mr. ZIONCHECK. And no further.

Mr. VINSON of Georgia. Just a moment. But it wrote into the decision that the word "accrued" meant "incurred."

Mr. McFARLANE. Will the gentleman yield?

Mr. ZIONCHECK. I yield to the gentleman from Texas.

The regular order was demanded.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK. Mr. Speaker, I object.

KENNESAW MOUNTAIN NATIONAL MEMORIAL MILITARY PARK

The Clerk called the next bill, H. R. 59, to create a national memorial military park at and in the vicinity of Kennesaw Mountain, in the State of Georgia, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX and Mr. LESINSKI objected.

The SPEAKER. Three objections are required. Only two objections have been made. The Clerk will report the bill.

Without objection, the Clerk will report the committee amendments.

There was no objection.

The Clerk read as follows:

Strike out all of section 1 after the enacting clause and insert the following—

Mr. TARVER. Mr. Speaker, I desire to make a point of order against the committee amendments. The committee amendments purport to strike out language which is not in the bill, and to insert language which is already in the bill. The mistake came about in this way: When the bill was introduced during the last session the committee, by these amendments, suggested entirely different language for the bill. When it was reintroduced by myself at this session I adopted the committee language in toto. The error comes about through the submission of the report from the committee, which exactly copies the report rendered the last time; but these amendments are not applicable to the pending bill.

The point of order is that the committee amendments are not in order, since they propose to strike out language which is not now in the bill and to insert language which is already in the bill.

Mr. ZIONCHECK. Mr. Speaker, I raise a point of order that with such a large change in the language the bill may be entirely different.

Mr. TARVER. It involves no change whatever. If the gentleman will examine the copy of the bill, which he has before him, he will see that it simply strikes out the language of the bill and then reinserts the identical language of the bill.

Mr. ZIONCHECK. Oh, if it is identical language, there is no objection.

The SPEAKER. It occurs to the Chair that the remedy is to vote down the committee amendments.

Mr. TARVER. I think the committee amendments are out of order since they purport to strike out language which is not in the bill and to insert language which is already in the bill. In drafting the bill we have used exactly the committee language—the language suggested by these amendments.

The SPEAKER. As the Chair understands it, the committee amendment proposes to strike out all of the original bill and insert a substitute in lieu thereof.

Mr. TARVER. The committee amendments are adjusted to the bill introduced during the last Congress, and they propose to strike out all of the language of that bill, which is not now before the House, and to insert the language of this bill. If the Chair will examine the language of the bill before him, he will see that the printer has stricken out all of the language of this bill and has then reinserted the identical language stricken out. Therefore, if a point of order is sustained to the amendments, the bill will be before the House in the exact language recommended by the committee.

The SPEAKER. The Chair fails to understand how the Chair can take action upon a matter of that sort. The committee has reported an amendment as a substitute. It seems to the Chair it is a question for the House as to whether it wishes to adopt the substitute or to adopt the gentleman's original bill.

Mr. TARVER. The committee amendment is out of order, because the committee proposes to strike out sections and language that are not in the bill. Therefore the committee amendments are not adjusted to the bill. Further, the committee amendments propose to insert language that is already in the bill. Therefore they are clearly out of order.

Mr. TABER. Mr. Speaker, a point of order. A point of order against the committee amendments does not come until after the bill has been read and the committee amendment has been read.

The SPEAKER. The Chair thinks the point of order is well taken. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That when title to all the lands, structures, and other property within the military battlefield area and other areas of Civil War interest at and in the vicinity of Kennesaw Mountain in the State of Georgia, as shall be designated by the Secretary of the Interior, in the exercise of his discretion, as necessary or desirable for national battlefield park purposes, shall have been vested in the United States, such areas shall be, and they are hereby, established, dedicated, and set apart as a public park for the benefit and inspiration of the people and shall be known as the "Kennesaw Mountain National Battlefield Park."

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land, buildings, structures, and other property within the boundaries of said national battlefield park as determined and fixed hereunder, the title and evidence of title to lands purchased to be satisfactory to the Secretary of the Interior: *Provided*, That under such funds available therefor he may acquire on behalf of the United States by purchase when purchasable at prices deemed by him reasonable, otherwise by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national battlefield park as may be necessary for the completion thereof.

SEC. 3. Upon creation of the national battlefield park the Secretary of the Interior shall—

(a) Allow monuments and memorials to be erected in the park by and to the various organizations and individuals of either the Union or Confederate armies, subject to the written approval of said Secretary as to the location and character of such monuments and memorials.

(b) Make such regulations as are necessary from time to time for the care and protection of the park. Any person violating such regulations shall be guilty of an offense punishable by a fine of not more than $500, or imprisonment not exceeding 6 months, or both.

(c) Provide for the ascertainment and marking of the route of march of the Union and Confederate armies from Chattanooga, Tenn., through Georgia, and of principal battle lines, breastworks, fortifications, and other historical features along such route, and for the maintenance of such markers to such extent as deemed advisable and practicable.

SEC. 4. That the administration, protection, and development of the aforesaid national battlefield park shall be exercised under the direction of the Secretary of the Interior by the National Park Service subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

SEC. 5. The sum of $100,000 is hereby authorized to be appropriated, out of any sums in the Treasury not otherwise appropriated, for the purposes herein designated.

SEC. 6. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed to the extent of such inconsistency.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That when title to all the lands, structures, and other property within the military battlefield area and other areas of Civil War interest at and in the vicinity of Kennesaw Mountain in the State of Georgia, as shall be designated by the Secretary of the Interior, in the exercise of his discretion, as necessary or desirable for national battlefield park purposes, shall have been vested in the United States, such areas shall be, and they are hereby, established, dedicated, and set apart as a public park for the benefit and inspiration of the people and shall be known as the 'Kennesaw Mountain National Battlefield Park.'"

Mr. TARVER (interrupting the reading of the committee amendment). Mr. Speaker, I desire to make a point of order against the first committee amendment, which is to strike out all of section 1 after the enacting clause and insert certain language. The language which is proposed be inserted is identical with the language of section 1 now in the bill. The proposal of the committee amendment is simply to strike out existing language and then reinsert identical language.

The SPEAKER. The Chair cannot pass on that. The Chair will say to the gentleman from Georgia that is a

matter for the House to determine. The Chair cannot enter into the purpose of the committee in proposing the amendment, since that is not within the province of the Chair. The Chair will suggest to the gentleman from Georgia that the remedy that occurs to the Chair is for the House to vote down the committee amendment and pass the bill as originally introduced.

Mr. TARVER. Of course, Mr. Speaker, so far as this amendment is concerned, I have no objection to its adoption, but it is a useless procedure. It strikes out language now in the bill and then reinserts it. The next amendment proposes to strike out all of section 2 (a) and (b) and all of sections 3 (a), (b), and (c), and (d), yet there are no such sections in the bill.

The SPEAKER. The Clerk will proceed with the reading of the amendment; it is all one amendment.

Mr. TARVER. May we have a vote on each amendment as it is read?

The SPEAKER. There is just one amendment; it is proposed as a substitute.

Mr. TARVER. No; if the Chair please, the first amendment is to strike out all of section 1 after the enacting clause and insert the language which follows. Another amendment strikes out all of section 2 (a) and 3 (a), (b), and (c), and (d).

The SPEAKER. The amendment proposed by the committee is to strike out all after the enacting clause and insert a substitute; it is simply one amendment proposed as a substitute to the bill.

Mr. TARVER. However much I may be convinced that the Chair is in error, I, of course, will yield to his decision.

The Clerk read as follows:

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land, buildings, structures, and other property within the boundaries of said national battlefield park as determined and fixed hereunder, the title and evidence of title to lands purchased to be satisfactory to the Secretary of the Interior: *Provided*, That under such funds available therefor he may acquire on behalf of the United States by purchase when purchasable at prices deemed by him reasonable, otherwise by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national battlefield park as may be necessary for the completion thereof.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that further reading of the committee amendment be dispensed with and that it be printed in the RECORD at this point.

Mr. TRUAX. Mr. Speaker, reserving the right to object, what is going to be the final disposition of the bill? Is this amendment a new bill?

Mr. ZIONCHECK. Mr. Speaker, I think the point was taken care of by the Speaker's decision on the point of order raised by the gentleman from Georgia. Everything after the enacting clause has been stricken from the bill and the committee amendment is offered as a substitute. I have just asked unanimous consent that further reading of the committee amendment be dispensed with, but that it be printed in the RECORD at this point.

Mr. TRAUX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TRUAX. If it is a new bill, practically, with the exception of the enacting clause, why is it not subject to one objection instead of three?

The SPEAKER. Because it is simply proposed as an amendment; it is not a part of the bill until the House has adopted it.

Mr. TRUAX. Mr. Speaker, we are informed that the amendment is practically a new bill.

The SPEAKER. It is a new bill only in the sense that the amendment proposes to strike out all after the enacting clause and substitute new language for the remainder of the bill.

Mr. ZIONCHECK. Mr. Speaker, I would say to the gentleman from Ohio that the bill was subject to one objection last time, but to three this time, and only two objections were made to it today.

The SPEAKER. Is there objection to the request of the gentleman from Washington that the further reading of the committee amendment be dispensed with and that it be printed in the RECORD at this point.

There was no objection.

The remainder of the committee amendment follows:

SEC. 3. Upon creation of the national battlefield park the Secretary of the Interior shall—

(a) Allow monuments and memorials to be erected in the park by and to the various organizations and individuals of either the Union or Confederate Armies, subject to the written approval of said Secretary as to the location and character of such monuments and memorials.

(b) Make such regulations as are necessary from time to time for the care and protection of the park. Any person violating such regulations shall be guilty of an offense punishable by a fine of not more than $500, or imprisonment not exceeding 6 months, or both.

(c) Provide for the ascertainment and marking of the route of march of the Union and Confederate Armies from Chattanooga, Tenn., through Georgia, and of principal battle lines, breastworks, fortifications, and other historical features along such route, and for the maintenance of such markers to such extent as deemed advisable and practicable.

SEC. 4. That the administration, protection, and development of the aforesaid national battlefield park shall be exercised under the direction of the Secretary of the Interior by the National Park Service subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

SEC. 5. The sum of $100,000 is hereby authorized to be appropriated out of any sums in the Treasury not otherwise appropriated for the purposes herein designated.

SEC. 6. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed to the extent of such inconsistency.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

TREASURY-POST OFFICE APPROPRIATION BILL, 1936—CONFERENCE REPORT

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, together with Senate amendments, disagree to all Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

Mr. MAPES. Mr. Speaker, reserving the right to object, have the Republican members of the committee been consulted about this?

Mr. ARNOLD. I told the gentleman from New York [Mr. TABER] that I would get the bill to conference as soon as I could, and that was agreeable to him.

Mr. MAPES. Mr. Speaker, personally I think the policy of a former distinguished Democratic leader, when that party was in the minority, that the minority Members be consulted before these requests were made is a good policy to continue.

Mr. TABER. Mr. Speaker, I have no objection to the Treasury-Post Office Department bill's going to conference.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? (After a pause.) The Chair hears none and appoints the following conferees: Messrs. ARNOLD, LUDLOW, BOYLAN, GRANFIELD, O'NEAL, TABER, and MCLEOD.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the next bill on the Consent Calendar.

The Clerk called the next bill, S. 1068, to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States, concluded April 24, 1934.

There being no objection, the Clerk read the bill, as follows:

An act to establish a Commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934

Be it enacted, etc., That (a) there is hereby established a Commission to be known as the "Special Mexican Claims Commission" (hereinafter referred to as the "Commission") which shall be composed of three commissioners, learned in the law, to be appointed by the President. Such Commission shall have jurisdic-

tion to hear and determine, as hereinafter provided, conformable to the terms of the convention of September 10, 1923, and justice and equity, all claims against the Republic of Mexico, notices of which were filed with the Special Claims Commission, United States and Mexico, established by said convention of September 10, 1923, in which the said Commission failed to award compensation, except such claims as may be found by the committee provided for in the Special Claims Convention of April 24, 1934, to be general claims and recognized as such by the General Claims Commission. For the purpose of this act, claims which were brought to the attention of the American agency charged with the prosecution of claims before the aforesaid Commission, prior to the expiration of the periods specified in the convention of September 10, 1923, for the filing of claims, but which, because of error or inadvertence, were not filed with or brought to the attention of the Commission within the said periods, shall be deemed to have been filed with the Commission within such periods.

(b) The President shall designate one of such commissioners as chairman of the Commission. Not more than two of such commissioners shall be members of the same political party. Each commissioner shall be a citizen of the United States, shall hold office until the functions of the Commission are terminated, and shall receive a salary at the rate of $7,500 a year. Any vacancy that may occur in the membership of the Commission shall be filled in the same manner as in the case of an original appointment. Two members of the Commission shall constitute a quorum for the transaction of its business.

SEC. 2. The Commission shall have a secretary, and such additional legal, clerical, and technical assistants as may be approved and appointed by the Secretary of State, and at the rates of compensation fixed by him.

SEC. 3. (a) Before taking up his duties, each commissioner shall make and subscribe a solemn oath or declaration that he will carefully and impartially examine and decide all claims according to the best of his judgment and in accordance with the evidence and the applicable principles of justice and equity, and the terms of the said convention of September 10, 1923. All decisions by the Commission, which shall be by majority vote, shall constitute a full and final disposition of the cases decided. Such decisions shall be based upon the present records in the cases and such additional evidence and written legal contentions as may be presented within such period as may be prescribed therefor by the Commission.

(b) The Commission shall have authority, in its discretion, to make independent investigations of cases. For the purpose of all investigations which, in the opinion of the Commission, are necessary and proper for carrying out the provisions of this act, each commissioner is empowered to administer oaths and affirmations, subpena witnesses, take evidence, and require the production of books, papers, or other documents which the commissioner or the Commission deems relevant to the inquiry.

(c) Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing. In case of disobedience to a subpena the Commission may invoke the aid of any district or territorial court of the United States or the Supreme Court of the District of Columbia in requiring the attendance and testimony of witnesses and the production of documentary evidence, and the court within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any person, issue an order requiring such person to appear before the Commission, or to produce documentary evidence if so ordered or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(d) For the purpose of assisting the Commission in carrying out the provisions of this act, the heads of the various departments and independent agencies and establishments of the Government are hereby directed to cooperate with the Commission and to place at its disposal such information as the Commission may from time to time request.

SEC. 4. If, after all claims have been passed upon and all awards have been entered, the Commission shall find that the total amount of such awards is greater than the amount that the Government of Mexico has agreed to pay to the Government of the United States in satisfaction of the claims, less expenses of the Commission, it shall reduce the awards on a percentage basis to such amount, and shall enter final awards in such reduced amounts.

SEC. 5. The said Commission shall perform its duties in the city of Washington, beginning within 15 days after its appointment. It shall, as soon as practicable, make all needful rules and regulations not contravening the laws of the United States, or the provisions of this act, for regulating the mode of procedure by and before it and for carrying into full and complete effect the provisions of this act; it shall also, as soon as practicable, notify all claimants of record of the establishment of the Commission and of the rules of procedure adopted by it for the adjudication of the claims, including the time allowed for the filing of additional evidence and written legal contentions.

SEC. 6. The Commission shall complete its work within 2 years from the date on which it undertakes the performance of its duties.

SEC. 7. The Commission shall be allowed the necessary actual expenses of office rent, furniture, stationery, books, printing and binding, and other necessary incidental expenses, to be certified as necessary by the Commission and approved by the Secretary of State.

SEC. 8. The Commission shall, at the time of entering an award on any claim, allow counsel or attorneys employed by the claimant or claimants, out of the amount awarded, such fees as it shall determine to be just and reasonable for the services rendered the claimant or claimants in prosecuting such claim, which allowance shall be entered as a part of said award: *Provided, however,* That the Commission shall determine just and reasonable fees, where there is a contract or agreement for services in connection with the proceedings before the Commission and with the preparations therefor, only upon the written request of the claimant or claimants, or of the counsel or attorneys, made to the Commission within 90 days after notice of the entry of an award and notice of the provisions of this section shall have been mailed by the Commission to the claimant or claimants; and payment shall be made by the Secretary of the Treasury to the person or persons to whom such allowance shall be made in the same manner as payments are made to claimants under section 9 of this act, which shall constitute payment in full to the counsel or attorneys for prosecuting such claim; and whenever such allowance shall be made all other liens upon, or assignments, sales, or transfers of the claim or the award thereon, whether absolute or conditional, for services rendered or to be rendered by counsel or attorneys in the preparation or presentation of any claim or part or parcel thereof, shall be absolutely null and void and of no effect.

SEC. 9. The said Commission shall, upon the completion of its work, submit a report to the Secretary of State, attaching thereto the following documents in duplicate: (a) A statement of the expenses of the Commission; (b) a list of all claims rejected; (c) a list of all claims allowed in whole or in part, together with the amount of each claim and the amount awarded by the Commission; and (d) its decision in writing showing the reasons for the allowance or disallowance of the respective claims. Certified copies of lists (a) and (c) shall be transmitted by the Secretary of State to the Secretary of the Treasury, who shall, after making the deduction provided for in section 11 hereof, distribute in ratable proportions, among the persons in whose favor awards shall have been made, or their assignees, heirs, executors, or administrators of record, according to the proportions which their respective awards shall bear to the whole amount then available for distribution, such moneys as may have been received into the Treasury by virtue of the convention of April 24, 1934. The Secretary of the Treasury shall follow like procedure with reference to any amounts that may thereafter be received from the Government of Mexico under the convention of April 24, 1934.

SEC. 10. As soon as the adjudication of the claims shall have been completed, the records, books, documents, and all other papers in the possession of the Commission, or members of its staff, shall be deposited with the Department of State.

SEC. 11. For the expenses of the Commission in carrying out the duties as aforesaid, the sum of $90,000, or so much thereof as may be necessary, is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, including personal services in the District or Columbia, or elsewhere, without regard to the provisions of any statute relating to employment, rent in the District of Columbia, furniture, office supplies, and equipment, including law books and books of reference, stenographic reporting and translating services, without regard to section 3709 of the Revised Statutes; traveling expenses; printing and binding; and such other necessary expenses as may be authorized by the Secretary of State: *Provided,* That any expenditures from the amount herein authorized to be appropriated shall become a first charge upon any moneys received from the Government of Mexico in settlement of these claims, and the amount of such expenditures shall be deducted from the first payment by the Government of Mexico and deposited in the Treasury of the United States as miscellaneous receipts.

SEC. 12. After a fee has been fixed under section 8, any person accepting any consideration (whether or not under a contract or agreement entered into prior or subsequent to the enactment of this act) the aggregate value of which (when added to any consideration previously received) is in excess of the amount so fixed, for services in connection with the proceedings before the Commission, or any preparations therefor, shall, upon conviction thereof, be punished by a fine of not more than four times the aggregate value of the consideration accepted by such person therefor.

With the following committee amendment:

Page 5, line 23, after the word "duties", add "at which time all powers, rights, and duties conferred by this act upon the commission shall terminate."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STAY OF ALIENS IN THE UNITED STATES

The Clerk called the next bill, H. R. 5839, to authorize the shortening of the stay in the United States of certain aliens not admitted for permanent residence, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mrs. O'DAY, Mr. MARCANTONIO, Mr. JENKINS of Ohio, Mr. WITHROW, and Mr. STEFAN objected.

EXTENSION OF TIME FOR NATURALIZATION OF ALIEN VETERANS OF THE WORLD WAR

The Clerk called the next bill, H. R. 2739, to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, the author of this bill is the gentleman from Wisconsin [Mr. CANNON]; at least, he was very much interested in this matter when we had it up for consideration on the last calendar day. I think an objection was made, or the bill was passed over without prejudice, with the agreement at that time that an amendment would be placed in the bill. The gentleman and I have agreed on what the amendment should be, and if it is all right I shall be glad to withdraw my reservation of objection, with the understanding that the amendment will be agreed to.

Mr. DICKSTEIN. What is the amendment?

Mr. JENKINS of Ohio. I may not be offering the amendment at the right place, but I have the right meaning. The amendment is as follows:

Strike out the period in line 25 and add the following: "and that he was and had been a bona fide lawfully admitted resident in the United States for 2 years before the passage of this act."

Mr. DICKSTEIN. Mr. Speaker, the whole bill is based on the fact they are now residing here and have been residing here for 10 years or more, and participated in the World War. This just extends their time to be naturalized under a short-form naturalization. Now, what objection could there be to that procedure?

Mr. JENKINS of Ohio. I think the gentleman is in error in that respect. The gentleman knows that we have extended this period to the veterans time after time, and there has never been any opposition heretofore. This bill is directed especially to the benefit of a group of Polish veterans, and there is no inclination on the part of anyone to object to that part of it. On the contrary, I want especially to help them. As far as I am concerned, and as far as I know, the recommendations have been overwhelmingly in favor of that part of the bill, but there is a thread running through the bill which seeks to provide that they must be residents of this country. It is strictly a bill for the benefit of aliens who fought for our country. In that respect it should be held strictly as a bill in favor of veterans and will not be permitted to be an immigration matter. My amendment will not in any way militate against the real purpose of the bill. It will strengthen it.

Mr. KENNEY. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from New Jersey.

Mr. KENNEY. I understand the amendment is satisfactory to the gentleman?

Mr. JENKINS of Ohio. Yes.

Mr. MAVERICK. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Texas.

Mr. MAVERICK. There were a lot of boys of Mexican extraction that were in the United States Army and who always thought they were citizens of the United States.

Mr. JENKINS of Ohio. I think the sentiment of this Congress is overwhelmingly in favor of any proposition that assists veterans to become citizens. However, there is a loophole in this bill that would allow a lot of people to come in under one guise or another and the veterans would not be in favor of that.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from New York.

Mr. DICKSTEIN. May I say to the gentleman that the American Legion, the Veterans of Foreign Wars, and other patriotic organizations came before the committee and endorsed the language of this bill. There is not one alien that will come in here. This has nothing to do with immigration. The men who served in the war must be residents and permanently admitted to the United States, and they must have been in this country 14 years.

Mr. JENKINS of Ohio. I understand that is what the bill tends to do.

Mr. DICKSTEIN. Then why stick in an amendment that is going to destroy this piece of legislation? The gentleman is cutting off the legislation.

Mr. JENKINS of Ohio. No. If the gentleman agrees to my amendment, there will be no difficulty. Does the gentleman agree to my amendment?

Mr. DICKSTEIN. No; I do not agree to it because it is nonsensical.

Mr. KENNEY. I think the bill as written virtually carries out the idea that the gentleman has in mind. If there is likely to be an objection, perhaps the bill should be passed over.

Mr. DICKSTEIN. May I make this suggestion: In order to be absolutely sure what we are doing here, I will be glad to pass the bill over at this time.

Mr. JENKINS of Ohio. No. We might as well dispose of it now.

Mr. DICKSTEIN. It is up to the gentleman.

Mr. MOTT demanded the regular order.

Mr. JENKINS of Ohio. I want this thing done right and the gentleman wants it done right.

Mr. DICKSTEIN. I say it is being done right in this bill as it is written.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. DICKSTEIN. Mr. Speaker, I object.

Mr. Speaker, on page 2, section 2 provides that persons must be legally admitted to the United States. They cannot come in under any other conditions at all. They are here. They must have served in the World War. This simply extends the courtesy to become naturalized under a short-form naturalization process. It is endorsed by everyone who came before the committee. What amendment does the gentleman want to put in?

Mr. JENKINS of Ohio. I have been telling the gentleman. I read my proposed amendment, but the gentleman probably did not hear it. All I want to do is to put the language in this bill that it shall apply to veterans who are here. That is what the American Legion wants and that is what everybody wants. If there is a loophole in it, and it looks as if there is, or the gentleman would not be so persistent, let us straighten it out.

Mr. DICKSTEIN. I will accept the gentleman's amendment.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Mr. Speaker, with the understanding my amendment will be accepted, I withdraw my reservation of objection and will permit the bill to be read.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subdivision (a) of section 1 of the act entitled "An act to further amend the naturalization laws, and for other purposes", approved May 25, 1932 (47 Stat. 165; U. S. C., Supp. VII, title 8, sec. 392b (a)), shall continue in force and effect to include petitions for citizenship filed prior to May 25, 1936, with any court having naturalization jurisdiction.

SEC. 2. The provisions of section 1 of this act are hereby extended to include any alien lawfully admitted into the United States for permanent residence who departed therefrom between August —, 1914, and April 5, 1917, or who, having been denied entry into the military and naval forces of the United States, departed therefrom subsequent to April 5, 1917, for the purpose of serving, and actually served prior to November 11, 1918, in the military or naval forces of any of the countries allied with the United States in the World War and was discharged from such service under honorable circumstances: *Provided*, That before any applicant for citizenship under this section is admitted to citizenship, the court shall be satisfied by competent proof that he is entitled to, and has complied in all respects with, the provisions of this act.

SEC. 3. The Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, shall prescribe such rules and regulations as may be necessary for the enforcement of this act.

With the following committee amendment:

On page 1, line 6, after the word "shall", insert the words "as herein amended."

And on page 2, line 1, after the word "jurisdiction", insert the following:

"*Provided*, That for the purposes of this act clause (1) of subdivision (a) of section 1 of the aforesaid act of May 25, 1932, is amended by striking out the words 'all such period' and in lieu thereof inserting the words 'the 5 years immediately preceding the filing of his petition.'"

The committee amendments were agreed to.

Mr. JENKINS of Ohio. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. JENKINS of Ohio: On page 2, line 21, after the word "act", strike out the period, insert a semicolon, and add the following: "and that he was and had been a bona fide lawfully admitted resident in the United States for 2 years before the passage of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CONSENT CALENDAR

LOSS OF UNITED STATES CITIZENSHIP

The Clerk called the next bill, H. R. 5799, to declare that a citizen of the United States who votes in a political election in a foreign state loses his citizenship.

Mr. WITHROW, Mr. JENKINS of Ohio, Mr. DIRKSEN, and Mr. WOLCOTT objected.

PACIFIC EXPOSITION OF 1938 AT LOS ANGELES

The Clerk called the next joint resolution, House Joint Resolution 164, authorizing the President to invite foreign countries to participate in the Pacific Exposition of 1938 at Los Angeles, Calif.

Mr. TABER. Mr. Speaker, I object.

GROVER CLEVELAND

The Clerk called the next joint resolution, House Joint Resolution 147, authorizing the erection of a monument to Grover Cleveland in Washington, D. C.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill may be passed over until the Chairman of the Library Committee, the gentleman from Illinois [Mr. KELLER], is present, to be returned to upon his return. I do this at the request of the Chairman of the Library Committee.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

REPATRIATION OF NATIVE-BORN WOMEN

The Clerk called the next bill, H. R. 4354, to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes.

Mr. GEARHART. Mr. Speaker, I object.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. BACON. Mr. Speaker, I demand the regular order.

The SPEAKER. Objection is heard.

CUSTODY OF FEDERAL PROCLAMATIONS, ORDERS, REGULATIONS, ETC.

The Clerk called the next bill, H. R. 6323, to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I discussed with the author of this measure, the gentleman from New York [Mr. CELLER], an amendment to this bill, and the amendment is acceptable to the gentleman from New York.

I would propose to strike out in line 9, on page 1, the words "there shall be at the head of the" and then strike out all of lines 1, 2, 3, 4, and 5 on page 2.

I am informed that this work can be well handled by the present Assistant Director of Archives and will require no additional appropriation or no authorization by the President with respect to the appointment of a new director to handle the work.

Mr. CELLER. I thought we had agreed only that the salary of $6,000 would be stricken out. I agreed, however, most reluctantly and, indeed, not from choice, but simply to get the bill considered and not to have objections voiced against the bill. In view of the importance of the work to be done under the bill, I do hope the gentleman will not press his objection to the appointment of a director of division to handle this work. A tremendous task will be thrust upon such a gentleman. This position will require a great deal of skill and knowledge of law and codification. I understood the gentleman's main objection was to the salary that would be paid. The work probably could be conferred upon an assistant in the Archives Bureau, who might already have been appointed, and this would be among his tasks and duties, but to strike out the whole provision would destroy the symmetry of the bill, because in other places we mention a Director of Division. I do hope the gentleman will not press the striking out of all the words he has indicated.

Mr. TRUAX. I would call the gentleman's attention to the fact that in the section remaining in the bill a new appointee could be appointed and receive a salary of, say, $10,000 a year. There is absolutely no protection there; and I would also remind the gentleman that 1 year ago, when we passed a bill which, as I recall, was on the Consent Calendar, authorizing the appointment of a Director of Archives, at a salary of $10,000 per year, I made the assertion that it would seem fair if we could select some one of the 70,000 employees already on the pay roll in Washington without importing a new man to handle this work.

Mr. CELLER. I am in thorough sympathy with the gentleman's endeavor to save money for the Government, but, as I have stated, in view of the fact that in other parts of the bill we mention a Director of Division, for example, at page 5, line 21, where the words "Director of the Division" are used, the whole fabric of the bill is sort of built around a Director of Division together with an appointee of the Attorney General and an appointee of the Government Printer. Strike out all the gentleman wants and you do much to destroy the bill.

Mr. TRUAX. Would the gentleman agree to an amendment stating "no other salary than those already provided for"?

Mr. CELLER. In view of the importance of the bill I would be in the position of being compelled to take the half loaf if I could not get the full loaf and I would be agreeable to that request, although again I yield most reluctantly.

Mr. WOODRUM. Mr. Speaker, I am very much interested in the discussion and particularly interested in the bill. I would like to call the attention of the gentleman from Ohio to the fact that this bill sets up an entirely distinct and separate feature in the Archives establishment, different from anything contemplated in the original Archives Act. It seems to me if we are going to get any benefit out of this measure, and we ought to get great benefit out of it, there should be some person specially selected whose duties and responsibilities would be the carrying out of the provisions of this bill alone, in no way connected with the preservation of the national archives.

Mr. TRUAX. I understand there is already employed a gentleman who is qualified to handle this particular work.

Mr. WOODRUM. If he is in the Archives establishment now he is receiving other pay, and I may say that if we are to get the full benefits of this bill there ought to be someone assigned to do this particular work. I know it has been the gentleman's experience as a legislator that if you want a good job done you have got to get a good man to do it and it cannot be done for nothing.

Mr. TRUAX. I agree with the gentleman about that.

Mr. WOODRUM. There are no funds in the appropriation for the Archives establishment for this particular work.

Some slight portion of it undoubtedly will be duplication and can be carried on by the regular force, but this bill, of course, will call for some additional force.

Mr. TRUAX. May I say to the gentleman from Virginia, who is a distinguished member of the Committee on Appropriations, that the gentleman from New York [Mr. CELLER] has already agreed to the striking out of all of line 5 and part of line 4, with the intention that if the position can be taken care of by the present personnel, without any extra salary or appropriation, it will be done.

Mr. WOODRUM. That, of course, is agreeable to me. The gentleman from New York [Mr. CELLER] has done pioneer work on the bill, and I readily accede to anything that is agreeable to him.

Mr. CELLER. I agree, provided we do not strike out "Director of Division"; but I yield most grudgingly and hope the gentleman will not press his suggestion.

Mr. WOODRUM. Oh, I think the position ought to be left in the bill.

Mr. SUMNERS of Texas. May I say to the gentleman from Ohio [Mr. TRUAX], he is familiar, of course, with the fact that the demand for this particular legislation has grown out of the fact that an enormous number of rules and regulations have been issued about which nothing has been known by the public at the time.

That is the cause of the immediate demand for legislation. We sought to bring about an arrangement under which rules and regulations will be given to the public and thereby given actual notice instead of mere constructive notice.

Then there is the matter of taking care of the archives. I call my friend's attention to the fact that the language in sections 4 and 5 is, as a matter of fact, language of limitation on any lump sum. The compensation cannot exceed $6,000. I am not familiar with the general legislation as to lump-sum appropriations, but if that language fixing the maximum at $6,000 is stricken out it might be possible that the salary would be fixed in excess of $6,000.

Mr. TRUAX. I made that observation a while ago.

Mr. SUMNERS of Texas. To be frank with the gentleman, the bill came to the Committee on the Judiciary from the Department of Justice. It was prepared by those who had charge of this particular activity, and the amount of salary provided for originally was $7,500.

The committee went into the matter very thoroughly and felt that the compensation should not exceed $6,000—that that would be enough compensation to put in the bill. It did not say that the salary must be $6,000 but not more than $6,000.

Personally, I am apprehensive that to strike out the language in the bill would be to strike out the limitation. We did not know whether they could get a man for a less amount of money who was qualified, and we did not want to pay him any more than that. I hope my friend will not insist on striking it out.

Mr. TRUAX. Does not the gentleman think that somebody might be obtained who was well qualified for four or five thousand dollars? I think we have a lot of such persons in the State of Ohio well qualified for the job.

Mr. Speaker, I ask unanimous consent to withdraw my former amendment and offer another in lieu thereof.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

A bill to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof

Be it enacted, etc., That the Archivist of the United States, acting through a division established by him in the National Archives Establishment, hereinafter referred to as the "Division", is charged with the custody and, together with the Public Printer, with the prompt and uniform printing and distribution of the documents required or authorized to be published under section 5. There shall be at the head of the Division, a director, appointed by the President, who shall act under the general direction of the Archivist of the United States in carrying out the provisions of this act and the regulations prescribed hereunder, who shall receive a salary, to be fixed by the President, not to exceed $6,000 a year.

SEC. 2. The original and two duplicate originals or certified copies of any document required or authorized to be published under section 5 shall be filed with the Division, which shall be open at all hours for that purpose. The Director of the Division shall cause to be noted on the original and duplicate originals or certified copies of each document the day and hour of filing thereof: *Provided*, That when the original is issued, prescribed, or promulgated outside of the District of Columbia and certified copies are filed before the filing of the original, the notation shall be of the day and hour of filing of the certified copies. Upon such filing, at least one copy shall be immediately available for public inspection in the office of the Director of the Division. The original shall be retained in the archives of the National Archives Establishment and shall be available for inspection under regulations to be prescribed by the Archivist. The Division shall transmit immediately to the Government Printing Office for printing, as provided in this act, one duplicate original or certified copy of each document required or authorized to be published under section 5. Every Federal agency shall cause to be transmitted for filing as herein required the original and the duplicate originals or certified copies of all such documents issued, prescribed, or promulgated by the agency.

SEC. 3. All documents required or authorized to be published under section 5 shall be printed and distributed forthwith by the Government Printing Office in a serial publication designated the "Federal Register." It shall be the duty of the Public Printer to make available the facilities of the Government Printing Office for the prompt printing and distribution of the Federal Register in the manner and at the times required by the Archivist in accordance with the provisions of this act and the regulations perscribed hereunder. The contents of the daily issues shall be indexed and shall comprise all documents, required or authorized to be published, filed with the division up to such time of the day immediately preceding the day of distribution as shall be fixed by regulations hereunder. There shall be printed with each document a copy of the notation, required to be made under section 2, of the day and hour when, upon filing with the division, such document was made available for public inspection. Distribution shall be made by delivery or by deposit at a post office at such time in the morning of the day of distribution as shall be fixed by such regulations prescribed hereunder. The prices to be charged for the Federal Register may be fixed by the administrative committee established by section 6 without reference to the restrictions placed upon and fixed for the sale of Government publications by section 1 of the act of May 11, 1922, and section 307 of the act of June 30, 1932 (U. S. C., title 44, secs. 72 and 72a), and any amendments thereto.

SEC. 4. As used in this act, unless the context otherwise requires, the term "document" means any Presidential proclamation or Executive order and any order, regulation, rule, certificate, code of fair competition, license, notice, or similar instrument issued, prescribed, or promulgated by a Federal agency; the terms "Federal agency" or "agency" mean the President of the United States, or any executive department, independent board, establishment, bureau, agency, institution, commission, or separate office of the administrative branch of the Government of the United States but not the legislative or judicial branches of the Government; and the term "person" means any individual, partnership, association, or corporation.

SEC. 5. (a) There shall be published in the Federal Register (1) all Presidential proclamations and Executive orders, except such as have no general applicability and legal effect or are effective only against Federal agencies or persons in their capacity as officers, agents, or employees thereof; (2) such documents or classes of documents as the President shall determine from time to time have general applicability and legal effect; and (3) such documents or classes of documents as may be required so to be published by act of the Congress: *Provided*, That for the purposes of this act every document or order which shall prescribe a penalty shall be deemed to have general applicability and legal effect.

(b) In addition to the foregoing there shall also be published in the Federal Register such other documents or classes of documents as may be authorized to be published pursuant hereto by regulations prescribed hereunder with the approval of the President, but in no case shall comments or news items of any character whatsoever be authorized to be published in the Federal Register.

SEC. 6. There is established a permanent Administrative Committee, of three members, consisting of the Archivist or Acting Archivist, who shall be chairman, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer. The Director of the Division shall act as secretary of the committee. The committee shall prescribe, with the approval of the President, regulations for carrying out the provisions of this act. Such regulations shall provide, among other things: (a) The manner of certification of copies required to be certified under section 2, which certification may be permitted to be based upon confirmed communications from outside of the District of Columbia; (b) the documents which shall be authorized pursuant to section 5 (b) to be published in the Federal Register; (c) the manner and form in which the Federal Register shall be printed, reprinted, compiled, indexed, bound,

and distributed; (d) the number of copies of the Federal Register which shall be printed, reprinted, and compiled, the number which shall be distributed without charge to Members of Congress, officers and employees of the United States, or any Federal agency for their official use, and the number which shall be available for distribution to the public; and (e) the prices to be charged for individual copies of, and subscriptions to, the Federal Register and reprints and bound volumes thereof.

SEC. 7. No document required under section 5 (a) to be published in the Federal Register shall be effective as against any person who has not had actual knowledge thereof until the duplicate originals or certified copies of the document shall have been filed with the division and a copy made available for public inspection as provided in section 2; and, unless otherwise specifically provided by statute, such filing of any document, required or authorized to be published under section 5, shall, except in cases where notice by publication is insufficient in law, be sufficient to give notice of the contents of such document to any person subject thereto or affected thereby. The publication in the Federal Register of any document shall create a rebuttable presumption (a) that it was duly issued, prescribed, or promulgated; (b) that it was duly filed with the Division and made available for public inspection at the day and hour stated in the printed notation; (c) that the copy contained in the Federal Register is a true copy of the original; and (d) that all requirements of this act and the regulations prescribed hereunder relative to such document have been complied with. The contents of the Federal Register shall be judicially noticed and, without prejudice to any other mode of citation, may be cited by volume and page number.

SEC. 8. Whenever notice of hearing or of opportunity to be heard is required or authorized to be given by or under an act of the Congress, or may otherwise properly be given, the notice shall be deemed to have been duly given to all persons residing within the continental United States (not including Alaska), except in cases where notice by publication is insufficient in law, if said notice shall be published in the Federal Register at such time that the period between the publication and the date fixed in such notice for the hearing or for the termination of the opportunity to be heard shall be (a) not less than the time specifically prescribed for the publication of the notice by the appropriate act of the Congress; or (b) not less than 15 days when no time for publication is specifically prescribed by the act, without prejudice, however, to the effectiveness of any notice of less than 15 days where such shorter period is reasonable.

SEC. 9. Every payment made for the Federal Register shall be covered into the Treasury as a miscellaneous receipt. The cost of printing, reprinting, wrapping, binding, and distributing the Federal Register and any other expenses incurred by the Government Printing Office in carrying out the duties placed upon it by this act shall be borne by the general appropriation to the Government Printing Office and such appropriation is hereby made available, and is authorized to be increased by an amount equal to the amount so covered into the Treasury and such additional sums as are necessary, for such purposes. The purposes for which appropriations are available and are authorized to be made under section 10 of the act entitled "An act to establish a National Archives of the United States Government, and for other purposes" (48 Stat. 1122) are enlarged to cover the additional duties placed upon the National Archives Establishment by the provisions of this act. Copies of the Federal Register mailed by the Government shall be entitled to the free use of the United States mails in the same manner as the official mail of the executive departments of the Government. The cost of mailing the Federal Register to officers and employees of Federal agencies in foreign countries shall be borne by the respective agencies.

SEC. 10. The provisions of section 2 shall become effective 60 days after the date of approval of this act and the publication of the Federal Register shall begin within 3 business days thereafter. The limitations upon the effectiveness of documents required, under section 5 (a), to be published in the Federal Register shall not be operative as to any document issued, prescribed, or promulgated prior to the date when such document is first required by this or subsequent act of the Congress or by Executive order to be published in the Federal Register.

SEC. 11. Within 6 months after the approval of this act each agency shall prepare and file with the committee a complete compilation of all documents which have been issued or promulgated prior to the date documents are required or authorized by this act to be published in the Federal Register and which are still in force and effect and relied upon by the agency as authority for, or invoked or used by it in the discharge of, any of its functions or activities. The committee shall, within 60 days thereafter, report with respect thereto to the President, who shall determine which of such documents have general applicability and legal effect, and shall authorize the publication thereof in a special or supplemental edition or issue of the Federal Register. Such special or supplemental editions or issues shall be distributed in the same manner as regular editions or issues, and shall be included in the bound volumes of the Federal Register as supplements thereto.

SEC. 12. Nothing in this act shall be construed to apply to treaties, conventions, protocols, and other international agreements or proclamations thereof by the President.

SEC. 13. All acts or parts of acts in conflict with this act are hereby repealed insofar as they conflict herewith.

SEC. 14. This act may be cited as the "Federal Register Act."

Mr. TRUAX. Mr. Speaker, I offer the following amendment:

The Clerk read as follows:

Page 2, line 4, after the word "hereunder", strike out the following: "who shall receive a salary, to be fixed by the President, not to exceed $6,000 a year."

Mr. ZIONCHECK. Mr. Speaker, I would like to offer a substitute amendment on the same point.

Mr. TRUAX. Mr. Speaker, I repeat the statement I made a while ago. One year ago, when the bill authorizing the creation of this new position of Superintendent of Archives was under consideration, I said then it was not necessary to import a specialist to handle this job at a salary of $10,000 a year, nor is it necessary today to import a specialist at a salary of $6,000 a year to handle this particular job. It seems to me that with all of the thousands of employees who are employed alone in the Government Printing Office, there should be found one man, or perhaps a woman, eminently qualified for this position at a salary perhaps of three or four thousand dollars a year. One of the pledges of our party in that historic convention held in Chicago in 1932 was a solemn promise to the people of this country to cut down bureaucracy and reduce bureaucratic expense. If I recall that convention correctly, we pledged in our party platform a reduction of at least 25 percent of the bureaucratic expenses of this Nation. Instead of that, we have increased vastly the positions now being held by the bureaucrats and the salaries that they are drawing.

I am informed that the main controversy in the adoption of the report of the conferees on the public-works relief bill is because of the objections of Mr. Ickes, Secretary of the Interior, to an amendment adopted by the Senate which provides that one-third of $900,000,000 shall be spent directly for labor. I was one of the few Democrats who voted "no" on the motion to recommit that conference report to the conference committee. I voted "no" because I am opposed unalterably to any further usurpation of bureaucratic power by Mr. Ickes, Mr. Hopkins, or any of the other "four horsemen."

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. TABER. If they would repeal the N. R. A. and A. A. A. and a few of those rackets, we would not need this bill at all.

Mr. TRUAX. Mr. Speaker, I do not favor the repeal of the N. R. A., because it contains provisions that are beneficial to American labor, such as the abolition of child labor, the outlawing of "yellow dog" contracts, and the right of labor to collective bargaining. There is much more good in the N. R. A. than there is bad, and therefore I favor, and shall vote for, its retention.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. MARCANTONIO. And I think the gentleman is in accord with me, that the interpretation of the labor provisions of the N. R. A. have been against labor, and those interpretations are being used to regiment labor to a low standard of living.

Mr. TRUAX. Mr. Speaker, I am in accord with the gentleman's statement. I sit on the Committee on Labor with the gentleman. We had Mr. Richberg testify before our committee and we have legislation now in our committee which we have reported favorably for passage that will correct that situation and make section 7 (a) what it is intended to be, a protection for the rights of American labor.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. MICHENER. Will the gentleman please get back to the bill that we are discussing.

Mr. TRUAX. Yes.

Mr. MICHENER. And tell us what he thinks about that amendment which he has suggested.

Mr. TRUAX. My amendment?

Mr. MICHENER. Yes.

Mr. TRUAX. I am for it 100 percent. I think it should be adopted by the House.

Mr. MICHENER. Will the gentleman yield further?

Mr. TRUAX. Yes.

Mr. MICHENER. Following the gentleman's views, does he not think that we should go a little further and put the employees of this new bureau under civil service. If we did that, then we could find a person at the salary the gentleman has suggested.

Mr. TRUAX. Does the gentleman mean by putting them under civil service that that will mean Republican appointments by the Republican bureaucrats?

Mr. MICHENER. Oh, no.

Mr. TRUAX. That has been my experience. I have found that many times whenever you place employees under civil service, it means the appointment of Republicans, regardless of merit.

Mr. MICHENER. The only way that that could be possibly true would be because only Republicans are competent.

Mr. TRUAX. I ask the Members of this House to adopt this amendment. It eliminates the necessity for going out into some other State, possibly New York, and importing a specialist at a salary of $6,000 a year, when we have men right in the departments here who are well qualified and have all the specialization that is necessary to handle the job.

Mr. CELLER. Mr. Speaker, I rise in opposition to the amendment. I sympathize thoroughly with the aims and aspirations of the gentleman from Ohio [Mr. TRUAX] to keep down expenditures for the operations of various bureaus and departments of the Government. Unfortunately, the gentleman from Ohio injected into his remarks matters that are extraneous to the subject at hand. This bill has nothing to do with the usurpation of bureaucratic power and other and sundry items the gentleman adverted to. I rise to call the attention of Members of the House to the importance of this legislation.

In the first 15 months after March 4, 1933, the President alone issued 674 Executive orders, aggregating approximately 1,400 pages. This was a greater volume than that of the preceding 4 years, and nearly six times as great as that for the 39 years from 1862 through 1900. Moreover, in the first year of the National Recovery Administration 2,998 administrative orders were issued. In addition to these, the N. R. A. has adopted numerous regulations and sets of regulations which can only be found after a search through some 5,991 press releases issued during this period. It is estimated that the N. R. A. alone issued in all some 10,000 pages of "law"—a greater volume than the total amount of statute law contained in the United States Code.

Aside from the tremendous number of rules and regulations issued by the National Recovery Administration and the great activity by the President in the promulgation of his Executive orders, there are the many other departments and officials adding to the avalanche of executive orders, decrees, regulations, notices, and codes. The Agricultural Adjustment Administration has issued many series of regulations, some of them most complicated by amendments and supplements. There are customs regulations, internal-revenue regulations, immigration rules and regulations, and postal rules and regulations, comprising several volumes, frequently amended. The Veterans' Bureau has issued two large volumes of regulations; much of the data are already out of date. There is an elaborate series of regulations under the Pure Food and Drugs Act. Pretty soon the new boards and new commissions, like the Federal Communications Commission and the Securities and Exchange Commission, will issue their myriad of executive legislation. We have mentioned only a few of the bureaus. There are literally dozens of agencies with powers to publish rules and regulations. Ofttimes these rules and regulations prescribe penalties. It is difficult at times to find out what they are. Yet the property and persons of the citizens may be at stake.

The enactments of Congress are easily available, but often the regulations issued under them are more important than the basic acts. But these administrative rules and pronouncements oftentimes cannot be found. As to their publication and distribution, there is utter chaos. These rules and regulations frequently appear in separate paper pamphlets, some printed on single sheets of paper and easily lost. Any attempt to compile a complete private collection of these rules and regulations would be wellnigh impossible. No law library, public or private, contains them all. Officials of the department issuing them frequently do not know all of their own regulations. Recently, as has been pointed out by Prof. Erwin N. Griswold, of the Harvard Law School, in an article in the December 1934 issue of the Harvard Law Review, entitled "Government in Ignorance of the Law—A Plea for Better Publication of Executive Legislation", an indictment was brought and an appeal was taken by the Government to the Supreme Court before it was discovered that the regulation on which the proceeding was based did not exist. (See *United States* v. *Smith, no. 3*, October term, 1934,; appeal dismissed on motion of the appellant, Oct. 1, 1934. See New York Times, Oct. 2, 1934, at p. 6.)

A committee of the American Bar Association has this to say on the subject:

> The practice of filing Executive orders with the Department of State is not uniformly or regularly followed, and the totals are really greater than above indicated. Some orders are retained or buried in the files of the Government departments, some are confidential and are not published, and the practice as to printing and publication of orders is not uniform. Some orders are made known and available rather promptly after their approval; the publication of others may be delayed a month or more, with consequent confusion in numbering. The comparatively large number of recent orders which incorporate provisions purporting to impose criminal penalties by way of fine and imprisonment for violation is without numerical precedent in the history of the Government.

Such chaos and disorder concerning statutory rules and regulations demands an immediate solution. H. R. 6323 provides such solution. There shall be an official publication called the "Federal Register", in which all rules and regulations shall systematically and uniformly be published, and such Federal Register shall be readily accessible to all parties interested. There shall be available for public use indices and tabulations of such rules and regulations.

There is not an enlightened country in the world that has not legislation of this character. I have taken the trouble to go through many volumes to discover what England does, what Canada does, and the South American countries, and France, India, New Zealand, and South Africa. They all have legislation of this character and they have had it for years. A bill of this character was passed by the English Parliament as far back as 1890. The London Gazette is the English publication corresponding to the Federal Register set up in my bill. When you recollect that there are these 11,000 pages of rules and regulations promulgated by the N. R. A.—and very few people know what they are or where they are—you will have some idea of the size of this job. Suppose any one of you had to codify and rearrange that vast amount of administrative law. You would have your hands full.

In some departments these rules and regulations take the form of mimeographed blanks, they take the form of telegraph blanks, yet many of those so-called "rules and regulations", so improperly promulgated, carry with them penalties threatening your liberties. Take the huge amount of rules and regulations issued by the Veterans' Bureau and a similar number issued by the Post Office Department, the S. E. C., the R. F. C., the A. A. A., the F. E. R. A., the C. C. C., H. O. L. C., and so forth. Where they are and what they are the Lord only knows. It takes a Sabbath-day journey to find a few of them, yet we know that these rules and regulations are far more important than the basic acts that we pass in this House. See how lax we have been? Shall that laxity continue?

Keep in mind that anomalous situation that arose in Texas when a man was arrested and indicted for an alleged violation of a regulation which had been repealed prior to the date of the alleged offense. Yet nobody connected with the Petroleum Code knew anything about the repeal of the regulation. The United States attorney knew nothing about it. The great Department of Justice had to move to dismiss the case.

Such proceedings make us look ridiculous. It shall not happen again. My bill is the safeguard.

Now is the time to call a halt. We should have some means by which the whole Nation may be apprised of rules and regulations promulgated, many of which carry criminal penalties, so that you and I will be safe from arrest for violating something which does not even exist.

Mr. DONDERO. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. DONDERO. Does the gentleman think this will in any way encourage the continuation of legislation in that manner?

Mr. CELLER. My bill will prevent it. I think it would discourage also the so-called "wild cat" legislation by rule and regulation. Heads of bureaus will think twice and most carefully before promulgating rules. This bill has two purposes. It provides for the codification of all past rules and regulations and proper promulgation of rules and regulations in the future, and the custody of those rules and regulations in the proper place is assured, after certain notice, so that you and I may know where to find them and what they are. They will be under a division composed of a member of the Archives Department, a member of the Department of Justice, and the Government Printing Office.

[Here the gavel fell.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mr. BLAND. Reserving the right to object, the gentleman ought to give consideration to the fact that there are other important bills on the calendar.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. I will not use the 5 minutes.

There must be a specialist employed to supervise this work. It requires much acumen, intelligence, and skill. Originally we wanted to place this whole thing in the Library of Congress, but we found the Librarian had not the facilities to handle the situation. We wanted to save the money which the gentleman from Ohio [Mr. TRUAX] is anxious about. We then had arranged to let the Department of Justice handle it exclusively. The Attorney General said they had no facilities. We went to the Bureau of Archives, and they said they would be glad to handle it, provided we would get a man skillful enough, well grounded, and highly intelligent, and who had a ready knowledge of departmental work. If you are going to reduce the amount of salary which we originally placed at $7,500 in the bill, down to three or four thousand dollars, you will not get the proper man to handle this work. I hope you will not reduce the salary to such a low extent that you will not get the proper talent to take care of this work. I believe $6,000 is the proper amount.

Mr. HEALEY. Will the gentleman yield?

Mr. CELLAR. I yield.

Mr. HEALEY. It is true that an ordinary clerk of a small court or the clerk of a city or town receives in the vicinity of three or four or five thousand dollars a year salary for the type of work he does?

Mr. CELLER. That is true.

Mr. HEALEY. And this man will have all of these very valuable documents, affecting all of the people in our country and our Government, under his jurisdiction?

Mr. CELLER. That is true.

Herewith I give you a synopsis of the bill by sections:

Section 1 provides that the Archivist of the United States shall be charged with the custody and, together with the Public Printer, with the prompt and uniform printing and distribution of the documents required or authorized to be published under the provisions of the bill. This section further provides that the provisions of the bill shall be carried out under the supervision of a director, appointed by the President, who in turn shall act under the general direction of the Archivist of the United States.

Section 2 provides for the filing with the division in charge, of the original and two duplicate originals or certified copies of any documents required or authorized to be published under section 4 of the bill. Further provision under section 2 is made that the original be retained in the archives of the National Archives Establishment and that one duplicate, original, or certified copy thereof be immediately transmitted to the Government Printing Office for printing.

Section 3 provides for the printing and distribution by the Government Printing Office of a serial publication designated the "Federal Register", to be distributed daily except Sundays, Mondays, and days following legal holidays. It is further provided in section 3 that the contents of the daily issue shall comprise all documents filed with the Division up to such time of the day immediately preceding the day of distribution as shall be fixed by the regulations. The method of distribution of, and the prices to be charged for, the Federal Register are also provided for in section 3.

Section 4 sets forth the documents required or authorized to be filed in the Division and to be published in the Federal Register.

Section 5 (a) makes specification as to which Presidential proclamations and Executive orders shall be published in the Federal Register, as well as to which document or classes of documents are to be published.

Section 5 (b) further provides for the publication in the Register of certain other documents or classes of documents.

Section 6 provides for the establishment of a permanent administrative committee of three members, which committee, consisting of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer, shall prescribe, with the approval of the President, regulations for carrying out the provisions of the bill. The provisions of such regulations are also set forth in section 6.

Section 7 provides that the Federal Register shall be judicially noticed.

Section 8 provides that publication in the Federal Register shall be deemed to have been duly given to all persons residing within the continental United States (not including Alaska), except in cases where notice by publication is insufficient in law.

Section 9 provides that the purposes for which appropriations are available and are authorized to be made under section 10 of the act entitled "An act to establish a National Archives of the United States Government, and for other purposes" (48 Stat. 1122) are enlarged to cover the additional duties placed upon the National Archives Establishment by the provisions of this bill.

Section 10 provides that the provisions of section 2 of this bill shall become effective 60 days after the date of approval of this bill and the publication of the Federal Register shall begin within 3 business days thereafter.

Section 11 makes provision for and sets forth rules governing the publication of a special or supplemental edition or issue of the Federal Register.

Section 12 excludes treaties, conventions, protocols, and other international agreements or proclamations thereof by the President from the provisions of this bill.

Section 13 provides that all acts or parts of acts in conflict with this act are repealed insofar as they conflict therewith.

Section 14 provides that this act may be cited as the "Federal Register Act."

I yield back the balance of my time, Mr. Speaker.

Mr. ZIONCHECK. Mr. Speaker, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 2, line 5, strike out "$6,000" and insert in lieu thereof "$5,000."

Mr. ZIONCHECK. The only reason I do this is to let the House say whether they will limit the salary to $5,000 or $6,000.

The SPEAKER. The question is on the perfecting amendment offered by the gentleman from Washington.

The amendment was agreed to.

The SPEAKER. The question is on the amendment offered by the gentleman from Ohio [Mr. TRUAX].

The amendment was rejected.

The Clerk read as follows:

A bill to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof

Be it enacted, etc., That the Archivist of the United States, acting through a division established by him in the National Archives Establishment, hereinafter referred to as the "Division", is charged with the custody and, together with the Public Printer, with the prompt and uniform printing and distribution of the documents required or authorized to be published under section 5. There shall be at the head of the Division a director, appointed by the President, who shall act under the general direction of the Archivist of the United States in carrying out the provisions of this act and the regulations prescribed hereunder, who shall receive a salary, to be fixed by the President, not to exceed $6,000 a year.

SEC. 2. The original and two duplicate originals or certified copies of any document required or authorized to be published under section 5 shall be filed with the Division, which shall be open at all hours for that purpose. The Director of the Division shall cause to be noted on the original and duplicate originals or certified copies of each document the day and hour of filing thereof: *Provided*, That when the original is issued, prescribed, or promulgated outside of the District of Columbia and certified copies are filed before the filing of the original, the notation shall be of the day and hour of filing of the certified copies. Upon such filing, at least one copy shall be immediately available for public inspection in the office of the Director of the Division. The original shall be retained in the archives of the National Archives Establishment and shall be available for inspection under regulations to be prescribed by the Archivist. The Division shall transmit immediately to the Government Printing Office for printing, as provided in this act, one duplicate original or certified copy of each document required or authorized to be published under section 5. Every Federal agency shall cause to be transmitted for filing as herein required the original and the duplicate originals or certified copies of all such documents issued, prescribed, or promulgated by the agency.

SEC. 3. All documents required or authorized to be published under section 5 shall be printed and distributed forthwith by the Government Printing Office in a serial publication designated the "Federal Register." It shall be the duty of the Public Printer to make available the facilities of the Government Printing Office for the prompt printing and distribution of the Federal Register in the manner and at the times required by the Archivist in accordance with the provisions of this act and the regulations prescribed hereunder. The contents of the daily issues shall be indexed and shall comprise all documents, required or authorized to be published, filed with the Division up to such time of the day immediately preceding the day of distribution as shall be fixed by regulations hereunder. There shall be printed with each document a copy of the notation, required to be made under section 2, of the day and hour when, upon filing with the Division, such document was made available for public inspection. Distribution shall be made by delivery or by deposit at a post office at such time in the morning of the day of distribution as shall be fixed by such regulations prescribed hereunder. The prices to be charged for the Federal Register may be fixed by the administrative committee established by section 6 without reference to the restrictions placed upon and fixed for the sale of Government publications by section 1 of the act of May 11, 1922, and section 307 of the act of June 30, 1932 (U. S. C., title 44, secs. 72 and 72a), and any amendments thereto.

SEC. 4. As used in this act, unless the context otherwise requires, the term "document" means any Presidential proclamation or Executive order and any order, regulation, rule, certificate, code of fair competition, license, notice, or similar instrument issued, prescribed, or promulgated by a Federal agency; the terms "Federal agency" or "agency" mean the President of the United States, or any executive department, independent board, establishment, bureau, agency, institution, commission, or separate office of the administrative branch of the Government of the United States but not the legislative or judicial branches of the Government; and the term "person" means any individual, partnership, association, or corporation.

SEC. 5. (a) There shall be published in the Federal Register (1) all Presidential proclamations and Executive orders, except such as have no general applicability and legal effect or are effective only against Federal agencies or persons in their capacity as officers, agents, or employees thereof; (2) such documents or classes of documents as the President shall determine from time to time have general applicability and legal effect; and (3) such documents or classes of documents as may be required so to be published by act of the Congress: *Provided*, That for the purposes of this act every document or order which shall prescribe a penalty shall be deemed to have general applicability and legal effect.

(b) In addition to the foregoing there shall also be published in the Federal Register such other documents or classes of documents as may be authorized to be published pursuant hereto by regulations prescribed hereunder with the approval of the President, but in no case shall comments or news items of any character whatsoever be authorized to be published in the Federal Register.

SEC. 6. There is established a permanent Administrative Committee of three members consisting of the Archivist or Acting Archivist, who shall be chairman, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer. The director of the division shall act as secretary of the committee. The committee shall prescribe, with the approval of the President, regulations for carrying out the provisions of this act. Such regulations shall provide, among other things: (a) The manner of certification of copies required to be certified under section 2, which certification may be permitted to be based upon confirmed communications from outside of the District of Columbia; (b) the documents which shall be authorized pursuant to section 5 (b) to be published in the Federal Register; (c) the manner and form in which the Federal Register shall be printed, reprinted, compiled, indexed, bound, and distributed; (d) the number of copies of the Federal Register which shall be printed, reprinted, and compiled, the number which shall be distributed without charge to Members of Congress, officers and employees of the United States, or any Federal agency for their official use, and the number which shall be available for distribution to the public; and (e) the prices to be charged for individual copies of, and subscriptions to, the Federal Register and reprints and bound volumes thereof.

SEC. 7. No document required under section 5 (a), to be published in the Federal Register shall be effective as against any person who has not had actual knowledge thereof until the duplicate originals or certified copies of the document shall have been filed with the division and a copy made available for public inspection as provided in section 2; and, unless otherwise specifically provided by statute, such filing of any document, required or authorized to be published under section 5, shall, except in cases where notice by publication is insufficient in law, be sufficient to give notice of the contents of such document to any person subject thereto or affected thereby. The publication in the Federal Register of any document shall create a rebuttable presumption (a) that it was duly issued, prescribed, or promulgated; (b) that it was duly filed with the division and made available for public inspection at the day and hour stated in the printed notation; (c) that the copy contained in the Federal Register is a true copy of the original; and, (d) that all requirements of this act and the regulations prescribed hereunder relative to such document have been complied with. The contents of the Federal Register shall be judicially noticed and, without prejudice to any other mode of citation, may be cited by volume and page number.

SEC. 8. Whenever notice of hearing or of opportunity to be heard is required or authorized to be given by or under an act of the Congress, or may otherwise properly be given, the notice shall be deemed to have been duly given to all persons residing within the continental United States (not including Alaska), except in cases where notice by publication is insufficient in law, if said notice shall be published in the Federal Register at such time that the period between the publication and the date fixed in such notice for the hearing or for the termination of the opportunity to be heard shall be (a) not less than the time specifically prescribed for the publication of the notice by the appropriate act of the Congress; or (b) not less than 15 days when no time for publication is specifically prescribed by the act, without prejudice, however, to the effectiveness of any notice of less than 15 days where such shorter period is reasonable.

SEC. 9. Every payment made for the Federal Register shall be covered into the Treasury as a miscellaneous receipt. The cost of printing, reprinting, wrapping, binding, and distributing the Federal Register and any other expenses incurred by the Government Printing Office in carrying out the duties placed upon it by this act shall be borne by the general appropriation to the Government Printing Office and such appropriation is hereby made available, and is authorized to be increased by an amount equal to the amount so covered into the Treasury and such additional sums as are necessary, for such purposes. The purposes for which appropriations are available and are authorized to be made under section 10 of the act entitled "An act to establish a National Archives of the United States Government, and for other purposes" (48 Stat. 1122) are enlarged to cover the additional duties placed upon the National Archives Establishment by the provisions of this act. Copies of the Federal Register mailed by the Government shall be entitled to the free use of the United States mails in the same manner as the official mail of the executive departments of the Government. The cost of mailing the Federal Register to officers and employees of Federal agencies in foreign countries shall be borne by the respective agencies.

SEC. 10. The provisions of section 2 shall become effective 60 days after the date of approval of this act and the publication of the Federal Register shall begin within 3 business days thereafter. The limitations upon the effectiveness of documents required, under section 5 (a), to be published in the Federal Register shall not be operative as to any document issued, prescribed, or promulgated prior to the date when such document is first required by this or subsequent act of the Congress or by Executive order to be published in the Federal Register.

SEC. 11. Within 6 months after the approval of this act each agency shall prepare and file with the committee a complete compilation of all documents which have been issued or promulgated prior to the date documents are required or authorized by this act to be published in the Federal Register and which are still in force and effect and relied upon by the agency as authority for, or invoked or used by it in the discharge of, any of its functions or activities. The committee shall within 60 days thereafter report with respect thereto to the President, who shall determine which of such documents have general applicability and legal effect, and shall authorize the publication thereof in a special or supplemental edition or issue of the Federal Register. Such special or supplemental editions or issues shall be distributed in the same manner as regular editions or issues, and shall be included in the bound volumes of the Federal Register as supplements thereto.

SEC. 12. Nothing in this act shall be construed to apply to treaties, conventions, protocols, and other international agreements, or proclamations thereof by the President.

SEC. 13. All acts or parts of acts in conflict with this act are hereby repealed insofar as they conflict herewith.

SEC. 14. This act may be cited as the "Federal Register Act."

Mr. CANNON of Missouri. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the bill (H. R. 6359) relating to repeal of publicity of income-tax returns has been sent to conference and the conferees will meet in the near future to consider the Senate amendment.

As there has been no opportunity to debate the amendment in the House I wish to call attention to its importance and to express the hope that the House conferees will recede and agree to it in conference.

The Senate amendment provides:

(1) All returns filed under this title shall be open to examination by any official, body, or commission of any State or political subdivision thereof lawfully charged with the administration of any State or local tax laws and while engaged in the performance of official duties. Such examination shall be made in a manner prescribed by the Commissioner and approved by the Secretary.

(2) Any information thus secured by an official, body, or commission of any State or political subdivision thereof shall be used only in connection with the administration of State or local tax laws and for no other purpose. Any such official or employee or agent of any such body or commission who divulges, except in the performance of his official duties, or when called upon to testify in any court or official proceedings, any information acquired by him through examination of said income-tax returns, shall be guilty of a misdemeanor and shall upon conviction be punished by a fine of not less than $500 and not more than $1,000.

This is a most salutary provision, Mr. Speaker. While protecting the returns from scrutiny by the general public as provided by the House bill it affords the tax authorities of States which impose a State income tax an opportunity to compare State and Federal returns, and thereby discourages evasion of the State law and insures a maximum State revenue from this source.

The importance of this provision is indicated by the fact that in my own State inspection of Federal income-tax returns by the State taxing authorities brought in an additional $400,000 to the State of Missouri last year which otherwise would not have been collected. The Senate amendment, while affording ample protection from unofficial inspection, is the most effective aid in the enforcement of State income-tax laws that could be enacted. [Applause.]

Mr. Speaker, the crying fiscal need of the States today is revenue with which to match Federal contributions—contributions for Federal relief, contributions for old-age pensions, contributions for the building of State roads, contributions to insure the maintenance of our schools and equal educational facilities to the children of every American citizen. There is hardly a State in the Union that is not hard pressed for funds to finance one or all of these essential activities, and agreement by the House conferees to the Senate amendment will do more to care for the aged and the needy, to relieve unemployment and to provide for the proper training of the next generation than anything else that could be done in this connection.

A provision of this character, contributing to the enforcement of State income-tax laws, will to that extent protect the consumer against the necessity for the imposition of irksome and burdensome sales taxes to which some States are having to resort in order to provide for these purposes.

I sincerely trust the House conferees will agree in conference to the Senate amendment and am certain the House will be inclined to favor such a report if opportunity is afforded.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPACTS BETWEEN STATES

The Clerk called the next resolution, House Joint Resolution 146, to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I understand the gentleman from Massachusetts [Mr. HEALEY] states that in no way will this bill be detrimental to labor or labor disputes, or in any manner authorize State compacts of that kind.

Mr. HEALEY. Mr. Speaker, as a matter of fact, this resolution is designed to protect the interests of labor. I have a letter from the president of the American Federation of Labor, Mr. Green, the last paragraph of which reads as follows:

Secretary Watts states that the resolution deserves the support of labor. I concur in this position. I am glad to advise you in this way.

This letter is signed by William Green, president American Federation of Labor.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. HEALEY. I yield.

Mr. WOLCOTT. I think there is an ambiguity in section 3 which should be cleared up. I am asking these questions merely to accomplish the legislative intent of the author of the bill. Is it the gentleman's understanding that the last sentence requires that these pacts be sent to Congress for the approbation of Congress before they become effective?

Mr. HEALEY. That is absolutely so. There is not a safeguard that already exists that is not included in this particular bill.

Mr. WOLCOTT. After the States have entered into the compacts and their legislatures have ratified them they must then be ratified by Congress?

Mr. HEALEY. The gentleman is correct.

Mr. WOLCOTT. That is the object of the bill.

Mr. HEALEY. The objects of the bill are manifold. Section 2 provides that upon the request of the States negotiating under this act the President may designate a representative to attend upon such negotiations. This is new and confers a right upon the States to request that a representative of the Government be present during the negotiation of the pact. The bill also is designed to encourage and support the policy of States entering into agreements and compacts with each other and in groups for the purpose of agreeing upon and securing uniform legislation affecting the relation of employer and employees.

Events of the past 3 or 4 years have demonstrated that there is a necessity for a more effective method of conserving the economic and social interests of the citizens of the several States. The migration of factories from State to State has become all too common. The causes of this migration can be found principally in the effort to discover locations where the most lenient industrial legislation exists. States which have enacted regulatory legislation for the betterment of working conditions in its industries find themselves sorely handicapped in competition with those States which have less stringent industrial legislation. This condition has become accentuated during the depression. This situation has resulted in a general lowering of standards. Advances which have taken years to accomplish are in danger of being swept away.

This legislation will afford the States an opportunity to reach a solution of problems confronting them by their own efforts and by mutual cooperation. The members of the Judiciary Committee, which unanimously reported this resolution, believe such efforts should be encouraged in every way by the Federal Government. Favorable action by Congress on this resolution is a significant step in the direction of indicating our desire for higher standards of industrial legislation.

The compacts may provide for considerable flexibility of legislative and administrative detail which will leave the individual States free to draft their legislative and administrative decrees in common without restrictive details in the compacts themselves. Provision may be made for continuing modification in the light of experience in that operation.

Compacts between States have hithertofore been concerned with the natural or physical resources of the various States that have entered into them, while compacts envisaged under this resolution will be concerned with social

interests. There is, in fact, a precedent which may be recited in relation to this resolution, chapter 186, acts of 1911—Sixty-first Congress, United States Statutes at Large, volume 36, part 1, page 961—provides in part as follows:

The consent of the Congress of the United States is hereby given to each of the several States of the Union to enter into any agreement of compact not in conflict with any law of the United States, with any other State or States, for the purpose of conserving the forests and the water supply of the States entering into such an agreement or compact.

Not only is this an example of advance consent as provided by this resolution, but it is an indication of the interest of the Congress in conservation. Thus, it may be seen that the conservation of natural resources was recognized as a matter of national concern more than 20 years ago. Surely then it must be no less evident today that the conservation of the economic and social interests and resources of the several States should be a matter of not less importance and national concern.

Mr. WOLCOTT. I thank the gentleman.

There being no objection, the Clerk read the resolution as follows:

Joint resolution to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries

Resolved, etc., That the consent of Congress is hereby given to the several States to negotiate and enter into compacts or agreements among them or any of them providing for greater uniformity in the laws of the several States affecting the relation of employers and employees.

Mr. BOILEAU. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 1, line 3, strike out all of section 1 and insert in lieu thereof the following:

"That upon the request of the Governor of any State negotiating a compact or agreement with any other State or States the President may designate a representative to attend upon such negotiations."

Mr. BOILEAU. Mr. Speaker, I did not ask any questions of the gentleman from Massachusetts while he was attempting to secure unanimous consent for the consideration of the bill because I did not want any objections I may have had to the bill to start any discussion that might ultimately result in killing the bill.

I think it has a very good purpose, namely, that the Federal Government shall assist the various States in an effort to negotiate these agreements. I do not believe, however, that we should go as far as this bill goes. It is dangerous, because, as I see it, if two States were to enter into a pact or agreement and that pact or agreement were confirmed or approved by the Congress, there is no way in which the various States could get out from under the provisions of the agreement excepting and unless they again entered into another agreement canceling the first. The gentleman from Massachusetts stated to me privately when I was discussing the matter with him that undoubtedly these agreements or pacts would contain some provision which would enable the States to get out from under the provisions of such agreement once it became operative; however, I believe it is dangerous to enter upon a policy that makes it possible for two or more States to enter into an agreement that would be so binding there would be no possibility of those States repealing the same and no possibility of their changing their minds later on unless they got the consent of the other States with which they negotiated the treaty. Therefore, I offered the amendment which would have the effect of merely authorizing the President to designate some Federal Government official to collaborate with the States and assist them in entering into negotiations.

Mr. LLOYD. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Washington.

Mr. LLOYD. Will the gentleman answer this question: If one State did not want to abide by the agreement how could the agreement be enforced?

Mr. BOILEAU. That is the law.

Mr. LLOYD. But how could it be enforced?

Mr. BOILEAU. It would be enforced the same as any other law, as I understand it, and I confess I have not given this matter the thought and study that would justify me in making an objection that would kill the bill. That is what prompted me to refrain from interposing an objection to the consideration of the bill.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. Perhaps I can help the gentleman. When the proposed legislation was first suggested, it contained a provision that the conferees should be the States and a representative of the Federal Government. I was responsible for raising the point that the Federal Government had no business in these conferences among the States which dealt with matters peculiarly to the interests of the States themselves unless invited. As a compromise it was arranged that if the States themselves desired the assistance of the Federal Government they would notify the Federal Government to send a representative to the conference. We were anxious to get away from the notion that the Federal Government was dominating the conferences of States dealing with matters peculiar to the States' own interests.

Mr. BOILEAU. That is a fine position for the gentleman to take, and I believe my amendment accomplishes just that, because it provides that upon the request of the Governor of one of the States the President of the United States shall designate some official to assist in negotiations with the States. I do not believe that any agreement the States might enter into would be binding until Congress approved of the agreement. That is as I see it.

Mr. SUMNERS of Texas. May I make this statement to the gentleman? The gentleman is familiar with the fact that the only limitation imposed upon the right of the States to enter into an agreement is contained in the Federal Constitution. The Federal Constitution provides that agreements are not effective or binding unless they are approved by Congress. In this connection, may I say this—and I do so because it is of more than ordinary and passing interest. There is not so much reason for that provision in the Constitution now. As a matter of fact, it was incorporated in the Constitution in the beginning in order to prevent groups of States from getting together and breaking up the Union. We are now a Nation.

May I say just one more word, which will not take more than a minute, and then I will be through?

[Here the gavel fell.]

Mr. BOILEAU. I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. DONDERO. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Michigan.

Mr. DONDERO. Does the gentleman think if the States did enter into a pact, that the Federal Government could coerce any State in the Union to live up to that pact? I think that is the subject which the gentleman from Texas [Mr. SUMNERS] was just discussing. Could you coerce or force through the Federal Government the States to live up to any kind of a pact?

Mr. SUMNERS of Texas. No. I do not think so, with reference to the character of agreement which seems to be contemplated under this bill.

Mr. DONDERO. I do not think you could, either.

Mr. BOILEAU. May I ask the gentleman from Texas if there is any necessity for Congress to give the States authority to enable them to negotiate or to get together and talk over these pacts?

Mr. SUMNERS of Texas. I doubt whether you could coerce any State to do anything. I think this is in the nature of a treaty between sovereign States, but they may not make it unless they have the authority of Congress. That is all there is to it.

Mr. Speaker, there is one thing I want to say to my colleagues. Due to the enormous concentration of power in

the Federal Government and the fact we do not have the opportunity for decentralization that for instance England has, where it has physical separation among its territories, we are going to have to develop in America the policy of States that have things that are of common interest getting together and dealing with such interest without having to come to the American Congress in order to have it done for them. We will have to feel our way in that direction. This bill will help to give us a chance to see how it works.

Mr. BOILEAU. I agree with the gentleman perfectly. I simply want to bring out this point, if I may, and I believe the gentleman from Texas will agree with me. In order for the States to get together to negotiate a treaty it is not necessary that they have permission from Congress. They can get together and talk about a treaty and come to an agreement, but such a treaty is not binding until it is approved by Congress.

Mr. KELLER. Why?

Mr. BOILEAU. That is my understanding, under the Constitution. So we do not need this legislation in order to give them the right to talk these things over, and if we do not pass the legislation they can get together and negotiate and then submit their agreement to Congress and if Congress approves it, it becomes binding. As I understand it, the only real change in the law that would be accomplished by the enactment of this measure is to give the President of the United States the right to designate a Federal representative to deal with the States and assist them. Is not that correct?

Mr. SUMNERS of Texas. In order that we may save time, since other gentlemen are in a hurry to get on with the consideration of this calendar, I will say to my friend, without going into any detail, this is the usual procedure followed since the organization of the Government. I have not time to go into it further.

Mr. BOILEAU. I am going to take enough time to discuss my amendment. I did not object to the consideration of the bill because I did not want to be put in the position of stopping the legislation without giving it adequate consideration, but it seems to me that if the only thing to be accomplished is to give the President of the United States the right to designate an official to confer with the States we ought to give him that power and stop, because I think there is a lot of danger in giving this authority and permitting the States to go ahead and negotiate treaties with the approval of Congress that might possibly be irrevocable, so that even the action of one of the States could not change the effect of the treaty once they got into it. If the only purpose to be accomplished by the bill is to give the President the right to designate someone to assist the States and act with them, we ought to pass the bill with that language in, and that language only. I therefore have offered this amendment, which would have that desired effect.

The SPEAKER. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU].

The question was taken: and on a division (demanded by Mr. BOILEAU), there were—ayes 29, noes 32.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Upon the request of the States negotiating under this act the President may designate a representative to attend upon such negotiations.

SEC. 3. No such compact or agreement shall be binding or obligatory upon any State a party thereto unless and until it has been approved by the legislatures of each of the States whose assent is contemplated by the terms of the compact or agreement and by the Congress.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

GROVER CLEVELAND

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 33, the joint resolution (H. J. Res. 147) authorizing the erection of a monument to Grover Cleveland, in Washington, D. C.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

There being no objection, the Clerk read the joint resolution, as follows:

House Joint Resolution 147

Resolved, etc., That authority is hereby granted to any association organized within 2 years from the date of the approval of this resolution for that purpose, to erect a statue of Grover Cleveland, President of the United States, 1885 to 1889 and 1893 to 1897, in the city of Washington at such place as may be designated by the Fine Arts Commission, subject to the approval of the Joint Committee on the Library, the model of the statue so to be erected and the pedestal thereof to be first approved by the said Commission and by the Joint Committee on the Library, the same to be presented by such association to the people of the United States.

That for the preparation of the site and the erection of a pedestal upon which to place the said statue, under the direction of the Director of Public Buildings and Public Parks of the National Capital, the sum of $10,000, or so much thereof as may be necessary, is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

UNITED STATES MARSHALS

The Clerk called the next bill, H. R. 5456, relating to the powers and duties of United States marshals.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

LEECH LAKE BAND OF CHIPPEWA INDIANS IN MINNESOTA

The Clerk called the next bill, H. R. 2045, to set aside certain lands for the Leech Lake Band of Chippewa Indians in the State of Minnesota.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, is there a member of the committee present who can explain the purposes of this bill?

Mr. ROGERS of Oklahoma. Mr. Speaker, does the gentleman have a copy of the report?

Mr. WOLCOTT. Yes; and I have read it very carefully. The report does not say a thing or give any report, I think, probably, contrary to the rules, and that is why I am asking for information.

Mr. ROGERS of Oklahoma. If the gentleman will permit, the Committee on Indian Affairs acted on this bill pending a report from the Secretary of the Interior, because, as the gentleman will note from the report, the Commissioner of Indian Affairs appeared before the committee and said there was no objection to the bill. Since the committee acted, we have received a report from the Secretary, and he has approved the bill. The Secretary of Agriculture has also approved the bill as well as the Bureau of the Budget.

Mr. BACON. Who owns the lands now, may I ask?

Mr. ROGERS of Oklahoma. The Government owns the lands now.

Mr. BACON. They are public lands?

Mr. ROGERS of Oklahoma. Yes. The Indians formerly owned the lands, and the Indians were paid $2,000 for the lands. If the Indians are given the lands back, the bill provides that the Government shall be reimbursed $2,000 out of tribal funds. This will not cost the Government anything.

Mr. WOLCOTT. That is the reason I asked the question.

Mr. BACON. How much land is involved?

Mr. ROGERS of Oklahoma. It is just a small acreage, large enough for a townsite—200 acres.

Mr. WOLCOTT. In view of the gentleman's explanation, I withdraw the reservation of objection, Mr. Speaker.

There being no objection, the Clerk read the bill, as follows:

H. R. 2045

Be it enacted, etc., That the following-described lands are hereby withdrawn from the Minnesota National Forest Reserve under the Department of Agriculture and are hereby permanently reserved as Indian lands for the use of the Leech Lake Band of Chippewas in the State of Minnesota, without in any manner affecting exist-

ing reserves for church, cemetery, or other purposes, or individual rights and interests in said lands:

South half southwest quarter northeast quarter and lots 9 to 30, inclusive, section 17, township 142 north, range 30 west, fifth principal meridian, Minnesota, containing 168.44 acres.

Said Indians may take fish from the navigable waters adjacent to the above-described lands for their own use and not for sale without being amenable to the State game and fish laws of the State of Minnesota.

SEC. 2. Said lands are hereby permanently reserved for the use of the Chippewa Indians of Minnesota for village site purposes.

SEC. 3. The Secretary of the Interior is hereby authorized to withdraw from the Chippewa tribal fund now held in trust in the Treasury of the United States a sufficient sum to reimburse the United States for any moneys paid said Chippewa Indians for these lands.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO ASSIST LATIN AMERICAN REPUBLICS IN MILITARY AND NAVAL MATTERS

The Clerk called the next bill on the Consent Calendar, H. R. 3482, to amend the act of May 19, 1926, an act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the Governments of the Latin American Republics in military and naval matters.

The SPEAKER. Is there objection?

Mr. YOUNG. I object.

Mr. EDMISTON. Will the gentleman reserve his objection?

Mr. YOUNG. I will.

Mr. EDMISTON. I think the gentleman misunderstands this. We had this up before by unanimous consent. This has nothing to do with Latin American countries.

Mr. YOUNG. I might say that that is the reason for my objection. If this had anything to do with Latin American countries I would not object, because the Latin American countries are in our own backyard. More than a hundred years ago, in announcing the Monroe Doctrine, we were protecting things in our own backyard. This has relation to the Philippine Islands, many thousand miles away.

Mr. EDMISTON. Does the gentleman believe that during this 10 years of the formative period we should not assist them, show them the courtesy of loaning our officers of the Marine Corps to direct them in preparation for national defense?

Mr. YOUNG. I am not convinced, and I object.

PAWNEE TRIBE OF INDIANS OF OKLAHOMA

The Clerk called the next bill on the Consent Calendar, H. R. 4376, for the relief of the Pawnee Tribe of Indians of Oklahoma.

The SPEAKER. Is there objection?

Mr. TRUAX and Mr. WOLCOTT objected.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent at this point that I be permitted to insert in the RECORD a letter from the Comptroller General of the United States, showing that this claim was settled by the United States Government through an act of Congress, in which Congress paid this Indian tribe for the very land that this bill now provides that this tribe should be reimbursed for. That was by act of Congress, March 3, 1875.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TRUAX. Reserving the right to object to the gentleman's request, and I shall not object, I should like to say that there are other bills on this calendar that are just as vicious as this bill, which would take $57,000 interest out of the Treasury on these claims that have already been paid.

Mr. COCHRAN. The Committee on Expenditures recently held hearings, which showed that Congress has passed legislation sending cases to the Court of Claims, setting aside the statute of limitations, and the claims amount to three and one-quarter billion dollars.

The hearings before the Committee on Expenditures disclose that the Congress since 1924 passed 110 bills which empowered the Court of Claims to hear cases growing out of claims filed by Indian tribes in which they held they were entitled to money as a result of treaties, acts of Congress, and Executive orders. Some of the claims go back to 1779. There were no limitations. The bills appeared harmless, no amount being named therein, and in every instance they passed under unanimous consent, always being placed on the Consent Calendar. There are two dozen such bills pending now before House and Senate committees, one having been reported and is on the Consent Calendar. Some of the bills give the Government the right to offset the claims by showing money advanced and gratuities the Indians had received, but in many of the laws there is no provision for offsets.

It cost the General Accounting Office $157,000 and took 7 years for that office to secure evidence for the Department of Justice to oppose one claim amounting to over $250,000,000. That case has not been tried. No matter the result, the General Accounting Office spends thousands of dollars in securing evidence to present to the court. The bills further provide the General Accounting Office must turn over its records to the attorneys for the claimants. Congress in the future, I am sure, is going to go slow before passing any additional bills of this kind.

The Indian Bureau does not know what is going on. All bills such as this one and future bills granting jurisdiction to the Court of Claims to hear cases should be referred to the Attorney General and the Comptroller General and not to the Indian Bureau or Secretary of the Interior.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The letter is as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, March 25, 1935.

Hon. JOHN J. COCHRAN,
Member of Congress, House of Representatives.

MY DEAR MR. COCHRAN: Further reference is made to your letter of March 11, 1935, forwarding a copy of H. R. 4376, Seventy-fourth Congress, first session, entitled "A bill for the relief of the Pawnee Tribe of Indians of Oklahoma", and requesting to be advised whether this office has ascertained from the accounting records the gratuity payments made by the United States to this tribe.

No statement from the accounting records showing gratuity or other payments to the Pawnee Tribe of Indians of Oklahoma has been prepared, for the reason that no suit has been authorized and no claim filed heretofore on behalf of these Indians which would necessitate its preparation, and no report has been requested by the committee for use in its consideration of this bill or identical bills introduced in prior Congresses.

The bill H. R. 4376 provides as follows:

"That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $20,479.50, together with interest at the rate of 5 percent per annum from the 5th day of February 1878, due the Pawnee Tribe of Indians in the State of Oklahoma, on account of a deficiency of 4,800 acres in the area of the reservation under the treaty of September 24, 1857 (11 Stat. L. 279 [729 correct]), at $4.25 an acre; and to cover compensation for railroad rights-of-way for which no payment was ever made to the tribe."

With reference to that part preceding the semicolon, line 10, you are advised as follows:

Under the terms of article 1 of the treaty of September 24, 1857 (11 Stat. 729), the confederated bands of Pawnee Indians ceded and relinquished to the United States all their right, title, and interest in and to all the lands owned or claimed by them, with the exception of a tract of land, contained within said cession, which was set apart as a reservation for the Pawnee Indians and described as "30 miles long from east to west by 15 miles from north to south, including both banks of the Loup Fork of the Platte River, the east line of which shall be at a point not farther east than the mouth of Beaver Creek." The survey of said tract of land was completed in 1873. In 1874 a resurvey was made of the eastern boundary line of said reservation, and it was ascertained by the resurvey that the east and west lines were but 29½ miles apart instead of 30 miles, thus leaving a deficiency in the proper area of the reservation of 4,800 acres. (See Annual reports of the Commissioner of Indian Affairs for 1873 and 1874, pp. 16 and 36, respectively.)

In the following year, 1875, an appropriation was made to indemnify the Pawnee Tribe of Indians for the aforesaid deficiency of 4,800 acres of land. See the act of March 3, 1875 (18 Stat. 448), the pertinent provision of which is as follows:

"For this amount, to indemnify the Pawnee Indians for 4,800 acres of land erroneously excluded from their reservation in Nebraska by the survey of the boundary line thereof, $6,000."

The amount, $6,000, was set up on the books of the United States Treasury under the heading "Payment to Pawnees for lands excluded from reservation", and an examination of the records of this office discloses that the entire sum of $6,000 was disbursed for the benefit of the Pawnee Tribe of Indians in the fiscal year 1876.

It thus appears that the Pawnee Indians were compensated for the entire 4,800 acres of land erroneuosly excluded from their reservation in the amount of $6,000, or $1.25 per acre, which must have been regarded by the Congress as a proper settlement at the time provision therefor was made. In this connection, see act of June 10, 1872 (17 Stat. 391), which fixed $1.25 per acre as the minimum price at which lands within this reservation were authorized to be sold. This law was still in effect at the time the above-mentioned settlement was made.

It would appear from the report on this bill, House Report No. 286, of the Committee on Indian Affairs, that the committee was not aware of the settlement heretofore made, and the committee may now wish to give the matter further consideration.

If notwithstanding the fact that in 1875 these Indians were allowed what was then considered a fair price for the 4,800 acres of land, the sponsors of the bill feel that the tribe should have been paid for the 4,800 acres of land at the rate of $4.25 per acre instead of $1.25 per acre, it is suggested the bill be amended to provide for an additional payment of $3 per acre instead of $4.25, making a total of $14,400 instead of $20,400, and to provide for the deduction from the payment of any amounts disclosed by the accounting records to have been paid to the tribe as gratuities.

As to the other item included in the bill, being $79.50, "to cover compensation for railroad rights-of-way for which no payment was ever made to the tribe", neither the bill nor the committee's report thereon discloses any details as to the particular period, authorization, location, or area of the land involved therein, or any reasons why the allowance should be made at this time.

I trust the foregoing will be helpful in your consideration of the bill.

Sincerely yours,

J. R. McCARL,
Comptroller General of the United States.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to speak on this bill. The statement has been made that this is "with other vicious bills." I think I am entitled to make this statement in the RECORD. The council for the tribe proposed this legislation 2 or 3 years ago and the bill was introduced and went to the Committee on Indian Affairs. The Indian Affairs Committee requested a report from the Indian Bureau. The Bureau reported favorably on the bill, to the effect that a survey had omitted 4,800 acres for which the Indians had never been paid. It was agreed by the Bureau that $4.50 an acre for this land was a proper amount that should be paid the Indians for the property.

Mr. COCHRAN. The letter I have comes from the Comptroller General of the United States.

Mr. DISNEY. I am going to say that, if the gentleman will give me time. The Indian Bureau never mentioned the idea of the claim having been paid, nor did I ever hear of such a thing until less than an hour ago, when the gentleman from Missouri [Mr. COCHRAN], and I think very properly so, called my attention to the fact that he had a very recent report—I do not know the date, but evidently within the last few days—from the Comptroller General to the effect that years ago the claim had been paid and the money used by the Government for the benefit of the Indians. I am very glad that he put the statement from the Comptroller General in the RECORD, because if these are the facts nobody has a right to make any such claim. I think it is fair that he does put it in the RECORD. I want to know what the facts are. The Indian Bureau, since I have been in Congress the last 4 years, never made this suggestion, that this claim has ever been paid, and I never heard of such a thing until today. So the bill is not necessarily a "vicious bill", in the language of the gentleman from Ohio [Mr. TRUAX], because the Indian Bureau did not know that the claim had been paid, if it has been paid, and, further, this is the first time it has been on the calendar this year, and it now develops that it may have been paid.

Mr. MOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MOTT. Is this academic discussion of this bill in order?

The SPEAKER. The gentleman from Oklahoma is speaking under unanimous consent.

Mr. DISNEY. And not necessarily in an academic way. I thought I was giving the House some facts.

Mr. MOTT. I understand the bill has been objected to.

Mr. DISNEY. Mr. Speaker, I do not yield to the voluntary interruption of the gentleman from Oregon.

The SPEAKER. The gentleman from Oklahoma was allowed 2 minutes.

Mr. DISNEY. I did not understand that I was restricted to 2 minutes. I wanted a moment or two to discuss it, and I have not intruded upon the House, and I surely do not enjoy being intruded on to no effect. Here is the report of the Secretary of the Interior to the House Committee on Indian Affairs.

[H. Rept. No. 286, 74th Cong., 1st sess.]

PAWNEE TRIBE OF INDIANS OF OKLAHOMA

The Committee on Indian Affairs, to whom was referred the bill (H. R. 4376) for the relief of the Pawnee Tribe of Indians of Oklahoma, having considered the same, report thereon with a recommendation that it do pass without amendment.

The views of the Department are expressed in a letter from the Secretary of the Interior, relative to an identical bill (H. R. 9606) of the Seventy-third Congress. The letter follows:

DEPARTMENT OF THE INTERIOR,
Washington, June 14, 1934.

Hon. EDGAR HOWARD,
Chairman Committee on Indian Affairs,
House of Representatives.

MY DEAR MR. CHAIRMAN: Further reference is made to your request for report on H. R. 9606, a bill for the relief of the Pawnee Tribe of Indians of Oklahoma.

This bill is for the same purpose as H. R. 4503 and H. R. 6007, upon which a report was submitted to your committee under date of April 28, 1934.

The bills last above mentioned authorized an appropriation of $6,079.50, for loss by the Indians of 4,800 acres of land representing a shortage in the reservation, and payment for rights-of-way of $79.50. The value of the shortage in acreage of the reservation lands was computed at $1.25 an acre.

The reservation was granted these Indians by the treaty of September 2, 1857 (11 Stat. L. 1179). The treaty provided that the reservation should be 30 miles long and 15 miles wide, but after the survey had been completed it was found that the reservation was 29½ miles long, resulting in the shortage in the acreage abovementioned. This shortage was mentioned in the report of the Commissioner of Indian Affairs for 1874, page 36.

A proposal has heretofore been made to pay these Indians $1.25 an acre for their land, on the theory that that was the usual price for land of this nature. However, it has recently been brought to our attention that authority was not given to sell the land of the Indians until 1876, when Congress enacted legislation for that purpose. (See the act of Apr. 10, 1876; 19 Stat. L. 28.) The act provides that the lands should be appraised and sold, but the minimum price should not be less than $2.50 an acre. The lands were opened to sale by the General Land Office circular of February 5, 1878, and the different tracts of land on the reservation brought from $2.50 to $6 an acre.

The bill now here authorizes the payment to these Indians of $20,479.50, with interest at 5 percent from February 5, 1878, at $4.25 an acre, which is the average price for other Pawnee Reservation lands sold under the above act. It is believed that this is only fair to the Indians, and would be no more than sufficient compensation for the shortage in their reservation.

Favorable reports have been made heretofore on H. R. 4503 and H. R. 6007, which carried authority for an appropriation of only $6,079.40.,

While I favor legislation carrying the compensation provided by the instant bill, the Director of the Bureau of the Budget, under date of June 6, advised that the proposed legislation would not be in accord with the financial program of the President.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

It will be noted that the Secretary of the Interior states that he favors legislation, carrying the compensation provided by the identical bill (H. R. 9606) of the Seventy-third Congress, but that on June 6, 1934, the Bureau of the Budget advised that the proposed legislation would not be in accord with the financial program of the President.

During the consideration of H. R. 4376 of the Seventy-fourth Congress, the Commissioner of Indian Affairs appeared before the committee and stated that the Department has no objection to the passage of this bill.

Mr. ROGERS of Oklahoma. Mr. Speaker, I would like to say, on behalf of the committee that considered the bill, that the letter sent by the Secretary of the Interior reviewed all of the facts in the case and acknowledges it to be a just debt. It did not say it had been paid.

Mr. COCHRAN. The letter I put in the RECORD is from the Comptroller General, dated March 25, 1935.

POST-OFFICE BUILDING, JONESBORO, ARK.

The Clerk called the bill (H. R. 6290) to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to acquire by purchase, condemnation, or otherwise, as an addition to the post-office site at Jonesboro, Ark., such portion of the 15-foot public alley north of the site as may be necessary to provide appropriate means of access to the loading platform of the building as extended and remodeled under authority of the act of Congress (46 Stat. 1595), approved March 4, 1931.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SAN FRANCISCO EXPOSITION, 1938

The Clerk called House Joint Resolution 151, authorizing and requesting the President to invite the countries of the world to participate in the San Francisco Exposition of 1938 at San Francisco, Calif.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I object.

DEMURRAGE ON COLLECT-ON-DELIVERY PARCELS

The Clerk called the bill (H. R. 5540) excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object. Is the author of the bill present?

Mr. HOBBS. Yes.

Mr. TRUAX. The purpose of this bill seems to be to reduce charges by the Post Office Department on certain classes of mail. Am I correct?

Mr. HOBBS. Yes.

Mr. TRUAX. I am wondering if the gentleman would be willing to suggest to the Post Office Department that they also reduce the rates on first-class mail from 3 cents to 2 cents an ounce.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of May 23, 1930 (46 Stat. 377; 39 U. S. C., Supp. VII, sec. 246c), is hereby amended to read as follows:

"That under such regulations as the Postmaster General may prescribe, any collect-on-delivery parcel which the addressee fails to remove from the post office within 20 days from the first attempt to deliver or the first notice of arrival at the office of address may be returned to the sender, charged with the return postage, whether or not such parcel bears any specified time limit for delivery; and a demurrage charge of not exceeding 5 cents per day may be collected when delivery has not been made to either the addressee or the sender until after the expiration of the prescribed period: *Provided*, That no demurrage shall be charged on collect-on-delivery parcels exchanged between post offices in continental United States and post offices in the Territories and island possessions of the United States."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions."

A motion to reconsider the vote by which the bill was passed was laid on the table.

REPATRIATION OF CERTAIN NATIVE-BORN PERSONS

The Clerk called the bill (H. R. 3023) to provide for citizenship to persons born in the United States, who have not acquired any other nationality by personal affirmative act, but who have heretofore lost their United States citizenship through the naturalization of a parent under the laws of a foreign country, and for other purposes.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, we should have further time to consider the bill, and I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

COMPENSATION FOR POST-OFFICE INSPECTORS

The Clerk called the bill (H. R. 3612) to provide for adjusting the compensation of post-office inspectors and inspectors in charge to correspond to the rates established by the Classification Act of 1923, as amended.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. I wish the author would explain the bill. This means increasing compensation of post-office inspectors, does it not?

Mr. DOBBINS. Yes. The purpose of this bill is to place the field forces of the Post Office Department under the same classification arrangements as to salaries, grades, and promotions as apply to all of the field forces of the other executive departments.

Mr. TABER. What classification are they now?

Mr. DOBBINS. They are required to be automatically promoted during the first 5 years. It results in the promotion of some who would not be selected for promotion otherwise and occasionally retards the deserved promotion of others who have performed rather distinguished service under trying or dangerous conditions. I would say to the gentleman that at the present time the salaries and grades for Post Office inspectors run from $2,800 to $4,500. They are automatically promoted during the first 5 years, so that there are only 70 who are now drawing a salary less than $3,800. Of the 540 inspectors, the remaining 470 of them are in the grades from $3,800 to $4,500. This bill does not propose to disturb their present pay at all but to regulate promotions in the future as they are in the Revenue Service, in the Customs Service, and in the other field services of the departments. The Post Office Department is the only one excepted from that otherwise uniform procedure.

Mr. TABER. What will the salary of these people be under this bill?

Mr. DOBBINS. This does not propose to change the salaries or grades. They run from $2,800 up to the highest grade of $4,500.

Mr. TABER. It will not go higher than it did before?

Mr. DOBBINS. This does not propose to change the salary grades at all, but simply to apply to them the same provisions of the general law that apply to other field forces.

Mr. TRUAX. Will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. TRUAX. I wonder if the employees affected have approved of this bill?

Mr. DOBBINS. We held hearings on it before the Committee on the Post Office and Post Roads, and there were no objections raised. The chief inspector approved it, and I believe there was another representative of the Department present, but I cannot remember who it was. I think it is generally approved by the forces in the Department, however. It is a very fair measure and is expected to promote even greater efficiency than prevails under the present system.

Mr. TRUAX. I questioned the fact because the postal employees are usually quite active in their own organization and we usually hear from them when there is legislation affecting them, but if the gentleman assures me it is acceptable to the employees affected, I have no objection.

The SPEAKER. Is there objection?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to adjust the compensation of post-office inspectors and inspectors in charge in the post-office inspection service to correspond, so far as may be practicable, to the rates established by the Classification Act of 1923, as amended, for positions in the departmental service in the District of Columbia. Any appropriation now or hereafter available for the payment of the compensation of post-office inspectors and inspectors in charge shall be available for payment of compensation in accordance with the rates adjusted in accordance with the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING MERCHANT MARINE ACT, 1920

The Clerk called the next bill, S. 619, to amend section 27 of the Merchant Marine Act, 1920.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That section 27 of the Merchant Marine Act, 1920, as amended, is amended by striking out the final period and inserting in lieu thereof a colon and the following: "*Provided further*, That this section shall not apply to merchandise loaded on railroad cars and transported in any railroad-car ferry operated between fixed termini on the Great Lakes as part of a rail route or to railroad freight traffic transported in any vessel as part of a rail and water route pursuant to rail and water rate tariffs, if such car ferry or vessel is owned by a common carrier by water and operated as part of a rail route with the approval of the Interstate Commerce Commission, and if the stock of such common carrier by water, or its predecessor, was owned or controlled by a common carrier by rail prior to June 5, 1920, and if the stock of the common carrier owning such car ferry or vessel is, with the approval of the Interstate Commerce Commission, now owned or controlled by any common carrier by rail and if such car ferries and vessels are documented under the laws of the United States."

With the following committee amendments:

Page 1, line 3, insert after the figures "1920" the following: "(U. S. C., title 46, sec. 883)."

Page 1, line 7, after the word "to", insert the words "the transportation of."

Page 1, line 8, strike out the word "and" and insert "or to motor vehicles with or without trailers, and with their passengers or contents, when accompanied by the operator thereof, when such railroad cars or motor vehicles are."

Page 2, line 1, strike out the words "or to railroad freight traffic transported in any vessel."

Page 2, line 2, strike out all of the line.

Page 2, line 3, strike out the words "rate tariffs."

Page 2, line 3, strike out the words "or vessel."

Page 2, line 9, strike out the words "or vessel."

Page 2, lines 11 and 12, strike out the words "ferries and vessels are" and insert the words "ferry is built in and."

The committee amendments were agreed to.

Mr. RABAUT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, ladies, and gentlemen, the purpose of the amendments as set forth in S. 619, which is an act to amend section 27 of the Merchant Marine Act of 1920, engages my attention because of the operation of the car ferries from St. Ignace to Mackinaw and also crossing Lake Michigan. It was brought out before the committee by Capt. E. H. Doner, of St. Ignace, Mich., who holds the position of superintendent of the State-owned car ferries, and who testified before our committee that the State enters into contract for the winter months with the Mackinaw Transportation Co., owners and operators of an ice-crushing steamer that successfully keeps the lane open between Mackinaw City and St. Ignace. Upon inquiry from the distinguished chairman of the committee, Congressman Bland, Captain Doner explained that the ice crusher is one-third Canadian owned, which percentage of ownership is not according to the requirements as now set forth. But Captain Doner further testified that the State of Michigan owned ferries were not competent to break the ice across the straits and for that reason the business was turned over to the Mackinaw Transportation Co. during the winter months.

Were this act to amend section 27 of the Marine Act of 1920 not to pass it would necessitate the building of an ice-crushing steamer by the State of Michigan and the reconditioning of docks at Mackinaw City and St. Ignace, incurring a cost of about a million dollars and as this cost would come, strange as it may seem, from the road department having these ferries in charge, it would mean a curtailment in the highway program of the State to the extent of a million dollars. The paving program of the State therefore would suffer. Accordingly, Mr. Speaker, the passing of the bill will prove a tremendous saving to the State of Michigan, and at the same time protect the rights of the traveling public wishing to cross the straits in motor vehicles both as to passengers in passenger cars and as to trucks and their contents. Even the hunter takes this route to the northern lands of Michigan and the returning course bears evidence of the trophies of the chase.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL PULASKI'S MEMORIAL DAY

The Clerk called the next business, House Joint Resolution 107, authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The SPEAKER. Is there objection?

There was no objection.

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent that Senate Joint Resolution 21 be substituted in lieu of House Joint Resolution 107.

The effect of the request which I make would be to cause the law, when enacted, to authorize and direct the President of the United States to issue a proclamation calling upon officials of the United States Government to display the flag of the United States on all Government buildings on October 11 of each year, and inviting the people of the United States to observe the day in schools and churches, or other suitable places with appropriate ceremonies in commemoration of the death of Gen. Casimir Pulaski.

The only change which the request will make will be to authorize and direct the President to do what is provided to be done by him each year on October 11 rather than to do it only once, on October 11, 1935.

Mr. Speaker, the commemoration of the death of General Pulaski is a worthy act, and his death should be commemorated annually. General Pulaski was a true patriot. Born in Poland, where his father and brothers had died for Polish liberty, he came to our shores and volunteered his services to Washington in the Revolutionary War in 1777. These services were of so high a character, especially in the Battle of Brandywine, that he was promoted by the Congress to a Cavalry command, with the rank of brigadier general. He afterward organized an independent corps of Cavalry and Light Infantry, operating effectively under General Lincoln in South Carolina. He was mortally wounded in action in the siege of Savannah, Ga., and died on October 11, 1779.

The Polish people in their own land have been an oppressed people. They have fought and struggled bitterly for their own freedom. They appreciate liberty. They respect constituted authority. The Polish people in the United States are good citizens—home-loving and law-abiding, with a pride in the country of their adoption. They should be encouraged in this pride.

Let us pass this resolution calling for annual commemoration of the death of the great Polish-American hero, General Pulaski, as an expression of our appreciation of the contribution of Poland and the Polish people to the history of our country.

I trust that the substitute will be unanimously consented to.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. SUMNERS of Texas. Reserving the right to object, I think it is fair to the House to have you understand the effect of that request. The House resolution limits the operation of this proposed law to this year. The House bill provides that the President of the United States shall issue a proclamation to the people of the United States with regard to the display of flags, and so forth, for this year. The Senate bill makes Pulaski Day a permanent thing.

Mr. KENNEY. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. KENNEY. Does not the gentleman think we ought to do that for a man who dedicated his life to us on the altar of freedom?

Mr. SUMNERS of Texas. Well, I was not talking about the altar of freedom yet. I was trying to explain the bill. I think the House ought to understand just what the bill means. The Senate bill makes this an annual matter, calling upon the President of the United States to issue a proclamation each year.

Mr. PETTENGILL. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. PETTENGILL. What reasonable objection is there to substituting the Senate resolution and making it a permanent matter? What is the objection?

Mr. SUMNERS of Texas. I am explaining what the bill is. It may turn out there will not be any objection. After all, we are comparatively a young country. General Pulaski rendered a great service to this country. I used to go to a town in Texas named Pulaski. All over this country are towns of this name. There are monuments erected to him, and he is honored in other ways.

Mr. KENNEY. Of course, the Revolutionary War was the most important war this Nation has fought, the war that gave us our independence, and General Pulaski was one of the greatest of our leaders who gave us our liberty.

From the day of his birth in Podolia, in 1748, until his tragic death at Savannah, Ga., in 1779, Casimir Pulaski breathed the air of liberty and knew what it was to battle the dread monster, oppression.

By honoring him we shall pay just tribute to a great patriot and, by so doing, shall recognize Poland's contribution to our liberty and civilization. It will be an example to our children of Polish extraction and all true Americans. His unselfish devotion to the cause of freedom and this liberty-loving land of ours will be the object of emulation by the younger generation, if we but now confer a belated honor to his memory by establishing Pulaski's Day not for a day, but for the years to come.

Congress now has the opportunity of making "the amend honorable", and I have the greatest faith that this body shall not fail to grasp it. Long ago Congress, by legislation, voted to erect a monument to his sacred memory, but, strange to relate, its action was never carried into effect. Pulaski did not fail our country; we shall not, I am sure, fail him now. Therefore, we must, if we act rightly, substitute the Senate bill or else reject the committee amendment so as to commemorate for all time this great general and hero of the Revolutionary War.

Coming to America in 1777 he presented himself to Gen. George Washington and offered his valued services to the Continental Army. He immediately showed his dash and brilliancy at Brandywine. Congress was quick to see his worth and made him a brigadier general and chief of cavalry. He was given command of his own legion—Pulaski Legion it was called—named for him. Valiantly he fought for 2 years, distinguished for bravery and military success. He won many laurels as is so well known by every school boy and girl. He was one of the foremost heroes of the war. Our debt to him is huge. Finally he gave up his life for our heritage, having been wounded mortally at Savannah, on October 11, 1779. Our purpose shall be, indisputably, to pay him a mark of respect, not only on that day of this year, but we shall authorize the President to issue his proclamation calling upon all officials of the Government to display our flag on all Government buildings on October 11 of this and each year in the future and inviting our people to observe the day in schools and churches, or other suitable places, with appropriate ceremonies or exercises in commemoration of the death of this great Polish-American hero.

My State of New Jersey has already honored Casimir Pulaski. The great highway structure erected between Jersey City and Newark, forming part of a great transcontinental highway, has been dedicated to his memory and is nationally known as the "General Pulaski Skyway." Honor to General Pulaski is honor where honor is due. He established a precedent for the great population of Polish people who came to America, a precedent and example that has had a salutary effect and is responsible in great measure for their love of America and its institutions and for their devotion and loyalty to this great country, whose citizenship they readily embrace. Let us pay all due respect and honor to the great Pole and American hero today, and for all time. It cannot be gainsaid that General Pulaski is one of the great heroes to whom we owe our independence and our liberty.

Mr. SUMNERS of Texas. The gentleman is correct.

Mr. COCHRAN. This bill does not create a national holiday.

Mr. SUMNERS of Texas. No; it does not.

Mr. COCHRAN. It simply provides recognition of this great patriot who came to our country and gave up his life that the country might be free. There are millions of people now citizens of this country who came here from Poland and who celebrate annually General Pulaski Day. I cannot, for the life of me, see any objection to making this an annual affair rather than an affair for just one year.

Mr. SUMNERS of Texas. I have no personal objection to it.

Mr. MEAD. I would suggest to the distinguished gentleman from Texas that we might as well settle this important question definitely right now. Otherwise the gentleman's committee will have a similar resolution to consider in the next session. I hope the Chairman of the Judiciary Committee will accept the Senate resolution which sets aside October 11 of each year to honor the memory of Gen. Casimir Pulaski, whose great service played such an important part in winning the War of the Revolution.

Mr. KOPPLEMANN. Mr. Speaker, House Joint Resolution 107, which sets aside October 11, 1935, as a national holiday in commemoration of Gen. Casimir Pulaski, while somewhat applauding the courage and daring of this Polish patriot, actually, because it necessitates a separate resolution each year, setting aside this holiday, seems to play a sort of game with the pride of the Polish people, who have embraced American citizenship, but whose natural affection for the heroes of their nation can never die out.

This resolution but weakly pays tribute to General Pulaski, who by his noble sacrifice in the cause of the American Colonies, has endeared himself forever in the hearts of Americans.

The resolution which would proclaim October 11, 1935, as General Pulaski's Memorial Day attempts to give recognition to the achievements of General Pulaski, and through them recognition of the contributions given to America by the Polish people. Why belittle our laudation by requiring separate legislative action each year in order to proclaim this holiday? At least 17 States have, through legislative enactment, designated October 11 of each year as General Pulaski's Memorial Day. The legislatures of other States have this matter up for similar consideration.

If the sentiment of so many individual States is for setting aside October 11 as a permanent holiday in memory of General Pulaski, Congress should also adopt the resolution which is now pending in the Senate and which would always make October 11 a holiday in memory of the man whose death was caused by wounds incurred while he was fighting for the Thirteen American Colonies. Surely his greatness, his suffering, his martyrdom to this country deserves that we take no half-way measures but instead freely acknowledge our debt to the Polish people by proclaiming the anniversary of his death permanently a holiday. It is only proper and just that we adopt the resolution which is now pending in the Senate.

The contribution of the Polish people to the American civilization is an important one. The Poles who have come to our shores have enriched our country in countless ways. A holiday in honor of one of their heroes who gave his all for our country will bring them pride and gratification, but that pride and gratification will be embittered unless we do the right thing—pay them the recognition which is due them by adopting a resolution calling for a permanent holiday on October 11 such as they themselves want.

I personally cannot support this resolution which requires separate legislative action each year to proclaim the anniversary of the date of the death of General Pulaski a holiday. It is a privilege to vote for the substitute Senate Joint Resolution No. 21, which is now before us, and which at once would designate this day for all time a day of commemoration and recognition to the Poles of America.

There being no objection, the Clerk read the Senate resolution, as follows:

Senate Joint Resolution 21

Joint resolution authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of West Virginia, Illinois, Michigan, Tennessee, Indiana, Wisconsin, New York, Nebraska, Texas, Minnesota, Delaware, Maryland, Arkansas, New Hampshire, Pennsylvania, Missouri, Ohio, Louisiana, Massachusetts, New Jersey, Kentucky, South Carolina, Connecticut, California, Nevada, and other States of the Union, through legislative enactment have designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929; October 11, 1931; October 11, 1932; and October 11, 1934, to be General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the death of this great American hero of the Revolutionary War: Therefore be it

Resolved, etc., That the President of the United States is authorized and requested to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11 of each year, and inviting the people of the United States to observe the day in schools, churches, or other suitable places, with appropriate ceremonies commemorating the death of Gen. Casimir Pulaski.

The resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

House Joint Resolution 107 was laid on the table.

EXTENSION OF REMARKS

Mr. PETTENGILL. Mr. Speaker, in view of the fact a very large number of the Members of the House are interested in the resolution which has just been passed, I ask unanimous consent that all Members have 5 legislative days within which to extend their remarks on the resolution just passed.

Mr. SUMNERS of Texas. Mr. Speaker, I join in this request.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. FENERTY. Mr. Speaker, this resolution should not be limited by any amendment. The committee's amendment would restrict the observance of the memorial day to this year. This, I believe, is unjustly restrictive of the glory which the illustrious Polish-American soldier won for our infant Nation on the battlefields of the American Revolution. There can be no valid reason for limiting the commemoration of the virtues of such an outstanding and heroic figure to any one year. Just as his memory is greater than all the ages, so the observance of his achievements should be equally enduring and perpetual.

There is but one way to make this commemoration coextensive with his character. General Pulaski Memorial Day must occur in each and every year so that American children will constantly have before them the inspiration of his life and the memory of his heroic death at the siege of Savannah. Let us now substitute for this resolution the one that has already passed the Senate of the United States—Senate Joint Resolution 21—wherein it is provided that the memorial day commemorative of General Pulaski's death shall be observed in each year while the Nation lasts. There should not be a dissenting voice in this House in the overwhelming passage of this resolution.

Shortly after the opening of this session of Congress I introduced a resolution which not only directed the President to proclaim October 11 of each year as General Pulaski's Memorial Day but also authorized the Postmaster General to issue a special series of postage stamps in honor of the beloved Polish patriot. It is in every sense appropriate that we should thus extend merited recognition to the valorous son of a land that in 1932, during our celebration of the George Washington Bicentennial, issued a postage stamp with the engraving of the first President of our country. So, in honoring the courage and fidelity of Pulaski, we are similarly paying tribute to the brave land that gave him birth and gladly yielded him to us in our effort to liberate America from British rule.

The name of Pulaski was holy and revered even before he volunteered his services to the great American Commander in Chief. Even yet the Russian trembles as he reads of the death struggle at Okope. Mention the name of Pulaski within the gray old walls of the fortress of Czenstokow and each moss-covered stone and silent gun chamber becomes vocal with heroic praise. Speaking for himself and of himself, he says:

I regarded every moment as lost which was not employed in repelling the enemies of my country. I have endeavored to mark my course by an invincible fortitude. Neither the blood of one of my brothers, which was shed by the enemy before my eyes, nor the cruel servitude of another, nor the sad fate of so many of my relations and compatriots has shaken my patriotism. I declare before God and before all the powers of Europe that my heart is an utter stranger to crime. My thoughts and actions have had no other end than the good of my country.

Casimir Pulaski truly exemplified that love of liberty that has in every age characterized the Polish people and in other days made Poland the last refuge of Western civilization against the unrelenting destruction of the Turks. With the loss of his home, his fortunes, his family, with liberty crushed under the feet of a cruel invader, Pulaski looked from his own land across the seas and observed in the young republic of the West a new field for vindicating with his sword the same undying principles for which he had wielded it in his own fair land. Learning of his desire to follow the cause of Washington, Benjamin Franklin, who was then in Paris favored him with a letter to Washington, in which he said:

Count Pulaski, of Poland, an officer famous throughout Europe for his bravery and conduct in defense of the liberties of his country against the three invading powers of Russia, Austria, and Prussia, will have the honor of delivering this into your hands. The court here have encouraged and promoted his voyage from an opinion that he may be highly useful in our service.

Arriving in Philadelphia in the summer of 1777, he soon found service with Washington, Greene, Sullivan, and Lafayette at the Battle of the Brandywine.

To General Pulaski we owe the formation of our American Cavalry and the success of the American forces upon many a hard-fought field was in greatest measure due to his ability and his admired leadership. He was universally recognized as the most expert horseman in the American Army, and not the least among his contributions to the efficiency of Washington's cavalry was the knowledge of equestrianship that he imparted to it.

Mortally wounded at the siege of Savannah on October 9, 1779, the brave Pole died 2 days later on the ship, the *Wasp*, and his body was consigned with military honors to a watery grave, and today he sleeps where the ebbing tide of the Savannah commingles with the waves of the vast Atlantic. The best beloved of Mars, he sleeps in the arms of Neptune.

Such, Mr. Speaker, was the noble soul for whom we today plead for remembrance and honor. In the passage of this resolution it is little that we do, compared with that chivalry which led him, in the spirit of the crusader, to give to our country the last full measure of his devotion. As long as America lives, American hearts will thrill to the name and the fame of Poland's immortal son. As long as the sun shines on the waters of the Savannah, the spirit of Poland embodied in the memory of Casimir Pulaski shall stand on guard at the portals of the Republic he so devotedly loved.

Mr. CITRON. Mr. Speaker, under leave to extend my remarks concerning House Joint Resolution 107, a joint resolution authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, which resolution I introduced and which was passed today, substituted by Senate Joint Resolution 21, I am happy to state that it is a distinct honor to this hero of our Revolutionary War that the resolution passed without a dissenting vote.

I am particularly pleased that we have authorized the President to proclaim October 11 of each year a memorial

day, because it is a fitting tribute to one who gave up his life in the service of our country, as General Pulaski did.

The many citizens of our country who came to our shores from Poland, or whose ancestors came from that country, may well feel pride in knowing that their gallant countryman has been so signally honored by this Nation.

General Pulaski was not an adventurer; he was a true lover of freedom. He took part in early youth in the struggles for the liberation of Poland against the tyrannical governments who suppressed its liberties. Upon the failure of the efforts to free his native land from the yoke of a foreign country, General Pulaski left his native country and traveled on the Continent. At Paris he made the acquaintance of Benjamin Franklin, who narrated to him the struggles of our own Colonies for freedom. General Pulaski came to this country to assist in that struggle and to make it his homeland, just as many others have come to our shores ready and willing to make the sacrifices necessary while establishing themselves permanently in our land.

He reached America some time in 1777, and without waiting to be commissioned an officer in our Army, he joined the ranks as a private soldier. His bravery and ability were soon recognized. In Europe he had been reputed one of the greatest cavalry officers of his time, and it was not long after his entry into our forces that he showed he was entitled to this reputation. Students of history know his brilliant military record. Washington relied upon him in cavalry problems and soon recommended him to Congress for appointment as brigadier general in the following words:

> This gentleman has been, like us, engaged in defending the liberty and independence of his country and has sacrificed his fortune and his zeal for these objects. He derives from hence a title to our respect that ought to operate in his favor as far as the good of the service will permit.

It was shortly after his arrival that he was given this honor. He took charge of our cavalry, shared in its financial expenses, and raised its standard. It became one of the efficient arms of our military. The Pulaski Legion, named in his honor, was led by him with distinction in the southern sector. Heretofore our cavalry had been neglected, but under his leadership its value was apparent. It materially aided our troops through the remainder of the war.

On October 9, 1779, at the siege of Savannah, General Pulaski was leading a charge of his cavalry. He was mortally wounded and was taken aboard ship for transport to Charleston but died in transport. His burial was at sea near the shores of the country for which he made the supreme sacrifice.

A stranger and alien—his example is a chapter in the story of this Nation's struggle for independence and a lesson to mankind of sacrifice for an ideal. It is, therefore, only a just tribute to his name and memory that Congress should now declare October 11 as Pulaski's Memorial Day.

And when the flag of our country is flown on October 11, in honor of the deeds of such a man, may we not recognize in this country that its heroes came from all races and countries, that we live here in a spirit of friendship and brotherhood, all serving the common good and each doing his part for the public weal.

Mr. SMITH of Washington. Mr. Speaker, I have actively supported and am happy to have the privilege of voting for the passage of Senate Joint Resolution 21, authorizing the President to proclaim October 11 of each year Gen. Casimir Pulaski's Memorial Day.

It was on October 11, 1779, that the great Polish hero and patriot passed away from wounds received 2 days previously, on October 9, at the siege of Savannah, Ga.

General Pulaski, after having fought for Polish liberty in his native land, came to our country and tendered his services to George Washington in our contest for American liberty in the Revolutionary War, and rendered distinguished services in the Battle of Brandywine and in numerous engagements in South Carolina.

The Polish people have made a valuable contribution to the development and progress of the United States, and many of them are among the most-respected citizens we have in my district in the State of Washington. They are industrious, thrifty, and law-abiding, and a credit to the nation of their birth.

LEIF ERICSON DAY

Mr. Speaker, I urge that we also take up at an early day for consideration and passage House Joint Resolution 26, to fittingly observe and commemorate October 9 as Leif Ericson Day, in honor of the discovery of America in the year 1000 by that intrepid Norseman.

In the words of Prof. R. B. Anderson, of Madison, Wis., of the Leif Ericson Memorial Association, briefly the story of Leif Ericson's explorations follow:

> Then it happened that the oldest of Erik the Red's three sons, Leif by name, made a voyage to Norway in the year 999. There he became acquainted with Norway's famous King, Olaf Tryggvason. Olaf Tryggvason was himself a Christian, and had begun converting the people of Norway to Christianity. He had also persuaded the Parliament of Iceland to adopt Christianity as the religion of all Iceland. He persuaded Leif Ericson to accept the creed of the Galilean, and, when Leif was baptized, King Olaf was his godfather. Then King Olaf requested Leif to go as a missionary to Greenland to convert his father's colonists to Christianity. Leif accepted this mission; but he decided that he, on his way to Greenland, would look up and explore those lands which had been seen by his kinsman, Bjarne Herjulfson, in 986.
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> With his party of 36 men he reached first the land that Bjarne had seen last, that is Newfoundland. He went ashore, made some explorations, found that the country was covered with rocks, and named it Helluland. He then proceeded to the southwest and found the second land seen by Bjarne, found that it was heavily wooded, and named it Markland. Then he continued on his voyage and on discovering the first land seen by Bjarne he sailed in a bay, out of this bay into a river, out of this river into a lake, out of this lake into another river which he ascended as far as it was deep enough to float his ship. Then he and his men went ashore, built a large house and decided to spend the winter there. This description fits admirably Boston Bay, the Charles River between Boston and Cambridge, the Boston Back Bay, also between Boston and Cambridge, and the Charles River emptying into the Back Bay. It seems that then Leif Ericson and his party must have built their house at what is now called Gerry's Landing, not far from where Harvard University is now located. On account of the abundance of grapes found in this new land Leif decided to call the country Vinland.
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> After spending the winter in Vinland, Leif loaded his ship with Vinland products and arrived in Greenland in the spring of 1001, when the Parliament was in session, and prevailed upon it to pass a resolution declaring the country Christian. We know positively that he reached this continent in the year 1000 because it was the same year in which he was baptized in Norway, and the same year in which Christianity was adopted by the Iceland Parliament. There is much more to this interesting subject. There were several other expeditions from Greenland to Vinland. One by Leif's brother Thorvald, in 1002 (Thorvald was killed by an arrow from one of the natives in Vinland and was buried there); one by Leif's brother Thorstein in 1005 (he did not reach Vinland but died on the way); one by Thorfinn Karlsefne, in 1007, and his wife Gudrid, the widow of Thorstein. Thorfinn and Gudrid went with 3 ships and 161 men for the purpose of organizing a colony in Vinland. They remained there 3 years, but found the aborigines too numerous to maintain themselves against them and so abandoned the colony and returned to Greenland. In the year 1008 Gudrid gave birth to a son. They named him Snorre, and he was the first white child to see the light of day in the New World.
>
> Voyages to Vinland, especially for the purpose of bringing timber to Greenland and Iceland, continued down to the middle of the fourteenth century. The sagas give a report of a ship that came from Markland to Iceland in the year 1347. This was just before the breaking out of the black plague, which crippled all Europe for a century. It reduced the population of Norway, for instance, from 2,000,000 to 300,000. About this time the Greenland colony disappeared probably as a result of the black plague.

Mr. Speaker, the Norwegian people who have come to our shores have proved their worth as thrifty, intelligent, law-abiding citizens, and have been a real factor in the building of the Pacific Northwest, and we should grant to their great forbear, Leif Ericson the discoverer of the North American Continent, this recognition and honor.

EMBASSY IN FINLAND

Mr. Speaker, for similar reasons I favor the enactment of H. R. 4448, to provide funds for the acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland.

Finland, the new Republic of the north, has in the past contributed richly to the culture, progress, and civilization of mankind; and many of her sons and daughters have been eminent in art, science, and literature. However, today she lifts aloft for the whole world the standard of "honesty, integrity, and good faith among nations", and is the only nation which has honorably discharged its obligations to the United States. I therefore favor the appropriation to provide adequate and dignified housing for our representation at Helsingfors so as to reflect credit upon the United States in Finland and serve to maintain the cordial relations which so happily exist between the American and Finnish people.

Mr. RABAUT. Mr. Speaker, Gen. Casimir Pulaski, although he spent scarcely more than a year on American soil, merits by his energetic and patriotic leadership the admiration and honor of the American people. The victory of the colonists, the founders of this great Nation, was partially due to his physical prowess, mental alertness, and fearless activity.

Reared under the shadow of a threatening war which became a reality in his youth, he became a guard of Duke Charles, and at the age of 25 his fiery ambition, his trained abilities, and his constant effort in behalf of the salvation of his fatherland made him the recognized leader of Poland. So great were the odds against him that his efforts and those of his countrymen were fruitless, and he was banished from his beloved land.

While traveling in Paris he met Benjamin Franklin, and through this acquaintance came to America, where, in 1777, he, a soldier famed throughout Europe, became a volunteer in the ranks of the pioneer army of George Washington. Here it was that his knowledge gained by practical experience in warfare made him a valuable man. Just as he had been a tireless worker in the Polish Army, so now he transferred his energy to the American cause. It was greatly through his effort that the rear attack by the British on the Colonial Army at Brandywine was not a success, and in recognition of his ability and his service after 2 months with the Army he was raised to the rank of brigadier commander of the cavalry. Perhaps his greatest work was the organizing of the Polish Legion, an independent corps under his command, which greatly aided in the success of the Revolution. General Pulaski had fought with daring fearlessness in the ranks of the Polish Army, and now, in like manner, amid the chaotic forces of the French and Americans facing the Redcoats at Savannah, Ga., he bounded forward, an inspiring figure, attempting to rally the American forces. It was in this attempt that he received a fatal wound. General Pulaski, renowned defender and leader of Poland; General Pulaski, stanch, patriotic, Colonial soldier of the New World; General Pulaski, an American hero, is truly deserving of the admiration and honor of the American people.

Mr. SWEENEY. Mr. Speaker, on April 1, 1935, the House of Representatives adopted Senate Joint Resolution 21, authorizing the President of the United States to proclaim October 11 of each year General Pulaski Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

I am glad to join with my colleagues of the Seventy-fourth Congress of the United States in making possible delayed tribute of respect and honor to a great soldier and a great Polish-American.

There is no more splendid element among the various nationality groups that make up the great melting pot we call the United States of America than the citizens of Polish extraction. The Polish immigrants and their early descendants were not only "the hewers of wood and the drawers of water", but rapidly took and are still taking their just and entitled places in the administrative, legislative, and industrial affairs of the Nation. The reputation of our Polish-American citizens as an industrious, law-abiding, and patriotic people cannot be assailed. In the religious, political, professional, and business fields Polish-American men and women are making worthwhile contributions to the welfare of our land.

Oppressed by alien oppressors in the homeland, they have given to the world a splendid example of family life, with its cultural and social background, together with their passionate devotion to the principles of religious and political liberty.

Gen. Casimir Pulaski was born in Poland of patriotic, liberty-loving parents. Many of his ancestors, his father, and his brother fought and died for Polish liberty. At an early age, after conferring with Benjamin Franklin in Paris, young Pulaski came to our shores and volunteered his services to our own immortal Washington in the Revolutionary War of 1777. Excellently trained in military tactics, he offered his services as a plain ordinary soldier, deeply in sympathy with the cause of the Revolution. His services were of such a high character that in the Battle of Brandywine he so impressed his military superiors that he was promoted by Congress to an important cavalry commander. In every battle, and especially during the siege of Savannah, Ga., he distinguished himself with valor. He was mortally wounded in action at Savannah, Ga., on October 9, and died October 11, 1779.

Gen. Casimir Pulaski belongs not only to the United States of America, but to every land where human beings are held in subjection and denied the inalienable right to "life, liberty, and the pursuit of happiness." Many cities and towns of the United States have been named in his honor. Boulevards and streets have been dedicated to his memory. In the State of New Jersey a splendid highway extending from the city of Newark to Jersey City, the gateway to New York, was erected and dedicated in his honor, and is known all over the world as the General Pulaski Skyway. Monuments have been erected by civic, fraternal, and religious organizations to the memory of this great soldier. It is only fitting that the Republic he aided in creating should set aside one day in the year when by official proclamation the President of the United States of America is authorized to call upon officials of the Government to display the flag of the United States on all Government buildings on October 11 of each year, and invite the people of the United States to observe the day in schools, churches, and other suitable places, in appropriate services commemorating the death of Gen. Casimir Pulaski.

After observing him in action upon the battlefields of the Revolutionary War, General Washington, in recommending him to Congress for appointment as brigadier general, said of him:

> This gentleman has been like us, engaged in defending the liberty and independence of his country, and sacrificed his fortune and his zeal for these objectives. He deserves from hence a title to our respect that ought to operate in his favor as far as the good of the service will permit.

On each succeeding Pulaski Memorial Day generations yet unborn will learn the story of General Pulaski's bravery and sacrifice given in behalf of the cause of liberty and will cherish the esteem in which he was held by the Father of his Country.

Mr. DORSEY. Mr. Speaker, I am pleased to speak for a resolution which has for its purpose the honoring of a man who lost his life in a brave effort to bring liberty to the American colonies. Gen. Casimir Pulaski's service in the cause of freedom should not be recognized by Presidential proclamation this year only, as is provided by the amended House Joint Resolution 107, but as a reminder of the sacrifices and devotion to the cause of liberty by those who made this Nation possible, the death of the great Pulaski should be observed and commemorated by such proclamation each year. I, therefore, favor the substitution of Senate Resolution 21, which will make possible this annual observance.

America has been referred to as "the land of freedom" and "the home of the homeless among the nations of the world." We find glory in such references but too seldom do we give consideration to the sacrifices of the men who laid the foundation for such sacrifices. Love of liberty and freedom was stamped on the very soul of America by men like General Pulaski who had the true spirit of liberty indelibly impressed upon their hearts through the form of

oppression which they suffered in the land of their nativity. In a letter to Col. R. H. Lee, August 13, 1778, General Pulaski expressed his deep-seated convictions, "Honor and a true desire of distinguishing myself in the defense of liberty was the only motive which fired my breast for the cause of the United States."

Even before his arrival in this country, General Pulaski was renowned throughout Europe for his services in defense of his native Poland. Through the intercession of his French friends, he was enlisted in the cause of the American Colonies by Benjamin Franklin, then in Paris, arriving in this country in August 1777. He early distinguished himself as a volunteer by his courage and exemplary conduct in the operations about my native Philadelphia. His distinguished service was soon recognized by Washington, who wrote as follows to Congress in commendation of his plan to raise a separate corps, "Count's valor and active zeal on all occasions have done him great honor."

On March 19, 1778, Congress sanctioned the formation of the corps, which has been known in history as the "Pulaski Legion." The operations and success of the celebrated corps are well known. When the Continental forces were hard pressed in their campaigns throughout New Jersey, particularly in the Egg Harbor section, and at Charleston, S. C., it was General Pulaski and his cavalry which snatched victory out of apparent defeat. Despite personal illness, General Pulaski, always displaying the courage, energy, and fortitude of a great soldier, rose to the defense of Savannah, and during the assault upon that city October 9, 1779, he received the wound which later caused his death.

General Pulaski lost his life embracing the cause of liberty, defending the principles so deeply rooted in his very nature. His services to a nation struggling for liberty demands the gratitude of a people who enjoy the freedom for which he gave his life.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DUNN of Mississippi, at the request of Mr. COLMER, indefinitely, on account of illness.

To Mr. THOMAS, at the request of Mr. GOODWIN, indefinitely, on account of illness.

To Mr. GRISWOLD, indefinitely, on account of illness.

Mr. TRUAX. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Seventy-five Members are present.

Mr. COCHRAN. Mr. Speaker, I move that the House do now adjourn.

The motion was rejected.

Mr. McREYNOLDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 44]

Adair	Doutrich	Hess	McMillan
Allen	Doxey	Higgins, Conn.	McSwain
Andrew, Mass.	Dunn, Miss.	Holmes	Maverick
Bankhead	Eicher	Igoe	Meeks
Beam	Faddis	Jacobsen	Miller
Berlin	Ferguson	Johnson, Tex.	Mitchell, Ill.
Bolton	Fish	Johnson, W. Va.	Montague
Brennan	Flannagan	Kelly	Montet
Brooks	Focht	Kennedy, Md.	Norton
Buckler, Minn.	Ford, Calif.	Kennedy, N. Y.	O'Brien
Buckley, N. Y.	Fulmer	Kerr	Palmisano
Burch	Gambrill	Knutson	Parks
Burdick	Gavagan	Kocialkowski	Parsons
Casey	Gearhart	Lambertson	Patman
Celler	Gillette	Lamneck	Patton
Chapman	Gingery	Lee, Okla.	Perkins
Clark, Idaho	Goldsborough	Lehlbach	Peyser
Crowe	Granfield	Lemke	Polk
Crowther	Green	Lesinski	Quinn
Cummings	Greenway	Lundeen	Ramsay
Darrow	Greenwood	McAndrews	Rayburn
DeRouen	Griswold	McFarlane	Reece
Dickstein	Hamlin	McGehee	Richardson
Dies	Hancock, N. C.	McGroarty	Ryan
Dingell	Hart	McKeough	Sabath
Ditter	Hartley	McLeod	Sadowski
Sanders, La.	Somers, N. Y.	Thomas	Wilson, La.
Schaefer	Stack	Tobey	Wolfenden
Schuetz	Stubbs	Wadsworth	Woodrum
Shannon	Sweeney	White	
Snyder	Taylor, Tenn.	Wigglesworth	

The SPEAKER. Three hundred and nine Members have answered to their names, a quorum.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

RIO GRANDE RIVER

Mr. McREYNOLDS. Mr. Speaker, I desire, if necessary, to move to suspend the rules and pass the bill (H. R. 6453) to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of the waters of the Rio Grande", and so forth, as amended by the public resolution of March 3, 1927; but I think it will not be necessary; I think the matter can be disposed of by unanimous consent. The gentleman from New York [Mr. CULKIN] desires to offer an amendment, which is agreeable.

Mr. CULKIN. Mr. Speaker, reserving the right to object, I understand the gentleman will consent to this amendment?

Mr. McREYNOLDS. Absolutely; the gentleman's amendment is all right, as I understand it.

Mr. CULKIN. Limiting the scope of the bill?

Mr. McREYNOLDS. Yes.

Mr. CULKIN. With that understanding, I have no objection to the present consideration of the bill.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6453) to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of the waters of the Rio Grande", and so forth, as amended by the public resolution of March 3, 1927.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico", as amended by the public resolution of March 3, 1927, is hereby amended to read as follows:

"The Secretary of State, with the approval of the President, is hereby authorized to designate the American Commissioner on the International Boundary Commission, United States and Mexico, to cooperate with a representative or representatives of the Government of Mexico in a study regarding the equitable use of the waters of the lower Rio Grande and the lower Colorado and Tia Juana Rivers, for the purpose of obtaining information on which to base a treaty with the Government of Mexico relative to the use of the waters of these rivers and to matters closely related thereto. On completion of such study the results shall be reported to the Secretary of State.

"SEC. 2. The Secretary of State, acting through the American Commissioner, International Boundary Commission, United States and Mexico, is further authorized (a) to conduct technical and other investigations relating to the defining, demarcation, fencing, or monumentation of the land and water boundary between the United States and Mexico, to flood control, water resources, conservation, and utilization of water, sanitation and prevention of pollution, channel rectification, and stabilization and other related matters upon the international boundary between the United States and Mexico or upon a stream or water course constituting or crossing the boundary between the two countries and upon the tributaries of any such stream or water course where international matters are involved; (b) to construct any project or works which may be provided for in a treaty entered into with Mexico as contemplated in section 1 of this act, or which it may be appropriate to construct independently of a treaty with Mexico; and (c) to operate and maintain any project or works so constructed or, subject to such rules and regulations for continuing supervision by the said American Commissioner as the Secretary of State may promulgate, to turn over the operation and maintenance of such project or works to any Federal agency, or any State, county, municipality, district, or other political subdivision within which such project or works may be in whole or in part situated, upon such terms, conditions, and requirements as the Secretary of State may deem appropriate.

"SEC. 3. In order to carry out the provisions of this act, the Secretary of State is authorized, (a) in his discretion, to enter into agreements with any one or more of said political subdivisions, in connection with the construction of any project or works provided for in section 2 hereof, under the terms of which agreements there shall be furnished to the United States, gratuitously, except for the examination and approval of titles, the lands or easements in lands necessary for the construction, operation, and maintenance, in whole or in part, of any such project or works, or for the assumption by one or more of any such political subdivisions making such agreement, of the operation and maintenance of such project or

works, in whole or in part, upon the completion thereof: *Provided, however,* That when an agreement is reached that necessary lands or easements shall be provided by any such political subdivision and for the future operation and maintenance by it of a project or works or a part thereof, in the discretion of the Secretary of State, the title to such lands and easements for such projects or works need not be required to be conveyed to the United States but may be required only to be vested in and remain in such political subdivision; (b) to acquire by purchase, exercise of the power of eminent domain, or by donation, any real or personal property which may be necessary; (c) to request the withdrawal from sale, public entry or disposal of such public lands of the United States as the Secretary of State may find to be necessary, and upon receipt of any such request the Secretary of the Interior shall cause the lands so designated to be withdrawn from any public entry whatsoever, and from sale, disposal, location, or settlement under the mining laws or any other law relating to the public domain, and shall cause such withdrawal to appear upon the records in the appropriate land office having jurisdiction over such lands, and such lands may be used for carrying out the purposes of this act: *Provided,* That any such withdrawal may subsequently be revoked by the Secretary of the Interior with the approval of the Secretary of State; and (d) to make or approve all necessary rules and regulations and, in his discretion, to delegate to the American Commissioner, International Boundary Commission, United States and Mexico, any of his functions and powers provided for herein.

"SEC. 4. Any moneys contributed by or received from the United Mexican States for the purpose of cooperating or assisting in carrying out the provisions of section 1 of this act shall be available for expenditure in connection with any appropriation which may be made for the purposes of this act."

Mr. CULKIN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. CULKIN: Strike out the semicolon after the word "Mexico" in line 5, page 3, and add the words: "and for the repair, protection, maintenance, or completion of works now existing or now under construction, or that may be constructed under the treaty provisions aforesaid, and to construct any project or works designed to facilitate compliance with the provisions of treaties between the United States of America and Mexico."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESEARCH VESSEL FOR PACIFIC OCEAN FISHERIES

Mr. COLDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bill H. R. 3013 and to include a report of the Honorable Frank T. Bell, Commissioner of the Bureau of Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COLDEN. Mr. Speaker, concerning H. R. 3013, a bill introduced by myself and entitled "To provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries", I desire to submit to the Members of Congress a report upon said bill written by the Honorable Frank T. Bell, Commissioner Bureau of Fisheries, and transmitted by the Department of Commerce to the Committee on Merchant Marine and Fisheries of the House of Representatives.

The comments of Mr. Bell upon the importance of the fisheries resources of the high seas, and particularly those of the Pacific coast, are instructive and illuminating. The following are the comments of Mr. Bell on H. R. 3013:

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington, February 6, 1935.

Subject: Recommendation on H. R. 3013, being a bill "To provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries"

MEMORANDUM FOR THE SECRETARY OF COMMERCE

For the period from 1879 to 1932 the United States Bureau of Fisheries employed one or more specially constructed marine fishery research vessels capable of conducting studies of our important fishery resources on the high seas. At the present time the Bureau has no such research vessel, and the United States is now the only first-class maritime nation lacking such facilities.

The fisheries provide one of the basic food resources of the Nation, for foods come only from the land or from the sea. In 1932 the fisheries of the United States and Alaska provided 2,613,000,000 pounds of protein food, which modern researches have shown to be essential to the healthful diet of the Nation. The fisheries of the Pacific coast in that year yielded 1,038,802,000 pounds, or 45.8 percent of the total fish production, exclusive of shellfish, of the United States and Alaska. In addition to more than a score of minor fisheries, the yield of the three major fisheries of the Pacific coast—the salmons, the pilchard, and the tunas—approximated 40 percent of the entire United States production.

The salmon fisheries of the Pacific coast and Alaska are the greatest in the world, producing in 1932, 528,626,000 pounds, for which the fishermen received $8,160,000, ranking first in quantity and first in value among the Nation's fisheries. Second in national rank in quantity of production is the pilchard fishery, yielding 312,171,000 pounds, for which the fishermen received $825,000. Next in rank on the Pacific coast and sixth in rank for the entire country is the tuna fishery, producing 63,431,000 pounds, for which the fishermen received $2,406,000.

The financial return to the fishermen themselves represents but a small portion of the total valuation of these three great fisheries, for all of them support a vast shore industry, producing a staple food commodity of canned fish and great quantities of meal and oil used in human and animal feeding and in a wide variety of technological processes.

In 1932 the salmon industry produced 5,909,000 standard cases of canned fish, 1,389 tons of meal, and 154,000 gallons of oil, having a total evaluation of $26,512,000. Manufactured products of the pilchard fishery amounted to 954,000 standard cases of canned fish, 25,445 tons of meal, and 5,529,000 gallons of oil, having a manufactured value of $3,642,000. The tuna fishery produced 1,206,000 cases of canned fish, 4,123 tons of meal, and 31 gallons of oil, having a manufactured value of $6,280,000.

The total sales values of the products of these three fisheries, excluding the sales of fresh, frozen, and mild-cured salmon, which would considerably augment the total, amount to $47,825,000 in 1932, and this, of course, is considerably below the normal values of these products in previous years. It is apparent, therefore, that these three great Pacific fisheries are of considerable importance to the economic structure of the Nation and should be managed so as to be continually productive.

The fisheries, however, like the forests, are an exhaustible resource. The past 50 years has witnessed the commercial destruction of one valuable food fish species after another. The salmon fisheries in various of its branches are at present menaced by depletion. Competent scientists of the California Fish and Game Commission, after 10 years of exacting research, are seriously concerned over the possibility of depletion of both the pilchard and various species of tunas. The fishing industry in California is likewise aroused to the danger, for the pilchard fishery in that State has expanded so rapidly during the past 10 years that exploitation is now believed to have passed reasonable and safe limits. The most valuable species of tuna, the Albacore, has virtually disappeared, and the next most valuable species of tuna, the blue-fin tuna, has declined from 15,000,000 pounds in 1919 to 1,000,000 pounds in 1932. The yield of canned tuna has only been maintained by an increased utilization of less desirable species and by the extension of the fishery from the in-shore waters of southern California to beyond the Equator on the south and to the Hawaiian Islands on the west.

The experience of the International Halibut Commission demonstrates that high-seas fisheries suffering from depletion can be so regulated as to check the decline and to maintain the productivity of the resource. Governmental control, however, can only be based on sound and extensive scientific knowledge of the biology of the species concerned and the effects of the fishery upon its reproduction and survival. No single State is able to acquire such information for the salmon ranges from California to Alaska, the pilchard from Mexico to British Columbia, and the tunas over the eastern half of the Pacific Ocean from Puget Sound to the Equator. Research as a basis for control must therefore be conducted by the Federal Government.

A research vessel capable of going to sea and remaining for long periods of time is essential to such a program of research. It should be specially constructed so as to employ effective fishing gear of standard commercial size, as well as scientific equipment required for studies of currents, temperatures, and other conditions affecting the reproduction, survival, and movements of fish. As a result of a previous survey of existing facilities, the Bureau is convinced that no vessel suitable for this work exists that can be transferred from other Government services or purchased from commercial service. Based upon experience in the operation of the *Alabatross II,* a steam vessel engaged until its retirement in 1932 in a similar type of fisheries research on the Atlantic coast, and on plans and specifications developed for a new research vessel of the same type as the one herein contemplated, the operating cost, including vessel crews, repairs, and operations, will amount to about $54,000 per annum. In addition, the vessel will require a scientific staff of four fishery investigators and hydrographers at a total salary cost of $11,400 per annum, with subsistence and traveling and operating expense of $5,000, or a total operating cost for the projected fishery investigations utilizing the vessel amounting to $70,400 per year.

The amount authorized in the bill is regarded as adequate for the construction of such a vessel, and in view of the demonstrated need, the Bureau recommends the favorable report and passage of the bill.

FRANK T. BELL, *Commissioner.*

SOIL EROSION

Mr. JONES. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 7054) to provide for the protection of land resources against soil erosion, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That it is hereby recognized that the wastage of soil and moisture resources on farm, grazing, and forest lands of the Nation, resulting from soil erosion, is a menace to the national welfare and that it is hereby declared to be the policy of Congress to provide for the control and prevention of soil erosion and thereby to preserve natural resources, control floods, prevent impairment of reservoirs, and maintain the navigability of rivers and harbors, protect public lands and relieve unemployment, and the Secretary of Agriculture, from now on, shall coordinate and direct all activities with relation to soil erosion and in order to effectuate this policy is hereby authorized, from time to time—

(1) To conduct surveys, investigations, and research relating to the character of soil erosion and the preventive measures needed, to publish the results of any such surveys, investigations, or research, to disseminate information concerning such methods, and to conduct demonstrational projects in areas subject to erosion by wind or water;

(2) To carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary, for the purposes of this Act; and

(4) To acquire lands, or rights or interests therein, by purchase, gift, condemnation, or otherwise, whenever necessary for the purposes of this act.

SEC. 2. The acts authorized in section 1 (1) and (2) may be performed—

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands, upon obtaining proper consent or the necessary rights or interests in such lands.

SEC. 3. As a condition to the extending of any benefits under this act to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of this act, require—

(1) The enactment and enforcement of local laws imposing suitable permanent restrictions on the use of such lands and otherwise providing for the prevention of soil erosion;

(2) Agreements and/or covenants as to the permanent use of such lands; and/or

(3) Contributions in money, services, materials, or otherwise to any operations conferring such benefits.

SEC. 4. For the purposes of this act the Secretary of Agriculture may—

(1) Secure the cooperation of any governmental agency;

(2) Subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such officers and employees as he may deem necessary, except that employees of the organization heretofore established for the purpose of administering those provisions of sections 202 and 203 of the National Industrial Recovery Act which relate to the prevention of soil erosion may be continued without regard to the civil-service laws or regulations and the Classification Act for a period not to exceed 4 months from the date of this enactment; and any persons with technical and expert knowledge, connected with any educational or research institution, may be jointly employed and compensated under this act and by such institution on a basis to be determined by the Civil Service Commission; and

(3) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of law books and books of reference, for printing and binding, for the purchase, operation, and maintenance of passenger-carrying vehicles, and perform such acts, and prescribe such regulations, as he may deem proper to carry out the provisions of this act; and any violation of any such regulation shall be punishable by a fine of not to exceed $100.

SEC. 5. The Secretary of Agriculture shall establish an agency to exercise the powers conferred on him by this act and may utilize the organization heretofore established for the purpose of administering those provisions of sections 202 and 203 of the National Industrial Recovery Act which relate to the prevention of soil erosion, together with such personnel thereof as the Secretary of Agriculture may determine, and all unexpended balances of funds heretofore allotted to said organization which shall be available until June 30, 1937, and shall assume all obligations incurred by said organization prior to transfer to the Department of Agriculture. Funds provided in H. J. Res. 117, "An act making appropration for relief purposes" (for soil erosion), shall be available for expenditure under the provisions of this act; and in order that there may be proper coordination of erosion-control activities the Secretary of Agriculture may transfer to the agency created under this act such functions, funds, personnel, and property of other agencies in the Department of Agriculture as he may from time to time determine.

SEC. 6. There are hereby authorized to be appropriated for the purposes of this act such sums as Congress may from time to time determine to be necessary.

The SPEAKER. Is a second demanded?

Mr. HOPE. Mr. Speaker, I demand a second.

Mr. JONES. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, this is a bill on which I think there will be practically no division of opinion. It provides for a soil-erosion service.

One of the big problems of this country is the conservation of soil. In recent months, as you all know, there has been a tremendous amount of soil erosion in the West and there has also been soil erosion by water in other sections of the country. This involves what, it seems to me, is a great national problem that calls for solution.

The Public Lands Committee had full hearings on this measure. The Committee on Agriculture has had brief hearings. Unanimous reports have been submitted by both committees. The bill is simple and easily understood. I am going to ask the gentleman from New Mexico [Mr. DEMPSEY] to explain the terms of the measure.

Mr. Speaker, I yield 5 minutes to the gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Speaker, this bill, H. R. 7054, is a conservation measure and probably one of the most important bills that has come before the House during the present session. It conserves the very life of our country—our soil and our moisture.

Studies have been made by several of the Government departments, namely, the Department of Agriculture and the Department of the Interior.

The Department of the Interior has at the head of this most important bureau Dr. Hugh H. Bennett, who is recognized as an authority on erosion in this country. About $14,000,000 were expended on approximately 40 projects. Those projects were largely in the arid regions, although the expenditure covered a survey of practically every county in the United States. If there has been any doubt of the necessity for a soil-erosion program, certainly the past 10 days or 2 weeks would eliminate any doubt in the mind of anybody.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. DEMPSEY. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Will the gentleman tell the Members of the House how much money is involved in this bill?

Mr. DEMPSEY. This bill carries no appropriation.

Mr. MARTIN of Massachusetts. How much is the gentleman contemplating getting? I notice there is a clause that you are going to get some money out of the bill that we recommitted today. Has any amount been set aside for this purpose?

Mr. DEMPSEY. I have no knowledge of any amount that has been set aside, except there was originally $20,000,000 set aside, of which $14,000,000 has been expended. The other $6,000,000 I think has been temporarily loaned to relief agencies, such as the F. E. R. A. That money will be returned, I am advised, and will become a part of the funds necessary to carry out this erosion program.

Mr. MARTIN of Massachusetts. The gentleman anticipates, then, it will not cost more than $6,000,000 to carry out the provisions of this bill?

Mr. DEMPSEY. I may say to the gentleman from Massachusetts that it will cost much more than that amount of money. How much more the entire program will cost I have no idea. Under this bill there is no appropriation called for or set aside.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, in answer to the question propounded by the gentleman from Massachusetts, I want to explain the part of the bill insofar as the appropriation is concerned. This bill will not cost a nickel extra money.

The only reason this bill is being passed at this time is to give the Soil Erosion Service permanency of life. There are no funds provided in the bill, and the money that will be spent through this service would have been spent anyway through the Soil Erosion Service temporarily as it is now set up in the Department of Agriculture.

Mr. MARTIN of Massachusetts. It is simply a transfer of authority?

Mr. NICHOLS. Yes; in making the department permanent.

The reason it is necessary to make the department permanent is this: Many of you will remember that the first speech I made on the floor of the House pointed to this very proposition to create a permanent department of government and coordinate all of the soil-erosion activities through that one department for the purpose of saving money and making count the money that is spent. We have been spending this money through about 14 departments. I have not very much time, but if you will listen to these figures I will show you how important it is that this measure pass immediately. There is not a single Member of Congress whose constituents will not be affected by the passage of this legislation; 125,000,000 acres have now been taken partially, at least, out of cultivation, because of erosion. The erosion is not caused by wind only. As a matter of fact, the wind erosion is the smallest part of the proposition. The erosion that is really stripping the country of its productive soil is water erosion.

It must be remembered that we have only from 7 to 8 inches of productive fertile soil on top in most of our cultivated areas. That is being washed away at the rate of about 100,000 acres annually. In other words, they have lost their fertility.

The bill now under consideration is H. R. 7054, and bears as its author the name of Mr. DEMPSEY, who is my friend, and a soil-erosion enthusiast, but I wish to submit in all fairness that this piece of legislation, which I am wholeheartedly supporting, should have borne my name as its author.

A perusal of the RECORD will show that on January 24, 1935, I offered an amendment to the $4,800,000,000 appropriation bill, providing that all moneys spent on soil erosion, out of that bill, should be spent through the Soil Erosion Service, then in the Department of the Interior. In that speech I pointed out that this department should be created as a permanent department and that all soil-erosion activities should be coordinated through it, instead of through the some five or six various departments who are spending soil-erosion money.

I believe a check of the CONGRESSIONAL RECORD will show that this was the first intimation made by any Member of the House, at least on the floor of Congress, advocating that all soil-erosion service be coordinated into this one department, and that the department be given permanent status.

Subsequent to that, on March 1, 1935, I prepared and introduced in the House, H. R. 6319, which was a bill to create a separate division in the Department of Agriculture, to be known as the "Soil Erosion Service." The purpose of this bill was to make of the Soil Erosion Service, a permanent department of Government, so that it might continue to operate and conserve the soils of the United States long after the present emergencies had expired.

Because this Service was at that time under the Department of the Interior, it was felt by some that the introduction of this bill, to put it under the Department of Agriculture, might cause a controversy between the two Departments.

On March 5, 1935, I prepared and introduced H. R. 6432, which provided that the Service be set up, with a permanent status, coordinating all soil-erosion activities in it, in the Department of the Interior.

My purpose in doing this was simply to show the world that I had no choice as to the department that took charge of this Service; that the thing that I was primarily interested in was that the Service have a permanent status and become a creature of Congress, so that it might continue to function as long as it was necessary in order to cope with the devastating results of erosion caused by both wind and water.

I believe that a check of the bills introduced in this Congress will show that these two bills were the first ones introduced attempting to accomplish this purpose.

You will notice that the present bill is H. R. 7054. I am not complaining that the present bill is not a good one. I simply wish to make the above observation, that the Congress and the people of the United States generally might know that I am entitled to at least a measure of the credit for the creation of this important department.

The bill that we are about to pass, H. R. 7054, is not adequate, in my judgment, and I shall attempt to have adopted, in the Senate committee, two amendments, which, in my opinion, will greatly benefit this legislation.

The first will be an amendment to subsection 2 of section 4 of the original bill, which amendment will provide that the personnel of this department shall be built up without regard to civil-service laws or regulations, and that civil-service laws and regulations will not apply to the personnel of said department until 6 months after the passage of the act.

It is my further opinion that the bill, in its present form, does not set up the Soil Erosion Service in the Department of Agriculture as a permanent division of the Department of Agriculture but simply provides that as long as the Secretary of Agriculture wants to keep it alive he may do so. Therefore, I propose to offer an amendment and attempt to have it adopted in the Senate committee, which will say in simple language that the Congress is hereby creating a separate division in the Department of Agriculture to be known as the "Soil Erosion Service."

I feel confident that as long as the present administration is in power it will be a policy of this administration to carry on the function of the Soil Erosion Service, but I am mindful of the fact that coming administrations may not feel so kindly toward the preservation of the soil of this Nation as does this administration.

Therefore, I think it imperative that we not leave it to the discretion of the Secretaries of Agriculture to follow as to whether or not this will be a permanent department of the Government, and the only way, in my judgment, this can be done is to amend the present bill. Both of my original bills took care of this contingency.

I want to now give a few reasons for supporting the present legislation.

In the first place, I am anxious to see it pass the House of Representatives and get speedily on its way to becoming enacted into law, and I feel confident that it can be as easily amended in the Senate as in the House.

The following figures will give some idea of how necessary it is that this all-important undertaking, which is being carried on under the able guidance and leadership of Dr. Bennett, be not hampered by the whims of some future Secretary of Agriculture, and that the department be given an unquestionably permanent status.

There are, normally, in the United States 350,000,000 acres which normally produced crops, and 75 percent of this amount is sloping enough to suffer seriously from water erosion. Two hundred and thirteen million acres are normally planted to clean, cultivated crops. In other words, to crops which are most susceptible to water and wind erosion. It is estimated that most of the top soil has now disappeared from 125,000,000 acres in the United States and 35,000,000 acres have now been abandoned as not being fit for cultivation, primarily because of wind and water erosion, and there are 100,000 acres being abandoned as being not fit for cultivation each year. It is again estimated that wind and water erosion costs the farmers of this Nation $400,000,000 annually.

Three billion tons of soil annually wash from our fields and pastures. It is estimated that 400 million tons of soil pass out through the mouth of the Mississippi River annually, which is enough to build 6 inches of soil on 2,500 Oklahoma farms of 160 acres each. On the basis of a Nation-

wide survey recently completed by the Soil Erosion Service, it is found that the area of formerly cultivated land essentially ruined by erosion is approximately 100 million acres. This is the equivalent of 625,000 farms of 160 acres each or an area nearly equal to the combined extent of Ohio, Illinois, Maryland, and North Carolina. In addition, and this is the most alarming aspect of the whole problem, an area of approximately 125 million acres of land now in cultivation, has lost all, or the greater part of the more productive topsoil, and as a result is from 2 to 10 times, and in some instances, 40 times less productive than was the virgin soil. And this is still not all. Still another 100 million acres are beginning to lose their priceless topsoil, which is the vital substance of the land.

Thus we have been living in a fool's paradise, with respect to the security of our most basic asset.

We have permitted hundreds of thousands of farmers to become tillers of subsoil, which usually amounts to bankrupt farming on bankrupt land.

Moreover, this virtual ruin of the soil is of a permanent character, jeopardizing the well-being of generations to follow by impoverishing the heritage of those who can do nothing about a present evil that is sweeping across the country like a prairie fire.

It is vitally necessary that the Government, at this juncture, do something to preserve the soil and to stop its eroding, because to build back the soil, after it has been eroded, is a task of well nigh impossible proportions, for under natural conditions of surface stabilization with vegetation, it takes from approximately 400 to more than 1,000 years to build a single inch of virgin topsoil.

Every year erosion removes from our fields around twenty times as much plant food as is taken off by crops. Plant food removed in crops can be restored in the form of fertilizer and soil-improving plants, but erosion takes not only the plant food constituents but the whole physical body of the soil, plant food, and all; and this soil cannot be hauled back into the fields. It is just as much lost, most of it, as if completely consumed with fire.

On the 11th of May 1934 a shadow of coming events swept across eastern United States in the form of a dust storm that originated in the plains of the trans-Mississippi.

For the first time in our history thousands of square miles of land and water along the eastern seaboard were showered with dust particles, blown from unprotected bare fields lying at the heart of the Nation; 300,000,000 tons of productive soil having been swept out of the fields of the stricken area. But that was not the last, because within the last 3 weeks we have seen the same thing, in increased proportions, again occur, increasing to such an extent that dust from the prairies of the Middle West hovered over the city of Washington, actually darkening the sun, causing the inhabitants of Washington to prepare themselves for rain, which they expected to fall out of the gathering clouds. Farmers of Oklahoma and Kansas were forced to abandon their homes. Travel was impaired, and in some instances traffic was paralyzed. The top soil of that great agricultural area was by the wind moved to other sections of the country in such proportion that in many instances growing crops, which were just peeping through the ground, were entirely submerged in dust and dirt. Many of the cattlemen of that section were forced to move their herds of thousands of head, hundreds of miles to new pastures, because the dust and dirt and productive top soil had completely covered the grass which provided sustenance for their cattle.

This is only the beginning, and unless the people of this Nation become awakened to the degree in which we are punishing our greatest resource, the soil, I warn you that ere long we will find ourselves in the condition that many of the old countries of Asia are now in, to wit, a country thickly populated, with not enough productive soil left to furnish foodstuff for its people.

This bill will undoubtedly pass today without hardly a dissenting vote, and I am truly hopeful that it will, with the amendments above suggested, pass the Senate in the same manner; and then I am truly hopeful that this administration will put enough of the funds appropriated by this Congress for relief into this service, that the men who have given a lifetime to the scientific study of means to prevent this devastating erosion may actively combat its destruction and thus keep for the present generation our millions of acres of fertile, productive land, to the end that we may pass down to a coming posterity a land in which they may continue to live, grow, and prosper.

I appeal to you ladies and gentlemen of the House to give this bill your support, and to lend to this department, after it is created, your hearty cooperation; and I sincerely trust that when this department sends its field men out into the field to work with and aid the farmers of this Nation that the farmers themselves will wholeheartedly cooperate with the problem as laid out by the Soil Erosion Service, so ably headed by Dr. Bennett in Washington, and so efficiently administered by Dr. Winters, in my own State of Oklahoma.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their own remarks in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HOPE. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, I arise to pay a tribute to two men who for years have been largely responsible for the growth of sentiment with respect to soil erosion in the United States. I refer to H. H. Bennett and Samuel W. Phillips. These two men about 10 years ago engaged themselves in working on this proposition, with the result that today we see their work being recognized nationally and the soil-erosion work being transferred over to the Department of Agriculture, thereby recognizing this division as one of the most useful organizations in the entire Government service. Of these two men, I can say that one of them, Dr. H. H. Bennett, is the head of the soil-erosion department. He is the outstanding expert on this subject in America. He has studied this question in the various countries of the world. His writings are accepted as authority everywhere. Besides being an expert in a literary sense, he is a practical man and a man of good judgment. So long as he continues at the head of this work we have every reasonable assurance that the work will be done well. The other man, Samuel W. Phillips, was also a recognized leader in this field. Together these two men collaborated intelligently and industriously in their efforts to show the terribly destructive effect of erosion. Mr. Phillips was a man of great dynamic power. He had been well prepared scholastically, and but for his untimely death he would have achieved greater renown in the work in which his whole life was centered. Although a young man, his skill as an engineer as well as his thorough knowledge of the theory and practice of erosion work made him an invaluable man in field work. He it was who built the first Government erosion experiment station. He built all of the experiment stations built by the Government up until his death in 1934, which occurred while he was engaged in planning and erecting the modern station at Zanesville, Ohio.

The Government service lost a faithful and efficient servant when Mr. Phillip died, and the cause of erosion lost one of its two foremost exponents and advocates. The great sandstorms which are attracting the attention of the country now are true but tragic testimonials to the foresight of these two gentlemen. I hope that Dr. Bennett may live long to carry on the torch of progress flung to him by Mr. Phillips, and that their work may be a blessing to our country and our people as it now appears certain to be.

Mr. McSWAIN. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. McSWAIN. Will not the gentleman look into the splendid services that have been performed by R. A. Winston in connection with this same problem. He will find that he is also entitled to be mentioned.

Mr. JENKINS of Ohio. I thank the gentleman for his kind suggestion and I hope that Mr. Winston may continue the good work that he is doing. [Applause.]

Mr. HOPE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, I have asked for this brief time to indulge in the reflection as to whether or not this bill is really supernumerary. A few weeks ago there was an upheaval in the A. A. A. and all the pink gentlemen were ejected with the exception of Professor Tugwell. Now we learn that Tugwell is to be kicked upstairs and is to have $900,000,000 for the purpose of performing such functions as this bill provides. I am wondering if it is fair on the part of the House to interfere with the jurisdiction of this distinguished gentleman by passing this legislation. I am wondering why you gentlemen of the West do not welcome him with open arms and be content with his handling of this vast sum for this erosion purpose. I am also wondering how your people will feel when they learn into whose hands they have fallen.

Mr. JONES. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, may I suggest to the gentlemen having to do with the utilization of surplus labor in this country that perhaps the best field into which it can be directed is the preservation of the ability of the generations that are to come to live. I want to congratulate the Committee on Agriculture and the other agencies for bringing in this item of legislation.

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Speaker, the pending measure proposing to give the Soil Erosion Service, which has already been set up and functioning in a satisfactory manner, a permanent status is, in my judgment, one of the most important bills that the House has considered during the present session.

I desire to congratulate the gentleman from New Mexico [Mr. DEMPSEY], who has been sponsoring this legislation.

Members of the Oklahoma delegation have also been active in sponsoring soil-erosion legislation, and are all enthusiastically supporting the pending measure. It is only natural for those of us in Western States, and especially citizens living in Oklahoma, to be extremely interested in the conservation of our soil.

Mr. Speaker, I am delighted to see such enthusiastic support for this legislation. I regret that there seems to be some little contention among certain Members of Congress who evidently feel they should be entitled to be named as authors of the pending bill. Although I introduced the first soil-erosion measure ever introduced in this House and have been sponsoring and advocating the conservation of soil for the past several years, I have no desire to claim the authorship of this bill. That is not important, but it is of vital importance that a comprehensive soil-erosion program be undertaken and carried out in my State at the earliest possible moment. Our people have finally become "soil erosion conscious", and they realize that it is impossible for the State, county, or local governments to cope with the situation without assistance from the Federal Government.

Today as we consider this bill as the first great step toward the prevention of soil erosion, we have reports of dust storms raging in several Western and Southwestern States. Oklahoma has not escaped this plague in the form of clouds of dust.

But as distressing as wind erosion is proving to be, it is not wasting our soil to the extent that water erosion does. The gentleman from Oklahoma [Mr. NICHOLS] a few moments ago gave us some of the figures, showing the thousands of acres of good tillable land that has been laid waste by erosion of the soil. When we take into consideration that 85 percent of the cultivated lands in the State of Oklahoma are suffering serious losses of soil and that nearly 2,000,000 acres of what was formerly good tillable fields have actually been abandoned, due entirely to the loss of topsoil and the washing of gullies, one is made to wonder why this Congress has so long delayed doing something about it.

Do you know, Mr. Speaker, that 440,000,000 tons of soil in the State of Oklahoma alone are annually being washed from cultivated fields and pastures into the streams of this country? Do you know that more soil went down the Mississippi River last year from the fields of 30 States of this Union than was excavated in the construction of the Panama Canal? Do you know that it would take a fleet of 4,200 trucks of 4,000 pounds capacity loading and unloading every 10 minutes and working 24 hours in each day for 365 days to haul back to those once productive Oklahoma fields the tremendous volume of soil that they lost last year by erosion?

The State of Oklahoma has been hit hardest, perhaps, than any other State of its size and population in the United States. Secretary Ickes, after an investigation, has reported that Oklahoma is the worst eroded State in the American Union. It is estimated that the total annual cost of soil erosion to Oklahoma, including the choking of stream channels, the filling up of reservoirs with silt, the damage to highways and railroads, and the contribution to the cost of flood control on the Mississippi, is at least $115,000,000 per year. Only the State of Texas, approximately three times the size of Oklahoma, has a greater annual loss, which is estimated in that State at $125,000,000 per year. Yet Oklahoma was one of the last States in the American Union opened for settlement. When I tell you that of the 16,000,000 acres of land under cultivation in Oklahoma that more than 13,000,000 acres have suffered serious losses of topsoil, and in a few years much of this land will become practically worthless, you will begin to understand the seriousness of the soil erosion in Oklahoma.

Mr. Speaker, a few moments ago I was pleased that the gentleman from Ohio [Mr. JENKINS] paid a splendid tribute to the head of the Soil Erosion Service here in Washington. I agree with him fully. Mr. Bennett is no doubt the greatest expert in America on soil erosion, and I feel is equal to the gigantic task that his organization has undertaken. I also appreciate the deserved compliment that the same gentleman, I believe, paid to Mr. Winston, one of his technical experts. In this connection, it is a genuine pleasure for me to pay a humble tribute to Dr. N. E. Winters, regional director of the Soil Erosion Service in Oklahoma. Dr. Winters is not only a real expert on the subject of soil erosion, but he knows how to get the job done. There is no question but what he has done more than any other dozen men in Oklahoma to arouse the citizens of my State to the need of combatting this giant enemy of the farmers of our State.

May I add here that in the past few weeks I have had two conferences with the President of the United States on the importance of this administration recognizing the necessity to combat soil erosion now. I feel that the country is fortunate, and that the State of Oklahoma is fortunate, that this problem of preserving our top soil has been turned over to such men as we have in our Soil Erosion Service.

I am glad, Mr. Speaker, that there is so little opposition to this bill. I had hoped there would be no opposition at all. Frankly, I am surprised at the statement just made a few moments ago by the distinguished gentleman from New York [Mr. CULKIN], who, because of his evident dislike for Dr. Tugwell, would actually go so far as to oppose this meritorious measure. At least that was the feeble excuse he offered.

Let us not quibble at this late hour over personalities. Let us not delay or camouflage the issue. There is no question as to the importance of this legislation. Let us do our duty now. [Applause.]

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. MASSINGALE].

Mr. MASSINGALE. Mr. Speaker, I can only reiterate in 2 minutes what my colleague from Oklahoma has said in regard to this bill, and the importance of it to Oklahoma.

I wish I had the time to give you a pen picture of what has happened in my part of Oklahoma, which is the central western part of the State.

That country has been in settlement for 43 years. We never had any trouble with this kind of wind erosion until within the last 2 years, when there has been such a scarcity of rainfall.

For instance, our annual rainfall is about 28 inches, and that is abundant to produce a great harvest. In my district, and it is an average district in size, we produce one-half of the total cotton of the State of Oklahoma. We have produced 15,000,000 bushels of wheat, but last year, due to the extreme drought, and a rainfall not exceeding 7 inches for 15 months, that district probably produced only 75,000 bales of cotton, and you will find that is so all over the country.

I think I can give the reason for the wind erosion. I have lived there long enough so that I know something about the soil.

[Here the gavel fell.]

Mr. JONES. I yield to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, I rise to voice the assertion that I do not think this bill goes far enough. I am in hearty sympathy with the set-up. It is my belief that many other land problems should be taken away from the Department of the Interior and placed in the Department of Agriculture—in particular, all phases of land use involving production from the soil, tilled or untilled.

Mr. JONES. Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on suspending the rules and passing the bill as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS—SOIL-EROSION CONTROL

Mr. DEMPSEY. Mr. Speaker, under leave to extend my remarks, permit me to make a few observations.

A great deal has been said and written about soil erosion and its control in recent weeks. Spectacular dust storms in the Great Plains region focused the attention of the Nation upon this problem and the pressing need of action to combat it. We have heard much of the intensified program of erosion control to be undertaken by the Department of Agriculture, with the Soil Erosion Service as the basic agency.

But little has been said or written about the part already played by the Department of the Interior in this important field of erosion control. As a matter of fact it was the Department of the Interior that pioneered this work; it was in the Department of the Interior that the Soil Erosion Service was established 18 months ago to carry out the first organized campaign against soil erosion ever undertaken in this country. To the Department of the Interior should go whatever credit there may be—and I believe it is considerable—for the inception of the program which has now attracted the attention of the Nation.

It was Secretary of the Interior, Harold L. Ickes—an ardent conservationist—who caused the Soil Erosion Service to be created in September 1933. And it was Public Works Administrator Harold L. Ickes—the same ardent conservationist—who approved the allocation of $5,000,000 of public-works funds for prosecution of a Nation-wide erosion-control program, and who authorized additional allotments totaling $15,000,000 as the work progressed. Upon his recognition of the erosion problem and his initiative in taking entire steps to cope with it, I desire to congratulate the Secretary of the Interior.

During its 18 months under the Department of the Interior, the Soil Erosion Service set up a network of demonstration areas covering representative watersheds in the most important agricultural regions of the country. Within these projects, farmers are cooperating with the Service in a complete program of soil-erosion control under which every parcel of land is treated in accordance with its peculiar needs and adaptabilities.

Forty of these projects are under way in 32 States. Thirty-seven of them are essentially demonstrational in character and average about 200,000 acres in size; the remaining three are much larger, ranging from eight to sixteen million acres, and involve complete land rehabilitation programs on a large scale.

Since each of the demonstration projects is located in an area of acute erosion, and since conditions within the project are typical of those obtaining in the entire surrounding region, the erosion control work directed by the Service within the limits of each project constitutes a practical demonstration of the most effective measures of land conservation adaptable to the general locality. In the Piedmont region, for instance, measures applied to the land within each demonstration area are applicable in the Piedmont belt as a whole.

The 37 demonstration projects now in operation cover an aggregate of approximately 4,000,000 acres in the most severely eroded sections of the country. Each of the 37 projects, however, is representative of at least one million, and in some cases as much as ten million acres of surrounding territory, so that conservatively figured, the demonstration work being done by the Service has an influence for at least 37,000,000 acres outside of its demonstration areas.

To this vast acreage must be added, of course, the 35,700,000 acres actually covered by the three large land utilization projects being carried on by the Service in the Southwest.

In aggregate, therefore, the erosion-control work actually under way under the direction of the Soil Erosion Service is an influence on upwards of 75,000,000 acres, an appreciable segment of this Nation's agricultural land.

This impressive program has been in operation only 18 months and has cost to date less than $8,000,000. Although a total of $20,000,000 was allocated to the Service by the Public Works Administration, $6,000,000 was later impounded. Of the remaining $14,000,000 less than $8,000,000 has been actually expended or obligated, leaving slightly more than $6,000,000 available for completion of work in the 40 demonstration areas.

In the matter of employment the program has furnished constructive work for upward of 11,000 C. C. C. workers in the 51 E. C. W. camps assigned to the Soil Erosion Service. These youths have been given an opportunity not only to earn a living in the out-of-doors, but to learn the highly technical work of erosion control. Many of them, taken from city streets, have come for the first time in their lives into healthy contact with the land.

In addition to the C. C. C. workers, however, the Service has furnished employment to some 5,000 laborers and to some 1,000 so-called "white-collar workers" in supervisory and administrative capacities. When the C. W. A. program was in operation a considerable number of these workers were employed and some F. E. R. A. labor has also been used from time to time.

Moreover, the Service has inaugurated one of the most constructive employment plans in the Federal service. Cognizant of the need for highly trained personnel if the national program of erosion control was to be properly supervised and directed, the Service several months ago originated a unique work-training system for recent college graduates.

Under this plan some 800 young men just out of college and confronted with discouraging impossibility of obtaining employment, have been hired by the Service on a temporary basis at the prevailing P. W. A. wage for labor, ranging from 40 to 50 cents an hour. They were selected from lists of eligibles recommended by the agricultural and technical schools in each State. As a part of their jobs they are required to attend lecture courses after office hours several evenings a week, the object being to apply to the specific and highly technical problems of erosion control, the academic training the young men have received in agronomy, agricultural engineering, soils, and other subjects involved in erosion-prevention work. Indications are that the number of trainees eventually may reach 1,500.

In setting forth the actual accomplishments in land treatment achieved thus far by the Service, it should be pointed out that the primary objective of the program has been one of demonstration. The amount of work done on the land is relatively unimportant; what matters is the nature of the

work and its availability for profitable inspection by a large number of farmers having erosion problems comparable to those being treated by the Service in each major farm and grazing region.

Every indication points to the fact that the work of the Service on its 40 widely scattered projects probably has been the most important factor in awakening farmers of this country to the imminent menace of accelerated soil erosion. Conservative estimates place the number of visitors to the various projects during the past year and a half at close to a million. Editorial comment in the local and national press reflecting the attitude of the people has been uniformly commendatory.

In point of actual work done, moreover, the Service has obtained significant results during its comparatively brief period of existence. Nearly 7,000 miles of terraces have been constructed on lands suited to this type of control. These structures have been carefully engineered, in contrast to the haphazard terracing done by farmers themselves in certain localities in the past, and have demonstrated their reliability and sturdiness under conditions of severe stress. Some 5,000 terrace outlets have also been built in connection with the terracing. Nearly 200,000 check dams have been built to check the yawning gullies that have scarred and ruined millions of acres of crop and pasture lands. About 4,000,000 feet of gully bank has been sloped and prepared for the planting of erosion-control vegetation, and nearly 10,000,000 square yards of bank—roadside banks and gully banks—have been planted with soil-holding trees, shrubs, and grasses.

Of even more importance, probably, is the work called for under cooperative contracts between farmers and the Service. Some 200,000 acres, under these agreements, are to be strip cropped by their owners in accordance with the recommendations of the Soil Erosion Service experts. Some 325,000 acres are to be contour tilled, by agreement with the Service; 300,000 will be terraced; 416,000 acres will be planted in erosion-resisting crop rotations; and more than 100,000 acres will be permanently retired to pasture or forest.

Mr. MASSINGALE. Mr. Speaker, I can only reiterate in 2 minutes what my colleague from Oklahoma has said in regard to this bill and the importance of it to Oklahoma. I wish I had time to give you a pen picture of what has happened in my part of Oklahoma, which is the central western part of the State.

That country has been in settlement for 43 years. We have never had any trouble with this kind of wind erosion until the last 2 years, when there has been such a scarcity of rainfall.

For instance, our annual rainfall is about 28 inches, and that is abundant to produce a great harvest. In my district, and it is an average district in size, we produce one-half of the total cotton of the State of Oklahoma. We have produced 15,000,000 bushels of wheat, but last year, due to the extreme drought and a rainfall not exceeding 7 inches for 15 months, that district probably produced only 75,000 bales of cotton; and you will find that is so all over the country.

Western Oklahoma is an undulating prairie country, drained by the Canadian, Northfork, and Washita Rivers. Naturally, there are many small streams tributary to these rivers. The country has an unusually large area of arable land; and due to the rolling nature of the land, when heavy rainfalls occur, these smaller streams quickly overflow and the flood water is carried in great volume and with speed to the rivers. The banks of these streams are steep, and the only lowlands of consequence are in the river bottoms. When the waters from the tributaries are precipitated into the rivers they are soon filled and the overflows occur.

The rainfall in this country is not uniform, and is not evenly distributed throughout the seasons. It is a country where we have terrific downpours of rain, and it is not unusual for from 12 to 15 inches of rainfall to occur in a period of 24 hours. This may be expected to happen once within every year or so.

In order to conserve the moisture that we get from these rains, the farmers have adopted a system of mulching, by which I mean the ground is plowed frequently and to a shallow depth, thus creating a mulch of dust on the surface to prevent the escape of the moisture underneath this covering. It will readily be seen that if there is not sufficient rainfall to soak through this dust mulch or covering to unite it with the solid ground below, this mulch will be taken up by the winds and blown away. On the other hand, if there is a seasonable distribution of the rainfall and there is sufficient of it to wet the ground thoroughly, there would be no loose top soil of any consequence to be blown away.

Various kinds of experimentations have been made by the farmers for the protection of their land against wind erosion in ordinary times, such as listing the lands and, of course, planting the various coverage crops. There has also been a great deal of terracing done by the farmers themselves as well as small dams built by them for the protection of their lands and to assure them a supply of stock water.

From these experimental undertakings by the farmers they have learned that there is much value in terracing as well as in the building of dams or reservoirs as a protection against wind and water erosion of their farms.

Very naturally when sudden heavy rainfalls occur the water carries thousands of tons of loose topsoil down the small streams into the rivers, and as a consequence many thousands of acres of the very choicest farms have been rendered practically worthless by water erosion alone. There is not only the loss to the fertility of the land by reason of the washing away of this topsoil in times of storm, but each year thousands of dollars worth of property loss is sustained by reason of the floods.

The unprecedented drought, extending over the last 3 or 4 years, has brought an additional and very noticeable and material destructive agency to light so far as the soil is concerned, and that agency is the matter of wind action on the loose topsoil or mulch which I mentioned a while ago. Perhaps the damage from wind erosion had been of consequence for years, but it never became noticeably alarming until this unprecedented drought.

This section of the State of which I speak is adjacent to the level plains country of the Texas Panhandle on the west and is south of the Kansas plains, and there is very little protection from the devastating winds that have brought so much havoc to that part of the country since the beginning of this great drought period.

The irregular and spasmodic rainfalls, which are characteristic of the country, have been a problem for those interested in soil conservation for many years; and as I have stated heretofore, many undertakings have been made by the farmers to protect their lands against erosion from these heavy rainfalls. But this added menace gives to the people of my district the double problem of protecting their lands both from water and wind erosion, and with this goes the further question of protection from flood damage.

I believe, Mr. Speaker, that I may confidently say that my congressional district is the most productive one in the State of Oklahoma, and I doubt if there is any farm area of like dimensions in the United States that is capable of producing more crop values in normal times than the Seventh District of Oklahoma; in fact, just a few years ago the Department of Agriculture gave out the information that my home county, Washita, ranked first in the United States in the value of its farm products. That happened at a time when farmers received something like an adequate price for the crops they raised; and while I specifically mention my home county, the other counties of my district are very similar in their agricultural value to my home county.

There is no doubt, with such an agricultural country as I have described, the Congress could do no better than to give its most serious consideration to take steps to aid those people in saving those fertile lands from the continued and aggravated menaces that threaten their destruction; and I think it is absolutely necessary to put into effect immediately a vast program of land conservation, including terracing, reservoir construction, a sensible program of forestation by

planting trees where trees can be grown, and coupled with this there should be inaugurated a great educational program of farm cultivation so that in future years the people of America will have this reservoir of agricultural wealth to help support the Nation.

The experimentations made by numerous farmers so far have been of practical value, and have also been of incalculable value to the people of that section of the country. For instance, it is now well known that contour listing, terracing, planting of proper cover crops, and building water reservoirs have all greatly added to the conservation and productivity of the soil, and have furnished a large measure of protection against wind erosion.

There is no need to present any argument as to the importance of the educational program mentioned along the lines of proper farm cultivation, taking into consideration the natural wind and rain conditions that prevail in that section of the United States.

I have heard it stated that Oklahoma is the veritable battleground of the elements; that it is a country of great extremes in temperature and water fall and of extreme calms and fierce wind storms.

The authorities of the Agricultural and Mechanical College of Oklahoma have done a tremendous amount of very valuable work in connection with soil erosion and improved farming methods, and in this work they have taken into consideration the very weather conditions that I have mentioned, and with which, of course, those people are familiar. Dr. Winters, of the Agricultural and Mechanical College of Oklahoma, has been intensely interested in and has most intelligently directed the minds of the people of that State to the great importance of caring for the soil, and I believe under his further guidance and direction a sane, practical solution of this great problem will be brought about.

In the discussion of this bill on the floor of the House some startling figures have been submitted which show conclusively the importance of immediate enactment of legislation to put an end to the ravages of water and wind erosion throughout the Nation.

It is shown in these figures that approximately 125,000,000 acres of farm land have been stripped of their top soil, and, for practical uses, this land has disappeared from the Nation's assets. It is further shown that 35,000,000 acres have been abandoned, and this land is no longer fit for cultivation, because of the ravages of wind and water, and that approximately 100,000 acres are being abandoned each year. It is estimated that wind and water erosion is costing the Nation's farmers $400,000,000 a year, that 3,000,000,000 tons of soil are washed annually from our lands, that 400,000,000 tons of soil pass out through the mouth of the Mississippi River each year.

I do not know how accurate these estimates are, but they are alarming, to say the least of it; and to those of us who are interested in farm life and who know nothing else but farm life, the subject looms as of paramount importance from a national aspect.

In my opinion, the Congress cannot go too far in its efforts to remedy this terrible condition which threatens the foundation of agriculture.

The figures mentioned above are estimates of our national loss. I do not know whether or not estimates for our section of Oklahoma would be more alarming than for the Nation at large, but, knowing as I do the nature of the soil, and from a residence of nearly 40 years in that country and from daily observation of conditions there, I am constrained to the belief that there is a more imperative demand for speedy, lasting, and permanent legislation looking to the protection of that soil than in any other section of the country.

What I have said in regard to the Seventh District of Oklahoma is, I am informed, equally applicable to the entire State, as well as to southeastern Colorado, western Kansas, Nebraska, North and South Dakota, and the Texas Panhandle. I am sure that there is not any difference in the character of people that live in this vast farm area. They have all the courage, endurance, and perseverance of the American pioneer. They are home-loving people. They have their entire investments there. Their families live there and they are asking of the Congress to assist them in preserving their holdings and maintaining their homes until normal conditions in rainfall shall return.

The damage wrought in this area in the last few months from wind erosion cannot at this time even be approximately reckoned, but it is enormous, and an unfortunate aspect is that it has caused physical and mental suffering beyond the ability of any person not familiar with conditions to conceive.

I am impressed with the fact that if any effective aid is to be given in meeting and helping to solve this problem immediate action is of the utmost importance, and that any delay will not only cost another year's damage from soil losses and dust storms but will entail further physical distress to the thousands of people residing in that section of the United States.

ALLEVIATION OF THE HAZARDS OF OLD AGE, UNEMPLOYMENT, ILLNESS, ETC.

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing I send to the desk for immediate consideration House Concurrent Resolution 19.

The Clerk read as follows:

House Concurrent Resolution 19 (Rept. 573)

Resolved, etc., That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Ways and Means of the House of Representatives be, and is hereby, empowered to have printed for its use 2,000 copies of the hearings held before said committee relative to the bill (H. R. 4120) to alleviate the hazards of old age, unemployment, illness, and dependency, to establish a social-insurance board in the Department of Labor to raise revenue, and for other purposes, Seventy-fourth Congress, first session.

The resolution was agreed to.

The motion to reconsider the vote whereby the resolution was agreed to was laid on the table.

LIMIT OF EXPENDITURES, REPAIR OF NAVAL VESSELS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 4760) to increase the statutory limit of expenditure for repairs or changes to naval vessels, which I send to the desk.

The SPEAKER. Is there objection?

Mr. MARCANTONIO. Mr. Speaker, I object.

RECIPROCAL TRADE AGREEMENTS AND THE RECOVERY PROGRAM

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech made by Mr. Cordell Hull, the Secretary of State, and also a speech by Mr. Robert L. O'Brien, of the Tariff Commission, made over the radio a few days ago.

The SPEAKER. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio addresses of Hon. Cordell Hull, Secretary of State, and Hon. Robert L. O'Brien, Chairman of the Tariff Commission, March 23, 1935:

ADDRESS OF HON. CORDELL HULL, SECRETARY OF STATE

The Chairman of the Tariff Commission, Mr. O'Brien, will explain to you the difference between the old and the new methods of tariff revision in this country. I hope, in the next few minutes, to show you how the trade-agreements program ties in with the administration's plan for domestic recovery and the promotion of friendly relations with other countries.

The international exchange of goods is of immediate and vital concern to every individual among us. An exchange of goods makes business move, and without this exchange there is stagnation and unemployment. Trade stimulates productivity at both ends of the transaction. In addition to the production of the goods themselves, work is created in the transportation of the export and in the transportation, distribution, and marketing of the import.

By the trade-agreements program, now well under way, we are seeking to persuade other countries to join us in breaking down excessive barriers to trade so that its movements may be less hampered and its volume increased. Agreements already concluded with Cuba, Brazil, and Belgium, and others which are in prospect, indicate that many other nations are willing to cooperate. The agreement with Cuba—in force 6 months—has resulted in a marked stimulation of trade and it is reasonable to expect that other agreements will have like consequences.

At the high mark of 1929, our exports were valued at over $5,000,000,000. Every State in the Union shared in this busi-

ness, some to the extent of hundreds of millions. And do not imagine that these huge exports were confined to coastal States. Interior States also participated heavily in our export trade in 1929. The export products of Ohio, Michigan, Wisconsin, Illinois, Indiana, Kentucky, Tennessee, Iowa, and Missouri were valued at over $1,000,000,000.

All States suffered severe losses in exports between the years 1929 and 1932. New York lost $708,000,000, Michigan $306,000,000, Texas $357,000,000, California $231,000,000, Illinois $172,000,000, and Pennsylvania, $240,000,000. Can anyone reasonably doubt that this drastic decline in our foreign trade from $5,000,000,000 in 1929 to only $1,600,000,000 in 1932 has swelled the tragic ranks of the unemployed and has meant a very definite lowering of the standard of living in this country? But the indirect losses are far greater. For example, the decline of exports of automobiles from Michigan resulted in a decline in urban employment and buying power, and thereby caused a loss of domestic markets for our agricultural population.

The improved business condition of the past year and a half has been intimately related to a revival of our export trade. From 1932 to 1934 the exports of the United States increased from $1,611,000,000 to $2,133,000,000, an increase of 32 percent. The exports of automobiles and machinery increased from $222,000,000 to $435,000,000. The export of copper increased threefold, and iron and steel semimanufactures fourfold.

These increases in exports have unquestionably contributed substantially to the measure of recovery of business and employment thus far achieved. And the effects are not to be limited to the direct increase in employment in the export industries. The expansion of the export industries has, in turn, had a cumulative effect upon related industries, resulting in an ever-widening expansion of economic activity and employment in the domestic sphere. For example, the increase of automobile exports and other metal manufactures including machinery and electrical equipment, constitutes an important part of the increased demand for iron and steel products, plate glass, lumber, and at least 20 other commodities, and the increased purchasing power of the additional workers in these fields in turn has created a larger demand for consumption goods of all sorts, including the demand for agricultural products.

I cite these facts with no easy optimism. We are confronting a crisis in our foreign trade. The recent expansion of foreign trade does not yet rest on secure foundations. And because of the close relationship of our foreign trade with fundamental and full domestic recovery this crisis concerns every one of us vitally interested in the continued development of domestic business revival and the expansion of employment.

In 1934 this country enjoyed an export merchandise surplus of $478,000,000. The service items, including tourist expenditures, immigrant remittances, interest, and dividend payments, were substantially in balance. It is clear that the merchandise export surplus rested upon the insecure, uncertain foundation of a vast inflow of gold.

Events of the last year should make every American realize the precarious situation of our export trade, particularly on the continent of Europe. Trade-control measures are becoming day by day increasingly complicated and restrictive. These measures are designed to protect the balance of payments of foreign countries, to prevent an abnormal outflow of gold. Of one thing we may be sure—so long as our merchandise export surplus is balanced by gold imports the signal is given to our foreign customers to impose ever-increasing restrictive measures against our exports. Day after day and week after week throughout the year nations caught in this serious dilemma are trying by desperate means on the one side to check imports and on the other side to force exports. An outstanding development of the past year has been the use of bargaining quotas allotted to various countries in return for forced expansion of exports. In many parts of the world, especially in central Europe, clearing-exchange agreements and trade-compensation arrangements have put international trade very nearly back to a state of outright barter. This means a decrease rather than an increase in the sum total. Some countries have allocated exchange on the basis of other countries' purchases of their products. In some countries export trade is wholly or in large part controlled by import monopolies or centralized trade-control boards.

The effect of all these measures has been to restrict and to canalize trade into abnormal channels and to force a diversion of trade. These measures tend toward bilateral balancing of trade, which for the United States would mean that our exports would be cut down to the low level of our merchandise imports. Economic nationalism has never inflicted upon nations more serious and lasting injuries, affecting the well-being of peoples, the stability of governments, and civilization itself, than during recent years.

It is, therefore, urgent in the interest of American trade and world recovery to exert a determined leadership in the direction of liberal commercial policies in order to restore the equality of treatment upon which alone our foreign commerce can thrive. It is for this reason that the administration is basing its trade-agreements program upon the principle of equality of treatment, or nondiscrimination, in opposition to special bargaining and preferential arrangements. It is for this reason that we stand for a revival and strengthening of the most-favored-nation principle and against the exclusive policies of strict and narrow quid pro quo arrangements. The very economic lives of more than 30 countries depend upon foreign trade, and their collapse has disastrous effects upon us, as we have seen since 1929.

We believe that foreign countries are already beginning to learn that all these various devices bring, in the final analysis, no relief to their trade position. Trade is diverted, but it is not increased. It is a striking fact that international trade has been most stagnant and suffered the severest reverses during the past year in those very areas where the rigorous control devices to which I have referred have been most extensively developed.

The United States stands at the crossways. Of all the countries in the world, it is in the freest position to assume a world leadership in the adoption of saner commercial policies.

What do the supporters of an excessive and prohibitive tariff have to say in favor of such excesses? One of the most used arguments is that such tariffs protect American workers against the "pauper labor of Europe and Asia" and the American people generally from a low standard of living. But does it? I may first remark that all agree to the maintenance of reasonable or moderate tariffs that will not allow excessive or unreasonable importations of competitive products. A study made of 36 typical industries which are on an export basis or not aided by the tariff and 36 industries whose products are highly protected shows that in 1929 the average remuneration of wage earners in the highly protected industries was $595 less than that of the worker in the industries which received no tariff benefits. The average annual income in the unprotected industries was $1,704, while that in the highly protected industries was $1,109.

Those who contend that a virtually prohibitive tariff is absolutely essential overlook or ignore certain basic facts. According to the census of 1930 there was approximately 50,000,000 gainful workers in the country. More than half of this number, employed in service industries, transportation, wholesale and retail business, public utilities, and building trades, are not only not helped by the tariff but, as consumers, actually hurt thereby. Ten million farmers, a large part of whose products are exported and sell at world market prices, are obliged to buy in a protected market. Of the remainder, a large proportion are engaged in industries that are on an export basis, such as the automobile industry, electric apparatus, industrial and agricultural machinery, and other mass-production industries, which get no assistance from the tariffs, and are, indeed, injured by it. Many others are engaged in industries of a distinctly domestic character not subject to foreign competition.

There is not a country which does not have one or more specialities in which it is peculiarly proficient and which contributes to the necessities and amenities of world society. International trade helps to stimulate and spread throughout the world scientific discoveries and inventions, to broaden the national horizon of every nation and every people, and to enrich life everywhere.

For 6 years nations have vainly striven separately to restore prosperity. But I would emphasize as strongly as I can the fact that these efforts at national recovery have not fully succeeded because of the destruction of international trade. It follows that a vigorous effort to rebuild that trade is essential if we do not wish the struggle back toward prosperity to be too long delayed.

It would be inexcusable if we did not make a vigorous effort to ameliorate the frictions and animosities which tend to produce wars and impede the progress of civilization, by attempting to remove one of the chief causes. In these days no nation can live wholly to itself without imposing upon its own people and the peoples of other countries unjustifiable deprivations and hardships. Therefore, despite all difficulties, and despite the artful propaganda of selfish interests, we intend to continue to strive for an economic cooperation among nations that will make the vast riches of the world more readily accessible to all, remove as far as possible the causes of envy and aggression, and so take a determined first step in the direction of greater economic well-being and universal peace.

ADDRESS OF HON. ROBERT LINCOLN O'BRIEN, CHAIRMAN UNITED STATES TARIFF COMMISSION

The United States has for generations been a leader among the trading nations. In colonial days it was an exporter of fine wooden ships, of spars for the King's navy, of tobacco, and ship stores. In the last century King Cotton, safe in his southern stronghold, shipped the fiber that filled the spindles of the world's looms; the bread basket of the Mississippi Valley fed all Europe; and scores of cattle ships carried the cargoes that put beef on the tables of Europe. The twentieth century saw a change. Still cotton, still wheat, and pork, and tobacco helped fill the ships that linked the resources of the United States with the markets of the world. But now newer products, from new industries, announced the rising industrial strength of the United States. Copper, petroleum, fruit, canned goods, automobiles, machinery, and electrical equipment—these are the latter-day goods with which America holds her own in world markets. Every American tourist wandering around foreign cities has felt a homely pleasure in the familiar names of familiar products in shop windows.

In 1929 the nations of the world exchanged over $33,000,000,000 worth of goods. Our share in that gigantic export trade was over $5,000,000,000—15 percent of all international commerce.

Five billion dollars is a lot of money—more than the President is requesting for the whole works-relief program for the next year. Yet, being told that those $5,000,000,000 in exports were not quite 10 percent of the total production of the United States in 1929, some people have hastily concluded that the whole parcel of export trade is hardly worth the worry, and that in domestic concerns lie the beginning and the end of all our prosperity. To the southerner, who knows that without cotton exports half the cotton acres

of the South will lie fallow, refutation of that doctrine is needless. The raiser of hogs, the grower of oranges and apples, the canner of fruit, the tobacco plantationist, the oil driller, the automobile manufacturer—all these and many more need no reminder of the importance of foreign markets.

By 1933 world exports were scarcely a third of their total in 1929. The United States had held its own; it still accounted for about 15 percent of that trade. But now, instead of $5,000,000,000, the export trade contributed only $1,674,000,000 to the national trade and income. What that shrinkage has meant to the South, to California, to the Pacific Northwest, to Detroit, and to all the other communities and regions whose prosperity is dependent in large measure upon a flourishing export trade is evident to us all.

A nation that has left few devices untried in the sad game of adding bricks to the top of tariff walls must not be surprised if the first result is strangled trade and the second result is new millions on the relief roles.

No one has ever assumed that the present restriction of output is anything more than a desperate and temporary expediency. No one has ever claimed that there is any solution for depression in a mass-production economy such as ours except mass production at a profit to worker and employer. That means markets, markets at home and abroad, extensive and intensive. The recapture of old and the creation of new foreign markets is the goal of the trade-agreements program, a goal whose achievement carries a promise of increased employment for every State in the Union.

The stalemate in world trade is not to be ended by good wishes or pious resolutions. It was created by the raising of trade barriers to insurmountable heights. It will be dissipated by skillful, patient negotiations to reduce some of those barriers to levels at which trade can be resumed. No one country can do the job alone and unaided. But in the belief that a great country can show the way to the council table, the United States has determined to assume the leadership.

Tariff making as Americans have known it is not a process which can be expected to increase foreign trade. Its aim has usually been to restrict imports; and if imports are restricted beyond a certain point, foreigners, starved for the dollars with which to buy, drop out of American markets as buyers. Tariff making in the past has been a congressional job. It is not a job Congress has relished. A session in which tariff revision was taking place was always a Roman holiday for lobbyists and petitioners. It was a time when every producer, every manufacturer, no matter how poor his claim, how high his costs, how wasteful his methods, or how small his industry, begged, cajoled, or demanded the added tariff which, he maintained, was necessary to keep his shop open. It mattered not if the process was ill-suited to American labor. It mattered not if the whole Nation was heavily taxed for the sake of a neighborhood. It mattered not if the exclusion of the foreign product lost us better customers abroad than ever the protected industry could offer. Nor could an overworked Congress be expected to give to tariff making that broad guardianship of national as against regional and special interests which the country has a right to demand.

A countless procession of special pleaders crowded the Committee on Ways and Means. Scarce a Congressman escaped pressure from some producer in his constituency. Every temptation existed for logrolling. Once thrown into the House the bill inevitably received scores of amendments which could not, under the circumstances, receive even the hurried consideration which the committee had given the rates in the bill it proposed. In the Senate unlimited amendment still further hammered at the proposed rates. It is a matter of small wonder that the resulting tariff act, instead of giving reasonable protection yet preserving the main channels of foreign trade, represented all too often a complex schedule of ill-considered subsidies.

The reciprocal tariff act with the trade program it has made possible proposes a sounder method of tariff making. It substitutes the national welfare for special favors. It offers fair hearing to every interest but permits no single one to be guiding. It provides, in an atmosphere removed from the inescapable turmoil of the political arena, for a study, by commodity experts and economists, of every tariff rate in whose preservation or change there is a promise of general gain.

The trade-agreements program seeks an increase in the trade of the United States. But it recognizes that trade is a business of both buying and selling, and that if we do not buy we cannot sell. The program begins, then, with the proposal to negotiate a series of commercial trade agreements with friendly countries. With three countries: Cuba, Brazil, and Belgium, agreements have already been concluded. With many others negotiations are in progress. It is altogether worth while for the American people to understand exactly how the American negotiators are equipped best to serve American interests at the council tables around which the terms of agreement are settled. This process has been called "Yankee horse trading." But if in that phrase there is any hint of hasty bargaining, it is proof that the whole program is misunderstood. Follow through, from beginning to end, this new making of tariffs.

It is decided to investigate the desirability of entering negotiations with, let us say, Belgium. The new interdepartmental trade-agreements committee organizes a Belgium committee, on which sit members of the Departments of State, Agriculture, Commerce, the Treasury, of the Tariff Commission, and of the office of the special adviser to the President on foreign trade. All the fact-finding resources of the Department of Commerce, Department of Agriculture, and of the Tariff Commission are put to work on an analysis of our exports to Belgium to determine which of our exports have been most important to American agriculture and industry in years past and which ones have been most grievously handicapped by Belgium tariffs, embargoes, or exchange restrictions. In the Tariff Commission, meanwhile, our imports from Belgium are subjected to an equally close scrutiny. Many things must be determined: How large have imports been in relation to domestic production both in Belgium and in the United States? What is the margin of protection accorded the American industry? How much of this protection is actually needed? Is the American industry strong, virile, successfully filling its place in American economy? For each American industry a patient, accurate survey is made by experts who have for many years studied that particular industry.

Equipped with these studies, the interdepartmental committee is able to determine which rates might be reduced with the clearest margin of gain to American industry, to American workers, and to American consumers, in return for reductions in Belgian duties on exports from the United States.

Meanwhile it has been publicly announced that preparations are in progress to begin negotiations with Belgium, and that all interested persons are invited to present briefs and to appear at public hearings. Two groups now come forward to offer their oral and written testimony. One group consists of those producers of products of farm, forest, and shop who, having lost foreign sales, petition the negotiators to obtain from Belgium the concessions by which they might be won back. The other is composed of all those producers and representatives of communities who fear that concessions to Belgium, which may increase our imports, will affect their interests adversely. It is the purpose of intelligent tariff making to reconcile these two points of view in the general interest. No important industry can be sacrificed for the sake of a few dollars' worth of exports. Nor, on the contrary, can the predictions of doom of an industry, fearing the threat of increased imports, be allowed to block a trade agreement which promises a clear margin of national gain through a revivified export trade. There is as much room for intelligently selective reciprocity between the United States and, say, Canada as between New York and California. There is as great a chance of gain to both regions in the one case as in the other.

Out of this mass of orderly data the contributing agencies of Government can now select two groups of items: One consisting of the concessions which, if granted by Belgium, promise the largest gain for American exports to that country; the other consisting of the concessions which the United States can safely make on the rates of duty on those imports which are supplied chiefly by Belgium.

There have been accusations that this is tariff making by star-chamber proceedings behind closed doors. Much of it is carried on in private, to be sure. Economic analysis of the patient, time-consuming sort which has been described, is not very amusing. It is not newsworthy. It is not done well in open committee under the watchful eye of the well-fed lobbyist. Nor are negotiations with foreign powers successfully started or completed under free-for-all conditions.

There are certain tests by which the American people must determine the validity of a tariff policy—the commercial policy—which their Government offers them. The American people must demand that the leaders of American policy be not swayed by political pressure; that they be not misled by the partial testimony of biased persons. They must be able to expect that no effort has been spared in the search for an accurate solution of the entire problem. They must be able to believe that the policy as it stands is a policy written in the interest of the whole people. The trade-agreements program has that ideal; it is being carried out in that spirit.

Certain irresponsible interests in this country have persisted in portraying the reciprocal trade-agreements program as a process in which a few light-hearted Government officials sit down with representatives of foreign governments and proceed to hand over American business to the foreigner, thus throwing American laborers out of work and destroying American investments. These statements, these implications, these innuendos, are flagrant untruths. I want to make it perfectly clear that the chief objectives of the reciprocal trade-agreement program are to create employment, to protect the interests of American industry and agriculture, to increase rather than decrease the worker's wage and standard of living. And you may rest assured that no proposed trade agreement ever reaches anywhere near adoption unless the best-qualified experts of the Tariff Commission, the Department of Commerce, the Department of Agriculture, the Treasury, and the Department of State, after months of detailed study, are in substantial agreement that those objectives of greater employment and greater return for labor, industry, agriculture, and commerce will be attained.

But there is a larger and a deeper reason for this attempt to liberalize the world's trade than even the material advantages which may reasonably be expected to follow. This larger reason lies in the contribution of widening trade and widening human relations to a better understanding of one another among the peoples of the world. After all, this is fundamental. I remember the morning nearly half a century ago when our class was graduated from Harvard College. We had been invited to breakfast at the home of the president, Charles William Eliot. The breakfast did not amount to much. That was not his long suit. But the words that he spoke to us have always seemed to me, as I have reflected on them in the years that followed, of the bread of the eternal life. He said that from that day forth our paths would

fall in countless directions. We would be in different political parties and in different religious bodies and of different vocations, interests, even hobbies; but in one thing we could remain united, and that was in our purpose to belong to the liberal and progressive elements of each and all of these groups in which we found ourselves, and through them and in them to exert our influence for a better world order, a better understanding of the nations to one another, and so strive for the ultimate triumph of those ideals which we believed basic to liberality and progress. My belief is that the trade-bargaining plan upon which the administration is now at work is in line with this great and inspiring mandate.

LIMIT OF EXPENDITURE, REPAIRS OF NAVAL VESSELS

Mr. VINSON of Georgia. Mr. Speaker, I renew my request for the present consideration of the bill H. R. 4760. The gentleman from New York withdraws his objection.

Mr. MARCANTONIO. Mr. Speaker, I withdraw my objection.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk reported the title of the bill, as follows:

A bill to increase the statutory limit of expenditure for repairs or changes to naval vessels.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object. There seems to be some confusion because this is a bill on the Consent Calendar. It is a departmental bill. It is made clear by the gentleman from Georgia what it is, and those who challenge bills on this side of the House agree with him that it would be proper to have it brought up at this time. I offer this explanation because there are others here who would like to have their bills in the same category but it cannot be done. This bill is a special bill with a special recommendation.

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. Will the gentleman explain the effect of the bill?

Mr. VINSON of Georgia. Under the statute today, when a ship goes to a navy yard there can be expended only $300,000 in 1 year on repairs. The bill would permit a ship to go to a navy yard and permit an expenditure of $600,000 over a period of 2 years. It is in the interest of economy, because when a ship is in drydock it may develop that more than $300,000 worth of repairs will have to be made. The ship will then have to go back to the fleet and then come back again to the drydock the next year.

Mr. ZIONCHECK. Does this in any way affect the west coast ship repair work as compared with the east coast?

Mr. VINSON of Georgia. This will probably help the Bremerton Navy Yard in the gentleman's district.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object to state that there is a difference between this gentleman's bill and the other, because there was an understanding that this bill would be called up. My objection to the bill relative to the appointment of a clerk to a judge was made because I do not believe we ought to have a lot of small bills come up at this late hour.

The SPEAKER. Is there objection?

Mr. CONNERY. Mr. Speaker, I reserve the right to object. The gentleman spoke about a navy yard in the district of the gentleman from Washington.

Mr. VINSON of Georgia. Oh, the same thing applies to the Boston Navy Yard.

The SPEAKER. Is there objection?

There was no objection, and the Clerk read the bill, as follows:

Be it enacted, etc., That the total appropriation expenditures for repairs or changes to a vessel of the Navy undertaken in a navy yard shall not exceed $600,000 for any two consecutive fiscal years: *Provided*, That if, during the overhaul of a vessel, the estimated cost for such overhaul having been approved as within the limits herein imposed, accomplishment of essential items will involve expenditures in excess of such limits, the Secretary of the Navy may, and he is hereby authorized, appropriation otherwise being available, to complete the work, and it shall thereupon be his duty to report to the Congress at the next regular session thereof the expenditures from each of the appropriations involving expenditures in excess of the authorized limit for such work: *Provided further*, That such parts of the act for March 2, 1907, March 3, 1909, and August 29, 1916, contained in section 468, title 5 of the United States Code, as relate to statutory limit of expenditure for repairs or changes on naval vessels, are hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

LEAVE TO ADDRESS THE HOUSE

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

MAKES PLEA FOR FEDERAL AID FOR SCHOOLS

Mr. JOHNSON of Oklahoma. Mr. Speaker, a few days ago I attended hearings before the House Committee on Education, which committee has been considering bills proposing Federal aid for weak rural schools throughout the Nation. Among the bills proposing Federal aid for our schools was one introduced by me and is now pending before the Committee on Education. It is known as H. R. 1552.

Hon. Harry Hopkins, Administrator of the Federal Emergency Relief Administration, appeared before the House Committee on Education Thursday, March 21, at which time he gave the committee some very valuable information. I was present and heard his statement. I have since read his testimony, and I find that in some instances his statement with reference to rural schools was altogether misleading.

Administrator Hopkins, after telling the committee that all the rural schools in America last year only received $14,583,659 Federal aid, said, and I quote from his testimony, a copy of a portion of which I now hold in my hand:

We believe we were successful in keeping every rural school in America open during that school term.

Feeling that his statement was grossly misleading, I called Mr. Hopkins' hand at that time.

I will read a portion of the stenographic report of the hearing in question:

Mr. JOHNSON of Oklahoma. With reference to Mr. Hopkins' statement that no rural schools have closed in Oklahoma for lack of funds, I am advised that in one county of my congressional district there are more than 800 school children out of school now. These schools are closed. A number of rural schools have closed in every county in the district I represent in Congress.

Mr. HOPKINS. They are not closed because they do not have the money.

Mr. JOHNSON. The gentleman is certainly mistaken in that statement.

Mr. HOPKINS. I am sorry, but in Oklahoma we have guaranteed all of the money she needs to keep open every school in Oklahoma.

Mr. JOHNSON. You may have guaranteed that no schools would close. But it is like the fellow in jail. There may not be any law to put him there but he is in jail just the same. I tell you, Mr. Hopkins, many rural schools in Oklahoma have already closed their doors, because they don't have the money to keep going.

Mr. HOPKINS. It is up to the State superintendent of education.

Mr. JOHNSON. In Stephens County, Okla., for example, I am advised that in one consolidated school district, several hundred children are out of school. In Grady County, some 18 rural schools are closed, so I am told, because they do not have the money and cannot get the money on which to operate. The same situation prevails in a majority of the counties in the State of Oklahoma.

I do not want to be unfair to Mr. Hopkins and it is not my purpose to quarrel with him. It is true that he qualified his statement several times before he finished his testimony. The following is one of his qualifications, taken from the official record.

Mr. HOPKINS. I know of my own knowledge of no rural school in America that has actually closed other than a few schools that have a very small number of pupils and in some cases where there are other reasons.

Mr. Speaker, in support of my statement that many rural schools have actually closed in Oklahoma because of insufficient funds on which to operate, I desire to read a telegram from our State superintendent of public instruction, Hon. John Vaughan, addressed to me under date of March 25, 1935. It is as follows:

OKLAHOMA CITY, OKLA., *March 25, 1935.*

Hon. JED JOHNSON,
Congressman, Washington, D. C.:

One hundred and twenty-seven schools, having 8,600 pupils, actually closed. Four hundred and fifty schools taught 1 to 3

months, hoping to receive pay from some source. State emergency appropriation recently available for 7½ months. One thousand eight hundred and twenty-eight districts, having 6,700 teachers and 250,000 pupils, will close school short of normal term if Federal aid is not available. Applied for $1,600,000 Federal relief January 16. Was allocated $200,000, but none paid to date. This amount is not sufficient.

JOHN VAUGHAN,
State Superintendent.

I repeat, Mr. Speaker, that I have no disposition to engage in a controversy with Mr. Hopkins. I will go further and say that after hearing him testify I feel that he is reasonably friendly to the cause of education, but I am unwilling for the word to go out to the country that no rural schools have closed because of lack of sufficient funds on which to operate.

I desire also to say to this House and to the country that the tax-burdened, drought-stricken, but honest, patriotic citizens of Oklahoma have shouldered heavy loads of taxation in a desperate effort to keep our schools open. But they have gone their limit. Because of conditions over which they have no control, many of our good citizens are unable to pay their taxes. Many others have lost their homes, and I assume that similar conditions prevail in many other States of the Nation.

This Congress ought to do something about it. Too long have we delayed taking definite, affirmative action. The fact is, this Congress has been in session about 3 months and although schools have been closing almost daily throughout the land since last January, this Congress has made no serious effort to do anything about it.

This is one of the real problems facing the country. We must educate our children now or it will be too late. Many other things classed as emergency for which Congress has doled out millions could well afford to wait rather than our school boys and girls who will be the citizens of tomorrow.

Again I want to call your attention to my bill known as H. R. 4552, proposing what I believe to be a permanent solution of this problem. My bill was drawn in collaboration with the Schoolmasters Club of Grady County, Okla. It also has the endorsement of many of the leading educators as well as other prominent citizens and taxpayers of the State and Nation. I am hopeful that the Committee on Education will report out my bill, or some similar bill that will give immediate and permanent relief to this trying and perplexing problem.

Mr. Speaker, I ask unanimous consent to have printed in connection with my remarks a copy of my bill.

A bill to provide for the cooperation of the Federal Government with the several States, Territories, and the District of Columbia in maintaining the public-school system, and for other purposes

Be it enacted, etc., That the Congress hereby declares that the cooperation of the Federal Government with the several States, Territories, and the District of Columbia is necessary to prevent the premature closing of elementary and common schools in many communities, thereby resulting in wide-spread unemployment of teachers and depriving millions of children of those educational opportunities necessary for the training of citizens in a democratic government.

SEC. 2. There is hereby authorized and directed to be made available, out of any funds appropriated for the Federal Emergency Relief Administration for the fiscal year ending June 30, 1935, and for the fiscal year ending June 30, 1936, such funds as will enable the several States, Territories, and the District of Columbia to maintain their regular school terms as maintained during the school year of 1931 and previous years.

SEC. 3. (a) Funds made available under section 2 of this act shall be disbursed in accordance with such rules as may be made by the Administrator of the Federal Emergency Relief Administration.

(b) For the further cooperation of the Federal Government in maintaining the public educational system, the President of the United States is authorized and empowered to include, in the annual Budget, estimates for an appropriation equal to not less than $10 per enumerated school child in the elementary and secondary schools.

(c) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, an amount equal to not less than $10 per enumerated school child in the elementary and secondary schools, to be immediately available for expenditure by the Secretary of the Interior, such amounts to be allocated to each county treasurer in each State, or to some other official designated by the Governor, for the use of the schools.

(d) No school shall receive any of the assistance as provided in subsection (c) of this section unless such school is unable by taxation, or the use of other public funds that may be available, to maintain a standard school for a term of 9 months; and in case the Secretary finds that only part of the assistance provided in subsection (c) of this section is necessary to maintain a standard school for a term of 9 months, then only such part of such assistance shall be provided as is necessary to maintain a standard school for a term of 9 months.

SEC. 4. After the passage and approval of this act all school warrants or other certificates of indebtedness for payments of teachers' salaries or salaries of other employees in the public schools of the United States, regularly issued by the proper officials, and unpayable for the reason that necessary taxes, assessments, or other revenues have not been collected, shall be eligible, when properly endorsed by the payee, for purchase or loans by the Reconstruction Finance Corporation. Loans on all such warrants or certificates of indebtedness shall be made at their face value at rates of interest not to exceed 1 percent per annum.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 83. An act to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes;

H. R. 340. An act for the relief of Louis Zagata;

H. R. 816. An act for the relief of Logan Mulvaney;

H. R. 829. An act granting 6 months' pay to Hester Hamilton;

H. R. 2117. An act for the relief of Cora A. Snyder;

H. R. 2569. An act for the relief of the estate of R. A. Wallace Treat;

H. R. 2678. An act for the relief of Carl L. Bernau;

H. R. 3477. An act relating to the incorporation of Trinity College of Washington, D. C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia, as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia;

H. R. 4538. An act to change the designation of Leffler Place to Second Place;

H. R. 5032. An act for the relief of the dependents of Carl Lindow, known also as Carl Lindo; and

H. R. 5913. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes.

The SPEAKER announced his signature to bills of the Senate of the following titles:

S. 404. An act to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes;

S. 488. An act for the relief of Michael Ilitz;

S. 747. An act for the relief of Joe G. Baker; and

S. 1856. An act for the relief of Arthur Smith.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, a joint resolution and bills of the House of the following titles:

On March 29, 1935:

H. J. Res. 174. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes.

On April 1, 1935:

H. R. 83. An act to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes;

H. R. 340. An act for the relief of Louis Zagata;

H. R. 816. An act for the relief of Logan Mulvaney;

H. R. 829. An act granting 6 months' pay to Hester Hamilton;

H. R. 2117. An act for the relief of Cora A. Snyder;

H. R. 2569. An act for the relief of the estate of R. A. Wallace Treat;

H. R. 2678. An act for the relief of Carl L. Bernau;

H. R. 3477. An act relating to the incorporation of Trinity College, of Washington, D. C., organized under and by virtue

of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia, as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia;

H. R. 4538. An act to change the designation of Leffler Place to Second Place;

H. R. 5032. An act for the relief of the dependents of Carl Lindow, known also as Carl Lindo; and

H. R. 5913. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House adjourned until tomorrow, April 2, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Tuesday and Wednesday, Apr. 2 and 3, 10 a. m.)

Committee will hold hearings on bill (H. R. 7120) to provide for the exclusion and expulsion of alien Fascists and Communists. Room 445, Old House Office Building.

COMMITTEE ON THE PUBLIC LANDS

(Tuesday, Apr. 2, 10:30 a. m.)

Committee will hold hearings for consideration of H. R. 6670 and 6734.

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Tuesday, Apr. 2, 10 a. m.)

Subcommittee will hold hearings on bill (H. R. 6452) regarding insurance.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

285. A letter from the Chief Scout Executive of the Boy Scouts of America, transmitting Twenty-fifth Annual Report of the Boy Scouts of America (H. Doc. No. 21); to the Committee on Education and ordered to be printed, with illustrations.

286. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend the act of June 6, 1924, entitled "An act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes"; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FERNANDEZ: Committee on Naval Affairs. H. R. 6204. A bill to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes; without amendment (Rept. No. 541). Referred to the Committee of the Whole House on the state of the Union.

Mr. FADDIS: Committee on Military Affairs. H. R. 6674. A bill to create the Reserve Division of the War Department, and for other purposes; without amendment (Rept. No. 542). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on Irrigation and Reclamation. H. R. 6142. A bill providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles; without amendment (Rept. No. 546). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. House Joint Resolution 210. Joint resolution for the participation of the United States in a universal and international exhibition at Brussels, Belgium, in 1935; without amendment (Rept. No. 548). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 7050. A bill to amend the Judicial Code; with amendment (Rept. No. 549). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREGORY: Committee on the Judiciary. H. R. 5452. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; with amendment (Rept. No. 570). Referred to the House Calendar.

Mr. BRUNNER: Committee on the Post Office and Post Roads. H. R. 5159. A bill to authorize the Postmaster General to construct for air mail service to Alaska; without amendment (Rept. No. 571). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. S. 1095. An act for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany; without amendment (Rept. No. 572. Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WOOD: Committee on War Claims. H. R. 402. A bill for the relief of the Union Shipping & Trading Co., Ltd.; without amendment (Rept. No. 543). Referred to the Committee of the Whole House.

Mr. WOOD: Committee on War Claims. H. R. 2713. A bill granting jurisdiction to the court of claims to hear the case of David A. Wright; without amendment (Rept. 544). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 3694. A bill for the relief of Florence Byvank; without amendment (Rept. No. 545). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 2086. A bill for the relief of Walter C. Holmes; with amendment (Rept. No. 550). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 2087. A bill for the relief of the Delaware Bay Shipbuilding Co.; without amendment (Rept. No. 551). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 2163. A bill for the relief of William Sulem; without amendment (Rept. No. 552). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 3286. A bill for the relief of Albert W. Wright; with amendment (Rept. No. 553). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3348. A bill for the relief of Nathan A. Buck; with amendment (Rept. No. 554). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3573. A bill for the relief of Jens H. Larsen; with amendment (Rept. No. 555). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4822. A bill for the relief of Thomas F. Olsen; without amendment (Rept. No. 556). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4824. A bill for the relief of Capt. George W. Steele, Jr., United States Navy; without amendment (Rept. No. 557). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4827. A bill for the relief of Don C. Fees; without amendment (Rept. No. 558). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4828. A bill for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes; without amendment (Rept. No. 559). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. S. 38. An act for the relief of Winifred Meagher; without amendment (Rept. No. 560). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. S. 209. An act for the relief of Carmine Sforza; with amendment (Rept. No. 561). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 416. An act for the relief of Las Vegas Hospital Association, Las Vegas, Nev.; with amendment (Rept. No. 562). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. S. 546. An act for the relief of Miles Thomas Barrett; without amendment (Rept. No. 547). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. S. 694. An act for the payment of the claims of the Fidelity Trust Co. of Baltimore, Md., and others; without amendment (Rept. No. 563). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 760. An act for the relief of Harry P. Hollidge; with amendment (Rept. No. 564). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. S. 781. An act for the relief of the estate of George B. Spearin, deceased; with amendment (Rept. No. 565). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 1008. An act for the relief of the Fairmont Creamery, of Omaha, Nebr.; without amendment (Rept. No. 566). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 1325. An act for the relief of Dino Carbonell; with amendment (Rept. No. 567). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 1360. An act for the relief of Teresa de Prevost; without amendment (Rept. No. 568). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 1392. An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad; without amendment (Rept. No. 569). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FENERTY: A bill (H. R. 7151) to incorporate the Military Order of the Purple Heart; to the Committee on the Judiciary.

By Mrs. GREENWAY: A bill (H. R. 7152) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

By Mrs. JENCKES of Indiana: A bill (H. R. 7153) to prescribe the qualifications for chief engineer and others in the fire department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. McGROARTY: A bill (H. R. 7154) to provide for the general welfare of the United States by supplying to the people a more liberal distribution and increase of purchasing power, retiring certain citizens from active gainful employment, improving and stabilizing gainful employment for other citizens, stimulating agricultural and industrial production and general business, and alleviating the hazards and insecurity of old age; to provide a method whereby citizens shall contribute to the purchase of and receive a retirement annuity; and for the raising of the necessary revenue to operate a continuing plan therefor; and to provide for the proper administration of this act; and for other purposes; to the Committee on Ways and Means.

By Mr. MAAS: A bill (H. R. 7155) to protect laborers in the Railway Mail Service; to the Committee on the Post Office and Post Roads.

By Mr. SCRUGHAM: A bill (H. R. 7156) to authorize the erection of a Veterans' Administration Hospital in the State of Nevada; to the Committee on World War Veterans' Legislation.

By Mr. SMITH of Connecticut: A bill (H. R. 7157) to incorporate the Military Order of the Purple Heart; to the Committee on the Judiciary.

By Mr. TABER: A bill (H. R. 7158) to authorize the erection of an addition to the existing Veterans' Administration facility at Canandaigua, N. Y.; to the Committee on World War Veterans' Legislation.

By Mr. WADSWORTH: A bill (H. R. 7159) to authorize the erection of an addition to the existing Veterans' Administration facility at Batavia, N. Y.; to the Committee on World War Veterans' Legislation.

By Mr. JONES: A bill (H. R. 7160) to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges; to the Committee on Agriculture.

By Mr. CONNERY: A bill (H. R. 7161) to widen the employment opportunities of American musicians and other artists; to the Committee on Labor.

By Mr. DEAR: A bill (H. R. 7162) to authorize the erection of additional facilities to the existing United States Veterans' Administration facility at Alexandria, La.; to the Committee on World War Veterans' Legislation.

By Mr. FENERTY: A bill (H. R. 7163) to authorize the erection of an addition to the existing Veterans' Administration facility in the District of Columbia; to the Committee on World War Veterans' Legislation.

By Mr. MOTT: A bill (H. R. 7164) to add certain lands to the Siskiyou National Forest in the State of Oregon; to the Committee on the Public Lands.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 7165) relating to the tribal and individual affairs of the Osage Indians of Oklahoma; to the Committee on Indian Affairs.

By Mr. WHITE: A bill (H. R. 7166) to amend the Securities Act, 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. ELLENBOGEN: A bill (H. R. 7167) to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes; to the Committee on the District of Columbia.

By Mr. BIERMANN: A bill (H. R. 7168) to protect producers, manufacturers, and consumers from the unrevealed presence of substitutes and mixtures in woven or knitted fabrics and in garments or articles of apparel made therefrom, manufactured in any territory of the United States or the District of Columbia, or transported or intended to be transported in interstate or foreign commerce, and providing penalties for the violation of the provisions of this act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHURCH: A bill (H. R. 7169) to authorize the erection of an addition to the existing Veterans' Administration facility at North Chicago, Ill.; to the Committee on World War Veterans' Legislation.

By Mr. LEA of California: A bill (H. R. 7170) to authorize the naturalization of certain resident alien World War veterans; to the Committee on Immigration and Naturalization.

By Mr. MAHON: A bill (H. R. 7171) to amend section 108 of the Judicial Code to create a new judicial district for the State of Texas; to the Committee on the Judiciary.

By Mr. MEAD: A bill (H. R. 7172) to provide for the appointment and promotion of substitute postal employees, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. LLOYD: A bill (H. R. 7173) relating to interest and usury affecting parties under the jurisdiction of courts of the United States functioning in countries where the United States exercises extraterritorial jurisdiction; to the Committee on the Judiciary.

By Mr. PLUMLEY: A bill (H. R. 7174) to authorize the erection of a Veterans' Administration hospital in the State of Vermont; to the Committee on World War Veterans' Legislation.

By Mr. COLMER: A bill (H. R. 7175) providing for the appointment of a commissioner to hear cases arising under contracts of war-risk insurance in the district courts for the northern and southern districts of Mississippi; to the Committee on the Judiciary.

By Mr. HIGGINS of Massachusetts: Resolution (H. Res. 179) requesting the Senate to adopt the resolution now pending before that body protesting the antireligious practices of the present rulers of Mexico; to the Committee on Foreign Affairs.

By Mr. MAAS: Resolution (H. Res. 180) calling upon the Interstate Commerce Commission for information concerning rates of compensation for transportation of mail by airplane; to the Committee on the Post Office and Post Roads.

Also, resolution (H. Res. 181) calling upon the Postmaster General for information concerning contracts for transportation of mail by airplane; to the Committee on the Post Office and Post Roads.

By Mr. TREADWAY: Resolution (H. Res. 182) requesting the Attorney General of the United States to take action in a certain suit involving the National Industrial Recovery Act; to the Committee on the Judiciary.

By Mr. COX: Resolution (H. Res. 183) requesting the Attorney General of the United States to take action in a certain suit involving the National Industrial Recovery Act; to the Committee on the Judiciary.

By Mr. BACON: Resolution (H. Res. 184) providing for a special committee of the House to investigate certain published charges relating to the staying of certain mandatory deportation orders; to the Committee on Rules.

By Mr. McLEOD: Resolution (H. Res. 185) directing the Secretary of the Treasury to transmit to the House of Representatives certain information relating to closed banks; to the Committee on Banking and Currency.

By Mr. VINSON of Georgia: Resolution (H. Res. 186) for the consideration of H. R. 5382; to the Committee on Rules.

Also, resolution (H. Res. 187) for the consideration of H. R. 6204; to the Committee on Rules.

Also, resolution (H. Res. 188) for the consideration of H. R. 4760; to the Committee on Rules.

By Mr. SIROVICH: Resolution (H. Res. 189) to amend and extend paragraph 1b of rule XXVIII of the Rules of the House of Representatives; to the Committee on Rules.

By Mr. FISH: Joint resolution (H. J. Res. 232) authorizing the erection of an equestrian statue of Gen. Robert E. Lee in the Arlington National Cemetery; to the Committee on the Library.

By Mrs. NORTON: Joint resolution (H. J. Res. 233) authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive, etc.; to the Committee on the District of Columbia.

By Mr. TINKHAM (by request): Joint resolution (H. J. Res. 234) to create a commission to study and report on the feasibility of constructing the Mexican canal; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Oklahoma, regarding the allocation of funds to schools in the United States; to the Committee on Appropriations.

Also, memorial of the Legislature of the Territory of Hawaii, concerning unemployment insurance; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 7176) granting an increase of pension to Lemial S. Darr; to the Committee on Pensions.

By Mr. BIERMAN (by request): A bill (H. R. 7177) granting a pension to Clarissa M. Eck; to the Committee on Invalid Pensions.

Also (by request), a bill (H. R. 7178) granting a pension to Ruby A. Hampton; to the Committee on Pensions.

By Mr. COFFEE: A bill (H. R. 7179) granting an increase of pension to Hattie I. Lusk; to the Committee on Invalid Pensions.

By Mr. DARDEN: A bill (H. R. 7180) directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States; to the Committee on the Judiciary.

By Mr. FOCHT: A bill (H. R. 7181) granting a pension to Anna M. Wilson; to the Committee on Invalid Pensions.

By Mr. GASSAWAY: A bill (H. R. 7182) granting a pension to Taylor Pinkston; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7183) granting a pension to William L. Collett; to the Committee on Invalid Pensions.

By Mr. HOPE: A bill (H. R. 7184) granting a pension to Angeline Toland; to the Committee on Invalid Pensions.

By Mr. KRAMER: A bill (H. R. 7185) for the relief of Martha R. McCoy; to the Committee on Claims.

Also, a bill (H. R. 7186) for the relief of Joseph A. Howell; to the Committee on Claims.

Also, a bill (H. R. 7187) to place Arthur King on the emergency officers' retirement list; to the Committee on Military Affairs.

Also, a bill (H. R. 7188) for the relief of Douglas Aron Copley; to the Committee on Military Affairs.

By Mr. LAMNECK: A bill (H. R. 7189) granting an increase of pension to Emma J. Field; to the Committee on Invalid Pensions.

By Mr. MURDOCK: A bill (H. R. 7190) for the relief of Royal Terry, Chris Larsen, Joe Pargis, and S. L. Hinckley; to the Committee on Claims.

By Mr. PEARSON: A bill (H. R. 7191) granting a pension to Sarah E. Nolen; to the Committee on Invalid Pensions.

By Mr. POLK: A bill (H. R. 7192) granting a pension to Clara Alice Willburn; to the Committee on Invalid Pensions.

By Mr. RABAUT: A bill (H. R. 7193) for the relief of Walter Storsberg; to the Committee on Claims.

Also, a bill (H. R. 7194) to provide for the bestowal of the Congressional Medal of Honor upon George S. Downing; to the Committee on Military Affairs.

By Mr. TINKHAM: A bill (H. R. 7195) authorizing the President of the United States to reinstate Wallace F. Safford to the position and rank of captain in the Army of the United States; to the Committee on Military Affairs.

By Mr. ZIONCHECK: A bill (H. R. 7196) for the relief of the Western Construction Co.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5868. By Mr. ROGERS of Oklahoma: Petition of Annie Bullick and numerous other citizens resident of Fergus Fall, Minn., urging immediate action of Congress on House bill 2856, embracing a Federal system of old-age pensions of $30 per month to citizens of the United States above the age of 55 years who are not engaged in the field of competitive earning; to the Committee on Ways and Means.

5869. Also, petition of Anna C. Grove, Centre Hall, Pa., urging immediate action of Congress on House bill 2856, embracing a Federal system of old-age pensions of $30 per month for citizens of the United States above the age of 55 years who are not engaged in the field of competitive earning; to the Committee on Ways and Means.

5870. Also, petition headed by Joseph Wright, of Earl, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5871. Also, petition headed by G. A. Brooks, of Minden, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5872. Also, petition headed by Henry Richardson, of Luber, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5873. Also, petition headed by F. Claiborne, of Mansfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5874. Also, petition headed by Luther Marcontel, of Dequincy, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5875. Also, petition headed by J. Brumfield, of McComb, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5876. Also, petition headed by C. A. Gaines, of Huntsville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5877. Also, petition headed by M. O. Kalb, of Seminole, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5878. Also, petition headed by N. M. Holt, of Kiefer, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5879. Also, petition headed by Hartwell Galbert, of Stratford, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5880. Also, petition headed by R. I. McEfee, of Drumright, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5881. Also, petition headed by M. L. Bohannon, of Drumright, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5882. Also, petition headed by M. Galbert, of Stratford, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5883. Also, petition headed by L. W. Hutson, of Wewoka, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5884. Also, petition headed by W. T. Arnold, of Henry, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5885. Also, petition headed by Alford Flowers, of Montgomery, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5886. Also, petition headed by Milton McGovern, of Mountain Creek, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5887. Also, petition headed by Charles H. Smith, of Beloit, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5888. Also, petition headed by N. R. Hudgins, of Falkville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5889. Also, petition headed by D. S. Small, of Caruthersville, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5890. Also, petition headed by Charlie McWhorter, of Union Point, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5891. Also, petition headed by Emmett Wales, of Osyka, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5892. Also, petition headed by Robert Ross, of Binger, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5893. Also, petition headed by J. T. Steed, of Ryan, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5894. Also, petition headed by S. G. Odom, of Ringling, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5895. Also, petition headed by Charles Cox, of Walters, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5896. Also, petition headed by R. Duncan, of Chickasha, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5897. Also, petition headed by Granville Gibson, of Ringling, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5898. Also, petition headed by B. Graham, of Chattanooga, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5899. Also, petition headed by W. A. Stiffer, of Wewoka, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5900. Also, petition headed by E. G. Barrett, of Mounds, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5901. Also, petition headed by Paul T. Burgess, of Mounds, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5902. Also, petition headed by O. H. Chambers, of Oilton, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5903. Also, petition headed by L. H. Logan, of Boley, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5904. Also, petition headed by A. Dixon, of Stroud, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5905. Also, petition headed by E. M. Pritchett, of Newby, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions

of $30 to $50 a month; to the Committee on Ways and Means.

5906. Also, petition headed by John Davis, of Wewoka, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5907. Also, petition headed by J. T. Johnson, of Shamrock, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5908. Also, petition headed by R. E. McClure, of Atwood, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5909. Also, petition headed by George Haynes, of Castle, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5910. Also, petition headed by W. L. Hardison, of Bristow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5911. Also, petition headed by A. Blanton, of Drumright, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5912. Also, petition headed by H. C. Powell, of Tuskahoma, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5913. Also, petition headed by Charlie C. Corlin, of Maud, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5914. Also, petition headed by Oscar Perry, of Bristow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5915. Also, petition headed by J. W. Bowen, of Friendship, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5916. Also, petition headed by Isum Henley, of Wyatt, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5917. Also, petition headed by D. Ashford, of La Center, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5918. Also, petition headed by A. Turnbow, of Ethel, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5919. Also, petition headed by J. W. Gray, of Reeds Spring, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5920. Also, petition headed by L. Jackson, of Adger, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5921. Also, petition headed by N. Evans, of Ardmore, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5922. Also, petition headed by P. C. Moore, of Inman, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5923. Also, petition headed by J. J. Bagwell, of Crossville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5924. Also, petition headed by W. R. White, of Princeton, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5925. Also, petition headed by A. Rayford, of Roanoke, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5926. Also, petition headed by V. Wilson, of Kenner, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5927. Also, petition headed by M. Adoma, of Value, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5928. Also, petition headed by J. C. Freeman, of Gainesvile, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5929. Also, petition headed by G. Mills, of Jasper, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5930. Also, petition headed by S. Devine, of Dallas, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5931. Also, petition headed by G. V. Butler, of Gloster, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5932. Also, petition headed by A. Ralls, of Culloden, Ga., favoring House bill 2856, by Congresman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5933. Also, petition headed by W. R. Wilder, of Jennings, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5934. Also, petition headed by D. Cuenas, of Pass Christian, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5935. Also, petition headed by L. E. Green, of Chattanooga, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5936. Also, petition headed by John Segrest, of Rison, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5937. Also, petition headed by F. Cain, of West, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5938. Also, petition headed by K. Caldwell, of Wilton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5939. Also, petition headed by J. Dooley, of Lepanto, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5940. Also, petition headed by P. Braxton, of Swiftown, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5941. Also, petition headed by James White, of Equality, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5942. Also, petition headed by B. A. Minor, of Berlin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5943. Also, petition headed by P. Witherspoon, of Uniontown, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5944. Also, petition headed by George Lewis, of Jeanerette, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5945. Also, petition headed by L. McKinley, of Louisville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5946. Also, petition headed by Clay Exum, of Bemis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5947. Also, petition headed by William Stein, of Loxley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5948. Also, petition headed by Washington Taylor, Hollywood, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5949. Also, petition headed by M. More, of Schlater, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5950. Also, petition headed by M. Eatmon, of Millport, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5951. Also, petition headed by Robert Williams, of Hampshire, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5952. Also, petition headed by M. Nelson, of Ozan, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5953. Also, petition headed by Dan Daniel, of Gary, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5954. Also, petition headed by Hilard Kelley, of Renlora, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5955. Also, petition headed by M. Burren, of Milton, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5956. Also, petition headed by R. Tandy, of Hopkinsville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5957. Also, petition headed by Robert Coldmon, of Silver City, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5958. Also, petition headed by N. Parker, of Copperhill, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5959. Also, petition headed by W. J. Kirkham, of Noeton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5960. Also, petition headed by J. D. Daugherty, of White Bluff, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5961. Also, petition headed by M. R. Fowler, of Moundsville, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5962. Also, petition headed by M. A. Lousk, of Sale Creek, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5963. Also, petition headed by L. Jones, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5964. Also, petition headed by P. Patterson, of Locust Hill, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5965. Also, petition headed by R. Hammett, of Alcolu, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5966. Also, petition headed by Dock Osborne, of Amherstdale, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5967. Also, petition headed by I. Hicks, of Ware Shoals, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5968. Also, petition headed by S. L. Brow, of Salem, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5969. Also, petition headed by John Bradford, of Sherwood, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5970. Also, petition headed by John Hancock, of Owenton, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5971. Also, petition headed by B. Gregory, of Coopersville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5972. Also, petition headed by E. Davis, of Rock Island, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5973. Also, petition headed by John Hampton, of Armorel, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5974. Also, petition headed by Levy Cheek, of Chicopee, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5975. Also, petition headed by Lou Blue, of Savannah, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5976. Also, petition headed by E. Milton, of Tallahassee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5977. Also, petition headed by Joe Owens, of Brewton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5978. Also, petition headed by Isaac Johnson, of Cartersville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5979. Also, petition headed by C. Millsapp, of Adairsville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5980. Also, petition headed by Noah Walker, of Andalusia, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5981. Also, petition headed by John A. Coats, of Murry Cross, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5982. Also, petition headed by C. J. Wiggins, of Atmore, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5983. Also, petition headed by A. Marrs, of Phillipsburg, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5984. Also, petition headed by Jacob Thirdkill, of Robinsonville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5985. Also, petition headed by James A. Wingo, of Empire, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5986. Also, petition headed by F. J. Terry, of Rome, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5987. Also, petition headed by Walter Smoot, of Wayside, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5988. Also, petition headed by John Gilnos, of Hollandale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5989. Also, petition headed by F. P. Richardson, of Woodstock, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5990. Also, petition headed by J. Vales, of Corinth, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5991. Also, petition headed by S. Taylor, of Lyon, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5992. Also, petition headed by Ott Hermanson, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5993. Also, petition headed by M. Randerson, of Beatrice, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5994. Also, petition headed by M. S. Walker, of Charlottesville, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5995. Also, petition headed by M. McQueen, of Letohatchie, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5996. Also, petition headed by P. May, of Columbus, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5997. Also, petition headed by Charlie Austin, of Pulaski, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5998. Also, petition headed by Albert Seay, of Camden, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5999. Also, petition headed by P. Ward, of Proctor, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6000. Also, petition headed by J. F. Dowdell, of Auburn, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6001. Also, petition headed by E. Templeton, of Point Blank, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6002. Also, petition headed by K. Johnson, of Caryville, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6003. Also, petition headed by O. F. Shelton, of Bush, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6004. Also, petition headed by E. B. Reese, of New London, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6005. Also, petition headed by J. B. Clay, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6006. Also, petition headed by A. J. Jones, of McLeansboro, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6007. Also, petition headed by T. L. Hunter, of Thackeray, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6008. Also, petition headed by F. Griffin, of Troy, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6009. Also, petition headed by A. Yancy, of Hannibal, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6010. Also, petition headed by J. Maxwell, of Selmer, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6011. Also, petition headed by H. Byrd, of Bartow, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6012. Also, petition headed by L. Miller, of Wilson, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6013. Also, petition headed by J. H. Conrad, of Mangham, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6014. Also, petition headed by W. H. Osborn, of Walnut Grove, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6015. Also, petition headed by S. E. Haley, of Harrisville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6016. Also, petition headed by H. McDonald, of Lane, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6017. Also, petition headed by William Benton Little, of Rochester Mills, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6018. Also, petition headed by Louis Reedus, of Prospect, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6019. Also, petition headed by Hardy Glenn, of Pottsville, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6020. Also, petition headed by Eugene S. W. Reed, of Pittsburgh, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6021. Also, petition headed by Calvin Daniels, of Philadelphia, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6022. Also, petition headed by L. Deshong, of Orbisonia, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6023. Also, petition headed by James N. Wandless, of New Alexandria, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6024. Also, petition headed by F. Rutherford, of New Galilee, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6025. Also, petition headed by John R. McPhail, of Meyersdale, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6026. Also, petition headed by Charles Burner, of Masontown, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6027. Also, petition headed by Charles Stewart, of McDonald, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6028. Also, petition headed by B. Perry, of Lock No. 4, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6029. Also, petition headed by F. Morrison, of Paola, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6030. Also, petition headed by Frank Hazley, of Oswego, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6031. Also, petition headed by I. B. Buckner, of Osage City, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6032. Also, petition headed by John P. Degand, of North Topeka, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6033. Also, petition headed by E. M. George, of Newton, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6034. Also, petition headed by D. C. Bryson, of Neodesha, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6035. Also, petition headed by V. E. Hahn, of Mound City, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6036. Also, petition headed by Theodore Partridge, of Marysville, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6037. Also, petition headed by I. M. Trumpower, of Madison, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6038. Also, petition headed by W. J. Griffin, of Logan, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6039. Also, petition headed by James Monroe, of Little River, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6040. Also, petition headed by J. J. McNickles, of Leon, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6041. Also, petition headed by Alex Camren, of Lenora, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6042. Also, petition headed by Phillip Thorp, of Lawrence, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6043. Also, petition headed by Rufus Burgess, of Kansas City, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6044. Also, petition headed by John Romenski, of Junction City, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6045. Also, petition headed by W. L. Baysinger, of Iola, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6046. Also, petition headed by J. T. Bays, of Independence, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6047. Also, petition headed by Andrew Schroeder, of Hutchinson, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6048. Also, petition headed by J. W. Davis, of Hunnewell, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6048½. Also, petition headed by L. Tidd, of Neosho Falls, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6049. Also, petition headed by John Robison, of Hillsdale, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6049½. Also, petition headed by Simon F. Faison, of Turkey, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6050. Also, petition headed by C. Potter, of Harper, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6050½. Also, petition headed by Wash Dunigan, of West Memphis, Ark., favoring House bill 2856, by Congressman

WILL ROGERS, the Pope plan for direct Federal old-age pensons of $30 to $50 a month; to the Committee on Ways and Means.

6051. Also, petition headed by J. G. Mathis, of Liberty, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6052. Also, petition headed by M. T. Christenson, of Webster City, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6053. Also, petition headed by Frank M. Ewalt, of Waterloo, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6054. Also, petition headed by G. Osbund, of Stratford, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6055. Also, petition headed by E. C. Rood, of Slater, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6056. Also, petition headed by D. W. White, of Spirit Lake, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6057. Also, petition headed by A. F. Schock, of Russell, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6058. Also, petition headed by J. Coughlin, of Ottumwa, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6059. Also, petition headed by N. E. Oden, of Oskaloosa, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6060. Also, petition headed by W. H. Gross, of Onawa, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6061. Also, petition headed by Anton L. Lindahl, of Ogden, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6062. Also, petition headed by Tom Anderson, of New Market, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6063. Also, petition headed by S. Keith, of Mt. Pleasant, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6064. Also, petition headed by S. Baker, of Minburn, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6065. Also, petition headed by E. S. Olquin, of Weston, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6066. Also, petition headed by I. Ortega, of Villa Grove, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6067. Also, petition headed by N. Rhoads, of Two Buttes, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6068. Also, petition headed by Abel Gurule, of Trinidad, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6069. Also, petition headed by Francisco DeHerrera, of Tiffany, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6070. Also, petition headed by A. Sesnero, of Segundo, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6071. Also, petition headed by R. Gallegos, of San Luis, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6072. Also, petition headed by A. Garcia, of Salida, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6073. Also, petition headed by Jose Esau Abachidhia, of Saguache, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6074. Also, petition headed by Andy Davidson, of Rico, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6075. Also, petition headed by Antonio L. Valdez, of Pagose Springs, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6076. Also, petition headed by Antonio Chavez, of Pagosa Junction, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6077. Also, petition headed by R. M. Quintana, of Ortiz, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6078. Also petition headed by Foster M. Hartley, of Wapato, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6079. Also, petition headed by A. B. Suttles, of Vancouver, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6080. Also, petition headed by Benjamin Woffard Jordan, of Twisp, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6081. Also, petition headed by C. B. Murphy, of Tonasket, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6082. Also, petition headed by Milton Cox, of Synarep, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6083. Also, petition headed by R. A. Ellington, of Seattle, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6084. Also, petition headed by B. E. Roseberry, of Republic, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6085. Also, petition headed by C. A. Frick, of Williamsport, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6086. Also, petition headed by William C. Allen, of Towson, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6087. Also, petition headed by M. E. Devilbiss, of Thurmont, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6088. Also, petition headed by S. A. Mirley, of Sandy Hook, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6089. Also, petition headed by Samuel B. Dennis, of Princess Anne, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6090. Also, petition headed by Thomas L. Ashby, of Oakland, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6091. Also, petition headed by G. A. Cooper, of McHenry, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6092. Also, petition headed by C. H. Smith, of Lonaconing, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6093. Also, petition headed by M. E. Hensley, of Hancock, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6094. Also, petition headed by H. E. Boteler, of Knoxville, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6095. Also, petition headed by W. B. Baker, of Hagerstown, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6096. Also, petition of George Daniels and numerous other citizens of the county of Washington, in the State of Tennessee, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6097. Also, petition of Rev. James E. Lightle and numerous other citizens of Johnson City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6098. Also, petition of Thomas Boyd and numerous other citizens of the county of Ballard, in the State of Kentucky, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6099. Also, petition of Guy N. Norton and numerous other citizens of Kevil, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6100. Also, petition of James Dotson and numerous other citizens of McCool, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6101. Also, petition of Ben Washington and numerous other citizens of Ethel, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6102. Also, petition of Matthew Brooks and numerous other citizens of Gloria, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6103. Also, petition of James B. Wallace and numerous other citizens of Chattanooga, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6104. Also, petition of O. F. Thorn and numerous other citizens of Vicksburg, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6105. Also, petition of W. A. Dawson and numerous other citizens of Balton, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6106. By Mr. AYERS: Resolution of the Senate of the Twenty-fourth Legislative Assembly of the State of Montana, 1935, requesting the enactment by Congress of Senate bill 266, being a bill to provide for the erection of a public historical museum in the Custer Battlefield National Cemetery in Montana; to the Committee on Military Affairs.

6107. Also, resolution of the Senate of the Twenty-fourth Legislative Assembly of the State of Montana, requesting that congressional action be taken respecting an investigation of the activities and affairs of smelters, and further requesting that adequate appropriations be made for the United States Bureau of Mines; to the Committee on Mines and Mining.

6108. Also, resolution of the Senate of the Twenty-fourth Legislative Assembly of Montana of 1935, requesting the Congress of the United States to enact the necessary legislation to restore the United States assay office at the city of Helena, Mont.; to the Committee on Appropriations.

6109. By Mr. BACHARACH: Resolutions of the Friendly Sons of St. Patrick, of South Jersey, and the Ocean City Council, No. 2560, Knights of Columbus, Ocean City, N. J., approving bill providing for the issuance of a special commemorative postage stamp in honor of Commodore John Barry, the father of the American Navy; to the Committee on the Post Office and Post Roads.

6110. By Mr. BLAND: Petition of five citizens of Westmoreland County, Va., favoring old-age-pension legislation that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

6111. By Mr. BOYLAN: Resolution adopted unanimously by the Stuyvesant Post, No. 98, Veterans of Foreign Wars, New York City, favoring the cash payment of adjusted-service certificates, known as the "Patman bill (H. R. 1)"; to the Committee on Ways and Means.

6112. By Mr. CITRON: Petition of the city of Middletown, asking Congress to make General Pulaski Day a memorial day; to the Committee on the Judiciary.

6113. By Mr. CLARK of Idaho: Joint Memorial No. 7 of the Department of State of Idaho; to the Committee on Irrigation and Reclamation.

6114. Also, Joint Memorial No. 5 of the Department of State of Idaho; to the Committee on Ways and Means.

6115. Also, House Joint Memorial No. 1 of the Department of State of Idaho; to the Committee on Ways and Means.

6116. Also, joint memorial of the Legislature of the State of Nevada; to the Committee on Interstate and Foreign Commerce.

6117. Also, Senate Joint Memorial No. 12 from secretary of state of Idaho; to the Committee on Mines and Mining.

6118. Also, Senate Joint Memorial No. 3 from the secretary of state of Idaho; to the Committee on Agriculture.

6119. Also, Senate Joint Memorial No. 7 of the Department of State of Idaho; to the Committee on Agriculture.

6120. Also, House Joint Memorial No. 8 of the Department of State of Idaho; to the Committee on Ways and Means.

6121. Also, Senate Joint Memorial No. 9 of the State Department of Idaho; to the Committee on the Public Lands.

6122. Also, Senate Joint Memorial No. 8 of the Department of State of Idaho; to the Committee on Merchant Marine and Fisheries.

6123. Also, Senate Joint Memorial No. 6 of the Department of State of Idaho; to the Committee on Coinage, Weights, and Measures.

6124. By Mr. COLLINS: Assembly Joint Resolution No. 39, adopted by the California State Legislature, memorializing the Congress of the United States to incorporate in a national old-age-pension plan the principles and objectives of the Townsend old-age-pension plan; to the Committee on Ways and Means.

6125. By Mr. DELANEY: Petition of the Delson Chemical Co., Inc., of Brooklyn, N. Y., expressing disapproval of Senate bill 5 and House bill 3972, revising the laws regulating the manufacture of food, drugs, and cosmetics; to the Committee on Interstate and Foreign Commerce.

6126. By Mr. ENGLEBRIGHT: Assembly Joint Resolution No. 39, adopted by the California State Legislature, referring to old-age pensions; to the Committee on Ways and Means.

6127. By Mr. FITZPATRICK: Petition signed by Margaret Torpey, secretary of the Joe McKelvey Council, A. A. R. I. R., of Yonkers, N. Y., urging the passage of House Joint Resolution No. 193; to the Committee on the Judiciary.

6128. Also, petition of Gmina, No. 112, of the Polish National Alliance of the United States of North America, signed by the president, Vincent Jendrzyenslli, urging the passage of House Joint Resolution 81, to proclaim October 11 of each year General Pulaski Memorial Day; to the Committee on the Judiciary.

6129. By Mr. GOODWIN: Petition of the Lions Club of Germantown, N. Y., urging Congress to protect the copper mines and its industry through the medium of a tax levy; to the Committee on Mines and Mining.

6130. By Mr. GRANFIELD: Petition of the Chamber of Commerce, Chicopee, Mass., requesting Congress to enact legislation to restrict importation of cotton textile products; to the Committee on Ways and Means.

6131. By Mr. KIMBALL: Resolution of the city of Albion, State of Michigan, favoring legislation providing for regulation of motor carriers operating in interstate or foreign commerce; to the Committee on Interstate and Foreign Commerce.

6132. By Mr. LESINSKI: Resolution of the Metropolitan Post, No. 185, of the American Legion, petitioning the President of the United States and the Congress of the United States to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

6133. Also, resolution of Slovak Democratic League, of Detroit, Mich., urging the enactment of the Workers' Unemployment, Old Age, and Social Insurance Act (H. R. 2827); to the Committee on Labor.

6134. Also, resolution of Slovak Evangelical Union Augsburg Confession of America, Branch 245, urging the enactment of the Workers' Unemployment, Old Age, and Social Insurance Act (H. R. 2827); to the Committee on Labor.

6135. Also, House Concurrent Resolution No. 26 of the Michigan State Legislature at Lansing, Mich., memorializing President Franklin D. Roosevelt and the Congress of the United States to provide for the relief of unemployed women and girls in the various States of the Union and recommending that the Congress of the United States, or such governmental agency to which power may have been designated, enact the necessary legislation or make provision to provide a governmental department to function in correlation with the Civilian Conservation Corps to provide employment and occupation for the women and girls of the Nation in the interest of their physical and moral safety and the resultant benefit to posterity; to the Committee on Agriculture.

6136. Also, resolution of the Rumanian American Democratic Club, of Detroit, Mich., urging and requesting the enactment of the Lundeen unemployment insurance bill; to the Committee on Labor.

6137. By Mr. LUCAS: Resolution of the Cass County (Ill.) Board of Supervisors relative to the administration of Federal relief; to the Committee on the Judiciary.

6138. By Mr. MARTIN of Massachusetts: Petition of the Governor and Executive Council of the State of Massachusetts, advocating tariff protection for the fishing industry; to the Committee on Ways and Means.

6139. By Mr. MURDOCK: Resolution of the United Mine Workers of America, Local Union No. 6508, Latuda, Utah, favoring the enactment of the Lundeen workers unemployment insurance bill (H. R. 2827); to the Committee on Labor.

6140. By Mr. PETTENGILL: Resolution signed by Groups Nos. 2347 and 2263 of the Polish National Alliance of the United States of North America, memorializing Congress to enact House Joint Resolution 81, introduced by himself, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

6141. Also, resolution signed by Group 177 of the Polish National Alliance of the United States of North America and selectmen of the town of Concord, Mass., Common Councils of the borough of Mount Oliver, Pa., and of the city of Elko, Nev., memorializing Congress to enact House Joint Resolution 81, introduced by himself, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

6142. Also, resolution signed by Groups Nos. 2654, 2519, and 96 of the Polish National Alliance of the United States of North America, the City Councils of Attica, Ind., Gardner, Mass., and the Board of Village Trustees of Washington Park, Ill., and the Polish Business and Professional Club of Michigan City, Ind., memorializing Congress to enact House Joint Resolution 81, introduced by himself, directing the President of the United States to proclaim October 11 each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

6143. Also, petitions signed by Groups Nos. 2387, 850, 2350, 452, 2712, and 2511 of the Polish National Alliance of the United States of North America, the City Council of the City of Monterey Park, Calif., the Village Board of the Village of Madison, Ill., and the Common Council of the City of Stillwater, Minn., memorializing Congress to enact House Joint Resolution 81, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

6144. Also, resolutions signed by Groups Nos. 2523 and 1120 of the Polish National Alliance of the United States of North America, the Common Council of the City of Noblesville, Ind., and the Common Council of the City of Murphysboro, Ill., memorializing Congress to enact House Joint Resolution 81, introduced by himself, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

6145. By Mr. PFEIFER: Petition of the Izaak Walton League of America, East Chicago, Ind., concerning House bill 163; to the Committee on Merchant Marine and Fisheries.

6146. Also, petition of the Legislature of the State of New Jersey, concerning a bill to provide for the relief to depositors in closed national banks, etc.; to the Committee on Banking and Currency.

6147. Also, petition of the Gleason-Tiebout Glass Co., 99 Commercial Street, Brooklyn, N. Y., concerning the Rayburn-Wheeler public-utilities bill; to the Committee on Interstate and Foreign Commerce.

6148. Also, petition of S. Tully Wilson, of William Vogel & Bros., Inc., Brooklyn, N. Y., concerning the Rayburn-Wheeler bill; to the Committee on Interstate and Foreign Commerce.

6149. Also, petition of A. Mureika, chairman Lithuanian Workers, 46 Ten Eyck Street, Brooklyn, N. Y., concerning the Lundeen bill (H. R. 2827); to the Committee on Labor.

6150. By Mr. RABAUT: Resolution of the American-Jugoslav Educational League, being directly or indirectly dependent upon copper mining for a living, petitioning the Congress of the United States to not only sustain the present excise tax on copper but to increase same to 8 cents per pound or to put an embargo on all foreign copper; to the Committee on Ways and Means.

6151. Also, resolution of the executive board of Slovenic-Croatian Union, recommending the enactment of such legislation as is necessary to prohibit the importation of any foreign-produced copper; to the Committee on Ways and Means.

6152. Also, Michigan State Legislature House Concurrent Resolution No. 26, memorializing President Franklin D. Roosevelt and the Congress of the United States to provide for the relief of unemployed women and girls in the various States of the Union; to the Committee on Labor.

6153. Also, resolution of the Holy Name Society of St. Gregory's Roman Catholic Church, of the city of Detroit, protesting against the persecution of Americans in Mexico; to the Committee on Foreign Affairs.

6154. Also, resolution of the Abraham Lincoln Society, a beneficial and cultural society, of Detroit, Mich., urging the adoption of the Lundeen bill; to the Committee on Ways and Means.

6155. Also, petition of Joe W. Henley and 29 other citizens of Detroit, Mich., favoring the passage of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6156. Also, petition of Guild of Engineers and Architects of Michigan, favoring the prevailing-wage amendment of the work-relief bill and unqualifiedly supporting the work-relief bill and denouncing the alternative proposal of the dole; to the Committee on Ways and Means.

6157. Also, resolution of Detroit Federation of Post Office Clerks, favoring the passage of House bill 4340, as introduced by Congressman GEORGE G. SADOWSKI; to the Committee on Immigration and Naturalization.

6158. Also, resolution of the Detroit Federation of Post Office Clerks, Local No. 295, condemning the curtailment of the postal service in Detroit and making for an increase in the regular personnel; to the Committee on the Post Office and Post Roads.

6159. Also, petition of General Russell A. and Colonel Frederick M. Alger Post, No. 995, Veterans of Foreign Wars, petitioning the President of the United States and the Congress of the United States to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

6160. Also, resolution of Metropolitan Post, No. 185, of the American Legion, petitioning for the erection of a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

6161. Also, resolution of the Common Council of the city of Detroit, petitioning the President of the United States and the Congress of the United States to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

6162. Also, resolution of the Roosevelt Post, No. 130, American Legion, of Detroit, Mich., petitioning the President of the United States and the Congress of the United States to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

6163. Also, resolution of Fairview Post, No. 393, Veterans of Foreign Wars of the United States, petitioning the President of the United States and the Congress of the United States to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

6164. Also, resolution of the Slovene National Benefit Society, Lodge No. 121, favoring enactment of House bill 2827, entitled "Workmen's Unemployment, Old Age, and Social Insurance Act"; to the Committee on Ways and Means.

6165. By Mr. REED of Illinois: Petition of Herman J. Byrd and 42 others, requesting the adoption of the Townsend old-age revolving-pension plan; to the Committee on Ways and Means.

6166. Also, petition signed by Marjorie Crane Nehring and 48 others, requesting the adoption of the Townsend old-age revolving-pension plan; to the Committee on Ways and Means.

6167. By Mrs. ROGERS of Massachusetts: Petition of the Governor and Council of the Commonwealth of Massachusetts, urging the adoption of such tariff schedules and other limitations as will exclude fish products of other countries; to the Committee on Ways and Means.

6168. By Mr. RUDD: Petition of the Legislature of the State of New Jersey, concerning relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks; to the Committee on Banking and Currency.

6169. Also, petition of the New York State Brewers' Association, concerning the McNary bill making hops a basic commodity; to the Committee on Agriculture.

6170. By Mr. SMITH of Washington: Petition for adequate national defense, signed by 174 residents of the Third Congressional District, State of Washington; to the Committee on Military Affairs.

6171. By Mr. TINKHAM: Petition of residents of Boston, Mass., favoring the Townsend old-age-pension plan; to the Committee on Ways and Means.

6172. Also, resolutions of Mission Hill Boston College Club, urging action by the United States in relation to religious persecution in Mexico; to the Committee on Foreign Affairs.

6173. Also, petition of residents of Massachusetts favoring the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6174. By Mr. TRUAX: Petition of Sheet Metal Workers' International Association, Local Union 143, Galion, Ohio, by their secretary, Elza Hiemlich, urging support of the Wagner and Connery bills and the Black 30-hour-week bill; to the Committee on Labor.

6175. Also, petition of organized labor of Massillon and western Stark County, Ohio, by their secretary, Robert J. Siffrin, urging support of the Connery bill; to the Committee on Labor.

6176. Also, petition of United Rubber Workers Federal Labor Union, Local 18319, by their recording secretary, H. C. Anthony, Akron, Ohio, urging support of the Connery labor-disputes bill; to the Committee on Labor.

6177. Also, petition of Milk and Ice-Cream Drivers and Dairy Employees, Local Union 497, Akron, Ohio, urging passage of Wagner labor bill; to the Committee on Labor.

6178. Also, petition of International Association of Machinists, Lodge 463, Newark, Ohio, by their legislative chairman, Ernest F. Thoma, urging support of Wheeler-Rayburn bill for wiping out holding companies, Wagner-Connery labor-disputes bill, and Black 30-hour work week bill; to the Committee on Labor.

6179. By Mr. WALTER: Petition of Legislature of State of New Jersey; to the Committee on Banking and Currency.

SENATE

TUESDAY, APRIL 2, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Monday, April 1, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 21) authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The message also announced that the House had passed the bill (S. 619) to amend section 27 of the Merchant Marine Act, 1920, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 1068) to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 59. An act to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes;

H. R. 2045. An act to set aside certain lands for the Leech Lake Band of Chippewa Indians in the State of Minnesota;

H. R. 2739. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes;

H. R. 3612. An act to provide for adjusting the compensation of post-office inspectors and inspectors in charge to correspond to the rates established by the Classification Act of 1923, as amended;

H. R. 4760. An act to increase the statutory limit of expenditure for repairs or changes to naval vessels;

H. R. 5540. An act extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions;

H. R. 6290. An act to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark.;

H. R. 6323. An act to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof;

H. R. 7054. An act to provide for the protection of land resources against soil erosion, and for other purposes;

H. J. Res. 146. Joint resolution to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries; and

H. J. Res. 147. Joint resolution authorizing the erection of a monument to Grover Cleveland in Washington, D. C.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 19) authorizing the Committee on Ways and Means of the House of Representatives to have printed for its use additional copies of the hearings on the bill (H. R. 4120) to alleviate the hazards of old age, unemployment, illness, and dependency, to establish a social-insurance board in the Department of Labor to raise revenue, and for other purposes, Seventy-fourth Congress, first session, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Hayden	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Costigan	Logan	Robinson
Bachman	Couzens	Lonergan	Russell
Bailey	Cutting	Long	Schwellenbach
Bankhead	Dickinson	McAdoo	Sheppard
Barbour	Dieterich	McGill	Shipstead
Barkley	Donahey	McKellar	Steiwer
Bilbo	Duffy	McNary	Thomas, Okla.
Black	Fletcher	Maloney	Thomas, Utah
Borah	Frazier	Minton	Townsend
Brown	George	Moore	Trammell
Bulkley	Gerry	Murphy	Truman
Bulow	Glass	Murray	Vandenberg
Burke	Gore	Neely	Van Nuys
Byrd	Guffey	Norbeck	Wagner
Byrnes	Hale	Norris	Walsh
Capper	Harrison	Nye	White
Clark	Hastings	O'Mahoney	
Connally	Hatch	Pittman	

Mr. ROBINSON. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from South Carolina [Mr. SMITH] and the Senator from Illinois [Mr. LEWIS] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] and the Senator from Wisconsin [Mr. LA FOLLETTE] are absent on account of illness; that the Senator from Minnesota [Mr. SCHALL] is absent on account of a death in his family; that the Senator from Wyoming [Mr. CAREY] is absent on official business; and that the Senator from New Hampshire [Mr. KEYES] and the Senator from Vermont [Mr. GIBSON] are necessarily absent. I let this announcement stand for the day.

Mr. McNARY. The Senator from California [Mr. JOHNSON] is absent on account of illness.

The PRESIDENT pro tempore. Seventy-eight Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Arizona, which was ordered to lie on the table:

House Joint Memorial 3

To the President and the Congress of the United States of America:

Your memorialist, the Legislature of the State of Arizona, respectfully represents—

The drainage basin, within the United States, of the Santa Cruz and Sonoita Rivers constitutes a large part of southern Arizona, including all or portions of the counties of Santa Cruz, Cochise, Pima, and Maricopa, and contains some of the largest and most important cities of the State.

The watershed of these rivers extends over a large scope of mountainous country on both sides of the international boundary between the United States and Mexico, and at irregular intervals produces floods of great intensity and destructiveness, which cause much loss of property, serious inconvenience to industry and travel, and suffering to families living within the affected area.

The valleys of the Santa Cruz and Sonoita Rivers comprise extensive and fertile agricultural districts, which are highly productive when underground waters are available at reasonable depths and torrential floods do not destroy the crops.

During the past 30 years the damage done by the flood waters of these streams over that portion of southern Arizona from the town of Calabasas, on the Santa Cruz, to where the Santa Cruz, in southern Maricopa County, loses its defined channel and its waters, spreading over the country, enter the Gila River, has been tremendous. This damage has included washed-out bridges, highways, railroads, telegraph, telephone, and power lines, interruption of traffic, loss of crops both by inundation and deposit of silt, and the erosion of thousands of acres of land.

Control of these rivers would be of benefit so great to southern Arizona that it can hardly be estimated, not only by preventing a repetition of costly floods and checking erosion of the rich valley lands but also by raising and stabilizing the underground waters upon which farmers must depend for irrigation.

Comprehensive data, prepared and checked by competent engineers, covering a project for the construction of a dam in the Santa Cruz River at Eagan intake, and another on Sonoita River 5 miles above its confluence with the Santa Cruz, for the purpose of flood control, soil conservation, and improvements of the water table in the Santa Cruz Valley, was prepared in 1933, and in July of that year submitted to the Federal Public Works Administration through the Public Works Advisory Board of Arizona.

This data conclusively shows the practicability and feasibility of the project; the material benefits that would flow from its achievement; and discloses its universal endorsement by political, industrial, professional, and civic groups throughout the area affected.

In addition thereto, it should be pointed out that construction of this project would provide employment over a period of a year

and a half for approximately 600 men, while causing a similar number to be employed by private industry in a section where the unemployment situation is particularly acute. Furthermore, the lakes which would be created by the storage of the flood waters of the Santa Cruz and Sonoita Rivers would form a central feature for the establishment of attractive recreational areas.

Wherefore your memorialist prays—

1. That the Public Works Administration be requested to give its most earnest consideration to this constructive project as a worthwhile improvement of general benefit deserving a 100-percent allocation of public-works funds.

2. That any legislation which may hereafter be enacted looking to the continuation of the present public-works policy, or the broadening of its scope, shall be so framed as to include, either specifically or in terms which will render eligible for the allocation of 100-percent Federal funds, the Santa Cruz-Sonoita project for flood control, soil conservation, and water-table improvement.

And your memorialist will ever pray.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the Territory of Hawaii, which was ordered to lie on the table:

Concurrent resolution memorializing the Congress of the United States to include the Territory of Hawaii in the unemployment-insurance legislation

Be it resolved by the House of Representatives of the Territory of Hawaii, eighteenth legislative session of 1935 (the senate concurring), That the Congress of the United States be respectfully urged to include the Territory of Hawaii in the benefits of any unemployment-insurance legislation that may be enacted by the Congress of the United States; be it further

Resolved, That copies of this resolution be forwarded to the Clerk of the Senate of the Congress of the United States and the Clerk of the House of Representatives of the United States and the Delegate to Congress from Hawaii.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Nevada, favoring the making of sufficient appropriation to establish a monument in memory of the miners of the State of Nevada, in the nature of a home for aged and indigent miners, at some suitable location within the limits of Virginia City, Nev., which was referred to the Committee on the Library.

(See joint resolution printed in full when presented today by Mr. PITTMAN, p. 4829.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the City Council of Monterey Park, Calif., favoring the adoption of the Townsend old-age-pension plan, which was referred to the Committee on Finance.

He also laid before the Senate a petition of a citizen of the State of Arkansas, praying for the enactment of old-age-pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Common Council of the City of Manitowoc, Wis., favoring the ratification of the Great Lakes-St. Lawrence Deep Waterway Treaty, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a letter from Cumberland Council, No. 586, Knights of Columbus, of Cumberland, Md., embodying a resolution adopted by that council protesting against alleged religious persecutions in the Republic of Mexico, and favoring the adoption of the so-called "Borah resolution", being the resolution (S. Res. 70) protesting against religious persecutions by the Government of Mexico, and authorizing an investigation thereof by the Committee on Foreign Relations, which was referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by the Associated Workers Club and the Cli-Grand Youth Club, both of New York City, N. Y., protesting against the enactment of proposed alien and sedition legislation, which were referred to the Committee on Immigration.

Mr. BARBOUR presented a resolution adopted by the mayor and Common Council of the Borough of Alpha, Warren County, N. J., opposing the enactment of the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, or a similar House bill, which was referred to the Committee on Agriculture and Forestry.

Mr. TYDINGS presented a petition of sundry citizens, being members of the Waverly Methodist Episcopal Church, of Baltimore, Md., favoring continuance of the investigation of the munitions industry, which was ordered to lie on the table.

Mr. CAPPER presented telegrams in the nature of petitions from Post No. 1175, by Earl F. Draper, commander, of Atchison; Funston Post, No. 1980, by Charles E. Ireland, commander, of Emporia; Post No. 1225, by Milford C. Langley, commander, of Iola; L. L. Jones Post, No. 1594, by A. L. White, commander, of Junction City; Post No. 56, by Ira M. Wilson, commander, of Leavenworth; Post No. 1362, by William Francis, commander, of Pratt; and Phillip Billard Post, No. 1650, by H. N. Hensley, commander, of Topeka, all of the Veterans of Foreign Wars, in the State of Kansas, praying for the enactment of the so-called "Patman bill" providing for the immediate cash payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

Mr. COPELAND presented a resolution adopted by the American League Against War and Fascism, Jamaica, Long Island, N. Y., protesting against the enactment of proposed alien and sedition legislation, which was referred to the Committee on Immigration.

He also presented a resolution adopted by Lodge No. 325 of the Slovene National Benefit Society, Gowanda, N. Y., favoring the passage of the so-called "Lundeen bill", being the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented a resolution adopted by the executive committee of the Dairymen's League Cooperative Association, with offices in New York City, N. Y., protesting against the enactment of pending legislation to establish a 30-hour work week, so far as such legislation may be applied to the dairy industry, which was ordered to lie on the table.

Mr. WALSH presented a memorial of officers of sundry packing and provision companies, of Fall River, Mass., remonstrating against the enactment of the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter in the nature of a petition from Local No. 11 of the Masters, Mates, and Pilots of America, of Boston, Mass., praying for the passage of the bill (H. R. 6591) to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906, which was referred to the Committee on Commerce.

He also presented memorials of Joseph Leautt, a citizen of the State of Massachusetts, remonstrating against the enactment of Senate bill 1958, the so-called "Wagner labor relations bill", and Senate bill 87, the so-called "Black 30-hour work week bill", which were referred to the Committee on Education and Labor.

He also presented a resolution adopted by members of Local Union No. 43, United Textile Workers of America, Adams, Mass., favoring extension of the National Industrial Recovery Act, and also the enactment of certain pending labor legislation, which was referred to the Committee on Finance.

He also presented a resolution adopted by the executive board of Branch No. 112, Workmen's Sick and Death Benefit Fund of the United States of America, Holyoke, Mass., favoring the passage of the so-called "Lundeen bill", being the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented a resolution adopted by a conference of the Governor and Council, representatives of the fishing and allied interests, and citizens of the Commonwealth of Massachusetts, favoring the imposition of such tariff duties and other limitations as will exclude the fish products of other countries where health, wage, and other standards are disregarded, thereby rendering it impossible for Americans to compete, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Wilbraham, Mass., remonstrating against enactment at the present session of Congress of legislation providing for the

immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Board of Directors of the New Bedford (Mass.) Board of Commerce, favoring the enactment of legislation restricting the importation of any manufactured article from any country in a greater volume than the average annual volume of importation of that article from such country during the years 1930–34, inclusive, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Beverly, Mass., praying for the enactment of legislation adopting the so-called "national insurance plan", which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Local Union No. 12, United Association of Journeymen Plumbers and Steamfitters, of Boston, Mass., praying for the passage of Senate bill 87, the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

He also presented a letter in the nature of a memorial from the Massachusetts Society of Master Painters and Decorators, Inc., Allston, Mass., remonstrating against the enactment of Senate bill 87, being the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

Mr. REYNOLDS presented the following joint resolution of the Legislature of the State of North Carolina, which was referred to the Committee on Finance:

A joint resolution requesting Congress to enact legislation to further regulate the importation of foreign-made textile fabrics

Whereas the textile industry in the United States is subjected to ruinous competition by reason of increasing importation of foreign-made textile fabrics: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That—

SECTION 1. That the Congress of the United States be urged to enact legislation which will restrict the importation into this country of any textile article from any country in a greater volume than the average annual volume of importation of that article from such country during the 5 years, 1930–34, inclusive.

SEC. 2. That a copy of this resolution be forwarded to each Senator and Member of the House of Representatives in Congress from the State of North Carolina with the request that they support such legislation.

SEC. 3. That this resolution shall be in force from and after its ratification.

Mr. PITTMAN presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Agriculture and Forestry:

Assembly joint resolution memorializing Congress to enlarge the Dixie National Forest and create a game preserve therein

Resolved by the Assembly and the Senate of the State of Nevada, That the Congress of the United States make provisions for the enlargement of the Dixie National Forest, situated in Clark County, Nev., by including therein additional lands adjacent thereto for the purpose of creating a game preservation for the propagation and preservation of deer, elk, and other game animals, or game birds therein, and for the purpose of establishing a public park and playground therein; and be it further

Resolved, That the secretary of state be required to transmit duly certified copies of this resolution to each of our Senators in the United States Senate and to our Representative in Congress.

Mr. PITTMAN also presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on the Library:

Senate joint resolution memorializing Congress to erect a suitable memorial to the memory of the pioneer miners of Virginia City in the nature of a home for aged miners

Whereas it has been indicated that the Congress of the United States is contemplating the erection of a monument to the memory of the pioneer miners of Nevada, at Virginia City, at a cost of $70,000; and

Whereas the thought of remembrance to those men is a worthy one; and

Whereas it is understood that the proposed memorial is to be a massive monument, intended to withstand the ravages of time for centuries to come; and

Whereas we feel that the most appropriate and enduring monument that could be erected to the memory of those thousands of men who sacrificed their health delving in the bowels of the earth, reaping an incurable disease and shortening their lives, that wealth might be poured into the Nation's lap in aid of the preservation of the United States Government when it was threatened with disruption, would be the erection of a suitable home for those miners who labored and lost: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of Nevada, That Congress be memorialized to make an appropriation sufficient for the purpose of establishing a suitable monument in memory of the miners of the State of Nevada (who gave so much and received so little) in the nature of a home for aged and indigent miners at some suitable location within the limits of Virginia City; and be it further

Resolved, That duly certified copies of these resolutions be transmitted by the secretary of state to the President of the United States Senate, to the Speaker of the House of Representatives, to each of our Senators, and our Representative in Congress.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 19) authorizing the Committee on Ways and Means of the House of Representatives to have printed for its use additional copies of the hearings on the bill (H. R. 4120) to alleviate the hazards of old age, unemployment, illness, and dependency, to establish a social insurance board in the Department of Labor to raise revenue, and for other purposes, Seventy-fourth Congress, first session, was referred to the Committee on Printing.

REPORTS OF COMMITTEES

Mr. BURKE, from the Committee on the Judiciary, to which was referred the bill (S. 1589) authorizing the purchase of United States Supreme Court Decisions and Digest, reported it without amendment.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5577) to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve, reported it without amendment and submitted a report (No. 402) thereon.

Mr. ADAMS, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 946) to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana", reported it with amendments and submitted a report (No. 403) thereon.

HEARINGS ON SOCIAL-SECURITY BILL

Mr. HAYDEN. From the Committee on Printing I report back favorably, without amendment, House Concurrent Resolution 19, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the concurrent resolution (H. Con. Res. 19) was read, considered, and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Ways and Means of the House of Representatives be, and is hereby, empowered to have printed for its use 2,000 copies of the hearings held before said committee relative to the bill (H. R. 4120) to alleviate the hazards of old age, unemployment, illness, and dependency, to establish a social insurance board in the Department of Labor to raise revenue, and for other purposes, Seventy-fourth Congress, first session.

ENROLLED BILLS PRESENTED

Mr. LONERGAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on today, April 2, 1935, that committee presented to the President of the United States the following enrolled bills:

S. 404. An act to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes;

S. 488. An act for the relief of Michael Ilitz;

S. 747. An act for the relief of Joe G. Baker; and

S. 1856. An act for the relief of Arthur Smith.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 2470) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended; to the Committee on Banking and Currency.

A bill (S. 2471) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

(Mr. LONG introduced Senate bill 2472, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. REYNOLDS:

A bill (S. 2473) for the relief of Capt. Percy Wright Foote, United States Navy; to the Committee on Naval Affairs.

By Mr. McGILL:

A bill (S. 2474) granting a pension to Dave Perry; to the Committee on Finance.

A bill (S. 2475) authorizing the appointment and retirement of David A. Henkes as a captain, United States Army; to the Committee on Military Affairs.

By Mr. TRUMAN:

A bill (S. 2476) granting a pension to G. E. Sandbach;

A bill (S. 2477) granting a pension to Mary Hart (with accompanying papers); and

A bill (S. 2478) granting a pension to Ada Hooker (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 2479) to place George K. Shuler on the retired list of the United States Marine Corps; and

A bill (S. 2480) for the relief of Mrs. Hugh J. Finn (with accompanying papers); to the Committee on Naval Affairs.

By Mr. GUFFEY:

A bill (S. 2481) to stabilize the bituminous-coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a draw-back under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States and to establish a national bituminous-coal reserve; to provide for the general welfare; and for other purposes; to the Committee on Interstate Commerce.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 2482) relating to the tribal and individual affairs of the Osage Indians of Oklahoma; to the Committee on Indian Affairs.

By Mr. NEELY:

A bill (S. 2483) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920; to the Committee on Civil Service.

A bill (S. 2484) to amend the military record of William E. Bennett, Jr.; to the Committee on Military Affairs.

By Mr. TYDINGS:

A bill (S. 2485) amending section 112 of the United States Code, Annotated (book 28, subtitle "Civil suits; where to be brought"); to the Committee on the Judiciary.

By Mr. WHEELER:

A bill (S. 2486) for the relief of Moses White Horse; to the Committee on Claims.

By Mr. BAILEY:

A bill (S. 2487) for the relief of the Western Electric Co., Inc.; and

A bill (S. 2488) for the relief of the widows of an inspector and certain special agents of the Division of Investigation, Department of Justice, killed in line of duty; to the Committee on Claims.

By Mr. COSTIGAN:

A bill (S. 2489) to amend the laws relating to the Postal Savings Depository System; to the Committee on Banking and Currency.

By Mr. TYDINGS:

A bill (S. 2490) to improve the health of the people of Puerto Rico by providing for an adequate meat supply; to the Committee on Territories and Insular Affairs.

By Mr. WHEELER:

A joint resolution (S. J. Res. 96) to carry out the intention of Congress with reference to the claims of the Crow Tribe of Indians of Montana and any band thereof against the United States; to the Committee on Indian Affairs.

FRANCES AGRAMONTE

Mr. LONG. I have in my hand a bill which I desire to introduce. A similar bill has passed the Senate twice unanimously after having been considered by the committee, but somehow or other we cannot get it passed by the House. It is a bill to give the widow of Dr. Aristides Agramonte, a member of the Yellow Fever, or Reed, Commission, the pension which was granted to him. Similar action has been taken in the case of widows of the other deceased members of that commission. I desire to introduce the bill, and I should like to ask unanimous consent of the Senate to waive the usual parliamentary procedure, although, if necessary, I have no objection to the bill going to the Committee on Military Affairs.

Mr. ROBINSON. I think perhaps the Senator had better introduce the bill—I have no objection to its introduction—and then let it take its regular course.

Mr. LONG. Very well, I introduce the bill and ask that it be referred to the Committee on Military Affairs.

The VICE PRESIDENT. Without objection, the bill will be received and referred as indicated by the Senator from Louisiana.

The bill (S. 2472) to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission, was read twice by its title and referred to the Committee on Military Affairs.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred, as indicated below:

H. R. 59. An act to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes; to the Committee on Military Affairs.

H. R. 2045. An act to set aside certain lands for the Leech Lake Band of Chippewa Indians in the State of Minnesota; to the Committee on Indian Affairs.

H. R. 2739. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes; to the Committee on Immigration.

H. R. 4760. An act to increase the statutory limit of expenditure for repairs or changes to naval vessels; to the Committee on Naval Affairs.

H. R. 3612. An act to provide for adjusting the compensation of post-office inspectors and inspectors in charge to correspond to the rates established by the Classification Act of 1923, as amended; and

H. R. 5540. An act extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions; to the Committee on Post Offices and Post Roads.

H. R. 6290. An act to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark.; to the Committee on Public Buildings and Grounds.

H. R. 6323. An act to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof; and

H. J. Res. 146. Joint resolution to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries; to the Committee on the Judiciary.

H. R. 7054. An act to provide for the protection of land resources against soil erosion, and for other purposes; to the Committee on Agriculture and Forestry.

H. J. Res. 147. Joint resolution authorizing the erection of a monument to Grover Cleveland in Washington, D. C.; to the Committee on the Library.

MONOPOLY—ARTICLE BY WALTER LIPPMANN

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD an article on Monopoly, by Mr. Walter Lippmann, and a letter from Mr. Matthew Woll, having reference to the article of Mr. Lippmann.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune]

TODAY AND TOMORROW

By Walter Lippmann

MONOPOLY

Having disposed of the work-relief bill, much the most important business before Congress is to determine the future of N. R. A. The temper of Congress was made plain last week when, on a motion by Senator BORAH to restore the antitrust laws, there was a certain majority in sight to attack the monopolistic tendency of N. R. A.

As originally conceived by the administration, the N. R. A. was to have been an experiment in semivoluntary cooperation. The theory was that the majority of business men in an industry should speak for all the business men in the industry, that the majority among employees should speak for all the employees, that the Government should speak for the "public"—that is to say, for everyone else. It was hoped that these three representatives would make laws for the conduct of each industry that would promote recovery, end many ancient social evils, and stabilize industry for the future.

It was a pretty idea and at first almost everyone subscribed to it.

Today the N. R. A. has lost its hold on the popular imagination. It is fiercely challenged from many quarters. It is defended with diffidence by its remaining supporters. The main reason for this change of public feeling is not to be found, I believe, in the horrible examples of petty tyranny and bureaucratic blundering which are cited by the critics. The people would forgive them readily if they believed that the chief promises of N. R. A. were being fulfilled. But while the claim has been made by N. R. A. spokesmen that it is responsible for reemploying several million men, there are few if any impartial observers who think there is any justification for this claim. It would be easier, in fact, to make a plausible argument that the recovery of employment came before N. R. A. took hold and has proceeded a little in spite of it and haltingly because of it.

It is interesting to ask ourselves why the experiment in self-government for industry has worked so badly. The essential reason, it seems to me, is that the men who represent industry, labor, and the administration, in carrying out the experiment were all of them beguiled and bamboozled by the same fallacy. The N. R. A. control of industry has gone wrong because the business executives, the labor leaders, and the officials had a fundamentally wrong conception of what to do with their power. Unintentionally, of course, but none the less effectively, they have used their power to depress trade and to prevent employment.

Among the business executives the basic fallacy took the form of attempting to deal with cut-throat competition by holding up prices. Using many different schemes, the codes, which the business men wrote, have been based in most instances on the principle that it is better to sell fewer goods at a high price than more goods at a lower price. Among the labor leaders who had a hand in the N. R. A. this same basic fallacy took the form of attempting to increase purchasing power by raising the hourly price of labor. Like the N. R. A. business executives, the A. F. of L. executives have preferred a small volume of employment at a high hourly rate to more employment, and therefore more income, at a lower hourly rate.

As for the officials, they consented to and even encouraged both fallacies. They approved wage policies which raised hourly rates, and therefore restricted employment. They imagined that they were fighting cut-throat competition and the sweating of labor when, in fact, they were making it as difficult as possible for business to sell its products and to reemploy labor to produce its products.

The industrial plant that could not find a market at the high prices is a dead weight which obstructs the revival of investment. The labor which cannot be employed because unit prices of goods and hourly rates of wages are too high is living on its savings or is on the relief roll.

The fixing of a price which restricts the sale of goods or of labor is the essence of monopoly. In attacking monopoly the Senators have at least located the evil. It must be said, however, that men like Senator BORAH and Senator MCCARRAN, who attack monopolistic price fixing and yet vote to sustain monopolistic wage fixing, are blind in one eye. Those who attack monopolistic wage fixing but are silent about price fixing in, let us say, for example, steel and cement, are blind in the other eye. The basic evil of N. R. A. has been not that it controlled industry but that it controlled it on the monopolistic principle of restricting production and employment in order to support high unit prices and high hourly rates.

The decision of the President to refuse the "prevailing wage" for the unemployed was a recognition on his part that an excessively high hourly rate of wages makes unemployment inevitable. The feeling in Congress that the antitrust laws must be restored in order to break up monopoly prices is a recognition on their part that excessively high unit prices prolong the depression. But until it is generally recognized that the monopoly principle, both in prices and in wages, is the essential evil, the understanding will not exist to legislate wisely about the N. R. A.

Apart from mere stop-gap legislation which might evade and postpone the issue, the real question is whether a system of representative industrial control can be established and administered to do the very opposite of what N. R. A. has done; that is, to promote trade and employment by adapting prices and wages to the market instead of restricting the market by maintaining prices and wages at a high monopolistic level. The traditional view from the time of Adam Smith has been that combinations of producers will inevitably act as monopolists. The experience of N. R. A. confirms that view. Since, however, there are undoubted advantages in combination, the question is whether modern statesmen have the wit and wisdom to devise a method of control which will permit combinations and yet prevent them from acting as monopolists. No one in authority has yet, I believe, come forward with a policy of that sort. But unless one is produced, the movement to restore the antitrust laws will become irresistible.

AMERICAN FEDERATION OF LABOR,
New York, N. Y., March 28, 1935.

Hon. WILLIAM E. BORAH,
United States Senator, Washington, D. C.

DEAR SENATOR BORAH: You have doubtless seen Walter Lippmann's article in the New York Herald Tribune in which he invites you to join in the campaign for lower wages, of which he is a leading spokesman. It is scarcely possible that this campaign will succeed—provided liberals and progressives give it the attention it deserves—for it is formidable and dangerous, supported not only by Lippmann and Mark Sullivan but by Professor Moley in Today and by leading industrialists, like President Sloan, of General Motors, and many others.

Fortunately, both the Democratic and Republican platforms came out explicitly for high wages so that Lippmann's effort to line up the political opposition and the critics of the N. R. A. and the new deal against high wages should be doomed to failure. But the attempt is bold and clever and, it seems to me, merits your attention.

Lippmann says that "men like Senator BORAH and Senator MCCARRAN, who attack monopolistic price fixing and yet vote to sustain monopolistic wage fixing are blind in one eye."

Lippmann then proceeds to the claim that the lower wages campaign has already won its first battle. He says that the clause demanding the "prevailing rate of wages" on Government relief was defeated because of the recognition that "excessively high hourly wage rates make unemployment inevitable."

As you are aware, there was no argument on the Senate floor that wage rates in private industry were too high. On the contrary, both sides argued that wages in private industry should not be reduced, and the whole question was whether lower pay in Government relief work would or would not have that effect. You and Senator MCCARRAN and others contended that it would, President Roosevelt and his supporters that it would not.

Lippmann is plausible, and doubtless many will agree that the first battle for lower wages has been won. In any event, the big fight is still ahead. And I trust you will make it clear that there is nothing in common between the raising of real wages, as one of the foundations of recovery which you favor, and monopolistic price fixing, which you oppose.

Lippmann speaks of "the sale of goods or labor", harking back to the theory that "labor is a commodity", which was publicly abandoned 20 years ago in the Clayton Act. This commodity theory of labor goes back to the days of Adam Smith, in 1776, and has long since outlived its usefulness, if ever it possessed any such attributes. Even in this Lippmann cannot lay claim to originality, but rather to an antiquarian habit of economic thinking.

"The fixing of a price which restricts the sale of goods or labor", says Lippmann, "is the essence of monopoly." This may be true of prices. To apply it to labor is to furnish a weapon to the opponents of every increase of wages by collective bargain or by law—or even by the voluntary action of employers. For Lippmann contends that when officials "raised hourly wage rates" they "therefore restricted employment." That is, any interference whatever with the so-called "natural law" of supply and demand as to labor spells retrogression.

I am not so much concerned with Lippmann's reversion to laissez faire as I am with his specific pronouncement that higher wages mean less employment. In a letter to me, which I recently published, Henry Ford shows that higher wages should not mean less employment, even in the industry offering them. But even assuming that there are certain markets which could not be held, some employment that would not be forthcoming, except at low wages, such wages are uneconomic from the national standpoint, for they mean a decrease of purchasing power.

What is so often forgotten is that what the advocates of the high-wage principle propose is wages raised to the practicable maximum not in a single industry, but in all industries. So that each single industry must put down on its balance sheet the vastly increased demand coming from the higher wages in other industries.

The low-wage campaign is formidable because of its wide-spread support. It is dangerous because of the new and plausible slogan under which it is conducted. Labor, we are told, should ask not for higher hourly or daily wages, as hitherto throughout all history, but only for a higher annual income. If labor is to obtain a higher income, they say, there must be more employment, and to secure more employment labor must accept a lower wage. But this would not be a popular way to put it. A plea for lower wages would get little hearing in a country accustomed for generations to the high-wage doctrine. So they say they are for a lower hourly wage rate only, but for a higher annual wage. This is the first time we have heard of this "annual wage" and it will bear a little analysis.

Certainly labor is interested in a high annual wage, in steady employment, as well as high hourly or daily wages. But it has never before been told it must choose between a higher hourly wage or more employment.

As to the desirability of more employment, there is no disagreement in any quarter. The only question has been, Are the highest practicable wages, by which has always been meant wage rates per hour or day, desirable or not? And nearly all our leading statesmen, like Hoover and Roosevelt, and many of our leading industrialists, like Ford, have said that such high wages were desirable and are entirely possible.

So that when Lippmann and others speak for a yearly wage, they are simply using a new and misunderstood phrase to cover their proposal that labor should be forced to accept lower wages in return for increased employment.

No low-wage advocate has thus far descended to the Lippmann position that labor must again be placed on the auction block and its services sold to the lowest bidder. But that is the logical deduction of his antiquated theory.

Furthermore, it is apparent that Mr. Lippmann would seek to place you in a contradictory position because of your advocacy of the "prevailing wage" maintained by law and your opposition to monopolistic price fixing of commodities. His criticism can find validity only on the assumption that he favors "monopolistic price fixing", but does not believe in the prevailing wage and would lower the wage rates and wages of all wage earners in private as well as public employment.

Certainly it is well that he has so clearly and definitely indicated his attitude on this important question. It is also clearly evident that this movement for low wages, in which Lippmann has joined, has nothing whatever in common with your effort against monopoly prices by keeping competition alive wherever that is practicable and by assuring effective governmental regulation where it is not.

As this movement for lower wages is assuming threatening proportions, I hope you will let me know as soon as convenient whether I am correct in my assumptions as to your attitude toward it.

Sincerely yours,

MATTHEW WOLL.

SUPREME COURT TEST OF CONSTITUTIONALITY OF N. I. R. A.

Mr. HASTINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Philadelphia Inquirer entitled "Let the Supreme Court Try N. R. A."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Apr. 2, 1935]

LET THE SUPREME COURT TRY N. R. A.

When Senator PAT HARRISON, in a surprise movement, introduced his N. R. A. bill the other day he must have known his action would immediately invite hostile criticism. It wasn't a finished measure approved by a majority of the Finance Committee, but one that contained the views of the President. He was wise in announcing that it would be subject to changes. It will be. But why attempt serious legislation until the committee and Congress know just where they stand? For they don't know now. Neither does the President nor the Department of Justice. And the Department declines to put to a test the question of constitutionality.

The Attorney General had prepared to go before the Supreme Court with the Belcher lumber case, which had received the attention of a Federal judge in the northern district of Alabama. The lumber code had been declared by him unconstitutional. From among several decisions the Department of Justice had picked this one as comprehensively presenting the direct issue. Yet on the eve of the argument it served notice of withdrawal.

It is useless to attempt to explain this amazing retreat. It is quite generally regarded as a confession of weakness. It inspired Senator HASTINGS, Republican, of Delaware, and Senator CLARK, Democrat, of Missouri, to frame a resolution urging the Department to press forward to a definite test. It drew the fire of Senator BORAH, who takes it for granted that the Attorney General has arrived at the conclusion that N. R. A. is not constitutional and that the Harrison bill admits it, in that it attempts to avoid some of the defects by the use of new phrases. Nevertheless, "the matter of the delegation of power and the question of Federal interference with State and intrastate trade are both present in the new bill."

They are. And so is price fixing. There are price-control devices intended to get around the antitrust laws. "If", avers the Liberty League, "liberties of citizens have been infringed upon in violation of the Constitution, they are entitled to such protection as may be afforded by a decision of our highest court." And C. L. Bardo, president of the Manufacturers' Association, asserts that the Department's policy of delay must be embarrassing to conscientious legislators.

In addition to the 18 Federal court decisions cited by Mr. Bardo as denying the power of Congress to regulate local operations, only a day or two ago a ruling in Grand Rapids, Mich., declared illegal the application of N. R. A. to a local coal dealer, and Circuit Court Judge Hall at Bloomington, Ill., pronounced inoperative the N. R. A. automobile code as applied in that State and ruled invalid the State recovery act. On Saturday Federal District Judge Symes, in Colorado, ruled that the Federal Government had no right to interfere with the business of a motion-picture exhibitor.

But opinions have gone beyond State boundaries. This same Judge Symes expressed the opinion that the whole proposition of N. R. A. codes is unconstitutional. Federal Judge Nields, in the Weirton Steel case, decreed that the manufacturing operations of the company in its various plants do not constitute interstate commerce. Judge Dawson, in Kentucky, declared that the citizens of this country have a right to conduct their business without unconstitutional interference or regulation by governmental authority. Judge Fake, at Newark, N. J., held that the constitutional provision giving Congress authority over interstate commerce does not apply to manufacture, even if the manufactured articles find their way into interstate commerce.

Decisions in plenitude. Yet the Government declines to go before the Supreme Court and ascertain of what its powers consist. What is its object? To force a revised N. R. A. on the country in the hope that in some way it will get by? Doesn't it realize that by pursuing such a course it is adding to uncertainty and demoralizing, instead of encouraging, business and industry?

BUREAUCRACY IN GOVERNMENT—ADDRESS BY JONATHAN BOURNE, JR.

Mr. STEIWER. Mr. President, my attention has been called to a very remarkable address delivered in 1916 by the Honorable Jonathan Bourne, Jr., formerly a distinguished Member of this body. His address was delivered before the Traffic Club of New York and so truly prophesied the present-day drift toward concentration of power in the executive branch of the Government, so clearly pictured the spirit of unrestrained bureaucracy which then had its beginning, and which subsequently has been enormously developed, and so ably sets forth a formula for combating abuses of bureaucracy and the tendency toward concentration of powers of government in the Executive that it is worthy of publication in the CONGRESSIONAL RECORD. Senator Bourne's views will be widely approved. I ask unanimous consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman and gentlemen of the Traffic Club of New York, in all organized society there are three great forces, each struggling for supremacy—the police force (the Government), the religious force, and the commercial force, consisting of labor and capital. Successful government must secure a correlation in the operation of these three forces, but with directorial supremacy of the police force.

In the past it has been deemed popular by a few self-constituted leaders to attack what is known as "big business." Efforts have been made to array small business men and people not engaged in what is commonly called "business" against big business. In all respect and courtesy I believe that big business men themselves are primarily to blame for this because of their failure to perform their duty as citizens and to take a direct personal interest in government and politics. The greater the amount of wealth an individual represents, the greater his responsibility as a citizen, the greater his duty as a citizen, and the greater his need to take an active part in government and politics.

The time has come in my opinion when it is absolutely necessary for you to take an active part in Government and politics, if we are to prevent the ship of state from drifting on the rocks, which in my judgment threaten her.

The growth of bureaucracy incident to concentration of power in the Chief Executive and the administrative departments is a grave menace to the future welfare of this Republic. The desideratum of all government should be the protection of its citizens and only such restraint of individual action as is necessary to insure the desired protection of all its citizens. The limitation of the individual restraint should be clearly expressed by law and not left to the whim or fancy of an executive, a commission, a department, or a bureau. A government of rule and regulation, a bureaucratic government such as ours is rapidly trending toward, cannot long endure.

Government should protect not harass, encourage not discourage honest initiative and industry in every citizen.

Centralization of population, business, and government is an inevitable result of civilization, but realization of that change in conditions should bring recognition of the desirability of succinctly prescribing by law, rather than leaving to bureaucratic rule, the scope of individual activities. Best results accrue where the law states specifically what the individuals making up society can, cannot, and must do, with certain punishment of those who fail to comply with legal requirements.

Distribution, as distinguished from centralization of power, is an essential of true and lasting popular and representative government. Centralization leads to dictatorship, with occasional changes in personnel, it is true, but dictatorship nevertheless. Centralization of power, in a Federal Government such as ours, means bureaucracy—constantly increasing acquisition of power by national officers and corresponding diminution of power in State and local authorities. Centralization places the government further and further from the people—makes it less and less responsive to popular will. Eventually centralization results in government by a very limited number, consequent misuse, either from intention or ignorance, of power thus acquired, and ultimately a governmental upheaval which overthrows the dictator, with all the evils that precede and follow the reconstruction.

For some years we have been drifting rapidly toward centralization of governing power. The States have given more and more scope to National Government. Congress has yielded more and more of its legislative power to administrative departments. Thus

government has drifted further and further from the governed and is gradually slipping from the hands of Members of the legislative branch—the only branch chosen directly by the people.

In early stages of a movement of this kind, the dangers incident to the change are not readily apparent. In fact, public opinion is likely to favor the transformation, for those officials who are securing and desire to secure more power take pains to set forth the advantages of centralization without calling attention to evils and dangers. They attribute most of the present ills of government to the lack of centralization, and people are led to believe that the nearest approach to Utopia lies through concentration of power in a centralized National Government.

Influenced by that vanity, egotism, and ambition which are inherent in human nature, administrative officers believe, many honestly, no doubt, that the evils of our social organization can be cured most certainly and most quickly by investing them with more power over the acts and interests of the people. They are all active in spreading the doctrine of centralized power, while few private citizens take time or go to the trouble to observe resultant present evils or future dangers and warn the people of the certain outcome if the movement goes unchecked.

Those who believe in centralized government are able to gain publicity for their ideas through all avenues of official activity. They boast of achievements of bureaucracy but conceal its failures and defects. The private citizen has neither the extended information necessary to a satisfactory reply to officialdom's pronouncements nor the means of securing a hearing before the entire American public.

We have a Government divided by the Constitution into three coordinate branches—legislative, executive, and judicial. The Constitution authorizes the President to participate in legislative affairs in two respects—to communicate to Congress information and suggestions regarding the public welfare and to veto any bill passed by Congress. That plan of division of power was adopted after the most careful study, and its wisdom has been established by experience. It was designed to prevent development of such centralized power as would amount to dictatorship and endanger the liberty of the people.

I believe our form of government the best thus far evolved. My desire is to vitalize and secure the best possible cooperation among the three constitutionally provided branches. Congress, consisting of over 500 individuals, selected from every portion of our country and from every walk of life, is better qualified to represent correctly the general welfare of the Nation as a whole than any President, court, department, or bureau, both because it is composed of more individuals and because of legislative training and practical business experience. Hence Congress should be the dominant branch and all legislation should originate in and be enacted, in reality as well as in name, by that branch of our Government.

But we have seen a steady increase in Executive and administrative power and constant diminution of power in the two Houses of Congress.

Control over Federal appointments is the chief means by which Executive power has grown. One man, sitting in the White House, has the initial voice in making 11,000 appointments in the Government civil service. This is exclusive of appointments in the Army and Navy.

How these appointments can be and are used to influence Congress will be readily apparent. The 48 States are represented in Congress by 96 Senators and 435 Representatives. Each of these 531 Members of the legislative body wishes to secure the appointment of some of his constituents—his personal and political friends—to positions in the Government service. Those friends feel that as citizens of the Republic they have a right to consideration as applicants for positions in the Government service and that their Senators and Congressmen, who are personally acquainted with them and know their qualifications, may properly present their claims for the favorable action of the appointing power. This is particularly true in the case of Senators, for the Constitution expressly provides that unless otherwise provided by law official appointments shall be made upon the advice and with the consent of the Senate.

The fact that one man in the White House has the initiative in making appointments, while participation in selections is divided among 531 Members of Congress, is what gives the President his enormous power. Since he deals with each Member of Congress separately, he has 531 times as much power as any one of them, and, therefore, approximately 531 times as much power as all, unless the Members should determine to act in unison.

The Senator or Representative not only feels that it is his duty and right to present and urge the applications of his constituents but he naturally feels a desire to reward his political friends and demonstrate that he has influence at the National Capital. By such means he gains or holds prestige at home.

That the use of patronage as a means of distributing political rewards is an evil, whether used by either the President or Members of Congress, cannot be denied; but it may be reasonably asserted that if the 11,000 Federal positions are to be used for the maintenance of political organizations or machines, it is better for the country that they be used to maintain 531 small organizations of comparatively little power than for the maintenance of 1 enormous national political machine with power beyond the comprehension of the framers of our Constitution.

But politics is a very practical affair, and most men choose to "play the game" in the easiest way rather than subject themselves to the more disagreeable and difficult method of defying the Executive and appealing to their constituents entirely upon broad principles of governmental policy. Drifting along the line of least resistance, men are inclined to acquiesce quietly in the wishes of the Executive on legislative matters rather than engage in contests sure to cost them participation in patronage, which is of practical value to them at home.

The present system of making Federal appointments discourages independent thought, speech, and action and tends to make Congress subservient. It punishes the Member of Congress who thinks for himself and dares to assert opinions differing from those entertained by the President. It rewards the man who serves chiefly as an echo of the White House.

The first essential of a free people is absolute freedom of thought, speech, and action. No legislative body can be truly deliberative, if some of its members are influenced by considerations other than the welfare of the Nation. When ulterior influences are at work, Congress, to a corresponding degree, is deprived of its desired character as a deliberative body.

It is better that men be encouraged to assert their real opinions, even though wrong, than that individual expression be suppressed. Any instrumentality which has the effect of suppressing speech, because believed by one individual to be erroneous, will eventually do great harm by silencing the voice of truth.

It should always be the insistent policy of the American people that every man who has ideas for the promotion of the common welfare, shall have freedom to express his views. Particularly should this be true of those chosen to make laws for the people of the United States. It is no more important to prevent common bribery and physical force than to prevent the more sinister and insidious evil of that form of influence exerted through distribution of Federal patronage.

Ordinarily the exchange of Federal appointments for legislative support does not reach a condition of open barter and trade. There is maintained a sort of gentlemen's understanding—a friendly relation that continues so long as the Senator or Congressman does not effectively oppose or seriously endanger any measure the Executive earnestly desires him to support. Failure of the Member of the legislative branch of Government to acquiesce in the wishes of the Executive in any important particular results in unfriendliness and a consequent discontinuance of favors in the distribution of Federal patronage.

The Senator or Congressman who dares to incur the displeasure of an Executive soon finds he has increased his labors and diminished his effectiveness as a representative of the people of his State. While justice may not be denied his constituents because they appeal through him, yet he will not be accorded special attention and favors that would await him if he were in entire accord with the administration.

But this matter of exchange of Federal patronage for votes in Congress has not always been a mere matter of unexpressed understanding. The American people will not and should not forget the famous letter written by the private secretary of President Taft, in which it was stated that "the President felt it to be his duty to the party and to the country to withhold Federal patronage from certain Senators and Congressmen who seemed to be in opposition to the administration's efforts to carry out the promises of the party platform."

Nothing was left to the judgment of the Member of Congress. What constituted a fulfillment of party pledges was determined by the President. Members of the legislative branch of government who differed in their views as to what constituted performance of promises were punished by refusal of participation in the distribution of the rewards of politics. Those who could or did agree with the President were given their reward. There was absolute frankness about it. What other Presidents have done silently was expressly admitted in a letter which President Taft's Secretary said the President had directed him to write.

But however frank President Taft may have been, the evidence of Executive dictatorship over legislation was little more obvious than during the present administration, when we saw members of the majority party in both Houses reverse their attitude on such an important question as Panama Canal tolls in response to orders from the White House and in direct violation of pledges. It seems something more than a coincidence that the few independent Democrats who exercise their right to vote their own opinions find their recommendations as to Federal appointments either held in abeyance or entirely ignored.

It is unpleasant to reflect upon incidents of this sordid sort. It is disagreeable to know that what is designed to be representative government can be conducted in any such manner. It injures the pride of an American citizen to admit that a supposedly coordinate branch of government will passively submit to the continuance of such a power as this.

But we deceive no one but ourselves by shutting our eyes to facts. To refuse to look upon the disgraceful record does not remove the stain. To remain silent while the means and incentive for repetition of this method of conducting legislative business continues, injures all citizens of the United States. Though realizing that I shall be criticized and condemned for recalling tangible evidence of a system of legislative dictatorship that has existed to a greater or less extent for many years, I am willing, nevertheless, to suffer the displeasure of those of my fellow citizens who disapprove my course, if I can thereby hasten the time when the possibility of such methods shall be removed.

But control over legislation by the Executive is not the only evil of centralization of power incident to patronage. By virtue of his appointing power, the President builds an enormous personal and political organization through which he dominates the national convention of his party. If I were addressing an audience of politicians, it would be unnecessary to point out the manner in which this political machine is constructed, but to a group

of business men who pay too little attention to the affairs of their Government a brief review of methods employed by a national administration may be worth while. The methods are practically the same, regardless of the party in power, but since the only demonstrations in recent years have been by Republican administrations, I direct your attention to them. In 1908, through his power of appointment of Federal officeholders, the President gained control of the party organizations in the Southern States, where Republicans are never elected, and in the Territories, Districts, and insular possessions, where no national election is had but from which delegates are sent to the national convention. Because of the lack of local political interest, the party organization and management is left to the Federal officeholders, who are the only persons who take an active interest in party affairs.

The Republican National Committee consists of 53 members, 1 from each State, Territory, District, and insular possession. The Territory of Alaska, with no electoral vote and but 2 delegates in the convention, has the same representation and power in the national committee as the great State of New York, with 39 electoral votes and 78 delegates. The committee elects its own chairman and perfects its organization. It decides on place and time of convention. It recommends how many delegates shall be admitted from each State and Territory, how the delegates and alternates shall be chosen in the various States, how the delegates from Territories shall be selected, and recommends who shall serve as temporary chairman of the national convention. The chairman of the national committee calls the convention to order and generally directs the campaign.

In the Republican National Convention committees on credentials, permanent organization, and resolutions are composed of one delegate from each State and Territory. Each State selects its own representative on these committees and offers them to the convention. The committee on permanent organization recommends the permanent chairman and confirms the other officers who are recommended by the national committee. Control of the national committee by the administration gives tremendous power, which is made absolute if combined with control of the committee on credentials. If the operators of the machine find that, even with the advantage of control of delegations from the Democratic States and the Territories, they will not have enough votes in the convention to control its action, contesting delegations will appear from a number of States, by seating some of which the necessary additional strength may be secured.

National conventions are not representative of the wishes of the members of the party who are depended upon to cast the votes to elect the ticket. In the 1908 Republican National Convention 980 delegates were admitted under the terms of the national committee's call; 491, or a majority, were necessary for a nomination. The Southern States and Territories, giving no electoral votes, with the exception of Maryland, which gave Taft and Sherman 2 out of 8, had 338 votes, leaving 153 to be secured to give a majority. Thus, it will be seen that under such circumstances any candidate controlling the delegations from southern Democratic States and the Territories would have to secure only 153 votes, while any other candidate would have to secure 491 votes for those States which give electoral votes as well as delegates.

Under the referee system in the South and the patronage system in the Territories and insular possessions, a President, through his nominating power and the Federal machine, can, if he desires, practically control the votes of these delegations in the convention. Then with his power in other States, and the tremendous influence of the Federal machine, it requires but little other influence to give him the 153 additional votes necessary for his renomination or the nomination of the man he selects. The Southern States and Territories, giving no electoral votes to the Republican Party, are under the domination of the machine through the referee system, and have greater influence in naming the Republican nominee for President and Vice President than have the combined States of New York, Pennsylvania, Illinois, Ohio, Massachusetts, Indiana, and Iowa, which collectively have 334 delegates.

Conditions such as described made it possible for President Roosevelt to dictate the nomination of Mr. Taft in 1908 and enable President Taft to force his own renomination in 1912. By the same methods, President Harrison secured his renomination in 1892.

Possession of such power as I have outlined, the existence of which cannot be disputed, violates the fundamental principles of government of, for, and by the people. Dictatorship in either politics or legislation is repugnant to popular and truly representative government. Use of patronage to control votes in Congress or to control conventions is as great an evil as those acts which we have made criminal by laws against bribery and corrupt practices in elections. While the trading of patronage for votes in Congress is not a technical violation of law, it is a violation of the spirit of the statutes. Let me quote section 5450 of the United States Revised Statutes:

"Every person who promises, offers, gives, or causes, or procures to be promised, offered, or given, any money or any other thing of value, or makes or tenders any contract, undertaking, obligation, gratuity, or security for the payment of money, or for the delivery or conveyance of anything of value, to any Member of either House of Congress, either before or after such Member has been qualified or has taken his seat, with intent to influence his vote or decision on any question, matter, cause, or proceeding which may be at any time pending in either House of Congress, or before any committee thereof, shall be fined not more than three times the amount of money or value of the thing so offered, promised, given, made, or tendered, or caused or procured to be so offered, promised, given, made, or tendered, and shall be, moreover, imprisoned not more than 3 years."

Under that statute, bribery consists in giving or offering "anything of value" and "with intent to influence his vote." Skilled lawyers, trained to "divide a hair 'twixt south and southwest side" may prove by unquestionable logic that Federal patronage is not a thing of value, notwithstanding it is so highly prized by operators in the field of politics. I am not a splitter of hairs where fundamental principles of equality and justice are involved.

Our Government was founded upon the proposition that all men are equal before the law, civil or criminal. I would have as much respect for a common ward heeler who buys votes at the polls as for a President of the United States who uses his appointing power as a means of forcing or persuading Members of Congress to determine or change their course of action. One transaction is as dishonest, as corrupt, and as depraving as the other, but the latter is more dangerous, more insidious, more pernicious than the former, because it strikes at the very foundation of free institutions, sets a precedent for corrupt methods in all official life, and marks the beginning of dictatorship and decadence of the Nation.

Every President of the United States takes an oath to preserve, protect and defend the Constitution, which, among other things, declares that "all legislative powers herein granted shall be vested in a Congress which shall consist of a Senate and House of Representatives."

No President can interfere with the exercise of legislative power by Congress without violating his oath of office, a violation as direct and as complete as any other unlawful act by any other officer of the Government. To bribe a Member of Congress by means of Federal patronage is not different in principle from bribery by means of cash or other valuable consideration. Intimidation by threats of loss of prestige incident to withdrawal of patronage is not different in principle from intimidation by threats of violence or business injury. But this species of bribery and intimidation is more vicious than any other, because it assumes a character of gentility, due to the patriotic reverence for the office of President.

No one will condemn more severely than I the man who harps upon evils without suggesting a remedy. I believe I am not subject to this criticism. Three years ago, in an address in the United States Senate, I pointed out the evils I have here discussed and advocated three remedies: A Presidential primary law, destroying the power of the President to build a political machine with power to control nominations; a corrupt-practice act, making it unlawful to exchange Federal patronage for votes in Congress; a constitutional amendment divesting the President of his power of nomination of Federal appointees.

The more I study the subject the more firmly I believe that the chief remedy lies in a constitutional amendment taking away the power of appointment and leaving the President no more power over legislation than exists by reason of his authority to communicate his views to Congress and to veto any measure of which he does not approve. These powers carry with them opportunity to appeal to public opinion in a very effective manner. Greater power than this no President should have.

The following is a tentative form of constitutional amendment I have drawn, providing for popular election of certain Federal officers in the several States:

"Congress shall provide by law for the election of United States district attorneys, United States marshals, collectors of customs, appraisers of merchandise, collectors of internal revenue, registers and receivers of local land offices, and postmasters in incorporated cities by the qualified voters within the limits of election districts established in pursuance of law. Such elections shall be held at the same times and places as the election for electors of President and Vice President. The term of such offices shall be 4 years. Provision shall also be made for removal of such officers for cause, and for filling vacancies by temporary appointment."

* * * * * * *

I deem it appropriate and desirable in this connection to direct public attention more particularly to the rapid growth of bureaucracy in our Government—a development which is the natural consequence of increased power of the Executive and decreased power of Congress. Each department or bureau, responsive to the Executive, acquires the dictatorial spirit and becomes ambitious for more power. Members of Congress, accustomed to cringing at the White House, easily assume the same attitude in relations with the administrative departments.

Year after year the departments ask more and more authority. When any law is to be enacted relating to their work, they ask that more and more be left to their discretion. Rather than demand information upon which to base a law specifying definitely the extent of administrative power and the limitation upon individual liberty, Congress, too often, delegates to the departments broad authority under which they can make "rules and regulations" with all the effectiveness of law. The rules and regulations change with the passing of department and bureau heads so that no citizen can know his rights and duties until he has consulted the latest expression of the judgment, whim, or fancy of the official to whom the legislative power was delegated.

To the original presumption that every man knows the law, and the consequent principle that ignorance of the law excuses no one, we have in practice added the presumption that every man knows all the latest rules and regulations of an ever-increasing number of departments and bureaus.

In the multitude of smaller transactions in which the citizen suddenly finds to his surprise that he is a criminal, because he has

violated some bureaucratic rule, the victim merely pays his fine and keeps silent for fear of disgrace or further prosecution. Whether or not he ought to have known the rule and however honest his intentions, he is wise enough to realize that the smallness of his income, coupled with the necessity of earning a living, forbids his entering into litigation with a bureau that has practically unlimited resources in the form of special agents, detectives, attorneys, and expense allowances.

The man who wanted to cut one tree on a forest reserve and, in order to supply his needs without becoming a criminal, waited for written permission until four special agents had been sent on four separate occasions to measure the tree and determine its size, feels that he has lost enough without trying to become a public benefactor by making public protest against the evils of bureaucracy and thus incurring the animosity of forest officials with whom he may have to deal on some future occasion.

As I have already explained, bureaucracy boasts of its achievements and secures wide publicity for its propaganda, but the American people have no means of learning of the evils and defects of centralized government. Only in large matters of widespread interest when a bureau makes rules that grossly violate justice, does public attention become attracted to the specific instance.

Every discretionary power conferred makes the officer to that extent a dictator, tempts him to use that power to promote selfish personal or political interests, and is a corresponding limitation upon and menace to the personal liberty and property rights of the individual. The very existence of popular government is a declaration of the conclusion formed from the experience of the ages that no man is so wise or so good that he can be trusted to rule over his fellow man. Government of the people and by the people must be a government by law. So long as human infirmity lasts, government by exercise of individual discretion must be not only of and by an individual but also for that individual.

In the earlier periods of our history, when social and industrial relations were less complex, the enactment of law was a comparatively simple undertaking. But the new problems of intricate business affairs growing out of the relation of public-service corporations to the public generally, and the many subjects requiring legislation for the promotion of the best interests of all the people by limitations upon the liberty of individuals, as in rate regulations, pure-food, hours-of-labor, and industrial-accident legislation, has made law-drafting a difficult task. The easiest and hence the tempting policy is to enact one general, sweeping authorization of control and then establish a bureau, commission, or department which shall "make rules and regulations" for carrying out the purposes of the act.

That form of law-making is easy. Moreover, it is rapid. Congress can quickly relieve itself of the task. In handling a new problem it has limited information. If it deliberates first and acts afterward it is censured for delay. The easiest and quickest way out is to enact a general law bestowing power, and leave the executive department or bureau to do the deliberating as to the real and effective provisions of law, called rules and regulations.

It is the constant effort of the departments to secure legislation of this kind. They resent any effort on the part of Congress to place limitations upon their power. They want power conferred, and, when conferred, they want it without limit. The annual reports of department heads supply innumerable instances in which this attitude on the part of the executive branch of government is manifested.

One of the latest expressions on this subject is found in the 1914 report of the Secretary of Labor, page 95, where the Secretary recommends that his Department and that of the Postmaster General be authorized to conduct a national employment bureau.

"For best results", says the report, "the two Departments should not be hampered by statutory rules. They should be given freedom to work out the problem between themselves through interdepartmental cooperation."

In other words, the Secretary says that he and the Postmaster General don't know just what they may desire to do. They are now hampered by an old Constitution that places legislative power in the hands of Congress. All they ask is that Congress shall delegate a large portion of that legislative power to them, and, in doing so, they want Congress to put no limit upon it. This idea of doing things according to law is irritating to them. What's the use of having law when we have a Secretary of Labor and a Postmaster General who are not only ready but anxious to draw up a set of rules and regulations that will have all the force of law? Why have a government by law when we have department heads who can do the governing if "not hampered by statutory rules"? Indeed, if it were not for that irritating old Constitution, which galls the official hands it binds, we should have a government by men and not by law.

Another illustration of the desire of departments to secure enormous power for themselves was shown in the estimates of the Secretary of the Treasury for 1916. The Secretary recommended that certain unexpended balances of public-building appropriations, amounting to some $14,000,000, be turned into a lump appropriation available for expenditure by him on such sites, buildings, or extensions as he may deem advisable. The adoption of this recommendation would give the Treasury Department absolute control over $14,000,000, and every Member of Congress whose constituents are interested in construction of a public building would be compelled to appeal to the Secretary of the Treasury for an allotment of money. There is no need to explain the enormous political power that would be given the Secretary of the Treasury by the adoption of such a plan. It may be said to the credit of the House Committee on Appropriations that the recommendation of the Treasury Department was rejected.

These two incidents are but illustrative of the policy and tendency in practice by the departments, as will be learned by perusal of their annual reports.

Probably the most numerous instances of this kind will be found in the Post Office Department, which comes into closer relationship with all the people of the United States and with all their business activities than does any other department of the public service. I will cite a few illustrations.

Practically all the railroad men who are members of this organization are entirely familiar with the contents of what is known as House Document 105, Sixty-second Congress, and also the recommendations in the Annual Report of the Postmaster General for 1911 on the subject of railway mail pay. I need not recount the provisions of the plan recommended by the Postmaster General further than to say for the benefit of those who are not familiar with its provisions that it proposed a plan of compensation which would afford the railroads no return whatever upon capital invested, and would practically give the Postmaster General the power to determine arbitrarily the compensation the railroads should receive for the transportation of mail.

In his letter recommending this measure the Postmaster General characterized it as "scientific and businesslike." I am not aware of any other authority occupying a position of trust and responsibility who has ever fathered the suggestion that a business enterprise can be successfully conducted upon such principles. The very fact that such a recommendation was made by a Postmaster General and six of his subordinates is sufficient evidence that it would be worse than folly to delegate large discretionary powers to a department likely to be conducted by men entertaining such views.

I shall not take up your time with a discussion of the details of that plan to compel the railroads to carry mail at a loss, but deem this an opportune time to remark that if the Government expects its citizens to deal justly with each other it must deal justly with them, whether they be corporations or individuals.

The effort to secure bureaucratic power is not confined to any one administration or the members of any one political party. The Hitchcock recommendation as to railway mail pay was made under a Republican administration. The present Democratic administration of the Post Office Department submitted to Congress in 1914 a bill on this same subject, one provision of which read as follows:

"The Postmaster General shall, from time to time, request information from the Interstate Commerce Commission as to the revenue received by railroad companies from express companies for services in the transportation of express matter, and may, in his discretion, arrange for the transportation of mail matter other than of the first class at rates not exceeding those so ascertained and reported to him, and it shall be the duty of the railroad companies to carry such mail matter at such rates fixed by the Postmaster General."

A reading of this paragraph shows that the Department considers itself better fitted than the Interstate Commerce Commission to fix transportation rates. That section requires the Interstate Commerce Commission to inform the Postmaster General what revenues are received by railroad companies for express service and then authorizes the Postmaster General to fix rates for the transportation of matter other than first class at not exceeding those so ascertained, and makes it the "duty of railroad companies to carry such mail matter at such rates, fixed by the Postmaster General."

This provision would apply to matter of second, third, and fourth classes, namely, newspapers, magazines, and other periodicals, printed matter, parcel-post matter, and also to free matter. All these classes of mail, constituting approximately 90 percent of the total weight of all mail matter, the railroads would be required to carry at rates which the Postmaster General could fix as low as he pleased, but not exceeding the average express rates.

No investigation would be required, no hearing need be granted; the railroads could have no opportunity for defense, the reasonableness of rates could not be attacked, there could be no appeal—the mere ipse dixit of the Postmaster General would determine the rates the railroads should receive for transporting all second-, third-, and fourth-class, and free matter.

The greed for power manifested by this recommendation is surpassed only by the concentrated egotism which prompted the belief that the Department could rightly exercise such power if granted.

Unless confronted by the record of its recommendations, one would be loath to believe that any administrative department could presume to ask such a delegation of power from an intelligent, self-respecting legislative body imbued with a fair appreciation of its own functions.

It is essential that Congress shall adopt the fixed policy of refusing to confer upon executive departments power to exercise discretion and insist that laws shall be so drawn that every citizen can point to the plain language of the statute that prescribes what he can, what he can't, and what he must do, and the penalty that will follow the violation of the law.

But in order that Congress may be able to enact laws in such definite and specific form as this, it is necessary that sources of information be placed at its command.

With the development of our resources and the increase in our population, it is impossible for Congress or its Members to get a broad grasp on the great number of bills introduced in each session. To illustrate: During the three sessions of the Sixty-first Congress there were over 39,000 bills and joint resolutions intro-

duced. Necessarily, the great work of Congress must be done through committees. The individual Member gets a fair grasp of only those bills coming before the committees of which he is a member, and most of the bills coming before the committees are but perfunctorily considered, unless an individual Member or public opinion causes careful consideration of the subject matter. Bills introduced are referred to committees and by the chairman of the committee submitted to the administrative department having jurisdiction over the subject matter that would be affected by the proposed legislation. The department head refers the bill to some bureau head, who in turn refers it to some subordinate clerk in that bureau. The clerk examines it, writes a report, favorable or unfavorable, which is submitted to his immediate superior and indorsed by him and then on through the head of the bureau to the head of the department. An official letter of this kind is often perfunctorily signed by the Cabinet officer and sent to Congress. This letter, therefore, does not necessarily represent the ideas of the head of the department, but is simply a reflection of the idea initiating with the bureau clerk, who, with no experience other than that of years of grind in clerical work within a small office located in Washington, becomes, in effect, framer of a policy of perhaps great moment to the general welfare of the country as a whole and requiring high intellectual development, broad information, and familiarity with varying conditions in different sections of the country.

With the multitude of duties now placed upon Members of Congress, Congress and its committees are necessarily obliged to depend upon the departments and bureaus for special information. Hence, the natural result is that in legislation Congress becomes subservient to the departments and bureaus instead of the departments and bureaus being subordinate to Congress, and carrying out the will of the people as expressed through Congress. It is only in rare instances that a committee reports a bill or Congress enacts a law without the approval of the Department to the activities of which the law relates.

When a department adopts a certain policy or takes a position upon a public question, the natural inclination of the department is to supply information supporting that view. Having no other adequate source of information, Congress usually relies upon data thus secured. In the multiplicity of subjects requiring their attention, not only in legislative halls but in looking after the almost unlimited variety of requests for aid from their constituents, Senators and Congressmen have neither the time nor the expert assistance necessary to gather original data of their own.

The idea will doubtless occur to many that the executive departments, being in control of the administrative activities of the Government, familiar with all its practical problems and in possession of most of the information relative to Government affairs, should be better able to furnish Congress with information than any congressional commission could be. There are several reasons, however, why Congress cannot safely depend upon the departments for information. As I have already indicated, the departments naturally incline to the presentation of data that will support their policies. For various reasons the statistics supplied are not always correct, and frequently cannot be relied upon.

It is my purpose in this connection merely to point out that Congress cannot safely accept as accurate the information submitted to it by the executive departments and must devise a plan for securing information on its own account.

Many instances that have come to my notice could be cited illustrating the danger of accepting as accurate and basing legislation upon statistics presented by the departments. Between 1898 and 1901 a congressional commission studied the problem of railway mail pay, and upon the conclusion of the work of the commission, one of its members, Congressman Moody, of Massachusetts, afterward justice of the United States Supreme Court, declared in a speech in the House of Representatives that when the commission began its work it had before it statistics of the Post Office Department showing that the railroads were paid an average of 6.58 cents per pound for transporting mail, averaging 40 cents per ton mile, with an average haul of 328 miles, whereas a special weighing disclosed that the average payment was in fact 2.75 cents per pound, averaging 12.56 cents per ton-mile, with an average haul of 438 miles. "In other words", said Mr. Moody, "we were not paying one-third as much as the Post Office Department had led the people of the country to believe we had been paying."

Again, in 1911, when the commission of which Justice Hughes, of the Supreme Court, was chairman, was investigating the subject of postage rates on second-class matter, the Post Office Department submitted statistics concerning which the commission said in its report:

"It seems hardly worth while to include subsidiary tables from which those later results are taken or to criticize the details, as the commission has little confidence in their accuracy", and again:

"In view of the errors and inconsistencies in which the returns from the post office abound—we do not extend this report to review them—our examination has convinced us that the computation is not sufficiently accurate to base an apportionment of the cost of the general post-office services."

If Congress hopes to enact laws that will meet the demands of actual conditions it must have before it an accurate presentation of actual facts.

Unfortunately for the interest of the country, it is usually impossible to measure the efficiency of the public service. The work of the Government is ordinarily of such a nature that there is nothing in private enterprise with which comparison can be made.

As another illustration of costly administrative methods, I cite the recommendation of Postmaster General Hitchcock in 1911 that parcel-post legislation take the form of an appropriation of $100,000 to be expended by the Department in experimental service on rural routes in order to determine what legislation should be enacted. This recommendation was rejected and a resolution adopted authorizing a Senate committee of which I was chairman, to conduct an inquiry. The inquiry cost about $4,000, and resulted in the enactment of the present law.

It is not alone in the scope of administrative duties that the departments and the Executive assert and exercise power not contemplated by the constitutional provisions from which they derive their existence. It has become a common practice for the departments to draft bills, have them introduced in Congress, and then force them to enactment by every means that a resourceful administration can devise.

Invariably it is found that a bill so initiated provides for increased power for the department or bureau, asks for more money, and expressly leaves to rule and regulation the right to amend, enlarge, or suspend congressional action as expressed in the law itself. This is but natural because of the personal equation. The President or his subordinate may think that with more power and more money he could improve the general welfare, or vanity or the insidious disease of ambition for power may possess him. Congress having acquiesced in this method of procedure, the American people have come to look to the administrative departments for the constructive work of government. Having lost to a large extent its confidence in itself, Congress has forfeited the confidence of the country and has won the contempt of both the executive and judicial branches of the Government. Since Congress neither asserts nor exercises fully the powers and prerogatives with which it was vested by the people in the formation of the Government, it has lost popular respect. It is the object of jibes and jeers, and few there be "so poor to do it reverence."

If Congress is to regain its lost prestige and again occupy the position assigned to it in this Government, it must assert and exercise the prerogatives of a coordinate body. To do this it must have adequate sources of information acting under authority of Congress alone, responsible to Congress alone, and devoting attention exclusively to work in which Congress is engaged.

Such commissions, employing experts who are unbiased by departmental connections and unprejudiced by the rivalry, pride, or ambition of executive relations, could open to Congress original sources of information and emancipate Congress from subservience to the departments.

A permanent joint legislative committee or joint commission should be created, say of 6 men, 2 of them Chairmen of the Committees on Post Offices and Post Roads of the respective Houses of Congress 2 to be appointed by the Chairman of the Senate Committee on Post Offices and Post Roads from individuals who have had legislative experience, but not necessarily at the time of appointment as Members of Congress, and 2 appointed by the Chairman of the House Committee on the Post Office and Post Roads with the same qualification. The committee should have funds with which to make a study, compile, and tabulate information to be furnished to Congress.

Thus, in effect, would be created a subcommittee of Congress with no legislative powers, but with full powers for ascertainment and presentation of information to Congress for its use. Congress would then be relieved of the burden and irritation and delay incident to securing information through the departments and bureaus. Four members of such a committee could devote their entire time to the subject matter coming within its jurisdiction. The chairmen of the Senate and House committees, being ex-officio members of the joint committee, would be relieved of the burden of compilation and tabulation of information and be able to present on the floor of both Houses of Congress such information as they secured and such deductions as they made as a result of the committee's work. In no manner would this diminish the power of Congress or of its committees. The committees would always be subject to the direction and control of Congress. Bills, instead of being made up in the departments, would be framed in Congress. The departments would be obliged to cooperate with Congress through this instrumentality, and knowledge of this permanent instrumentality would have a salutary influence over them and undoubtedly would result in highly developing them and improving their own efficiency.

Due observance of the constitutional division of governmental functions is not merely a controversy over relative extent of authority. It is a fundamental question of government in which every citizen should feel a personal interest. We have before us the problem whether the drift toward bureaucracy shall continue, or shall be checked and the hands of Congress strengthened. It is a question between centralization and distribution of governing power.

For my part, I am thoroughly in favor of distribution of power, for I believe the history of the world proves that centralized power means infringement upon individual liberty, leads to favoritism and oppression, and must ultimately end in such an upheaval as will overthrow the ruling power, with all the wrongs and suffering and loss that are incidents of governmental reorganization.

It is safer to trust ultimate governing power to a Congress made up of over 500 men chosen by direct vote of the people from all walks of life and from all parts of the country than to trust that power to any one man who ever lived or ever will live. Hence I assert that it is the part of wisdom now to check the tendency

toward bureaucracy by decisive action that will curtail the enormous authority now possessed by the President through his appointing power, provide for the election of postmasters, collectors of customs and appraisers of merchandise, collectors of internal revenue, United States district attorneys and marshals, and registers and receivers of land offices, make the President accountable directly to the people by the enactment of a Presidential primary law, emancipate Congress from subserviency to the departments by establishing joint legislative committees or commissions, and adopt and follow the policy of making all laws as comprehensive and explicit as possible, so that as little as may be shall be left to the discretion of administrative officials.

One reason why public opinion does not call a halt to political dictatorship, Executive control over legislation, and bureaucratic acquisition of power is that each individual feels the evil result of centralization of power in only a few particulars and realizes his utter inability to cope with the enormous power of officialdom. The humble private citizen, who has his living to make by daily effort, is scarcely to be criticized for failing to make vigorous and persistent protest; yet the preservation of human liberty has always been and always will be dependent upon eternal vigilance, individual courage, and self-sacrifice. Another reason is that business men take too little active personal interest in their Government and too often exclude politics from discussion at their meetings.

Two pronounced policies must be adopted by the American people, if they would stay the onward sweep of dictatorship—one a demand and the other a protest—a demand that the President be deprived of that patronage power which enables him to coerce Congress and control his party organization and conventions; a protest against every delegation of unnecessary discretionary power to departments and bureaus.

THE NATIONAL EMERGENCY COUNCIL—ADDRESS BY DONALD R. RICHBERG

Mr. LEWIS. Mr. President, I ask that an address delivered on March 27, 1935, by Mr. Donald R. Richberg, executive director of the National Emergency Council and Chairman of the National Industrial Recovery Board, touching many definitions of matters which are now pending in a bill which we are aware is the object of legislation, be printed in the RECORD. The address was delivered at Rutgers College, New Brunswick, N. J.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

RECONSTRUCTED INDIVIDUALISM

The reader of much current political discussion might get the impression that a dictionary of the English language did not exist. A puzzled world is informed that we are engaged in a process of preserving individualism, promoting socialism, and moving into communism, all at one time and as the objective of one program.

Some persons claim that confused interpretations are caused by confusion in the program. To avoid political partisanship on this occasion I will merely suggest that there may be a mingling of political strategy and honest doubt in this complaint. But, still assuming the difficult role of a detached observer, let me further suggest that much of the prevailing fogginess arises, not out of the program, but from the mental disorders of political criticism, which are frequently the product of intellectual malnutrition for which even a dictionary diet would be helpful.

Therefore, it may be well, even in this atmosphere of higher education, to begin an analysis of what may be described as the new-deal program with a few authoritative definitions of significant words. Recognizing, however, that political economists and political scientists are seldom in exact agreement in their definitions, it should be understood that in quoting one authority I do not wish to reflect in the slightest degree upon some other, perhaps greater authority, who might define the term somewhat differently.

Individualism as a political doctrine or policy indicates a primary regard for individual rights and specifically requires maintaining the political and economic independence of the individual. Its essential features include the right to accumulate, use, and transfer private property. According to this doctrine, the chief end of society and of moral law is the development of individual character; society existing for the sake of its individual members.

This political doctrine is allied with the philosophy that the self is the only knowable existence. There may be a composite entity, a conscious, self-perpetuating unity; but we know it not, except as by faith we may feel that we know God.

Socialism may be defined as a political doctrine aiming at a more equal distribution and better production of wealth by reason of governmental control of competitive activities. Its most essential feature is the annulment of rights of private property, at least to the extent necessary so that by governmental controls the opportunities of life and the distribution of the rewards of labor may be equitably apportioned. There are many varieties and degrees of socialism; but this definition is reasonably inclusive.

Communism may be defined as the extreme opposite of an individualism based on private property, and as comprehending the common ownership of all property used in production and the aim of equality as the definition of equity in the distribution of the products of industry.

None of these definitions is adequate for a scientific discussion and each requires some further refinement for even an intelligible political debate.

Rights of property are not absolute and unlimited under any political system; and governmental control moves inevitably in the direction of socialism when directed to protecting the general welfare, promoting cooperation, and eliminating unfair competition. There is a twilight zone wherein the individual may be required to accept many social responsibilities, but where individualism is still dominant so long as the fundamental right of the individual to acquire, use, and transfer property in a competitive system of private enterprise is preserved.

Socialism, as commonly advocated, makes the individual life dependent largely upon State controls; but it may retain self-realization and the advancement of the individual as the ultimate objective of the government.

Communism, although not always so defined, tends definitely to subordinate individual aspiration and development to the welfare of society, and to make the objective of the individual life the rendering of service to the State.

Of course, the political tactics of individualists, socialists, and communists play a large part in practically distinguishing their activities. Communism must be revolutionary since it aims at destroying the fundamental safeguards of individual security and freedom as provided in a system of private property. In its idealization of society, individual suffering, and ancient moralities lose their importance. Whatever its ultimate character, communism today is a destructive program.

The Socialist may be a political revolutionary, but so long as his objective is still the better life of the individual he is evolutionary in his aims, seeking to improve the service of society to the members. The irreconcilable conflict between him and the individualist lies in his rejection of private property as the instrument of safeguarding individual freedom and the opportunity of self-realization.

Although these somewhat dogmatic classifications may not meet general approval, they will serve as a basis for clarifying my interpretation of the process of reconstructing individualism in which the people of the United States are now particularly engaged.

There is no tendency whatsoever toward communism in the new-deal program. Nor is there any purpose to transform an individualistic, competitive system into a socialistic cooperation. There is the definite aim by cooperative means to eliminate the unfair methods and the intolerable results of an undisciplined competitive system.

There is a world of difference between imposing social responsibilities upon the owners of private property and socializing property. There is a world of difference between establishing a fair system of private profit making and establishing a system of production for use instead of for profit.

Those who insist that adequate social obligations cannot be imposed on private property and that a competitive system cannot be made fair, are a little hasty in their assumptions that such a political economic system as we envision has ever been tried and failed. The world we live in, our present industrial civilization, is hardly 50 years old. None of the political doctrines which we are debating has ever been applied to the economic conditions under which the people of the United States are now living.

It may be conceded that under an economy of scarcity it has been very difficult to regulate a competitive system so as to avoid those social injustices which eventually become unbearable, which set class against class and nation against nation, and produce a succession of civil and international wars.

If the world were still compelled to accept the alternative of universal frugality or small areas of comfortable living and large areas of sordid existence, many might agree that competition would always be ruthless and that the only hope of social justice would lie in a social control of production and distribution for the greatest good of the greatest number.

So long as there are 20 men for every 10 loaves of bread a competitive struggle under almost any terms would probably mean that a few men would get all the bread they needed and something more, while the majority would get less than they needed. That would result from differences in ability, in acquisitiveness, and selfishness.

But if there are today 30 loaves available for every 20 men, it should not be so difficult to convince even the stronger and more greedy few that they can well afford to make sure that every man has the loaf of bread he needs; and then they might engage in a decent rivalry over the division of the surplus. It is not so hard to write and enforce fair rules of a game when it is not played under the desperate urge of a necessity to win.

Men compete most vigorously, sometimes unfairly, in a struggle for the prizes of life; but most of them, when free from the pressure of necessity, are willing to abide by reasonable rules and prefer to demonstrate their superiority in a fair, open contest, rather than by sneaking around to stab someone in the back under cover of darkness.

Human beings enjoy fighting and winning. The instinct of competition is so deeply rooted in centuries of struggles for existence that I, for one, have no faith in any rapid transformation of the selfish animal into a cooperating altruist. But these same centuries have gradually converted the caveman into a semicivilized member of society, who enjoys those peaceful relations with his fellow men that are only possible by restraining his predatory yearnings and by proving himself to be a reasonably safe companion.

Accepting, therefore, a condition of society in which, by a proper organization of production and distribution, everyone can be assured of a decent livelihood, is it Utopian to assume that competitive individualists can produce such an organization? Is it not far more Utopian to believe that millions of competitive individualists can be transformed in a generation into cooperating socialists?

There is another phase of our industrial civilization that is worth considering in the answer to this question. It is not only a sense of social responsibility that is persuading competitors to rewrite the rules of competition. It is not only that lure of monopolistic control of prices about which we hear much political clamor.

There has been developing throughout trade and industry a very real fear of those excesses of competition whereby all the hard-won fruits of years of business building are swept away in the suicidal struggle of big and little enterprises to take business away from each other with wage-cutting and price-cutting weapons whereby in the end profits disappear, purchasing power fades away, and markets are glutted with unsalable goods.

In the effort to counteract these evils trade associations have been organized. They have sought to outlaw cutthroat methods. They have experimented with devices for the control of prices and production, with a worried watching of the overhanging sword of the antitrust laws. Sometimes they have managed to sustain an artificial price, thereby committing the folly of establishing a scarcity price in an economy of abundance—hastening the day of wrath when, having destroyed most of their customers, they would find they had destroyed themselves.

But during these years of haphazard, unscientific experimentation, a substantial part of American business has learned the need for some cooperation among competitors. Only a few have learned what to do with the power of cooperation. Far too many still imagine that natural economic forces will provide them with a market if they can simply maintain prices and avoid overproduction. All too few have recognized that only the widest possible distribution of the greatest possible volume of that wealth which is produced each month will provide them with an adequate market in domestic consumption during the following month.

The inclination of every industry has been to look to some other industry to provide the purchasing power for its products. If an enterprise paid good dividends and poor wages it was acclaimed a success, although in sober analysis it should have been recognized as an industrial parasite and an unfair competitor. It was living off the purchasing power supplied by other enterprises that paid fair wages; and it was failing to contribute its share of purchasing power for the support of others.

It is no answer to this criticism to point out that capital must earn a fair return if investments are to be made, or that if wages are increased too much and prices rise too high there may be no actual increase in purchasing power and markets may be actually contracted. The first requisite for security of capital and assurance of a fair return is the ability of a business to sell its products. A fair distribution of the rewards of labor is obviously the foundation of a sound purchasing power.

No one can fix a fair standard of wages or prices except as related to some original measuring rod. The one absolute measuring rod is the subsistence of a human being. In by-gone days this was a very low level of subsistence. But this had to be provided even for a slave or a valuable property would be lost.

Sometimes in economies of great scarcity, where even subsistence has not been available, labor has been unable to command even a bare living wage. But today it is practically undisputed that every mature, full-time worker in America can and should be paid more than the current cost of mere existence. From this lowest level of the minimum wage it should not be very difficult to build a wage structure which should be competitively fair, regardless of its ultimate social justice.

Thus it is now possible for employers of labor to eliminate by cooperative action the most unfair competition between them—a competition in overworking and underpaying labor; and by so doing they are not only lifting the level of our civilization, they are also protecting the security of private business from destructive competition in wage cutting and price cutting and from the resulting downward spiral of purchasing power due to an unfair distribution of the rewards of industry.

Against this general scheme of industrial cooperation what are the principal objections? We may dismiss at once resounding charges of the encouragement of monopolies and the oppression of small enterprises. In the first place, the actual effect of the N. R. A. has been to provide the only effective protections of small enterprises that have developed in 45 years of antitrust laws. Throughout trades and industries the major body of support for the N. R. A. has come and is coming from hundreds of thousands of small business men who for the first time have found barriers built and maintained against the unfair and coercive practices of their large competitors.

If, however, all the actual benefits conferred were disputed, if every charge against the administration of the law were sustained, the fact would remain towering above all argument that the law itself provides a new and invaluable method of restraining monopolistic practices and checking the growth of monopolies, while furnishing positive protection to small enterprises which could not be made effective under the antitrust laws.

Any valid criticism must therefore be directed not at the law but at its administration. To repeal the law would be to take away a shield and a sword because they had been clumsily used, depriving the Government of weapons sorely needed for the protection of fair competition and the livelihood of thousands of small producers and distributors.

The other principal objections to the industrial recovery program may be enveloped in the broad charge of its interference with individual freedom in the conduct of business. Few persons will candidly admit that they approve of sweatshop wages and a 10- or 12-hour day. Yet many will stoutly defend the maintenance of a free and unregulated competition which will result—not by the free choice of employer or employee, but by compulsion—in the overworking and underpaying of millions of wage earners.

The liberty of one man always exerts some compulsion upon other men. The absence of government—a state of anarchy—would permit stronger men or stronger groups of men to impose their will absolutely upon their weaker brethren. The liberty of one man to own a home denies to all others the liberty of living in that place. The liberty of one man to go where he pleased would deny to all others the liberty to be left alone. Indeed, that supreme liberty which men crave, the liberty to be left alone, imposes a restraint upon all the rest of the world.

Moving from these simple elements of the interrelation of liberty and political restraint, let us see the effect of untrammeled individual freedom in business. Complete freedom would permit every variety of fraud, dishonesty, and tyranny. Laws against misrepresentation, false weights, adulteration, monopoly, and conceded crime are all restraints upon individual liberty. Where can the line be drawn between one form of wrongdoing and another so as to say that the Government must prevent one evil but cannot prevent another without destroying individual initiative and interfering with property rights?

Is it not clear that the only line which can be drawn is where there is doubt as to whether an action is good or evil in its effect upon other men? Of course, we may debate as to whether the attempted cure will be worse than the disease; but that question arises with every legislative remedial act and does not change the fundamental proposition that, faced with the clearly evil effect upon many men of an exercise of individual liberty, a legislative restraint upon wrongdoing for the purpose of protecting the freedom of others to do right, cannot be challenged as an interference with constitutional liberty.

Consider a specific case of unfair labor competition. A large majority of coal operators, textile manufacturers, and other industrialists have always wanted to pay living wages. But if a small group under competitive pressures could only operate by paying starvation wages and thereby charging lower prices, they could force the entire industry to cut prices and wages.

As a result of years of such competition, when the N. R. A. began the establishment of codes of fair competition, it was found that wages for bituminous coal miners had been driven as low as $1.50 a day and wages for textile workers as low as a few cents per hour. These wages could not be raised unless such unfair labor competition could be outlawed. But when minimum wages and maximum hours were established by law, the entire problem was not solved. Both these industries had an excess productive capacity. A larger market could not be developed overnight. In the case of coal, probably an adequate market could never be developed. Clearly the pressure of a fierce competition would tend to break down the wage standards. The more efficient units could sell cheaper on the same labor costs. The less efficient would demand the liberty of cutting wages as their only means of meeting a competitor's price.

Facing this problem, the N. R. A. moved into another phase of fair competition, seeking again not to restrict a liberty to do what was right, but to protect men from being compelled to do what was wrong. In the bituminous coal industry, associations, operating under Government supervision, were permitted to establish minimum prices so that all operators meeting fair labor standards would have an opportunity to sell their coal. There was no monopoly created or sanctioned, because the various coal-producing areas were in active competition in the principal markets. The Supreme Court of the United States had previously upheld the legality of such price-fixing associations.

In the cotton-textile field the problem was one of deterring overproduction. When stocks of unsold goods accumulated mills were forced into two destructive practices. First, goods must be sold below actual cost and, in a falling market, buying naturally declined; but cash had to be obtained, particularly by small mills with little capital. Second, further losses must be prevented by stopping the payment of wages for the production of more goods to be sold at a loss.

Without an orderly handling of the entire industrial problem, individual freedom of action meant the maximum of individual hardship and injury to the public welfare. Mills would be shut down. Thousands of workers would be thrown on public relief. Surplus stocks would be gradually sold at ruinous prices. Eventually a new demand would arise. Then, again, there would be a feverish rush to produce for a rising market. Consumers would pay back in scarcity prices what they might have gained in the period of surplus. Then inventories would rise until again the bottom would drop out of the market and the disheartening cycle of boom and bust would be again completed.

There is no way to meet this problem except by the cooperative effort of the entire industry to regulate its production into a reasonable relationship to effective demand. Upon such regulation depends the ability of the industry to stabilize employment, to pay tolerable wages, and to work its employees for reasonable hours. Of course, any such industrial controls deny to an individual operator not only the liberty to overwork and underpay

his employees but also the liberty either to ruin himself in one season or, perhaps, to make a lucky profit in the next.

Most people will not wish to deny to an individual the liberty of gambling with his own money, and there are few restraints on private gambling. But there is a prevailing sentiment that public gambling is a dangerous evil and that at least the necessary business of the Nation should not be conducted as a vast gambling operation. Yet, when we examine the actual conditions of many of our major industries, such as coal and textiles, we find in effect that 10 percent of those engaged, by a reckless exercise of individual freedom, can transform a serious essential business upon which the welfare of millions of people depends into a huge lottery, in which almost everyone, including the general public, loses.

We hear a great deal of emotional ranting about curtailing production and maintaining prices. Let us discuss the facts for a few moments. Of course, we should produce all the agricultural and industrial products that can be sold. We should distribute them to consumers at the lowest prices at which they can be profitably sold. But the limitations upon how much we can safely produce and upon how cheaply it can be safely sold must be recognized.

There is overproduction in fact if acres of potatoes are left to rot in the ground, or acres of apples to rot on the trees, because they cannot be marketed for the cost of harvesting and transporting them. There is overproduction if millions of yards of cotton cloth cannot be sold for the cost of making and distributing. There may be millions of people on relief who need potatoes and shirts. But if potatoes and shirts are not paid for by the Government, then the labor of farmers and textile workers and railroad workers and distributors must be either contributed for nothing, or else paid for by employers and owners out of capital.

When the Government buys and distributes products to the unemployed or furnishes money with which they can buy, the Government levies a tax, now or later, by which we all share the burden; and the Government keeps the industrial machinery going. But in such a time it is clearly the concern of the Government to see that the industrial machinery is not wasting capital and labor in surplus production and breaking down a system of private enterprise so that more unemployment and more common burdens will be created.

If the system of private enterprise is to be preserved, it should be abundantly clear that the excesses of competition and the excesses of profit-making must be prevented by social discipline. If this can be worked out by the cooperation of agriculture and trade and industry by associations of common interest and a coordinating supervision of public authority, we shall be able to preserve the maximum of private initiative and individual liberty which is possible in the complexities of modern industrial civilization.

Planning and organization are necessary. To the full extent of the ability of private business to do this job, there should be utilized the trained capacity of those experienced in production and distribution. But it should be amply demonstrated by this time that we cannot leave the job wholly to chance and private experimentation. The interplay of competition offers the best means of determining what wages can be paid, what prices can be charged, what volume of production can be absorbed. But an entirely unregulated, anarchistic competition in money making provides no incentives for any cooperative activities except the association of groups of special interest to maintain selfish controls of one section of trade or industry, so that a well-organized few may profit temporarily at the expense of the disorganized many.

In ancient days there was a crude effort to administer justice through devices known as a "trial by ordeal or combat." If a man could carry a red-hot iron, or walk barefoot over red-hot plowshares, he would be adjudged innocent of an offense charged, or the accuser and accused might be called upon to fight each other. Behind these forms of trial lay the superstition that somehow Divine Providence would set aside natural laws to protect the innocent. The hot iron would not harm him. The stronger combatant might succumb to the superhuman power given to his weaker, but righteous, adversary.

We have risen above these superstitions in our administration of political justice. But we still seem to cherish the superstition that somehow in the field of economic conflict we can subject the right-minded and public-spirited man to the ordeal of meeting a red-hot ruthless competition, and justice will triumph. We still seem to cherish the illusion that, in a mere trial by combat, regardless of the weapons and strength of the unrighteous, somehow the righteous will triumph and the good of society will be served.

We glorify today the independence of the man who in business will not submit to social discipline; and the public often credits the big sweatshop operator and the little merchant alike with fighting the battle of individualism; and so we have arguments over writing a code under which the sweatshop owner must pay decent wages, and under which the big competitor cannot put the little merchant out of business by underselling him with the cheap products of the sweatshop, or with destructive price cutting in sales of standard brands.

If there were a hundred crimes that could be committed in the name of political liberty, there are a thousand now being committed in the name of economic liberty. The individual who is a true lover of liberty in the twentieth century is not the man who insists on maintaining a theoretical freedom to ruin himself and his fellow men by unrestrained self-seeking. The true lover of liberty in this century is the man who is ready and willing to look beyond a temporary advantage, which he may have in the unrestrained use or control of property rights, and see that in the end he and his associates cannot prosper and find happiness by destroying the opportunities of the masses of the people to enjoy a secure and comfortable livelihood.

Those who would enjoy liberty must set themselves free from the miseries of their fellow men. They cannot escape them permanently by building country homes or secluding themselves in the upper stories of towering skyscrapers. They can only set themselves free from enslavement to the civilization they are building by making it a civilization of freedom for the masses of the people. Then they will be able to walk the streets with that comfort and happiness which is only found in those who know that their lives have been devoted to a genuine and recognized service to their fellow men.

These lovers of liberty will be essentially individualists, working for their own satisfaction in their own lives and for the contribution which they can make to the lives of other individuals. But, in their understanding of the wisdom of the One who said, "Whosoever will be great among you, shall be your minister", they will be reconstructed individualists.

ANALYSIS OF N. R. A. BILL BY ARTHUR SEARS HENNING

Mr. DICKINSON. Mr. President, I ask unanimous consent to insert in the RECORD an analysis of the N. R. A. bill by Arthur Sears Henning, which was published in the Chicago Tribune of April 1.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune of Apr. 1, 1935]

The bill fails to cure the defects of the present act, including delegation of legislative power to the President, invasion of the authority of the States over intrastate commerce, nullification of the antitrust laws through price fixing, production control, and oppression of small enterprise, and the burden of a mountainous bureaucracy to rule business.

CHARGE LEGALISTIC COVERING UP

The bill, it is asserted, not only would perpetuate these defects but by a plethora of legalistic phrases would protect them from examination and decision by the courts, legalize the present extralegal and illegal activities of the N. R. A., and circumvent the numerous court decisions holding the act unconstitutional. A summary of the analysis follows:

1. Delegation of legislative power to the President: The Supreme Court's decision in the oil cases the bill seeks to circumvent by enumerating 13 so-called "standards" under which the President is authorized to act in improving codes and agreements, in imposing enforced codes, and in making regulations. These standards are simply a rewording, with decorative elaboration, of almost the exact provisions of the section in the present statute, which was found insufficient by the Supreme Court in the oil cases. They are so broad and indefinite as to be meaningless. They offer so wide a range as to impose no limitation on the President's power. They are based on inconsistent and conflicting economic theories. If anything, they broaden the President's power.

MOCK CONSTITUTIONAL LIMITS

2. Invasion of the power of the States over intrastate commerce: In order to meet the many decisions of lower Federal courts that the N. I. R. A. and particular codes are unconstitutional because of their attempt to regulate intrastate commerce, the new draft contains a wordy definition as to what trades or industries are eligible for codes. On its face the definition seems to relate to interstate commerce. Buried in it, however, are phrases which make the constitutional limitations a mockery.

For example, it is not necessary that a trade or industry be carried on in interstate commerce to be subject to the imposition of a code under the new draft. It is enough if its volume of employment, or of sales, or its use of materials shipped in interstate commerce are such as substantially to affect interstate commerce. This is not a contraction of the present statute as construed by the courts. It is a vast enlargement of it. Under this definition there is not a retail trade or a local business which is not subject to the imposition of a code.

WOULD CURB COURTS' POWERS

That is not all. Under our constitutional system of government it is for the courts to decide whether or not Congress has exceeded its power to regulate interstate commerce. The new draft attempts to take this power from the courts and give it to the President. The President, through agencies which he may create and discontinue at will, is to have power to make findings as to whether a particular trade or industry affects interstate commerce so as to be eligible for a code.

"This device has a Machiavellian complexion," says the memorandum. "If it succeeds, the Federal courts cease to be the guardians of the Constitution, and the President will be the judge of his own power. All real barriers to a dictatorship will have been swept away."

PERMITS CONTROL OF PRICES

3. The nullification of the antitrust laws: The new draft contains "a pious provision" which seems to forbid the promotion or sanction of monopolies or practices destructive of fair competition, including price fixing and production control, but is followed by clauses which specifically permit control of prices, production,

or distribution on mere findings by the President that they are necessary for certain purposes.

4. The new delegation of judicial powers: The present statute confers no judicial power on the President or on any agency created by him under the statute. None of the agencies set up under the N. I. R. A. has any power to try a man for alleged violation of a code, or to find him guilty, or to punish him. The only legal method of ending code violations under the present statute is by criminal or injunction proceedings in the Federal courts, or by proceedings before the Federal Trade Commission to obtain a cease and desist order.

GIVES POWER TO PRESIDENT

The new draft gives the President specific power (which the present statute does not) to make regulations "to secure compliance with codes and agreements approved"; "to make reasonable provision for the promotion and maintenance of codes and agreements * * * by means of distinctive insignia or labels" * * * or by other means. Since earlier provisions give the President unlimited power to set up agencies to effectuate the policy of the act, he is virtually authorized to set up tribunals for the trial of code violations.

The boycott of a concern not having the Blue Eagle is specifically legalized by this provision: "The President may regulate the distribution, use, and display of such insignia or labels, in order that purchasers and consumers of goods and services may be assisted in supporting the standards of fair competition provided for in this title."

The new draft gives the President specific power (which the present statute does not) to require departments and agencies of the United States to purchase from persons complying with such codes or agreements.

CAN ACCEPT COMPROMISE FINES

One of the most ingenious contrivances in the new draft for escaping the courts is the power given in section 12 (B) to any agency created by the President under the act, to compromise the liability of an alleged code violator, civil or criminal, or both, upon payment of an as yet unspecified sum of money to that agency and upon entry of a consent decree against him.

Still another contrivance is that provided for the case where an employee claims that his employer has violated any provision of the code relating to minimum wages or maximum hours of labor. This claim may be tried by the agency set up by the President, which agency is given power to find the facts and the amount of damage, and to enter an order directing the violator to pay such damage to the employee on or before a date to be fixed by the agency.

There is provision for appeal to the courts, but only if the employer does not pay within 6 months, and the power of the court to set aside the agency's order is closely limited, since the draft provides "that the findings and the order of such agency shall be prima facie evidence of the facts found therein."

LEGALIZES CODE ASSESSMENTS

5. Code authorities and assessments: The present statute makes no provision either for establishing code authorities or for obtaining money to meet the salaries and expenses of these elaborate establishments. Nevertheless, under most of the codes, authorities were set up, which promptly proceeded to assess members of the trade large sums of money with the approval of the N. R. A. It has been an open secret that "the N. R. A. attorneys were privately very anxious over this procedure, which they knew to be without lawful justification, and perhaps an unconstitutional delegation of taxing power."

The new draft legalizes both the code authorities and the assessment. It leaves room for imposing a code authority on a trade or an industry not composed of representatives of that trade or industry.

Any code prescribed or approved under the new draft may require persons subjected thereto to make equitable and proportionate contribution to the expenses necessary for the administration of such code. Failure to pay this tax becomes a crime punishable by heavy fines under the act, and every day the failure to pay continues constitutes a separate offense.

MAKES EXTENSION MANDATORY

6. Forced continuation of the codes: Most of the codes specifically provide that they are to terminate June 15, 1935, or some other date prior to the lapse of the existing statute. Most trades and industries went into the codes on the distinct understanding that the codes were to be of limited duration.

The new draft provides that all codes now in effect shall continue in effect for 90 days after June 15, 1935, and impliedly gives the President power to continue them even further.

7. Miscellaneous: The machinery for imposing forced codes on trades and industries is vastly strengthened. Very little remains of the conception of a voluntary code. As the result of a hearing on a proposed voluntary code, the President may impose an involuntary code entirely against the wishes of those who have presented the voluntary code.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein, to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes.

Mr. COPELAND. I ask unanimous consent that the formal reading of the bill be dispensed with, and that the bill be considered for amendment, the amendments of the committee to be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The Clerk will state the first amendment reported by the committee.

The first amendment reported by the Committee on Commerce was, on page 1, line 8, to strike out "Sec." and insert "Section 201."

The amendment was agreed to.

The next amendment was, on page 2, line 3, after the word "confectionery", to insert the words "chewing gum", so as to make the paragraph read:

(a) The term "food" includes all substances and preparations used for, or entering into the composition of, food, drink, confectionery, chewing gum, or condiment for man or other animals.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield.

Mr. CLARK. I should like to ask the Senator from New York just what is the occasion for the introduction of chewing gum into the bill and whether or not he has ever heard of any chewing gum which was injurious to health?

Mr. COPELAND. In reply to the Senator from Missouri, let me state that there are a great many chewing gums on the market which contain laxatives, others which contain thyroid used for slenderizing purposes, and other drugs are found in chewing gum, as well. Therefore, it was deemed wise to include this language.

Mr. CLARK. Would they not come within the ordinary definition of drugs as well as the definition of chewing gum? I have no objection to the amendment except that I am rather suspicious of new amendments after the committee reported the bill.

Mr. COPELAND. This was in the bill as it went from the committee.

Mr. CLARK. Certainly it was not considered by the committee. The Senator from North Carolina [Mr. BAILEY] and I both insisted on taking up the amendments one at a time, but were overruled by the chairman and the committee. Therefore, I feel it necessary to ask an explanation of the committee amendments as we come to them.

Mr. COPELAND. In view of the fact that there are chewing gums which contain laxatives and other medicinal substances and others which contain thyroid for slenderizing purposes, in order that such chewing gums might be reached, it was determined that the best way of doing it is by including them under the food item.

Mr. LOGAN. Mr. President, if it be true that chewing gum contains medicinal qualities, it seems to me it ought to be included under the drug item rather than under the food item. It is inserted here as a food.

Mr. COPELAND. I did not mention another matter, which is that today we are hearing so much about vitamins. The vitamins are food substances, and we thought it quite unfair to the public to have any false advertising of a product which is really a food and which certain chewing gums include among its constituents.

Mr. BARKLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Kentucky?

Mr. COPELAND. I yield.

Mr. BARKLEY. I did not hear the Senator's amendment read, but does it describe what chewing gum we can afford to chew and what we cannot?

Mr. COPELAND. No; the bill has not gone quite that far.

Mr. BARKLEY. I want to know whether I have to abandon some brands I have been using.

Mr. COPELAND. I think the Senator is perfectly safe.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment was, on page 2, line 10, after the word "or", to strike out the words "supplements thereto" and to insert in lieu thereof the words "any supplement to any of them", so as to make the clause read:

All substances and preparations recognized in the United States Pharmacopoeia, Homeopathic Pharmacopoeia of the United States, or National Formulary, or any supplement to any of them.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The next amendment was, on page 2, line 12, after the word "the", to insert the word "diagnosis" and a comma, so as to make the clause read:

All substances, preparations, and devices intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals.

Mr. CLARK. Mr. President, I should like to ask the Senator from New York how he can reconcile the language of this section and the language of the amendment with the common, ordinary acceptation of the English language. In other words, here he says it is proper to describe as a drug "all substances, preparations, and devices intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals." In other words, if a man has invented a shoulder brace, a purely mechanical device, which he claims will straighten a man's shoulders and expand his chest and make for his health, according to the definition contained in this paragraph it has to be described as a drug and treated in law as a drug.

I should like to ask the Senator from New York to justify any such misuse of common, ordinary English terms.

Mr. COPELAND. The Senator from New York would have no objection to the proposal about the particular devices mentioned by the Senator. But there are on the market a great many devices which are offered for use, and citizens are exploited, believing that they can be cured of all sorts of ailments by the use of them. For example, there is such a thing as a radium belt carrying a disk alleged to contain radium; it is claimed that if the Senator from Missouri should wear that belt he would never have appendicitis or gall-bladder disease or perhaps any other ailment.

Mr. CLARK. The language the Senator from New York has employed in the bill is broad enough to cover any device of which the Food and Drug Bureau of the Agricultural Department chooses to take jurisdiction. The point I am making is that if the devices ought to be outlawed, they ought to be outlawed, and I have no objection to that; but to maintain that a purely mechanical device is a drug and to be treated as a drug in law and in logic and in lexicography is a palpable absurdity, in my opinion.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee. [Putting the question.] The noes have it, and the amendment is rejected.

Mr. COPELAND. Just a moment! I am perfectly willing to have Senators go to the fundamentals of the bill and to make any just criticisms which may be passed upon the language employed; but if we are now to have every word in the bill attacked, I think it is calamitous and captious.

Mr. CLARK. Speaking for myself alone, I have no disposition to attack every word in the bill; but we are legislating on a very important matter. As I see it, what the Senator from New York is doing in this particular case is the same thing as if the Congress of the United States should attempt to say by law that calling a sheep's tail a leg would make it a leg. In other words, the Senator from New York in this language is attempting to define a wholly mechanical device as a drug. I say it is bad legislation; that if he desires to legislate against these mechanical devices he ought to do it in the open instead of by indirection and attempting to define as a drug something which palpably is not a drug.

Mr. COPELAND. The matter before us relates to the use of such devices in diagnosis of disease. The question of whether the word "devices" shall be used is not now under consideration.

The PRESIDENT pro tempore. The amendment was declared lost and therefore the amendment is not now before the Senate. Does the Senator from New York desire to move a reconsideration of the vote by which the amendment was rejected?

Mr. LOGAN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LOGAN. What amendment is it that was rejected?

The PRESIDENT pro tempore. The clerk will state the amendment for the information of the Senator from Kentucky.

The CHIEF CLERK. The amendment was, on page 2, line 12, after the word "the", to insert the word "diagnosis" and a comma, so as to make the clause read:

All substances, preparations, and devices intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals.

Mr. LOGAN. Then, as I understand, the amendment we rejected was not the part of the bill using the word "devices." That is not the amendment at all which we rejected, but the amendment which we rejected was to insert the word "diagnosis."

Mr. CLARK. The Senator is correct. The question was on the rejection of the amendment in line 12, page 2, inserting the word "diagnosis." Under the agreement heretofore entered into by the Senate it is necessary to consider committee amendments first. Therefore, it is not now in order to move to strike out something already in the bill. The amendment which was rejected was for the purpose of extending the scope applied by the word "devices." I am opposed to extending the scope applied to the word "devices", and at the proper time I shall move to strike out the word "devices." That seems to me the logical thing to do.

Mr. COPELAND. I have no objection to the Senator doing that at the proper time, but this language relates wholly to the extension of the amendment to include the word "diagnosis."

Mr. CLARK. That is true; but if we keep the word "devices" in the bill I am opposed to extending its application, as the Senator from New York probably is.

Mr. FLETCHER. I move to reconsider the vote by which the committee amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Florida. [Putting the question.] The "ayes" seem to have it.

Mr. CLARK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

During the roll call,

Mr. ROBINSON. Mr. President, we cannot hear the responses. We can not hear anything.

The PRESIDENT pro tempore. The Senator from Arkansas makes the point of order that there is disorder in the Chamber, and that the clerk cannot hear the answers to the roll call. Senators will please preserve order.

The roll call was concluded.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent. Not knowing how he would vote on this question, I withhold my vote.

Mr. METCALF. I inquire if the Senator from Maryland [Mr. TYDINGS] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. METCALF. Having a general pair with the Senator from Maryland, and not knowing how he would vote if present, I withhold my vote.

Mr. LOGAN (after having voted in the affirmative). I have a general pair with the Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the Senator from South Carolina [Mr. SMITH], who is necessarily detained from the Senate, and will allow my vote to stand.

Mr. McADOO. I have a general pair with the Senator from Vermont [Mr. GIBSON]. I am informed that if present, he would vote as I intend to vote. I therefore vote "yea."

Mr. ROBINSON. I desire to announce that the Senator from Washington [Mr. BONE], the Senator from Illinois [Mr. LEWIS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Wisconsin [Mr. DUFFY], the Senator from Idaho [Mr. POPE], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

I wish further to announce that my colleague [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are detained on account of illness.

I desire further to announce the following general pairs:

The Senator from Nevada [Mr. MCCARRAN] with the Senator from New Hampshire [Mr. KEYES]; and

The Senator from Illinois [Mr. LEWIS] with the Senator from Minnesota [Mr. SCHALL].

I am not advised how any of these Senators would vote, if present.

Mr. AUSTIN. The Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

The Senator from Wyoming [Mr. CAREY] is absent on official business.

The Senator from Vermont [Mr. GIBSON] is necessarily detained. If present, he would vote "yea."

The Senator from Minnesota [Mr. SCHALL] is absent on account of death in his family.

The Senator from New Hampshire [Mr. KEYES] is unavoidably absent. I am not advised how he would vote on this question if present.

Mr. MCNARY. I desire again to announce that the Senator from California [Mr. JOHNSON] is absent because of illness.

The result was announced—yeas 46, nays 29, as follows:

YEAS—46

Adams	Copeland	McAdoo	Sheppard
Ashurst	Costigan	McNary	Shipstead
Austin	Couzens	Maloney	Steiwer
Barbour	Fletcher	Minton	Thomas, Okla.
Barkley	Frazier	Neely	Thomas, Utah
Bilbo	Gerry	Norris	Trammell
Black	Glass	Nye	Vandenberg
Brown	Harrison	O'Mahoney	Van Nuys
Bulow	Hayden	Pittman	Wagner
Capper	Logan	Reynolds	Walsh
Connally	Lonergan	Robinson	
Coolidge	Long	Russell	

NAYS—29

Bachman	Cutting	Hastings	Radcliffe
Bailey	Dickinson	Hatch	Schwellenbach
Bankhead	Dieterich	King	Townsend
Borah	Donahey	McGill	Truman
Burke	George	McKellar	White
Byrd	Gore	Moore	
Byrnes	Guffey	Murphy	
Clark	Hale	Murray	

NOT VOTING—20

Bone	Duffy	Lewis	Pope
Bulkley	Gibson	McCarran	Schall
Caraway	Johnson	Metcalf	Smith
Carey	Keyes	Norbeck	Tydings
Davis	La Follette	Overton	Wheeler

So the motion to reconsider was agreed to.

The PRESIDENT pro tempore. The question recurs on the amendment of the committee.

Mr. CLARK. Mr. President, for the benefit of Senators who were not in the Chamber when this amendment was discussed a little while ago I should like briefly to summarize the effect of the amendment.

The effect of the amendment is to declare by Federal law the scales used by a physician to test the weight of patients in connection with a diagnosis to be a drug and make the scales subject to the jurisdiction of the Food and Drug Administration of the Agricultural Department.

Mr. COPELAND. Mr. President, I desire to state the effect of this amendment.

There are on the market certain electrical devices. A man takes hold of the handles of the machine, and the indicator spins around. It stops at "appendicitis", or it stops at "meningitis", or it stops somewhere else, indicating that the procedure diagnoses the ailment. Such a device is manifestly a fraud upon society.

That is what the amendment is designed to deal with. It has no relation whatever to scales used in a physician's office.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I do.

Mr. CLARK. Such a device as the Senator has described should be outlawed; but it should be outlawed in terms which accurately describe it. Does the Senator contend that an alleged electrical device on which a man hangs by his hands, and on which a needle goes around to a certain point, is a drug?

Mr. COPELAND. Mr. President, at the proper time the Senator from Missouri may offer an amendment dealing with this subject.

Mr. CLARK. I ask the Senator, Is that a drug?

Mr. COPELAND. "For the purposes of this act," to quote the bill, such devices are drugs.

Mr. CLARK. Why does it have to be? Why cannot this bill outlaw the thing itself, instead of calling it a drug and then outlawing it?

Mr. COPELAND. Let the Senator from Missouri at the proper time bring in an amendment to the whole clause. I know he is opposed to any classification of a device as a drug; but it is so classified as a drug "for the purposes of the act", in order that it may be so rated and dealt with for the protection of society.

Mr. CLARK. Mr. President——

Mr. COPELAND. Mr. President, I am not going to continue the discussion. It is absurd and wicked to exploit the public by the sale of devices which are alleged, among other absurd claims, to have the power to make a diagnosis of disease; and that is the question before us. Later, when the Senator from Missouri brings in an amendment regarding the whole question of devices, we may consider that amendment on its merits; but certainly no Senator desires to have a man paying $5 for the privilege of putting his hands on a device and seeing the needle swing around, allegedly indicating that he has disease of the gall bladder. To prevent such an absurdity is what this amendment is intended to do.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. If I understand correctly, what we are about to vote on is whether or not the committee amendment inserting the word "diagnosis" shall be adopted.

Mr. COPELAND. Yes.

Mr. BORAH. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator from Idaho will state the point of order.

Mr. BORAH. The point of order is that there is not order in the Chamber. We literally cannot hear what is going on over on the other side of the Chamber, by reason of the noise in other parts of the Chamber.

The PRESIDENT pro tempore. The point of order is well taken. The Chair time and again has requested Senators to preserve order.

Mr. BORAH. The point of order is well taken, but it has not yet been carried out.

Mr. ROBINSON. Mr. President, I suggest that the Sergeant at Arms be summoned to the Senate Chamber and that he be directed to preserve order in the Chamber. It is an abuse of privilege for Senators to insist on carrying on conversations on the floor to the confusion of those who are trying to carry on the proceedings of the Senate.

The PRESIDENT pro tempore. Does the Senator move that the Chair call the Sergeant at Arms to enforce order in the Chamber?

Mr. ROBINSON. I make that motion.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Arkansas.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms is instructed by the Chair to carry out the motion of the Senator from Arkansas.

Mr. ROBINSON. Mr. President, I suggest that the Sergeant at Arms be instructed by the Chair to approach those who are responsible for the disorder and instruct them that they must retire from the Chamber, and, if they fail to do so, bring them before the Chair for proper proceedings.

The PRESIDENT pro tempore. The Chair requests the Sergeant at Arms to appear in the Senate.

Mr. LONG. Mr. President, I think we are being a little bit too severe on our recalcitrant Members. I think that is a little severe. I would rather forgive them and trust them to behave themselves from now on.

The PRESIDENT pro tempore. The Chair requests the Sergeant at Arms to appear in the Senate Chamber.

Mr. ROBINSON. Mr. President, it is all right to be humorous about these things, but those of us who are serious and wish to carry on business ought to have the right and the opportunity to do so. I insist that the Sergeant at Arms be in attendance.

The PRESIDENT pro tempore. The proceedings will suspend until the Sergeant at Arms appears in the Senate. [After a pause.]

Mr. ROBINSON. Is there a Deputy Sergeant at Arms who might be availed of?

The PRESIDENT pro tempore. The Chair will ask whether there is a Deputy Sergeant at Arms who might be available.

Mr. NEELY. Mr. President, I move that a committee of three be appointed to search for the Sergeant at Arms. [Laughter.]

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. Do I still have the floor?

The PRESIDENT pro tempore. The Senator from Kentucky has the floor.

Mr. BARKLEY. What can I do with it? [Laughter.]

The PRESIDENT pro tempore. The Senator has had great experience in that matter. The Chair is not called on to reply. [After a pause.]

Mr. ROBINSON. Mr. President, as the Sergeant at Arms does not seem to be present, I suggest that the Senate proceed with its deliberations.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Kentucky has the floor.

Mr. BARKLEY. Mr. President, I wanted to inquire further of the Senator from New York. If I understand the status of the amendment now under consideration, it does not involve the use of the word "devices" on line 11 at all.

Mr. COPELAND. It does not.

Mr. BARKLEY. The word "devices" is already there, as they may be intended to be used in the cure, mitigation, treatment, or prevention of disease, and the word "diagnosis" merely adds to their uses, namely, their use in looking into a situation prior to the time when the cure or mitigation shall begin?

Mr. COPELAND. That is right.

Mr. CLARK. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. CLARK. Under subsection (2) of subdivision (b) of the bill, on page 2, as it now stands, it is proposed to declare by law that "all substances, preparations, and devices intended for use in the cure, mitigation, treatment, or prevention of disease in man or other animals", shall be declared drugs.

The effect of the proposed amendment is as I stated a moment ago. Under the language of the bill as it stands, Congress would declare that all devices used for the cure, mitigation, treatment, or prevention of disease in man or other animals would be considered drugs, but it would not declare that such a thing as an ordinary set of scales, used for weighing a patient as a preliminary to a diagnosis, was a drug. The effect of the amendment would add scales and other devices used only in a diagnosis to the classification of drugs.

Mr. BARKLEY. As I understand, whether any of these devices, so far as they cover mechanical means set up for one medical purpose or another, should be in the bill, is another matter. I understand that the use of the word "diagnosis" proceeds on the theory that before one begins to cure or treat anybody he ought to find out what is the matter with him.

Mr. CLARK. But the amendment would add an entirely new class to the list of drugs. In other words, a scale would not be a drug without this amendment, but by the adoption of the amendment a scale would automatically be made a drug by act of Congress.

Mr. BARKLEY. There are many scales which are drugs on the market so far as they report anything reliable with reference to the weight of man or beast. But I do not see any objection to the use of the word "diagnosis" in this connection, even though it might be desirable to strike out the word "devices" as including things other than actual drugs.

Mr. CLARK. I am opposed to enacting an absurdity. It is absurd to declared a device a drug to begin with, and it is still more absurd to declare such a device as a scale a drug.

Mr. BARKLEY. If the word "devices" is to be used with reference to the treatment of people, or the mitigation of their diseases, or the cure of people of whatever diseases they have, it ought not to be outlawed insofar as it may assist in the ascertainment of a disease of which one ought to be cured.

Mr. CLARK. In other words, the Senator's argument amounts to this, that if a man testified that a horse was 17 feet high instead of 17 hands high, he ought then to increase it and say, "I meant 25 feet."

Mr. BARKLEY. I do not think that is a fair assumption at all, because that old adage about a man saying that a horse is 17 feet high and saying that he sticks to his story has no application here, it seems to me.

Mr. CLARK. This is simply an extension, instead of sticking to it.

Mr. BARKLEY. If we are to include "devices" at all as drugs for the cure of people, or for the mitigation of their diseases, or for the treatment of their diseases, if a device is a drug, which it may or may not be—there are some devices which are drugs; there may be others purely mechanical in character, which may not be drugs, as we understand that term—if they are to be used at all, it seems to me they ought to be used as much for finding out what is the matter with a patient as for treatment.

Mr. CLARK. Does the Senator have any doubt that under the committee amendment as proposed an ordinary set of scales would be considered a drug, if the Bureau of Food and Drugs of the Department of Agriculture chose to hold it to be so?

Mr. BARKLEY. I do not know about an ordinary pair of scales or other device for ascertaining how much a man weighs.

Mr. CLARK. For use in making a diagnosis.

Mr. BARKLEY. Getting on a pair of scales and finding out what one weighs does not necessarily reveal anything with reference to disease. It may be that by the insertion of the word "diagnosis" we will protect many people from any treatment at all, or any cure, because the diagnosis may disclose that there is nothing the matter with them.

Mr. CLARK. I should like to state to the Senator from Kentucky, in regard to what the Senator from New York has said, that, so far as I am concerned, I am entirely in sympathy with providing by law against the use of such devices as the Senator from New York has described. It is no argument in favor of such language as this, such misuse of the English language, to say that these devices ought to be outlawed and the public protected against them.

Mr. BARKLEY. I am not concerned so much about the use of devices, but I should like to have a diagnosis before I am cheated.

Mr. COPELAND. Mr. President, frankly, this language was embarrassing to the committee, to those who originally framed the bill and have worked on it all these months. It was recommended in some of the hearings that we should have a special and separate provision in the act to protect

against these evils. But, by and large, the testimony of the witnesses indicated that since the language is so clear——

Mr. ROBINSON. I again rise to a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ROBINSON. The Senate is not in order, and it is impossible to hear Senators who are speaking.

The PRESIDENT pro tempore. The Senator from Arkansas has suggested that there is disorder in the galleries. The Chair is of that opinion, and the Chair has observed that the visitors who are constantly being brought in by the guides of the Capitol are causing most of the disturbance. Order must be preserved in the galleries, and conversation in the galleries must cease or the Chair will be compelled to order that the public galleries be closed.

So far as the floor of the Chamber is concerned, the present occupant of the Chair knows that every Senator is familiar with the rule of the Senate regarding conversation and noise in the Chamber, and the Chair is satisfied that, on reflection, the point of order made by the Senator from Arkansas will be respected.

Mr. COPELAND. Mr. President, we are glad to have our visitors; we welcome them here. But we have before us a bill in which the Senate appears to be interested, and it is right that we should be permitted to hear each other across the Chamber. It is not easy to speak so as to be heard in the Senate anyway, but if our guests will bear in mind that it will facilitate work here if they shall cease conversation, I am sure all of us will be happier.

Mr. President, I want to say now that in the various hearings we had, the section of the bill now under discussion was given thorough study.

The PRESIDENT pro tempore. The public galleries will be cleared. That order does not apply to the private galleries nor to the press galleries. The public galleries will be cleared, and the doorkeepers and the guides will assemble later on in the day in the office of the Sergeant at Arms for a discussion of this matter.

The Senate will suspend while that order is carried out.

(The doorkeepers proceeded to clear the public galleries.)

While the galleries were being cleared,

The PRESIDENT pro tempore. The doorkeepers will carry out the order of the Chair and clear the public galleries, and then close the public galleries. That order does not apply to the private galleries. The effort of the Chair is to get order by preventing the guides from bringing in one contingent after another, and talking to the visitors while they are in the galleries.

Mr. FRAZIER. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FRAZIER. Some of the doorkeepers seem to think the order of the Chair includes the card galleries. As I understand, the order does not include the card galleries.

The PRESIDENT pro tempore. It does not include the card galleries. The order is to clear the public galleries, into and out of which guides are constantly conducting transient visitors. However, unless there is order in the card galleries, those galleries also will be evacuated and the doors closed.

(The public galleries were cleared.)

The PRESIDENT pro tempore. The Senate will proceed to the consideration of the amendment of the committee. The Senator from New York [Mr. COPELAND] has the floor.

Mr. COPELAND. We seem to have cleared not only the galleries but the Senate as well. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Brown	Costigan	Glass
Ashurst	Bulkley	Couzens	Gore
Austin	Bulow	Cutting	Guffey
Bachman	Burke	Dickinson	Hale
Bailey	Byrd	Dieterich	Harrison
Bankhead	Byrnes	Donahey	Hastings
Barbour	Capper	Duffy	Hatch
Barkley	Clark	Fletcher	Hayden
Bilbo	Connally	Frazier	King
Black	Coolidge	George	Lewis
Borah	Copeland	Gerry	Logan
Lonergan	Murphy	Robinson	Truman
Long	Murray	Russell	Tydings
McAdoo	Neely	Schwellenbach	Vandenberg
McGill	Norbeck	Sheppard	Van Nuys
McKellar	Norris	Shipstead	Wagner
McNary	Nye	Steiwer	Walsh
Maloney	O'Mahoney	Thomas, Okla.	White
Metcalf	Pittman	Thomas, Utah	
Minton	Radcliffe	Townsend	
Moore	Reynolds	Trammell	

Mr. McNARY. The Senator from California [Mr. JOHNSON] is absent on account of illness.

The PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

Mr. COPELAND. Mr. President, before the recess we were discussing page 2 of the bill, specifically the insertion of the word "diagnosis", on line 12, but in general the whole of the subsection, subsection (b). In our committee hearings we had before us witnesses who made the same suggestion which has been made here by the Senator from Missouri [Mr. CLARK]; it seemed more or less absurd to include in a food and drug bill various "devices" which were intended for use in the cure and treatment of disease. Those matters were considered at length in the public hearings, and it was the consensus that there was no better way than to include in this subparagraph these various devices.

If Senators will read the first line of subparagraph (b)—that is, line 5 of page 2 of the bill—it will be seen that it says—

The term "drug"—

And the word "drug" is put in quotation marks—

for the purposes of this act—

Shall be so-and-so.

Because of the consensus of the evidence it was deemed wise to leave this subsection as written.

The immediate question before us does not relate to the whole subsection. It relates merely to the one matter of including in the prohibition against devices the word "diagnosis".

Mr. President, I practiced medicine for a great many years, and at no time did I regard the scales as a means of diagnosis. I doubt if any reputable physician would so regard them. The sole purpose of including the word "diagnosis" in this subsection was to prohibit the use of devices which are fraudulent on their face, which are used by "traveling doctors" and other so-called "doctors" in their offices, devices which are humbugs, such as the one I have just described, where the patient takes hold of the handle of the machine, then an electric current causes the needle to spin around. Around the dial is marked almost every disease from asthma to zymosis, and when the indicator stops at "liver disease" the diagnosis has been made.

Mr. ROBINSON. Mr. President, may I ask the Senator a question?

Mr. COPELAND. Certainly.

Mr. ROBINSON. What causes the indicator to stop at "liver disease"?

Mr. COPELAND. The mechanical device may be so contrived that it is a good deal like a gambling device, when the foot presses the button below it is all settled. It is a humbug on its face.

Without questioning at all the proposal that devices ought not to be included here, there can be no difference of opinion in the Senate that a machine so fraudulent in its intention when it is used the man who profits from it ought to be brought under the ban of the law. The question is, Does the Senate desire to have continued the use of these humbugs or does the Senate not desire to do so? I have stated the purpose of the amendment.

Mr. CLARK. Mr. President, in response to what the Senator from New York has said, let me say I have no desire to continue the use of such devices; I have no objection to the Senator defining them in this bill as humbugs, which he has been calling them, and I have no objection to, in fact I would be strongly in favor, of denouncing them as a crime. My objection goes to putting the Congress of the United States in the ridiculous, absurd, and asinine position of defining a purely mechanical device as a "drug."

My objection to this particular amendment is to taking in the bill that ridiculous position and embodying in it such a definition.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee. [Putting the question.] By the sound, the "ayes" seem to have it.

Mr. CLARK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BULKLEY. I again announce my general pair with the senior senator from Wyoming [Mr. CAREY]. Not knowing how he would vote, I withhold my vote.

Mr. AUSTIN. I wish to announce that the Senator from Maine [Mr. HALE] and the Senator from Delaware [Mr. TOWNSEND] are detained on business of the Senate.

Mr. ROBINSON. I announce that my colleague the junior Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. BONE], the Senator from Alabama [Mr. BLACK], the Senator from Idaho [Mr. POPE], the Senator from South Carolina [Mr. SMITH], the Senator from Tennessee [Mr. BACHMAN], the Senator from Virginia [Mr. BYRD], the Senator from Ohio [Mr. DONAHEY], the Senator from Illinois [Mr. LEWIS], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. MCCARRAN], the Senator from New Jersey [Mr. MOORE], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

I desire further to announce the following general pairs: The Senator from Nevada [Mr. MCCARRAN] with the Senator from New Hampshire [Mr. KEYES]. The Senator from Illinois [Mr. LEWIS] with the Senator from Minnesota [Mr. SCHALL].

I am not advised how any of these Senators would vote if present.

Mr. LOGAN (after having voted in the affirmative). I transfer my general pair with the Senator from Pennsylvania [Mr. DAVIS] to the Senator from South Carolina [Mr. SMITH], and allow my vote to stand.

Mr. MCKELLAR (after having voted in the negative). I have a general pair with the Senator from Delaware [Mr. TOWNSEND]. Not knowing how he would vote, I transfer that pair to the Senator from Washington [Mr. BONE], and let my vote stand.

Mr. AUSTIN. I wish to announce that my colleague, the junior Senator from Vermont [Mr. GIBSON], is necessarily absent. If present, he would vote "yea." I repeat the announcement made on the previous vote with regard to the Senator from Pennsylvania [Mr. DAVIS], the Senator from Wyoming [Mr. CAREY], the Senator from New Hampshire [Mr. KEYES], and the Senator from Minnesota [Mr. SCHALL].

Mr. MCNARY. The Senator from California [Mr. JOHNSON] is absent on account of illness.

The result was announced—yeas 45, nays 22, as follows:

YEAS 45

Adams	Costigan	Maloney	Shipstead
Ashurst	Couzens	Minton	Steiwer
Austin	Dieterich	Neely	Thomas, Okla.
Barbour	Duffy	Norris	Trammell
Barkley	Fletcher	Nye	Truman
Bilbo	George	O'Mahoney	Vandenberg
Brown	Gerry	Pittman	Van Nuys
Bulow	Harrison	Radcliffe	Wagner
Capper	Hayden	Reynolds	Walsh
Connally	Logan	Robinson	
Coolidge	Lonergan	Russell	
Copeland	McNary	Sheppard	

NAYS—22

Bailey	Dickinson	Hatch	Norbeck
Borah	Frazier	King	Schwellenbach
Burke	Glass	McGill	Wheeler
Byrnes	Gore	McKellar	White
Clark	Guffey	Murphy	
Cutting	Hastings	Murray	

NOT VOTING—28

Bachman	Bulkley	Davis	Johnson
Bankhead	Byrd	Donahey	Keyes
Black	Caraway	Gibson	La Follette
Bone	Carey	Hale	Lewis
Long	Metcalf	Pope	Thomas, Utah
McAdoo	Moore	Schall	Townsend
McCarran	Overton	Smith	Tydings

So the amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment reported by the committee.

The LEGISLATIVE CLERK. On page 2, line 14, after the word "food", it is proposed to insert "and cosmetics", so as to make the clause read:

> And (3) all substances, preparations, and devices, other than food and cosmetics, intended to affect the structure or any function of the body.

The amendment was agreed to.

The next amendment was, on page 2, line 18, after the word "preparations", to insert the words "except ordinary toilet and household soap", so as to make the paragraph read:

> (c) The term "cosmetic" includes all substances and preparations, except ordinary toilet and household soap, intended for cleansing, or altering the appearance of, or promoting the attractiveness of, the person.

Mr. COPELAND. Mr. President, may I say a word about the amendment? It is not the intention of the bill to include, within the definition either of cosmetics or drugs, soaps which are intended and primarily used for ordinary toilet and household purposes. So far as soaps are concerned the bill is meant to deal only with special soaps which are intended and primarily used in the treatment of disease or beautifying the person in the sense that cosmetics are used.

Further, the committee would like to add, after the word "soap" in this amendment, in line 18, the words "and household cleansers."

Mr. KING. Mr. President, how is one to determine, when he goes to a drug store and asks for soap, whether it is ordinary toilet soap or is of an extraordinary character? Is there any line of differentiation known to the public and which would protect the purchaser in the event he happened to make a mistake and got that character of soap which would come within the definition of "cosmetic"?

Mr. COPELAND. I do not think the purchaser will be involved at all.

Mr. KING. But the vendor would.

Mr. COPELAND. If the vendor sold a soap which was alleged to cure eczema or acne or some other disease of the skin, that would not be ordinary household soap. That would be a medicinal soap and would be dealt with as a drug.

Mr. KING. If it should be included as a drug, what pains and penalties would there be for the manufacture or selling of the article, or what limitations would be imposed upon the manufacturer or upon the vendor?

Mr. COPELAND. The manufacturer would be required to state frankly upon the label that it was intended to do so-and-so. Then he would run the gantlet of the administrators of the measure. If his statement is truthful, and supported by substantial scientific or medical opinion, he would be permitted to sell it. The purpose of the exemption is to make it clear that those soaps which the Senator in his household and I in mine use, are not affected by the bill.

Mr. KING. I have so much confidence in the Senator from New York that even if the bill were very revolutionary and shocked my preconceived views, I should be inclined to support it; but this measure, which I have hastily read since I came into the Chamber a few moments ago, contains such enormous powers, so much authority vested in bureaus and in official agencies, that it does shock me and I am afraid it will result in abuses and in a reign of terror, not only to farmers and those who purchase food supplies, but those who are engaged in the manufacture of pharmaceuticals and things essential to the welfare and health of the people.

Mr. CLARK. Mr. President, will the Senator from Utah yield?

Mr. KING. Certainly.

Mr. CLARK. I do not yield to the Senator from Utah or anyone else in my confidence in the integrity and high purposes of the Senator from New York, but the bill does not

contain any definition of what are ordinary toilet and household soaps and what are extraordinary toilet and household soaps. The bill would not be administered by the Senator from New York. If it were to be administered by the Senator from New York I should feel very certain that the terms herein used would be employed in the way in which he describes them to us in the Senate. However, the bill would not be administered by the Senator from New York, and no man can tell from the bill what are ordinary household toilet soaps and what are ordinary household cleansing preparations, and what are extraordinary household toilet soaps and cleansing preparations.

Furthermore, if any ordinary toilet and household soap or any cleansing soap is detrimental to health and safety, I do not know why it should be excepted. I should like to ask the Senator in charge of the bill to explain why soaps of any sort, or any other sort of cosmetic, should be excepted from the operation of the bill if in fact it is detrimental to health.

Mr. KING. I yield the floor so the Senator from New York may answer the Senator from Missouri.

Mr. COPELAND. Mr. President, the Senator from New York would be the last man on earth to interfere with the free use of soap and water. I think if the American people would indulge frequently in the use of soap and water, they would escape most of the diseases which are conveyed by germs.

The provision under discussion is intended to do exactly what it says. We had long discussions with the soap manufacturers. They were worried for fear it might be considered that soap is a cosmetic and that, therefore, it would be brought under the operations of the bill. In order that there might not be such an absurd interpretation of the law by any "bureaucrat" or other person, we have inserted this very language providing that the term "cosmetic" does not apply to ordinary household soap. We discussed the use of the word "ordinary." We tried to find a different word, but finally the soap people and all concerned expressed themselves as satisfied with the word "ordinary", as applied to household soaps.

There are soaps on the market which, it is claimed, according to the label, will cure everything from ingrowing toenail to disease of the brain. That is the kind of soap we want to include in the operation of the bill and make certain that the public is not exploited. The ordinary household soaps and household cleansers are clearly beyond the purposes of the bill and ought to be definitely excluded, as they are by this language.

Mr. CLARK. Mr. President, I desire to offer a substitute for the committee amendment. I move as a substitute for the committee amendment to insert the following words:

Except soaps and household cleansers for which no medicinal or curative qualities are claimed by the manufacturers or retailers in labels or advertising.

Mr. COPELAND. I have no objection to the substitution of that language. I am glad to accept it.

The PRESIDENT pro tempore. The substitute will be stated.

The LEGISLATIVE CLERK. On page 2, line 18, in lieu of the committee amendment, after the word "preparations", it is proposed to insert the words "except soaps and household cleansers for which no medicinal or curative qualities are claimed by the manufacturers or retailers in labels or advertising", so as to make the paragraph read:

(c) The term "cosmetic" includes all substances and preparations, except soaps and household cleansers for which no medicinal or curative qualities are claimed by the manufacturers or retailers in labels or advertising, intended for cleansing, or altering the appearance of, or promoting the attractiveness of, the person.

The PRESIDENT pro tempore. Without objection, the amendment to the amendment is agreed to; and, without objection, the amendment, as amended, is agreed to. The next amendment of the committee will be stated.

The next amendment of the Committee on Commerce was, on page 3, line 18, after the word "disseminated", to insert the words "to the public", so as to make the paragraph read:

(j) The term "advertisement" includes all representations of fact or opinion disseminated to the public in any manner or by any means other than by the labeling.

The amendment was agreed to.

The next amendment was, on page 3, line 23, after the words "branch of the", to strike out the words "healing art" and insert in lieu thereof the words "medical profession", so as to make the sentence read:

The term "medical profession" means the legalized professions of the healing art; and the term "medical opinion" means the opinion, within their respective fields, of the practitioners of any branch of the medical profession—

And so forth.

Mr. KING. Mr. President, may I submit an inquiry to the Senator from New York at this point, though it is not relevant to the amendment just stated? There is in the bill a clear distinction between interstate and intrastate, but does the bill so commingle them into a compound mass as that acts which are clearly and confessedly intrastate may be brought within some of the punitive provisions of the law on the theory that they are interstate?

Mr. COPELAND. Mr. President, I am glad to answer the question of the Senator from Utah. As I recall it, there is only one instance where that criticism might be raised. That relates to the inspection of factories. The Senator from Michigan [Mr. VANDENBERG] will at the proper time, if I understood him correctly in our conversation yesterday, present an amendment to the committee amendment or a substitute therefor.

That question arose in this connection: Where there are factories making products which might be contaminated in the making and where that contamination, which may be bacterial, is not to be found as the article goes into commerce, provision is made in the bill for inspection of the factory. In our bill as we have it before us, a reasonable request may be made by the Secretary; and if that request is refused, then when the article enters interstate commerce a fine may be imposed.

The Senator from Michigan at the right time will argue that that is not the right way to deal with the matter; that there should be an inspection so guarded that the secret processes, if there are any, may be protected; that the penalty ought to attach at the factory, so that when the article gets into interstate commerce there will be no interference with its free passage in interstate commerce. I think I am right in saying to Senators that as I recall now, that is the only instance where we attempt to enter the State.

Mr. KING. Mr. President, while this is perhaps premature, the Senator having alluded to section 707, subdivision (a), under the head of "Factory inspection", I am prompted to make comment upon the fact that the words "regulate interstate commerce in food, drugs, and cosmetics, and enforce" are stricken out, and this rather omnibus, uncertain provision is tendered:

In order adequately to protect public health and welfare through enforcement of—

And so forth.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. VANDENBERG. The Senator from New York [Mr. COPELAND] has correctly stated my intentions when section 707 is reached. I shall then offer a complete substitute for the entire section, which I think undoubtedly will wash away most of the objections the Senator from Utah has in mind.

Mr. COPELAND. May I say that I have seen the substitute; and when we come to that point, if the Senator from Michigan shall offer it, I shall interpose no objection.

Mr. KING. In the light of the statement made by the Senator from Michigan, I shall pretermit any further observations. I am very happy he is addressing himself to the matter; and, while I have the floor, I hope the Senator also will address himself to subdivision (b) on page 36.

Mr. COPELAND. Both of those subdivisions are included in the amendment which is to be proposed.

Mr. KING. I say that because manifestly too much power is given to officials by the provision to which attention has been called.

Mr. VANDENBERG. The Senator is entirely correct; and we are going to wipe it all out.

Mr. KING. I shall join the Senator.

Mr. O'MAHONEY. Mr. President, may I ask the Senator whether he is entirely satisfied with the definition of "medical profession", which I understand we are now about to amend? Will it be uniform throughout the United States?

Mr. COPELAND. Yes.

Mr. O'MAHONEY. Is it not a fact that in some States there are very much broader provisions of law for the licensing of medical practitioners than there are in others?

Mr. COPELAND. That is true, and we have provided for that, as the Senator will see if he will turn over the page.

Mr. O'MAHONEY. I have observed that language, but I doubt whether it covers what I have in mind.

Mr. COPELAND. The definition as drawn we believe fully recognizes the right of the States to determine for themselves, through their control of the medical profession, the character of representations made with regard to drugs coming in interstate commerce for distribution within their own borders.

Mr. O'MAHONEY. I realize that; but, again, let me say, that is not the point I have in mind. In one State a chiropractor may be recognized and licensed. Would he not come within the medical profession as defined in this bill?

Mr. COPELAND. He would.

Mr. O'MAHONEY. But in another State which does not license chiropractors he would not be permitted to practice?

Mr. COPELAND. Correct.

Mr. O'MAHONEY. Then, when we come to the advertising sections of the bill, in the State in which a chiropractor is licensed he could give the "substantial and reliable medical opinion" which would sustain an advertisement which in another State could be sustained only by the opinion of the ordinary physician or surgeon. Is that correct?

Mr. COPELAND. Yes.

Mr. O'MAHONEY. So that we are likely to have a complete lack of uniformity in the enforcement of the advertising features of the bill?

Mr. COPELAND. Nevertheless, we did not feel that we had any right to go into the States and interfere with their privileges to grant licenses. What we had in mind here more than anything else was to meet another practice; it is a very common thing to get men living in Germany or Austria or somewhere else to give this so-called "substantial medical opinion." It was our desire to make clear, as stated here, that—

> The term "medical opinion" means the opinion, within their respective fields, of the practitioners of any branch of the medical profession the practice of which is licensed by law in the State or Territory where any drug to which such opinion relates is held, sold, or distributed.

Mr. O'MAHONEY. Yes; but section 601, on page 25, which defines false advertisement, provides that—

> Any representation concerning any effect of a drug shall be deemed to be false under this paragraph if—

as amended by the committee—

> such representation is not sustained by demonstrable scientific facts or substantial and reliable medical opinion.

Mr. COPELAND. Yes.

Mr. O'MAHONEY. Under that provision, therefore, the opinion of a physician that would be acceptable in one State would not be acceptable in another.

Mr. COPELAND. Suppose the case were brought in Wyoming. I do not know what the law is there; but suppose the Wyoming law permitted a chiropractor to practice. His testimony, then, as regards a product seized there, would be on a par with the testimony of the so-called "regular" physician.

Mr. O'MAHONEY. Yes. I am not thinking so much of the product seized as I am of the type of advertising. Most of this advertising for the ordinary patent medicine originates in the big cities. It originates in New York, or it originates in Chicago, and it is disseminated throughout the United States by large advertising concerns. It is obvious, Mr. President, that there will be a great lack of uniformity in the sort of advertising that would be permitted unless a definition of "medical profession" can be obtained which will be uniform throughout the United States.

Mr. COPELAND. May I say to the Senator that there is no provision under our Federal law for licensing physicians.

Mr. O'MAHONEY. I know it.

Mr. COPELAND. So we had to go back to the States. If the product should be seized in a jurisdiction where the chiropractor or some other practitioner is recognized, we should have to accept his testimony as that of a "reliable" medical practitioner. Perhaps I personally might not be in harmony with that view; but I did not see, and I do not now see, how we can escape what we are doing here.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. The Senate, on its responsibility under the Constitution, has just solemnly declared that a device is a drug, even though it be a purely mechanical device; and, of course, that includes the mechanical devices used by chiropractors.

Under the definition of the term "medical profession" the bill says:

> The term "medical profession" means the legalized professions of the healing art; and the term "medical opinion" means the opinion, within their respective fields, of the practitioners of any branch of the medical profession, the practice of which is licensed by law in the State or Territory where any drug, to which such opinion relates, is held, sold, or distributed.

Now we come over a little further to the advertising section; and there reference is again made to opinions borne out by the medical profession, and, as to drugs, to the definition of them in any official compendium.

On page 4, the term "official compendium" is defined as follows:

> The term "official compendium" means the United States Pharmacopœia, Homœopathic Pharmacopœia of the United States, National Formulary, or any supplement to any of them, official at the time any drug to which the provisions thereof relate is introduced into interstate commerce.

That means, and can only mean, that since obviously, as a matter of common knowledge, the devices used by chiropractors are not included as drugs in the official compendiums as defined—the United States Pharmacopœia, the Homœpathic Pharmacopœia of the United States, the National Formulary, or any supplement to any of them—therefore those devices are declared drugs outlawed under this measure.

Mr. COPELAND. Mr. President, the Senator from Missouri, who is usually so accurate, has forgotten that on page 2, line 5, we specifically wrote into the bill that—

> The term "drug", for the purposes of this act and not for the regulation of the legalized practice of the healing art—

And so forth. There is not anything in the bill which prohibits the chiropractor or the naturopath or the mechanical therapeutist, whatever he may be, from making use in his office of any device which he, as a legal practitioner in his State, deems it right to use.

Mr. CLARK. But let me ask the Senator another question. The provisions of this bill—and there are many of them—where medical opinion is referred to, and where the term "official compendium" as going to the proper use of drugs is referred to, and the definition of a device in subsection (b), on page 2, declaring that that is a drug, set that device outside the list of drugs which might possibly be authorized in the official compendium referred to on page 4.

Mr. COPELAND. May I say to the Senator that at the right time, if he will present some substitute for lines 11 to 16, on page 2, we shall be glad to consider it; for, of course, we tried to use language which would more suitably cover the matter which the Senator has in mind.

Mr. CLARK. I will say to the Senator from New York that I shall be very glad to do that if sufficient opportunity is afforded to draft an amendment which to my mind will cover that matter. I should have been glad to do it in the

committee if opportunity had ever been afforded in the committee to take up any particular draft of the bill, paragraph by paragraph and section by section, before it was reported.

Mr. BORAH. Mr. President, I am compelled to leave the Chamber for a time, and I ask the Senator from New York to pass over section 303, in case it shall be reached, until I can return. It appears on page 10 of the bill.

Mr. COPELAND. I shall be very happy to do that. The Senator refers to the provision relating to standards?

Mr. BORAH. Yes.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The question is on agreeing to the amendment on page 3, line 24.

The amendment was agreed to.

The next amendment was, on page 4, line 7, after the word "supplement", to strike out "thereto" and to insert "to any of them", so as to read:

(l) The term "official compendium" means the United States Pharmacopœia, Homœpathic Pharmacopœia of the United States, National Formulary, or any supplement to any of them, official at the time any drug to which the provisions thereof relate is introduced into interstate commerce.

The amendment was agreed to.

The next amendment was, on page 4, after line 9, to insert:

(m) The term "Department" means the Department of Agriculture of the United States.

The amendment was agreed to.

The next amendment was, on page 4, after line 11, to insert:

(n) The term "Administration" means the Food and Drug Administration of the Department.

The amendment was agreed to.

The next amendment was, under the heading "Chapter III—Adulterated food", on page 4, line 21, after the word "substance", to insert "which may render it injurious to health, or which is"; in line 22, after the word "prohibited", to insert "by section 304."

Mr. CLARK. Mr. President, will the Senator from New York explain the purport of that amendment?

Mr. COPELAND. The Senator refers to section 304?

Mr. CLARK. Yes; I should like to know the purpose of its insertion at this place.

Mr. COPELAND. It has largely to do with the introduction of any poison in the spray residue left on fruits. I am an orchardist and, therefore, personally interested. I may say to the Senator that there is nothing in the bill which prohibits an orchardist from using tons or barrels of spray or other substances intended to kill insect pests.

Mr. COSTIGAN. Mr. President, will not the Senator be kind enough to speak so that those in this part of the Chamber may hear?

Mr. COPELAND. I have just stated that there is nothing in the bill which is intended to reach the fruit producer and interfere with him in the application of any sprays or solutions he thinks necessary to kill insect pests or develop a good product.

Some criticism has been raised to section 304 by fruit producers. Of course, we could not go into a State and make regulations, anyway, and there is no attempt to do that; but the purpose of this feature of the bill is to guard Senators and their wives and children, as well as the public generally, against the retention on fruit of poisons in such quantities as to be damaging to health, and that is all; and that, I think, is reasonable. I do not know of any reason why anybody should be permitted to sell in interstate commerce any product of any sort which contains upon it or in it substances which are damaging to health. They cannot do it under the present law, and the public would be even better protected under the proposed law.

My attention having been called to this provision by the Senator from Missouri, I may say that it provides that if any article bears or contains anything "which may render it injurious to health, or which is prohibited by section 304", it shall be deemed to be adulterated.

Mr. CLARK. Mr. President, there is a committee amendment striking out all of section 304 and inserting a new section. The purpose of my inquiry was to find out from the Senator from New York whether by the committee amendment on page 4 he refers to section 304 as it was originally inserted, or to section 304, which is a committee amendment.

Mr. COPELAND. We are assuming and hoping and praying that these other amendments will be agreed to, and the intention is to refer to the new language. Perhaps the Senator would prefer to have the Senate vote on the new language first.

Mr. CLARK. No; I would not, for this reason: I have no objection to the committee amendment on page 4, but the junior Senator from Virginia [Mr. BYRD] has advised me that he has some amendments to offer to the fruit section of the bill which he has not yet prepared, and I did not wish to have this amendment put into the bill without his having an opportunity to offer the amendments to which I have referred.

Mr. COPELAND. If the Senate shall adopt the amendment just referred to by the Senator from Missouri, and the Senator from Virginia shall ask for a reconsideration in order that his amendment may be considered in connection with other amendments, I shall have no objection.

Mr. CLARK. That was the only reason for my request. I did not want to have the Senator from Virginia precluded from offering his amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment on page 4, line 22.

The amendment was agreed to.

The next amendment was, on page 5, line 1, after the word "substance", to insert a comma and "or if it is otherwise unfit for food"; in line 3, after the word "filth", to insert a comma and "or whereby it may have been rendered injurious to health"; and in line 8, after the word "may", to strike out "by contamination", so as to read:

SEC. 301. A food shall be deemed to be adulterated—

(a) (1) If it bears or contains any poisonous or deleterious substance which may render it dangerous to health; or (2) if it bears or contains any added poisonous or added deleterious substance which may render it injurious to health, or which is prohibited by section 304, or in excess of the limits of tolerance prescribed by regulations as provided by sections 304, 701, and 703; or (3) if it consists in whole or in part of any filthy, putrid, or decomposed substance, or if it is otherwise unfit for food; or (4) if it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health; or (5) if it is the product of a diseased animal or of an animal which has died otherwise than by slaughter; or (6) if its container is composed of any poisonous or deleterious substances which may render the contents injurious to health.

The amendment was agreed to.

The next amendment was, on page 5, line 21, after the words "ice cream", to strike out "and" and insert a comma and "it shall also be deemed to be adulterated if it"; in line 24, after the word "except", to insert "harmless"; in the same line, after the word "coloring", to insert "harmless", so as to read:

(d) If it is confectionery or ice cream, it shall also be deemed to be adulterated if it bears or contains any alcohol, resinous glaze, or nonnutritive substance except harmless coloring, harmless flavoring, natural gum, and pectin.

The amendment was agreed to.

The next amendment was, on page 6, line 4, after the word "containing", to insert "harmless", so as to make the proviso read:

Provided, That this paragraph shall not apply to any confectionery or ice cream by reason of its containing less than one-half of 1 percent by volume of alcohol derived solely from the use of flavoring extracts, or to any chewing gum by reason of its containing harmless nonnutritive masticatory substances.

Mr. CLARK. Mr. President, will the Senator from New York explain the purpose of the committee amendments in this section?

Mr. COPELAND. Mr. President, subsection (d), on page 5, beginning in line 21, is intended to make clear that if to confectionary or ice cream shall be added alcohol, resinous

glaze, or nonnutritive substances, it shall be considered as adulterated.

The Senator will remember that yesterday I exhibited to the Senate a jar of candy, each piece of which contained a metallic substance. I spoke about the Democratic donkey and bedraggled Republican rooster going down the throats of children. This language is to make it clear that the substances which I have named—alcohol, resinous glaze, and nonnutritive substances—shall not be permitted, and other substances are excluded, except harmless coloring, harmless flavoring, natural gum, and pectin.

On the next page, to make clear that there is no thought of prohibiting the use of flavors containing alcohol; it is provided that there shall be simply a limitation on the quantity of alcohol which may be permitted.

The PRESIDENT pro tempore. The question is on agreeing to the amendments on page 5, subdivision (d).

The amendments were agreed to.

The next amendment was, under the subhead "Misbranded Food", on page 6, line 17, after the word "purchaser" to strike out the comma and "or (2) if its contents fall below the standard of fill prescribed by regulations as provided by sections 303, 701, and 703"; so as to read:

SEC. 302. A food shall be deemed to be misbranded—
(a) If its labeling is false or misleading in any particular.
(b) If it is offered for sale under the name of another food.
(c) If it is an imitation of another food, and its label fails to bear, in type of uniform size and prominence, the word "imitation" and, immediately thereafter, the name of the food imitated.
(d) If its container is so made, formed, or filled as to mislead the purchaser.

Mr. CLARK. Mr. President, I should like to have the Senator explain the purpose of the amendment.

Mr. COPELAND. If the Senator will turn over the page to subsection (h), beginning on line 3, he will see that the language proposed to be stricken out in these lines to which reference has been made, lines 17, 18, and 19, on page 6, are in a substitute proposed on page 8.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 7, line 4, after the word "label", to strike out "to avoid adulteration or misbranding"; in line 7, after the word "readily", to strike out "intelligible to the" and insert "understood by"; and in line 9, after the word "use", to insert a comma and "due consideration being given to the size of the package", so as read:

(f) If any word, statement, or other information required on the label under any provision of this act is not prominently placed thereon in such a manner as to be easily seen and in such terms as to be readily understood by purchasers and users of such articles under customary conditions of purchase and use, due consideration being given to the size of the package.

The amendment was agreed to.

The next amendment was, on page 7, after line 20, to strike out:

(h) If it purports to be or is represented as a food for which a standard of quality has been prescribed by regulations as provided by sections 303, 701, and 703, and (1) its label fails to bear a statement of its quality in such terms as the regulations specify, or (2) its quality falls below such standard.

And in lieu thereof to insert the following:

(h) If it purports to be or is represented as a food for which a standard of quality or fill of container has been prescribed by regulations as provided by sections 303, 701, and 703, and its quality or fill falls below such standard of quality or fill of container and its label fails to bear a statement, in such manner as the regulations specify, showing that it falls below such standard of quality or fill of container.

Mr. BAILEY. Mr. President, I should appreciate it if the Senator from New York would explain this amendment. It appears to me that it would give unlimited discretion to the Department of Agriculture, or a bureau thereunder, to prescribe not only the standard of quality but the fill of container. I should like to know what is in contemplation by that expression.

Mr. COPELAND. Yesterday the Senator from New York presented exhibits, among others, a package of macaroni which was slack filled; it contained only two-thirds as much as the package would indicate it to contain. Likewise, there was presented a package of cheese cut across the middle to show that there was simply cheese on top and pastboard underneath. This provision is to protect against that sort of fraudulent practice.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. If I understand the Senator correctly, the purpose of this definition is to say that an article shall be declared misbranded if in fact the representations on the label as to weight and quality are correct, simply because it happens to be contained in a larger package than would be absolutely necessary to contain the article itself.

Mr. COPELAND. This provision is really what the law is now, may I say to the Senator. There is no particular change in the law as it is at present. The Senator will remember that the Senator from Idaho [Mr. BORAH] asked that the proposed amendment on page 10, section 303, be passed over. The law at present is as follows:

If it be canned food and falls below the standard of quality, condition, and/or fill of container promulgated by the Secretary of Agriculture for such canned food and its package or label does not bear a plain and conspicuous statement prescribed by the Secretary of Agriculture indicating that such canned food falls below such standard.

That is the law as it is at present.

Mr. CLARK. What I am trying to get at is this: Let us say I am a manufacturer, and I purport to sell breakfast food, and I put in the package half a pound of breakfast food, and write plainly on the label, "This package contains one-half pound of breakfast food", or so many ounces of breakfast food, and it contains exactly what I represent it to contain, but I sell it in a 2-pound container; I am then guilty of misbranding under this section?

Mr. COPELAND. No; not if the manufacturer states the truth on the label.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. FLETCHER. It only requires, Mr. President, that the label shall show that the package falls below the standard.

Mr. COPELAND. There is not anything in the bill which prohibits honesty in commercial practice. If a man chooses to put a quart of oatmeal in a barrel and then sell it, if there is a label on there which shows that the package is slack filled and that it contains only a quart of oatmeal, he may do that.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The clerk will state the next committee amendment.

The next amendment was, on page 8, line 15, after the word "ingredient", to strike out "order of predominance by weight"; in line 21, after the word "impracticable", to strike out "because of normal variations in ingredients, or their quantities, usual to good manufacturing or packing practice"; in line 23, after the word "exemptions", to strike out "as to packages of assorted food"; and in line 24, after the word "established", to strike out the comma and "and reasonable variations from the stated order of such ingredients shall be permitted, by regulations promulgated by the Secretary: *And provided further*, That exemption to compliance with the requirements of subdivision (2) of this paragraph is given to such foods where the common or usual name of each ingredient has been filed with the Secretary in accordance with regulations promulgated by him" and insert "by regulations promulgated by the Secretary", so as to read:

(1) If it is not subject to the provisions of paragraph (g) of this section and its label fails to bear (1) the common or usual name of the food, if any there be, and (2) in case it is fabricated from two or more ingredients the common or usual name of each such ingredient; except that spices, flavors, and colorings, other than those sold as such, may be designated as spices, flavors, and colorings without naming each: *Provided*, That, to the extent that compliance with the requirements of subdivision (2) of this paragraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary.

Mr. CLARK. Mr. President, will the Senator from New York explain what the purpose of that amendment is?

Mr. COPELAND. This paragraph permits the Secretary to provide for exemptions which shall be established by regulations, and at the proper time I am going to propose an addition to that amendment. I might do it now, and then we could have it all at one time.

Mr. CLARK. It seems to me, from the parliamentary standpoint, that now is the proper time to propose an amendment to any committee amendment.

Mr. COPELAND. Very well. I send to the desk and ask to have read the language which I propose to add to this amendment.

The PRESIDING OFFICER. The clerk will read the language proposed to be added to the amendment.

The CHIEF CLERK. On page 9, line 7, after the word "Secretary", it is proposed to substitute a colon for the period and to add:

Provided further, That truly proprietary food listed by the Secretary and not adulterated, otherwise misbranded, or falsely advertised within the meaning of this act shall be exempted from this paragraph.

Mr. CLARK. Where does that modification come?

Mr. COPELAND. At the end of paragraph (i). It continues right on at the end of the paragraph.

Mr. CLARK. After the word "Secretary"?

Mr. COPELAND. Yes. The purpose of that amendment is as follows:

There are a few products on the market, like Worcestershire sauce and other articles which could be mentioned, which are purely proprietary. They are sold only by the one manufacturer. If he submits that product to the Secretary and it is found to be wholesome and not untruthfully branded, not adulterated, there will be no interference with him in the sale of it.

Mr. CLARK. I should like to ask the Senator what is the occasion of striking out the provision of the bill as it was originally introduced, which laid down the rules as a matter of law, leaving the whole subject in the discretion of the Secretary of Agriculture?

Mr. COPELAND. Let us read the whole proviso and then we will have it all before us:

Provided, That, to the extent that compliance with the requirements of subdivision (2) of this paragraph is impracticable, exemption shall be established by regulations promulgated by the Secretary.

It may be that the package is too small to indicate full compliance; that there is not room on the package for all the language that is needed, so this language permits the Secretary, after he has determined that the article is wholesome and a proper one, still to make an exemption as regards this particular provision of the act.

Mr. CLARK. But is not the effect of this language to lay down a rule of law and then grant the Secretary of Agriculture authority to grant exemptions wherever he pleases, without laying down any conditions on which he may grant the exemptions?

Mr. COPELAND. When we talk about regulations, we have in the proposed bill very definite statements as to how they are to be made. The Secretary decides that regulation is needed. He must then submit that proposal to the Food Standard Committee. The Food Standard Committee says, "Yes; that is worth while considering", and so there is a public hearing where all interested parties may be heard. Then after that, provided a majority of the committee shall agree to the regulation, the regulation is made.

The able Senator from Missouri will recall that after our last hearing there was criticism of the bill because no provision was made for an interested industry or a group of citizens to make an appeal for a new regulation or a change in regulation. Because of that we added language on page 32, line 15, with respect to a disinterested committee set up by the President of the United States and intended to be entirely free from the influences of the Department, that the committee—

Having received from an interested industry or from representatives of the public a request for a new regulation or a change in an existing regulation, either committee, on its own motion, may advise the Secretary of its recommendations for action in accordance with the procedure set up by this section.

In the original bill, which was S. 1944, introduced in June 1933, the Secretary of Agriculture was given absolute power with no appeal from his decision to establish the regulations. But here such exemptions as I have mentioned might by regulation be made.

Mr. CLARK. Let me say to the Senator again, as I have done many times before, that while I consider this bill faulty in many respects, I think it represents a very great advance over the original Tugwell bill as it was prepared by the bureaucrats in the Department of Agriculture and sent up here for passage in 1933.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. FLETCHER. As I understand the amendment offered by the Senator, it rather limits and qualifies the broad discretion of the Secretary of Agriculture.

Mr. COPELAND. It does.

Mr. FLETCHER. That is the purpose of it, and I think it is a very good provision. It limits that broad discretion.

Mr. CLARK. It limits it from the scope given to it by the Tugwell bill, but not from the standpoint of existing law.

Mr. FLETCHER. In this bill, after the words "by regulations promulgated by the Secretary", is a proviso, and the proviso restricts the regulation by the Secretary. That, I think, is a good qualification.

Mr. CLARK. Let me ask the Senator from New York one other question on that point. I understand that the amendment which I just heard read from the desk, and which I have not had a chance to examine, provides that the Secretary of Agriculture may exempt from the provisions of the act proprietary foods after the manufacturers have convinced him that they are not adulterated or detrimental to health, and after they have been placed on the list by the Secretary of Agriculture. Why should a distinction be made between proprietary foods and proprietary medicines?

Mr. COPELAND. At the right time the Senator may offer an amendment with regard to that.

Mr. CLARK. I do not care anything about offering an amendment. What I want to find out is why the committee, or the chairman of the committee, makes this distinction. I want to find out if there is any basis for it. In other words, it seems to me that exactly the same arguments advanced against proprietary medicines which are not detrimental to health, and which are not misbranded or adulterated, would apply equally to proprietary foods. For instance, in the case, cited by the Senator, of Ovaltine, it was stated in the book which was the Bible from which the original Tugwell bill was drawn that Ovaltine, while made up of entirely harmless substances, not in any way detrimental to health, was composed of very common substances which could be bought in the market for a fraction of the price charged for Ovaltine.

That is exactly the argument which is almost invariably made against proprietary medicines which are not detrimental to health; that is, that they may not be detrimental to health or may be even beneficial, but are composed of drugs or of substances which may be purchased in the market or at a drug store for very much less than the cost of the proprietary medicine and very much less than the cost, as a matter of fact, of a doctor's prescription.

I will ask the Senator from New York if that statement is not correct, that the same argument applies both to proprietary foods and proprietary medicines, assuming that neither are adulterated or detrimental to health?

Mr. COPELAND. I do not think they are on all fours. Of course, there are a few proprietary foods, such as malted milk and a few other widely advertised baby foods, the components of which are known to everybody in the scientific and medical world. Not one of them has an ingredient that in any way could be an invasion of the public health or

detrimental to health. I could not say that of many patent medicines.

Mr. CLARK. But if they are detrimental to health, then, the definition set-up of proprietary foods here would not apply; in other words, why should not there be the same definition of proprietary foods that there is for proprietary medicines, and the same exemption that they be not adulterated or detrimental to health?

Mr. COPELAND. If the Senator desires at the right time to offer an amendment providing that the same arrangement as to foods shall apply to patent medicines, he may do so.

Mr. CLARK. I stated to the Senator previously, and I repeat, that I have no particular interest in offering an amendment as to proprietary medicines. What I am trying to find out is the theory on which the chairman of the committee makes one rule as to proprietary foods and another rule as to proprietary medicines.

Mr. COPELAND. If the Senator really wants me to discuss the matter, though I dislike to take the time of the Senate to do it, I will state that there are many so-called "patent medicines" on the market which are not only fraudulent—which might also be said of some food preparations—because economically it is an absurdity to pay a dollar for what one may buy in a drug store for 15 cents, but there is in patent medicines the possibility of incompatibles, that is, the bringing together of substances which in themselves are harmless but which, when combined, make new chemical combinations which may be very dangerous to health.

Mr. CLARK. Is not that also true of proprietary food?

Mr. COPELAND. I would not say so.

Mr. CLARK. I do not profess to be a chemist, or a food expert, or a medical man of any sort, but I suggest, is it not possible to have proprietary foods made up of elements entirely harmless which, when put together, will make a bad combination?

Mr. COPELAND. No; I would not think so, because there is not that intimate reaction of one substance against another as in drugs and medicine. There cannot be a chemical change in a mixture of two or three foods.

Mr. CLARK. If in the case of foods, such a chemical reaction existed, would not the foods then fall within the class of substances detrimental to health?

Mr. COPELAND. No. I want to say to the Senator that I am not enthusiastic enough about this particular amendment to make a fight for it, but there are definite reasons why what he suggests could not be done with drugs. We have tried to set up standards for drugs. We have both the United States Pharmacopœia and the Homeopathic Pharmacopœia. Drug values have been scientifically studied over the years, and very correct standards, in my judgment, have been established. But when there are mixed together some sugar of milk, coco, starch, and some kind of flavoring, and the mixture is given a fanciful name, the only objection to it, from my standpoint, is that it is an economic humbug and not an invasion of health. Those who dispense it are taking money that they do not deserve.

Mr. CLARK. Is not the same thing true of a proprietary medicine which is not detrimental to health?

Mr. COPELAND. Somebody has got to determine whether it is detrimental to health.

Mr. CLARK. I understand that, but the Senator proposes by the amendment which he has offered to the committee amendment to make one regulation as to proprietary foods found not to be detrimental to health. Why should there be one rule as to proprietary foods not detrimental to health and a different rule as to proprietary medicines found not to be detrimental to health?

Mr. COPELAND. If there were as limited a number of patent medicines as there are patent foods, I would join the Senator and say the proposals are on all fours. But one can go into any drug store, as I used to observe in my native town, and see the shelves weighted down with patent medicines, some of them made up of incompatibles, most of them valueless, and yet, through their sale, the public is robbed of millions of dollars, and, I presume, billions in this day when we talk about billions.

Furthermore they lure the sick person into the belief that by taking a particular patent medicine, a teaspoonful every 2 hours out of a bottle, he will be cured of diabetes, Bright's disease, cancer, tuberculosis, and other ills.

Mr. CLARK. Is that any worse, may I ask the Senator, than for proprietary foods, such as he just mentioned, to be advertised as absolute cures for insomnia when all of us know they are not?

Mr. COPELAND. When it comes to that category, I will say "yes"; I am with the Senator a hundred percent.

Mr. CLARK. I may say to the Senator I have taken several cans of Ovaltine in succession without being able to cure a condition of sleeplessness, which happened to come upon me as the result of a serious illness. That seems to be upon all fours with proprietary medicines.

Mr. COPELAND. If a claim is made that the food relieves a physical disability and is curative, in that sense, then it becomes a fraud.

Mr. CLARK. Let me say to the Senator that I have no objection to this amendment, and I am not sufficiently interested in proprietary medicines, for which I hold no brief, to prepare an amendment on the subject; but I was wondering whether or not the recent radio activity of a very eminent lawyer in the city of New York, representing proprietary foods and food associations, had been aroused by the fact that there has been a distinction made between proprietary foods and proprietary medicines.

Mr. COPELAND. Of course, I cannot answer that question.

Mr. CLARK. I did not expect that the Senator would be able to do so.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the Committee on Commerce was, on page 9, after line 14, to insert:

(k) If it bears or contains any artificial flavor, artificial color, or chemical preservative and it fails to bear a label stating that fact.

Mr. COPELAND. I move to insert in line 16, after the word "preservative", a comma and the words "which is not prohibited by section 301,".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 9, line 19, after the word "labeling", to strike out "or packaging", and in line 21, before the word "and", to strike out "natural food" and insert "fruits and fresh vegetables", so as to read:

(l) The Secretary is hereby authorized to promulgate regulations exempting from any labeling requirement of this act small open containers of fresh fruits and fresh vegetables and also food which is, in accordance with the practice of the trade, processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such food is in conformity with the provisions of this act upon removal from such processing, labeling, or repacking establishment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. The paragraph from line 4 on page 10 to line 11 having been passed over, the next amendment is on page 10 after line 11.

Mr. COPELAND. The Senator from Idaho [Mr. BORAH] asked to have section 303 go over until he might be in the Chamber.

The PRESIDING OFFICER. The section will be passed over.

RESCINDING OF ORDER TO CLEAR THE GALLERIES

Mr. McNARY. Mr. President, I was absent from the Chamber this morning when the order was made by the Presiding Officer to clear the visitors' galleries. Had I been present, I would have entered a vigorous objection. There are thousands of visitors in the city who desire to see the House and the Senate function. I think it is very unkind to them, very inconsiderate of them, to have them removed from the galleries and prevented from returning.

I move, therefore, that the order heretofore made by the then Presiding Officer be revoked and that the galleries be thrown open to visitors in Washington.

Mr. CLARK. Mr. President, I have no disposition to oppose the motion of the Senator from Oregon, with which I am in hearty sympathy, but I will say on behalf of the Senator who was in the chair at the time the galleries were ordered cleared, and who is not now present, that a condition had arisen in the galleries which necessitated action, for, despite repeated warnings on the part of the Chair, guides were bringing in large groups of visitors, passing them through the galleries, and even standing in the aisle of one of the galleries delivering lectures. At one time in a particular gallery such an incident occurred while the Senator from New York [Mr. COPELAND] had the floor and was addressing the Senate.

Mr. McNARY. I am not criticizing the issuing of the order. I was not present at the time. It is the general principle and practice against which I am protesting. I have found, from observation of 18 years in the Senate, that probably 90 percent of the noise in the Senate Chamber emanates from the floor of the Senate and not from the galleries.

Mr. CLARK. The Senator from Oregon states that he was not on the floor at the time the order was made. This happened to be an instance where repeated demands for order had been made. As a matter of fact the Sergeant at Arms had been directed to maintain order. At the time quiet prevailed on the floor to such an extent that it would have been almost possible to hear a pin drop. I am in sympathy with the thought of the Senator from Oregon, but I think a rule should be adopted, by whatever body governs the Capitol and whatever committee controls the Senate galleries, to prohibit Capitol guides from coming into the Senate galleries and standing in the aisles and delivering lectures while important business is being transacted on the floor of the Senate.

Mr. McNARY. The responsibility rests upon the Senate. It is the business of the Senate. The doorkeepers and guides are employees of this body. If they are making unnecessary noise in the galleries, it is the duty of the Presiding Officer to direct the Sergeant at Arms to order the guides not to make any noise. We should not visit the punishment upon innocent visitors to the Senate galleries. I insist upon my motion.

Mr. FLETCHER. Mr. President, will the Senator from Oregon yield?

Mr. McNARY. I yield.

Mr. FLETCHER. I quite agree with the Senator from Oregon. I think there was some confusion in the galleries at the time and the condition described by the Senator from Missouri [Mr. CLARK] actually existed; but talking among the Senators themselves created more noise and disturbance, in my opinion, than the talk and disturbance in the galleries.

Mr. McNARY. That is exactly what I said, as an observer of conditions in the Senate for many years. The Presiding Officer who is determined to maintain order can keep Senators quiet, but why punish those who are merely visitors to the galleries and who are our guests? I insist upon my motion.

Mr. CLARK. Mr. President, I again call attention to the fact that the Senator from Oregon, not having been present on the floor at the time this incident occurred, is undertaking to make strictures on the Presiding Officer who happened to be in the chair, which I do not think he is justified in making, not having been present at the time.

The Senator from Oregon says he insists upon his motion. No one has opposed his motion. The only opposition has been some of the remarks of the Senator from Oregon himself.

Mr. McNARY. I made it very clear——

Mr. CLARK. I believe I have the floor.

Mr. McNARY. Very well.

Mr. CLARK. I was sitting directly behind the Senator from New York [Mr. COPELAND], who had the floor at the time and who was addressing the Senate. A group of visitors came into the galleries, accompanied by a guide who stood in the aisle and proceeded to deliver a lecture in a tone of voice louder than the Senator from New York was able to employ here on the floor of the Senate.

Without any opposition to the motion of the Senator from Oregon, I do think it is improper to leave any implication whatever that the President pro tempore, who happened to be in the chair at the time, was guilty of any improper conduct in clearing the galleries.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on the motion of the Senator from Oregon.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms is instructed to reopen the galleries.

RECOVERY POLICIES

Mr. TYDINGS. Mr. President, sitting on this side of the Chamber, I very much dislike to criticize the trend of events under the present administration; but now that it is starting on its third year I think it is about time that we take note of where we are going, and if that path is not one leading to recovery then we should start to walk one which would tend more to bring the Nation out of the depression than that which we have followed up to date.

Mr. LONG. Mr. President, will the Senator yield and allow me to call a quorum?

Mr. TYDINGS. No; I should prefer not to do so. I appreciate the suggestion of the Senator. I am not making this speech to the Senate. I am making it to the country.

Mr. LONG. As one of the leaders of the Democratic Party, I want the party represented here. [Laughter.]

Mr. TYDINGS. I should prefer not to yield at this time.

Mr. LONG. I am afraid my party is going to be criticized, and I want it protected. [Laughter.]

Mr. TYDINGS. Mr. President, right after the new administration came into power it was necessary to do many novel things which would not ordinarily have been done in normal times. I am not criticizing that action at all. The banks were closed. Perhaps drastic measures had to be taken. Certainly the period immediately following the administration's advent ought to be viewed and judged with a wholesome degree of tolerance, whether we be Democrats or Republicans.

However, when such measures as the N. R. A., the A. A. A., and other alphabetical institutions came into being, Members still under the spell of the depression voted for them without any real comprehension of what was involved. The so-called "elimination of child labor" is all right. The so-called "maximum-hours-of-labor provision" is all right. The so-called "basic standards", as it were, were proper to consider even in normal times. But when under the guise of the N. R. A. we allowed business to come in and write its own ticket, when we glorified trusts to a new height, when we gave them privileges which they had never before enjoyed, I question very much whether we helped the country even temporarily by such procedure.

Likewise, when we put upon the statute books the A. A. A. and various other measures supposedly designed to ameliorate the suffering of the people, I question very much whether that procedure, in turn, was justified even as an expedient. I am asking the question now, Is it not time to repeal these monstrosities and wipe them out in order to revive world trade, to reestablish our currency, to settle the war debts?

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Kentucky?

Mr. TYDINGS. I yield.

Mr. LOGAN. We had an election last November. I will ask the Senator if he does not interpret the result of that election as the expressed will of the people that the administration should be allowed to carry out the policies which we were engaged in formulating? Perhaps it was not a Democratic victory; perhaps it did not mean the people approved what we had done; and the people said, "The President and his administration are engaged in certain definite plans to get us out of the depression, and are willing and desirous that they should go ahead and complete their plans." If that be true, then how can we take the position that we ought to back track unless we are willing to say we will not follow the will of the people as expressed at the polls?

Mr. TYDINGS. My concern is that if we shall follow what is interpreted by my good friend from Kentucky as being the will of the people, we will not only make recovery of the country impossible but in the succeeding election we will make the recovery of the Democratic Party absolutely null and void.

Mr. LOGAN rose.

Mr. TYDINGS. I will yield a little later on. Let me pursue that thought before I yield.

My interest is not to answer the mob clamor. My interest is not to be impelled by this or that piece of propaganda, but to try to support measures which are sound and which are going to bring the country out of the depression. There is nothing I have seen thus far in the basic philosophy of the administration which is going to accomplish that result.

I do not mean to give our Republican friends a left-handed pat on the back, because I consider, notwithstanding the era of so-called "prosperity" through which we passed, that in the administrations of Mr. Harding, Mr. Coolidge, and Mr. Hoover the foundation was laid for the very depression in which we find ourselves. We had emerged from the war in the position of not any longer being a debtor country, but a creditor country. The world owed us sums of money which it could not pay, and yet we insisted on selling to the world more goods than we were buying from them, although their debts to us at that time were greater than they could possibly discharge. However, we kept up the illusion of prosperity through the medium of international loans. We proceeded to lend to our customers, who already owed us more than they could pay, the money with which to pay for the goods we were exporting to them.

In that day, answering specifically the remarks of the Senator from Kentucky, everybody was for it so long as it lasted. Everybody was for prosperity. If anyone pointed to the fact that Cabinet officers were dishonest, that they were being tried for fraud, the answer was "prosperity." That was enough.

As long as the illusion lasted all America goose stepped back of that so-called "prosperity", when anybody who knows anything about the elements of economics must have known that to some degree the depression was inevitable; that we could not go on putting our customers further and further into debt without the day coming when they could not buy any more.

We criticized the Republican Party; and what I considered to be the mandate of the Democratic Party was the platform of the party written in Chicago in 1932. That was the platform upon which we were all elected. I was a candidate at that time. What did the platform promise? It promised a revival of world trade. It promised a balanced Budget. It promised to pay as we went. I have not seen any election since then which has altered the promises which we made in that platform.

What is the Democratic Party now doing? I am not seeking to hurt the Democrats; but I believe the time has come to raise our voices in warning, for before another year shall have gone by there may not be the large Democratic majority here and in other places which we have enjoyed. We cannot go on running the Government on hot air, on money pulled down from the heavens which the taxpayers will have to pay back. We cannot continue on the philosophy of scarcity, of producing less and less and expecting to employ more and more people. We can no longer do that with any degree of success, because the less work there is, the less we produce, the less employment there is. Up to this time the whole philosophy of the administration, in my judgment, has been to produce less and to increase rather than to decrease the army of the unemployed.

We came into power, and what did we do? Complaining against the policy of ultranationalism, of embargo tariffs, of increasing our creditor position, we offered to the country a program, and we swept the country. We carried all State elections; we carried most of the congressional elections; we even carried the municipal elections; and the Democratic Party, which is a minority party in the country, found itself almost in supreme command of every city, county, and State government, and even the National Government, and what do we do?

Instead of undoing the supernational policy of the past three administrations, we go further and accentuate it by devising in America not only the philosophy of scarcity but the philosophy of increasing prices so that we cannot compete in the markets of the world, and this in a country which produces more than its people can consume! How in the name of common sense can we ever reemploy the unemployed until we make markets all over again?

Every policy of the N. R. A. is a policy to increase the cost of manufactured commodities. Every policy of the A. A. A. is a policy to increase the cost of agricultural commodities, which makes us the less able to go out beyond our own country, or, indeed, even in it, and sell the things which we must sell in order not to increase further the army of the unemployed.

Think of it! Take cotton, for example, a crop of which we export over half of all we produce; and yet we are plowing under our cotton, and while we are plowing it under Brazil and Egypt and India are raising more and more and more of it. What are the farmers in the South going to do when other countries of the world raise sufficient cotton to supply the export trade which they formerly supplied? In what line of activity are we going to put those farmers? Are they going to make automobiles? Are they going to raise wheat? We are already exporting wheat. What work can they be given in a republic?

Senators, the time has come to turn back from this supernational policy and attempt to revive world trade, to reestablish international currencies, and to promote and increase the commerce of the world rather than to decrease it.

Let those on this side of the Chamber who take issue with me remember that we are Democrats because we are supposed to believe in certain fundamental and underlying principles. One of them is moderate tariffs. Another is the maximum amount of world trade commensurate with our national, financial, and economic stability. There is no increase in world trade in the A. A. A. There is less world trade in the A. A. A., and every Senator knows it.

Talk about increasing the purchasing power of the people while we increase the cost of the commodities the people must buy! By so doing we defeat, almost in the hour of its creation, the very object we set out to obtain.

What good, forsooth, does it do any man if he gets a dollar a day more, if everything he has to buy costs him a dollar a day more? What we ought to do is to bring into balance the price of commodities and the price of labor. Labor cannot have the price with which to buy unless there is work, and work cannot be provided by pursuing a policy of less trade. That is the thing for which the Republicans stood, with their embargo tariffs, under the last three administrations. I do not say that in a partisan way. I believe many who voted for high tariffs in those days did so with the thought that such a policy was for the best interests of America; but where did it lead us? It led us to the greatest depression we have ever seen; and I know there are in the country thousands of Republicans who today believe in reciprocal trade who 5 or 6 years ago would have been bitterly opposed to it.

Are we Democrats going to pursue the policy of nationalism, of shutting ourselves off from the rest of the world? And if we are going to pursue it, how in the name of common sense are we going to reemploy the unemployed? If there is an answer to that question, I do not know what it is.

We have always favored laws which curtailed the activities of the large corporations—the "trusts", as we call them. The N. R. A. is the greatest prop ever put under the trusts of America. Every Senator in this Chamber knows that to be so.

Talk about being a liberal! If being a liberal means to give the trusts more power than they ever before had, then I am no liberal. If being a liberal means not to trade with the other nations of the world, but to adopt a policy of isolation, to pursue the philosophy of scarcity, the philosophy of unemployment, then I am no liberal. If, on the other hand, being a liberal means not to place more power in the hands of the interests which are already strong enough to survive without additional power; if it means to revive world trade, to stimulate commerce, to find markets for the things we produce in superabundance, to operate on a sound money basis, to pay as we go, then I am a liberal, if those who believe in such a philosophy may be called liberals.

A few days ago we passed a joint resolution called a "public-works measure", in which we pursued the philosophy that the Federal Government is responsible for community affairs from one end of the Nation to the other. If they cannot support their schools, we will do it; if they cannot support their aged, we will do it; if they cannot support their indigent, we will do it. They need not worry any more; we will do it all for the whole Nation. That may be good philosophy, but I question whether we have not started something of such a nature that when the time finally does come to turn off the faucet, it will take a whole lot of courage to turn it off.

We are pursuing the philosophy that the greater the national debt the sooner we will get out of the depression. We are pursuing the philosophy that so long as we can borrow we will provide, unmindful of the fact that away down underneath the same fundamental forces that brought about the depression remain untouched and unchanged.

All we are doing—and I say this with no reflection on my friend from Alabama [Mr. BLACK]—is talking about expedient measures; the 30-hour-week bill, for example, which my friend has introduced in good faith to try to ameliorate the suffering of the unemployed. Should we not, instead, go to the fundamentals of this question?

I do not like to say this, because a false interpretation may be placed upon it, and I know that we did not mean to be other than generous; but, in my opinion, the policy pursued by this Government from 1919 to 1929 wrecked the world. We demanded promises to pay which could not be fulfilled under our economic set-up. We raised tariff barriers which were followed by all the other nations of the earth. We have the whole world locked up in watertight compartments, with the concomitant phenomena, militarism, dictatorships, depreciated currencies, embargo tariffs. Shall we go further along that road, or shall we be the strong nation that we are, the leader in a movement back to sound principles, to sound economics, and to peace and good will among nations?

What man in this body feels that we can pursue the policy of nationalism, of plowing under every third row of cotton, of plowing under wheat, without other nations retaliating with whatever means are at their command?

We cannot depreciate the currency in this country without finding that other nations will take up the repercussion by any means at their disposal. Up to the present time there may have been reasons for depreciating the currency, but is it not time, instead of pursuing this nationalistic policy, this supernationalistic policy, that we face about and offer our hands to the other nations of the earth in an effort to stabilize currencies on a fair basis, and to revive world trade?

There is no magic in government, there is no magic in wealth. The fallacies of five centuries ago are the fallacies of today. There is no royal road to success, to wealth, or to a successful government.

There was the Mississippi bubble under John Law in France, when the currency was depreciated, and France was brought to the brink of bankruptcy; but we learned nothing from that.

There was the South Sea bubble in England, which had a disastrous effect; and we learned nothing from that. There was the tulip mania in Holland, when one little root of a tulip sold for as high as $5,000, others for $4,000, others for $3,000, until the whole of Holland went tulip crazy; but when the tulip craze was over, banks had closed, and bankruptcy and ruin fell to the lot of a great many people in delightful and thrifty Holland.

In one year France depreciated its currency dozens of times. Henry VIII resorted, in his wars with France, to depreciated currency over and over again. Bad as those things were then, when the world was not so closely knit, when nations were not so interdependent, they are infinitely worse today, because the repercussion is immediately felt, and there is immediate retaliation on the part of all the other nations surrounding.

When is the movement of nationalism in Germany, and Italy, and Poland, and Russia, and the United States to end?

Should we do these things because they have been done elsewhere, or should we do them because they are for the best interests of our own country?

God knows I do not believe there ever was a man in the White House who wanted to do more for the underprivileged people than does the present President of the United States, and it affords me no pleasure to take issue with anything connected with his administration. I may be wrong; I have always been a poor prophet, and perhaps in the future will be even a poorer one, but I predict that unless we about face and walk back toward sanity, we will rue the day, and that we will realize that silence was not the part of friendship, the part of patriotism, or the way to assist in getting out of the depression.

Has not the hour come when bureaucratic government should be brushed aside and the legislative body reassert itself? There was ample justification for the largesse of power which we gave to the administration during the critical days of bank holidays and what not, but that time has passed; the banks are open. There is a certain amount of normality, so called. I think that now the legislature should reassert itself, or let us quit calling this a democracy, and be done with it, because it is no democracy at all.

Here we are providing for the expenditure of $5,000,000,000, an amount equal to 20 percent of our total national debt, without any strings tied to it worthy of the name. Do Senators think it will be expended efficiently, even if those at the top want it so expended? There will not be a Member of Congress in either House who will not feel impelled, in the competition which will be engendered, to see that his State is fairly treated in the distribution of the funds, regardless of the unemployment or distress which may exist in his State.

There is not a State in the Union—I say this with measured words—which, in my humble judgment, cannot support its schools. I believe it would be hard on many of the States; I believe that taxation would be almost unbearable; but I know, without being able to prove it, that there is not a State in the Republic which could not support its school system if the Governors and the legislatures of the respective States wanted the school systems supported by the States rather than by the Federal Government. There might have been a time after 1933 when that was not the case, but I believe that time has passed. I think we are evolving into a situation which we would have had anyway in 1921, 1922, and 1923, if it had not been that by international loans we created the illusion of international prosperity. We loaned our customers the money with which to buy the goods which we exported in abundance.

Some men say that world trade does not amount to much. They say that even in the good years it was the equivalent of only 8 or 9 or 10 percent of all we produced. Then, by the same logic, I say that unemployment does not amount to

much, because we have only about 10 or 15 percent of our people unemployed. Why worry about it? But, if we could get back the trade we have lost, we could to a large extent get those who are unemployed back to work.

On this side of the aisle why are we Democratic? Have we ever been a party of supernationalism? Have we ever been a party of unsound currency? We did not have unsound currency under Cleveland, we did not have it under Wilson, we did not have it under the Democrats preceding the Civil War. We have always been a party which believed in the principle that with more trade there would be more work and more prosperity, and not a party which believed that with less trade there would be more work and more prosperity.

We will be in this depression, in my humble judgment, until there shall be some stabilization of world currencies, difficult though that may be. I am not saying we can stabilize currencies in the next 5 minutes, but I am asking for the effort to stabilize them, for the desire to stabilize them, not for the desire to run our country as if we were not a part of the world.

There will not be any return to prosperity until there shall be a return to healthy world trade. No sooner had the Smoot-Hawley Tariff Act been put on the statute books than the governments of 61 nations scattered over the earth passed retaliatory tariffs against American products.

Where are the wheat farmers to sell their surplus wheat while we are forcing every other nation to be self-contained? Where are the cotton farmers to sell their cotton surplus while we are forcing our competitors to raise more and more cotton? Shall we pursue this policy for 4 or 5 more years, and then change it and find even at that early date that we are too late because in the meantime the cotton markets which we used to supply will have been supplied by those who previously did not produce cotton? That is the alternative.

It affords me no pleasure to say these things, but I think we have been too docile. I think in our high regard for those in extreme authority most of us have been quiescent, questioning, but willing to trust. Up to now I have not seen anything which would make me feel that in such an attitude lies the path of patriotism or the pathway to recovery.

Mr. President, I am an organization man. I have voted for all of the unpopular measures of the administration and for practically none of its popular ones. I stood here only a year ago and made a speech which was hard to make, asking the American Senate to cut down the costs of the Veterans' Administration, because we were told, and I believed it to be true, that economy was the basis upon which we would have to reconstruct the fortunes of the Government. Nothing has happened between that date and this which has made me proud of the speech I made on that occasion. A billion dollars is treated just the same as if it were a hundred thousand, and as if we could spend and borrow our way out of the depression. There is not a man who believes in his heart we can do that. There are dozens of Senators who echo "I agree with you" in their heart of hearts. Perhaps their party loyalty is a little stronger than mine. I am not quarreling with them, only doing that which I think is necessary to be done on this occasion.

Mr. MURPHY. Mr. President——

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Maryland yield to the Senator from Iowa?

Mr. TYDINGS. I yield.

Mr. MURPHY. I may say to the Senator that the Committee on Agriculture recently had before it some of the leading men of the country, to hear their testimony as to the reasons for the loss of our foreign trade and the means of restoring that trade. I might say there was practical unanimity among them that there is the necessity for doing something with respect to money, and doing something further with respect to opening the foreign markets.

It was shown, for instance, as respects the products of the Corn Belt, specifically meat products and lard, that they are absolutely shut out of Germany today because Germany will not permit the purchase of American exchange to pay for them. Germany is desirous of protecting her gold reserve. The Corn Belt is restricted, in its entrance to England with its meat products, to 8 percent of England's needs, and England imports 95 percent of her hams and bacon. It was further shown that while the entrance of lard is unrestricted, the obligation is upon the exporters to sell at 1 cent a pound less than lard is sold for in the Chicago market.

It was further shown that as the result of the reciprocity treaty entered into with Cuba, the export of these products to Cuba was very considerably increased.

We have the situation today that with an increase in the exports of industrial products we have imports of agricultural products greater than our exports of them.

It was the belief of those who appeared before the committee, precisely as the Senator states here, that we are doing little or nothing fundamental; that all we are doing is palliative, to carry on merely, and that our work does not go to the roots, and that until we do go to the roots we shall have to carry on with these palliative measures, and possibly come back here later and spend more money for relief and for public works.

I feel as does the Senator from Maryland, though he voices it much more eloquently than I could possibly hope to do, that Congress should now seriously address itself to the precise task of expanding our foreign trade, making it possible to restore natural international trade relations.

There is one element, it seems to me, which did not exist in the days prior to the war. We have now a reverse situation in respect to being a creditor nation where formerly we were a debtor nation, and we have the further consideration entering into the minds of foreign governments that now they seek to make themselves sufficient in a military sense to enable them to prosecute a war. That is a deterrent upon the reopening of their markets to our agricultural products.

I have taken too much of the Senator's time; but I merely wanted to rise and to assure him that I am in entire sympathy with the views he expresses as to the necessity of reopening international markets, and particularly with the view which he expresses so forcefully, that practically all of our work here is merely palliative, some of it wisely reformative, but altogether too little of it constructive.

Mr. TYDINGS. I thank the Senator from Iowa for his very worth-while contribution. I know that Senators are working hard here, and I know that to a certain degree palliatives are necessary; but it strikes me that after 2 years of almost nothing but palliatives we should begin to look beneath the surface; and, difficult though the task may be, though the solution is at no one's finger tips, and though an adequate plan cannot be put into execution by a mere gesture or a wave of the hand, I think the time has come when we ought to face the facts and try to solve the problem which confronts us.

When the public-works money shall have been spent, if putting off facing the fundamentals shall be allowed to go on and on, we will have to come back and get three or four or five more billion dollars, and we will be exactly where we are today.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Kentucky.

Mr. LOGAN. Undoubtedly the Senator is correct in his attack upon the extreme nationalistic spirit which prevails in America. That is our chief trouble; there can be no doubt about that; but we have expressed ourselves time after time as being nationalistic. So long as we hold to that view, which neither the Senator from Maryland nor myself can change, we shall have to pursue the idea that America has determined that she will be a self-sufficient country, and shall have to act accordingly.

I do not know how we can open foreign markets, how we can regain the good will of foreign nations, so long as we maintain an extreme nationalistic spirit; and I see no chance of changing that attitude.

Mr. TYDINGS. The Senator is well within the facts in making his observations; but I point out to him that if we

increase the cost of cotton, as I believe we do by the policies we have pursued, we increase the desire of other nations to produce it and buy it more cheaply, and to that extent we cut down our foreign trade in cotton. The same statement applies to hogs and to wheat and to other agricultural products.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Alabama.

Mr. BANKHEAD. I assume the Senator from Maryland has yielded to a great deal of propaganda published over the country about the increase in foreign production of cotton. I desire to ask the Senator if he knows that the production of cotton in all the foreign countries combined last year was less than it was the year before?

Mr. TYDINGS. That may be true; but, Mr. President——

Mr. BANKHEAD. Then why talk about the increase in foreign production?

Mr. TYDINGS. The answer is that the production all over the world was less last year than it was the year before. What I am arguing about is that nevertheless, in every country where cotton may be grown, movements are now afoot to produce cotton with which to supply markets which we used to supply, and that in this country the movement is to produce less cotton, and consequently by that action to encourage foreign countries to produce the cotton.

Mr. BANKHEAD and Mr. GORE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from Alabama, and then to the Senator from Oklahoma.

Mr. BANKHEAD. I am very much surprised at the statement of fact made by the Senator from Maryland. I recognize his good faith; but he ought to know, if he is a student of the cotton question—and he ought not to talk about it if he is not—that there has been no preparation in any country in the world to increase the production of cotton, except possibly in Brazil.

Mr. TYDINGS. How about India?

Mr. BANKHEAD. There was a very large reduction in the yield of cotton last year in India over the previous year. Let me say further to the Senator that in Egypt for 2 years there was a compulsory control and reduction of cotton, as there was in this country, for the very same purpose that we undertook it—to get rid of a very large carry-over, too large to meet the requirements of world consumption.

Mr. TYDINGS. Let me say to my friend from Alabama that he is not well advised of the situation in India. If he will examine the figures, he will see that, while perhaps production is less, the acreage planted to cotton was larger last year than for the preceding year.

Mr. BANKHEAD. There has been no material increase in acreage in India for many long years.

Mr. TYDINGS. I have not the figures available.

Mr. BANKHEAD. And there can be no material increase either in Egypt or India, because many years ago they reached the peak of production upon acreage which can be economically used for the production of cotton. A very large expenditure for irrigation purposes is required before either country can increase its yield. In fact, their requirements for the production of food crops are so great that they do not have acreage in any quantity in either country to add to the production of cotton.

Mr. TYDINGS. The Senator from Alabama must know that irrigation projects, water projects, have been completed in the past few years both in India and in Egypt; and the Senator must know that the Japanese are buying more and more cotton from India. They have developed a process by which they can mix a larger quantity of other cotton with our cotton and produce a fabric which has a ready sale. The Senator must also know that last year, for the first time in the world's history, Japan took primacy in the cotton-textile market, taking it away from Great Britain. Great Britain used to be our best customer for cotton, and now Japan has become our best customer for cotton. The Senator must also know that cotton can be produced more cheaply in India than in the United States.

Mr. BANKHEAD. Does the Senator expect the cotton farmer of the South to produce cotton in competition with India, even if he has to do it at starvation prices, merely to supply the exporters of this country with business?

Mr. TYDINGS. The result will be, if they lose the foreign markets through encouraging foreign cotton producers to increase their production of cotton, that the cotton farmers of the South will not be able to produce cotton at all, because the price will be so ruinous, through increased world competition, that they will get less than they could now get if they would scale down their cotton costs and keep the world markets.

I now yield to the Senator from Oklahoma.

Mr. GORE. Mr. President, I desire to observe that the production of cotton in the United States last year dropped down to about nine and one-half million bales. That is the lowest production for a number of years. World production outside of the United States last year approximated 12,000,000 bales, only a few thousand bales short of 12,000,000. I believe it was the first time in history when the production of foreign cotton exceeded the production of cotton in the United States.

To corroborate what the Senator from Maryland has just said, I believe it was in 1929 that Japan took nearly twice as much American cotton as she took of Indian cotton, and last year her purchases from the two countries were almost the same, her purchases from us declining somewhat and her imports from India increasing substantially. The real danger, I should say, lies in the direction of Brazil. The chief trouble in Brazil is the primary cost, the initial cost of clearing the land and reducing it to cultivation. When that has once been done, Brazil can outstrip the United States in the production of cotton. In other words, the United States cannot compete with Brazil after the initial cost of clearing the land in Brazil has once been incurred; and the possibilities there are almost unlimited.

One further observation: During the first 6 months of this cotton year our exports of cotton declined nearly 50 percent. This decline is not only significant but ominous.

Mr. TYDINGS. I thank the Senator from Oklahoma for giving so much point to what I said. While I did not have the figures before me, I was well advised that foreign cotton production was increasing while domestic cotton production was decreasing.

Mr. BANKHEAD. May I ask the Senator what the situation is with reference to wheat?

Mr. TYDINGS. I am coming to wheat in just a moment.

Mr. BANKHEAD. Very well.

Mr. TYDINGS. Let us see how serious the cotton question is, and then I will take up wheat.

Cotton is raised in 16 States; that is one-third of all the States in the United States. Think of that!

Mr. GORE. And 51 foreign countries produce cotton.

Mr. BANKHEAD. And have always done so.

Mr. TYDINGS. We raise cotton in 16 States. In most of those States it is the principal agricultural money crop. I found in the Statistical Abstract of 1932, the figures being those of the United States Census Department, the number of farmers engaged in cotton production, and then from those figures I attempted to eliminate the farmers in the 16 States who do not produce cotton as a primary crop; and my calculation showed that nearly 1,800,000 farmers raise cotton as their principal agricultural money crop. If that be true, and if we export half the cotton, it is a logical deduction that about 850,000 American farmers rely upon cotton sold outside the United States for their bread and butter. If the policy of scarcity shall continue to be followed, if the policy of high-priced cotton, which is encouraging the production of low-price cotton elsewhere, shall be maintained over a period of 10, 20, 30, or 40 years, until our export cotton trade shall be absorbed by the foreign producing cotton countries, what are the 850,000 farmers now making a living out of raising and exporting cotton going to do for a livelihood? Allowing four persons to a farm family, the means of living will be taken from about 3,200,000 agriculturists in this country.

The danger lies not so much in the immediate prospect, but we have adopted a policy, under the guise of temporary necessity, and to all intents and purposes are embracing it "until death do us part." We are marrying this policy as a permanent wife. Nobody is thinking any more of terminating it in a year or 2 years or 3 years. We say these measures are temporary, but in the meantime we have done nothing to keep intact the foreign markets we now have and those we are slowly gaining back through reciprocal-trade agreements.

Now, Mr. President, coming to wheat, making the same observations in reference to wheat as I made in reference to cotton, I ascertained that before the depression we used to export 18 percent of the wheat which we produced in America. Translating that 18 percent into farm families, we find that about 282,000 farmers, principally in the West, relied upon the export wheat market for their livelihood. Including their families, about 1,000,000 people are involved. Under the policy now being pursued, our wheat exports are declining, our wheat imports are increasing, I am advised, although I myself have not verified the figures. If, therefore, we encourage other countries of the world to produce more wheat, to such an extent that they can send it to the United States, what are the 282,000 farmers who produce wheat for export going to do when that market shall be gone? Thus, we have another million Americans whose livelihood will be taken away from them, and when the 3,200,000 Americans in the cotton-growing States and the 1,000,000 Americans in the wheat-producing States lose their income and their purchasing power, they will, in turn, throw others out of work who are directly or indirectly dependent upon their earnings for their livelihood. So the vicious circle goes on just as it has gone on during the depression.

I did not vote for the A. A. A.; I did not vote for the N. R. A. If I had been what we used to call a reactionary, conservative, old guard Republican, I think I would have voted for them, because that is the sort of thing that men of that particular philosophy used to believe in, namely, turning over the Government to the "big boys" at the top, allowing them to sit down and write their own codes and fix prices, and let a little of the wealth trickle down to the poor people away down below. I did not think the Democrats were going to come along so soon and put the mantle of purity on the shoulders of that sort of political monstrosity.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LONG. We did inherit that philosophy from the Hoover administration. I believe the Senator has forgotten that the plowing up of cotton by the N. R. A. was practically proposed by Mr. Hoover.

Mr. TYDINGS. I believe it was, but I do not want to be unfair to Mr. Hoover, or to be too fair to him, either, but in his administration the depression was bearing down greater and greater every day. As I said regarding the first 2 years of the present administration, I am not criticizing any one of the high authorities of the Government for legislation of expediency. I realize that new and novel and untried measures had to be thrown into the hopper, perchance. What I am now asking, as we enter upon the third year is: Is it not time that we started to abandon some of these things and to deal with fundamentals and try to erect something that will provide more permanent security than the measures which we are now embracing as all-time propositions?

I want to look with tolerance, I want to look with liberality, and I think all people ought to look with liberality, upon the trials of the man in the White House, who came in on March 4, 1933, with a bank holiday on his hands, following 3 years of the depression, with unemployment rampant and with world trade disorganized. I say we ought to judge him with the greatest amount of liberality; but I am now talking to the Congress and asking, Is it not time that we get down underneath, find out the things that are wrong, cut those things out, and make an end of these temporary policies as soon as possible, in the hope that, through some effort, we may stabilize international currency, revive world trade, settle the war-debt question, if you please, bring about some measure of international cooperation and peace and good will and disarmament, rather than to pursue mad policies which already have brought Europe to the brink of war and may, before we know it, plunge all Christendom into a holocaust that will be followed by a wave of socialism or bolshevism, if statesmen and peoples have not the intelligence to hold back on the mad course that some people, who are following ultranationalistic policies would pursue? By that I do not mean that we ought to be a Simple Simon and go into this, that, and the other thing all over the world; but it seems to me that we can very appropriately make an effort to stabilize currencies and revive world trade, particularly when, after 2 years we have no dividends to show that the policies we have adopted have brought us any success.

THE GROWING ABYSS

Mr. LONG. Mr. President, I just want to remind the Senator from Maryland that on the 25th of January 1933 he was under the same illusions then that he is now.

Unfortunately, Mr. President, what occurred in 1929 is occurring today. Nothing the Senator from Maryland is advocating is going to restore the country; nothing the Senator has been voting for is going to restore the country. The Senator is absolutely correct in all the criticisms he makes of the present administration and he is correct in all the criticisms he makes of the Hoover administration. As many times as he voted against Hoover he was right; maybe as many times as he has voted against the Roosevelt policies he was nearly right; but the great trouble is that men like the Senator from Maryland are just as blind now as they were in 1929. I had handed to me this morning a book printed by a Governor of the State of Ohio in 1928 and 1929, now the present junior Senator from that State [Mr. DONAHEY]. I am going to read a few passages from that book, because it might be thought that they were my own. This was written in 1929 and represents a conversation between the Governor of Ohio and some well-to-do people of America:

> You must learn that wealth is the product of the association of men and women and that labor creates the values that dollars control.
>
> * * * * * * *
>
> You should learn that every American who honestly toils has a natural birthright, and that is to receive a wage sufficient to provide for his family, educate his children, and a mite to lay by for the rainy day.
>
> You must learn that men cannot be hired at 20 and fired at 45 unless you provide an inheritance tax that will in a measure restore to society in proportion to its contribution an amount sufficient to provide for an old-age-pension law for all of the States now comprising America. * * *
>
> Combinations of wealth and power with their attendant selfish corruption—

Let me read that again:

> Combinations of wealth and power with their attendant selfish corruption must give way to the common welfare of all.

Mr. President, in the year 1933 the Senator from Maryland interrupted some remarks which I was making, and at that time I said to the Senator from Maryland:

> In 1916 President Woodrow Wilson, through a commission of his own, said that a calamity was headed for America because 60 percent of the people owned only 5 percent of the wealth, and that 2 percent of the people owned 60 percent of the wealth. The commission said we were headed toward calamity unless we broke up that inordinate distribution of wealth which prevailed in 1916. And yet in 1932, 16 years having passed, do the 2 percent still own 60 percent of the wealth? No! One percent owns 60 percent of the wealth. Do 60 percent of the people still own 5 percent of the wealth? No! Two-thirds of the American people, 67 percent of the people, today could not pay their debts and have a copper cent left. It is generally estimated that 5 or 6 percent of the people own more than 85 percent of the wealth and possibly have a control of a great deal of the remaining 15 percent. We have reached the point of stagnation. We have reached the middle of the stream. The abyss yawns. It has yawned for the poor man and he has fallen the victim of it. The abyss has yawned for the middleman and he has fallen the victim of it. Now the abyss yawns for everybody in America unless this condition is corrected. "The abyss yawns for all."

Mr. President, the unfortunate thing is that my distinguished, learned, and talented friend from Maryland on this

side of the aisle and the talented leaders on the other side of the aisle, who have made common mistakes, who have gone along picking at the Dardanelles with a wooden bill, trying to find a way through the depression, have steadily, constantly, and relentlessly led the country into the very jaws of hell. There is no way of their saving it; there is no way of their protecting the people. There is but one trouble, and they decline to see it. There is only one trouble in America. Senators may look for all the sporadic remedies they desire; they may apply all the remedies they wish; but unless they break up concentration of wealth in the hands of the few it is not possible to feed and clothe the American people. We cannot get Senators to see that.

As I said to my friend from Maryland, he is just as blind today as he was then. He has an idea we can hunt around here and mess up with some kind of world-trade situation and bring back a condition of prosperity. The conditions are Nation-wide; the conditions are world-wide. None of these things are going to do any good. I am not a prophet, but I stated in 1932 it would not do any good; I said in 1933 it would not do any good; and I said last year it would not do any good. I have here a copy of a speech I made in 1932, when I came to the United States Senate. I am not going to belabor the Senate by quoting from it, but it would show to the Senate that even the most illiterate Member of this body could have seen in 1932 that this condition could not be benefited or corrected unless there was something done to redistribute wealth.

Why? Last year 10 percent of the people were reported as having a little over one-half of the income and 90 percent of the people were reported as having less than half the income. The income, according to the statisticians, had fallen from $95,000,000,000 to $42,000,000,000, and more than 50 percent of the income went to 10 percent of the people and 90 percent of the people had less than half of the income. Constantly it is going in that direction, and yet learned Senators of the United States, in a country which produces too much, in a country which has too much, are still talking about going over to China or Egypt or Japan and finding the balm of Gilead to correct the trouble in the United States.

The trouble is not in Japan. The Mikado and the serfs of Japan do not cause the United States trouble. We do not have to go to Japan to get cotton enough to make all the clothes the people of the United States have to wear. That cotton is in the United States now. We do not have to go to China to get wheat to eat. That is in the United States. We do not have to go to the Fiji Islands to get corn to eat. That is in the United States. We do not have to go to Germany to find houses in which to live. That is all in the United States. We do not have to go to the wilds of Asia to find gold and precious metals for the United States. We have them here in the Treasury.

Yet we have people hunting around with magnifying glasses, looking all over the world, all over China and Asia, to find out what is the trouble in the United States, when people are starving to death for the food we have here in plenty, when people are freezing to death because of a lack of clothes we have here in the United States—and yet some are hunting around, at the end of all these years, trying to find out what the trouble is that we cannot feed the people of the United States with all the food surplus we have here.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the Committee on Commerce was, under the subhead "Tolerances for poisonous ingredients in food and certification of coal-tar colors for food", on page 10, after line 13, to strike out:

SEC. 304. (a) If an added poisonous or added deleterious substance in or on food is or may be injurious to health, the Secretary is hereby authorized to promulgate regulations, as provided by sections 701 and 703, prohibiting such added substance in or on any food, or establishing tolerances limiting the amount therein or thereon, for the protection of public health, taking into account the extent to which the use of such substance is required in the production of such food and the other ways in which the consumer may be affected by the same or other poisonous or deleterious substances.

And in lieu thereof to insert:

SEC. 304. (a) To safeguard the public health, no poisonous or deleterious substance shall be added to any food except where such substance is required in the production thereof or cannot be avoided by good manufacturing practice; but when such substance is so required or cannot be so avoided, the Secretary is authorized, for the protection of public health, to promulgate regulations, as provided by sections 701 and 703, limiting the quantity therein or thereon. In determining the quantity of such added substance to be tolerated in or on different articles of food, the Secretary shall take into account the extent to which the use of such substance is required or cannot be avoided in the production of each such article, and the other ways in which the consumer may be affected by the same or other poisonous or deleterious substances.

The amendment was agreed to.

The next amendment was, on page 11, line 20, in the heading, to strike out "Permit factories" and insert "Emergency permit control."

The amendment was agreed to.

The next amendment was, on page 11, line 21, after the word "finds", to insert "after investigation"; on page 12, line 1, after the word "packing", to strike out "thereof" and insert "thereof in any locality"; and, in line 8, after the words "public health, and", to strike out "requiring manufacturers, processors, and packers of such class of articles to hold permits conditioned on compliance with such regulations" and insert "thereafter no manufacturer, processor, or packer of such class of articles shall introduce into interstate commerce any such food unless he holds an unsuspended, valid permit issued by the Secretary as provided by the regulations", so as to read:

SEC. 305. (a) Whenever the Secretary finds after investigation that the distribution in interstate commerce of any class of food may, by reason of contamination with micro-organisms during the manufacture, processing, or packing thereof in any locality, be injurious to health, and such injurious nature cannot be adequately determined after such articles have entered interstate commerce, he is then, and in such case only, authorized to promulgate regulations, as provided by sections 701 and 703, governing the conditions of manufacture, processing, or packing for such temporary periods of time as may be necessary to protect the public health, and thereafter no manufacturer, processor, or packer of such class of articles shall introduce into interstate commerce any such food unless he holds an unsuspended, valid permit issued by the Secretary as provided by the regulations.

The amendment was agreed to.

The next amendment was, on page 12, line 21, after the word "violated" and the period, to strike out "The Secretary shall reinstate the permit whenever, after hearing and an inspection of the establishment, it is found that adequate measures have been taken" and insert "The holder of a permit so suspended shall be privileged at any time to apply for the reinstatement of such permit, and the Secretary shall, immediately after prompt hearing and an inspection of the establishment, reinstate such permit if it is found that adequate measures have been taken"; on page 13, line 4, before the word "permit", to strike out "original"; and in the same line, after the word "permit", to insert a comma and "as originally issued or as amended", so as to read:

(b) The Secretary is authorized to issue such permits for such periods of time as he may by regulations prescribe and to make regulations governing the issuance and renewal thereof. The Secretary is authorized to suspend immediately upon notice any permit issued under authority of this section if it is found that any of the conditions of the permit have been violated. The holder of a permit so suspended shall be privileged at any time to apply for the reinstatement of such permit, and the Secretary shall immediately after prompt hearing and an inspection of the establishment, reinstate such permit if it is found that adequate measures have been taken to comply with and maintain the conditions of the permit as originally issued or as amended.

The amendment was agreed to.

The next amendment was, under the heading "Chapter IV—Adulterated drugs", on page 13, after line 16, to strike out:

(a) If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

And in lieu thereof to insert:

(a) (1) If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof; or (2) if it consists in whole or in part of any filthy, putrid, or decomposed substance; or (3) if it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health; or (4) if its container is composed of any poisonous or deleterious substance which may render it injurious to health; or (5) if it contains, for purposes of coloring only, a coal-tar color other than one from a batch that has been certified in accordance with regulations as provided by sections 403, 701, and 703.

Mr. CLARK. Mr. President, does not this provision declare, in effect, that a drug which is misbranded is adulterated? Later in the bill there is a provision describing adulterated drugs and another provision applying to misbranded drugs. It seems to me the provision in effect provides that a drug which is only misbranded is declared adulterated.

Mr. COPELAND. I assume the Senator is seeking to avoid the possibility of seizure of the drug?

Mr. CLARK. It will be referred to later in connection with the question of seizure.

Mr. COPELAND. I think at that time the whole subject might well be considered. I have no objection to giving it consideration at that itme.

Mr. CLARK. I have no objection to the amendment being adopted, with the understanding that there shall be no objection to reconsideration later in connection with the question of seizure.

Mr. COPELAND. I shall not interpose any objection to what the Senator has in mind.

Mr. CLARK. In other words, it is immaterial to me except that some Senators who would like to discuss it are not in the Chamber at the moment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 14, line 7, after the words "name is", to strike out "the same as or simulates a name"; and in line 9, after the word "it", to strike out "(1) fails to meet the definition and description set forth therein, or (2)", so as to read:

(b) If its name is recognized in an official compendium, or if it purports to be a drug the name of which is so recognized, and it differs from the standard of strength, quality, or purity as determined by the tests or methods of assay set forth therein; except that whenever tests or methods of assay have not been prescribed therein, or such tests or methods of assay as are prescribed are insufficient, for determining whether or not such drug complies with such standard, the Secretary is hereby authorized to bring such fact to the attention of the appropriate body charged with the revision of such compendium and if such body fails within a reasonable time to prescribe tests or methods of assay which are sufficient, then the Secretary may prescribe for the purposes of this act such tests or methods of assay by regulations as provided by sections 701 and 703. No drug shall be deemed to be adulterated under this paragraph because it differs from the standards of strength, quality, or purity therefor set forth in an official compendium, if its label bears in juxtaposition with the name of the drug a statement indicating wherein its strength, quality, and purity, as determined by the tests or methods of assay applicable under this paragraph, differ from the standards therefor set forth in such compendium. Whenever a drug is recognized in both the United States Pharmacopœia and the Homœopathic Pharmacopœia of the United States it shall be subject to the requirements of the United States Pharmacopœia unless it is labeled and offered for sale as a homeopathic drug, in which case it shall be subject to the provisions of the Homœopathic Pharmacopœia of the United States and not to those of the United States Pharmacopœia.

The amendment was agreed to.

The next amendment was, on page 15, line 25, before the word "such", to strike out "in every particular"; and on page 16, line 1, after the word "substantial", to insert "and reliable", so as to read:

SEC. 402. A drug shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular. Any representation concerning any effect of a drug shall be deemed to be false under this paragraph if such representation is not sustained by demonstrable scientific facts or substantial and reliable medical opinion.

The amendment was agreed to.

The next amendment was, on page 16, line 12, after the word "label", to strike out "to avoid adulteration or misbranding"; in line 15, after the word "readily", to strike out "intelligible to the" and insert "understood by"; and in line 17, after the word "use", to insert a comma and "due consideration being given to the size of the package", so as to read:

(b) If in package form it fails to bear a label containing (1) the name and place of business of the manufacturer, packer, seller, or distributor; and (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count: *Provided*, That under subdivision (2) of this paragraph reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the Secretary.

(c) If any word, statement, or other information required on the label under any provision of this act is not prominently placed thereon in such a manner as to be easily seen and in such terms as to be readily understood by purchasers and users of such articles under customary conditions of purchase and use, due consideration being given to the size of the package.

The amendment was agreed to.

The next amendment was, on page 16, line 21, after the word "eucaine", to strike out "barbital" and insert "barbituric acid"; in line 24, after the word "any", to strike out "narcotic or hypnotic"; in line 25, after the word "therefrom", to strike out the comma and "or any other narcotic or hypnotic substance which has been designated as habit forming by regulations as provided by sections 701 and 703" and insert "unless the derivative is clearly not habit forming"; and in line 4, after the word "and", to insert "except when dispensed on the written order of a member of the medical profession", so as to read:

(d) If it is for internal use by man and contains any quantity of any of the following narcotic or hypnotic substances: Alpha eucaine, barbituric acid, beta eucaine, bromal, cannabis, carbromal, chloral, coca, cocaine, codeine, heroin, marihuana, morphine, opium, paraldehyde, peyote, sulphonmethane, or any substance chemically derived therefrom unless the derivative is clearly not habit forming, and, except when dispensed on the written order of a member of the medical profession, its label fails to bear the name and quantity or proportion of such substance or derivative and in juxtaposition therewith the statement "Warning—May be habit forming."

The amendment was agreed to.

The next amendment was, on page 17, line 13, after the word "the", to strike out "names and quantity or proportion" and to insert "name"; and in line 14, after the word "active", to strike out "ingredient: *Provided*, That exemption to compliance with subdivision (2) of this paragraph is given in such cases where the name, quantity, and proportion of each active ingredient is filed with the Secretary in accordance with regulations promulgated by him" and insert "ingredient, including any alcohol: *Provided*, That, to the extent that compliance with the requirements of subdivision (2) of this paragraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary", so as to read:

(e) If it is not designated solely by a name recognized in an official compendium and its label fails to bear (1) a common or usual name of the drug, if such there be; and (2), in case it is fabricated from two or more ingredients, the name of each active ingredient, including any alcohol: *Provided*, That, to the extent that compliance with the requirements of subdivision (2) of this paragraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary.

The amendment was agreed to.

The next amendment was, on page 17, line 24, after the word "and", to strike out "explicit" and insert "adequate", and on page 18, line 4, after the word "use", to strike out "is contraindicated and", so as to read:

(f) If its labeling fails to bear plainly and conspicuously (1) complete and adequate directions for use, and (2) such warnings in such manner and form as may be prescribed by regulations, as provided by sections 701 and 703, against use in such pathological conditions or by children where its use may be dangerous to health, or against unsafe dosage or methods or duration of administration or application: *Provided*, That where any requirement of subdivision (1) of this paragraph, as applied to any drug, is not necessary for the protection of the public health, the

Secretary shall promulgate regulations, as provided by sections 701 and 703, exempting such drug from such requirement.

The amendment was agreed to.

The next amendment was, on page 18, line 12, after the word " is ", to strike out " the same as, or simulate, a name ", and in line 13, after the word " compendium ", to insert " or if it purports to be a drug the name of which is so recognized ", so as to read:

(g) If its name is recognized in an official compendium, or if it purports to be a drug the name of which is so recognized, and it is not packaged and labeled as prescribed therein. Whenever a drug is recognized in both the United States Pharmacopœia and the Homœopathic Pharmacopœia of the United States it shall be subject to the requirements of the United States Pharmacopœia with respect to packaging and labeling unless it is labeled and offered for sale as a homeopathic drug, in which case it shall be subject to the provisions of the Homœopathic Pharmacopœia of the United States, and not to those of the United States Pharmacopœia.

The amendment was agreed to.

Mr. COPELAND. Mr. President, on page 18, line 15, after the word " therein ", I move to strike out the period, insert a comma and the words " unless exempted under (1) of this section."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, on page 19, after line 12, to strike out:

(j) If it purports to be or is represented as a germicide, bactericide, disinfectant, or antiseptic for any use on or within the body and its labeling fails to bear a plain and conspicuous statement of such use, including the strength or dilution, manner, and duration of application, and when tested by a standard method, it does not have the germicidal effect within the duration so prescribed of a 1 to 80 dilution of phenol used by a standard testing method for 10 minutes at 37° C. All testing methods for the purposes of this paragraph shall be prescribed by regulations as provided by sections 701 and 703: *Provided*, That no drug shall be deemed to be misbranded under this paragraph by reason of failure of its labeling to bear a statement of any advertised use if such advertising is disseminated only to members of the medical and pharmaceutical professions, or appears only in scientific publications of these professions.

The amendment was agreed to.

The next amendment was, on page 20, after line 4, to strike out:

(k) If it purports to be or is represented as an inhibitory antiseptic for any use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body, and its labeling fails to bear a plain and conspicuous statement of such use, including strength or dilution, and manner of application, and when tested by a standard method, it fails to prevent the growth of microorganisms within the entire time of such duration. All testing methods for the purposes of this paragraph shall be prescribed by regulations as provided by sections 701 and 703: *Provided*, That no drug shall be deemed to be misbranded under this paragraph by reason of failure of its labeling to bear a statement of any advertised use if such advertising is disseminated only to members of the medical and pharmaceutical profession, or appears only in scientific publications of these professions.

The amendment was agreed to.

The next amendment was, on page 20, after line 20, to insert:

(j) If it purports to be or is represented as a germicide, bactericide, disinfectant, or antiseptic for any use on or within the body and its labeling fails to bear plainly and conspicuously adequate directions for such use, and when used as directed it does not have germicidal effect equivalent to phenol of a 1 to 80 aqueous dilution for 10 minutes at 37° C. when tested by a method prescribed by regulations as provided by sections 701 and 703: *Provided*, That no drug shall be deemed to be misbranded under this paragraph by reason of (1) failure of its labeling to bear adequate directions for a use indicated in advertising disseminated only to members of the medical and pharmaceutical professions, or appears only in scientific publications of these professions; or (2) its failure to have the germicidal effect required by this paragraph if its own standard of such effect is stated on its label and such drug is distributed for use solely by the medical profession.

The amendment was agreed to.

The next amendment was, on page 21, after line 12, to insert:

(k) If it purports to be or is represented as an inhibitory antiseptic for any use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body and its labeling fails to bear plainly and conspicuously adequate directions for such use, and when used as indicated, it fails to prevent the growth of micro-organisms within the entire time of such use when tested by a method prescribed by regulations as provided by sections 701 and 703: *Provided*, That no drug shall be deemed to be misbranded under this paragraph by reason of failure of its labeling to bear adequate directions for a use indicated in advertising disseminated only to members of the medical and pharmaceutical profession, or appears only in scientific publications of these professions.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, the Senator from New York corrected by amendment the language in subsection (g). We have now reached the point, in line 3, on page 22, where I think we have agreed to substitute the word " directed " for the word " authorized." I move, in line 3, that the word " authorized " be changed to " directed."

Mr. COPELAND. That is entirely agreeable.

The PRESIDENT pro tempore. Without objection, the amendment offered by the Senator from Michigan is agreed to.

The reading of the bill was resumed.

The next amendment was, on page 22, after line 11, to insert:

CERTIFICATION OF COAL-TAR COLORS FOR DRUGS

SEC. 403. The Secretary is hereby authorized to promulgate regulations, as provided by sections 701 and 703, for the certification of coal-tar colors which for purposes of coloring only are harmless and suitable for use in drugs.

The amendment was agreed to.

The next amendment was, under the heading " Chapter V—Adulterated Cosmetics ", on page 22, line 22, after the word " to ", to strike out " the user " and insert " health ", and in line 24, after the word " labeling " to insert " or advertising ", so as to read:

SECTION 501. A cosmetic shall be deemed to be adulterated—

(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to health under the conditions of use prescribed in the labeling or advertising thereof, or under such conditions of use as are customary or usual.

The amendment was agreed to.

The next amendment was, at the top of page 23, to strike out " (b) If it bears or contains any poisonous or deleterious substance prohibited, or in excess of the limits of tolerance prescribed, by regulations as provided by sections 503, 101, and 703 ", and in lieu thereof to insert:

(b) If it consists in whole or in part of any filthy, putrid, or decomposed substance.

(c) If it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health.

(d) If its container is composed of any poisonous or deleterious substance which may render it injurious to health.

(e) If it contains a coal-tar color other than one from a batch that has been certified in accordance with regulations as provided by sections 503, 701, and 703.

Mr. ROBINSON. Mr. President, it is recalled that on one or more occasions the Senator from New York described the effect of certain substances when applied to the person as destructive of the tissues and very harmful. I should like to ask the Senator from New York if there are so-called " cosmetics " which are made of putrid substances, which are poisonous, and which have a deleterious effect on the person when applied.

Mr. COPELAND. Mr. President, the Senator refers to page 22, line 22, where the words " the user " are stricken out, and line 23, where the word " health " is inserted. There has been much discussion about that. A cosmetic might be injurious to the feelings of the patient, the mental condition of the patient; but it is very clear that the things I spoke about yesterday, when I presented the pictures, and so forth, are cases where there is injury to health, where the cosmetics affects the body, affects the tissues. That is an injury to health. I think ample protection is afforded by the provision in the bill, and I should not be satisfied if it were not.

Mr. ROBINSON. Very well.

Mr. BORAH. Mr. President, is the Senator willing now to return to page 10?

Mr. COPELAND. Just as soon as we finish this section. I shall be willing to do that as soon as we finish chapter V.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, under the subhead "Misbranded cosmetics", on page 24, line 6, after the word "label", to strike out "to avoid adulteration or misbranding"; in line 9, after the word "readily", to strike out "intelligible to" and insert "understood by"; and in line 11, after the word "use", to insert a comma and "due consideration being given to the size of the package", so as to read:

SEC. 502. A cosmetic shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular.

(b) If in package form it fails to bear a label containing (1) the name and place of business of the manufacturer, packer, seller, or distributor; and (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count: *Provided*, That under subdivision (2) of this paragraph reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the Secretary.

(c) If any word, statement, or other information required on the label under any provision of this act is not prominently placed thereon in such a manner as to be easily seen and in such terms as to be readily understood by the purchasers and users of such articles under customary conditions of purchase and use, due consideration being given to the size of the package.

The amendment was agreed to.

The next amendment was, on page 24, line 14, after the word "labeling", to strike out "or packaging", so as to read:

(d) The Secretary is hereby authorized to promulgate regulations exempting from any labeling requirement of this act cosmetics which are, in accordance with the practice of the trade, processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such cosmetics are in conformity with the provisions of this act upon removal from such processing, labeling, or repacking establishment.

The amendment was agreed to.

The next amendment was, on page 24, after line 21, to strike out:

TOLERANCES FOR POISONOUS INGREDIENTS IN COSMETICS

SEC. 503 (a) If a poisonous or deleterious substance in cosmetics is or may be injurious to health, the Secretary is hereby authorized to promulgate regulations, as provided by sections 701 and 703, prohibiting such substance in or on any cosmetic, or establishing tolerances limiting the amount therein or thereon, for the protection of public health, taking into account the extent to which the use of such substance is required in the production of such cosmetic and the other ways in which the consumer may be affected by the same or other poisonous or deleterious substances.

The amendment was agreed to.

The next amendment was, on page 25, after line 8, to insert:

CERTIFICATION OF COAL-TAR COLORS FOR COSMETICS

SEC. 503. The Secretary is hereby authorized to promulgate regulations, as provided by sections 701 and 703, for the certification of coal-tar colors which are harmless and suitable for use in cosmetics.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I now ask unanimous consent to return to page 10, line 4. The Senator from Idaho wished to be here when that section should be taken up.

The PRESIDENT pro tempore. Without objection, the Senate will recur to section 303 on page 10.

Mr. BORAH. Mr. President, I am not sure that I am in order under the unanimous-consent agreement, but I did not wish to lose my right to offer the amendment at the proper place.

Referring to the committee amendment in line 9, page 10, to strike out "standards" and insert "standard", is it in order to move, in connection with that, to insert the words "definition and" before the word "standard"?

Mr. COPELAND. Referring to standards for fresh fruits?

Mr. BORAH. Yes.

Mr. COPELAND. Mr. President, if the Senator will read the report on the bill, it will occur to him that there was a belief on the part of the apple people that there might be an effort on the part of the Department to establish the chemical and divisible constituents of an apple; and the report shows that it is intended that no standard of identity shall be established for apples or pears.

Mr. BORAH. As the matter now stands, should the amendment be adopted and the bill enacted with that amendment, it would read as follows:

That no standard of quality shall be established for fresh fruits and fresh vegetables.

What I should like to have is the insertion of the words "definition and", so that it would read:

That no definition and standard of quality shall be established for fresh fruits and fresh vegetables.

I desire to read, at this point, part of a letter which I have received from the Idaho Shippers' Traffic Association. They call attention to several matters and say:

The first of these to which we refer is that carried under section 303 on page 9 of the bill, under the heading "Definitions and standards for food." This paragraph authorizes the Secretary to establish any food definition and standards of identity, also, fill of container. This would give the Secretary of Agriculture tremendous power, for under such provision it would be possible for him to establish a regulation requiring a certain sugar, acid, and solid content of apples, pears, prunes, or of any vegetables, and any variation from that standard would be a violation of the law if offered in interstate commerce.

Everyone knows there is a wide variation in the sugar and acid as well as the solid content of different varieties of fruits and vegetables, this naturally being chargeable and dependent entirely on the district in which it is grown. Climatic and seasonal variations of each growing season will enter into the development of the product as well as different soil conditions and different handling by different growers.

One grower will handle his orchards or crop rotation in the way of vegetables in one manner and get certain results. His neighbor will use decidedly different methods, and naturally the product will reflect the handling by the growers.

As I understand, the desire of the writers of this letter has been met in part—that is to say, that no standard of quality shall be established for fresh fruit—but I understand also that they desire that no definition and standard shall be incorporated in the bill.

Mr. COPELAND. Mr. President, in the report it is definitely stated that no standard of identity for apples or pears should be established. There are fruits, such as cantaloups, which might be shipped in interstate commerce when they had been plucked too early, and would go to the consumer unripe. We did not wish to embarrass the Department in the administration of the proposed law, which is for the protection of the public, by precluding the possibility on the part of the department of establishing a standard of identity as regards cantaloups, for example, that they should be ripe cantaloups, and proper for human consumption. We sought to protect the apple grower, and we are confident that we have done so, because we have written into the report at the bottom of the page this language:

It is not expected that definitions and standards of identity will be provided for natural food where no public benefit would result. For example, there is not now and is not likely to be any abuse in the sale of immature apples and pears; these products can be accurately judged by the consumer on their appearance and no definition of identity is required for them.

Mr. BORAH. That is satisfactory in part. Now let me ask the Senator in charge of the bill another question. Under the bill, with the amendment, there will be no standard of quality established for fresh fruits and fresh vegetables?

Mr. COPELAND. There will not be.

Mr. BORAH. I will not urge the word "definition" further at this time. I shall await the adoption of the committee amendments.

The PRESIDENT pro tempore. The clerk will state the amendment passed over.

The LEGISLATIVE CLERK. On page 10, line 8, under the subhead "Definitions and standards for food", after the word "quality", to strike out "and" and insert "and/or"; in line 9, after the word "no", to strike out "standards" and insert "standard"; and in line 10, after the word "fresh", to strike out "natural foods" and insert "fruits and fresh vegetables" so as to read:

SEC. 303. For the effectuation of the purposes of this act the Secretary is hereby authorized to promulgate regulations, as provided by sections 701 and 703, fixing and establishing for any food a definition and standard of identity, and a reasonable standard of quality and/or fill of container: *Provided*, That no standard of quality shall be established for fresh fruits and fresh vegetables.

The amendment was agreed to.

The next amendment was, under the heading "Chapter VI—False advertisement", on page 25, line 21, after the word "if", to strike out "in every particular", and in line 23, after the word "substantial", to insert "and reliable", so as to read:

CHAPTER VI

FALSE ADVERTISEMENT

SECTION 601 (a) An advertisement of a food, drug, or cosmetic shall be deemed to be false if it is false or misleading in any particular relevant to the purposes of this act regarding such food, drug, or cosmetic. Any representation concerning any effect of a drug shall be deemed to be false under this paragraph if such representation is not sustained by demonstrable scientific facts or substantial and reliable medical opinion.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I was called out of the Chamber, and I am not aware of the reason for skipping from page 10 to page 25.

Mr. COPELAND. The Senator from Idaho had previously asked that the amendments in section 303 on page 10 go over until he could be present. Then a few moments ago he requested that they be considered.

Mr. FLETCHER. I wish to call attention, on page 16, line 19, to the provision which reads, "If it is for internal use by man and contains any quantity of any of the following narcotic or hypnotic substances," and then they are named. I wonder whether the substances mentioned should not be prohibited whether for internal use or any other kind of use. I was struck by an article in the Evening Star of yesterday about a narcotic sold in the District of Columbia which is made from a poisoned weed originating in Mexico and cultivated in this country. The article to which I refer is mentioned on line 23, but it is limited there, it seems to me, by the use of the words "internal use."

Mr. COPELAND. The Senator would like to have the word "internal", on line 19, stricken out?

Mr. FLETCHER. I think so.

Mr. COPELAND. I have no objection.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 16, line 19, it is proposed to strike out the word "internal."

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I should like to have inserted in the RECORD the article from the Evening Star of yesterday to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Apr. 1, 1935]

DREAD MARIHUANA SOLD IN DISTRICT—AUTHORITIES, POWERLESS TO STOP TRAFFIC IN DRUG, ASK NEW LEGISLATION

With a new bill aimed at the narcotic traffic in the District slated for introduction in the House this week, Federal officials disclosed today that marihuana—a drug known to induce insanity—is being sold here in places known to them and that authorities are prepared to strike at this traffic as soon as legislation affording them the proper power is enacted.

Although marihuana is described by Narcotics Commissioner Harry J. Anslinger as a "dangerous drug", there is no Federal or District law to control its use, and until such legislation is provided officials are virtually powerless to act.

At present the only thing that authorities can do is to evoke the old pharmacy law, which provides a $10 fine for failure to label poison. Such action in the case of smoking marihuana is said by officials to be ineffective.

The proposed legislation will be introduced by Representative FENERTY, of Pennsylvania, he indicated today. The bill, it is believed, will contain, among its many other provisions, severe penalties for unauthorized sale of marihuana.

USED IN "REEFERS"

The drug is being smoked here mostly in the form of "reefers", a kind of cigarette in which the dried flowers of the marihuana, or Indian hemp, are mixed with tobacco. These "reefers" are known also by addicts in various parts of the country as "muggles", "grifo", "moots", and "mooters." Marihuana also is smoked in pipes, mixed with tobacco, and is then usually referred to as "kiff" and "Indian hay."

Alarmed by crimes committed by addicts, many States, including all those around the District, have taken action to curb the drug.

In Maryland, Governor Nice only recently signed a so-called "model" State narcotic act, which enables authorities to put sharp restrictions on marihuana.

Virginia enacted a State narcotic law last session.

West Virginia's Legislature adopted a model narcotic law, but, according to a check up here, the measure has not yet been signed by the Governor.

EVIDENCE INCREASING

Evidence of the possession, sale, and smoking of marihuana has been on the increase, according to officials in close touch with the situation.

In Washington the marihuana cigarettes are being sold for 25 cents each. The price is lower in some sections, but as high as 50 cents a cigarette in others.

One of the crimes laid to marihuana was described in an official document covering a case in Florida:

"A young boy who had become addicted to smoking marihuana cigarettes, in a fit of frenzy, because he imagined a number of people were trying to cut off his arms and legs, seized an ax and killed his father, mother, two brothers, and a sister, wiping out the entire family except himself."

In California a man under the influence of marihuana actually decapitated his best friend.

YOUNG PEOPLE INVOLVED

Addiction to Indian hemp is admitted by this Government to be on the increase, according to a report to the League of Nations. This addiction, said to have been formerly confined largely to the Middle West and Southwest, appears to be spreading, the report said, and "has become a problem in the southeastern and northeastern parts of the United States, particularly among the younger people."

The toxic effects of the weed appear to be limited exclusivly to the higher nerve centers, according to experts on the problem.

It produces first an exaltation with a feeling of well-being and an increased sense of physical strength and power. Accompanying this exaltation is a stimulating of the imagination, followed by a more or less delirious state characterized by visions, sometimes pleasing, sometimes gruesome. Persons and things look small, time is interminable; seconds seem like minutes and hours like days.

While the delirium is one of degrees, it gradually merges, if the dose is sufficient, into a state of general motor weakness, fatigue, drowsiness, and sleep. In cases of prolonged addiction, the somnolent action, however, is replaced by psychomotor activity with a tendency to willful violence accompanied by complete loss of judgment and restraint.

Commissioner Anslinger said marihuana is the same as hashish, used widely in the Near East and derived from the Arabic word "assassin."

The production and use of the hemp within the United States are not prohibited by Federal law, and Congress is restricted under the Constitution from enacting legislation covering the matter because the question is one which lies solely within the police power of the States.

The PRESIDENT pro tempore. The clerk will state the next amendment of the Committee on Commerce.

The next amendment was, on page 25, after line 23, to strike out "(b) It shall be unlawful to advertise for sale in interstate commerce a drug represented to have any therapeutic" and to insert "(b) For the purposes of this act the advertisement of a drug representing it to have any therapeutic"; on page 25, after the word "tuberculosis", to insert "poliomyelitis (infantile paralysis)"; in line 5, after the word "diseases", to strike out "as well as any other disease which may be added to this list by regulations as provided by sections 701 and 703" and insert "shall be deemed to be false"; and in line 12, after the word "or", to strike out "if it", so as to read:

(b) For the purposes of this act the advertisement of a drug representing it to have any therapeutic effect in the treatment of Bright's disease, cancer, tuberculosis, poliomyelitis (infantile paralysis), venereal diseases, heart and vascular diseases shall be deemed to be false; except that no advertisement not in violation of paragraph (a) of this section shall be deemed to be false under this paragraph if it is disseminated only to members of the medical and pharmaceutical professions or appears only in the scientific periodicals of these professions, or is disseminated only for the purpose of public-health education by persons not commercially interested, directly or indirectly, in the sale of such drugs.

The amendment was agreed to.

The next amendment was, under the heading "Chapter VII", on page 26, after line 16, to strike out "General administrative provisions."

Mr. COPELAND. Mr. President, I ask that the committee amendment on page 26, line 17, which proposes to strike

out the headline "General administrative provisions", be rejected.

The amendment was rejected.

The next amendment was, on page 26, line 18, where the committee proposed to strike out the subhead "Power to make regulations."

The amendment was agreed to.

The next amendment of the committee was, on page 26, line 19, where the committee proposed to insert the subhead "Provisions as to regulations."

The amendment was agreed to.

The next amendment was, on page 26, at the beginning of line 20, to strike out "Sec." and insert "Section"; and in the same line, after the word "to", to strike out "make" and insert "promulgate", so as to read:

SECTION 701. (a) The authority to promulgate regulations for the efficient enforcement of this act, except as otherwise provided in this section, is hereby vested in the Secretary.

The amendment was agreed to.

The next amendment was, on page 27, line 1, after the numerals "1914", to insert a comma and "except as otherwise provided therein"; and in line 4, before the words "as the", to insert "after due notice," so as to read:

(b) The Secretary of the Treasury and the Secretary of Agriculture shall jointly prescribe regulations for the efficient enforcement of the provisions of section 714, except as otherwise provided therein. Such regulations shall be promulgated in such manner and take effect at such time, after due notice, as the Secretary of Agriculture shall determine.

(c) Hearings authorized or required by this act shall be conducted by the Secretary or such officer or employee as he may designate for the purpose.

The amendment was agreed to.

The next amendment was, on page 27, line 9, after the word "regulations" to insert "and administrative actions"; so as to make the subhead read:

COURT REVIEW OF REGULATIONS AND ADMINISTRATIVE ACTIONS

The amendment was agreed to.

The next amendment was, on page 27, line 12, after the word "on" to strike out "complaint of" and insert "petition by"; in line 13, after the word "person" to insert "(1)"; in line 15, after the word "Department" to strike out "of Agriculture"; in line 18, after the word "capricious" to insert "in the light of the facts,"; in line 19, after the word "petitioner" to strike out "will" and insert "may"; and in line 20, after the word "enforcement" to strike out the colon and the following proviso, "*Provided*, That nothing in this section shall be deemed to abridge the right of any person against whom a criminal prosecution or suit for injunction shall have been brought under this act, or who shall intervene as claimant in any proceeding of libel for condemnation to plead that the regulation whose violation is alleged as the ground for such prosecution, suit, or libel is invalid on any of the grounds set forth above", and to insert a semicolon and the words, "and (2) to grant appropriate injunctive relief from any act or omission of any officer, representative, or employee of the Department in the administration of this act, if it has been shown that such act or omission is unreasonable, arbitrary, or capricious, in the light of the facts, or not in accordance with law, and that the petitioner may suffer substantial damage thereby: *Provided*, That nothing in this section shall be deemed to abridge the right of any person against whom a criminal prosecution or suit for injunction shall have been brought under this act, or who shall intervene as claimant in any proceeding of libel for condemnation, to plead that the regulation, the violation of which is alleged as the ground for such prosecution, suit, or libel, is invalid on any of the grounds set forth above," so as to read:

SEC. 702. The district courts of the United States are hereby vested with jurisdiction, on petition by any interested person (1) to restrain by injunction, temporary or permanent, the enforcement by any officer, representative, or employee of the Department of any regulation promulgated as provided in sections 701 and 703 if it is shown that the regulation is unreasonable, arbitrary, or capricious, in the light of the facts, or not in accordance with law, and that the petitioner may suffer substantial damage by reason of its enforcement; and (2) to grant appropriate injunctive relief from any act or omission of any officer, representative, or employee of the Department in the administration of this act, if it has been shown that such act or omission is unreasonable, arbitrary, or capricious, in the light of the facts, or not in accordance with law, and that the petitioner may suffer substantial damage thereby: *Provided*, That nothing in this section shall be deemed to abridge the right of any person against whom a criminal prosecution or suit for injunction shall have been brought under this act, or who shall intervene as claimant in any proceeding of libel for condemnation, to plead that the regulation, the violation of which is alleged as the ground for such prosecution, suit, or libel, is invalid on any of the grounds set forth above.

The amendment was agreed to.

The next amendment was, under the subhead "Public health and food standards committees", on page 28, line 20, after the word "and", to strike out "(d)" and to insert "(c)"; and after line 20 to strike out "section 401, paragraph (b); section 501, paragraph (b); section 302, paragraph (j); section 402, paragraphs (d), (f), (h), (j), and (k); sections 304, 305, 503, and section 601, paragraph (b)", and to insert "section 302, paragraph (j); section 304, paragraphs (a) and (b); section 305, paragraph (a); section 401, paragraphs (a) and (b); section 402, paragraphs (f), (h), (j), and (k); section 403; section 501, paragraph (e); and section 503"; on page 29, line 7, after the word "health", to insert "with respect to food, drugs, and/or cosmetics"; so as to read:

PUBLIC HEALTH AND FOOD STANDARDS COMMITTEES

SEC. 703. (a) To aid and advise the Secretary in promulgating regulations for the protection of public health, as contemplated by section 301, paragraphs (a) and (c); section 302, paragraph (j); section 304, paragraphs (a) and (b); section 305, paragraph (a); section 401, paragraphs (a) and (b); section 402, paragraphs (f), (h), (j), and (k); section 403; section 501, paragraph (e); and section 503, a Committee on Public Health is hereby provided which shall consist of five members designated by the President with a view to their distinguished scientific attainment and interest in public health with respect to food, drugs, and/or cosmetics and without regard to their political affiliation.

The amendment was agreed to.

The next amendment was, on page 29, line 11, after the word "paragraphs", to strike out "(c)," in line 16, before the word "Administration", to strike out "Food and Drug", and in line 19, after the words "from the", to strike out "Food and Drug", so as to read:

(b) To aid and advise the Secretary in the promulgation of regulations with respect to food, as contemplated by section 302, paragraphs (g) and (h), and section 303, a Committee on Food Standards is hereby provided which shall consist of 7 members, 3 of whom shall be selected from the public, 2 from the food producing, processing, manufacturing, and distributing industry, and 2 from the Administration. The members selected from the public and the food industry shall be appointed by the President without regard to political affiliation, and the members from the Administration shall be designated by the Secretary.

The amendment was agreed to.

The next amendment was, on page 29, line 22, after the word "by", to strike out "the provision" and insert "any provision"; on page 30, line 5, after the word "authorized", to strike out "to make findings of fact and"; and in line 6, after the word "regulation", to insert "as he shall find to be necessary to effectuate the purposes of such provision", so as to read:

(c) Whenever the Secretary deems that any regulation contemplated by any provision of this act enumerated in paragraphs (a) and (b) of this section should be established, he shall so advise the appropriate committee. With the approval of a majority of its members, the committee shall recommend to the Secretary a proposed regulation, and the Secretary shall give notice of the proposal and of the time and place of a public hearing to be held thereon not less than 30 days after the date of such notice. After such hearing the Secretary is authorized to formulate and promulgate such regulation as he shall find to be necessary to effectuate the purposes of such provision, but no such regulation shall be promulgated without the approval of a majority of the members of the committee. The regulation so promulgated shall become effective on a date fixed by the Secretary, which date shall not be prior to 90 days after its promulgation, and may be amended or repealed in the same manner as is provided for its adoption: *Provided*, That regulations setting up exemptions pursuant to section 402, paragraph (f), may be promulgated without notice or hearing and shall become effective at such time as the Secretary determines.

The amendment was agreed to.

The next amendment was, on page 30, line 19, after the word "Secretary", to strike out "under section 301, paragraphs (a) and (d); section 501, paragraph (b); section

402, paragraphs (j) and (k); and sections 304 and 503" and to insert "under section 301, paragraphs (a) and (c); section 302, paragraph (j); section 304, paragraphs (a) and (b); section 401, paragraph (a); section 402, paragraphs (h), (j), and (k); section 403; section 501, paragraph (e); and section 503", so as to read:

(d) If any regulation promulgated by the Secretary under section 301, paragraphs (a) and (c); section 302, paragraph (j); section 304, paragraphs (a) and (b); section 401, paragraph (a); section 402, paragraphs (h), (j), and (k); section 403; section 501, paragraph (e); and section 503, is declared invalid in any court proceeding, the Secretary may promulgate in substitution therefor a temporary regulation consistent with such decision. Such temporary regulation may be promulgated without notice or hearing and shall become effective at and for such time as the Secretary designates, but in no event longer than 180 days from the effective date thereof. On or before the promulgation of such temporary regulation the Secretary shall institute proceedings, as provided in paragraph (c) of this section, for the establishment of a new regulation.

The amendment was agreed to.

The next amendment was, on page 31, line 14, before the words "Administration", to strike out "Food and Drug"; in line 23, after the word "Department", to strike out "of Agriculture"; and in the same line, after the word "has", to insert "or acquires", so as to read:

(e) The term of office of members of the committees provided by paragraphs (a) and (b) of this section, other than members from the Administration, shall be 5 years; except that an appointment to fill a vacancy occurring before the expiration of a term shall be for the remainder of that term, and of the appointments first made to each committee after approval of this act, 1 shall be for 1 year, 1 for 2 years, 1 for 3 years, and 1 for 4 years, as shall be designated by the President in their respective appointments. The President shall designate the chairmen of the committees. No person who is a member of the Department or who has or acquires a financial interest in the manufacture, advertising, or sale of any food, drug, or cosmetic shall be eligible to serve on the Committee on Public Health, or as a member from the public on the Committee on Food Standards.

The amendment was agreed to.

The next amendment was, on page 32, line 13, after the word "committees", to insert "Having received from an interested industry or from representatives of the public a request for a new regulation or a change in an existing regulation, either committee, on its own motion, may advise the Secretary of its recommendations for action in accordance with the procedure set up by this section", and to strike out lines 21 to 23, inclusive, as follows: "Each committee on its own motion or at the request of the Secretary may advise him of its views on any question concerning the enforcement of this act", so as to read:

(f) Each committee shall convene at the call of its chairman at such time and place as he may designate, but action by either committee under this section may be taken by the members thereof acting individually without convening in meeting. In each case in which approval by either committee of a regulation is required under this section, the Secretary shall transmit to each member of such committee a transcript of the record of the public hearing held by him. Members of the committee shall be given due notice of, and may sit with the Secretary or his representatives at, all such public hearings relating to the functions of their respective committees. Having received from an interested industry or from representatives of the public a request for a new regulation or a change in an existing regulation, either committee, on its own motion, may advise the Secretary of its recommendations for action in accordance with the procedure set up by this section.

The amendment was agreed to.

The next amendment was, at the top of page 33, line 1, after the word "industries", to insert "and public", so as to make the subhead read:

Advisory committees from industries and public.

The amendment was agreed to.

The next amendment was, on page 33, line 6, after the word "industry", to insert "creators and/or"; in line 7, after the word "public" and the period, to strike out "To aid in securing compliance with the requirements of this act, the" and insert "The"; in line 10, after the word "advertising", to insert "and/or trade"; at the beginning of line 11, to strike out "tend to effectuate the purposes of this act" and insert "will aid in securing compliance with the requirements of this act"; and in line 16, after the word "act", to strike out the comma and "and no plans shall be accepted which are designed to promote monopolies or eliminate or oppress legitimate enterprises", so as to read:

ADVISORY COMMITTEES FROM INDUSTRIES AND PUBLIC

SEC. 704. For the purposes of consultation in formulating general administrative policies for the enforcement of this act, the Secretary is authorized to appoint an advisory committee from each of the following groups: The food industry, the drug industry, the cosmetic industry, creators and/or disseminators of advertising, the public. The Secretary is further authorized to accept plans for such self-regulation of advertising and/or trade practices as will aid in securing compliance with the requirements of this act, when presented by associations or groups representative of their industries: *Provided*, That nothing in this paragraph shall be construed as restricting the responsibilities and powers conferred upon the Secretary by this act.

The amendment was agreed to.

The next amendment was, under the subhead "Examinations and Investigations", on page 33, line 22, after the word "Department", to strike out "of Agriculture", so as to read:

EXAMINATIONS AND INVESTIGATIONS

SEC. 705. The Secretary is authorized to conduct examinations and investigations for the purposes of this act through officers and employees of the Department or through any health, food, or drug officer or employee of any State, Territory, or political subdivision thereof, duly commissioned by the Secretary.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I ask to have inserted at the bottom of page 33 the amendment which I send to the desk.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 33, after line 25, it is proposed to insert the following:

The regulations promulgated under section 701 (a) shall provide for the delivery of a representative part of an official sample of a food, drug, or cosmetic to the vendor thereof, if such sample is collected to determine by analysis whether it is adulterated within the meaning of this act and subject to any conditions and exceptions which are necessary for the purposes of this act and which are prescribed by such regulations.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment was, on page 34, line 22, after the word "to", to strike out "regulate interstate commerce in food, drugs, and cosmetics, and enforce" and insert "protect public health and welfare through enforcement of"; and on page 35, after line 11, to strike out the following:

(b) The several district courts of the United States are hereby vested with jurisdiction to restrain by injunction, temporary or permanent, the shipment in interstate commerce or delivery after receipt in interstate commerce of any food, drug, or cosmetic from or by any factory, warehouse, establishment, or vehicle, designated in paragraph (a) of this section, if the owner, operator, or custodian thereof has, after reasonable request, denied permission to officers or employees duly designated by the Secretary so to enter and inspect such factory, warehouse, establishment, or vehicle and equipment, finished and unfinished materials, containers, and labels there used or stored. Whenever such permission is granted, the injunction issued pursuant to this paragraph shall be dissolved, or may be continued in force subject to such conditions governing the inspection as the court may order. Violation of any injunction issued pursuant to this paragraph may be summarily tried and punished by the court as a contempt. Such contempt proceedings may be instituted by order of the court or by the filing of an information by the United States attorney.

And in lieu thereof to insert the following:

(b) In order to keep the channels of interstate commerce free from adulterated and misbranded articles of food, drugs, and cosmetics so as adequately to protect public health and welfare, the introduction or causing to be introduced into interstate commerce or delivery or causing of delivery after receipt in interstate commerce, of any food, drug, or cosmetic, from any factory, warehouse, establishment, or vehicle, designated in paragraph (a) of this section, is hereby prohibited, if the owner, operator, or custodian thereof has, after reasonable request, denied permission to officers or employees duly designated by the Secretary to make the inspection authorized by such paragraph; and any person who introduces or causes to be introduced into interstate commerce, or delivers or causes to be delivered after receipt in interstate commerce, any food, drug, or cosmetic from any such factory, warehouse, establishment, or vehicle after the owner, operator, or custodian thereof has, after reasonable request, so denied permission to make such

inspection, shall be guilty of a misdemeanor; and for each such introduction or causing to be introduced, or such delivery or causing of delivery, after such denial and until such permission is granted, such person shall be liable to a fine of not more than $50.

So as to read:

FACTORY INSPECTION

SEC. 707. (a) In order adequately to protect public health and welfare through enforcement of the provisions of this act, officers or employees duly designated by the Secretary, after first making reasonable request and obtaining permission of the owner, operator, or custodian thereof, are authorized (1) to enter any factory, warehouse, or establishment in which food, drugs, or cosmetics are manufactured, processed, packed, or held for shipment in interstate commerce or are held after such shipment, or to enter any vehicle being used to transport such food, drugs, or cosmetics, in interstate commerce; and (2) to inspect such factory, warehouse, establishment, or vehicle and all equipment, finished and unfinished materials, containers, and labels there used or stored.

(b) In order to keep the channels of interstate commerce free from adulterated and misbranded articles of food, drugs, and cosmetics so as adequately to protect public health and welfare, the introduction or causing to be introduced into interstate commerce, or delivery or causing of delivery after receipt in interstate commerce, of any food, drug, or cosmetic, from any factory, warehouse, establishment, or vehicle, designated in paragraph (a) of this section, is hereby prohibited, if the owner, operator, or custodian thereof has, after reasonable request, denied permission to officers or employees duly designated by the Secretary to make the inspection authorized by such paragraph; and any person who introduces or causes to be introduced into interstate commerce, or delivers or causes to be delivered after receipt in interstate commerce, any food, drug, or cosmetic from any such factory, warehouse, establishment, or vehicle after the owner, operator, or custodian thereof has, after reasonable request, so denied permission to make such inspection, shall be guilty of a misdemeanor; and for each such introduction or causing to be introduced, or such delivery or causing of delivery, after such denial and until such permission is granted, such person shall be liable to a fine of not more than $50.

Mr. COPELAND. We have now come to section 707, and in order that the Senator from Michigan [Mr. VANDENBERG] may offer a substitute for subdivisions (a) and (b), I ask unanimous consent that he be permitted to offer his substitute, which will strike out some of the language not printed in italics which has been written into the bill.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Michigan is recognized.

Mr. VANDENBERG. Mr. President, I offer a substitute for the entire section 707. I think the Senator from New York is in agreement with me in connection with it.

The PRESIDENT pro tempore. The proposed amendment, in the nature of a substitute for section 707, will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all of section 707 on page 34, beginning in line 22, and in lieu thereof to insert the following:

SEC. 707. (a) In order to prevent interstate commerce in adulterated or misbranded food, drugs, or cosmetics for the purposes of safeguarding the public health and preventing deceit upon the purchasing public, officers or employees duly designated by the Secretary, after first making reasonable request and obtaining permission of the owner, operator, or custodian thereof, are authorized (1) to enter any factory, warehouse, or establishment in which food, drugs, or cosmetics are manufactured, processed, packed, or held for shipment in interstate commerce or are held after such shipment, or to enter any vehicle being used to transport such food, drugs, or cosmetics in interstate commerce; and (2) to inspect such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein. Any such owner, operator, or custodian who refuses such reasonable request shall be guilty of a misdemeanor and shall on conviction thereof be subject to the penalties prescribed by section 708 (b) of this act.

(b) The several district courts of the United States are hereby vested with jurisdiction to order the disclosure of a private formula or a secret process in pursuance of an inspection made under this section, if and to the extent such disclosure is necessary for the purposes of this act, and in such case only.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from Michigan [Mr. VANDENBERG].

The amendment was agreed to.

The next amendment was, under the subhead "Prohibited acts and penalties", on page 37, line 5, after the word "following", to strike out "acts" and insert "acts and the causing thereof", so as to read:

SEC. 708. (a) The following acts and the causing thereof are hereby prohibited:

The amendment was agreed to.

The next amendment was, on page 37, line 7, after the word "introduction", to insert "or delivery for introduction", so as to read:

(1) The introduction or delivery for introduction into interstate commerce of any food, drug, or cosmetic that is adulterated or misbranded.

The amendment was agreed to.

The next amendment was, on page 37, line 17, before the name "United States", to strike out "radio broadcast", and in the same line, after the word "interstate", to strike out "commerce" and insert "commerce by radiobroadcast or otherwise", so as to read:

(4) The dissemination of any false advertisement by United States mails, or in interstate commerce by radiobroadcast or otherwise, for the purpose of inducing, directly or indirectly, the purchase of food, drugs, or cosmetics.

The amendment was agreed to.

The next amendment was, on page 37, line 25, after the word "food", to strike out the comma and "drugs, or cosmetic", so as to read:

(6) The introduction into interstate commerce of any food if the manufacturer, processor, or packer does not hold an unsuspended valid permit when so required by regulations under section 305.

The amendment was agreed to.

The next amendment was, on page 38, after line 4, to insert:

(8) The forging, counterfeiting, simulating, or falsely representing, or without proper authority using any mark stamp, tag, label, or other identification device authorized or required by regulations promulgated under the provisions of section 305.

The amendment was agreed to.

The next amendment was, on page 38, after line 9, to insert:

(9) The using by any person to his own advantage, or revealing, other than to the Secretary or his officers or employees or to the courts when relevant in the trial of any case under this act, any information acquired under authority of sections 305 or 707 concerning any method or process which as a trade secret is entitled to protection.

The amendment was agreed to.

The next amendment was, on page 38, line 16, after the word "violates", to strike out "or causes to be violated"; in line 17, after the words "provisions of", to insert "subdivision (1) to (7), inclusive, of"; in line 21, before the word "more" to strike out "less than $100 nor"; and in line 24, after the word "not", to strike out "less than $100 nor", so as to read:

(b) Any person who violates any of the provisions of subdivision (1) to (7), inclusive, of paragraph (a) of this section shall be guilty of a misdemeanor and shall on conviction thereof be subject to imprisonment for not more than 1 year, or a fine of not more than $1,000, or both such imprisonment and fine; and for a second or subsequent offense imprisonment for not more than 2 years, or a fine of not more than $3,000, or both such imprisonment and fine.

The amendment was agreed to.

The next amendment was, on page 39, line 2, after the word "willful", to strike out "offense" and insert "violation of any of the provisions of subdivisions (1) to (7), inclusive, of paragraph (a) of this section", and in line 5, after the word "not", to strike out "less than $1,000 nor", so as to read:

(c) Notwithstanding the provision of paragraph (b) of this section, in case of a willful violation of any of the provisions of subdivisions (1) to (7), inclusive, of paragraph (a) of this section the penalty shall be imprisonment for not more than 3 years, or a fine of not more than $10,000, or both such imprisonment and fine.

The amendment was agreed to.

The next amendment was, on page 39, after line 7, to strike out:

(d) No publisher, radiobroadcast licensee, or other agency or medium for the dissemination of advertising shall be deemed to

have violated the provisions of paragraphs (b) or (c) of this section by reason of the dissemination of any false advertisement, but the liability shall rest upon the manufacturer, packer, distributor, or seller who caused the dissemination of such advertisement. Any publisher, radiobroadcast licensee, or other agency or medium for the dissemination of advertising who, on reasonable request of any officer or employee duly designated by the Secretary, willfully refuses to furnish the name and post-office address of the person who caused him to disseminate any advertisement, or who disseminates any false advertisement where the dissemination thereof has been caused by a person residing in a foreign country, and does not establish a guarantee or undertaking signed by a manufacturer, packer, distributor, or seller of the article advertised, residing in the United States, to the effect that such person assumes full responsibility for any violation of this act incurred by the dissemination of such advertisement, shall be guilty of a misdemeanor and shall on conviction thereof be subject to the penalties prescribed in paragraph (c) of this section.

And in lieu thereof to insert the following:

(d) No publisher, radiobroadcast licensee, advertising agency, or other agency or medium for the dissemination of advertising shall be deemed to have violated the provisions of subdivision (4) or (5) of paragraph (a) of this section by reason of the dissemination of any false advertisement when such dissemination is caused by the manufacturer, packer, distributor, or seller, residing in the United States, of the article so advertised; but such manufacturer, packer, distributor, or seller shall be amenable to the prosecution and penalties provided for violation of such subdivisions. It shall be unlawful for any publisher, radiobroadcast licensee, advertising agency, or other agency or medium for the dissemination of advertising willfully to refuse, on reasonable request of an officer or employee duly designated by the Secretary, to furnish to such officer or employee the name and post-office address of the manufacturer, packer, distributor, or seller, residing in the United States, who caused him to disseminate any advertisement; and any publisher, radiobroadcast licensee, advertising agency, or other agency or medium for the dissemination of advertising who so refuses shall be guilty of a misdemeanor and shall on conviction thereof be subject to the penalties prescribed by paragraph (b) of this section.

The amendment was agreed to.

The next amendment was, on page 41, line 3, after the word "be", to strike out "prosecuted under" and insert "subject to the penalties of"; in line 5, after the word "commerce", to strike out "an" and insert "any"; in the same line, after the word "article", to insert "of food, drug, or cosmetic"; in line 15, after the word "such", to strike out "person assumes full responsibility for any violation" and insert "article is not adulterated or misbranded, and such copy is not false, within the meaning"; in line 18, after the word "it", to strike out the comma and "which may be incurred by the introduction of such article into interstate commerce or by the dissemination of such advertising"; and on page 42, line 3, after the word "which", to strike out "is not distributed or sold" and insert "he does not distribute or sell", so as to read:

(e) No dealer shall be subject to the penalties of paragraph (b) of this section (1) for having received in interstate commerce any article of food, drug, or cosmetic and in good faith sold it as received unless he refuses to furnish on request of an officer or employee duly designated by the Secretary the name and address of the person from whom he purchased or received such article and all documents pertaining to the delivery of the article to him, or (2) if he establishes a guaranty or undertaking signed by the person residing in the United States from whom he received in good faith the article of food, drug, or cosmetic, or the advertising copy therefor, to the effect that such article is not adulterated or misbranded, and such copy is not false, within the meaning of this act, designating it. To afford protection, such guaranty or undertaking shall contain the name and address of the person furnishing such guaranty or undertaking, and such person shall be amenable to the prosecution and penalties which would attach in due course to the dealer under the provisions of this act. No retail dealer shall be prosecuted under this section for the dissemination, in good faith, other than by radio broadcast, of any advertisement offering for sale at his place of business any article which he does not distribute or sell in interstate commerce.

The amendment was agreed to.

The next amendment was, on page 42, after line 4, to strike out:

(f) Any person who forges, counterfeits, simulates, or falsely represents, or without proper authority uses any mark, stamp, tag, label, or other identification device authorized or required by regulations promulgated under the provisions of section 305, shall be guilty of a misdemeanor, and shall on conviction thereof be subject to imprisonment for not more than 1 year, or a fine of not less than $1,000 nor more than $5,000, or both such imprisonment and fine.

The amendment was agreed to.

The next amendment was, on page 42, after line 12, to strike out:

(g) Any person who uses to his own advantage or reveals, other than to the Secretary or his officers or employees, or to the courts when relevant in the trial of any case under this act, any information acquired under authority of sections 305 or 707, concerning any method or process which is entitled to protection in equity as a trade secret, shall be guilty of a felony, and shall on conviction thereof be subject to imprisonment for not more than 2 years or a fine of not more than $5,000 or both such imprisonment and fine.

The amendment was agreed to.

The next amendment was, on page 42, after line 22, to insert:

(f) Any person who violates any of the provisions of subdivision (8) of paragraph (a) of this section shall be guilty of a misdemeanor and shall on conviction thereof be subject to imprisonment for not more than 1 year or a fine of not more than $5,000, or both such imprisonment and fine.

The amendment was agreed to.

The next amendment was, on page 43, after line 3, to insert:

(g) Any person who violates any of the provisions of subdivision (9) of paragraph (a) of this section shall be guilty of a felony and shall on conviction thereof be subject to imprisonment for not more than 2 years or a fine of not more than $5,000, or both such imprisonment and fine.

The amendment was agreed to.

The next amendment was, under the subhead "Liability of corporations and their officers", on page 43, line 11, after the word "act", to insert "unless otherwise provided", so as to read:

SEC. 709. (a) When construing and enforcing the provisions of this act, unless otherwise provided, the act, omission, or failure of any officer, employee, or agent acting for or employed by any person, within the scope of his employment or office, shall in every case be deemed to be the act, omission, or failure of such person, as well as that of the officer, employee, or agent.

The amendment was agreed to.

The next amendment was, on page 43, line 18, after the word "act", to insert "unless otherwise provided", so as to read:

(b) Whenever a corporation or association violates any of the provisions of this act, unless otherwise provided, such violation shall also be deemed to be a violation by the individual directors, officers, or agents of such corporation or association who personally ordered, or did any of the acts constituting, in whole or in part, such violation.

The amendment was agreed to.

The next amendment was, under the subhead "Institution of Criminal Proceedings", on page 43, line 24, after "Sec. 710", to strike out:

The Secretary shall, before reporting any violation of this act to any United States attorney for institution of criminal proceedings thereunder, afford due notice and opportunity for hearing to interested persons in accordance with such regulations as the Secretary shall prescribe. (b) The report of the Secretary to the United States attorney for the institution of criminal proceedings under this act.

And insert:

Before reporting any violation of this act to any United States attorney for institution of criminal proceedings thereunder, the Secretary shall, in accordance with regulations prescribed by him, afford appropriate notice and opportunity for hearing to interested persons (1) for hearing upon the question of such violation; and (2) for hearing to review his tentative decision to make such report, upon cause shown satisfactory to the Secretary. The report—

And in line 20, after the word "suitable", to insert "written", so as to read:

SEC. 710. Before reporting any violation of this act to any United States attorney for institution of criminal proceedings thereunder, the Secretary shall, in accordance with regulations prescribed by him, afford appropriate notice and opportunity for hearing to interested persons (1) for hearing upon the question of such violation; and (2) for hearing to review his tentative decision to make such report, upon cause shown satisfactory to the Secretary. The

report shall be accompanied by findings of the appropriate officers and employees, duly authenticated under their oaths. Nothing in this act shall be construed as requiring the Secretary to report for prosecution or for the institution of libel or injunction proceedings minor violations of this act whenever he believes that the purposes of the act can best be accomplished by a suitable written notice or warning.

The amendment was agreed to.

The next amendment was, under the subhead "Seizure", on page 44, line 22, after the word "Any", to insert "article of"; in line 23, before the word "that", to strike out "in interstate commerce"; in line 24, after the word "misbranded", to insert "when introduced into or while in interstate commerce"; and on page 45, line 7, after the word "found" and the period, to strike out:

The article shall be liable to seizure (1) by process pursuant to the libel, or (2) if a chief of station or other officer of the Food and Drug Administration, duly designated by the Secretary, has probable cause to believe that the article is so adulterated as to be imminently dangerous to health, then, and in such case only, by order of such officer, issued under his oath of office, particularly describing the article to be seized, the place where located, and the officer or employee to make the seizure. In case of seizure pursuant to any such order, the jurisdiction of the court shall attach upon such seizure. Any article seized pursuant to any such order shall thereupon be promptly placed in the custody of the court and a libel of information shall be promptly filed for condemnation thereof; and if the court before which the condemnation proceedings are had shall find that there was probable cause for such seizure, it shall issue a certificate of probable cause.

And in lieu thereof to insert:

The article shall be liable to seizure by process pursuant to the libel; but if a chief of station or other employee of the Administration, duly designated by the Secretary, has probable cause to believe from facts found by him and duly reported to the Secretary that such article is so adulterated as to be imminently dangerous to health, then, and in such case only, the article shall be liable to seizure by such chief of station or employee, who shall promptly report the facts to the proper United States attorney. Such United States attorney shall file a libel of information for condemnation of the article so seized. If the court in which the libel was filed shall find that there was probable cause for such seizure, it shall issue a certificate of probable cause.

So as to read:

SEIZURE

SEC. 711. (a) Any article of food, drug, or cosmetic that is adulterated or misbranded when introduced into or while in interstate commerce, or that has been manufactured, processed, or packed in a factory or establishment, the operator of which did not, at the time of manufacture, processing, or packing, hold an unsuspended valid permit, if so required by regulations under section 305, shall be liable to be proceeded against while in interstate commerce or at any time thereafter on libel of information and condemned in any district court of the United States within the jurisdiction of which the article is found. The article shall be liable to seizure by process pursuant to the libel; but if a chief of station or other employee of the administration, duly designated by the Secretary, has probable cause to believe from facts found by him and duly reported to the Secretary that such article is so adulterated as to be imminently dangerous to health, then, and in such case only, the article shall be liable to seizure by such chief of station or employee, who shall promptly report the facts to the proper United States attorney. Such United States attorney shall file a libel of information for condemnation of the article so seized. If the court in which the libel was filed shall find that there was probable cause for such seizure, it shall issue a certificate of probable cause.

The amendment was agreed to.

The next amendment was, on page 46, line 12, after the word "any", to insert "chief of station or other"; and in line 14, before the word "of", to strike out the comma and "subdivision (2)", so as to read:

(b) If, in any proceeding against any chief of station or other officer or employee by reason of a seizure pursuant to paragraph (a) of this section, the court shall find that there was probable cause for the seizure, or if a certificate of probable cause has been issued in the condemnation proceedings, then, in the event of a judgment against such officer or employee, the amount thereof shall, upon final judgment, be paid out of appropriations made for the administration of this act.

The amendment was agreed to.

The next amendment was, on page 46, line 21, after the word "court", to strike out "shall, by order at any" and insert "at any time after seizure up to a reasonable"; in line 22, after the word "trial", to insert "shall by order"; and in line 23, after the word "proceeding", to insert "his attorney or agent", so as to read:

(c) The court at any time after seizure up to a reasonable time before trial shall by order allow any party to a condemnation proceeding, his attorney or agent, to obtain a representative sample of the article seized.

The amendment was agreed to.

The next amendment was, on page 47, line 13, after the word "Territory", to insert "in which sold", so as to read:

(d) Any food, drug, or cosmetic condemned under this section shall, after entry of the decree, be disposed of by destruction or sale as the court may, in accordance with the provisions of this section, direct and the proceeds thereof, if sold, less the legal costs and charges, shall be paid into the Treasury of the United States; but such article shall not be sold under such decree contrary to the provisions of this act or the laws of the jurisdiction in which sold: *Provided*, That after entry of the decree and upon the payment of the costs of such proceedings and the execution of a good and sufficient bond conditioned that such article shall not be sold or disposed of contrary to the provisions of this act or the laws of any State or Territory in which sold, the court may by order direct that such article be delivered to the owner thereof to be destroyed or brought into compliance with the provisions of this act under the supervision of an officer or employee duly designated by the Secretary, and the expenses of such supervision shall be paid by the party obtaining release of the article under bond. Any article condemned by reason of the manufacturer, processor, or packer not holding an unsuspended valid permit when so required by regulations under section 305 shall be disposed of by destruction.

The amendment was agreed to.

The next amendment was, on page 47, line 24, after the word "The", to strike out "proceedings" and insert "procedure"; in line 25, after the words "to the", to strike out "proceedings" and insert "procedure"; and on page 48, line 3, after the word "case", to insert "In cases of articles of food, drugs, or cosmetics seized under the provisions of this section when the same issues of adulteration or misbranding under the provisions of this act, raised by the same claimant, are pending in various jurisdictions, the United States district court for any district where one of such seizures is pending, is hereby vested with jurisdiction to consolidate and try such cases separately; and on application of the claimant, seasonably made, such cases may be tried in the jurisdiction of his choice. Separate verdicts shall be rendered in each case and judgments entered on such verdicts in conformity with the provisions of this section.", so as to read:

(e) The procedure in cases under this section shall conform, as nearly as may be, to the procedure in admiralty; except that either party may demand trial by jury of any issue of fact joined in any such case. In cases of articles of food, drugs, or cosmetics seized under the provisions of this section when the same issues of adulteration or misbranding under the provisions of this act, raised by the same claimant, are pending in various jurisdictions, the United States District Court for any district where one of such seizures is pending, is hereby vested with jurisdiction to consolidate and try such cases separately; and on application of the claimant, seasonably made, such cases may be tried in the jurisdiction of his choice. Separate verdicts shall be rendered in each case and judgments entered on such verdicts in conformity with the provisions of this section.

Mr. COPELAND. Mr. President, I desire to call attention to this amendment. I am not surprised that the printer, after having nine prints of the bill, should make some mistakes. The entire committee gave serious thought to this amendment, and I wish to amend it, in accordance with the full committee action, by striking out, in line 9, the word "separately", and then striking out in line 11, after the period, the remainder of the paragraph.

Mr. VANDENBERG. Mr. President, would the Senator object to the addition of a further phrase in line 11 after the word "choice", reading as follows: "or in the United States district court in the district where his principal place of business is located"?

Mr. COPELAND. There are some difficulties about that; but I have less objection to the inclusion of the language where the Senator proposes it than I would have in any other place in the bill.

Mr. VANDENBERG. I think it might perhaps be objectionable at any other place, but at this point it seems to me it might be worth taking to conference.

Mr. COPELAND. The language then would be, beginning on line 9:

And on application of the claimant, seasonably made, such cases may be tried in the jurisdiction of his choice.

Mr. VANDENBERG. Or perhaps it should read:

The jurisdiction of his choice, including the United States District Court in the district where his principal place of business is located.

Mr. COPELAND. I think the provision means exactly that. I have no objection to it.

The PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 48, line 11, after the word "choice" in the amendment heretofore agreed to, it is proposed to insert a comma and the words "or in the United States District Court in the district where his principal place of business is located."

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Michigan [Mr. VANDENBERG] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 48, after line 17, to strike out:

(g) To avoid multiplicity of libel for condemnation proceedings without impairing the protection of the public or the opportunity for the prompt trial on the merits of alleged violations, the district courts of the United States are hereby vested with jurisdiction to restrain by injunction, as hereinafter provided, the institution of more than three seizure actions under this section against any article if (1) the alleged violation is one of misbranding only, (2) all current shipments of the article alleged to be misbranded bear the same labeling, (3) such alleged misbranding does not involve danger to health or gross deception, and (4) such misbranding has not been the basis of a prior judgment in favor of the United States in any criminal prosecutions or libel for condemnation proceeding under this act. Upon motion by claimant of any article seized under this section, the court may order the dismissal of the libel for condemnation thereof if more than three seizure actions have previously been instituted against such article and such claimant would be entitled to injunctive relief as hereinbefore provided.

(h) Any injunction issued pursuant to paragraph (g) of this section shall be dissolved on motion of the United States attorney, (1) upon the presentation by him of a duly certified judgment of condemnation in a seizure case against such article, or (2) at the expiration of the term of court next ensuing after the term in which such injunction issued, unless the complainant files with the court a duly certified judgment rendered upon a determination of the issue of misbranding, and entered pursuant to this section after the issuance of such injunction, or evidence satisfactory to the court of his inability to secure such determination.

And in lieu thereof to insert:

(g) The several district courts of the United States are hereby vested with jurisdiction to restrain by injunction, temporary or permanent, any multiplicity of proceedings under this section with respect of any food, drug, or cosmetic, for cause shown which is satisfactory to the court and consistent with the purpose of this act. Such injunction shall contain any conditions deemed by the court to be necessary in the circumstances.

The amendment was agreed to.

The next amendment was, under the subhead "Injunction proceedings", on page 50, line 10, after the word "jurisdiction", to insert "for cause shown"; in line 12, after the word "introduction", to insert "or causing to be introduced"; in line 14, after the words "dissemination of" to insert "or causing to be disseminated"; in line 15, after the word "by", to strike out "radio broadcast"; in line 16, after the word "commerce", to insert "by radio broadcast or otherwise"; and in line 19, after the words "dissemination of", to insert "or causing to be disseminated", so as to read:

SEC. 712. (a) In order to avoid multiplicity of criminal prosecutions or libel for condemnation proceedings, the District Courts of the United States are hereby vested with jurisdiction for cause shown, to restrain by injunction, temporary or permanent, any person from the repetitious (1) introduction or causing to be introduced into interstate commerce of any adulterated or misbranded food, drug, or cosmetic; or (2) dissemination of or causing to be disseminated any false advertisement by United States mails, or in interstate commerce by radio broadcast or otherwise, for the purpose of inducing, directly or indirectly, the purchase of food, drugs, or cosmetics; or (3) dissemination of or causing to be disseminated a false advertisement by any means for the purpose of inducing, directly or indirectly, the purchase of food, drugs, or cosmetics in interstate commerce. In such injunction proceedings it shall not be necessary to show on the part of such person an intent to continue the offense.

The amendment was agreed to.

The next amendment was, on page 51, line 7, after the word "jurisdiction" and the period, to insert "No person shall be deemed to have violated an injunction, issued pursuant to this section, by reason of the dissemination, subsequent to such injunction, of the false advertisement which was the basis of the injunction, if such dissemination was beyond the control of such person", so as to read:

(b) Violation of any injunction issued pursuant to this section may be summarily tried and punished by the court as a contempt. Such contempt proceedings may be instituted by order of the court or by the filing of an information by the United States attorney; and process of the court for the arrest of the violator may be served at any place in the United States or subject to its jurisdiction. No person shall be deemed to have violated an injunction, issued pursuant to this section, by reason of the dissemination, subsequent to such injunction, of the false advertisement which was the basis of the injunction, if such dissemination was beyond the control of such person.

The amendment was agreed to.

The next amendment was, under the subhead "Duties of United States attorney", on page 51, line 16, after the word "libel", to insert "of information"; in line 23, after the word "section", to insert "702 and section"; and in line 24, before the word "shall", to strike out "and section 702", so as to read:

SEC. 713. It shall be the duty of each United States attorney to whom the Secretary reports any violation for institution of criminal libel of information for condemnation, or other proceedings under this act, or to whom any health, food, or drug officer of any State or Territory, or political subdivision thereof, presents evidence satisfactory to the United States attorney of any such violation, to cause appropriate proceedings to be instituted in the proper courts of the United States without delay. All suits instituted under this act other than those pursuant to section 702 and section 711, paragraph (g), shall be by and in the name of the United States.

The amendment was agreed to.

The next amendment was, under the subhead "Publicity", on page 54, line 7, before the word "information", to strike out "such"; in the same line, after the word "cosmetics", to strike out "as is necessary to protect against danger to public health or fraud upon the consumer, but such information regarding any brand of food, drug, or cosmetic gained under section 302, paragraph (i), or section 402, paragraph (e), shall not be so disseminated except"; in line 13, after the words "of the", to strike out "consumer: *Provided*, That nothing" and insert "consumer. Nothing"; and in line 16, after the word "of", where it occurs the second time, to strike out "his" and insert "the", so as to read:

(b) The Secretary may also cause to be disseminated information regarding food, drugs, or cosmetics in cases involving imminent danger to health or gross deception of the consumer. Nothing in this section shall be construed to prohibit the Secretary from collecting, reporting, and illustrating the results of the investigations of the Department.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments. The bill is open to further amendment.

Mr. COPELAND. Mr. President, after line 8, on page 56, the last page of the bill, I move to insert a new paragraph, which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert, on page 56, after line 8, the following new paragraph:

(c) Meats and meat-food products shall be exempt from the provisions of this act to the extent of the application thereto of the Meat Inspection Act, approved March 4, 1907 (U. S. C., title 21, secs. 71–93; 34 Stat. 1260 et seq.), as amended.

The amendment was agreed to.

Mr. COPELAND. I ask unanimous consent that the bill be reprinted tonight with the amendments as adopted, so that we may have it before us in that form tomorrow when the Senate convenes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. COPELAND. I have no disposition to press for a final vote tonight. Therefore I yield the floor at this time.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

THE JUDICIARY

The PRESIDENT pro tempore. If there be no further reports of committees, the first order of business on the calendar will be stated.

The legislative clerk read the nomination of Howard L. Doyle to be United States attorney, southern district of Illinois.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Joseph T. Votava to be United States attorney, district of Nebraska.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 3 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, April 3, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 2 (legislative day of Mar. 13), 1935

UNITED STATES ATTORNEYS

Howard L. Doyle to be United States attorney, southern district of Illinois.

Joseph T. Votava to be United States attorney, district of Nebraska.

POSTMASTERS

IOWA

William S. Richard, Corydon.

KENTUCKY

Victor D. Bordes, Crab Orchard.
Nel L. Blackburn, Georgetown.
Mary B. Helm, Stanford.
Coy B. Reynolds, Waynesburg.

PENNSYLVANIA

Edward F. Januszewski, Monessen.

WISCONSIN

Gus W. Schiereck, Plymouth.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 2, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we trust that we hold in our hearts unspeakable praise and gratitude because Thou hast put on human nature and carried it up the hills of light. We thank Thee, Father, for Thy marvelous gift to the world. He overcomes doubt, destroys sin, cures sorrow, breaks down barriers, and establishes the kingdom of brotherhood in the minds and hearts of men. We are thus made free from annoying disquietudes, and are blest with contentment undisturbed. We pray that we may love Thee with all our hearts and understanding and our neighbors as ourselves. This is infinitely more than whole sacrifices and burnt offerings. Heavenly Father, sustain us with a fine sense of human rights; the right to be well born; the right to know the meaning of religion; the right to worship Thee according to the voice of conscience; the right to work; and the right to have a share in the good things of life. Show us the path today, blessed Lord, and secure to us and to our children blessings of the fullness of joy. Thine shall be the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON THE JUDICIARY

Mr. UTTERBACK. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have permission to sit during the sessions of the House today and the balance of this week.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that the Committee on Immigration and Naturalization may have permission to sit during sessions of the House on Wednesday and Thursday of this week.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILDEBRANDT. Mr. Speaker, the gentleman from North Dakota [Mr. LEMKE] is unavoidably detained. He has requested that I ask that he be granted unanimous consent to address the House for 30 minutes tomorrow after the reading of the Journal and the disposition of business on the Speaker's table.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, I desire to submit a unanimous-consent request.

The SPEAKER. The gentleman cannot do that under a reservation of objection. Is there objection to the request of the gentleman from South Dakota?

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, I doubt the wisdom of the House consenting to starting off the day with 30-minute speeches. Members of the House complain to me saying that they come over here prepared to take up the regular announced business of the House for the day and do not like to leave their offices and come here and have to listen to some 20- or 30-minute speeches. I just pass the matter up to the House. If the gentleman from South Dakota is granted 30 minutes, there is no reason why we should not grant a like time to half a dozen other Members. I feel that the House would like to have these speeches either made under general debate or later in the day. I do not care to be solely responsible for interfering with speeches, but I do feel that they ought to be made as much as possible at times when they will interfere with business as little as possible. I have said before that I think business is more important than speeches. However, if no one else cares to object to the request of the gentleman from South Dakota, I will not.

Mr. HILDEBRANDT. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Colorado. I yield.

Mr. HILDEBRANDT. It is not unusual to submit such requests as I have made.

Mr. TAYLOR of Colorado. I know it is not. It is too common.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

ADMINISTRATION OF THE WHEELER-HOWARD ACT

Mr. KVALE. Mr. Speaker, I ask unanimous consent to renew permission granted me some time ago to print my own remarks in the RECORD, including certain excerpts from testimony in committee hearings and from the last annual report of the Secretary of the Interior.

Mr. RICH. Mr. Speaker, reserving the right to object, are the excerpts from the report of the Secretary of the Interior very extensive?

Mr. KVALE. I would not say they were extensive; they occupy perhaps three pages of the hearings. They are material and I think they should be incorporated in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, under leave to extend my remarks, I desire to reply to certain unfortunate criticisms which have been and are being leveled against the Honorable John Collier, Commissioner of Indian Affairs, as well as against the administration of the Wheeler-Howard Act which was made law by the Seventy-third Congress. It seems to me that the fate of certain fundamental principles which are involved demand that at this time someone undertake the duty of assembling in one place certain data and certain facts which may eloquently speak for themselves.

Mr. Speaker, a long personal acquaintance with John Collier, a knowledge of the peculiar zeal and devotion which has marked his lifelong activity in behalf of the Indians and their problems, a familiarity with his refreshing and liberal independence of thought and action, and the undeniable record of his capable and incorruptible administration in office, lead me to the conclusion that he, personally and individually, does not require my assistance nor that of any other volunteer. John Collier can and will take care of himself.

So, Mr. Speaker, in turning at once to the facts pertinent to the current drive against operation of the Wheeler-Howard Act, I include a very brief and timely editorial which appeared in the militant Washington News under date of March 26. It reads:

OLD DEALS FOR NEW

When Indian Commissioner Collier announced his plan to restore self-determination and self-respect to the exploited first Americans, Congress cooperated. It passed the Wheeler-Howard Indian Reform Act. Then a great majority of the tribes eagerly accepted their new deal by popular vote.

Today reaction in and out of Congress threatens to nullify this progressive measure.

The law authorized appropriations of $12,500,000 for purchase of land for landless Indians, creation of a revolving loan fund, educational loans, and tribal organization expenses. But the Budget Bureau this year cut this to $6,425,000. Then a House subcommittee sheared that down to $3,275,000. Here was a total cut of nearly 75 percent of the authorization of last year.

In addition, enemies of the measure have launched personal attacks against Commissioner Collier. One critic demanded his impeachment on the ground that he was a member of the Civil Liberties Union.

In the Indian country certain cattlemen, lumbermen, and others are still trying to persuade the tribes to reject the measure. They have not succeeded, however. Apart from the Oklahoma Indians who were not covered by the law only one important reservation, that of Fort Peck, Mont., has rejected it.

The Senate should undo the effects of the ill-considered House attack. The white man has established a pretty consistent record for double-dealing with his redskin brother, a record that the Wheeler-Howard Act sought to redeem. Is this, too, going to turn out another broken treaty?

As the editorial suggests, the first purpose of the Wheeler-Howard Act was to secure new land of a better quality and type for the Indians, securing for them the possession and use of that land, excluding white stockmen from the land which the Indians can use, terminating the contract system of Indian timber cutting and substituting a tribal operation of the forests. Generally it represented a complete new deal for the Indians.

These aims, and an admirably clear statement of the difficulties involved, are contained in the opening pages of the Commissioner's annual report, which are made a part of the last annual report—1934—of the Secretary of the Interior. They follow:

The fiscal year 1934 has been a reorientation of Indian Service policies, and many reorganizations completed or set under way. It has been a year of intense labor, because numerous emergency tasks (some of them of dominating importance to the Indians) have been thrown upon an overhead personnel which previously had been considered a meager one for the regular work alone. On the whole, the staff has met its challenge, and the response of the Indians has gone beyond anything previously hoped for.

THE WHEELER-HOWARD ACT

In the last paragraph of the Commissioner's annual report for 1933 it was stated:

"If we can relieve the Indian of the unrealistic and fatal allotment system, if we can provide him with land and the means to work the land; if, through group organization and tribal incorporation, we can give him a real share in the management of his own affairs, he can develop normally in his own natural environment. The Indian problem as it exists today, including the heaviest and most unproductive administration costs of public service, has largely grown out of the allotment system which has destroyed the economic integrity of the Indian estate and deprived the Indians of normal economic and human activity."

The allotment system with its train of evil consequences was definitely abandoned as the backbone of the national Indian policy when Congress adopted and the President approved the Wheeler-Howard bill. The first section of this act in effect repeals the General Allotment Act of 1887. During numerous committee hearings, during several redrafts and modifications affecting every other part of the measure, this first section was never questioned or revised. It reached the President's desk in its original form without the change of a word or a comma, indicating that Congress was thoroughly convinced of the allotment system's complete failure and was eager to abandon it as the governing policy.

THE ACT'S TWOFOLD AIM

The Wheeler-Howard Act, the most important piece of Indian legislation since the eighties, not only ends the long, painful, futile effort to speed up the normal rate of Indian assimilation by individualizing tribal land and other capital assets but it also endeavors to provide the means, statutory and financial, to repair as far as possible, the incalculable damage done by the allotment policy and its corollaries. Unfortunately, the beginning of the repair work had to be in large part postponed, because the authorized appropriations could not be made by Congress after the passage of the act during the closing days of the session.

The repair work authorized by Congress under the terms of the act aims at both the economic and the spiritual rehabilitation of the Indian race. Congress and the President recognized that the cumulative loss of land brought about by the allotment system, a loss reaching 90,000,000 acres—two-thirds of the land heritage of the Indian race in 1887—had robbed the Indians in large part of the necessary basis for self-support. They clearly saw that this loss and the companion effort to break up all Indian tribal relations had condemned large numbers of Indians to become chronic recipients of charity; that the system of leasing individualized holdings had created many thousands of petty landlords unfitted to support themselves when their rental income vanished; that a major proportion of the red race was, therefore, ruined economically and pauperized spiritually.

ECONOMIC REHABILITATION—LAND PURCHASES

To meet this situation, the act authorized a maximum annual appropriation of $2,000,000 for the purchase of land for landless Indians. This maximum appropriation, even if continued over a term of years, will meet only the most pressing emergency-land needs of the Indians. It must be remembered that since 1887 the Indian race has lost the use of 90,000,000 acres, the cream of its land holding. With an annual appropriation of $2,000,000 and an average base price of $20 per acre, it would require 20 years to restore 2,000,000 acres for Indian use.

While Congress did not specifically direct the consolidation of Indian lands broken up and checkerboarded with white holdings in the allotment process, it authorized such consolidation and set up the machinery for it. Congress also authorized the establishment of new reservations for now completely landless and homeless Indians and directed that title to all newly purchased land should be taken in the name of the United States in trust for the Indian tribe or individual Indian, who will have the use and occupancy of the land. Thus, the policy of common ownership of land enunciated in section 1 of the Wheeler-Howard Act is reaffirmed and implemented throughout the body of the statute.

Part of the effort at economic rehabilitation is the indefinite extension of all restrictions on the alienation of Indian trust lands as prescribed by section 2. However, this section merely locks the door out of which passed the valuable team of work horses, leaving the decrepit plug behind.

THE REVOLVING CREDIT FUND

The sponsors of the General Allotment Act of 1887 believed that the division of the tribal land among the members of the tribe would create in the Indian the pride of individual ownership and induce him to make use of his own land for the support of his family. Overlooked entirely was the cold fact that capital in some form is needed to transform even a piece of the best raw land into a productive farm. Since the Indian's newly acquired private

land could not legally be pledged as security for bank or private loans, it was the duty of the Federal Government to place at the disposal of its wards credit in sufficient volume to meet their need for operating capital.

This imperative duty the Federal Government never recognized. Instead, it chose the easier road. It rapidly relaxed its restrictions on leasing. Lacking equipment for farming, the average Indian family proceeded to lease its land to white farmers or stockmen for cash. The leasing system, demoralizing to the Indians and contributing to the surplus of commercial farm products, spread like the Russian thistle. To this day the Indians who rely on the shrinking volume of lease money for their main support far outnumber those who farm their own allotted land.

What was true 50 years ago is true today. Without a reasonable amount of capital for permanent improvements, livestock, seed, implements, etc., the Indian owner of a piece of land cannot hope to make his living from the cultivation of the soil. To meet this pressing need the Wheeler-Howard Act authorizes a revolving credit fund of $10,000,000.

This fund is to supply the long-term and short-term credit requirements of some 250,000 persons. Much of it must be tied up in long-term loans for sawmills, homes, and other improvements. Yet there is a huge demand for short-term loans to finance seasonal farm operations. The new lands to be bought for landless Indians must be improved and fenced, homes must be built, implements and seed acquired for the settlers, almost solely out of the revolving credit fund. In all probability the demands of the forthcoming year will demonstrate that it is inadequate.

THE HEIRSHIP-LAND PROBLEM

In the natural course of events privately owned Indian lands must on the death of the owner be divided among his heirs and, in turn, among the heirs of the heirs. This result of the allotment system brings about the forced sale of Indian heirship lands, usually to white buyers. If there are no buyers, the heirship land must be leased and the proceeds distributed among the numerous heirs at an expense out of all proportion to the size of the gross revenue.

The Wheeler-Howard Act is taking the first hesitant step toward the solution of this problem. The new law, while allowing Indian owners to leave or devise their restricted land to any member of the tribe or to their heirs, regardless of tribal affiliations, in accordance with applicable State or Federal laws, bars the owners or heirs from selling restricted Indian lands to anyone except the tribe or the tribal corporation in the jurisdiction of which the land is located.

Obviously this negative provision, inapplicable in Oklahoma and on the Klamath Reservation, does not solve the problem. Some 7,000,000 acres are now in the heirship status; the acreage is increasing every month. The tribes have not the money with which to purchase this land. At only $5 per acre, it would require $35,000,000 to reacquire this land; the maximum authorized appropriation for 17½ years would be needed to return the land now in the heirship status for tribal use.

If the problem is to be solved within a reasonable time, the cooperation of the allottees and heirs must be had. They must learn that for the sake of their race and of their children they should voluntarily transfer the title to their individual holdings to the tribe or to the tribal corporation, receiving in return the same rights as they enjoy now, namely, the right to use and occupy the land and its improvements, to receive the income from the land, and to leave the same rights to their children, except that the children and other heirs could not cut up the land into small, unusable pieces.

Where the land in process of inheritance has already been so divided among numerous heirs, they will have the opportunity to return the small parcels to the tribe or tribal corporation, receiving interests in the corporate property in exchange. Thus the tribe would acquire title to now unusable land which, after consolidation, could be assigned for the use of interest holders in tracts of usable size.

SPIRITUAL REHABILITATION

Through 50 years of "individualization", coupled with an ever-increasing amount of arbitrary supervision over the affairs of individuals and tribes so long as these individuals and tribes had any assets left, the Indians have been robbed of initiative, their spirit has been broken, their health undermined, and their native pride ground into the dust. The efforts at economic rehabilitation cannot and will not be more than partially successful unless they are accompanied by a determined simultaneous effort to rebuild the shattered morale of a subjugated people that has been taught to believe in its racial inferiority.

The Wheeler-Howard Act provides the means of destroying this inferiority complex, through those features which authorize and legalize tribal organization and incorporation, which give these tribal organizations and corporations limited but real power, and authority over their own affairs, which broaden the educational opportunities for Indians, and which give Indians a better chance to enter the Indian Service.

Even before the passage of the Wheeler-Howard bill a great spiritual stirring had become noticeable throughout the Indian country. That awakening of the racial spirit must be sustained, if the rehabilitation of the Indian people is to be successfully carried through. It is necessary to face the fact that pauperization, as the result of a century of spoliation, suppression, and paternalism, has made deep inroads. Of necessity it will take time, patience, and intelligent, sympathetic help to rebuild the Indian character where it has been broken down.

The first step in this rebuilding process must be the reorganization of the tribes, authorized by the Wheeler-Howard Act. In the past they managed their own affairs effectively whenever there was no white interference for selfish ends. They can learn to do it again under present conditions with the aid of modern organization methods, once they realize that these organizations will be permanent and will not be subject to the whims of changing administrations. These organizations, both tribal and corporate, will make many initial mistakes; there will be many complaints against shouldering the load of responsibility that accompanies authority. The task of organizing and incorporating the tribes will be difficult and laborious, calling for the maximum amount of skill, tact, firmness, and understanding on the part of the organizers. But the result should be the development of Indian leadership capable of making the Indian tribal organizations and corporations function effectively with a minimum of governmental interference.

Mr. Speaker, referring again to the editorial comment on the drastic and crippling cut which the Bureau of the Budget and the House of Representatives administered to the funds for carrying out the provisions of the Wheeler-Howard Act, let me quote this paragraph from the same annual report. It is compelling. The Commissioner states:

We are still falling down badly in helping the Indians to get the maximum economic and social value for their forest and range. This necessitates that they should use it themselves, instead of leasing the privilege to someone else. Using their own resources would give the Indians a much larger income than at present, for they could not only receive the value of their stumpage prices or grazing fees, but also they would make wages; and if their enterprises were properly managed, they should be able to make at least as much profit as has come in the past to the lumber and livestock industries. Furthermore, there would be the immense social value of having the Indians working for their income.

The Wheeler-Howard Act, authorizing the appropriation of $10,000,000 for loans to Indian tribes, communities, or individuals, should help to make possible the use of the Indian resources by the Indians themselves. Through capital borrowed from the Government the Indians on most of the reservations should be able to purchase either their own sawmills and logging equipment or a foundation livestock herd with which to utilize their forest and range.

Furthermore, extracts from the Commissioner's testimony before the House Appropriation Committee's subcommittee are pertinent and informative. He stated to them on February 6 that—

During the last session of Congress the Indian committees held almost continuous hearings, which revolved primarily around the subject of how we could make the Indians self-supporting on the land.

Those hearings were occasioned by the submission of an administration bill introduced by the chairmen of the two committees, Mr. WHEELER and Mr. Howard.

SHRINKING OF LANDS AND GENERAL LIVING CONDITIONS OF THE INDIANS

Those examinations and hearings carried out by the committees showed that the Indian lands had been shrinking steadily and in sort of a remorseless fashion for the last 45 years. There had been 137,000,000 acres of good Indian land in 1887. There were now 47,000,000 acres, and about half of that was desert or semidesert land.

The losses of land had not fallen evenly upon the Indians, but in a very uneven way. Some Indians were still in possession of a lot of land, but more than 100,000 Indians had lost all of their land and there were that many landless Indians, of whom a very large number were just living in hovels, the poorest housing conditions in the United States.

An additional 50,000, at fewest, were substantially, though not absolutely, landless.

Among the reasons which were clearly brought out as to why the Indians had lost their land were, first of all, the operation of the allotment system, which contemplated that as the Indian died his land would be sold; that is, it had to be partitioned, physically partitioned, among the heirs, or sold, so that the law itself compelled the alienation of the Indian land and the cash proceeds were eaten up in short order.

Also, it was brought out that the Government had never supplied to the Indians a system of financial credit to enable them to go forward as farmers or stockmen. The only credit extended to them had been this little industrial reimbursable amount each year that has been running around $300,000 a year for the entire Indian population, of course entirely inadequate as a credit fund.

TERMS OF THE WHEELER-HOWARD BILL

Now, as a result of all those discussions the modified Wheeler-Howard bill was passed and became law. That bill established definitely a new congressional policy in certain essential matters. It prohibited the allotment in severalty of tribal lands, thereby, if you will, closing the door after most of the horses had gotten out; yet there are important tribal areas in some parts of the country which can yet be conserved and used to support a good life for the Indians of those regions.

Then the bill enunciated that landless Indians should be revested with land through purchase or otherwise. The new land should not become the property of the individual who received it; the title would remain in the Government; the Indians would have the per-

petual use of the land and the ownership of improvements, and so on, the right of transmitting his exclusive use of the land to his heirs, but he could not alienate it.

Two million dollars a year was authorized to be appropriated for the purchase of land for homeless Indians, landless Indians.

Then the need of a businesslike credit system was recognized and a lump-sum appropriation of $10,000,000 was authorized. The land-purchase authorization was $2,000,000 each year. The $10,000,000 revolving credit fund was not to be a recurrent appropriation.

The act required that Indians who were going to take advantage of this credit fund should organize locally. The language of the act is that they should organize into corporations. It really means, with respect to financial credit, credit associations quite comparable to those which we have under the farm-credit system. The loan would be extended to the individual through the local corporation or credit association. At the same time it was recognized that one bad shortcoming of our Indian Service in the past had been that we had no provision for giving Indians first-rate trade or professional or technical educations.

The act authorized a quarter of a million dollar fund annually to be used as a loan fund to enable ambitious Indian boys and girls to go through colleges, trade schools, medical schools, and technical schools.

* * * * * * *

LOCAL ORGANIZING OF THE INDIAN UNDER THIS ACT

I may say that the act went a certain distance toward revising another traditional policy. The old policy, until last year, was to discourage the Indians from organizing locally. In general, the tribal systems were broken up, and the Indian, not possessing the right of contract, could not organize in any modern way, so he was disorganized in the old way and unable to organize in a modern civic or business fashion.

The Wheeler-Howard Act recognizes that the Indians need to organize and that they should organize for mutual aid, and for a certain amount of home rule where they are living in homogeneous communities, and for business operations.

The Indian group which organizes receives a charter from the Secretary of the Interior, and, having issued the charter, thereafter the Secretary cannot arbitrarily take it away or modify it. A certain amount of stability is thus made possible for the organizations. Congress can revoke the charters or the Indians themselves can give up their organizations, but the Secretary or Commissioner cannot just knock them out.

The sum of $250,000 a year is authorized in the act to be spent for the costs of organizing Indian tribes and corporations.

* * * * * * *

The $250,000 is to be used for the work of assisting them to organize. It includes a cost they, themselves, will incur in the process of organizing. For example, a tribe may need a lawyer who will help them organize their complicated business undertakings, and he will be paid out of this organizing fund.

* * * * * * *

GOVERNMENT WARDSHIP OF THE INDIANS

The idea has been, heretofore, that everything that happened on an Indian reservation happened as the result of something that some Government employee did. In other words, we paid for everything. All sorts of things that in our ordinary life a fellow does for himself or his family or that his own organization does for him the Government did for the Indians through direct employment, usually, of white people. That is best illustrated in the field of the Health Service, as an example. We have been going ahead on the idea that the entire health service to the Indians, including all the medical, clinical, and hospital service, should be provided by the Government gratuitiously. We have recognized that there is not any probability of getting enough gratuitous money to do it adequately, but we still have gone ahead on the notion that if we did not do it that way, we could not do it at all; either the Government had to pay the whole bill or there would not be any medical service, and we have educated the Indians into that view of the thing.

The same way with education. They are untaxed and get their education without pay at the same time. And the same way with every other conceivable service—burial, the little things of community sanitation, the work a justice of the peace would do in a white community. Through and through, the notion has been free service by a very large corps of employed people heading up here in the Washington office.

Now, we realize that unless that tradition can be broken down we never are going to get anywhere with the Indians.

Mr. TAYLOR. That will be a perpetual dole forever.

Mr. COLLIER. Yes.

Mr. Speaker, the drive against the Wheeler-Howard Act seems to be purely an effort to put Indian affairs back where they were 2 years ago, which was as follows:

First. Indian landholding had shrunk from 137,000,000 of good acres to 47,000,000 of poor acres since the year 1887. This shrinkage has been due to the Government's own actions under the allotment system. It was mathematically sure to go forward until all the lands were lost. This same land system of forced land allotment had pushed the Indians across into idleness and an almost universal dependence on a dole which was meager or nonexistent.

Second. At the same time the tribes were without the right to organize, whether for political or economic purposes. Indian Bureau autocracy was complete and was subject to no court review. The Indian Commissioner was a monarch, essentially absolute.

Third. The Indians were denied access to financial credit, and this fact, coupled with the denial of their right to organize, resulted in forcing them to lease to white people the use of their grazing lands, their irrigated lands, and so forth, and to let white people cut their timber.

The system was one of cold-blooded exploitation under forms of law. While most of the Indian property had already been legally looted, there remained a value of hundreds of millions not yet seized from the Indians.

What changes did the Wheeler-Howard Act make? Let us summarize:

First. It extended the trust period on all Indian lands, and thereby put a stop to the alienations to whites.

Second. It declared a policy of acquiring new lands for the Indians, which new lands should be held by the Government for Indian use and never should be allotted to individual Indians or alienated to whites. Two million dollars a year was authorized for buying these lands.

Third. Financial credit was instituted to enable the Indians to go into the stock business, into the business of merchandising their own products, into irrigation and dry farming, and into enterprises of cutting and remanufacturing their own timber. A $10,000,000 revolving loan fund was authorized.

Fourth. The Indians were given authority to organize as tribes, and when so organized they were given a definite, although modest, amount of power over their own collective affairs. Once a tribe should organize, the Indian Office could not disband the organization or force any change upon it.

Going further, the Wheeler-Howard Act authorized the Indians to form themselves into business corporations for purposes of landholding and land use, cooperative buying and selling, and cooperative administration of credit. The revolving loan fund was made available to the Indians through the medium of these tribal corporations. Indian tribal funds, under the Wheeler-Howard Act, could no longer be spent except with the consent of the Indian owners. In the past 30 years more than $100,000,000 of Indian trust funds have been wrongfully diverted into Indian Bureau pay rolls.

Fifth. Going further, the Wheeler-Howard Act declared that Indians should have preference for all jobs in the Indian Service. Civil service restrictions were lifted so far as they concerned Indian applicants for employment. A counterdrive against the act from some of the approximately 5,000 white employees was to be anticipated.

Sixth. The right of Indians to advanced education, technical and professional, was declared by the act, and $250,000 a year was authorized for scholarship loans for this purpose.

Seventh. The act made it mandatory upon the Secretary of the Interior to enforce perpetual yield in Indian forests, range control on Indian range lands, and all other practices necessary to save the soil.

From the above, it is clear that the act was exclusively one of extending new benefits and protections to the Indians; and, in fact, it contained no feature involving compulsion upon the Indians other than the requirement of perepetual-yield administration for forests and of soil-conservation practice upon the ranges.

Nevertheless, the act extended to the Indians the unprecedented privilege of themselves deciding, tribe by tribe, whether they want to live under it or not. Referendums, as directed in the act, have been held on 116 reservations, with 116,000 Indians living on them, and the yes vote has been about 73 percent of the total vote cast. The turn-out of the voters has been almost exactly equal to that which is usual among whites at Presidential elections; namely, 53 percent of the total eligible vote. The Indian vote has run far ahead

of white referendum votes, which generally are smaller than the votes upon contests between persons. Eighty-five tribes have cast absolute majorities for the Wheeler-Howard Act. A table with corroborating figures is here shown.

Total eligibles among 117 tribes, bands, pueblos, etc., which have voted up to and including Dec. 31, 1934	58,852
Total votes cast	31,215
Or 53.04+ percent of the eligibles.	
Total votes cast for	22,772
Or 72.95+ percent of the votes cast.	
Or 38.69+ percent of the eligibles.	
Total votes cast against	8,443
Or 27.04+ percent of the votes cast.	
Or 14.34 percent of the eligibles.	

	Voting population	Yes	No
Where a majority of votes were cast in favor of the legislation	52,055	21,417	5,380
Where a majority of votes were cast in opposition of the legislation	2,742	477	1,652
Where a majority of votes cast were against the legislation, but not sufficient to exclude themselves:			
Including Fort Apache, which is to vote again	4,055	878	1,411
Excluding Fort Apache, the figures are	2,715	606	1,010

Absolute majority, for	85
Absolute majority, against	14
Majority of eligibles against but not sufficient to exclude themselves under Solicitor's opinion (including Fort Apache, which is to vote again)	17
	116

In the face of these facts, assertions are persistently made that the Indians do not want the act, that the Indians do not want more land, do not want credit, do not want the right to organize, do not want preference for Government jobs, do not want scholarship loans, do not want the right to veto improper use of their own trust moneys.

The drive was apparently first concentrated against the House Appropriation Committee with the object of cutting out appropriations authorized under the Wheeler-Howard Act, and thus leaving the act unimplemented and sterile. The drive was partially successful, because the Budget estimate of $1,000,000 for land purchase was cut to $500,000; the Budget estimate of $5,000,000 for Indian credit was cut to $2,500,000; and the Budget estimate of $250,000 for the costs of organizing the tribal political and corporate organizations was cut to $100,000. It is this last slash which has most seriously jeopardized the Wheeler-Howard reforms, because the fundamental concept of the new policy is that the Indians shall organize to take over the control of their own collective destinies, and that the Bureau shall no longer be czar over the Indians; but if the wherewithal for effecting organization is denied, then organization must proceed slowly indeed.

The Indians, by and large, mind you, are economically the poorest class in the whole United States. And wherever Indians are located, they are environed by predatory interests which do not want them to stand on their own feet, and which do intend to exploit or seize their properties.

Therefore it should at once be apparent that this administration, which wants to help them to organize, must be supplied with the financial means to carry out the task. The modest authorization of $250,000 was granted in full by the Budget, but, as stated above, it has been cut to $100,000 by the Appropriation Committee. The Senate may still remedy, in part, this ill-considered action, and the House may have the opportunity of approving a more liberal conference report. It is to be hoped that after the appropriation bill is out of the way, the drive against the Wheeler-Howard Act will not swing back into the general legislative channels, and that no attempt to dismember the act will be made.

As a part of my remarks, Mr. Speaker, because of the importance of the issues therein aired and discussed, I attach a verbatim copy of a memorial addressed to the President of the United States and Congress by the so-called "American Indian Federation", together with the Commissioner's statement given to the House Committee on Indian Affairs in reply to allegations contained in the memorial.

National officers: Joseph Bruner, president, Sapulpa, Okla.; J. C. Morgan, first vice president, Farmington, N. Mex.; George Whirlwind Soldier, second vice president, Parmalee, S. Dak.; W. W. LeFlore, secretary, Bennington, Okla.; Winslow Coure, treasurer, San Jacinto, Calif.; Floyd O. Burnett, chaplain, Riverside, Calif.

District presidents: District no. 1, Adam Castillo, San Jacinto, Calif.; district no. 2, Levi Walker, Beatty, Oreg.; district no. 3, Louis Valendra, Parmalee, S. Dak.; district no. 4, Cato Sells, Shiprock, N. Mex.; district no. 5, Delos K. Lone Wolf, Mountain View, Okla.; district no. 6, Alice Lee Jamison, 91 Cottage St., Buffalo, N. Y.; district no. 7, Joseph Brooks, Pembroke, N. C.

ONWARD TO GREATER THINGS

THE AMERICAN INDIAN FEDERATION,
Sapulpa, Okla., December 21, 1934.

A memorial by American Indians to Hon. Franklin D. Roosevelt, the President, and to the Congress of the United States

On behalf of the American Indian, the American Indian Federation, duly organized on August 27 in the city of Gallup, N. Mex., by leading Indians, subject to the jurisdiction of the Bureau of Indian Affairs, presents this memorial for your earnest consideration.

Having been granted unqualified American citizenship in 1924, we beg to emphasize that we should be considered and treated in accordance with that part of the immortal Declaration of Independence reading:

"We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness."

Until 1871, the American Indian, existing under various tribal organizations, was treated as "separate nations", with whom the American Government had made some 370 treaties.

Congress, in 1871, passed an act abolishing further recognition of Indian tribes as independent nations, with whom the United States would make treaties, but not annulling these 370 already made.

From 1871 until our grant of citizenship in 1924 the American Indian was held as a political prisoner or, as the United States Supreme Court has defined the status, as "political wards"—his person under the immediate jurisdiction of the Bureau of Indian Affairs and subject in all personal relations to the arbitrary rules and regulations of said Bureau.

Since our grant of citizenship in 1924 we have been led to believe, and have hoped, that the Bureau of Indian Affairs would grant us our personal freedom and that the American Indian at last would "be recognized as an American citizen, treated as such, educated as such."

Until the present administration no official of said Bureau has ever publicly questioned our rights as American citizens; but now Commissioner Collier has publicly repudiated the act by Congress in granting us citizenship.

In an article by Commissioner Collier, appearing in the magazine section of the New York Times, issue of May 6, 1934, the Commissioner writes:

"The Indians are citizens of the United States, made so by a special act of Congress passed in 1924, as a gesture for their services to the Nation in the World War. Notwithstanding, Indians having the status of Government wards today—that is, two-thirds of the total population—cannot make contracts, cannot borrow money, cannot hire a lawyer, or get their own money into their hands without the permission from a special Government bureau, the Office of Indian Affairs."

Again, notwithstanding the intent of both Congress and the Bureau for the past 50 years that the existence of the Bureau was for the purpose of "educating and making citizens of the Indian", we are confronted by another present Bureau official, as quoted from the New York Herald Tribune of November 9, 1934, as follows:

"The Government has given up trying to make the red man into a 'white' man and has decided that his best future lies in being allowed to 'be himself.' The new Indian policy of the new deal is to encourage the native arts, crafts, poetry, self-government, culture and even religion of the Indian, and to allow him to live his own life in his own way; at the same time giving him modern sanitation and other beneficial features of white civilization. This was the outline presented by Ward Shepard, of the Bureau of Indian Affairs, to leading scientists of Washington, in a lecture at the Cosmos Club."

Later, from the same article, this Mr. Shepard, of the Indian Bureau, is quoted as follows:

"The efforts to civilize the Indian according to white standards was doomed to failure from the start, because it was an attempt to transplant a people still in the stone age into the high-powered industrial democracy of modern America."

(The history of the great Indian leaders, when the American Indian was a free man, clearly makes this "stone age" reference a gratuitous, official affront to the intelligence of the American Indian.)

To the foregoing we state as fact: That under Commissioner Collier the Indians have been denied freedom of speech and free assembly; Indians opposing the policy of the Bureau have been subject to vindictive treatment; the personal rights of the Indian as guaranteed to American citizens under our Constitution have been completely ignored and, in fact, by Commissioner Collier denied to exist; the policy of the education of the Indian continues in Bureau, not public schools; and to fully establish the intent

of the present Commissioner to segregate the Indian, keep him an Indian, not an American citizen; to cut him off from the greatest education for citizenry, namely, personal contact with American life—we cite the bill which the Bureau forced through at the very close of the last session of Congress.

This bill was a sequel to the notorious Wheeler-Howard bill, which contained 52 pages, and as passed and approved as of June 18, 1934, contains five printed pages. It was forced through under the misrepresentation of having the approval of the Indians and was an "administration" bill.

While said law contains some clauses of value to the Indian, its main intent and purpose and wherein it repudiates the said 50 years' intent of both Congress and all previous bureaus, and wherein its result must be a perpetuation of this Bureau and its rule over the daily lives of the Indian, is to be found in its section 18 and its section 17.

Section 18 provides for an "election" conducted by the Bureau, by the Bureau-ridden and Bureau-controlled Indians, to approve or disapprove the bill by majority vote of the adult Indians in each tribe. "Approval" means consent, for the first time in history, by the Indian tribes to Bureau jurisdiction and rule; this means the limitation of personal rights under citizenship—such "election" with voters from a subject people, with no knowledge of its consequences, can only be likened to the "free" elections under the dictator Hitler.

Section 17 provides that after the "approval election" another adult majority "election" is held by the Bureau to permit the Bureau to issue a tribe a charter to form an Indian community performing all the activities of an American community, except it contains only Indians, and all the powers of such community will be defined by the Bureau in its ultralegal role of dispenser of Russian communistic life in the United States.

Never before in the history of this Bureau has such a momentous change in the conduct of Indian affairs been proposed, and hence, on such fact alone, had no honest intent when forced through Congress in the critical period of our country's affairs which led every Congressman to believe that an administrative measure was one of dire necessity, excusing all haste in its enactment.

Therefore we charge that Commissioner Collier has, and is, with deliberate intent and contrary to the desires of the American people, who desire justice done to the American Indian, seeking to frustrate the opportunity of the Indian to enter American life as a citizen and, instead, is perpetuating an iniquitous, un-American Bureau and forcing a subdued, Bureau-controlled (a subject) people into a segregated serfdom, continued to be ruled by the dictatorship of a Government Bureau which has held the American Indian in chains since 1871.

We charge that the official record of Commissioner Collier establishes him as wholly unfit by temperament and honest principles, as well as officially using the mighty power of his office, to continue the American Indian under a greater serfdom than he has endured since 1871, and in so doing has maliciously and flagrantly ignored the rights given the Indian by virtue of the greatest gift the American Government can bestow—citizenship.

Whereas the universal practice of the courts of the country is that of permitting a minor even of 14 years of age to choose its own guardian: Therefore we submit that the American Indian should be given the right to approve the Commissioner of Indian Affairs, who exercises such arbitrary power over his person and his property.

To the end that the American Indian may obtain at least fair play, we demand the removal of John Collier as Commissioner of Indian Affairs, and the removal of his official appointees, none of whom, before appointment, had any practical knowledge of the American Indian nor of Indian affairs.

We urge the appointment of a man who knows Indian affairs and will reorganize the Bureau on lines in keeping with the personal rights now due the American Indian as an American citizen.

We further offer for consideration by Congress and a trustworthy Commissioner, as a working basis for fundamental relief for the American Indian, the following outline of plan:

1. Free the Indian at once from Bureau wardship of his person.

2. Each State—through its already established channels, under which and in the same manner they now treat their other citizens, but the Indian—to educate, to guard health, to police, and to open all its established courts to the Indian. Congressional appropriations from Indian funds where treaties provide, or from taxes now voted annually to the Bureau (and more if needed), to go to the State to cover all cost of foregoing. In cases of emergency the Red Cross should be given all power, free from Bureau control, to immediately take charge of the Indian health and life situation.

3. Begin at once with competent heads to untangle the Indian property mess existing in the Bureau, with the view of creating, legally, active trusteeships, subject to court review, of this property, including tribal funds, preferably creating a separate trust for each reservation and tribal fund. These trusts should be created on same fundamental legal basis as other innumerable trusts which now hold property all over the United States.

At no time, of course, during the above program is the Indian to be inequitably disturbed in the rights, occupancy, and use of any Indian property now by him possessed.

Dated and signed this 21st day of December, A. D. 1934, at the office of the American Indian Federation in Sapulpa, Okla.

Respectfully submitted.

JOSEPH BRUNER,
President the American Indian Federation.

Attest:

W. W. LEFLORE, *Secretary.*

Commissioner Collier testified on February 6, 1935, to the committee as follows:

A "memorial" has been filed with your committee, signed by Joseph Bruner as president of the American Indian Federation. For some time Mr. Bruner and his associates have been addressing the President, have been interviewing Members of Congress, and have been seeking press publicity. As their organization practically is a fake organization, and their allegations are unspecific and self-contradictory, I have not paid attention to them heretofore.

I am glad that the "memorial" has been laid before your committee and has been dignified by a committee hearing, because an occasion is thus provided to deal once and finally with the organization and its allegations.

I have stated that practically the so-called "American Indian Federation" is a fake organization. Its spokesmen purport and pretend to speak for and represent the American Indians. Yet the president, Mr. Bruner, holds no delegation of authority even from his own tribe. The vice president, Mr. Morgan, is in Washington without authority from his own tribe. (See the appended telegram.) The Sioux representatives, Mr. Whirlwind Soldier and Mr. Louis Valandra, have not been empowered by any branch of the Sioux Tribe to represent it in this federation. Mr. Joseph Brooks, who appears on the letterhead as president of the seventh district, has not been empowered by any tribe to act as a member of this federation, nor has he authorized the use of his name.

There are about 340,000 Indians, in 180 tribes, located in 222 Indian Service jurisdictions. The tribes, almost universally, are organized into tribal councils or other stable organizations, which speak with authority for the tribes which have empowered them. I assert that, with the exception of tribes totaling fewer than 3,000 individuals—all in southern California—no one among the 180 Indian tribes has authorized the American Indian Federation to speak for it or has placed representation upon the letterhead of this so-called "federation." The American Indian Federation, therefore, consists of certain men who have a bona fide authorization from a majority of the members of certain of the Mission Indian Bands of southern California, and with these men are associated a few individual Indians in other parts of the country and certain white men. A body thus constituted has, of course, just as much right to prefer charges and to make recommendations as it would have if it veritably represented the Indians, but it should not pretend to be that which it so clearly is not.

With respect to the Mission Indian Federation, which is the only element supplying substance to the so-called "American Indian Federation." I merely call your committee's attention to the memorandum concerning that southern California Indian organization which I supplied to the House Indian Committee last spring, and which is printed in the hearings on the Wheeler-Howard bill, page 272. The men representing the Mission Indian Federation are in Washington this year, as last year, seeking legislation which would entitle various lawyers to receive large payments, for services of no measurable value, out of the forthcoming award by the Court of Claims to the Indians of California.

Mr. Bruner, president of the American Indian Federation, has heretofore designated himself as principal chief of the Creek Nation. This was a false designation, and at the tribal election of the Creek Nation held September 14, last, Mr. Bruner was not even among the candidates who trailed at the election. At the Muskogee office of the Five Tribes Agency, from time to time the superintendent posts the names of Indians living in outlying districts to whom payments of money are due. The Indians need merely to come or to send for the money and it is theirs. There are some men, Indian and white, who make note of the names thus posted and then go out and see these Indians and undertake to collect the money for them on a profit-sharing or contingent basis. The "racket" is a petty one, and is mentioned here only to make intelligible a letter bearing Joseph Bruner's signature, dated October 25, 1933, addressed to Mr. Scott Cochran, 913 East Fifth Place, Tulsa, Okla., and reading as follows:

"Under date of September 7, you executed a contract with me and Etc., for 50-50 recovery of the fund which was in Department. Mr. Albert Bigpond advise me that you have already got your check. I wish you write an explaned to me why you dont pay us our part of the recovery. And the amount you got by return mail.

"Sincerely yours,

"JOSEPH BRUNER (Signed)"

I now deal briefly with the "memorial" signed by Mr. Bruner. The errors of statement are recklessly complete. They seem to grow in part out of an apparently incurable confusion of mind, especially in regard to the enactment of the so-called Wheeler-Howard, or Indian reorganization act, approved June 18 last.

That important measure, of which I was not the author, was reported by the House Indian Committee without a dissenting minority report and by the Senate Indian Committee without dissent, was passed by Congress, and was made law through Presidential signature. It is an enormously beneficial piece of legislation, for which I would be glad to assume the responsibility if the facts justified such an assumption.

Endeavoring to find specific charges of a meaningful nature in the "memorial", I cite on page 2 the following: "Commissioner Collier has publicly repudiated the act by Congress granting us citizenship." The statement is totally incorrect, as the "memorial's" own quotation shows. The alleged "repudiation" consisted in a description of the facts of Indian law as they were on

May 6, 1934. The handicaps upon the freedom of Indians, described in my statement, were among the handicaps which I was seeking to persuade Congress to remove. And Congress did remove a portion of these handicaps by the enactment of the Wheeler-Howard Act.

On page 3 of the "memorial" it is stated: "Under Commissioner Collier the Indians have been denied freedom of speech and free assembly, Indians opposing the policy of the Bureau have been subjected to vindictive treatment", and more on the same line. No specifications are given, nor can they be. The allegation is wholly false.

On page 4 in the "memorial", after proposing that I, as Commissioner, be removed from office, the "memorial" demands further "the removal of his (Collier's) official appointees, none of whom, before appointment, had any practical knowledge of the American Indian nor Indian affairs." Again there is no specification and the statement is merely wild. The appointments recommended by me and made by the Secretary of the Interior have been, in the main, appointments of Indians to positions in the Service. We have enormously increased the proportion of Indians to whites in the Indian Service. Details are given in a departmental release which I append to this letter.

The Federation states, page 3, that my policy for Indians is "not public schools." My policy and the Department's is the exact opposite; and in the current fiscal year the Indian Service is spending $1,370,000 for public-school tuition for Indians and for food, clothing, and books for Indians in public schools.

The "memorial" attacks section 18 of the Wheeler-Howard Act. Section 18 requires that the act be submitted to referenda of the Indians on all reservations except in Oklahoma. These referenda have been held on reservations totaling approximately 100,000 Indians and 58,852 eligible voters. Of the total Indian vote cast, 72.95 percent has favored the Wheeler-Howard Act. The percentage of the eligible voters who actually have voted has been approximately that which is cast in Presidential elections, and much higher than that which is cast in referendum elections among whites. The "yes" vote has been 72.95 percent of the total vote, as compared, for example, with the "yes" vote of 57.3 percent of the total vote, which was the percentage cast for Mr. Roosevelt in the whole country in the Presidential election of 1932.

Section 18 of the Wheeler-Howard Act was inserted by the House Indian Committee and was enacted by Congress. The federation's quarrel, therefore, is with Congress and not with the Indian Commissioner. And under section 18 the Indians overwhelmingly have voted that they do want the protections and advantages of the Wheeler-Howard Act. The federation's quarrel, therefore, is with the Indians and not with the Indian Commissioner.

The privilege extended to Indian tribes by Congress through section 18 is a most unusual right. For the first time in any Federal legislation the referendum has been made applicable to a public law. Congress went even farther. It made a public law subject to a referendum by a special class of the general population. It did not give the white population affected by the law a chance to vote for or against its acceptance. It restricted this privilege solely to the Indian.

It should be understood that the Indian Reorganization Act came into force and became immediately applicable everywhere on June 18, 1934. Through section 18 Congress extended to all Indian tribes, except those in Oklahoma, the privilege of voting themselves out of the application of the act. Congress qualified this rare and unusual privilege, never bestowed on any other part of the general population, with the provision that a majority of all the adult voters must vote affirmatively to exclude the tribe. Considering the extraordinary nature of the referendum privilege, considering further the size and importance of the benefits conferred upon the Indians by the act, Congress, and especially the House committee, acted wisely, I believe, in requiring that these benefits be not denied any tribe or its individual members except through the positive action of a majority of all adult members.

The referendum elections have been conducted in the letter and the spirit of the law; undoubtedly there have been minor disputes about the right to vote, etc., on various reservations, but nowhere could the resolution of these minor disputes have changed the result. Nor were these disputes more numerous or serious than at the average white election.

I have found no other statements in the "memorial" which are definite enough to permit comment or rebuttal. It may, however, be useful to point out the unstated, underlying misconception or confusion of ideas, which is the result of the evident domination over the federation's thinking by Mr. Joseph W. Latimer, now or formerly of Brooklyn, N. Y., and Mr. Bruner, of Muskogee.

The American Indian has been subjected for generations to a body of law which vested in the Executive an intolerable amount of discretion over Indian property and person, and which subjected the Indian to bureaucratic interferences and paralyzed his initiative, particularly in those areas where land allotment was forced on the tribes. I became Indian Commissioner on a definite and detailed platform, which called for the modification of this archaic, un-American, and highly inefficient and financially wasteful body of Indian law.

The Wheeler-Howard bill, as submitted to Congress by the administration, proposed that the Indian Commissioner and the Secretary of the Interior be divested of a great number of their arbitrary discretions. In local and domestic matters the tribes were given home rule; to insure due process of law various authorities were shifted from the executive to the Federal courts; The Indian Service employees were subjected to criticism and control by the Indians; even the expenditures of public money on the reservations were subjected to Indian veto.

But the guardianship by the United States over Indian property was preserved and, broadly speaking, was made permanent; and a program of land acquisition was set up, designed to revest the Indians with adequate lands which had been taken from them by previous blunders and wrongs.

This original Wheeler-Howard bill met with vigorous, even violent, opposition from Joseph Bruner, Joseph Latimer, and some others. The House and Senate Indian Committees—particularly the Senate Indian Committee—took the view that the bill went too far in divesting the executive of discretion and too far in the direction of permitting home rule among Indians. It was viewed as being too radical and sudden a measure in the direction of Indian emancipation from governmental control.

However, the really determined opposition to the measure came from those interests which did not want the remaining Indian lands protected, which did not want the Indian ranges withdrawn from white use and restored to Indian use, which did not want the policy of conservation and of Indian operation to be drastically applied to Indian forests, and which did not want Indian trust funds safeguarded.

After a prolonged struggle, as the older members of this committee will remember, a new bill was drafted by the House committee, and a new bill by the Senate committee, and these were harmonized in conference, and the so-called "Wheeler-Howard Act" became law.

This new law includes many, but not all, of the elements of the original Wheeler-Howard bill. It goes far toward permitting local home rule to the Indians; it protects the Indian lands, and provides for the acquisition of new lands for the Indians; it establishes a credit system for Indians; it gives to Indians a legal preference to employment in the Indian Service; it provides for the higher education of ambitious Indians; it requires the application of modern principles of conservation to the Indian lands and forests. It is an epoch-making bill in the right direction.

But this new enactment has not completed the needed legislative program. The Indian Commissioner and the Secretary of the Interior continue to be, in spite of the new act, vested with an undesirable amount and variety of discretion—discretion which practically is unreviewable by the courts. The prompt and just settlement of Indian tribal claims against the Government awaits future legislation; the definition and extension of the jurisdiction of Federal courts over Indians is still awaiting action by Congress. All of this legislation, if it is to help and not to injure the Indians, must preserve the Federal responsibility for Indian welfare and must continue the trusteeship of the Government over Indian capital assets.

The above statement will have made clear the irrelevancy and, in addition, the almost complete distortion of realities, which appear in the federation's memorial. These men, who are pretending to fight for the emancipation of the Indian, inconsistently attack the Indian Commissioner for promoting the legislation which has partly emancipated the Indian and for promoting other, as yet unenacted, legislation which would further emancipate the Indian. The trouble is that the Commissioner is also striving to preserve and, in some particulars, to reestablish the protections which safeguard Indian lands and funds against the onslaught of white exploiters.

These men cannot, naturally, state the real aim of some of them, which is that the restrictions preventing the transfer of Indian property to whites and its seizure by whites shall be done away with.

Again, they cannot state the real aim of some of them, which is that certain attorneys, who have rendered no service and cannot render assistance of measurable value, shall be allowed to share largely in the forthcoming money to be awarded by the Court of Claims to the California Indians.

It may be that this fundamental impossibility of making a forthright statement of what it is that they do want is the explanation of the seeming mental confusion of the sponsors of the memorial. The things they want, I suggest, are not the things they are talking about.

To conclude, then, the factual record seems inescapably to point to a drive by selfish groups which seeks to nullify the reforms that the Wheeler-Howard Act instituted. They have accomplished part of their purpose. We may reasonably suppose they will continue with renewed vigor. This composite recital of factual information from various official records and sources should put Members of Congress and interested private citizens on notice.

Incidentally, it should shame those who launch intemperate and senile attacks at a far-seeing and courageous public servant who is carrying out the true purpose of an act which bears the name of two noble Members of Congress and which was gladly and hopefully approved by the President of the United States.

Mr. Speaker, it seems unbelievable that Congress, having taken this eventful forward step, will recede because of this illegitimate lobby and its apparently well-organized resistance to the provisions of the Wheeler-Howard Act.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GRAY of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes following the gentleman from Massachusetts. I wish to speak on the work-relief program.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CONNERY. Mr. Speaker, I have great admiration and a friendship of many years for the distinguished leader of the Republican side, the gentleman from New York [Mr. SNELL]. I was greatly surprised yesterday, therefore, knowing him as well as I do, to hear his reference to the President of the United States. Many discussions have taken place on this floor during the past 10 or 12 years in which Members of both the Democratic side and the Republican side joined in statements to the effect that the duties of the Presidency of the United States are extremely onerous. Even at times legislation has been suggested that something be done to lighten the burdens of the President. I am sure we all understand the terrible strain that goes with the position of Chief Executive, with all the problems and trials which he must face. No one should begrudge the President the brief vacation which he is taking and which is so vital to keep him fit for the duties of the Presidency. So I was greatly shocked to hear those remarks of the gentleman from New York, the Republican leader, yesterday.

I believe I am speaking the sentiments of the majority of the Members of this House, both Democrats and Republicans, when I state that we are happy that the President of the United States has such great and good sense that he will go away for a short respite from the terrific duties which devolve upon him. And I know that I speak the minds of every member of the Democratic majority in this House in congratulating President Franklin D. Roosevelt upon his present good health and extraordinary good humor, and wishing him many more fishing trips, so that when he is reelected next year he will be in such splendid physical condition that he may continue in the next 4 years to render to the American people the wonderful service which he has rendered as President for these past 3 years. [Applause.]

The SPEAKER. The gentleman from Indiana [Mr. GRAY] is recognized for 3 minutes under the previous order of the House.

Mr. GRAY of Indiana. Mr. Speaker, it is an old saying that a wise man profits by the mistakes of others but a fool fails to learn from his own and repeats his errors and mistakes over and over again through life.

The public-works relief plan, appropriating large sums of money to restore private employment, has been tested and tried out by other nations as well as our own and wherever tried has failed to relieve from unemployment.

The public-works relief plan has been tried out in Australia, failed to restore private employment, and has been abandoned as a false relief measure. The public-works relief program for the relief of unemployment has been tested and tried out in France, at great cost, but has failed as a remedy and has been abandoned. The public-works relief program as a means to restore private employment has been tried out in England and Ireland, at great expenditure of public funds, but has likewise failed of relief and has been abandoned as a measure for the relief of private employment.

The same public-works relief plan in the name and style of a public building program was widely heralded and declared as a means to restore employment during the closing years of the Hoover administration. But the plan failed of its object and purpose and was repudiated by the people as a false relief measure at the polls. It was this same works-relief program that was reorganized and revamped for further experiment during the first 2 years of this administration, at a cost of multiplied millions, without results, and leaving a larger number unemployed and more people on the relief rolls than before the expenditure of the money.

In the face of the failures of these experiments conducted in other countries at great cost and expenditure of money, without benefit or substantial relief, and in the face of like experiments conducted here in our own country during the last 4 years with like results, a further continuation of these expenditures to be made from borrowed money funded in interest-bearing bonds, with more unemployed and more on the relief rolls, will not only bar us from the claim of being prudent and wise men but will confirm us in the class known as the foolish and unobserving.

It is plain to be realized at this time that a further expenditure of money to carry out the work-relief plan will not be getting us out of the panic but only deeper in debt and, in the light of experience of our own and other countries, will be a course of criminal folly.

It is only necessary to read from the reports of the League of Nations, conducting an economic inquiry among the countries regarding the work-relief plan, to realize the failure and futility of these measures tried out by other nations as a remedy for unemployment. It is not necessary to prove the failure of the work-relief program tried out here under Hoover and former administrations. The chaotic conditions which increased following the Hoover experiments and our own are still fresh in the minds of the people.

The following is from the national public-works inquiry conducted by the League of Nations and taken from the report of France, giving the results of the public-works experiment as a remedy for unemployment in that country, appearing at page 155 and published February 23, 1935:

These figures show that important public works can only be regarded as a palliative and a temporary palliative for unemployment.

From the same inquiry conducted and from the same answers in France, the following, from page 157 and page 158, appears:

It may be seen from the above table (1) that other electrical installations have also for the most part been completed, and no improvement in the economic situation can be expected from its continuance.

The following is from the National Public Works Inquiry conducted by the League of Nations, section 6, page 82, published February 23, 1935, quoting from the answer of Great Britain and Ireland:

Public works are a part of the normal activity of the state and of local public authorities, and they are continuing and will continue subject to the test of their value to the community.

But the experiment of large-scale public works as a method of dealing with unemployment has been tried and has failed and it is not intended to repeat it.

The following is from the address of Walter Runciman, British Cabinet member, explaining the works-relief plan before the World Economic Conference held in London in 1933:

You will observe this method of dealing with the problem is expensive—in our view, unduly expensive—and an experiment that we are not going to repeat.

We terminated our schemes for dealing with the unemployed by capital expenditures on public works and we shall not reopen them no matter what is done elsewhere.

With the experience of the last few years we have come to the conclusion that whether in our own country or elsewhere, schemes of this kind of international public works are the most unremunerative way of dealing with the unemployment problem.

The following is from the National City Bank letter of February 1935 at page 25, commenting upon the report of the public-works experiment made both in this and foreign countries for the relief of unemployment:

Other governments have found that an increase of expenditures did not bring compensating gains.

This country's experience in the past year has furnished much evidence to the same effect.

The spending agencies have been acting practically to their administrative capacity, but the showing of increased employment attributable to their activities has not been impressive and the number of persons on the relief rolls has been largely increased.

It is remarkably inconsistent and contradictory and in disregard of the lessons of experience, in the course and policy

of nations, that at the very time other countries which had tested and tried out the public-works relief plan and were abandoning the program as a failure to restore employment and were resorting to the currency relief measures, in manner and form as provided here, to restore the depleted money supply and were entering upon an era of relief and returning prosperity, this Nation was evading and abandoning the same currency relief program and which at the time was bringing prosperity to other nations and was going back to the works-relief program which other nations had tried out and found a failure and abandoned.

England, Sweden, Australia, and Argentina, as well as other nations of Europe, after abandoning the works-relief program which have made noticeable progress in recovery, have followed the one simple course of expanding currency and credit, and making the same available in circulation, which this Nation has abandoned after preparing and providing the measures for the same monetary relief here. Wherever currency measures have been enacted and administered, business has increased, unemployment has decreased, relief demands have lessened, and recovery is making progress without burdens to the taxpayers.

Dr. Gordon Wood, a high public official of Melbourne, Australia, where prosperity has been fast returning by restoring money and credit in circulation, has this to say of our country today:

There is little doubt that deflation (contraction of money) in this country (United States) was grossly excessive and that it can be controlled by controlled reflation (meaning the expansion of money).

After resorting to the currency relief measures, in like form as provided here but not enforced and carried into effect, John Maynard Keynes, a British economist, in giving expression to the relief which was being realized in England from the operations of the currency relief measures, said:

Out of the ashes the city of London will rise with undiminished honor.

No wonder that we feel some exuberance at the relief, that stock-exchange prices soar, and that the dry bones of industry are stirred.

We gain these advantages without a cut of wages and without industrial strife.

The following is from the report of Sir Reginald McKenna, chairman of the board of directors of the Midland Bank of England:

It is now well recognized that an adequate supply of money is essential to sustained business activity.

Nothing in monetary practice is more certain than that contraction of the volume of money, or even failure to secure an adequate increase, tends both directly and indirectly to put a brake upon business of every kind, and to produce the very troubles—unemployment, unremunerative commodity prices, unbalanced budget, and general depression—which have been apparent in almost every country of the world in the past 4 years.

The advance here recorded in our monetary ideas is very remarkable, and not less remarkable is the advance in our practice.

The government policy of cheap and abundant money, primarily embarked upon for the special object of converting national debts to lower interest rates, has been in force constantly for nearly 2 years.

The trade of this country, by universal acknowledgment, has for many months been making steady and gratifying progress.

The following is from William Randolph Hearst, after making a survey of economic conditions in England during September 1934, and commenting upon the progress of recovery being realized in that country after abandoning the works-relief plan and resorting to the currency-relief measures:

I really have to give the English Government and the English people tremendous credit for an amazing recovery.

The result has justified the faith. Great Britain is much further on the road to recovery today than any other nation in Europe, much further than the United States.

In my opinion, the devaluation of the dollar has materially helped the situation in America. I think that most of the improvement in conditions is due to moderate inflation.

And these same advantages could be gained here in the United States of America under the currency-relief measures enacted and now held up to try out the works-relief plan, and without cost of a single dollar to the people.

On the new Congress convening March 4, 1933, and the President taking office, it was promptly considered and agreed that the cause of the depression was the failure of the buying and consuming power. It was further agreed by Congress and the President that the failure had resulted from a fall of values and the price level which had destroyed or greatly reduced the earnings and income of the people. Upon this solution of the cause, it was the judgment of Congress, and agreed to by the President, that the remedy for the depression required a rise of values and the general price level to restore earnings and income and the buying and consuming power.

On further consideration of the problem it was agreed by Congress and the President that the fall of values and the price level had been caused or brought about by a failure of the money supply, a want of sufficient currency and credit; and that a restoration of the general price level for a return of earnings and income and the buying and consuming power required a restoration of money and credit, a sufficient volume and circulation to restore and maintain values and prices. Promptly and without hesitation, and in record time, steps were taken by Congress to replenish the money supply whereby to raise values and the price level, return earnings and income to the people, and restore their power to buy and consume the products of our industrial system.

On the 9th day of March 1933, only 5 days after the Members were sworn in, Congress authorized and the President approved the issuance of $2,000,000,000 of currency and Federal Reserve notes with which to replenish the money supply which had been depleted and left insufficient. On the 17th day of March 1933, only 13 days after this Congress was sworn in, the great newspapers of the country announced the printing of this vast sum of money, with half-page illustrations picturing the Secretary of the Treasury and his attendants carrying great bundles of ney money in preparation to meet the emergency of the failure of currency and credit. Following this prompt action, taken to restore the depleted money supply, Congress at once took up the consideration of special currency legislation, and on the 12th day of May 1933, only 2 months and 8 days after the inauguration, the farm-relief currency laws were passed.

These laws provide for four different forms of currency to be made immediately available whereby to restore the money supply—remonetization of silver, revaluation of gold, resort to Federal Reserve notes, and the issuance of United States currency notes, any one of which were ample and sufficient for which provided. On the special request of the President the currency relief measure enacted and so promptly and expeditiously provided were left permissive, discretionary, and optional to be administered and given effect when and in the order and in the manner to be determined by the Executive. Within 60 days from the time of convening the new Congress was ready and prepared to meet the currency crisis of the panic and to proceed in full agreement of the cause of the depression and the requirements for the remedy. This record of legislation achievements of the new Congress and administration, for the time being in which completed, the problem analyzed and solved, the measures in detail provided, challenged comparison in all history and inspired universal confidence in the people.

It is a remarkable illustration of psychology that on mere anticipation of restoring currency and credit, on belief that the currency relief measures would be carried into force and effect as promptly and expeditiously as enacted, values and the price level began to rise immediately with the enactment of the law. Farm products, stocks, and securities, and other commodities began to increase in value and business everywhere promptly showed revival. This price rise and revival continued until August, when it was realized that the law would not be carried into force and effect, that the new money provided for would not be put into circulation. Then values and the price level starting to rise, began to decline and fell to the level from which raised.

But the $2,000,000,000 of new money, ordered printed by Congress in record-breaking time, was never put in circulation. The remonetization of silver was never entered upon. And neither the Federal Reserve notes nor the United States currency notes were ever issued or made available for use

as money in circulation. Even the revaluation of gold assumed to be administered and given effect was only briefly entered upon in a partial and temporary way and its operation carried to a certain stage was stopped and abandoned before restoring values and the price level and providing the relief intended. Up to this time there has been nothing done to carry out or give effect to the currency relief measures which were enacted to restore and stabilize the depleted and exhausted money supply and the laws remain on the statute books as a dead letter in relief program.

Instead of entering upon the administration of the currency relief measures, promptly and expeditiously enacted, the program has been held up and suspended to go back, take up, and revamp for further trial and experiment the relief measures already tried out under Hoover and former administrations and which had failed to bring the relief demanded by the people and by reason of which a change of administrations has been overwhelmingly voted at the polls.

In the face of the currency relief measures already enacted and ready for administration here and in the face of prosperity beginning following their enactment by Congress, prompted by faith and confidence, the belief that the measures would be carried out, and money and credit restored to circulation; in the face of the experience of the many nations of Europe trying out the works-relief measure and abandoning the experiments as a failure and resorting to currency relief measures alike already prepared for administration here, the currency relief program here so promptly and expeditiously provided was suddenly halted and abandoned to go back, revamp, and reorganize the work-relief program which had failed both here and abroad.

The cost of the different works administration provided for by interest-bearing bonds has already carried the national debt far into the billions and to a height beyond our World War debt. And in anticipation of its further rise the authorized public-debt limit has been raised by Congress to the staggering stage of forty-five billions.

The administration of artificial relief measures has swelled the army of Government and relief employees to over 25,000,000 up to this time, with 1 person to every 5 of the population on the Federal pay rolls drawing salaries and relief pay to be paid from taxes of the people. To this vast number of Federal employees must be added an ever-increasing number coming upon the pay rolls of the several States following the Federal Government with like measures or to try out separate State experimental remedies, all to be paid from taxes assessed and collected, directly and indirectly, from the meager incomes of the people. The army of employees already in service, with the army of men being recruited for recovery, and being paid and supported on the pay rolls from Federal and State taxes, is fast reaching a magnitude and number impossible for the remaining people to support without taking away the whole of their earnings and income with which to provide the means to live.

The cost of artificial recovery and chance experimental relief, first beginning with the Hoover Farm Board experimenting with cooperative marketing and recommending crop reduction to raise prices, making R. F. C. loans to private industry, and appropriating large sums from the Treasury for public-building programs, all from money borrowed at interest, and now continued under this administration, to be tried out and tested without any assurance of beneficial results, at the cost of billions to the taxpayers, is fast creating an intolerable tax burden piling high the bonded debt upon the people, which, if continued as in the past, as certain as the coming of tomorrow, will bring a calamity and disaster even more intolerable to the country than the panic or depression itself.

Under these experimental recovery measures, with the greater part of the cost funded in cumulative interest-bearing bonds and again refunded at maturity to be borne and paid for by future generations, and with the people of today carrying only a part of the tax burden, they are groaning under the burdens, they are struggling to meet the demands upon them, they are being drained of their scant earnings, they are being exhausted of their means to live. To meet the demands of increasing taxes, after levying Federal and State taxes, direct taxes and indirect taxes, sales taxes, and gross sales taxes, many other forms of taxes are being planned and devised to reach further tax resources, to take and exact even greater taxes, even more taxes from the people.

There is no escape from the realization that the amounts required to meet governmental expenses, if all were to be levied and collected as and at the time the expenditures were made, would leave the masses of the people today staggering under crushing and intolerable burdens. Or, if these costs were all funded in interest-bearing bonds, they would rivet a ton of weight ball-and-chain debt upon the ankles of every new-born child to be held in bondage for his natural life. A great part of these new taxes collected are being levied as indirect taxes, taxes hidden, covered, and concealed in the price of the necessaries of life, which the people must buy to live and which the people are paying unconsciously, realizing only the high cost of living.

It must be understood that these taxes which the law assumes to assess against capital and excess wealth, on the principle of the ability to pay, are not paid by those against whom assessed, but are added to increase the price of the necessaries and comforts of life and collected from the masses of the people. And what is true of taxes is equally true of interest. The interest paid by both the State and the Nation, the corporation interest charge, and all the interest collected from wherever and in whatever manner or form, is ultimately added to the price of the necessaries required to live. It is estimated and computed from reliable sources that from every dollar expended by the people there is first taken 20 cents for taxes, then 33 cents for the interest charge directly or indirectly, or in some manner directly or indirectly collected. This leaves the people as consumers with only 47 cents of their dollar for use as buying and consuming power, and working over half the time to pay their own and other taxes and to meet the direct or indirect interest charge.

In the course of medical science the first step in the treatment of the human body is to eradicate the microbes and parasites which infest the tissues and cause disease. And then when the organs are relieved from the poisons and obstructions, and their normal functions are restored all there is left to be done or can be done is to leave nature to repair and rebuild the body. And this should be the course observed in treating the economic evils of the panic, and would be the course, if Congress would only act by making the currency relief measures mandatory to eradicate the microbes and parasites preying upon the body of industry. This would leave the natural laws of supply and demand and competition free to operate, and money in sufficient volume would be restored back in circulation and ample for the exchange of services and commodities and the payment of debts and obligations.

The natural energies and enterprise of the people, the virgin fertility of the soil, the inexhaustible sources of the land, the natural rainfall, sunlight, and climate would all coordinate in nature's plan to restore our paralyzed industrial system, and economic recovery would come, come like gushing water from the fountain, come like the bursting buds in the springtime, come without exhausting taxes upon the present, come without crushing interest-bearing debts chained upon the future generations, come free without cost or price to the people.

Mr. RICH. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana may be permitted to proceed for 5 additional minutes.

Mr. COCHRAN. Mr. Speaker, I object. Let the RECORD also show that the applause and the request for additional time comes from the Republican side of the House. [Applause.]

Mr. GRAY of Indiana. I care not what the RECORD shows as to the applause so it does not come from the gentleman.

APPOINTMENT OF COMMISSIONER FOR UNITED STATES COURT FOR CHINA

Mr. CELLER. Mr. Speaker, by direction of the Committee on the Judiciary, I ask unanimous consent that H. R.

6547, authorizing the appointment of a commissioner for the United States Court for China and defining his duties, which has been deemed to have been improperly referred to the Committee on Foreign Affairs, be properly rereferred to the Committee on the Judiciary.

Mr. Speaker, I have spoken to the Chairman of the Committee on Foreign Affairs, and he stated he wanted some time to confer with the Parliamentarian. I may say, however, that bills of this character were heretofore referred to the Committee on Foreign Affairs because of an Executive order issued by the late President Theodore Roosevelt back in 1906 which conferred jurisdiction over that court to the State Department, but recently, on June 10, 1933, by Executive order of Franklin D. Roosevelt, jurisdiction over the United States Court for China, as well as insular courts, was transferred to the Department of Justice. The Department of Justice now exercises jurisdiction which the Department of State heretofore exercised. The Judiciary Committee feels that the reference of these bills, conferring, taking away, or enlarging jurisdiction over these courts, and setting up purely judicial functions, should be to the Judiciary Committee and not to the Committee on Foreign Affairs.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. McREYNOLDS. Mr. Speaker, I object.

Mr. CELLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CELLER. Is it not in order to move that the rereference of the bills be made?

The SPEAKER. The gentleman's motion is in order provided the gentleman has the authority of the Committee on the Judiciary to take such action.

Mr. CELLER. I have authority from the Judiciary Committee to offer the motion.

Mr. Speaker, I move that the bill H. R. 6547 be properly rereferred to the Committee on the Judiciary.

Mr. McREYNOLDS. Mr. Speaker, does the Chair recognize the gentleman for that purpose?

The SPEAKER. The gentleman has the floor and has made a motion that is in order at this time. The gentleman from New York moves that the bill H. R. 6547 be rereferred to the Committee on the Judiciary. The Chair may state to the gentleman from Tennessee that the motion is not debatable.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the title of the bill be read.

Mr. McREYNOLDS. Mr. Speaker, does the Chair recognize the gentleman from New York for the purpose of making this motion?

The SPEAKER. The motion is a proper one and the Chair has no other alternative than to recognize the gentleman from New York for that purpose.

Mr. BLAND. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLAND. May I ask, according to the rules, if a motion to correct a reference must not be made immediately after the reading of the Journal and before any other business has been transacted?

The SPEAKER. There has been no business transacted, the Chair may say to the gentleman from Virginia, except unanimous-consent requests.

Mr. BLAND. I thought that was business. I have no interest in the pending matter at all.

The SPEAKER. The House has not proceeded with the business on the Speaker's table as yet. What has been done up to this time has been by unanimous consent.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. CELLER. Mr. Speaker, reserving the right to object, I should like to have the privilege of addressing the House for 2 minutes at the conclusion of the gentleman's remarks.

Mr. McREYNOLDS. The gentleman has already addressed the House. I merely wanted to say that this is an amendment to the original act. The Committee on Foreign Affairs had jurisdiction of this bill, and it was properly referred to that committee.

Mr. MILLARD. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. CELLER] may proceed for 2 minutes.

Mr. McREYNOLDS. Mr. Speaker, I object.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, we do not even know what the bill is. The title has not been read. There is a motion before the House, and if that motion is not debatable, I object.

The SPEAKER. The question is on the motion of the gentleman from New York [Mr. CELLER].

Mr. COCHRAN. Mr. Speaker, what is the motion?

The SPEAKER. The motion is to rerefer the bill H. R. 6547 to the Committee on the Judiciary.

Mr. FITZPATRICK. Mr. Speaker, the bill has not been reported.

Mr. COCHRAN. I submit the bill has not been read. How can we know what the bill contains simply by knowing the number of the bill?

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes to explain the bill for the gentleman's edification.

The SPEAKER. Objection has been made to that request.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. In the opinion of the Chair, was the bill properly referred in the first instance?

The SPEAKER. Of course, the Chair thinks so, because it was so referred.

Mr. McREYNOLDS demanded the regular order.

The SPEAKER. The question is on the motion of the gentleman from New York.

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 37, noes 84.

So the motion was rejected.

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order on tomorrow, Calendar Wednesday, be dispensed with.

Mr. DICKSTEIN. Mr. Speaker, reserving the right to object, I shall have to object to this request. The Committee on Immigration has not had a day of its own for more than 12 years and we have been dispensing with Calendar Wednesday business since I have been a Member of this House without giving this committee and the other committees an opportunity to be heard. We have not had a day on the floor this session and we have had none for 14 years, and under the circumstances I am compelled to object.

The SPEAKER. Objection is heard.

THE INCONSISTENCE OF RESTRICTION ADVOCATES WHO OBJECT TO CONSIDERATION OF REMEDIAL LEGISLATIVE MEASURES

Mr. DICKSTEIN. Mr. Speaker, under leave granted me to extend and revise my remarks today in opposition to the request by the gentleman from Colorado [Mr. TAYLOR] that business in order tomorrow—April 3, Calendar Wednesday—be dispensed with, I wish to present some facts to the Members of this House relative to the consideration of bills referred to the committee of which I am chairman, and the inconsistency of objections raised on this floor to proper consideration of bills reported from the Committee on Immigration and Naturalization.

For several weeks past statements of all kinds have been hurled, both from the floor of this House and in the public press, against the Chairman of the Committee on Immigration and Naturalization, some even accusing him of being responsible for the difficulties which the country is facing relative to adjustment of some distressing phases of our immigration laws.

These accusations were effectively answered by me on the floor of this House, and I felt that nothing remained to be said in my effort to clear up the situation for the information of the Members of this body. But a few days ago the gentleman from Texas [Mr. BLANTON], the gentleman from Ohio [Mr. JENKINS], and the gentleman from Ohio [Mr. TRUAX]

have seen fit to proceed again with their misstatements concerning the situation as it affects the existing immigration laws.

I have also been charged with being responsible for the return to the United States of Emma Goldman, it being claimed that it was legislation I sponsored which made it possible for her to come in recently as a visitor. So I say the time has come when it is necessary to give this body a thorough review of the present situation.

The gentleman from Texas [Mr. BLANTON] said:

> Mr. Speaker, in 1932 the gentleman from New York [Mr. DICKSTEIN], who was then, and is now, Chairman of the Committee on Immigration, brought in here a bill which he passed, and it was approved May 25, 1932, and became Forty-seventh Statute, 165.

Later the gentleman from Texas [Mr. BLANTON] referred to operations under that law, and in reference to Emma Goldman he said:

> She was brought back to the United States under that bill. If it had not been for that bill, she would not have been brought back here.

Now let us see what the underlying facts really are.

An act approved March 4, 1929 (45 Stat. 1551), contained provisions in section 1 (a), which, for all practicable purposes, amounted to total banishment of every alien against whom a deportation order had been issued, either before or after the approval date of that act. There were absolutely no exceptions.

The operations under that section of the act proved to be so inhuman and tyrannical in effect that on June 24, 1929—less than 4 months after the Banishment Act became law—an amendment was approved which gave certain discretion to the Secretary of Labor in the cases of aliens who had been deported prior to March 4, 1929, so that such aliens may apply from abroad for permission of the Secretary of Labor to file a new application for an immigration visa with an American consular officer abroad.

During the Seventy-second Congress, persistent representations were made to the Committee on Immigration and Naturalization, and also to the Senate Committee on Immigration, that under the operation of that amendment, a lot of hardship was being inflicted upon families in the United States left behind when the breadwinner of the family was deported, in many cases only on a technicality of the law, after March 4, 1929, and was thereafter perpetually prevented from ever returning to the fireside of his family in the United States. The hardship in these cases had to be borne by those of the family left here when the breadwinner had been forced to leave and the committees were urged to remedy that situation.

However, contrary to the statement made by the gentleman from Texas [Mr. BLANTON], the relief that had been earnestly requested by the families of these deported breadwinners was not originally in any bill as reported directly to this House from the Committee on Immigration and Naturalization under my sponsorship—although I would have been glad to sponsor such a relief measure for meritorious cases where the deported person was definitely in the noncriminal classes.

What happened was this: The Committee on Immigration, under date of January 25, 1932, reported a bill known as "H. R. 6477", the purpose of which was to further extend certain naturalization privileges to alien veterans residing in the United States. This bill was passed by the House and sent to the Senate.

The session of that Congress was rapidly drawing toward an adjournment, and for that reason, and owing to the urgent need for certain other immigration and naturalization legislation pending at that time before them, the Senate Committee on Immigration added a number of amendments to the House bill 6477 and reported the amended bill to the Senate.

This amended bill was passed by the Senate and was sent to a conference of the two Houses. The House then receded from its disagreement to the Senate amendments, the report of the conferees was agreed to by the House, and there is nothing in the RECORD to show that the gentleman from Texas [Mr. BLANTON] objected to this final action by the House.

This amended bill, as finally agreed upon by both Houses of Congress, became law upon the approval by the President on May 25, 1932 (Public Law No. 149, 72d Cong.).

A careful study of this statute shows that the gentleman from Texas [Mr. BLANTON] was referring to section 7 of this act. That section reads as follows:

> SEC. 7. Despite the provisions of subdivision (a) of section 1 of the act entitled "An act making it a felony with penalty for certain aliens to enter the United States of America under certain conditions in violation of law", approved March 4, 1929, as amended, an alien, if otherwise admissible, shall not be excluded from admission to the United States under the provisions of such subdivision after the expiration of 1 year after the date of deportation if, prior to his reembarkation at a place outside of the United States, or prior to his application in foreign contiguous territory for admission to the United States, the Secretary of Labor, in his discretion, shall have granted such alien permission to reapply for admission.

This section 7 of the act of May 25, 1932, simply amends the so-called "Banishment Act" as approved March 4, 1929, so as to provide a means of alleviation in cases where the perpetual exclusion of all deportees operated to forever prevent members of the family in the United States from ever having the husband or the wife or children who had been deported rejoin the family fireside in the United States.

The alleviation granted by this new amendment was strictly limited so as to require the person deported to stay away at least 1 year following deportation, and after that lapse of time then personally apply from abroad directly to the Secretary of Labor for permission to return. In the discretion of the Secretary of Labor, such applications could be acted upon by granting the deported person permission to come back. Thereafter the deported alien would initiate an altogether new application for an immigration visa before an American consul abroad, and upon establishment of eligibility to admission to the United States under the immigration law would be given a new visa, and then upon arrival at a port of entry this immigrant would be subject to all examinations that every newly arrived alien is required to submit to when seeking admission.

I fail to see how the gentleman from Texas [Mr. BLANTON] could possibly object to this humane procedure. Yet that is the law he erroneously charged me with sponsoring and erroneously laid on me responsibility for some action which he disapproves.

The remarks of the gentleman from Texas [Mr. BLANTON] on that occasion were very much in line with the statement he made on this floor when the Filipino repatriation bill was before the House. At that time he said there were 20,000,000 aliens in the United States, of whom 10,000,000 were here illegally. That erroneous statement was effectively answered.

Now, Mr. Speaker, I wish to refer briefly to each of the bills reported from the Committee on Immigration and Naturalization and others pending before that committee, all of which should obtain the full cooperation of everyone in the House who is interested in seeing that the interests of this country shall be adequately protected without inflicting any injustice to anyone. These several bills are as follows:

H. R. 5839: The purposes of this bill are to provide legislative authority for the removal of aliens from the United States when they come here for a visit or for a temporary stay and then engage in spreading foreign propaganda and mix in local political activities in the United States. The bill further seeks to extend the authority of the Secretary of Labor to remove from the United States any alien who ostensibly comes to this country for permanent residence but who, after admission here, proceeds to spread a political philosophy of racial and religious intolerance among American citizens and political philosophies inconsistent with the American theory of government, even advocating the use of force and violence to establish here those alien ideas of how the United States should be governed.

Having recently concluded a thorough investigation into subversive activities of aliens in the United States and thereby having obtained definite information about the way that this pernicious activity is carried on here, it is quite obvious to me that legislation of this type is sorely needed to attack this dreadful scourge at its very root. I am sure that

the purposes of this bill are salutary, and I feel it will receive the support of all fair-minded Members of the House. I did not believe there would be a Member of this House who would be opposed to this type of legislation, yet I see that the Membership of this House was prevented from fully considering this bill by objections raised by the gentleman from New York [Mr. MARCANTONIO], the gentlewoman from New York [Mrs. O'DAY], the gentleman from Ohio [Mr. JENKINS], the gentleman from Nebraska [Mr. STEFAN], and the gentleman from Wisconsin [Mr. WITHROW].

That bill would remove many undesirable aliens, and I fail to see the consistency of the objections made.

Another bill reported from the committee is H. R. 5799. This proposes to correct a situation created by the recent Saar plebiscite. Many naturalized Americans went from the United States and cast their votes in a foreign country on a matter in which they as United States citizens had no interest, and they voted in the interest of a foreign nation. A study of our laws revealed that there is no statute in existence which is sufficient to bring about the forfeiture of the citizenship of such naturalized aliens who hold a dual allegiance of this character. Hence reluctantly concluding that such drastic legislation is necessary this bill was reported. While the measure reported will not affect those who voted in that Saar plebiscite, probably the enactment of this bill now would prevent such a situation arising in the future and would serve notice that hereafter there will be no such double allegiance. Persons who become naturalized citizens will know they must declare themselves as Americans and by that act give up all connections which would justify taking part in elections or plebiscites in the interests of any foreign country, and they will know that if they do vote in a foreign election they must suffer the consequences and be classed here as aliens and subject to all disabilities that aliens may be subjected to thereafter.

This very necessary new legislation was not permitted to receive proper consideration by this House when the gentleman from Wisconsin [Mr. WITHROW], the gentleman from Ohio [Mr. JENKINS], the gentleman from Illinois [Mr. DIRKSEN], and the gentleman from Michigan [Mr. WOLCOTT] all objected to consideration of this bill. I am at a loss to understand what possible objection could justify them in preventing the Membership of this House from acting on this remedial type of legislation which seeks to strengthen citizenship.

Another bill which the committee has submitted for the consideration of the House seeks to correct a situation growing out of the provisions of the Cable Act which gave to married women individual citizenship status independent of their husbands. This bill (H. R. 4354) proposes to restore citizenship to women born in the United States, who are living in the United States, who have never taken personally any oath of allegiance to any foreign government but who, nevertheless, lost their citizenship prior to September 22, 1922, simply because before that date they married aliens. An American woman who married an alien subsequent to September 22, 1922, did not thereby lose her citizenship. This bill will benefit only native-born women who are now and for 3 years have been living in the United States and will enable them to resume their citizenship without exhaustive procedure before naturalization authorities and permits them to obtain a certificate of citizenship, if they desire it, in a rather informal manner.

I cannot for the life of me see why there should be any objection to this bill, since it simply equalizes the citizenship status of native-born women now living in the United States who married aliens prior to September 22, 1922, with the citizenship status of native-born women now living in the United States who married aliens after September 22, 1922.

Yet when this bill was reached the other day on the calendar, the objection of one Member prevented consideration by the House. This one objection came from the gentleman from California [Mr. GEARHART]. I was especially surprised at this objection, since the gentleman who thus prevented consideration of H. R. 4354 now has pending with the Committee on Immigration and Naturalization a bill of somewhat similar intent, only his bill would permit any woman who had lost her citizenship by reason of marriage to an alien, or because her husband lost his citizenship, to regain her own citizenship by a short naturalization procedure while she is living abroad, and he would permit the woman seeking repatriation to take her oath of allegiance before an American consul in a foreign post of duty with no requirement on the woman's part that she intends to reside permanently in the United States.

If the gentleman from California would seek this privilege for a woman living abroad I fail to see his reason for objecting to the consideration of the bill H. R. 4354, which seeks a similar privilege for women born here and living here.

Again referring to the Filipino repatriation bill—which is House Joint Resolution 71—and which was objected to about a month ago by the gentleman from Texas [Mr. BLANTON], the gentleman from Ohio [Mr. TRUAX], and the gentleman from Michigan [Mr. HOOK]. The objections by these three Members struck that resolution from the Consent Calendar for this session of Congress.

I cannot see the consistency of such objections when the same gentlemen continually tell you we should get rid of undesirable aliens. The Filipino is neither an alien nor a citizen—he is just a national or subject. Yet this resolution proposed to relieve many local communities and political subdivisions of the United States which now have a very real problem in the burden of caring for unemployed and distressed Filipinos; we proposed paying their fares back to their native homeland, and in this way repatriating them and taking them off public relief rolls thereby saving money for the American taxpayer in the long run.

A similar measure was submitted 2 years ago and was supported by the Secretary of War, the Secretary of the Navy, and the Secretary of Labor. The resolution has the support of our immigration officials and will undoubtedly encourage voluntary applications from many Filipinos for transportation back to the Philippine Islands.

I have no doubt a close examination of the purposes of the resolution, coupled with a study of the situation and a careful reading of the report by the Committee on Immigration and Naturalization, will convince many Members of this House of the soundness of its provisions, and they will then permit this measure to be considered and passed by this House. It will help the Filipinos and this country, too.

Another bill which the Committee on Immigration recently reported out provides for the repatriation of aliens who have fallen into distress and unemployment and is H. R. 3472, which gives that right to the Federal authorities in lieu of the existing provisions of law which limit such aid to 3 years after the entry of the aliens into the United States. The proposed statute intends to grant this right to the Secretary of Labor without any limitation of time after entry in the case of any alien who finds that he cannot maintain himself in the United States, wishes to go home, could be transported at the expense of the Government and thereby relieve our communities of the problem of caring for, supporting, and maintaining such aliens.

Yet here again we find Members of this House, who claim to be interested in relieving this country of undesirable aliens, entering objections to consideration by this House of this bill—H. R. 3472—which is a very much needed measure. Three objections were entered on March 4, 1935, by the gentleman from Ohio [Mr. JENKINS], the gentleman from Texas [Mr. BLANTON], and the gentleman from California [Mr. CARTER].

A study of these bills and the objections made to their consideration by this House after the Committee on Immigration and Naturalization has submitted unanimous reports favoring the passage of these necessary legislative measures will cause any candid student of the situation to wonder at the apparent inconsistency indicated by the Members who urge restriction and clean-up, on one hand, while, on the other hand, preventing the Membership of this House from consideration of beneficial legislative measures in line with their expressions.

The program of our committee would not be complete without granting some relief to World War veterans of alien birth who for sometime past could be naturalized under a shortened procedure, but the law under which this naturalization could be effected has since expired. We propose to extend this period of time and we also wish to extend the same privileges to aliens who did not serve under our flag but who did serve under the flags of countries with which the United States was allied during the World War. I believe that with this proposed legislation our immigration problem will be materially remedied and that we shall then be as near its solution as is feasible.

This measure for the benefit of veterans of the World War was passed by the House on April 1, 1935, and sent to the Senate. This is the second bill sent to the Senate this session from the Committee on Immigration and Naturalization.

I conclude with just this statement. That every bill reported from the Committee on Immigration and Naturalization this session has met with unexpected and unwarranted opposition on the floor of this House and it seems impossible to secure appropriate consideration of measures that should be passed in the ordinary procedure of the House. The committee has not had a regular call on Calendar Wednesday at any time in many years and now with the repeated practice of dispensing with Calendar Wednesday business, according to the House rules, there seems practically no chance this session for orderly consideration of our bills except by the granting of special privileges through rules from the Committee on Rules. I hope we may yet have consideration of some of the important measures which have been reported from the Committee on Immigration and Naturalization and the very vital legislation which will yet be reported from that committee during the next few weeks.

I thank you.

H. R. 7017—A WAY TO STAMP OUT CHILD LABOR

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, I wish to speak on a national problem which after many years remains to be solved. I refer to child labor—still one of the dark spots of our social system. Too many of us have, unfortunately, assumed that the evils of child labor were a thing of the past. I can tell you that this is decidedly not so. Child labor, with its evils, its hardships, its senseless injustice, is a part of our daily life and living.

A PROPOSED CHILD-LABOR LAW

It is for this reason that last Wednesday, March 26, I introduced in the House of Representatives H. R. 7167, which, if adopted, will make child labor a thing of the past. Essentially this bill is designed to prevent the use of child labor by barring from the mails all articles which are manufactured, sold, packed, or delivered by child labor. My bill makes it a violation of the law to send such articles through the mails, as well as any letter, post card, statement, invoice, or check which refers to or deals in any way with such articles. The bill defines child labor as the employment of all children under the age of 16, and the employment of children between 16 and 18 for more than 6 hours a day or more than 5 days a week.

THE CHILD-LABOR AMENDMENT

I want to say first of all that I was hoping that it would not be necessary to introduce this bill. As we all know, the proposed child-labor amendment—which would be the twenty-second amendment to the Constitution of the United States—has been before the various States of this country for the last 11 years for ratification. This amendment would give Congress the power to regulate the employment of persons under 18 years of age. For an amendment to become part of the Constitution the approval of 36 States is required. Up to 1935, 20 States had ratified this amendment, and those splendid men and women who had fought for it were hoping that success was in sight.

I hoped that ratification by the States would come fast. However, during the past year only 4 additional States have ratified the child-labor amendment, whereas 14 have rejected it. There is absolutely no chance that the necessary 36 States will have ratified the amendment by next year, since most State legislatures are now adjourning and will not meet again for 2 years. So if we are going to strike at child labor, if we are going to abolish it, then we must do so through congressional legislation.

UNITED STATES CHILD-LABOR STATISTICS

Does child labor still exist in this country? Let me place before you some official figures which have been gathered on this question.

How many of us realize that in 1930 more than 400,000 children between the ages of 10 and 17 worked as laborers and operatives; that 15 percent of this 400,000 were 15 years and under; and that in this same year, 1930, just 4 short years ago, 235,000 of this same total were 10 to 13 years old?

Appalling as these official figures are, they do not paint the whole hideous picture, because it is well known that there are many children even younger who are put to work the year around at back-breaking tasks—in street trades, and in industrial home work, and in other occupations.

WORKING CONDITIONS IN CHILD LABOR

When we thoroughly examine and study reports on the conditions under which these children work, we find a shameful record of abuses, of despicable working conditions, of a greed for profit, and of total damage to the health, the safety, and even the very lives of these boys and girls.

Employers who use child labor are not interested in their safety or in their health. They are interested in making profits out of the labor of children. They force them into the least skilled and into the hardest kinds of work. In canning factories children haul heavy pails of fruit and vegetables; they stack heavy cases filled with canned goods. They work as long as 10 and 12 hours a day on wet floors, in steam from the machines in which fruit and vegetables are cooked.

In textile factories the use of child labor has for a long time been one of the darkest blots on industry. We have had stories of long hours, of children worked until they have collapsed at their machines, and of pay envelops of $2 and $3 a week for 60 and 70 hours of work.

This is what child labor is—the meanest, the most underpaid, the most injurious work. I can sketch only the high lights of such a system here, for this record of shame would fill many volumes.

ECONOMIC WASTE IN CHILD LABOR

And where did all this get us? What were the profits to the manufacturer who turned out his products by the use of this modified slavery? And what were the profits to our country which permitted this system—a system which prevented millions of children from receiving the education, the health supervision, and the social contacts to which they were entitled?

Well, we all know what happened to the manufacturer who produced huge stacks of manufactured goods which he could not sell because labor had no money with which to buy them. His own greed led to his ruin.

As for the country itself, the loss cannot be measured in dollars and cents, but just the same it is just as serious, if not more so. You cannot chain children to machines, keep them away from sunlight and fresh air, and deny them the benefit of normal schooling and play without great injury to this and to future generations.

CHILD LABOR A CRIME AGAINST SOCIETY

Of all waste the most inexcusable is the waste of potential brains and ability. In this lies the crime of child labor. It is a crime against society and ourselves, as well as against the child. When you put a child to work, you thrust him into a hard and unyielding pattern at an age when he is quickest to react to his surroundings and associa-

tions, when he is most likely to learn his special possibilities in future life; at that age child labor presses his body and spirit into a mold from which he cannot escape. He is lost both to himself and to society.

No, Mr. Speaker, the country as a whole has paid a high price for child labor. It will continue to pay that price until we have abolished it forever.

And we must abolish it. The need for doing so is greater today than ever before. It is these years of depression which, for the first time, have shown us how short-sighted our policy has been. For it is this same child labor which has thrown millions of adults into the bread lines and the relief rolls.

All available jobs belong to the adults, and not to children. When you give jobs to children, the adults become jobless. If we had realized this 5 or 10 years ago, if heads of families could have seen that by sending their children to factories and shops to work long hours for pitifully small pay, they were merely creating a condition which would in time take away their own employment, we would not have so much unemployment and so much suffering today.

N. I. R. A. NOT A SOLUTION

I would like to mention here one argument which has been made against the permanent abolition of child labor, an argument which should be shown up because it is worthless and is doing the movement much harm. Many people have said: Why all this agitation against child labor? Has not the National Industrial Recovery Act taken care of this problem? Do not most of the codes outlaw child labor? I ask the people who raise these questions some other questions.

I ask them if they are not overlooking the fact that of the 431,000 children 14 and 15 years old who were working in 1930, 61 percent were in agriculture. These have no codes. I could further tell them that of the 235,000 children 10 to 13 years old who were working in 1930, 87 percent were in agriculture. These have no codes.

Too, in 1930 there were 37,000 wage earners in commercialized agriculture. There were 23,000 bootblacks and other street workers. There were 40,000 domestic workers. They have no codes. No; for these the N. I. R. A. has no solution to offer.

Also, there is the hard fact that the National Industrial Recovery Act expires on June 16, 1935. Of course, plans are already being discussed for its renewal, but we must bear in mind two things: The National Industrial Recovery Act is emergency legislation; it is specifically temporary in nature. Furthermore, it is becoming increasingly evident that if and when new legislation of this type is enacted it is going to be confined in the main to the workers engaged in interstate commerce.

If carried out, this would leave hundreds of thousands of child laborers, in industries whose activities do not extend beyond the boundary of a single State, without protection.

My bill would apply equally to interstate and intrastate commerce. By barring the use of the mails to a firm engaged in child labor I have created an instrument which would be thoroughly effective in abolishing child labor.

UNITED STATES IS READY FOR ACTION

Ladies and gentlemen, it is my firm belief that this country is ready, and is eager, for such action. As I mentioned before, it has remained for the depression to bring home the full realization. Millions of unemployed know now the bitter truth that the struggle for work belongs to the adult. Even without these bitter lessons, the evils of child labor were sufficient to make us want to do away with this system. These lessons show that we can no longer wait. Let us have action now.

I hope that the Congress will pass H. R. 7017.

TOWNSEND OLD-AGE-PENSION PLAN

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, yesterday I received a communication from the office of the Governor of the State of California which states briefly:

> At the request of Governor Merriam and in accordance with the terms of the resolution, I am enclosing herewith for your information and record a certified copy of assembly joint resolution no. 39, adopted by the California State Legislature.

This resolution calls upon the Congress of the United States as follows:

> *Resolved by the Assembly and Senate of the State of California, jointly,* That the Congress of the United States is respectfully urged to enact H. R. 3977, introduced in the House of Representatives January 16, 1935, and cited as the "Townsend old-age revolving pension bill." The State of California urges that this legislation be enacted into law.

Yesterday my distinguished colleague and friend from California [Mr. McGROARTY], introduced a revised Townsend old-age-pension plan. I hope the Members of the House of Representatives, especially the Republicans, inasmuch as this request comes from a Republican administration in the State of California, will sign the petition on the desk to bring the Townsend plan to the floor of the House so this question may be heard and determined.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. In just a moment.

In this same connection I should like to read a press item, "Shops Guarded in Los Angeles." This occurs in my own district where the distressed people are boycotting the shops because of the high price of meat and other commodities.

If we will enact the Townsend plan, or any other real, remedial legislation, the unemployed will not be driven to take radical action of this kind.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. KNUTSON. Does the gentleman think it is helping to restore prosperity to increase the price of food commodities to such a point that the unemployed cannot afford to eat?

Mr. HOEPPEL. If we enact the Townsend old-age-pension plan, there will be no unemployed. This plan will put billions of dollars into circulation which will benefit not only the aged, the direct beneficiaries of the plan, but youth as well, and the stimulative effect of this increased purchasing power will be felt throughout the length and breadth of our land, among all classes and in all industries. There would be no more lack among our people for the barest necessities of life, for all would have sufficient funds with which to purchase them.

Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein this resolution and other papers submitted to me from the office of the Governor of California, also to include at the conclusion the old-age-pension plan introduced yesterday by my distinguished colleague the gentleman from California [Mr. McGROARTY].

Mr. YOUNG and Mr. BULWINKLE reserved the right to object.

Mr. YOUNG. Mr. Speaker, the resolution was offered in another body and is in the CONGRESSIONAL RECORD, as I understand it, and, furthermore, the gentleman from California [Mr. HOEPPEL] refers to the Townsend plan, and the Townsend plan, as set forth in the original bill introduced in January, has now been abandoned by Dr. Townsend and its leaders, and the Townsend plan is now embodied in a measure that was introduced in the House of Representatives yesterday by the gentleman from California [Mr. McGROARTY].

Therefore I object to the inclusion of any material other than the gentleman's own remarks.

Mr. HOEPPEL. I regret that the objection of the gentleman from Ohio [Mr. YOUNG] prevents the printing in the RECORD of H. R. 7154, the revised Townsend bill introduced by Mr. McGROARTY, which makes no change whatever in the essential features of the plan, as embodied in H. R. 3977.

In my opinion, legislation of this kind is very necessary, and I further wish to say that I believe no legislation thus far advanced in the new deal will have as far-reaching and positive an effect toward our national recovery as will the

Townsend old-age revolving pensions, which the State of California memorializes the Congress to enact.

We should not deceive ourselves. The unemployment situation is more serious today, in a sense, than it was when our party took over the reins of government, notwithstanding that we have spent billions of dollars since that time and are continuing to appropriate additional billions with which to battle the depression.

The patience of the people is more or less under an elastic strain, and their endurance almost at the breaking point. An evidence of this is the boycott which individuals in Los Angeles are now applying as a protest against high prices of meat and, indirectly, the higher prices which they are compelled to pay for other necessities of life. According to the newspaper item, to which I have already referred, this boycott is attributed to the activities of "reds."

Certainly no one would attribute communistic sentiments to disabled war veterans who are receiving compensation, yet I received yesterday a communication from a tubercular World War veteran, who because he receives the paltry sum of $25 compensation was removed from F. E. R. A. employment, and now is given only four grocery orders per month. Nothwithstanding that this disabled veteran has a wife and 4 children, ranging in ages from 14 years to infancy, he is expected to maintain himself on his insignificant compensation of $25 per month, plus the meager food orders, a copy of which discloses that fresh meat or fish was not furnished, but that, in lieu thereof, he was supplied with corned beef. Assuredly, this is not a diet for growing youth, much less for a tubercular veteran and, assuredly, no one would attribute communistic thought to an individual of this character who joined the boycott as a protest against the inordinate and increasing high cost of living.

I am satisfied that if we enact the Townsend old-age revolving pension plan conditions such as I have described will not arise, and I do hope that the Congress will not adjourn, without examining into and passing upon the merits of the proposal of Dr. Townsend, as so admirably expressed in the McGroarty bill.

The petition, which has been placed on the Clerk's desk, to discharge the committee from further consideration of the Townsend old-age-pension plan, as embodied in the McGroarty bill, and to bring it to the floor of the House for action, bears only 57 signatures. Of this number, there are 14 signatures of Representatives from the State of California, who are to be commended for their just attitude, expressing as it does the American principles of democracy, which demand that the voice of the minority as well as that of the majority shall be heard in the councils of our Nation.

In conclusion, I reiterate my former request that every Member who is interested in giving our aged citizens a square deal and in increasing the opportunities of our young people sign the petition to which I have referred, in order that full and free discussion may be had on this humane measure, the enactment of which, in my opinion, will do more than anything yet advanced to bring about our national recovery.

LEAVE OF ABSENCE

Mr. BROWN of Michigan. Mr. Speaker, due to a death in the family of my colleague, the gentleman from Michigan [Mr. DINGELL], he left Washington Friday afternoon and was unable to be back here yesterday. I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may be given an indefinite leave of absence.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication:

WASHINGTON, D. C., *March 29, 1935.*

Hon. JOSEPH W. BYRNS,
Speaker House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a Member of the Committee on War Claims, and would request that the same be made effective immediately.

With kind regards, I am

Sincerely yours, THEO. B. WERNER.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

The Clerk called the first bill (H. R. 3722), a bill for the relief of Samuel Kaufman.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, I object because another identical bill has been passed by the House, and this ought to be stricken from the calendar.

Mr. CLARK of Idaho also objected.

The bill was stricken from the calendar.

MUNCY PRIVATE HOSPITAL

The Clerk called the next bill on the Private Calendar, H. R. 1291, for the relief of the Muncy Valley Private Hospital.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to the Muncy Valley Private Hospital the sum of $158.22 for medical treatment and hospital care of James Allen Fetterman, seaman, second class, United States Navy.

With the following committee amendment:

At the end of the bill insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. A. TAYLOR

The Clerk called the next bill on the Private Calendar, H. R. 1487, for the relief of H. A. Taylor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the account of H. A. Taylor, postmaster at Cleveland, Ohio, in the sum of $800, due to the United States on account of loss of postal funds resulting from the acceptance by Clerk Charles H. Jones of a certified check in payment for stamp stock, which check was later found to be a forgery.

With the following committee amendment:

Page 1, line 3, strike out "Postmaster General" and insert "Comptroller General of the United States."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROSE BURKE

The Clerk called the next bill on the Private Calendar, H. R. 1488, for the relief of Rose Burke.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rose Burke, of Cleveland, Ohio, the sum of $5,500, in full settlement of all claims against the Government of the United States on account of the death of Thomas E. Burke, husband of the said Rose Burke, resulting from injuries received May 24, 1931, when a United States mail truck struck him.

With the following committee amendment:

Page 1, line 6, strike out "$5,500" and insert "$5,000"; and on page 1, line 10, after the word "him", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the con-

trary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARBOR SPRINGS, MICH.

The Clerk called the bill (H. R. 1492) for the relief of Harbor Springs, Mich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay to the village of Harbor Springs, Mich., out of any money in the Treasury not otherwise appropriated, a sum equal to:

(1) One-half of the total amount of the several payments made by the village to satisfy a judgment rendered against it in an action for damages for the death of Ernest H. Haines, an employee of the United States Weather Bureau, with interest at 5 percent per annum on one-half of each of such payments from the respective dates of payment to the date of payment by the Secretary of the Treasury under this act.

(2) All expenditures made by the village in defending the action.

(3) All expenditures made by the village in prosecuting a claim in the Court of Claims to establish the liability of the United States as a joint tort-feasor on account of the death of such employee.

SEC. 2. Such payment shall be in full satisfaction of all claims of the village of Harbor Springs against the United States on account of the death of Ernest H. Haines: *Provided*, That no part of the amount appropriated by virtue of this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated by virtue of this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COSTELLO. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. COSTELLO: Page 2, line 3, after the figure "(2)" insert "one-half of."

The amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DOUGLAS B. ESPY

The Clerk called the bill (H. R. 1550) for the relief of Douglas B. Espy.

The SPEAKER. Is there objection?

Mr. KRAMER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. MILLARD. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX and Mr. KRAMER objected, and the bill was recommitted to the Committee on Claims.

R. A. WILLIAMS

The Clerk called the bill (H. R. 1609) for the relief of R. A. Williams.

Mr. CLARK of Idaho and Mr. HOPE objected, and the bill was recommitted to the Committee on Claims.

PAULINE FORNABAIO

The Clerk called the bill (H. R. 1771) for the relief of Pauline Fornabaio.

Mr. CLARK of Idaho and Mr. COSTELLO objected, and the bill was recommitted to the Committee on Claims.

JULIA SANTIAGO

The Clerk called the bill (H. R. 1830) for the relief of Julia Santiago.

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill was recommitted to the Committee on Claims.

WILLIAM J. RYAN

The Clerk called the bill (H. R. 1912) for the relief of William J. Ryan, Chaplain United States Army.

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill was recommitted to the Committee on Claims.

ALBERT H. JACOBSON

The Clerk called the bill (H. R. 1962) for the relief of Albert H. Jacobson.

Mr. MOTT and Mr. HANCOCK of New York objected, and the bill was recommitted to the Committee on Claims.

WILLIAM E. FOSSETT

The Clerk called the bill (H. R. 1965) for the relief of William E. Fossett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William E. Fossett, Miami, Fla., the sum of $1,500. Such sum shall be in full satisfaction of all claims against the United States on account of damages sustained by the said William E. Fossett, when a grove of trees owned by him was partly destroyed by fire due to the negligence of Government prohibition agents.

With the following committee amendments:

Page 1, line 6, strike out "$1,500" and insert "$675."

Page 1, line 10, strike out the period and insert a colon and the following after the word "agents":

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES C. FLOYD

The Clerk called the bill (S. 274) for the relief of Charles C. Floyd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Charles C. Floyd, who was a member of Company A, Eighth Regiment United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 10th day of December 1930: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CHEROKEE FUEL CO.

The Clerk called the bill (H. R. 1299) giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.

Mr. TRUAX and Mr. CLARK of Idaho objected, and the bill was recommitted to the Committee on Claims.

HUGH G. LISK

The Clerk called the bill (H. R. 2126) for the relief of Hugh G. Lisk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized to pay, out of any money in the United States Treasury not otherwise appropriated, to Hugh G. Lisk, late of the United States Navy, the sum of $77.90 in full settlement of all claims against the Government of the United States for money expended by him for gas, electricity, and water while occupying governmental quarters from January 16, 1928, to May 1, 1929, at the Naval Air Station, San Diego, Calif.: *Provided*, That no part

of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FRANK A. SMITH

The Clerk called the next bill, H. R. 2132, to extend the benefit of the United States Employment Compensation Act to Frank A. Smith.

There being no objection, the Clerk read, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Frank A. Smith, a former employee of the War Department.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Frank A. Smith, on account of disability alleged to have been proximately caused by his employment in the service of the United States, on November 15, 1922: *Provided*, That no benefits shall accrue prior to the enactment of this act."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows:

A bill to extend the provisions of the United States Employees' Compensation Act to Frank A. Smith.

A motion to reconsider was laid on the table.

HOWARD DONOVAN

The Clerk called the next bill, H. R. 2157, for the relief of Howard Donovan.

There being no objection, the Clerk read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Howard Donovan, former consul at Bahia, Brazil, the sum of $1,229.75, such sum representing the cost of embalming the body of his wife, Ruth Curtiss Donovan; burial; and subsequent transportation of the body from Bahia, Brazil, to its burial place at New Haven, Conn.

With the following committee amendments:

Page 1, line 6, strike out "$1,229.75, such sum representing", and insert in lieu thereof "$500, in full settlement of all claims against the Government of the United States for";

Page 1, line 11, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARCELLINO M. GILMETTE

The Clerk called the next bill, H. R. 2185, for the relief of the estate of Marcellino M. Gilmette.

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Matheus M. Gilmete, duly appointed administrator of the estate of Marcellino M. Gilmette, the sum of $110, representing wages due to said Marcellino M. Gilmette, who died at sea on April 1, 1924.

With the following committee amendments:

Page 1, line 7, after the figures "$110", insert the following: "in full settlement of all claims against the Government of the United States."

On page 1, line 10, after the figures "1924", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT M. KENTON

The Clerk called the next bill, H. R. 2204, for the relief of Robert M. Kenton.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Robert M. Kenton, on account of disability due to arthritis alleged to have been proximately caused by his employment in the service of the United States between January 24, 1924, and June 30, 1932: *Provided*, That no benefits shall accrue prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM LYONS

The Clerk called the next bill, H. R. 2265, for the relief of William Lyons.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho. Mr. Speaker, I object.

The SPEAKER. Only one objection is heard. The Clerk will report the bill.

Without objection, the Clerk will report a similar Senate bill, S. 1391.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Lyons, in full settlement of all claims against the Government of the United States, the sum of $1,500, representing an amount, after deducting the expense caused to the Government, of a bail bond filed in the case of the United States against Louis L. Ross, and subsequently forfeited when the said Ross failed to appear for trial, although he was later apprehended and convicted: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

CHELLIS T. MOOERS

The Clerk called the next bill, H. R. 2327, for the relief of Chellis T. Mooers.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill, S. 906.

The SPEAKER. Without objection, a similar Senate bill will be substituted.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Chellis T. Mooers, of Arlington, Mass., the sum of $4,500. Such sum shall be in full satisfaction of all claims against the United States for damages sustained by the said Chellis T. Mooers as the result of the death of his wife, Edith M. Mooers, who was struck and fatally injured by a United States mail truck in Arlington, Mass., on April 1, 1932: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

YELLOW DRIVURSELF CO.

The Clerk called the next bill, H. R. 2353, for the relief of the Yellow Drivurself Co.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. C. Matthews, Karl Matthews, and C. G. Matthews, all of Chattanooga, Tenn., a partnership trading as the Yellow Drivurself Co., the sum of $512. Such sum represents the amount of a claim against the United States under contract no. W6145qm-4, entered into October 28, 1930, in good faith, by such Yellow Drivurself Co. and the constructing quartermaster at Fort Oglethorpe, Ga., for the War Department. Such company furnished a car as specified in such contract, but the Comptroller General was unable to allow the payment of any claim for rental under such contract because such expenditure was not specifically authorized by law, as required by section 5 of the Legislative, Executive, and Judicial Appropriation Act of July 16, 1914 (U. S. C., title 5, sec. 78).

With the following committee amendments:

On page 1, line 5, after the word "appropriated", insert "and in full settlement of all claims against the Government of the United States."

Page 2, line 10, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF HARRY F. STERN

The Clerk called the next bill, H. R. 2386, for the relief of the estate of Harry F. Stern.

Mr. COSTELLO and Mr. CLARK of Idaho objected, and the bill, under the rule, was recommitted to the Committee on Claims.

JAMES O. GREENE AND MRS. HOLLIS S. HOGAN

The Clerk called the next bill, H. R. 2422, for the relief of James O. Greene and Mrs. Hollis S. Hogan.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to James O. Greene, of Augusta, Ga., the sum of $30.88, and to Mrs. Hollis S. Hogan, of Augusta, Ga., the sum of $62.91, out of any money in the Treasury not otherwise appropriated, as refund for erroneous payments of Postal Savings certificates which they were charged with.

With the following committee amendments:

On page 1, line 7, strike out the words "as refund" and insert "and in full settlement of all claims against the Government of the United States"; page 2, line 1, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILTON HATCH

The Clerk called the next bill, H. R. 2443, for the relief of Milton Hatch.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,100, which includes hospital bill of $665, to Milton Hatch, on account of personal injuries of a permanent nature received October 30, 1928, when struck by a truck of the military authorities at Fort Bragg, N. C., operated by a soldier stationed at said post.

With the following committee amendments:

Page 1, line 6, after the word "Hatch" insert: "in full settlement of all claims against the Government of the United States."

Page 1, line 11, after the word "post", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLOYD L. WALTER

The Clerk called the next bill, H. R. 2449, for the relief of Floyd L. Walter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $73.25 to Floyd L. Walter, in full settlement of all claims against the Government of the United States, representing money erroneously collected by the Department of Agriculture under the Seed Loan Act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. H. HOOGENDORN

The Clerk called the next bill, H. R. 2464, for the relief of C. H. Hoogendorn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money

in the Treasury not otherwise appropriated, the sum of $1,500 to C. H. Hoogendorn for the loss of his gas boat *Tyke* while under charter by the Department of Agriculture.

With the following committee amendments:

Page 1, line 6, after the word "Hoogendorn", insert "in full settlement of all claims against the Government of the United States."

Page 1, line 8, strike out the word "Tyke" and insert in lieu thereof the word "Comrade."

Page 1, line 9, after the word "Agriculture", insert a colon and add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM L. JENKINS

The Clerk called the next bill, H. R. 2473, for the relief of William L. Jenkins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the General Accounting Office be, and is hereby, authorized and directed to credit the accounts of William L. Jenkins as American consul, formerly at Trebizond, Turkey, with the sum of $2,000, such sum representing the amount for which he is held personally liable on account of official vouchers lost because of warlike conditions in Turkey during 1916 and 1917.

With the following committee amendment:

Page 1, line 3, strike out the words "General Accounting Office" and insert in lieu thereof "Comptroller General of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

BERNARD M'SHANE

The Clerk called the next bill, H. R. 2487, for the relief of Bernard McShane.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Bernard McShane, of Sacramento, Calif., the sum of $861.33, the same being an amount due him with interest from November 2, 1923, by the Post Office Department, as a balance of an amount of $1,400 reward for services rendered as chief of police, Sacramento, Calif., in connection with the arrest and conviction of Roy G. Garner, charged with hold-up and robbery of the Southern Pacific train no. 20, between Roseville and Newcastle, Calif., on May 20, 1921.

With the following committee amendments:

Page 1, line 5, after the word "California", add the following: "out of any money in the Treasury not otherwise appropriated and in full settlement of all claims against the United States."

Page 1, line 8, strike out "$861.33" and insert in lieu thereof "$633.23."

Page 1, line 9, strike out the words and figures "with interest from November 2, 1923."

Page 2, line 4, after the figures "1921", add a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

C. B. DICKINSON

The Clerk called the next bill, H. R. 2551, for the relief of C. B. Dickinson.

By unanimous consent, the Clerk reported a similar Senate bill (S. 1694).

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of C. B. Dickinson, former superintendent and special disbursing agent at the Pierre Indian School, Pierre, S. Dak., for payments aggregating $3,402.39, in making repairs to various buildings of the school plant.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

ANNA KOTNYEK

The Clerk called the next bill, H. R. 2603, for the relief of Anna Kotnyek.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. HOPE objected, and under the rule the bill was recommitted to the Committee on Claims.

PAUL KIEHLER

The Clerk called the next bill, H. R. 2606, for the relief of the estate of Paul Kiehler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Paul Kiehler the sum of $2,500 as compensation for fatal injuries sustained by him, by an automobile truck owned and operated by the Post Office Department, on December 18, 1931, at the intersection of Chicago Avenue and Paulina Street, in the city of Chicago, Ill.

With the following committee amendments:

Page 1, line 6, strike out the words "as compensation" and insert in lieu thereof: "in full settlement of all claims against the Government of the United States."

Page 1, line 11, after the word "Illinois", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney, or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. WILLIAM G. SIRRINE

The Clerk called the next bill, H. R. 2663, for the relief of Mrs. William G. Sirrine.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Claims.

LADISLAV CIZEK

The Clerk called the next bill, H. R. 2679, for the relief of Ladislav Cizek.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ladislav Cizek, of Chicago, Ill., the sum of $500. Such sum represents reimbursement for loss sustained by the said Ladislav Cizek on account of forfeiture to the United

States of a delivery bond executed by him to secure the appearance of Karel Velastin in proceedings for deportation of the said Karel Velastin.

With the following committee amendments:

Page 1, line 6, after the figures "$500", insert the following: "in full settlement of all claims against the Government of the United States."

Page 2, line 1, after the word "Velastin", insert a colon and add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MARY F. CRIM

The Clerk called the next bill, H. R. 2680, for the relief of Mary F. Crim.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Mary F. Crim, of Manchester, Ga., widow of the late J. M. Crim, out of any money in the Treasury not otherwise appropriated, the sum of $2,500. Such sum shall be in full settlement of all claims against the United States on account of the death of the said late J. M. Crim. While in attendance at the United States District Court for the Northern District of Georgia, Western Division, on May 8, 1917, the said late J. M. Crim received a bullet wound, which resulted in his death, on account of the discharge of a pistol, caused by an attendant or crier of such court: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

HENRY HARRISON GRIFFITH

The Clerk called the next bill, H. R. 2683, for the relief of Henry Harrison Griffith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized and directed to extend the benefits of the act of September 7, 1916, entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", as amended, to Henry Harrison Griffith, a former employee of the Post Office Department, in the same manner and to the same extent as if said Henry Harrison Griffith had made application for benefits of said act within the 1-year period required by sections 17 and 20 thereof.

With the following committee amendment:

Strike out all after the word "authorized" in line 4, page 1, and insert in lieu thereof the following: "to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Henry Harrison Griffith, on account of disability alleged to have been proximately caused by his employment in the service of the United States prior to the year 1919: *Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MARY FORD CONRAD

The Clerk called the next bill, H. R. 2689, to extend the benefits of the Employers' Liability Act of September 7, 1916, to Mary Ford Conrad.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to receive and determine the claim of Mary Ford Conrad, a former employee of the accounting division of the Treasurer's Office, without regard to the limitation of time within which such claims are to be filed under the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended.

With the following committee amendment:

Strike out all after the word "Commission", in line 4, page 1, and insert in lieu thereof the following: "is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Mary Ford Conrad, on account of disability alleged to have been proximately caused by her employment in the service of the United States between August 5, 1918, and October 30, 1921: *Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Mary Ford Conrad."

JOHN B. GRAYSON

The Clerk called the next bill, H. R. 2690, for the relief of John B. Grayson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John B. Grayson, Warrenton, Va., the sum of $414.10 in full settlement of all claims against the Government of the United States, being the amount paid by him under a ruling of the Comptroller General, disallowing his expenditure for temporary clerk hire at the Warrenton, Va., post office from June 30, 1932, until October 6, 1932: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ST. LUDGERS CATHOLIC CHURCH OF GERMANTOWN, MO.

The Clerk called the next bill, H. R. 3797, for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. HOPE objected, and, under the rule, the bill was recommitted to the Committee on War Claims.

META DE RENE M'LOSKEY

The Clerk called the next bill, H. R. 615, for the relief of Meta De Rene McLoskey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to pay to Meta De Rene McLoskey, mother of Arthur Lee McLoskey, formerly a member of Company I, Forty-seventh Regiment United States Infantry, who disappeared on May 7, 1918, all such installments of money which she would be entitled to receive as beneficiary of policy T-2024764. The first of such installments shall be paid within 90 days from the date of the enactment of this act and continue during her natural life or until she has received the full amount of said policy.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC SERVICE COORDINATED TRANSPORT OF NEWARK, N. J.

The Clerk called the next bill, H. R. 2439, authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to settle and adjust the claim of the Public Service Coordinated Transport of Newark, N. J., arising out of the removal by the War Department during the late war of certain tracks, car house, storage tracks, etc., belonging to said company or its predecessor, from their original locations to new locations, and the War Department's failure to restore same to their original location in accordance with an informal arrangement respecting the matter, and to allow in full and final settlement of any and all claims arising out of said transactions an amount not exceeding $122,442.43. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $122,422.43, or so much thereof as may be necessary, for the payment of said claim.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. G. A. BRANNAN

The Clerk called the next bill, H. R. 2501, for the relief of Mrs. G. A. Brannan.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, I object.

There being no further objections, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. G. A. Brannan the sum of $5,000. Such sum shall be in full satisfaction of all claims against the United States for damages for the death of her son, John Douglas Malone, from injuries received by him in line of duty while employed as a fireman on the steamboat *John R. Meigs*, which was destroyed by an explosion of a mine laid by the Government on or about September 3, 1898, near Fort St. Philip in the Mississippi River below New Orleans: *Provided*, That payments shall be made immediately upon and after the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STANLEY A. JERMAN

The Clerk called the next bill, H. R. 1366, for the relief of Stanley A. Jerman, receiver for A. J. Peters Co., Inc.

The SPEAKER. Is there objection?

Mr. TRUAX, Mr. COSTELLO, and Mr. LESINSKI objected, and, under the rule, the bill was recommitted to the Committee on War Claims.

MARGARET L. CARLETON

The Clerk called the next bill, S. 255, for the relief of Margaret L. Carleton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Margaret L. Carleton, widow of Algar E. Carleton, late American consul at Riga, Latvia, the sum of $6,600, equal to 1 year's salary of her deceased husband.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMPLOYEES OF MINNEAPOLIS STEEL & MACHINERY CO., ET AL.

The Clerk called the next bill, H. R. 4147, to provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.

The SPEAKER. Is there objection?

Mr. TRUAX and Mr. LESINSKI objected, and the bill, under the rule, was recommitted to the Committee on War Claims.

SARAH J. HITCHCOCK

The Clerk called the next bill, H. R. 3911, for the relief of Sarah J. Hitchcock.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Sarah J. Hitchcock, widow of Henry B. Hitchcock, late American consul at Nagasaki, Japan, the sum of $5,000, being 1 year's salary of her deceased husband, who died while in the Foreign Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act: *Provided*, That no part of the amount authorized to be appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount authorized to be appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

LILY M. MILLER

The Clerk called the next bill, H. R. 3365, for the relief of Lily M. Miller.

Mr. SUTPHIN and Mr. WOOD objected, and, under the rule, the bill was recommitted to the Committee on Foreign Affairs.

CLAUDE CYRIL LANGLEY

The Clerk called the next bill, H. R. 5882, for the relief of Claude Cyril Langley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon Claude Cyril Langley, captain, United States Army Medical Corps, retired, before a retiring board to inquire whether at the time of his retirement on October 15, 1929, he was incapacitated for active service, and whether such incapacity was the result of or an incident of service, and upon the result of such inquiry the President is authorized to nominate and appoint, by and with the advice and consent of the Senate, the said Claude Cyril Langley to that place on the promotion list of said Medical Corps, United States Army, he would have occupied except for such retirement on October 15, 1929, and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for officers of the Regular Army.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CHARLES E. DAGENETT

The Clerk called the next bill, H. R. 4384, for the relief of Charles E. Dagenett.

By unanimous consent, the Clerk reported a similar Senate bill (S. 1520), as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized to credit the accounts of Charles E. Dagenett, supervisor of Indian employment and special disbursing officer (retired), in the sum of $125.56, representing funds expended by him in that sum for telephone tolls, lodging, traveling expenses, etc., for himself and others in connection with work under his supervision.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The House bill (H. R. 4384) was laid on the table.

JAMES M. PACE

The Clerk called the next bill, H. R. 2708, for the relief of James M. Pace.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit James M. Pace, former

postmaster at Macomb, McDonough County, Ill., in his accounts with the sum of $21,476.99, the amount of money and postage stamps lost in the burglary of the post office at Macomb, Ill., on April 5, 1929.

With the following committee amendment:

Line 3, strike out the words "Postmaster General" and insert in lieu thereof the words "Comptroller General of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

J. H. TAYLOR & SON

The Clerk called the next bill, H. R. 2936, for the relief of J. H. Taylor & Son.

Mr. LESINSKI and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Claims.

MAYME HUGHES

The Clerk called the next bill, H. R. 3090, for the relief of Mayme Hughes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Mayme Hughes, widow of Henry M. Hughes, deceased, of the city of Chicago, State of Illinois, the sum of $2,500, out of any money in the Treasury not otherwise appropriated, as compensation for, and in full satisfaction of, all claims for damages against the United States for injuries sustained by her late husband, Henry M. Hughes, on September 13, 1919, by being struck by a United States mail truck while attempting to cross a street in said city of Chicago: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered in connection with said claim.

It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERTHA INGMIRE

The Clerk called the next bill on the Private Calendar, H. R. 3098, for the relief of Bertha Ingmire.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bertha Ingmire, of San Pedro, Calif., widow of the late Edmund Percival Ingmire, the sum of $10,000. Such sum shall be in full settlement of all claims against the United States on account of the death of the said Edmund Percival Ingmire and the permanent injury sustained by the said Bertha Ingmire on April 6, 1927, when the automobile in which they were riding was struck by an automobile driven with gross negligence by a Federal prohibition officer: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS ALFANO

The Clerk called the next bill on the Private Calendar, H. R. 3167, for the relief of Louis Alfano.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Louis Alfano, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 in full satisfaction of all claims against the United States on account of injuries sustained on December 7, 1929, when he was struck by a United States mail truck:

With the following committee amendment:

At the end of the bill insert the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUTH NOLAN AND ANNA PANOZZA

The Clerk called the next bill on the Private Calendar, H. R. 3180, for the relief of Ruth Nolan and Anna Panozza.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government of the United States, to Ruth Nolan and Anna Panozza, the sums of $3,500 and $3,000, respectively, in all $6,500, said sum being the amount of bonds placed for the appearance of five defendants in the United States District Court, Northern District of Indiana, for prosecution under the national prohibition law, which defendants were duly tried and convicted (Criminal Cause No. 415), but the sums mentioned were erroneously ordered deposited in the Treasury of the United States, by decree of the court, to apply on unpaid fines and costs in the said criminal case: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. D. HENION, HARRY WOLFE, AND R. W. M'SORLEY

The Clerk called the next bill on the Private Calendar, H. R. 3184, for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley.

The SPEAKER. Is there objection?

Mr. HOPE and Mr. HANCOCK of New York objected, and the bill was recommitted to the Committee on Claims.

JOSEPH WALTER GAUTIER

The Clerk called the next bill on the Private Calendar, H. R. 3219, for the relief of Joseph Walter Gautier.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Joseph Walter Gautier, on account of disability due to gunshot and other injuries alleged to have been incurred in line of duty during his employment in the service of the United States between April 10, 1924, and June 1, 1931: *Provided*, That no benefits shall accrue prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRED L. SEUFERT

The Clerk called the next bill on the Private Calendar, H. R. 3275, for the relief of Fred L. Seufert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Fred L. Seufert, of Woodside, Long Island, N. Y., the sum of $5,000, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government of the United States, for personal injuries received causing the loss of leg in collision with an Army truck:

With the following committee amendment:

Page 1, line 5, after the word "of", strike out "$25,000" and insert "$5,000", and in line 7, after the word "appropriated", insert "and in full settlement of all claims against the Government of the United States." In line 9, after the word "truck" insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARRIE K. CURRIE

The Clerk called the bill (H. R. 3370) for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Carrie K. Currie, doing business as Atmore Milling & Elevator Co., of Atmore, Ala., the sum of $1,500 in full settlement of all claims against the Government of the United States for damages to an automobile truck destroyed on April 25, 1919, by Louisville & Nashville Railroad Co. passenger train operated by the United States Government through its Director General of Railroads: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GEORGE RAPTIS

The Clerk called the bill (H. R. 3506) for the relief of George Raptis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Raptis the sum of $500, representing the face value of Liberty bonds in the sum of $500 with interest, deposited by him as security for a public charge and departure bond in the sum of $500, executed by him on account of Demetrios Maglaras, an alien, conditioned upon the alien leaving the United States on or before the 15th day of November 1931 and forfeited through breach of such condition, though he really departed as he should, but he was not reported so by the inspector, and subsequently he returned to the United States as a son of Nicholas Maglaras, an American citizen.

With the following committee amendment:

Page 1, line 6, strike out the word "representing" and insert "in full settlement of all claims against the Government of the United States for."

Page 2, line 6, strike out the period and insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

H. B. ARNOLD

The Clerk called the bill (H. R. 3512) for the relief of H. B. Arnold.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to H. B. Arnold, of St. Simons Island, Glynn County, Ga., the sum of $1,000 in full settlement of all claims against the Government for damages as the result of a pilot on a United States naval marine plane on January 6, 1932, at St. Simons Island golf course, negligently flying too low and thereby breaking and causing to fall a high-voltage electric power wire in which said H. B. Arnold became entangled without negligence on his part: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOPHIE CARTER

The Clerk called the bill (H. R. 3556) for the relief of Sophie Carter.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Sophie Carter, as compensation for injuries sustained by her when an automobile in which she was riding on August 7, 1929, was struck by United States Navy truck no. 3639: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out the words "as compensation" and insert "in full settlement of all claims against the Government of the United States."

The amendment was agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HELENA C. VONGRONING

The Clerk called the bill (H. R. 3557) for the relief of Helena C. VonGroning and Stephan VonGroning.

Mr. LESINSKI and Mr. TRUAX objected, and the bill was recommitted to the Committee on Claims.

NORFOLK SOUTHERN RAILROAD CO.

The Clerk called the bill (H. R. 3709) for the relief of the Norfolk Southern Railroad Co.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

Mr. TRUAX. I object.

Mr. LESINSKI and Mr. TRUAX objected to the bill, and the bill was recommitted to the Committee on Claims.

MORSE DRYDOCK & REPAIR CO.

The Clerk called the bill (H. R. 3725) to carry out the findings of the Court of Claims in the claim of the Morse Dry Dock & Repair Co.

Mr. TRUAX and Mr. LESINSKI objected, and the bill was recommitted to the Committee on Claims.

HENRY W. BIBUS ET AL.

The Clerk called the bill (H. R. 3729) to confer jurisdiction upon the United States Court of Claims to hear and determine the claims of Henry W. Bibus, Annie Ulrick, Samuel Henry, Charles W. Hensor, Headley Woolston, John Henry, Laura B. Margerum, and George H. Custer, of Falls Township and Borough of Tullytown, Bucks County, Commonwealth of Pennsylvania.

Mr. TRUAX and Mr. LESINSKI objected, and the bill was recommitted to the Committee on Claims.

MRS. CHARLES L. REED

The Clerk called the bill (H. R. 3735) for the relief of Mrs. Charles L. Reed.

There was no objection to the bill.

By unanimous consent the bill (S. 1621) was substituted and the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Charles L. Reed, of Huntington, W. Va., the sum of $4,000 in full satisfaction of her claim against the United States for injuries suffered when struck by a United States mail truck at Huntington, W. Va., on October 16, 1929: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H. R. 3735) was laid on the table.

GEORGE W. RHINE

The Clerk called the bill (H. R. 3783) for the relief of George W. Rhine, doing business under the name of Ryan & Co.

Mr. LESINSKI and Mr. TRUAX objected, and the bill was recommitted to the Committee on Claims.

JOHN HENRY TACKETT

The Clerk called the next bill, H. R. 3959, for the relief of John Henry Tackett.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any funds not otherwise appropriated, to Claude D. Jones, superintendent of the National Training School for Boys, in full settlement of all claims against the Government of the United States the sum of $414, to be used in the payment of expenses incident to the illness of John Henry Tackett, former inmate of the National Training School for Boys, which resulted in amputation of the leg on March 22, 1932, such sum to be expended as follows: For hospitalization, Sibley Hospital, Washington, D. C., $129; for medical and surgical treatment, Dr. Custis Lee Hall, $135; for the purchase of an artificial limb, $150.

With the following committee amendments:

On page 1, line 6, after the word "boys", insert the following: "in full settlement of all claims against the Government of the United States." Page 1, line 7, strike out the "$464" and insert in lieu thereof "$414." Page 2, line 4, strike out the "$200" and insert in lieu thereof "$150." Page 2, line 4, after the figure "$150", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of the National Training School for Boys, and others."

LEONARD THEODORE BOICE

The Clerk called the next bill, H. R. 249, for the relief of Leonard Theodore Boice.

Mr. HOPE and Mr. MOTT objected, and the bill, under the rule, was recommitted to the Committee on Military Affairs.

ELIZABETH M. HALPIN

The Clerk called the next bill, H. R. 285, for the relief of Elizabeth M. Halpin.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $745.42, which sum the Secretary of the Treasury is directed to pay to Elizabeth M. Halpin in reimbursement to her for actual expenses incurred in preparing for transport, transporting, preparing for interment, and interring the remains of her husband, Neal J. Halpin, an accountant investigator for the United States Tariff Commission, who died in Brussels, Belgium, while assigned to official duties in that city.

With the following committee amendments:

Page 1, line 6, after the word "Halpin", strike out the words "in reimbursement to her" and insert in lieu thereof the following: "in full settlement of all claims against the Government of the United States."

Page 2, line 1, after the word "city", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELLIS DUKE

The Clerk called the next bill, H. R. 4086, for the relief of Ellis Duke, also known as Elias Duke.

Mr. TRUAX, Mr. LESINSKI, and Mr. COSTELLO objected, and the bill, under the rule, was recommitted to the Committee on Claims.

Mr. TRUAX. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. BLAND. Will the gentleman withhold that for a moment?

Mr. TRUAX. I withhold the point of order for the time being, Mr. Speaker.

REREFERENCE OF BILL

Mr. BLAND. Mr. Speaker, I ask unanimous consent to refer to the Committee on Interstate and Foreign Commerce the bill (H. R. 55) to amend the Radio Act of 1927, approved February 23, 1927, as amended, which bill pertains to radio and was referred to my committee before the change in jurisdiction.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MONTAGUE, for 4 days, on account of illness.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 155. An act for the relief of John Henry Tackett; to the Committee on Claims.

S. 483. An act for the relief of Stanley A. Jerman, receiver for A. J. Peters Co., Inc.; to the Committee on War Claims.

S. 743. An act to carry out the findings of the Court of Claims in the Morse Dry Dock & Repair Co.; to the Committee on Claims.

S. 1548. An act for the relief of Douglas B. Espy; to the Committee on Claims.

S. 1854. An act giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.; to the Committee on Claims.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 3, 1935, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON MERCHANT MARINE AND FISHERIES

(Wednesday, Apr. 3, 10 a. m.)

Hearings on bill H. R. 4550, limitations on liabilities to owners of vessels.

EXECUTIVE COMMUNICATIONS, ETC.

287. Under clause 2 of rule XXIV, a letter from the past adjutant general of the Grand Army of the Republic, transmitting journal of the proceedings of the Sixty-eighth National Encampment, held in Rochester, N. Y., August 12–18, 1934 (H. Doc. No. 43), was taken from the Speaker's table, referred to the Committee on Military Affairs, and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GREGORY: Committee on the Judiciary. H. R. 1414. A bill to provide for the appointment of an additional district judge for the eastern district of Virginia; without amendment (Rept. No. 574). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREGORY: Committee on the Judiciary. H. R. 7057. A bill to provide for the appointment of two additional judges for the southern district of New York and one additional judge for the eastern district of New York; without amendment (Rept. No. 575). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN: Committee on Coinage, Weights, and Measures. H. R. 6372. A bill to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail; without amendment (Rept. No. 576). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN: Committee on Coinage, Weights, and Measures. H. R. 6457. A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y.; with amendment (Rept. No. 577). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 55) to amend the Radio Act of 1927, approved February 23, 1927, as amended; Committee on Merchant Marine and Fisheries discharged and referred to the Committee on Interstate and Foreign Commerce.

A bill (H. R. 7071) granting an increase of pension to Mary L. Garrison; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 7197) authorizing payment to the Sisseton and Wahpeton Bands of Sioux Indians for certain lands ceded by them to the United States by a treaty of July 23, 1851; to the Committee on Indian Affairs.

By Mr. CONNERY: A bill (H. R. 7198) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act; to the Committee on Labor.

By Mr. EDMISTON: A bill (H. R. 7199) to provide for the donation of certain Army equipment to posts of the Veterans of Foreign Wars; to the Committee on Military Affairs.

By Mr. KINZER: A bill (H. R. 7200) to authorize the erection of an addition to the existing Veterans' Administration facility, Coatesville, Pa.; to the Committee on World War Veterans' Legislation.

By Mr. SMITH of Connecticut: A bill (H. R. 7201) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes", approved June 3, 1916, as amended, and for other purposes; to the Committee on Military Affairs.

By Mr. STEFAN: A bill (H. R. 7202) to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians; to the Committee on Indian Affairs.

By Mr. MANSFIELD (by request): A bill (H. R. 7203) directing the Secretary of War, when making examinations and surveys of proposed public works on rivers, harbors, and other waterways, to take into account and report bridge and other costs to be incurred on account of the improvement; fixing the obligation for the expense of the reconstruction of bridges and other structures under certain conditions; and for other purposes; to the Committee on Rivers and Harbors.

By Mrs. NORTON: A bill (H. R. 7204) to control and regulate the discharge or emission of smoke, soot, noxious gases, cinders, or fly ash into open air in the District of Columbia, and to provide for the inspection, control, and regulation of steam boilers and unfired pressure vessels in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SIROVICH: A bill (H. R. 7205) to amend the Ship Mortgage Act, 1920, otherwise known as section 30 of the Merchant Marine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons; to the Committee on Merchant Marine and Fisheries.

By Mr. SWEENEY: Resolution (H. Res. 190) directing the Chairman of the Home Owners' Loan Corporation to furnish certain information to the House of Representatives; to the Committee on Banking and Currency.

By Mr. HEALEY: Joint resolution (H. J. Res. 235) authorizing the issuance of a special postage stamp in honor of Commodore John Barry; to the Committee on the Post Office and Post Roads.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of Minnesota; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Arizona; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Georgia; to the Committee on Flood Control.

Also, memorial of the Legislature of the State of Montana; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of Montana; to the Committee on Mines and Mining.

Also, memorial of the Legislature of the State of Oregon; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of New Jersey; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Oregon; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of Oregon; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Georgia; to the Committee on Education.

Also, memorial of the Legislature of the State of California; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Montana; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of Montana; to the Committee on Mines and Mining.

Also, memorial of the Legislature of the State of New York regarding the Pulaski Memorial Day resolution; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of New York regarding the establishment of a seafood distributing and marketing bureau; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 7206) for the relief of Pierre Pallamary; to the Committee on Military Affairs.

By Mr. CROWE: A bill (H. R. 7207) granting a pension to Sarah E. Jackson; to the Committee on Invalid Pensions.

By Mr. DALY: A bill (H. R. 7208) for the relief of Samuel Mazis; to the Committee on Military Affairs.

By Mr. DARDEN: A bill (H. R. 7209) for the relief of Nannie D. Harding; to the Committee on Claims.

Also, a bill (H. R. 7210) for the relief of Thatch A. Lufsey; to the Committee on Claims.

By Mr. EDMISTON: A bill (H. R. 7211) granting an increase of pension to Almira Richards; to the Committee on Invalid Pensions.

By Mr. O'CONNOR: A bill (H. R. 7212) for the relief of Max Geissler; to the Committee on Claims.

By Mr. O'NEAL: A bill (H. R. 7213) granting a pension to Roy B. French; to the Committee on Pensions.

By Mr. QUINN: A bill (H. R. 7214) for the relief of Herbert Austin; to the Committee on War Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 7215) for the relief of Joseph Warren; to the Committee on Claims.

Also, a bill (H. R. 7216) granting a pension to Susie Farris Moore; to the Committee on Pensions.

Also, a bill (H. R. 7217) to authorize the presentation of the Medal of Honor to John C. Reynolds; to the Committee on Military Affairs.

By Mr. ROMJUE: A bill (H. R. 7218) for the relief of Frank H. Shepherd; to the Committee on Military Affairs.

By Mr. WOLCOTT: A bill (H. R. 7219) for the relief of Joseph Barney; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6180. By Mr. BOYLAN: Memorial of the Polish National Alliance Gmina, No. 112, of New York City, calling on the Congress of the United States to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

6181. Also, resolution adopted by the United Infants' and Children's Wear Association, of New York City, unanimously approving the recommendation of the President to extend the National Recovery Administration for a period of 2 years, etc.; to the Committee on Appropriations.

6182. By Mr. GOODWIN: Petition of the Parent-Teachers Association, Saugerties, N. Y., petitioning the Office of Education in the United States Department of the Interior to establish a national film institute to encourage the production, distribution, and exhibition of the motion picture as a medium of visual instruction; to the Committee on Education.

6183. By Mr. HAINES: Petition signed by George Kauffman and 30 other of his constituents of York, Pa., favoring Townsend old-age pension plan; to the Committee on Ways and Means.

6184. By Mr. HART: Memorial of House of Assembly of New Jersey, and concurred in by the Senate of New Jersey, memorializing the President and Congress of the United States to pass immediately a bill to provide relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks; to the Committee on Banking and Currency.

6185. By Mr. McLEAN: Petition of the Star of Elizabeth Council, No. 37, Daughters of America, Elizabeth, N. J., urging passage of House Joint Resolution No. 69, creating in the Department of Justice a Bureau of Alien Deportation; to the Committee on the Judiciary.

6186. Also, petition of the township of Union, N. J., regarding General Pulaski's Memorial Day resolution; to the Committee on the Judiciary.

6187. Also, petition of the Star of Rahway Council, No. 110, Daughters of America, Rahway, N. J., urging passage of House Joint Resolution 69, creating in the Department of Justice a Bureau of Alien Deportation; to the Committee on the Judiciary.

6188. Also, petition of the Intercommunity Film Committee of Madison, N. J., and Mrs. F. J. Clark, vice president; Mrs. H. E. Hutchinson, State chairman of legislation; Mrs. Robert L. Denton, State chairman of motion pictures, New Jersey Congress of Parents and Teachers; and the Evergreen Parent-Teacher Association of Plainfield, N. J., supporting House bills 2999 and 6472; to the Committee on Interstate and Foreign Commerce.

6189. By Mr. MALONEY: Resolution of the board of directors of the New Orleans Association of Commerce with respect to House bill 3263, advising our Senators and Congressmen that it is our desire that this bill be supported in the interest of our city and port, for if enacted into law the power to see that all rates shall be reasonable, nondiscriminating, or preferential will still be with the Interstate Commerce Commission and its power to suspend rates proposed in any railroad tariff would remain unchanged and ample for the public protection; to the Committee on Interstate and Foreign Commerce.

6190. By Mr. O'CONNELL: Resolution urging the Congress of the United States to secure the repeal at once of the cotton processing tax; to the Committee on Agriculture.

6191. By Mr. PLUMLEY: Petition of the Burlington (Vt.) Stamp Collectors' Club, endorsing and approving House bill 1411, which seeks to advance the cause of philately; to the Committee on the Post Office and Post Roads.

6192. Also, petition of Frank J. Gutzuriller and 13 others, of Rutland, Vt., and adjoining towns, protesting against enactment of House bill 5423, and Federal control over activities of local operating companies now regulated by State bodies; to the Committee on Interstate and Foreign Commerce.

6193. By Mr. ROGERS of New Hampshire: Petiton of the Polish National Alliance of the United States of North America, Group No. 2486, of Manchester, N. H., asking for the establishment of General Pulaski's Memorial Day; to the Committee on the Judiciary.

6194. By Mr. WOLCOTT: Petition of Clifford Varney, of Filion, Mich., and 22 other members of Redman Local, No. 140, of the Farmers' Union, urging the prompt enactment of the Frazier-Lemke bill; to the Committee on Agriculture.

6195. Also, petition of Mat Holz, Jr., of Bad Axe, Mich., and 112 other members of Meade Local, No. 3, of the Farm-

ers' Union, urging the prompt enactment of the Frazier-Lemke bill; to the Committee on Agriculture.

6196. Also, memorial of the Legislature of the State of Michigan, to provide a grant of $100,000 to construct a relief drainage canal to relieve the Sebewaing River Basin of its water bottom, which has caused annual floods in the village of Sebewaing and surrounding area and a property damage on March 5 of this year in excess of $175,000; to the Committee on Flood Control.

6197. By the SPEAKER: Petition of the Knights of Columbus, Cumberland Council, No. 586; to the Committee on Foreign Affairs.

6198. Also, petition of the Archdiocesan Union of the Holy Name Society of New Orleans; to the Committee on Foreign Affairs.

6199. Also, petition of the city of Manitowoc, Wis.; to the Committee on Foreign Affairs.

6200. Also, petition of the city of Chicago; to the Committee on Rivers and Harbors.

6201. Also, petition of the Federal Wholesale Druggists Association; to the Committee on Ways and Means.

6202. Also, petition of the Tennessee Coal Institute, Inc.; to the Committee on Ways and Means.

6203. Also, petition of the Washington State Bar Association; to the Committee on the Judiciary.

6204. Also, petition of the Bar Association of Fresno, Calif.; to the Committee on the Judiciary.

6205. Also, petition of the Townsend Old-Age Revolving Pension Club, No. 1; to the Committee on Ways and Means.

6206. Also, petition of the city of Campbell, Ohio; to the Committee on the Judiciary.

6207. Also, petition of the Lehigh Valley Arts Association; to the Committee on Education.

6208. Also, petition of Inwood Local of the Unemployment Council; to the Committee on the Judiciary.

6209. Also, petition of Townsend Club, No. 14; to the Committee on Ways and Means.

6210. Also, petition of the executive council of Townsend clubs, San Diego, Calif.; to the Committee on Ways and Means.

6211. Also, petition of the New York City I. C. O. R. Committee, to the Committee on the Judiciary.

6212. Also, petition of the city of Monterey Park, Calif.; to the Committee on Ways and Means.

SENATE

WEDNESDAY, APRIL 3, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, April 2, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Gibson	McGill
Ashurst	Capper	Glass	McKellar
Austin	Clark	Gore	McNary
Bachman	Connally	Guffey	Maloney
Bailey	Coolidge	Hale	Metcalf
Bankhead	Copeland	Harrison	Minton
Barbour	Costigan	Hatch	Moore
Barkley	Couzens	Hayden	Murphy
Bilbo	Cutting	Keyes	Murray
Black	Dickinson	King	Neely
Bone	Dieterich	La Follette	Norbeck
Borah	Donahey	Lewis	Norris
Brown	Duffy	Logan	Nye
Bulkley	Fletcher	Lonergan	O'Mahoney
Bulow	Frazier	Long	Pittman
Burke	George	McAdoo	Pope
Byrd	Gerry	McCarran	Radcliffe
Reynolds	Steiwer	Truman	Walsh
Robinson	Thomas, Okla.	Tydings	Wheeler
Russell	Thomas, Utah	Vandenberg	White
Schwellenbach	Townsend	Van Nuys	
Sheppard	Trammell	Wagner	

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from South Carolina [Mr. SMITH] is necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness; that the junior Senator from Minnesota [Mr. SCHALL] is absent on account of a death in his family; and that the Senator from Wyoming [Mr. CAREY] and the senior Senator from Minnesota [Mr. SHIPSTEAD] and the Senator from Delaware [Mr. HASTINGS] are absent on official business. I will let this announcement stand for the day.

Mr. McNARY. The Senator from California [Mr. JOHNSON] is absent on account of illness.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 255. An act for the relief of Margaret L. Carleton;

S. 274. An act for the relief of Charles C. Floyd;

S. 906. An act for the relief of Chellis T. Mooers;

S. 1391. An act for the relief of William Lyons;

S. 1520. An act for the relief of Charles E. Dagenett;

S. 1621. An act for the relief of Mrs. Charles L. Reed; and

S. 1694. An act for the relief of C. B. Dickinson.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 285. An act for the relief of Elizabeth M. Halpin;

H. R. 615. An act for the relief of Meta De Rene McLoskey;

H. R. 1291. An act for the relief of the Muncy Valley Private Hospital;

H. R. 1487. An act for the relief of H. A. Taylor;

H. R. 1488. An act for the relief of Rose Burke;

H. R. 1492. An act for the relief of Harbor Springs, Mich.;

H. R. 1965. An act for the relief of William E. Fossett;

H. R. 2126. An act for the relief of Hugh G. Lisk;

H. R. 2132. An act to extend the provisions of the United States Employees' Compensation Act to Frank A. Smith;

H. R. 2157. An act for the relief of Howard Donovan;

H. R. 2185. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 2204. An act for the relief of Robert M. Kenton;

H. R. 2353. An act for the relief of the Yellow Drivurself Co.;

H. R. 2422. An act for the relief of James O. Greene and Mrs. Hollis S. Hogan;

H. R. 2439. An act authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.;

H. R. 2443. An act for the relief of Milton Hatch;

H. R. 2449. An act for the relief of Floyd L. Walter;

H. R. 2464. An act for the relief of C. H. Hoogendorn;

H. R. 2473. An act for the relief of William L. Jenkins;

H. R. 2487. An act for the relief of Bernard McShane;

H. R. 2501. An act for the relief of Mrs. G. A. Brannan;

H. R. 2606. An act for the relief of the estate of Paul Kiehler;

H. R. 2679. An act for the relief of Ladislav Cizek;

H. R. 2680. An act for the relief of Mary F. Crim;

H. R. 2683. An act for the relief of Henry Harrison Griffith;

H. R. 2690. An act for the relief of John B. Grayson;

H. R. 2708. An act for the relief of James M. Pace;

H. R. 3090. An act for the relief of Mayme Hughes;

H. R. 3098. An act for the relief of Bertha Ingmire;

H. R. 3167. An act for the relief of Louis Alfano;

H. R. 3180. An act for the relief of Ruth Nolan and Anna Panozza;

H. R. 3219. An act for the relief of Joseph Walter Gautier;

H. R. 3275. An act for the relief of Fred L. Seufert;

H. R. 3370. An act for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.;

H. R. 3506. An act for the relief of George Raptis;

H. R. 3512. An act for the relief of H. B. Arnold;

H. R. 3556. An act for the relief of Sophie Carter;

H. R. 3911. An act for the relief of Sarah J. Hitchcock;

H. R. 3959. An act for the relief of the National Training School for Boys and others;

H. R. 5882. An act for the relief of Claude Cyril Langley; and

H. R. 6453. An act to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of waters of the Rio Grande", etc., as amended by the public resolution of March 3, 1927.

GOVERNMENT OF THE VIRGIN ISLANDS

The VICE PRESIDENT. Pursuant to Senate Resolution 98, the Chair appoints the Senator from Maryland [Mr. TYDINGS], the Senator from Utah [Mr. KING], the Senator from Missouri [Mr. CLARK], the Senator from Rhode Island [Mr. METCALF], and the Senator from Maine [Mr. WHITE] as the members of the Special Committee to Investigate the Administration of the Government of the Virgin Islands.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of New York, favoring the prompt enactment of legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry, and promoting the sale and consumption of sea food, which was referred to the Committee on Commerce.

(See concurrent resolution printed in full when presented today by Mr. COPELAND, p. 4898.)

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of New York, favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

(See concurrent resolution printed in full when presented today by Mr. COPELAND, p. 4898.)

The VICE PRESIDENT also laid before the Senate the petition of Lizzie Skinner, of Williamsburg, Md., praying for the enactment of old-age-pension legislation, which was referred to the Committee on Finance.

Mr. CAPPER presented letters in the nature of petitions from the Central Labor Union, by W. E. Jones, recording secretary, of Kansas City, and Subordinate Lodge, No. 706, International Brotherhood of Boiler Makers, Iron Ship Builders and Helpers of America, by Harry Shaubell, secretary, of Coffeyville, both in the State of Kansas, praying for the enactment of the so-called "Wagner labor-disputes bill" and the "Black 30-hour work week bill", which were referred to the Committee on Education and Labor.

He also presented a petition of sundry employees of the Missouri Pacific Railroad Co., of Hoisington, Kans., praying for the enactment of the so-called "Wagner labor-disputes bill", which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a petition from Riley County Council, the American Legion, by Clyde Kingdom, commander, of Randolph, Kans., praying for the prompt passage of legislation providing for the cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by Howard Burnett Post, No. 1520, Veterans of Foreign Wars, of Fort Dodge, Kans., favoring the enactment of the so-called "Patman bill", providing for immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented telegrams in the nature of petitions from the Auxiliary of Hanlin Kelly Post, No. 2258, by Mayme Gott, secretary, of Osawatomie, and Over There Auxiliary, by Mrs. Herman W. Mueller, legislative chairman, of Wichita, both of the Veterans of Foreign Wars, in the State of Kansas, praying for the enactment of the so-called "Patman bill" providing for immediate cash payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Association of Mechanics, Helpers, and Laborers, of Newton, Kans., favoring the enactment of the so-called "Wheeler-Rayburn holding-company bill", which was referred to the Committee on Interstate Commerce.

Mr. WALSH presented a letter in the nature of a memorial from the Mercantile Affairs Committee of the Fitchburg (Mass.) Chamber of Commerce, remonstrating against the enactment of the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter from Henry S. C. Cummings, of Boston, Mass., enclosing an article by Mr. Cummings entitled "Advocating the Decentralization and Revitalization of Surplus Gold Stocks", which, with the accompanying paper, was referred to the Committee on Banking and Currency.

He also presented a letter in the nature of a petition from Miss Grace D. Faulkner, secretary, Branch 12, A. F. H. W., of Northampton, Mass., praying for the enactment of the so-called "Wagner labor-disputes bill", which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of the State of Massachusetts, praying for the enactment of so-called "Wagner labor-disputes bill", which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a memorial from W. E. Buck, president of the Worcester Manufacturers Mutual Insurance Co., of Worcester, Mass., remonstrating against the enactment of Senate bill 1958, known as the "national labor-relations bill", which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of the State of Massachusetts, praying for the extension of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Miami (Ariz.) Lions Club, favoring the imposition of an adequate tariff duty on importations of copper, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Braintree, Mass., remonstrating against the holding of naval maneuvers in the Pacific Ocean, which was referred to the Committee on Naval Affairs.

He also presented a resolution adopted by the Great Barrington (Mass.) Stamp Club, favoring the enactment of House bill 1411, relating to the illustrating of United States stamps, which was referred to the Committee on Post Offices and Post Roads.

He also presented a letter in the nature of a petition from Division No. 2, Ancient Order of Hibernians, of Rockland, Mass., favoring the enactment of pending legislation providing for the issuance of a special postage stamp to commemorate the one hundred and fiftieth anniversary of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

He also presented a letter in the nature of a memorial from the merchants' division of the Springfield (Mass.) Chamber of Commerce, remonstrating against the enactment of the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Warsaw (N. Y.) Board of Trade, favoring the enactment of the bill (S. 1629) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other pur-

poses, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted at a meeting of the Parent-Teacher Association of Otisville, N. Y., favoring the establishment of a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education and suitable entertainment, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of East Syracuse, N. Y., praying for the enactment of the joint resolution (H. J. Res. 167) proposing an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public use in time of war, which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a memorial from Miss June Wooster, chairman-secretary, on behalf of the faculty and counsellors of the industrial department of the Young Women's Christian Association of Buffalo, N. Y., remonstrating against the enactment of legislation that might in any way interfere with freedom of speech, the press, and political liberty, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted at a meeting of the Coat and Suit Code Authority in New York City, N. Y., favoring the extension of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by Lodge No. 89 of the South Slavonic Union, of Gowanda, N. Y., favoring the enactment of the so-called "Lundeen bill", being the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Commerce:

Senate Concurrent Resolution 100

Whereas approximately 4,000 persons rely upon the commercial fishing industry for their sole means of livelihood; and

Whereas upward of 6,000 persons are dependent upon the incomes of such persons; and

Whereas the sea-food industry has operated at a loss for several years last past and is seriously in need of aid which can come only as the result of increased consumer interest and the concomitant increase in consumption of sea food; and

Whereas it is highly desirable not only to subsidize this industry but also to devise ways and means of making fresh fish and sea food caught off the Atlantic coast by such fishermen available to the hundreds of thousands of persons living in the inland States at moderate prices; and

Whereas it is the sense of the people of the State of New York that some action and cooperation on the part of the Federal Government is absolutely necessary to promote the sale and consumption of sea food and thereby avoid the demoralization and destruction of the fishing industry: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry and promoting the sale and consumption of sea food; and it is further

Resolved (if the assembly concur), That copies of this resolution be immediately transmitted to the Secretary of the United States Senate, the Clerk of the House of Representatives, and to each Member of Congress elected from the State of New York, and that the latter be urged to use their best efforts to accomplish the purpose of this resolution.

Mr. COPELAND also presented the following concurrent resolution of the Legislature of the State of New York, which was ordered to lie on the table:

Senate Concurrent Resolution 103

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, and October 11, 1934, to be General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the Senate and Assembly of the State of New York—

1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

2. That copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from the State of New York.

Mr. GIBSON presented the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Foreign Relations:

Whereas the Department of State at Washington has given notice of intent to negotiate trade agreement with Canada; and

Whereas one of the principal, possibly the principal, item of export from Canada into the United States is softwood and hardwood lumber, rough and dressed. The greater part of it comes into our northeastern territory; and

Whereas the present tariff is $3 per thousand feet revenue and $1 per thousand feet excise tax; and should this tariff, through reciprocal agreement with Canada, be reduced or eliminated, the effect on our northeastern lumber manufacturers will be extremely serious. It will especially affect the lumber industry of the State of Vermont, as well as the other New England States, because the species produced in Canada and shipped into our territory are the same as we produce; and

Whereas the lumber manufacturers in the United States are obliged to operate under the Lumber Code, the present costs are higher than the cost of production of those Canadian species which are shipped into our markets; and

Whereas, because of this additional cost, it is absolutely necessary that a suitable duty be kept on the imported material; and

Whereas if the $3 or $4 duty should be removed it would have ill effects upon the lumber industry of the New England States: Therefore be it

Resolved by the senate and house of representatives, That the general assembly deplore any attempt of the State Department at Washington to remove the trade barriers with Canada and to allow Canadian lumber to come into the United States free or at a reduced rate of duty, believing the same to be against the best interests of our State; and be it further

Resolved, That copies of this resolution be sent to each member of the Vermont delegation at Washington and to the chairman of the committee for reciprocity information.

Mr. McCARRAN presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Military Affairs:

Senate joint resolution memorializing Congress to increase National Guard units within the State of Nevada and appropriate funds for the building of suitable armories for the housing of same

To the Congress of the United States:

Your memorialist, the Legislature of the State of Nevada, hereby respectfully represents that—

Whereas the plan of the Federal administration is to decrease unemployment through a large public-works building program; and

Whereas we feel that the State of Nevada should be authorized a substantial increase in National Guard personnel and that the State of Nevada should be allotted a sum of not less than $300,000 for the building of National Guard armories where needed in the State; and

Whereas we feel that the steps in this direction already taken by the present administration will be in consonance with the suggestion herein made, and that the same will hasten the hope and anticipations of our President for the benefit of a large portion of our population: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, That we respectfully request the Congress of the United States to set aside $300,000 for the building of National Guard armories within the State of Nevada and to authorize at least five additional units of the National Guard to the State of Nevada; and be it further

Resolved, That the secretary of state of the State of Nevada forward a properly certified copy of this memorial to the President of the United States Senate, to the Speaker of the House of Representatives, to each of our Senators in the United States Senate, and to our Representative in Congress.

Mr. McCARRAN also presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Naval Affairs:

Assembly joint resolution

Whereas for the past 4 years the general appropriation act of the State of Nevada has carried a biennial appropriation of $400 for the promotion of civilian rifle practice, to be expended under the direction of the adjutant general; and

Whereas such appropriation was authorized for the purpose of promoting civilian rifle practice within the State of Nevada in accordance with the act of Congress creating the board for the promotion of civilian practice in the United States; and

Whereas under the authority of such board civilian clubs have been organized and are now existing in the State of Nevada, whose purpose is the promotion of rifle practice, and such clubs have organized the "Nevada State Rifle Association", which cooperates with the adjutant general in the promotion of civilian rifle practice throughout the State of Nevada and holds annual rifle matches within this State and will continue to hold same; and

Whereas the sum which has heretofore been appropriated has been insufficient to cover the cost of holding such State rifle matches, and it is desirable to have additional assistance for such purposes: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, That the adjutant general be requested to communicate with the Secretary of the Navy, with the view of having a detail of enlisted men from the marine detachment now on duty at the naval ammunition depot at Hawthorne, Nev., assigned to temporary duty, not exceeding 3 days, on the occasion of the holding of such annual State rifle contest; and be it further

Resolved, That the adjutant general likewise address the commandant of such naval ammunition depot at Hawthorne, Nev., and the commander of the marine detachment at such point, requesting their aid and assistance in the promotion of such State rifle contest by arranging for matches between civilian rifle clubs of the State of Nevada and members of the marine detachment on duty at such depot; and be it further

Resolved, That the secretary of state transmit a certified copy of this resolution to the Secretary of the Navy at Washington, D. C., and to our Senators and Representative in Congress.

Mr. McCARRAN also presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Post Offices and Post Roads:

Assembly joint resolution memorializing Congress for the creation of a separate railway mail district to be located in the Federal building at Reno, Nev.

Whereas the State of Nevada is situated with high Sierra Nevada Mountains to the west, which effectually cut off transportation from all except one or two points, and even these are cut off completely during a considerable portion of the year when deep snow makes highways impassable. Only two railways cross this chain of mountains toward the west; and

Whereas to the east it is approximately 550 miles to the Utah line. The State extends north and south—or perhaps it would be better to say from the northwest to the southeast—a distance of approximately 650 miles; and

Whereas practically this entire territory is isolated from all parts of the United States, and we must depend for our economic and industrial existence almost entirely upon ourselves. Transportation in this immense district becomes very much of a problem and, we believe, cannot be adequately handled by persons residing from 300 to 600 miles distant; and

Whereas we citizens of Nevada believe we are not receiving our full share of service or monetary benefits due us by reason of supervision of the Railway Mail Service being located at such great distances away. We believe we should have a supervisory force of the Railway Mail Service located in this State; and

Whereas under the existing conditions the transportation of mails in Nevada is under the supervision of the chief clerk, District No. 3, located at San Francisco, and the chief clerk, District No. 1, Ogden, Utah. It has been the custom in the past of domiciling practically 90 percent of Nevada appointees in the Railway Mail Service at terminals, either in California or Utah, adjacent to their headquarters, for convenience and administrative purposes. Such practice results in appointees from Nevada losing their Nevada citizenship and becoming citizens of an alien State, their incomes, estimated at from $35,000 to $45,000 per annum, naturally being spent where they live instead of in their appointive State. Of a total of about 30 clerks and substitutes appointed from Nevada, only 6 clerks and 1 substitute are now domiciled within the geographical borders of this State. All other appointees, although working and earning their living in Nevada, are citizens of neighboring States. It is our opinion that this great territory of Nevada is sufficient for the creation of a separate railway mail district, under the supervision of a chief clerk, with office and personnel to be located in the Federal building at Reno: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, That our Senators and Representative at Washington be urged to use their influence with the proper authorities for the creation of a new district to supervise and administer this region, as shown in the following outlines: Generally that portion of California situated on the eastern divide in drainage of the Sierra Nevada mountain range and extending from the Oregon line on the north to Owenyo, Calif., on the south; the counties of Humboldt, Washoe, Pershing, Lander, Eureka, Churchill, Storey, Lyon, Ormsby, Douglas, Mineral, Nye, and Esmeralda, in Nevada; all post offices, closed-pouch, or stage routes entering or terminating in same; all service on Ogden and San Francisco railway post offices between Reno and Carlin, Nev.; all service on Reno and Mina, Reno and Minden, Alturas and Reno railway post offices; and summer service on Truckee and Lake Tahoe railway post offices; and be it further

Resolved, That properly certified copies of this resolution be transmitted by the secretary of state to each of our Senators in the United States Senate and to our Representative in Congress.

Mr. McCARRAN also presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Public Lands and Surveys:

Assembly joint resolution memorializing Congress to purchase certain lands adjacent to Lake Tahoe, in the State of Nevada, for the establishment thereon of a park for recreational purposes, and for the establishment thereon of an emergency aviation field

Whereas the lands lying in the basin surrounding Lake Tahoe, taken together with the setting of the lake, constitute one of the grandest scenic beauties in the United States; and

Whereas the lands surrounding Lake Tahoe are rapidly coming into the hands of private parties who use the same for commercial purposes; and

Whereas the people of the State of Nevada and of the surrounding territory in the State of California feel that an area for recreational purposes should be set aside for the benefit of the people visiting this scenic playground; and

Whereas said sites would be of great value to the Government of the United States in case of emergency as a landing field for aircraft; and

Whereas there is now available a limited area of suitable land; and

Whereas the said tracts are almost on a direct air line between the city of San Francisco and the Federal munitions plant at Hawthorne, Nev.; and

Whereas there are six improved highway routes leading to the Lake Tahoe region from the States of Nevada and California; and

Whereas the State of Nevada does not have within its boundaries any public parks, recreation grounds, or aviation fields: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, That Congress be memorialized to make an appropriation in the sum of $150,000 for the purchase and improvement of an area, and that the Public Works Administration be directed to assist in making such an area applicable for the purpose hereinbefore set out; and be it further

Resolved, That our Senators in the United States Senate and our Representative in Congress be urged to use their best efforts in the furtherance of the objects of this resolution; and be it further

Resolved, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to each of our Senators and to our Representative in Congress.

REPORTS OF COMMITTEES

Mr. AUSTIN, from the Committee on the District of Columbia, to which was referred the bill (S. 405) for the suppression of prostitution in the District of Columbia, reported it with amendments and submitted a report (No. 404) thereon.

Mr. DIETERICH, from the Committee on the Judiciary, to which was referred the bill (S. 477) to provide for the appointment of two additional judges for the southern district of New York and two additional judges for the southern district of California, reported it with amendments and submitted a report (No. 405) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5576) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, reported it without amendment and submitted a report (No. 407) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 880. A bill for the relief of Dominick Edward Maggio (Rept. No. 408); and

S. 882. A bill for the relief of Albert Lawrence Sliney (Rept. No. 409).

Mr. WHEELER, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1531. A bill to credit the Fort Belknap Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Fort Belknap Reservation, Mont. (Rept. No. 410); and

S. 1532. A bill to credit the Crow Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Crow Reservation, Mont. (Rept. No. 411).

APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA

Mr. THOMAS of Oklahoma. From the Committee on Appropriations I report back favorably, with amendments, the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes, and I submit a report (No. 406) thereon. I desire to give notice that at the earliest possible date I will call the bill up for consideration by the Senate.

The VICE PRESIDENT. The bill will be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 2491) authorizing preliminary examination and survey of Shark River, N. J.; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 2492) to provide further for membership on the Board of Visitors, United States Military Academy; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 2493) for the relief of John Hamilton; to the Committee on Military Affairs.

A bill (S. 2494) for the relief of the heirs of George Spybuck, deceased; to the Committee on Claims.

By Mr. McADOO:

A bill (S. 2495) to provide for signs on the roofs of certain railroad stations; to the Committee on Interstate Commerce.

(Mr. BLACK introduced Senate bill No. 2496, which was referred to the Committee on Interstate Commerce, and appears under a separate heading.)

By Mr. KING:

A bill (S. 2497) to control and regulate the discharge or emission of smoke, soot, noxious gases, cinders, or fly ash into open air in the District of Columbia, and to provide for the inspection, control, and regulation of steam boilers and unfired pressure vessels in the District of Columbia; and

A joint resolution (S. J. Res. 97) authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive; to the Committee on the District of Columbia.

AMENDMENT OF RAILWAY LABOR ACT

Mr. BLACK. I ask unanimous consent to introduce a bill to amend the Railway Labor Act. This amendment, if passed, will bring within the purview of that act the employees of aviation throughout the country.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred.

The bill (S. 2496) to amend the Railway Labor Act, was read twice by its title and referred to the Committee on Interstate Commerce.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 285. An act for the relief of Elizabeth M. Halpin;

H. R. 615. An act for the relief of Meta De Rene McLoskey;

H. R. 1291. An act for the relief of the Muncy Valley Private Hospital;

H. R. 1487. An act for the relief of H. A. Taylor;

H. R. 1488. An act for the relief of Rose Burke;

H. R. 1492. An act for the relief of Harbor Springs, Mich.;

H. R. 1965. An act for the relief of William E. Fossett;

H. R. 2126. An act for the relief of Hugh G. Lisk;

H. R. 2132. An act to extend the provisions of the United States Employees' Compensation Act to Frank A. Smith;

H. R. 2157. An act for the relief of Howard Donovan;

H. R. 2185. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 2204. An act for the relief of Robert M. Kenton;

H. R. 2353. An act for the relief of the Yellow Drivurself Co.;

H. R. 2422. An act for the relief of James O. Greene and Mrs. Hollis S. Hogan;

H. R. 2439. An act authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.;

H. R. 2443. An act for the relief of Milton Hatch;

H. R. 2449. An act for the relief of Floyd L. Walter;

H. R. 2464. An act for the relief of C. H. Hoogendorn;

H. R. 2473. An act for the relief of William L. Jenkins;

H. R. 2487. An act for the relief of Bernard McShane;

H. R. 2501. An act for the relief of Mrs. G. A. Brannan;

H. R. 2606. An act for the relief of the estate of Paul Kiehler;

H. R. 2679. An act for the relief of Ladislav Cizek;

H. R. 2680. An act for the relief of Mary F. Crim;

H. R. 2683. An act for the relief of Henry Harrison Griffith;

H. R. 2690. An act for the relief of John B. Grayson;

H. R. 2708. An act for the relief of James M. Pace;

H. R. 3090. An act for the relief of Mayme Hughes;

H. R. 3098. An act for the relief of Bertha Ingmire;

H. R. 3167. An act for the relief of Louis Alfano;

H. R. 3180. An act for the relief of Ruth Nolan and Anna Panozza;

H. R. 3219. An act for the relief of Joseph Walter Gautier;

H. R. 3275. An act for the relief of Fred L. Seufert;

H. R. 3370. An act for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.;

H. R. 3506. An act for the relief of George Raptis;

H. R. 3512. An act for the relief of H. B. Arnold;

H. R. 3556. An act for the relief of Sophie Carter; and

H. R. 3959. An act for the relief of the National Training School for Boys, and others; to the Committee on Claims.

H. R. 5882. An act for the relief of Claude Cyril Langley; to the Committee on Military Affairs.

H. R. 3911. An act for the relief of Sarah J. Hitchcock; and

H. R. 6453. An act to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of the waters of the Rio Grande", etc., as amended by the public resolution of March 3, 1927; to the Committee on Foreign Relations.

PROTECTION AGAINST SOIL EROSION—AMENDMENT

Mr. GORE submitted an amendment intended to be proposed by him to the bill (H. R. 7054) to provide for the protection of land resources against soil erosion, and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

CUSTODY AND PRINTING OF FEDERAL PROCLAMATIONS, ETC.—AMENDMENT

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof, which was referred to the Committee on the Judiciary and ordered to be printed.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS—AMENDMENTS

Mr. McKELLAR submitted an amendment, and Mr. CLARK submitted three amendments, intended to be proposed by them, respectively, to the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes, which were ordered to lie on the table and to be printed.

PLEBISCITE ON PHILIPPINE CONSTITUTION

Mr. TYDINGS. Mr. President, I ask to have printed in the RECORD a proclamation of Acting Governor General J. R. Hayden of the Philippine Islands calling for a plebiscite to pass upon the new Philippine Constitution recently adopted, and also a cablegram from General Aguinaldo of the Philippine Islands asking that the transition period be shortened from 10 to 3 years.

There being no objection, the proclamation and cablegram were ordered to be printed in the RECORD, as follows:

PROCLAMATION

Whereas on the 23d day of March 1935 the President of the United States certified that the constitution of the Philippines, with the ordinance appended thereto, adopted by the constitutional convention called and held under the authority of the act of Congress of March 24, 1934, being Act 127 of the Seventy-third Congress of the United States, conforms substantially with the provisions of said act;

Whereas the said Act of Congress requires that within 4 months after such certification the said constitution, with the ordinance appended thereto, shall be submitted to the people of the Philippine Islands for their ratification or repeal at an election to be held on such date and in such manner as the Philippine Legislature may prescribe;

Whereas it is considered advisable that a special session of the Philippine Legislature be called for the purpose of passing the necessary legislation for the submission of said constitution, with the ordinance appended thereto, to the people of the Philippine Islands: Now, therefore

I, Joseph Ralston Hayden, Acting Governor General of the Philippine Islands, by virtue of the authority vested in me by section 18 of the act of Congress of August 29, 1916, hereby call the Philippine Legislature in special session to be held in the city of Manila for a period of 3 days beginning on Monday, the 8th day of April 1935, to consider the enactment of the legislation necessary for the submission of the constitution of the Philippines, with the ordinance appended thereto, to the people of the Philippine Islands, at an election to be held for said purpose, and for the canvassing and certification of the results thereof.

In witness whereof, I have hereunto set my hand and caused the seal of the government of the Philippine Islands to be affixed.

Done at the city of Baguio this 27th day of March, A. D. 1935.

J. R. HAYDEN,
Acting Governor General.

MANILA, *April 2, 1935.*

Senator TYDINGS,
Washington, D. C.

Respectfully remind you of and ask your support our petition shortening transition period Independence Act to 3 years. Substantially accord with Concurrent Resolution No. 46, Philippine Legislature, adopted October 17, 1933, rejecting H. H. C. Act and sending mission of which I was chosen honorary president, and also with people's sentiment expressed last general elections. If necessary we also request you ask Quezon mission express its views about these facts. Our petition if granted will cause political social economic stability Philippines. Our people are anxious know your views and recommendations regarding our petition and amendments independence law. We further request release report investigation conducted by your mission here while Quezon mission still there, so that they, as representatives Philippines, may comment your recommendations. Will appreciate your furnishing President Roosevelt copy this cablegram.

EMILIO AGUINALDO.

THE PHILIPPINE CONSTITUTION (S. DOC. NO. 43)

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed as a Senate document the authenticated copy of the constitution of the Philippine Islands recently approved by the President of the United States.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXPENDITURE OF RELIEF FUNDS IN PUERTO RICO

Mr. TYDINGS. I should like to read a three-page letter touching on the expenditures of relief funds in Puerto Rico, because the program is so large that I feel Senators ought to know what is contemplated to be done under Puerto Rico's share of the public-works bill. The letter is addressed to me by Mr. Carlos E. Chardon, and reads as follows:

PAN AMERICAN UNION,
Washington, D. C., March 12, 1935.

Hon. MILLARD E. TYDINGS,
Chairman Committee on Territories and Insular Affairs,
Senate Office Building, Washington, D. C.

DEAR SENATOR TYDINGS: Allow me to correct the erroneous impression that the reconstruction program of Puerto Rico is only going to benefit 750 cane planters (which are to be moved to good cane lands) and 7,500 homesteaders (in the marginal cane lands).

The objectives of the sugar program are more far-reaching to the island's economy: (1) It attempts to reduce permanently the sugar production by exchange of good lands for marginal and submarginal sugar lands; (2) as soon as restriction is accomplished through this exchange the rest of the industry can go ahead normally without any restriction and sugar could be produced at a cheaper cost; (3) land monopoly would be partially broken; (4) the production of food crops would be greatly increased in the 75,000 acres of marginal lands; and (5) a temporary legislation like the Sugar Act could be converted into a permanent reconstruction policy. This would be going farther ahead than any legislation of a similar nature in the continent.

The following would be the results of the sugar program at the end of 2 years (the complete program taking 3 years to be fully developed):

Sugar program—Results at end of second year

Permanent reduction (in tons of sugar)	100,000
Number of colonos whose gross income will increase from 25 to 33 percent	500
Additional gross income to these colonos (1½ percent more for cane ground and 30 cents per ton saved in transportation)	$1,020,000

This is the portion in particular which I thought was worthy of the attention of the Senate:

Additional pay rolls to laborers in sugar regions and marginal lands in house and other construction (2 years)	$3,625,000
Additional employment, laborers	13,475
Persons taken away from relief rolls (above x 5.7)	76,800
New 10-acre homesteads	5,000
Concrete houses for laborers and homesteaders	7,500
Additional vocational educational units	30
Increase in school attendance, close to	5,000
White-collar jobs (administration of homesteads, social workers, vocational teachers, etc.)	250
Additional acreage in food crops	30,000
Homesteaders on a subsistence basis (with families)	28,500
Savings in imports of food crops, $30 per acre (theoretical)	$600,000

During the third year the permanent reduction of sugar could be increased to 150,000 tons or more, and the full benefits of the sugar program could then be felt by the industry, the farmers, and the workers. But this covers only sugar.

The coffee program of our plan we calculate will yield the following results at the end of the second year:

Pay rolls to coffee laborers at $156 a year (8,000 the first year; 8,000 the second year)	$2,496,000
Pay rolls to laborers in house constructions, minimum	$2,400,000
Additional employment, laborers	16,500
Coffee farmers will receive in cash (for purchase of land)	$600,000
Coffee farmers will receive fertilizers for demonstration (tons, in 2 years)	3,000
New 3-acre plots for laborers	8,000
Concrete houses for laborers	8,000
Persons taken away from relief rolls	95,000
White-collar jobs	175
Additional vocational educational units	20
Increased school attendance (about)	3,500
Homesteaders on a subsistence basis (with families)	45,600
Insurance fund for coffee plantations (minimum)	$5,000,000

This covers only the sugar and coffee programs up to the end of the second year. The whole program contemplates also extensive development of the hydroelectric system, rural electrification, a tobacco program similar to that of coffee, and extensive public-works program, a 10-year reforestation plan, industrial development, tourist trade, slum clearance, and many other projects of minor character. The plan recommends an expenditure of $103,000,000.

A program of such wide nature which contemplates so fundamental changes in Puerto Rico's economy can be only carried out under an authority directly under the President, with wide and ample administrative powers and completely divorced from political influence. The administration of the authority may be safely placed in the hands of responsible Puerto Ricans.

In my judgment, the funds going to Puerto Rico under the big relief bill should not be spent in "relief and work relief", as section 1 of said bill now provides; they should be diverted through definite channels leading to a permanent and definite reconstruction policy.

The opportunity for Puerto Rico is now unique in our history. The President has made a formal public commitment to this program, and the plan itself has been approved by the Departments of Agriculture and Interior. I therefore wish to present these facts to you as Chairman of the Committee on Territories and Insular Possessions for your consideration.

Sincerely yours,

CARLOS E. CHARDON.

It is a very far-reaching plan which is in contemplation for Puerto Rico, and we ought not to allow the expenditure of a huge sum like this to go through without at least being

put on notice. I hope Senators will read the letter as it will appear in the RECORD.

PUBLIC-UTILITY HOLDING COMPANIES

Mr. NORRIS. Mr. President, last night the Senator from Montana [Mr. WHEELER] delivered an address over the radio on the holding-company bill now pending before the Interstate Commerce Committee of the Senate. I desire to quote one paragraph from that address, and I wish to say before I quote it that I am informed that, although the address was delivered only last night, yet by 12 o'clock noon today the Senator from Montana received more than a thousand telegrams from Philadelphia in regard to that paragraph. It is quite enlightening, and I think Senators ought to hear it. The Senator from Montana said:

I hope the good people of Philadelphia are listening to me tonight. You know I have an ever-growing warm spot in my heart for Philadelphia. More letters have come out of that metropolis with my name on them in the last month than I have received from my home State of Montana during the last 2 years. As a matter of fact I am sure the census taker was wrong about Philadelphia's population because his figure does not compare with the number of letters they have sent me. Nice chummy letters, too. They call me everything from such high-class terms as "rogue" and "rascal" on down the scale. Most of them show the fine hand of the United Gas Improvement Co. The best of them must have come from Gertrude Stein. It consists of this: "It makes me sick to think how sick I get when I think about you." Such popularity must be deserved. I have however been strangely neglected by Mr. Insull's Chicago. It must be that that city has been Insull-ated against my charm.

Mr. President, I ask unanimous consent that the entire address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

RADIO ADDRESS BY SENATOR BURTON K. WHEELER, OF MONTANA, APRIL 2, 1935, ON THE PUBLIC UTILITY HOLDING COMPANY BILL

I am going to talk to you tonight about the public-utility holding-company bill pending before both branches of the United States Congress, the bill to carry out President Roosevelt's ideas and policies on public-utility holding companies.

I hope the good people of Philadelphia are listening to me tonight. You know, I have an ever-growing warm spot in my heart for Philadelphia. More letters have come out of that metropolis with my name on them in the last month than I have received from my home State of Montana during the last 2 years. As a matter of fact, I am sure the census taker was wrong about Philadelphia's population, because his figure does not compare with the number of letters they have sent me. Nice chummy letters, too. They call me everything, from such high-class terms as "rogue" and "rascal" on down the scale. Most of them show the fine hand of the United Gas Improvement Co. The best of them must have come from Gertrude Stein. It consists of this: "It makes me sick to think how sick I get when I think about you." Such popularity must be deserved. I have, however, been strangely neglected by Mr. Insull's Chicago. It must be that that city has been Insull-ated against my charm.

There has been more lying propaganda about this bill, and on a larger scale, than about any other bill I have ever seen. The Power Trust has tried to make investors believe that the holding-company bill imposes what they call a "death sentence" on all the private companies in the electric light and power industry. It keeps talking about the "wreck of a $12,000,000,000 industry." That's bunk. The holding companies' title affects only the public-utility holding companies themselves, companies like Associated Gas & Electric, Cities Service, Electric Bond & Share, North American Co., and United Corporation. It doesn't lay a finger on the kind of a company which actually operates the electric light and power plant in your home town, and in which many of you have invested your savings.

The public utility holding company is a kind of high finance company which makes a business of acquiring control of the companies which actually run the electric light and power plants in your home town. Sometimes a single holding company run by a few insiders controls thousands of such electric light and power plants. Those thousands of local electric light and power plants may be scattered all over the country, but the heads of the holding company run them all for their own advantage from an office in New York, Chicago, or some other big financial center. Perhaps a better name for them would be "public utility holding-the-bag companies."

Usually these insiders get control of numerous local companies with the investment of very little money of their own. There are extreme cases where investments of less than $50,000 control subsidiary utility investments having face values in excess of a billion dollars. There was a case reported the other day by a New York State legislative committee investigating holding companies where insiders sold the public $100,000,000 of holding company securities in 1 year at a profit to themselves of thirty-four million. That illustrates the way a few people through a holding company can use other people's money. And how well they have succeeded the figures show. In 1932 thirteen large holding company groups controlled over 75 percent of the private operating utility industry. Three of these groups alone, Electric Bond & Share, United Corporation, and Insull controlled among themselves over 40 percent of that entire operating industry.

The holding company promoters manage to do this through the help of clever lawyers and the hocus-pocus corporate device called the holding company. The holding company buys control of the voting stock of the local power and light company. Then the insiders get control of the voting stock of the holding company. They sell a lot of other securities which haven't any right to vote to the outside public. "Outside" describes the public exactly. The poor suckers who buy that kind of a security are outside the company and outside their money at the same time.

Will Rogers remarked the other day: "A holding company is something where you hand an accomplice the goods while the policeman searches you." The same kind of pressures that are being brought on you as investors were immediately brought on Will to retract. He did retract in the papers last Sunday in his inimitable way: "Well, I didn't figure that little half-witted remark would upset the whole holding company business. But I forgot that a remark generally hurts in proportion to its truth. If it's so untrue as to be ridiculous why nobody pays any attention to it." I will wager that the holding company crowd will now try to make Will retract his retraction.

Now, it's that kind of company that this bill is after. The bill does not hurt operating companies or the securities of operating companies in the slightest. It benefits operating companies by taking off their backs the load of the tribute they have now to pay to holding companies.

The holding company insiders who are trying to block the President on this title keep telling you that it interferes with operating companies. That's bunk. They tell you that it will confiscate investments in the securities of operating companies. That's also bunk. They try to tell you that it will confiscate investments in the holding companies themselves. And even that's bunk.

The arguments of these holding-company advocates are complicated when they argue at all. I am not able to take up point by point the technical defects in their misleading position during this half-hour talk. But in a speech I made last Thursday in the Senate I did answer those complicated arguments. That speech is in printed form. If you will write me at my office in Washington, D. C., I'll send you that speech.

Remember the public utility business is not a private business subject to the normal restraints of competition. It is a legalized monopoly given special privileges by local government to serve public ends. Regulation is supposed to protect the public consumer and public investor against that monopoly. But no local community and no State can handle these giant corporations with all their tremendous resources of money and lawyers and political power which this holding device has assembled. We are now testing whether even the Nation itself is strong enough to stand against them.

The argument that we should try to distinguish between "good" companies and "bad" companies forgets how human and how variable and how temporary are the causes which make one company "good" and another company "bad." An overnight change of management can transform a company that has hitherto been the best in the business into the worst. A change in the outlook of the same man once changed the best company in the utility business into the worst. The holding company advocates assure us that the Insull abuses will never occur again. But there was not a single man in the utility business who would not have recognized Samuel Insull in 1914 as the best operator in the field and the safest bet for the investor's money. But bad banking influences changed Samuel Insull from a careful and conservative manager into a Napoleon of high finance. The continuation of the supposed "goodness" of what is generally held up as the best of the holding companies today depends on the direction of a single individual. His fortunes in turn are tied up in the operation of a series of investment trusts of none too savory reputation. If the depression had not intervened to stop the pyramided operations of these investment trusts, that company might very well have gone the disastrous way of Insull.

The truth is that there is no scientific reason at the present time why we need holding-company systems sprawled over the whole United States. We do not need or want utility combinations that aren't confined to the service of an area where they are needed to tie together a group of related operating companies. The only death sentence the bill pronounces on holding companies is to say, "You've got to trim down to what's absolutely necessary to serve the public if you want to go on doing business in this country. You've got to do that for the sake of the consuming public. You've got to do that for the sake of the investing public who have always mistakenly thought that through you they were investing in a sound and useful and regulated operating business." I don't know or care whether you call legislation which does that "elimination" or "regulation." But any kind of legislation that will not restrict the use of the holding device to a field where it performs a demonstrably useful and necessary function would not be regulation at all. It will simply give recognition under the screen of a few puny rules to a dangerous business of stock jobbing and insiders' profits that has no place in the modern operating utility business and has no justification to exist. That kind of so-called "regulation" the utilities are proposing is not real regulation—it is simply camouflage for the toleration of an entrenched wrong.

Let's not stick our head in a sand of regulatory words and miss the big realities. If we mean business these utility empires have got to be shorn of their present tremendous powers. If we mean business these utility empires have got to be brought down to proportions where they are manageable by the public and can justify their usefulness for the public good. If they are left as big as they are now, all the piddling rules in the world masquerading under the big name of regulation won't stop their repeating the abuses of 1929 as soon as they get a chance. All those little rules will no more hold them than a single strand of barbed wire can hold the weight and power of an Army tank. Within 1 year they'll again be regulating their regulators.

I'm like the holding companies—I have doubts about this bill. But my doubts are whether it goes far enough to be realistic. I remember how Congress and the reformers glowed with achievement when they passed the Sherman Anti-Trust Act, the Clayton Act, and other similar legislation. But if those acts had done half what they promised they would have nipped this holding-company business in the bud long ago. A democratic community cannot cut too fine with private empires which threaten its very existence. You can no more risk regulating a giant holding company than you can risk domesticating a rattlesnake. Any compromising with this problem will be simply a cowardly betrayal of Congress's duty because of fear of power-trust money in the next election. And I can tell the power gang that even the greenest new deal Member of Congress has no illusions that he can purchase their forbearance in his next campaign by running away from this bill. He knows, and every "new dealer" and Progressive in Washington knows, that between the power gang and us there can be no peace, now, in 1936, or ever.

In his message of March 12, the President gave investors in both holding-company and operating-company securities assurances that their interests would not be harmed by the bill. You may remember that he said, "So much has been said through chain letters and circulars and by word of mouth that misrepresents the intent and purpose of a new law that it is important that the people of the country understand once and for all the actual facts of the case. Such a measure will not destroy legitimate business or wholesome and productive investment. It will not destroy a penny of actual value of those operating properties which holding companies now control and which holding-company securities represent insofar as they have any value. On the contrary, it will surround the necessary reorganization of the holding company with safeguards which will, in fact, protect the investor."

In his broadcast of February 17, Mr. RAYBURN, who introduced the bill in the House, gave you the same assurances. Tonight as the sponsor of the bill in the Senate I give you the same assurances. Who tells you the bill will hurt your investments? Those same people who sold you stock at somewhere around 100, the same stock that is probably now selling somewhere around 2. They're urging you to stick with them, so they can save that 2 for you after they lost the 98.

Now, Mr. Investor, as a matter of common sense, which advisers are you going to trust? Which are you going to believe? I don't promise you that your stock will go back to 100 if this bill goes through. I'm not selling green goods; I'm not a holding company. But I do tell you that you have a much better chance to save what is really left of your investment if this bill passes than if the holding-company managers and bankers are free to waste the last of it by the same high finance.

I would not talk so roughly and bluntly, if the power companies and American big business in general were not putting on a desperate, insidious campaign of misleading misstatements regarding the objects of this bill, in the hope that frightened investors will bring such pressure on Members of Congress that those Members will be afraid to think for themselves.

It is an old strategy of tyrants to persuade their victims to fight their battle for them. They hide behind the skirts of their indispensable widows and orphans, and say to Congress, "No matter how bad we have been, no matter how dangerous we are, you can't touch us. Although we fooled them, a great proportion of the solid people of this country bought our securities. So you've got to leave us alone."

The lobby against this bill is not only working hard in Washington; it is working hard in every community in the country, and working in the most insidious and unsuspected ways. Holding-company managers and bankers, whose jobs and profits and whose control over your jobs and over your business may be at stake under this bill, hold in the palm of their hand nearly the entire operating utility industry of this country. As I've told you before, in 1932, 13 large holding-company groups controlled over 75 percent of the electric operating utility industry, and 3 of these groups alone—Electric Bond & Share, United Corporation, and Insull—controlled among themselves over 40 percent of that entire operating industry. That means that the managers of the giant holding companies hire and fire the manager of the little power plant in your home town. They hire and fire all its employees. They hire and fire the local lawyers who have the much-prized utility-company retainer. In many instances they control banks and dictate the policies of the local newspapers. And directly or indirectly, crudely or subtly, you can be sure they have passed orders all the way down that line to frighten you—to frighten you by direct statements; to frighten you by long, technical booklets of financial and legal arguments, carefully calculated to impress you, but not to be understandable to you; to frighten you at lunch; to frighten you at tea; to frighten you in the course of many of the most innocent contacts, where you would never expect you were being reached, even if only by simply repeating over and over again, "This terrible bill is going to ruin everybody."

An employee of your local power and light company has probably long ago come to your door and told you what a terrible bill this is and asked you to sign a letter. He may have been the employee of an Electric Bond & Share subsidiary who wrote me this letter I am going to read to you:

"DEAR SIR: Please find enclosed printed matter which is given to all employees of the power and light company. Also a card which they are asked to have signed by four voters.

"They are also asking all employees to write a letter to each Congressman in the Senate and House of Representatives who are on the Committee on Interstate Commerce. Then he must bring them all to the power and light company office to be checked. These men resent this very much, but they know they had better do as asked or their jobs will be endangered. I mention this to you so that when you get a flood of letters you will know how and why you received them. I am 100 percent behind your Wheeler-Rayburn bill, and sincerely hope you put it over."

Every time Congress proposes to look into a particularly rotten situation hush-hushers try to tell us that public airing of rottenness hurts business confidence. When my late distinguished colleague, Senator Walsh, investigated the Fall-Doheny oil scandal and when at the same time I began to investigate Harry Daugherty's Department of Justice, the conservative press belabored both of us for upsetting and even attempting to destroy the Government. When the Banking and Currency Committee of the Senate started its investigation of high finance which produced the Securities and Exchange Act there was a hue and cry that the investigation would bring runs on all the banks and that any attempt to regulate the stock markets would bring on a panic such as the country had never known. I have been pressing recently for an investigation of railroad financing. The lobbyists are trying to block it on the ground that exposure of the facts would ruin the railroad credit, forgetting conveniently the fact that the railroads have no credit now except at the Reconstruction Finance Corporation. Congress has learned, I hope, that the truth helps, not hurts, business confidence.

As for the threats of socialism and communism alleged to be hidden in this bill, many of us share a firm conviction that it is only by laws like this that we can avert a destruction of the traditionally American independence and initiative. This bill tried to break down business units grown so big and so dangerous that, if left that way, the Government will inevitably have to take them over and socialize them. The bill tries to save them from socialization—tries to preserve them for private enterprise. When any private socialism—and that is what these giant superholding companies amount to—gets too big, the people will demand its abolition or that the people take it over.

The only way we can save capitalism in this country is to encourage a decentralized system of moderate-sized businesses in which enough men have the status of master, not of servant or peasant, and where no one man or little group of men can so blanket any field of endeavor that other men have little or no opportunity.

The people of this country no longer revere the mysterious abilities of great benevolent captains of finance and industry whom they once thought knew how to run billion-dollar businesses for the public benefit. The people have learned for good and all that the accumulation of vast powers by the supercaptains of industry has done the public no good; I hope the people have learned for good and all that abilities capable of running billion-dollar industries do not exist. There is real hope that we can maintain indefinitely a decentralized democratic capitalism in this country. There is no hope that we can indefinitely maintain the kind of centralized plutocratic capitalism which has definitely proved itself morally and intellectually incapable of honest leadership for the benefit of the many.

Every morning and every evening, and even at noon here in Washington, my favorite newspaper publisher amuses me with warnings of the Communist propaganda which is sapping the foundations of our social order. But let us not deceive ourselves. Soap-box orators, parlor pinks, labor agitators, and bespectacled professors do not endanger American institutions. Revolutionary changes are not brought about by oratory but by a long growing sense of oppression. The utility holding company with its present powers has been an instrument and a symbol of imperial oppression in the industry and has utterly failed tc serve the public interest in any way, shape, or form. It has given unwarranted economic power over other people's wealth to unscrupulous stock manipulators. They in turn have used that power unfairly, unwisely, and even corruptly for their own advantage. It has been an instrument by which a few men have been able to set up a system of private socialism, which has crowded our boasted individual enterprise and local initiative out of one of the most important of our industries.

It has been a leader in a general trend of American business which, in the words of the President, "has made most American citizens once traditionally independent owners of their own businesses hopelessly dependent for their daily bread upon the favor of a very few." If any of you think that trend can long continue to humiliate a traditionally independent people, I tell you that I know it can't.

I believe that democracy belongs to the future, with its boundless hopes and possibilities. Some day in America autocracy will be no man's land, a bleak and barren region of darkness upon whose portals should be inscribed, "Abandon hope all ye that

enter here." Democracy is "all men's land", the land of the future, spanned by the everlasting rainbow of hope, "where thrones have crumbled and kings are dust, where labor reaps its full reward, and work and worth go hand in hand."

COMPULSORY R. O. T. C. TRAINING—ARTICLE BY LT. COL. ORVEL JOHNSON

Mr. FLETCHER. Mr. President, in view of conditions of which we are aware, abroad and at home, we should give reasonable encouragement to the R. O. T. C. Lt. Col. Orvel Johnson has discussed this subject in an article which is impressive and sound and should have wide circulation, and I ask to have it inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES SUPREME COURT DECIDES FEDERAL CONSTITUTION NOT VIOLATED BY STATE SCHOOLS REQUIRING STUDENTS TO TAKE MILITARY TRAINING, REGARDLESS OF "CONSCIENTIOUS OBJECTIONS." DUTY OF ALL CITIZENS TO BEAR ARMS NOT ALTERED BY BRIAND-KELLOGG PEACE PACT

(By Orvel Johnson, lieutenant colonel Inf-Res., director general, R. O. T. C. Association of the United States, member of the bar of Oklahoma, the District of Columbia, and the Supreme Court of the United States)

A most important and far-reaching decision was handed down by the United States Supreme Court December 3, 1934, in the case of Hamilton et al. against The Regents of the University of California, in which the Justices were unanimous in their opinion. Mr. Justice Butler delivered the opinion of the Court. This case came up on appeal from a judgment of the highest court of California sustaining a State law that requires students at its university to take a course in military science and tactics, the validity of which was by the appellants challenged as repugnant to the Constitution and laws of the United States.

The parties to the suit were Albert W. Hamilton, a minor, by Albert Hamilton, his guardian ad litem; W. Alonzo Reynolds, Jr., a minor, by W. Alonzo Reynolds, his guardian ad litem; Albert Hamilton and W. Alonzo Reynolds, appellants, against The Regents of the University of California, Robert Gordon Sproul, and Ernest Carroll Moore.

The appellants are the above-named minors and the fathers of each as his guardian ad litem and individually. They are taxpayers and citizens of the United States and of California. Appellees are the regents constituting a corporation created by the State to administer the university, its president, and provost. Appellants applied to the State supreme court for a writ of mandate compelling appellees to admit the minors into the university as students. The material allegations of the petition are:

In 1933 each of these minors became students in the university, conforming to all its requirements other than that compelling him to take the course in military science and tactics in the Reserve Officers' Training Corps (R. O. T. C.), which they asserted to be "an integral part of the Military Establishment of the United States"; that "the courses in military training are those prescribed by the War Department"; and that the "arms, equipment, and uniforms for use of students in such courses are furnished by the War Department of the United States Government."

"These minors are members of the Methodist Episcopal Church and connected religious societies and organizations. For many years their fathers have been ordained ministers of that church."

The Methodist Church has for years vigorously opposed all military training and other preparation for national defense, together with all forms of military service. At its general conference in 1928 it declared: "We renounce war as an instrument of national policy because our Nation led the nations of the world in signing the Paris peace pact (Briand-Kellogg) * * *." In 1932 the general conference of that church adopted as a part of its tenets and discipline: "* * * Furthermore, we believe it to be the duty of the churches to give moral support to those individuals who hold conscientious scruples against participation in military training or military service."

Appellants as members of that church and feeling bound by its tenets and discipline petitioned the university for exemption from military training and activities of the training corps, upon the ground of their religious and conscientious objections to war and military training. Their petition was denied by the regents of the university, who refused to make military training optional or to exempt these students. Several other allegations of the petition may be disregarded as not important.

The university is a land-grant college by its acceptance of the terms and conditions of an act of Congress, known as the "Morrill Act", approved July 2, 1862 (12 Stat. 503), under which public lands were donated to the several States in order that upon the conditions specified all moneys derived from the sale of such lands or from the sale of scrip issued under the act should be invested and constitute a perpetual fund the interest of which should be inviolably appropriated by each State accepting the benefits of the act "to the endowment, support, and maintenance of at least one college where the leading objects shall be, without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and mechanic arts, in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of industrial classes in the several pursuits and professions in life."

March 23, 1868, the Legislature of California passed an act creating the university "in order to devote to the largest purposes of education the benefactions made to the State" by the Morrill Act. Statutes 1867–1868, page 248, paragraph 5, reads: "And in order to fulfill the requirements of said act of Congress, all able-bodied male students in the university, whether pursuing full or partial courses in any college, or as students at large, shall receive instruction and discipline in military tactics in such manner and to such extent as the regents shall prescribe."

The State constitution, as amended November 5, 1918, makes effective the provisions of the Morrill Act. September 15, 1931, pursuant to the above act and constitution, the regents issued their order requiring "every able-bodied student * * * as a condition of his attendance as a student to enroll in and complete not less than one and one-half units of instruction in military science and tactics each semester of his attendance until such time as he shall receive a total of six units of such instruction * * *."

In the court below appellants assailed the laws and order above referred to as repugnant to the California constitution, the regents' order, and the Constitution and laws of the United States.

The State court denied the petition for a writ of mandate. Appellants applied for a rehearing. The court, denying the application, held the regents were within their lawful power in issuing their order, and that the suspension of the students because of their refusal to pursue the required courses in military training involved no violation of their rights under the Constitution of the United States.

Mr. Justice Butler, speaking for the court, said: "Appellees contend that this court has no jurisdiction because, as they say, the regents' order is not a 'statute of any State' within the meaning of paragraph 237 (a), Judicial Code. But by the California constitution the regents are, with exceptions not material here, fully empowered in respect of the organization and government of the university, which, as it has been held, is a constitutional department or function of the State government (*Williams* v. *Wheeler* (1914), 23 Cal. App. 619, 623; *Wallace* v. *Regents* (1925), 75 Cal. App. 274, 277). The assailed order prescribes a rule of conduct and applies to all students belonging to the defined class. And it was because of its violation that the regents by resolution suspended these students.

"The meaning of 'statute of any State' is not limited to acts of State legislatures. It is used to include every act legislative in character to which the State gives sanction, no distinction being made between acts of State legislatures and other exertions of the State law-making power. *King Mfg. Co.* v. *Augusta* (277 U. S. 100); *Sultan Ry. Co.* v. *Dept. of Labor* (277 U. S. 135). It follows that the order making military instruction compulsory is a statute of the State within the meaning of paragraph 237 (a).

"The allegations of the petition do not mean that California has divested itself of any part of its power solely to determine what military training shall be offered or required at the university. While, by acceptance of the benefits of the Morrill Act of 1862 and the creation of the university in order appropriately to comply with the terms of the grant, the State became bound to offer students in that university instruction in military tactics, it remains untrammeled by Federal enactment and is entirely free to determine for itself the branches of military training to be provided, the content of the instruction to be given, and the objectives to be attained. That State—as did each of the other States of the Union—for the proper discharge of its obligations as beneficiary of the grant made the course in military instruction compulsory upon students. Recently Wisconsin and Minnesota have made it elective. The question whether the State has bound itself to require students to take the training is not here involved. The validity of the challenged order does not depend upon the terms of the land grant.

"The petition is not to be understood as showing that students required by the regents' order to take the prescribed course thereby serves in the Army or in any sense becomes a part of the Military Establishment of the United States. * * * The States are interested in the safety of the United States, strength of its military forces, and readiness to defend them in war and against every attack of public enemies. *Gilbert* v. *Minnesota* (254 U. S. 325, 328–329); *State* v. *Holm* (139 Minn. 267, 273).

"Undoubtedly every State has authority to train its able-bodied male citizens of suitable age appropriately to develop fitness, should any such duty be laid upon them * * *. And when made possible by the National Government, the State in order more effectively to teach and train its citizens for these and like purposes may avail itself of the services of officers and equipment belonging to the Military Establishment of the United States. So long as it is within retained powers and not inconsistent with an exertion of the authority of the National Government and transgresses no right safeguarded to the citizen by the Federal Constitution, the State is sole judge of the means to be employed and amount of training to be exacted for the effective accomplishment of these ends. Second amendment, *Houston* v. *Moore* (5 Wheatl, 16–17. *Dunne* v. *The People* (1879) (94 Ill. 120, 129). * * *

"The clauses of the fourteenth amendment invoked by appellants declare: 'No State shall make or enforce any law which shall adbridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law.' Appellants' contentions are that the enforcement of the order prescribing instruction in military science and tactics abridges some privilege or immunity covered by the first clause and deprives of liberty safeguarded by the second. The 'privileges and immunities' protected are only those that belong to citizens of the States—those that arise

from the Constitution of the United States as contrasted with those that spring from other sources. *Slaughter-House cases*, (16 Wall. 36, 72–74, 77–80). *McPherson* v. *Blacker* (146 U. S. 1, 48)." Numerous other cases cited.

"The fact that they are able to pay their way in this university but not in any other institution in California is without significance upon any constitutional or other question involved. California has not drafted or called them to attend the university. They are seeking education offered by the State and at the same time insisting that they be excluded from the prescribed course solely upon grounds of their religious beliefs and conscientious objections to war, preparations for war, and military education. Taken on this basis of the facts alleged in the petition, appellants' contentions amount to no more than an assertion that the due-process clause of the fourteenth amendment as a safeguard of 'liberty' confers the right to be students in the State university free from obligation to take military training as one of the conditions of attendance.

"Viewed in the light of our decisions, that proposition must at once be put aside as untenable.

"Government, Federal and State, each in its own sphere, owes a duty to the people within its jurisdiction to preserve itself in adequate strength to maintain peace and order and to assure the just enforcement of law. And every citizen owes the reciprocal duty, according to his capacity, to support and defend government against all enemies. (*Selective Draft Law Cases*, supra, p. 378; *Minor* v. *Happersett*, 21 Wall. 162, 166.)

"*United States* v. *Schwimmer* (279 U. S. 644) involved a petition for naturalization by one opposed to bearing arms in defense of country. Holding the applicant not entitled to citizenship, we said (p. 650): 'That it is the duty of citizens by force of arms to defend our Government against all enemies whenever necessity arises is a fundamental principle of the Constitution. * * * Whatever tends to lessen the willingness of citizens to discharge their duty to bear arms in the country's defense detracts from the strength and safety of the Government."

Mr. Justice Butler cites and quotes at length *United States* v. *MacIntosh* (283 U. S. 605), a later naturalization case, in which the applicant was unwilling, because of conscientious objections, to take unqualifiedly the statutory oath of allegiance, and as in the case above, the application was denied. The Court disposed of that case in these words: "No other conclusion is compatable with the well-nigh limitless extent of the war powers as above illustrated, which include to compel the armed service of any citizen in the land, without regard to his objections or his views in respect of the justice or morality of the particular war or war in general.

"In *Jacobson* v. *Massachusetts* (197 U. S. 11, 19) this Court (upholding a State compulsory vaccination law), speaking of the liberties guaranteed to the individual by the fourteenth amendment, said: '* * * and yet he may be compelled, by force if need be, against his will and without regard to his personal wishes or his pecuniary interests, or even his religious or political convictions, to take his place in the ranks of the Army of his country and risk the chance of being shot down in its defense.'

"And see *Pearson* v. *Coale* (— Md. —, 167 Atl. 54), a case similar to that now before us, decided against the contention of a student in the University of Maryland who on conscientious grounds objected to military training there required. His appeal to this Court was dismissed for want of a substantial Federal question (290 U. S. 597).

"Plainly, there is no ground for the contention that the regents' order requiring able-bodied male students under the age of 24, as a condition of their enrollment, to take the prescribed instruction in military science and tactics, transgresses any constitutional right asserted by these appellants."

"The contention that the regents' order is repugnant to the Briand-Kellogg peace pact requires little consideration. * * * Clearly, there is no conflict between the regents' order and the provisions of this treaty." Affirmed.

Mr. Justice Cardoza, after noting his concurrence in the Court's opinion as delivered by Mr. Justice Butler, said: "* * * the petitioners have not been required to bear arms for any hostile purposes, offensive or defensive, either now or in the future * * *. If they resort to an institution for higher education maintained with the State's moneys, then, and only then, they are commanded to follow courses on instruction believed by the State to be vital to its welfare * * *.

"Manifestly a different doctrine would carry us to lengths that have never yet been dreamed of. The conscientious objector, if his liberties were to be thus extended, might refuse to contribute taxes in furtherance of war, whether for attack or defense, or in furtherance of any other end condemned by his conscience as irreligious or immoral. The right of private judgment has never been exalted above the powers and the compulsions of the agencies of government. One who is a martyr to a principle—which may turn out in the end to be a delusion or error—does not prove by his martyrdom that he has kept the law.

"I am authorized to state that Mr. Justice Brandeis and Mr. Justice Stone join in this opinion."

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The Senate resumed consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes.

Mr. COPELAND. Mr. President, through an inadvertence yesterday the amendment offered by the Senator from Missouri [Mr. CLARK] was not quite correctly included in the reprint of the bill. It is correctly set forth in the RECORD. I have talked with the Senator from Missouri, so what I am saying is in full accord with his views.

On page 2 of the new print of the bill, line 19, before the first word "medicinal", the word "no" should be inserted.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, line 19, before the word "medicinal", it is proposed to insert the word "no", so as to make the paragraph read:

(c) The term "cosmetic" includes all substances and preparations, except soaps or household cleansers for which no medicinal or curative qualities are claimed by the manufacturers or retailers in labels or advertisements, intended for cleansing, or altering the appearance of, or promoting the attractiveness of, the person.

The VICE PRESIDENT. Without objection, the amendment is agreed to. The question is on the engrossment and third reading of the bill.

Mr. COPELAND. Mr. President, on page 10 of the old print——

Mr. VANDENBERG. Mr. President, will the Senator from New York yield?

Mr. COPELAND. Certainly.

Mr. VANDENBERG. I should like to have the Vice President know that there are a large number of amendments pending, and there will be no anxiety about final passage of the bill.

The VICE PRESIDENT. The Chair saw in the RECORD that all committee amendments had been agreed to, and the bill has therefore reached the stage of engrossment and third reading. Naturally the only question that can be before the Senate is the engrossment and third reading of the bill until some Senator offers an amendment. The Chair will deprive no Senator of an opportunity to offer amendments. The Senator from Michigan may be assured of that.

Mr. BORAH. Mr. President, I understand the Senator from New York is going to recur to section 303 on page 10 of the bill?

Mr. COPELAND. That is correct. I am going to offer an amendment to that section.

Mr. BORAH. Very well.

Mr. COPELAND. On page 10, line 15, in the new print, line 11 of the old print——

The VICE PRESIDENT. The Senator from New York will permit the Chair to make a statement. The parliamentary clerk suggests that Senators use the old print. There are parliamentary reasons for so doing.

Mr. COPELAND. Very well. On page 10 of the old print, line 11, after the word "vegetables", I move to strike out the period and insert the words "and no standard of identity for fresh apples and fresh pears."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 10, line 11, after the word "vegetables", it is proposed to insert the words "and no standard of identity for fresh apples and fresh pears", so as to make the proviso read:

Provided, That no standard of quality shall be established for fresh fruits and fresh vegetables, and no standard of identity for fresh apples and fresh pears.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. TRAMMELL. Mr. President, I should like to submit an inquiry to the Senator from New York. Why should the Senator select one class of fruit and omit others? We are very much interested in the question in my State. Why select apples and omit other classes of fresh fruit?

Mr. COPELAND. Does the Senator want me to say frankly why? In all friendliness to the Senator and to the State which in part he represents, and of which I am a part-time citizen——

Mr. TRAMMELL. We are very proud of that fact.

Mr. COPELAND. I suggest the Senator do not press the matter.

Mr. TRAMMELL. Very well.

Mr. McNARY. Mr. President, I have a letter from the Rogue River Traffic Association of Medford, Oreg., relating to the matter just now suggested by the Senator from New York. I should like to have the clerk at the desk read the letter, and then I shall be glad to have a comment by the Senator from New York.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

ROGUE RIVER VALLEY TRAFFIC ASSOCIATION,
Medford, Oreg., March 29, 1935.

Hon. CHAS. L. MCNARY,
Senate Office Building, Washington, D. C.

Proposed food and drugs bill, S. 5, committee print no. 3 (now committee print no. 4)

DEAR SIR: In behalf of the pear and apple producers of this district, we wish to protest the passage of the above-mentioned act in its present form. It is our position that the bill should be amended in at least three particulars, which are vital to said producers.

First. Apples and pears at least should be exempted from "Standards of identity" in section 303. The Secretary of Agriculture should not be granted the power to fix the sugar, acid, and solid content of these fruits, raised under all the varying differences of varieties, soil, weather conditions, age, and care of trees, etc., in a country as vast as the United States. In our judgment all fresh natural foods should be exempted, but certainly apples and pears. Otherwise, varieties and sections could be eliminated from marketing, either in whole or in part, depending on how high the standard was fixed. In fact, there would always be grave danger in any such standard of identity.

Second. The court review section (702) should be so rewritten as to insure an interested party, a defendant, or a claimant of goods in the event of seizure, his full day in court on all of the facts underlying or surrounding the Secretary's regulations and any new scientific or other facts that may have developed since the regulation was promulgated. That right is not now given by section 702. The right of review by the courts is now very much limited and circumscribed, and the citizen does not have his full day in court as he does under the present law. Primarily, what is now proposed is government by promulgated regulations without a full right of review of those regulations on all of the facts.

Third. The bill should be further amended so that an interested party (fruit growers or others) can initiate proposed amendments to regulations. As it is, the Secretary alone is required to initiate regulations and amendments. Neither a citizen nor the advisory committees can initiate anything. It is all in the hands of the Secretary.

The foregoing amendments are vital to the citizen and in no way affect the purity of food.

We respectfully request that you use your influence to have the bill so changed as to meet the above objections.

Yours very truly,
ROGUE RIVER VALLEY TRAFFIC ASSOCIATION,
By W. J. LOOKER, *Secretary.*

Mr. McNARY. Mr. President, after we have order on the floor of the Senate I should like to make a request.

The PRESIDENT pro tempore. The Senator from Oregon asks for order.

Mr. BORAH. For order on the floor.

Mr. McNARY. I particularly specified order on the floor, and I think if the Presiding Officer should indicate a desire to have order we would have it.

The PRESIDENT pro tempore. The Senator from Oregon desires order in the Chamber. The Chair may state that the Senate makes its own rules; it knows its own rules, and the Chair is satisfied that the Members of the Senate do not desire to disobey the rules.

Mr. McNARY. The letter which has been read is very clear, and covers the situation which I should like to have the Senator from New York discuss and describe if he will.

Mr. BORAH. Mr. President, I desire to ask the Senator a question. Practically the same letter came to me from the Traffic Association of Idaho. I do not understand what change is desired in section 702. The letter which has been read is not clear to me, although it is in the same terms as the letter I have received. I do not know what the letter is asking for with reference to court procedure. I wonder if those writing the letters had the latest print.

Mr. COPELAND. I think I know what is desired by the writer of the letter.

Mr. BORAH. Very well.

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from New York?

Mr. McNARY. I yield the floor.

Mr. COPELAND. Mr. President, the writer of this letter complains of a provision in the bill which he thinks should be corrected. He speaks about differences in climate and soil and their effects upon apples. He fears the Department may attempt to establish a standard of identity for this product and that it might distress the apple-growers.

I have just presented, and there was adopted, an amendment, that no standard of identity for fresh apples and fresh pears shall be established.

Mr. BORAH. May I ask just what is the amendment which has been adopted? How does it read?

Mr. COPELAND. On page 10, beginning at line 13 with the word "*Provided*", the amendment reads:

Provided, That no standard of quality shall be established for fresh fruits and fresh vegetables, and no standard of identity for fresh apples and fresh pears.

That takes care of the first criticism of the writer.

The next criticism is due to the failure of the writer of the letter to realize that another amendment has been inserted in the bill. The writer said in his letter, as I understood it, that there is provided no opportunity for an industry or a group of citizens to make any move to secure a new regulation, or to change an existing one.

If Senators who are interested will look in the old print of the bill, on page 32 it will be seen that we have inserted an amendment to which I shall refer in a moment.

Let me say, as introductory to what I am about to remark, that in the original bill as presented, the Secretary of Agriculture was granted arbitrary power. If he should think overnight of something he might want to put in the form of a regulation, he could formulate and enforce that regulation. We were not willing, and I say for myself I was not willing, to have such power reposed in any individual. Therefore the bill was changed so that a regulation cannot be made until the Secretary has first decided that it is needed. Then he transmits the proposed regulation, in the case of foods, to an advisory committee of 7, appointed by the President, 2 of whom shall be from food industries, so there will be a certainty that in the committee hearing affected industries will be represented. Then, if the advisory committee decides that the proposed regulation is a reasonable one and ought to be given consideration, a public hearing is held.

In short, the advisory committee has first passed upon the proposed regulation. Industry is represented on the committee; but, even after that, the regulation goes back to the Department in order that there may be a public hearing, that all parties in interest may be heard. Then, after it has been determined that a regulation is necessary, it goes back to the committee, and a majority of the committee must say "yes; that is a good regulation." All this must be done before it may be promulgated.

The writer of this very intelligent letter, however, makes the very just complaint, if it were well founded, that there is no opportunity for an industry to make an appeal for a regulation or for a change in a regulation. Senators will find on page 32 of the bill, beginning at line 15, the language I am about to read. This part of the bill relates to a function of the committee of which I have spoken:

Having received from an interested industry or from representatives of the public a request for a new regulation or a change in an existing regulation, either committee—

That is, either the public health committee or the food committee—

on its own motion, may advise the Secretary of its recommendations for action in accordance with the procedure set up by this section.

So I may say to the able Senator from Oregon that the criticism which was transmitted to us by the writer of the letter has been met and answered by the language I have read.

LOUISIANA'S CONTRIBUTION THAT HAS SPREAD INTO A PLAN FOR AMERICAN RESTORATION

Mr. LONG addressed the Senate. His remarks appear on p. 5014.

REGULATION OF TRAFFIC IN FOODS, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics and to regulate traffic therein, to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes.

Mr. COPELAND. Mr. President, the Senator from California [Mr. JOHNSON] is not present, but a number of days ago he showed me the suggestion of a change which, so far as I am concerned, I am glad to have made, and the Department feels the same way about it. It is on page 27, line 18.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. NORRIS. I should like to say to the Senator from New York that the Senator from California has been ill for several days, which is the reason why he has been absent from the Senate.

Mr. COPELAND. Yes; I understood the Senator was ill, and it was because of that fact that I wanted to make sure the amendment which he showed to me is given attention by the Senate.

It is the desire of the Senator offering the amendment that in the court's review of a regulation it shall be very clear that the court shall go to the heart of the matter as regards the facts upon which the regulation was based. To make sure of this it is suggested by Senator JOHNSON that in line 18, on page 27, we strike out the language in italics in the original bill, "in the light of the facts", and that in line 19 we strike out the first word "with", and that at the end of line 18 there be added "with the facts or", so the language would read:

If it is shown that the regulation is unreasonable, arbitrary, or capricious, or not in accordance with the facts or law.

I move the adoption of that amendment.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. KING. What suggestion does the Senator make with respect to the words "and that the petitioner may suffer substantial damage by reason of its enforcement"?

I may say that I do not regard that condition as essential in order to obtain relief in the courts.

Mr. COPELAND. I do not think I do, either.

Mr. KING. I shall move to strike out that language at the appropriate time, unless the Senator consents to striking it out now.

Mr. COPELAND. I think it would not be in order until the committee amendments are completed. I ask, however, that the change suggested by the Senator from California be made.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. COPELAND. On page 28, line 7, to accomplish the same object I offer an amendment to strike out the words "in the light of the facts" and to insert at the end of the line the words "the facts or."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. COPELAND. I offer one other amendment: On page 46, at the bottom of the page, after the word "seized", in line 25, to strike out the period and insert a comma and the words "and as regards fresh apples and fresh pears a true copy of the analysis on which the proceeding is based", so the paragraph will read:

The court at any time after seizure up to a reasonable time before trial shall, by order, allow any party to a condemnation proceeding, his attorney or agent, to obtain a representative sample of the article seized, and as regards fresh apples and fresh pears a true copy of the analysis on which the proceeding is based.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. McNARY. In the absence of the senior Senator from California [Mr. JOHNSON], who has been detained at home during the week by illness, I propose an amendment at his request, which I ask the clerk to state, and on which I should like to have the observations of the Senator from New York.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 10, line 9, after the word "container", to strike out down to and including line 11 and insert the following:

: *Provided*, That no standard of quality or standard of identity shall be established for any fresh natural food: *And provided further*, That in any regulations pertaining to fill of container the Secretary shall give due consideration to the natural shrinkage in storage and in transit of fresh natural food and to need for the necessary packing and protective material.

Mr. COPELAND. Mr. President, so far as I am concerned, I have no objection to the portion of the amendment beginning with "*And provided further.*" The first part we have already discussed. If the Senator from Oregon, speaking for the Senator from California, presents an amendment so that at the end of section 303 as amended there shall be added the language:

And provided further, That any regulations pertaining to fill of container—

And so forth. I have no objection to that.

Mr. McNARY. Mr. President, I formally offer, in behalf of the Senator from California [Mr. JOHNSON], the language suggested by the Senator from New York.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Oregon [Mr. McNARY] for the Senator from California [Mr. JOHNSON], as modified.

The amendment as modified was agreed to.

Mr. COPELAND. So far as the committee is concerned, I think we have no further amendments. I now yield the floor.

Mr. BORAH. Mr. President, has the Senator from New York finished with section 303, so far as the Senator in charge of the bill is interested?

Mr. COPELAND. Yes.

Mr. BORAH. Then I should like to have the clerk read section 303 as it now stands.

The PRESIDENT pro tempore. The clerk will read, as requested.

The legislative clerk read as follows:

DEFINITIONS AND STANDARDS FOR FOOD

SEC. 303. For the effectuation of the purposes of this act, the Secretary is hereby authorized to promulgate regulations, as provided by sections 701 and 703, fixing and establishing for any food a definition and standard of identity and a reasonable standard of quality and/or fill of container: *Provided*, That no standard of quality shall be established for fresh fruits and fresh vegetables, and no standard of identity for fresh apples and fresh pears: *And provided further*, That in any regulations pertaining to fill of container the Secretary shall give due consideration to the natural shrinkage in storage and in transit of fresh natural food and to need for the necessary packing and protective material.

Mr. VANDENBERG. Mr. President, I desire to call the attention of the Senator from New York to the fact that I wish to offer the amendment, which I send to the desk in relation to the variation clause.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Michigan will be stated.

The LEGISLATIVE CLERK. On page 14, line 23, beginning with the words "no drugs", it is proposed to strike out down to the end of the sentence on page 15, line 6, and in lieu thereof to insert the following:

No drug shall be deemed to be adulterated under this paragraph if the standard of strength, quality, or purity be plainly stated on its label, although the standard may differ from that as determined by the tests or methods of assay set forth in an official compendium.

Mr. VANDENBERG. Mr. President, the Senator from New York is familiar with the fact that there has been a great deal of argument and discussion respecting the variant section of the law, and for a long time there was insistence upon the part of perfectly legitimate manufacturers that the word "identity" should be maintained. After consultations yesterday, which I think may be said to include some of the neutral experts of the city, on the subject, it has been concluded to drop the request for the maintenance of the

word "identity", and it is requested instead that the language which I have now offered shall be substituted for the sentence in question. As I understand, just two things will happen as a result, yet both those things are vital to the legitimate manufacturer.

In the first place, the physical difficulty of long definitions upon the label, which are required in the sentence proposed to be stricken out, will be eliminated. I understand the Senator from New York has no objection at that point.

The other important thing is the maintenance of the property rights which a legitimate manufacturer has in a commodity which he has perfected under a trade name.

Under the sentence, as written in the bill, the manufacturer, with his own identified commodity, must indicate upon the label that it is unofficial, and perhaps that means inferior in the event that the Board of Standards decides for itself that the manufacturer's own product should be formulated upon a different formula. The only thing in the world which is sought to be protected is the property right of the manufacturer in his own production, his own creation, his own property. Under the amendment as offered I think the Senator from New York will concede there is no possibility for any deception upon anybody in any essential situation and no possibility of an affront to the purposes of this proposed act. I wish to ask the Senator from New York if he cannot agree with me to let this substitution of this one sentence proceed as indicated?

Mr. COPELAND. Mr. President, if there is one Senator on the other side of the Chamber with whom I should like to agree, it is the distinguished Senator from Michigan. I always want to agree with a man who may sometime be President of the United States.

Mr. VANDENBERG. Mr. President, if the Senator will yield, I desire to say that that is one of those misbrandings which we are trying to prevent by this proposed legislation. [Laughter.]

Mr. COPELAND. I am sure it would not be an adulteration of civic righteousness if it should happen.

Mr. VANDENBERG. I am confident that that is so.

Mr. COPELAND. Mr. President, I cannot agree to this amendment in its entirety, for myself I am willing to agree to a part of it, then the Senator from Michigan, if he does not get all he wishes, will at least obtain part of what he is asking. However, let me now show the Senate, or try to do so, why this is not a proper amendment. I feel sorry for Senators who have not the same technical interest in this bill that I have or that some of the others of us have, but, nevertheless, this is a matter of public concern.

Mr. VANDENBERG. I feel sorry for those who do have.

Mr. COPELAND. Well, there is something in that, but on page 14 of the original bill, the Senator proposes to strike out this language:

> No drug shall be deemed to be adulterated under this paragraph because it differs from the standards of strength, quality, or purity therefor set forth in an official compendium.

Let me say to those who perhaps are not fully aware of it that there has been in existence in this country for many years a board which is nonofficial, but which is generally recognized, the Board of the United States Pharmacopœia. This board has exercised great good sense and, in the public interest, has provided standards which are useful not only to the pharmaceutical and medical profession but to the allied professions. It is a board which has done much to protect the public health.

It is very important when one has a prescription which his physician in New York has written that if he goes to San Francisco or Portland, Maine, and desires to have that prescription refilled, it shall contain exactly the same ingredients and the same strength ingredients in the new place as in the place where the prescription was originally written and filled. That is why the official compendium is so reliable; that great standard work, the Pharmacopoeia, a tremendous volume, which is revised every 10 years and may be, by supplements, amended between the periods of full revision, guarantees uniformity in drug products.

The Senator from Michigan proposes to strike out this language:

> No drug shall be deemed to be adulterated under this paragraph because it differs from the standards of strength, quality, or purity therefor set forth in an official compendium if its label bears in juxtaposition with the name of the drug a statement indicating wherein its strength, quality, and purity, as determined by the tests or methods of assay applicable under this paragraph, differ from the standards therefor set forth in such compendium.

For that provision the Senator proposes to substitute the following:

> No drug shall be deemed to be adulterated under this paragraph if the standard of strength, quality, or purity be plainly stated on its label, although the standard may differ from that as determined by the tests or methods of assay set forth in an official compendium.

That would be false on its face.

Mr. VANDENBERG. Is not that the existing situation?

Mr. COPELAND. Does the Senator mean in the bill?

Mr. VANDENBERG. No; but the existing practice today is the set-up indicated in the proposed amendment.

Mr. COPELAND. I do not think any druggist would now dare to sell as U. S. P., which means United States Pharmacopoeia, a product labeled "U. S. P.", which is presumed to be official, unless it actually conformed to the requirements.

We had some experience with "ginger jake", which proved to be an adulterated extract of Jamaica ginger. It was sold by reputable druggists because the label was so falsely written as to indicate it was "U. S. P." Of course, I realize we cannot by law make people good, but we can protect them to a great extent, at least, and we must do it so far as we can.

The Senator from Michigan proposes that any drug may be sold as official "if the standard of strength, quality, or purity be plainly stated on its label, although the standard may differ from that as determined by the tests or methods of assay set forth in an official compendium."

In other words, let us take, for example, iodine. I think the official standard requires for iodine that for every hundred cubic centimeters of alcohol there must be 10 grams of iodine. If the amendment proposed by the Senator from Michigan—and I know he presents it in all good faith, believing it is a proper amendment—should prevail, the manufacturer could put out a product labeled "iodine" which contained only 3 or 4 grams per hundred cubic centimeters of alcohol if the label stated that there were 4 grams of iodine to each hundred cubic centimeters. How would the purchaser know that the thing he purchased was standard iodine?

I say it is utterly wrong to permit the sale in the United States of drugs which are purchased by the consuming public and which they presume to be of the same standard as drugs which they have always purchased but which may be below that standard and be sold legally if the label says, "This contains 4 grams of iodine", when properly it should contain 10 grams.

I would be perfectly willing to meet the Senator half-way.

Mr. VANDENBERG. Before the Senator meets me halfway may I ask him a question to see if he cannot meet me a little further along toward my end of the road?

Do I misunderstand the situation to be as follows, using an example: Here is a manufacturer who develops cascara sagrada. It becomes an integrated trade remedy, well known, unquestionably legitimate, and produced by a thoroughly reliable, legitimate, honest, honorable producer. The U. S. P., producing this compendium somewhere, not orginating any formulas itself, not creating any compositions itself, but merely recording the achievements of others and in some degree assuming to pass upon betterments in connection therewith, recognizes the existence of cascara sagrada, but changes in some degree the formula before it is published in the compendium. Thereupon, under the language of the bill as presented, as I understand it, the original manufacturer, the discoverer, the creator of cascara sagrada, because the U. S. P. has undertaken in its discretion to change the formula in some slight manner, no longer can produce cascara sagrada——

Mr. COPELAND. According to his formula.

Mr. VANDENBERG. According to the formula upon which it had originally gained its popularity and its justified standing in the country, except as he puts upon the label an acknowledgment that it is unofficial or different in some aspects from the U. S. P., thus carrying the psychology of inferiority into the market places.

Does the Senator think that is fair to the manufacturer who has developed this thing? I am not speaking for any fakers or impostors. I am speaking from the viewpoint of some of the most reliable manufacturers in the United States, as the Senator from New York knows. Do they not possess a property right which is entitled to be respected in this aspect, and what final harm has been done to any interest if they be permitted to proceed as indicated?

Will the Senator use my example and tell me what the answer is?

Mr. COPELAND. I want to answer the Senator, but can the Senator give me any other similar example?

Mr. VANDENBERG. Yes. Ephedrin. I ask the Senator from New York not to pursue me too far into the chemical laboratory.

Mr. COPELAND. This is the point I desire to bring out. I think, as regards the two articles the Senator mentioned, he is entirely right. I think the Pharmacopoeia Board has been stiffnecked. I do think these great manufacturers, who not only make money through their operations, but do great good by their experimental work and by their laboratory work, should be encouraged. I think as regards these two particular products—and there are not many others—there has been a great injustice done.

But we are not legislating for that particular manufacturer, although the establishment in question is one of the greatest in the world. It is located in my own native State. I have known about it from my early recollection, and certainly have known a lot about it since I became interested in medicine. There is no finer laboratory or more reliable firm anywhere than that one.

As regards these two preparations, I think that concern has been imposed upon by the Pharmacopoeia Board, and I say that with all consideration to a board for which I have great respect, and for a great publication which is of vital importance to every citizen. But that does not make any difference. Even though that one firm has been discriminated against by the board in the past—and I shall refer to that again if I do not forget it—even so, when the druggist in Suffern, N. Y., buys one of these products he has a right to believe that the product is U. S. P. official. The doctor who prescribes it, who is familiar with the Pharmacopoeia, has a right to know it. It is a fraud upon the public to permit the sale of an article which is not official, and, therefore, I could not be a party to accepting the proposed amendment.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. COPELAND. Certainly.

Mr. VANDENBERG. How is it a fraud if the doctor or druggist is informed, on the one hand, respecting what the U. S. P. formulas are, and, on the other hand, if they can read what the label says and truthfully says in disclosing the contents of the box? In other words, are we not merely trying to transfer some of the responsibility of the physician and the druggist to the back of the manufacturer? Is not that what it comes down to?

Mr. COPELAND. Perhaps. These products are rarely dispensed in the original boxes. It is a common practice of the profession which I used to follow to write a prescription in some unknown language and send it to the druggist. Even though the druggist fills the prescription by giving out the original bottle, he takes off the label. The label does not go to the patient. The druggist tears off the original label, which contains the information mentioned, and put on the bottle, "Prescription of Dr. COPELAND, No. 1250"—I presume I put the number too high, because that would be a good many patients, so we will say "No. 33." When my patient takes that medicine he takes something which is different from what my training has taught me to believe should be used. The substitute is not official. It is not the article which I prescribed, and therefore it is a fraudulent transaction.

Mr. VANDENBERG. Under the practice ever since the original Food and Drug Act was passed, is it not a fact that the manufacturer of cascara segrada, even though his formula differs from the U. S. P., has not been forced so to state upon the label? Is not that a fact?

Mr. COPELAND. The advice I get from the expert from the Department is that it was the practice, at least in two or three instances, and the Department has not yet heard the last of it.

Let me present an example of what I have in mind. It will appeal to the distinguished Senator from Michigan, who I know is entirely sincere—and once more I apologize for presuming to have any technical knowledge that some of the other Senators do not possess: There is sickness in the Senator's own family. He decides to call another physician, or his family physician decides he wants a consultation, and sends to Chicago for some eminent diagnostician and practitioner.

This consultant examines the member of the family dear to the Senator, and decides that a certain drug is the needed remedy. He has learned from long experience in his practice in Chicago that that drug is a valuable drug and helpful in such a case as this critical one; so he advises the family physician to give that drug; the family physician accepts the suggestion and writes the prescription. Instead of being the drug which the Chicago doctor prescribed, however, it is another drug, or another preparation, differing in standard of strength from the drug he desired to give the patient.

I am not thoroughly convinced how valuable drugs are in the practice of medicine. I sometimes have had reason to question their real value. I do not like to make any confessions to that end; but if a doctor prescribes a drug which is universally recognized as having a certain standard of strength, that is the drug which the patient ought to get; and I should not be honest with the Senator or with the American people if I did not resist this amendment.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. VANDENBERG. If the Senator were the physician who was called in to preside over the poignant situation which he defines, and he concluded to recommend cascara sagrada, would he care at all whether it was cascara sagrada as made by the originator of it and as accepted as standard for years in this country, or would he feel he had been defrauded because it was not cascara sagrada made according to the formula of the U. S. P.? Would he feel himself defrauded, or would his patient be exposed?

Mr. COPELAND. I think both.

Once more, let me say as regards that particular product that I think Parke, Davis & Co. have been imposed upon by the Pharmacopoeia Board. I say that notwithstanding the fact that there are members of the Pharmacopoeia Board in this audience this morning. But, even so, I said long ago, and repeat now as my opinion, that the Pharmacopoeia Board ought to have recognized the fine product which was originated in that great laboratory and developed there; but the Pharmacopoeia Board has not done it. But when that product is purchased in St. Louis or Tucson or somewhere else, after the doctor has prescribed it, he has a right to expect that the official standard is met by the product dispensed. That is as it should be. Let me say now what I said I desired to say if I did not forget it. I do not know whether or not I reveal anything I ought not to reveal; but I was told this morning by a distinguished gentleman who has my full confidence that the particular articles mentioned by the Senator, and some others, are to be given immediate consideration by the Pharmacopoeia Board, and that they ought to have consideration. I am not going to trust to that, however, because I am not willing to have drugs sold, allegedly official drugs, when, as a matter of fact,

they may be only half the standard prescribed by the official work, the Pharmacopoeia.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. VANDENBERG. Does it occur to the Senator that he may be invading a very important property right which might seriously jeopardize the authority of his entire proposition?

Mr. COPELAND. I cannot help it. This is not a property-right bill. We are not striving to invade the vested rights of people, of course. I reluctantly yielded yesterday and presented an amendment to protect certain food manufacturers who have proprietary rights in certain foods. I did not want to do that, but in the case of foods the conditions are entirely different from drugs, and there were reasons why it seemed wise to do it. I felt about those concerned that they had vested rights, but that was not the determining factor. I feel about the particular article mentioned by the Senator from Michigan that that concern has a vested right; but, Mr. President, I cannot help that. When we come to give drugs for disease we must take no chances. If drugs have a place in the relief of human suffering and in the prolongation of life, when the physician prescribes a given drug, that is the drug which must be given, and it is not right or proper that we should vary from that course.

I am sorry to have to take that position. I love the Senator from Michigan. If I had a hundred dollars, I would lend it to him or give it to him. I would do anything I could that would be helpful to him; but I cannot yield on this matter. I will go a little further, however. As I told him, I will meet him—it is not half-way——

Mr. VANDENBERG. Does the Senator mean, by going further, that he is going to $150? [Laughter.]

Mr. COPELAND. I have not that much. [Laughter.] I went further than the limit when I said $100.

I am willing to strike out, on page 15, line 2, the language "in juxtaposition with the name of the drug", so that it will read:

No drug shall be deemed to be adulterated under this paragraph because it differs from the standards of strength, quality, or purity therefore set forth in an official compendium, if its label bears a statement indicating wherein its strength, quality, and purity, as determined by the tests or methods of assay applicable under this paragraph, differ from the standards therefor set forth in such compendium.

I will do that. I will go that far, and I wish I could go the whole distance, but I cannot do it.

Mr. VANDENBERG. That meets half of the objection.

Mr. COPELAND. All right. That is a good deal, if the Senator gets that.

Mr. VANDENBERG. All right; but let us see if we cannot adopt my amendment and meet all the objection.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The question is on the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

The amendment was rejected.

Mr. COPELAND. Now I desire to complete the matter; and, as I said, I will concede the other part. On page 15, line 2, I move to strike out the words "in juxtaposition with the name of the drug."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SCHWELLENBACH. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 34, line 20, after the word "carrier", it is proposed to insert a colon and the following:

Provided further, That whenever in the opinion of the Secretary it is practical, he shall attempt to make the objective inspection of food packed in a Territory or possession of the United States at the first point of entry within the territorial limits of the United States.

Mr. COPELAND. Mr. President, there is no objection to that amendment. I think it is a very excellent one.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. SCHWELLENBACH].

The amendment was agreed to.

Mr. BARBOUR. Mr. President, I submit an amendment, which I ask to have read, together with a statement I have prepared regarding the amendment and explaining very clearly the necessity for it.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 18, line 6, after the word "Provided", it is proposed to amend section 402 (f) by inserting the following:

That no drug shall be deemed to be misbranded, under subdivision 1 of this paragraph, by reason of failure of its labeling to bear adequate directions for use, when sold for the purpose of further processing or manufacturing, for the compounding of physicians', dentists', or veterinarians' prescriptions, or for use in the arts and sciences: *Provided further*.

The PRESIDING OFFICER. The Senator from New Jersey has also sent to the desk a statement which he has asked to have read. Without objection, the clerk will read.

The Chief Clerk read the statement, as follows:

Under section 402 (f) a drug is misbranded "if its labeling fails to bear plainly and conspicuously complete and adequate directions for use." Large quantities of fine chemicals, chemical medicinals and drugs of the highest purity are shipped from one manufacturer to another for further processing and for use in the arts and sciences and to wholesalers and retailers which do not go direct as such to the ultimate consumer. As the bill now stands, all of these shipments would be misbranded and subject to seizure and penalties of the act unless they bear complete and adequate directions for use. The purpose of this amendment is to clearly exempt these fine chemicals from the requirement of complete and adequate directions for use which is a needless, cumbersome requirement for medicinal chemicals not going to the ultimate consumer. This amendment in no way reduces the requirement of complete directions for fine chemicals sold to the ultimate consumer.

To further illustrate, many fine chemicals have extensive use for industrial as well as medicinal purposes. Silver nitrate is used for mirrors and in photography and as a medicinal. Potassium iodide is used in photography and as a medicinal. Magnesium sulphate is shipped in carload lots for nonmedicinal use. The dosage or directions for use vary widely. Potassium iodide is employed as a diuretic, antirheumatic, antisclerotic, and in prescriptions for such uses the dosage would vary with the condition of the ailment, the patient, the type of treatment. Another example: Quinine sulphate is indicated for tonic use in dosage of 1½ grains, while for antimalarial medication the dosage varies up to 15 grains; quinine has over 30 uses in addition to its use in malaria.

It is obviously impracticable and needless to label such packages with complete directions for use in respect of all conditions in which the drug or chemical is indicated, in those cases where the sale is not to the ultimate consumer.

While it is possible that the secretary might through regulations provide for chemicals not going to the ultimate consumer, it is bleieved that this very important field should be clearly corrected by a definite provision in the bill in accordance with the proposed amendment. This amendment does not reduce the protection for the ultimate consumer as in all cases the chemical medicinal or fine chemical must be of standard required purity and the directions for use would apply for sales to the ultimate consumer.

Mr. BARBOUR. Mr. President, I realize that on page 22, beginning with line 7, there is a provision to which I think my good friend the able Senator from New York will probably call attention in respect to the matter of regulation on the part of the Department of Agriculture providing exemption from the labeling provision. I feel very strongly, however, that, from the standpoint of the industry and the public, it is not nearly so safe to leave this matter simply to regulations, to be developed in the future by officials now unknown, who may change from time to time and whose duties may likewise change, as it is to have a specific stipulation in the law itself to cover the situation and provide proper regulation. I am sure the Senator from New York himself is in complete agreement with me so far as the purposes I have in mind are concerned.

Mr. COPELAND. Mr. President, if I did not feel that we have fully covered the suggestion made by the senior Senator from New Jersey, so far as I could do so, I would at once accept the amendment. The Senator has already mentioned

subdivision (1), on page 22, and perhaps the Senator did not know that on line 3 we have stricken out the word "authorized" and have provided that the Secretary shall be directed. The Secretary is directed to promulgate regulations exempting from labeling such articles as those to which the Senator has referred.

I am satisfied that with this change, which was suggested by the Senator from Michigan [Mr. VANDENBERG], directing the Secretary to take such action, we are not leaving the matter to anybody. The Secretary must do what the Senator seeks to have done when the substances covered by the provision are shipped in large quantities and are not sold to the consumer. They need not be labeled, and so forth, until after they are ready actually to be sent on to the ultimate consumer. So I feel that under subsection (1) the industry in which the Senator is interested is fully protected, in view of the fact that we have not given the Secretary any option in the matter, but he must perform this prescribed duty.

Mr. BARBOUR. Mr. President, it is very reassuring to have the able Senator from New York make the statement he has just made in respect to this provision on page 22, and I feel that his statement is very helpful. Nevertheless, I should still like to have a vote on the amendment, and I hope it may be agreed to and that there will be no objection raised on the part of the able Senator from New York.

Mr. COPELAND. Mr. President, if the Senator is insisting on a vote on the amendment, I want to say that it would make the bill more or less of an absurdity if there were several provisions covering the same item. If, after the explanation I have made and the assurances I have given, and after a rereading of the language in the light of the change in this paragraph, the Senator still wishes to press for a vote, very well; but I ask the Senator not to press for a vote now.

Mr. BARBOUR. Very well, Mr. President; I will accede to the request of the Senator from New York and not now press for a vote.

Mr. BAILEY obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Pope
Ashurst	Costigan	Lewis	Radcliffe
Austin	Couzens	Logan	Reynolds
Bachman	Cutting	Lonergan	Robinson
Bailey	Dickinson	Long	Russell
Bankhead	Dieterich	McAdoo	Schwellenbach
Barbour	Donahey	McCarran	Sheppard
Barkley	Duffy	McGill	Steiwer
Bilbo	Fletcher	McKellar	Thomas, Okla.
Black	Frazier	McNary	Thomas, Utah
Bone	George	Maloney	Townsend
Borah	Gerry	Metcalf	Trammell
Brown	Gibson	Minton	Truman
Bulkley	Glass	Moore	Tydings
Bulow	Gore	Murphy	Vandenberg
Burke	Guffey	Murray	Van Nuys
Byrd	Hale	Neely	Wagner
Byrnes	Harrison	Norbeck	Walsh
Capper	Hatch	Norris	Wheeler
Clark	Hayden	Nye	White
Connally	Keyes	O'Mahoney	
Coolidge	King	Pittman	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

Mr. BAILEY. Mr. President, I propose to discuss the proposed legislation, having in mind the bill as amended up to the present time, and also with a view to pending amendments and certain other amendments which I shall offer and which I have been informed will be offered by others.

It seems to me the proposed legislation is of almost indescribable importance and of no less difficulty. The bill is technical. It relates to the treatment of diseases, a highly developed and yet a speculative science in which there is almost infinite difference of opinion.

The bill relates to the preparation of medicine, one of the oldest of all the arts, developing these 10,000 years, perhaps, and still developing.

The bill relates to the food which the people of the United States eat and which is sold by the merchants throughout the Nation.

The bill relates to advertisements in the press of the country, and it relates to the cosmetics with which some appear to believe that they may perhaps improve their personal appearance.

I listened this morning with interest and, I might courteously say, with illumination to the controversy between "Ginger Jake" and "Cascara Sagrada." I did not know on which side to find myself, and I do not know whether or not the lady "Cascara" defeated "Ginger Jake" in the contest which we had in this arena. But the discussion suggested to my mind just one remark to the effect that if I had to comprehend my criticisms of this legislation in one sentence I should say that it seems to me to have been conceived from the point of view of the enemies of "Ginger Jake." I do not know "Ginger Jake", but I assume from what the distinguished father of the legislation had to say——

Mr. COPELAND. Stepfather.

Mr. BAILEY. Stepfather; I thank the Senator for saying what I should not have dared to say. From what the stepfather of the legislation had to say, it appeared to me that "Ginger Jake" was a very foul and unmannerly sort of a person; and the stepfather of this legislation proposed a 49-page bill, in the nature of the law of a great republic, affecting the entire population, creating inspectors to go out into all the factories of food and of drugs and of chemicals and of cosmetics to put "Ginger Jake" out of business!

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WALSH. Would not the Senator like to have a quorum call?

Mr. BAILEY. A quorum call was just had. I thank the Senator for his suggestion; but the interest in this subject, and perhaps in what I have to say upon it, is not sufficient to maintain a quorum in the Senate at this stage.

Mr. WALSH. I do not agree with the Senator from North Carolina.

Mr. ROBINSON. Mr. President, may I interrupt the Senator?

Mr. BAILEY. I yield to the Senator from Arkansas.

Mr. ROBINSON. I do not agree with the Senator, either; but I do wish to point out the fact that a large number of committees are in session, engaged in very important work, and Senators find it very difficult to be here. I feel sure they would like to hear what the Senator has to say.

Mr. McKELLAR. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. BAILEY. If the Senator from Tennessee wishes to suggest the absence of a quorum I am content.

Mr. McKELLAR. I suggest the absence of a quorum.

Mr. WALSH. Mr. President, will the Senator further yield?

Mr. BAILEY. I yield.

Mr. WALSH. Is the Senator from North Carolina going to discuss the bill in detail?

Mr. BAILEY. I will say to the Senator from Massachusetts that I intend to compare the new law with the old by showing what is proposed in the way of expansion, and then say something of the implications involved.

Mr. WALSH. Mr. President, what the Senator says is always enlightening. I make the point of order that there is no quorum present.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Borah	Copeland	Gerry
Ashurst	Brown	Costigan	Gibson
Austin	Bulkley	Couzens	Glass
Bachman	Bulow	Cutting	Gore
Bailey	Burke	Dickinson	Guffey
Bankhead	Byrd	Dieterich	Hale
Barbour	Byrnes	Donahey	Harrison
Barkley	Capper	Duffy	Hatch
Bilbo	Clark	Fletcher	Hayden
Black	Connally	Frazier	Keyes
Bone	Coolidge	George	King

La Follette	Metcalf	Pope	Trammell
Lewis	Minton	Radcliffe	Truman
Logan	Moore	Reynolds	Tydings
Lonergan	Murphy	Robinson	Vandenberg
Long	Murray	Russell	Van Nuys
McAdoo	Neely	Schwellenbach	Wagner
McCarran	Norbeck	Sheppard	Walsh
McGill	Norris	Steiwer	Wheeler
McKellar	Nye	Thomas, Okla.	White
McNary	O'Mahoney	Thomas, Utah	
Maloney	Pittman	Townsend	

Mr. LEWIS. I announce the absence of the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON], caused by illness.

I also announce the absence of the Senator from South Carolina [Mr. SMITH], who is unavoidably detained from the Senate.

Mr. AUSTIN. I wish to announce the absence of the Senator from Pennsylvania [Mr. DAVIS] on account of illness.

I also wish to announce that the Senator from Minnesota [Mr. SCHALL] is absent on account of death in his family; and that the Senator from Wyoming [Mr. CAREY], the Senator from Delaware [Mr. HASTINGS], and the Senator from Minnesota [Mr. SHIPSTEAD] are absent on official business.

Mr. McNARY. I wish to announce that the Senator from California [Mr. JOHNSON] is absent on account of illness.

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

Mr. BAILEY. Mr. President, I hope the Senators who have come into the Chamber in response to the quorum call, which was had by way of courtesy to me—and I think it a real compliment that they should come in, for which I am grateful—will forgive me if, as I look about the Senate and see the vacant seats, I invoke the Scriptures and remark that—

We have toiled all the night and have taken nothing.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WALSH. May I make an inquiry of the Senator? I make the inquiry only for the purpose of indicating the importance of what the Senator from North Carolina is about to say. Is it contemplated that a motion will be made to recommit the bill under consideration?

Mr. BAILEY. I think it should be recommitted. I do not intend to try to defeat sound legislation; but if I succeed in exposing the difficulties of the bill, I think a great deal might be accomplished. I am going to speak generally with a view to the difficulties of the bill, specifically with a view to the character of certain features of the bill, and then with a view to not only my own amendments but others which may be proposed.

Mr. WALSH. I thank the Senator.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. CONNALLY. I desire to say to the Senator from North Carolina, with respect to his remarks about the absent Senators, that none of them knew that the Senator was going to speak. I am sure there would be a larger attendance in the Senate had Senators known that the Senator from North Carolina was going to address the Senate at this time.

Mr. BAILEY. I fear the Senator from Texas misapprehended my remarks, which was said by way of humor and addressed to the vacant seats and not to those which were filled. I certainly appreciate the fact that certain Senators have come in; but, at the same time, I should like to say to them that I should not think of being offended if any one of them should feel that he could more profitably spend his time elsewhere. I understand those things perfectly, and I hope my friend understands my remark. I made it in the spirit of humor and mainly for the point of putting in a good Scripture text in the course of a few remarks on the subject of legislation.

Mr. CONNALLY. The Senator from Texas was not offended. He merely wanted the Senator from North Carolina to know that the Senator from Texas was not oblivious of the merits of his anticipated speech, and he was sure that if brother Senators had known it was to be made, they would have been here.

Mr. BAILEY. I am satisfied that the Senator from Texas was not offended, Mr. President, and I think everyone here knows it. I hope to be always void of offense. When the quorum call was made I was remarking that, if I had to comprehend my criticism of this proposed legislation in one sentence, I would say that we were undertaking to legislate about medicine, food, cosmetics, and advertising and trade and to determine the entire national policy with an utterly new law concerning food, drugs, cosmetics, and advertising wholly on the basis of our antipathies to "Ginger Jake."

My conception of legislation is not that we shall construct our statutes on the basis of an offender here or there, but on the basis of the national life and the national welfare, and that in order to restrain "Ginger Jake"—conceding that he is just as bad as the distinguished senior Senator from New York has said—I think that in restraining him we ought to have very careful regard—something more than a due regard—a very considerate regard for the great masses of our people who are without offense, who are touched in no way by the evil which we intend to correct. When we go into matters that deal with trade and commerce and advertising, notwithstanding we have in our minds the greater good of the public health, to which purpose I fully subscribe, we ought, nevertheless, so to construct the legislation as to respect the rights of the law-abiding; and I think we can do that and at the same time take every proper step to restrain the impostor, the evil-doer, and the lawless. This bill, however, is drawn in its present form in the light of evils which we all abhor, but, I suspect, without a proper regard to the rights of the great body of our people who are as inoffensive in matters of conduct as those of us who seek to make these laws which so seriously affect them. To put it in another way, I do not see the necessity of restraining all the American people by putting them under the supervision of bureaucrats. I say it respectfully, but they do exist; they are realities who, unlike ourselves, are not responsible to the people.

We consider this bill at the moment; in a few days assume that it shall have become a law, and it will then pass into the hands of men upon whom I do not intend to reflect but men who are not responsible to the people. They do not have to come up in elections and answer to the electors for the deeds done in their bureaus, but you and I, Mr. President, do have to answer. We have the say today, but tomorrow the people we represent are turned over to the tender mercies of men who stay in office 10, 20, 30, and 40 years, regardless of the will of the people.

I may make a remark here which I do not much like to make. We pass a law here affecting the rights of men under the Constitution, which ought to govern us. It is the law of the Senate, and more the law of Congress than even of the citizen; it is the one thing that binds us. But we cannot be unaware of the fact that there does seem to be in the departments at Washington a disposition to delay the determination of the constitutional rights of the citizen whom we represent under the laws which we pass.

So, Mr. President, I feel that on the very threshold of this discussion, realizing the vastness of the powers here proposed to be given and the sweeping range of the application of the sections of this proposed act that, at any rate, it becomes me—and I am sure other Senators here feel that it becomes them—to have a care that, while we undertake to restrain the wrongdoer and to protect the public, we also have a care that the rights of the great masses of the innocent-minded and innocent-living people whom we represent shall not be adversely affected in any respect.

In my absence, which I very greatly regretted, it was stated on the floor by friends of mine, and in the best of faith, that I was opposed to this proposed legislation. I read the RECORD and noticed that one Senator stated that I was its leading opponent in the committee. I am not an opponent of the proposed legislation; I am not an opponent of the objectives in view.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. COPELAND. The Senator will absolve me, will he not, from that intimation?

Mr. BAILEY. I absolve all Senators, because I understand how that idea arose, and I will take the responsibility for it. I did not say that by way of criticism, either. I did offer amendments in the committee, and I am going to speak about those amendments in the course of my remarks; and perhaps I did create the impression that I was opposed to this proposed legislation.

Let me say, Mr. President, nobody could be opposed to a proper law to insure the providing of our people with pure foods, pure medicines, and I go so far as to say pure cosmetics, although that does not very greatly concern me. My opposition is not to the bill but to certain of its trends; not at all to the objective but to the means; and I hope I may find my way to vote for the measure. No one will strive more earnestly than I will, for the passage of a properly conceived act. On that point I think I can stand precisely upon the ground laid down by the President of the United States in his message to us. He stated the principles which he had in view and which I think we have in view in these words:

> The setting up and careful enforcement of standards of identity and quality for the foods we eat and the drugs we use, together with the strict exclusion from our markets of harmful or adulterated products.

I subscribe to that principle.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. CLARK. I join most heartily with the Senator from North Carolina in subscribing fully and completely to the purposes set out in the message of the President of the United States; and I should like to ask my friend from North Carolina whether, in his opinion, as a member of the committee before which this bill has been for at least 2 years, it is necessary in order to conform to the purposes set out in the President's message to wipe out all the existing fabric of law and to deprive the public of the benefit of 20, almost 30, years of decisions of courts construing the present law, in order to accomplish those purposes, or whether it would not have been better to extend and increase the jurisdiction of the Food and Drug Administration by a proper amendment to the existing law?

Mr. BAILEY. I answer the first branch of the Senator's question in the negative. I will add that I do not think the President of the United States would tolerate for a moment a piece of legislation that described crutches as "drugs" and advertising as "adulteration", carrying the English language and the law very far.

I intend to go into the bill by way of analysis after having made it perfectly clear that no man here will be found more disposed than I am to vote for a progressive and intelligent bill restraining all the wrongs that may be done by way of imposition in advertising or in drugs or cosmetics or food. But in doing that I wish to be guided by the principle which I just stated, of correcting the wrongs without impairing the rights and the liberties of the great masses of our constituents who have done no wrong and who contemplate no wrong.

So much for that. I wish to raise a question about the old law and the new bill. We have had what we may call the "Wiley pure food law" in the statutes of our country since 1906, some 29 years. As I am informed, 46 States in the American Union have founded their State laws upon that act. In addition to that there have been 28 years of judicial determination of the meaning of the statute, the words and phrases in the old Wiley law. We pay tribute to him and we pay tribute to Theodore Roosevelt for bringing forth that law. It has served the American people well.

But at this hour we are uprooting that law and undertaking to erect another. I assert that is not a proper legislative or historical procedure. The process of lawmaking, as I understand it, is a process of evolution by experience. We do not enact new statutes affecting the entire population wherever we have old statutes to which we may recur. I believe it was Blackstone who said, in his elementary but very great source of law, that in the interpretation and the construction of law it is the duty of the lawyer and the judge and the legislator to consider the old law, to consider the mischief, and then to consider the remedy with a view to making a law which is based upon the experience which has been evolved under the law that is and the law that was.

But here we tear up the foundation, we destroy the precedents, we throw ourselves out of gear with the laws in 46 States and predicate legislation upon a new basis, needlessly setting out into a new territory, creating a new body of law. What is wrong with the Wiley Act, the present Pure Food and Drugs Act? It has been amended from 6 to 10 times. As the necessities of our people demanded, it has been improved. Why should we not here take the old Wiley law and find wherein it is inadequate, find wherein it may be improved, find wherein it may meet the needs of the present time, find wherein it may accord with the principles and objectives laid down in the message of the President to us, and by way of amendment, and with the least possible friction and the most accord with the experience of our people in 29 years, why should we not take that old law for the base and build upon it in the historical process of evolution, of experience, and of legislation?

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. BAILEY. I yield.

Mr. BORAH. This is to the layman a highly technical bill, and those who are not on the committee have less knowledge perhaps than they ought to have in order to legislate. May I ask just how far and to what extent the bill repeals and abrogates the old Wiley law?

Mr. BAILEY. I shall undertake to show the differences between the two in indicating how far the bill goes beyond the old law. I think that will meet the Senator's question.

Before I go into that matter I want to take up another phase, and that is the matter of the relation of the new bill to the Department of Agriculture. I can reconcile myself in some sort of way to a law that defines a crutch as a drug, and advertising as adulteration, but I have the very greatest difficulty in comprehending how the Department of Agriculture of the United States would ever get jurisdiction over drugs, medicine, advertising, and cosmetics. I understand the Department of Agriculture was created for the purpose of fostering agriculture in the United States and not for the purpose of governing advertising in the United States. It is inconceivable to me that it should take charge of medicine and of cosmetics and of advertising. Yet the bill proposes to have it do precisely that thing. There might be an argument that the Department of Agriculture has made such great triumphs in agriculture that it is seeking new worlds to conquer; but I believe that should someone make that boast in my presence, I should agree that it had exceeded Samson in the slaughter of pigs, but had fallen far, far short of doing as good work in the matter of cotton as has the bollweevil. [Laughter.]

That is said without animosity. That is said by way of illustration. The corn borer and the bollweevil and the little orphan pigs by the millions, the great interests of cotton and of wheat, the great interests involving the livelihood and the welfare of 30,000,000 farm population in great distress, in almost insuperable difficulty—those interests must be divided under the terms of the bill with the supervision of national advertising, and the sale and use of drugs, and the commerce in and application of cosmetics. I confess I do not understand it.

There is something of logic on earth. There is something of reasonableness. We have a great Department of Commerce. The bill comes out of the Committee on Commerce of the United States Senate. I wonder why it was not referred to the Committee on Agriculture and Forestry. The Committee on Commerce is supposed not to restrain and handi-

cap commerce, but to foster it. We restrain commerce only where it does an evil to the general welfare. For one evil that it does there are a million benefits which it contributes. Sitting as guardians of the commerce of the country and looking, as I think we should have looked, to the Department of Commerce and the Federal Trade Commission, for some reason—I suppose at the insistence of the Department of Agriculture—we abdicate commerce in favor of agriculture.

When the Wiley law was first enacted, there was no Trade Commission, but now there is a Trade Commission. While I have heard complaints since I have been in Washington of many departments and bureaus of the Government, I have yet to hear the first by way of criticism of the conduct of business in the Trade Commission. Certainly insofar as this bill relates to commerce—and the traffic in food is commerce, the traffic in drugs is commerce, and the traffic in cosmetics is commerce, and advertising is commerce—so far as the subject matter of this legislation is commercial in its character rather than agricultural, we should do the logical thing, we should do the sensible thing, and we should do the sound thing if we should seize this opportunity, now that there is a Trade Commission with well-established precedents and with direct relations to the trade of the country, to give things commercial over to Commerce; and while I should not care to go too far into comparisons, I think I am safe in saying the Trade Commission is far more qualified to deal with matters of trade than is the Department of Agriculture. I think we should do well, I think we should be constructive, I think we should be logical, if we related the bill in the first instance by proper amendments to the old law, and related it in the second instance by proper amendments to the Federal Trade Commission.

In saying that, I do not intend any reflections upon the Department of Agriculture. My difficulty lies wholly in this: I do not know how the Department of Agriculture gets any conception that it should deal with drugs, how it gets any understanding that it should control or direct advertising. They are not within the remotest conception of its functions. Nothing could be better for the Department of Agriculture of the United States than that it should be relieved of everything except the supreme need of 30,000,000 of the farm population within the borders of our Republic. It would be an aid to them, Heaven knows. If we could bring them to that, and they could master that problem, we would crown them with honor beyond the power of words to describe.

In response to the distinguished senior Senator from Idaho [Mr. BORAH], I desire to say that the old law, the Wiley law, related wholly to foods and drugs. The new proposed law relates to foods, drugs, cosmetics, and advertising. I have made some figures here. I do not know what the food bill of America is. It might be eight or ten billions of dollars conceived of as a whole, per annum; but the commercial and packaged food and the meats, I take it, I might safely say, would involve a commerce of at least $3,000,000,000. The drug commerce of America, I am informed, amounts to $650,000,000 a year, and the cosmetic trade, I am told, comes to $200,000,000 a year; and I cannot withhold the remark that I wonder that we spend so much money and get so little done in that respect.

The old law was confined to the label and the circular included in the package. The measure before us includes legislation of a very strict and comprehensive character relating not only to the label and to the circular, but to advertising; and the advertising includes not only the newspaper advertising but also the radio and the billboard and all other forms of advertising. We propose to cast all of that into the hands of a bureau which will never again be responsible to us, and which, if it follows the example of some bureaus here, will seek not to be responsible to the Supreme Court of the United States in the matter of the rights of our constituents.

I will say to the Senator from Idaho that the old law confined its description in the matters of drugs to the words "false and fraudulent"—historical words of unquestioned legal import. The new proposed law makes the description "false or misleading"; and, of course, the Senator from Idaho, being the great lawyer that he is, realizes at once that when we expand "fraudulent" into "misleading" we get out of the age-long channels of human rights into the infinitely broad channels of administrative discretion, for what is misleading is always a matter in the first instance, at any rate, of opinion. What is fraudulent always has been and always will be a matter of law. "Fraudulent" always implies intent to deceive. "Misleading" implies nothing except that one may be mistaken.

I will agree that there is no penalty and no punishment sufficient for the man who perpetrates a fraud upon innocent people. I hate and I despise a human being who will concoct a nostrum and undertake to make money out of the misery of ignorant and helpless people. I will go as far as anyone will go to put the stripes of the felon upon that sort of man; but in this bill I am asked to leave the ancient form of sound words, on which a civilization itself rests—and that is what it rests upon—to leave that ancient form, and to throw American people on their knees before a bureau in order that they may beg for mercy against the foul accusation that they have uttered some misleading word!

Mr. President, I pause there. That is the root of the matter. There is not one of us here but misleads; not intentionally, of course. We say, sometimes, more than we mean. We are often mistaken. I just now misled my very good and highly esteemed friend from Texas [Mr. CONNALLY] with a light remark. Misleading? Why, it is the history of frail humanity; and here is an alteration in a law established for 29 years in which we abandon the strict construction of the word "fraudulent", which is shot through with the intent to deceive, and substitute for it the word "misleading", which is as innocent as an angel's heart. I protest against it.

Now to go on: In each case the determination whether false and fraudulent—or, now, false and misleading—is made in the first instance by the Bureau; and the Bureau is presided over in this matter of medicine and cosmetics by a lawyer. If he were not a lawyer, he might be a doctor; and he is the judge. He sends forth his inspectors. He calls on your constituent and mine. He calls in question the American citizen with the Stars and Stripes above his head. He determines that this man has uttered misleading words. We put within the power of a man not responsible to the people of America the right of absolute destruction.

Now I go back to the beginning. I agree that we must do whatever we may do to get "Ginger Jake", but in order to get "Ginger Jake" I do not propose to have a net dragged through the entire American population, and that by people who do not have to answer at the ballot box as we have to.

Further, in the old law, when a label was false or fraudulent, it was brought before the Department and was subject to the law. Under the proposed law the label must not be misleading in any particular—in any particular whatever.

Mr. President, the pending bill is misleading in several particulars. It tells me that advertising is adulteration, and I know that that cannot be so. It tells me that crutches are drugs, and I know that that is misleading. But under the bill the label must not be misleading in any particular, and it must have medical opinion to sustain all claims, also warnings against use in pathological conditions, full and adequate directions for using; and that strict stipulation is imposed upon every human being in the United States, in the first instance, not by a judge, not by a court in which his rights can be ascertained under the law, but by the head of a bureau.

There may be need for bureaus in our Government; I would not deny that. There must be an executive department. The laws we make must be administered. But if in making the laws the Members of the Congress do not guard the rights of the people against administrators of the law who are not responsible to the people, then we not only neglect our duty, but we will reach in logical order the position in which we are responsible for what they do. I do not have to answer so much for the acts of Congress as I do

for the conduct of men who administer the laws for which I vote, under which there were brought here people who could not understand what had been done to them or why.

Mr. President, I lay down a simple principle. Assuming that we ought to have bureaus and must have administrators, and knowing that the executive department must be independent under the Constitution and ought to be under all the sanctions of experience, once we make the law, knowing that it passes into the hands of the administrator, loyalty to ourselves, to our country, and to the constituents who must live under the law makes it our duty to see to it that the law under which they must live shall be administered within bounds to accomplish the intent and purpose of the law; that and no more.

There is a practice now—and it is not modern, either; it has not originated under the present administration, but has been the practice for many years—under which criminal laws are enacted in bureaus and men are indicted and brought into court not because they have violated the law of the land enacted by their responsible representatives, but because they have violated regulations which were conceived in some office down the street and published not in statute books, but in rules and regulations, or filed in filing cabinets.

Mr. President, I make my point. Here is this proposed legislation, which affects the entire population and has a relation to commerce involving billions of dollars, touching hundreds and thousands of stores, going into every dining room and every pantry, permeating the national life as few laws we could pass here would—incomparably more personal in its application than any legislation we have had before us since I have been in the Congress. I beg you, when we propose to enact a law as far-reaching as that, that we shall at the same time lay the restraining hand upon those who have the power to frame and issue the regulations in order that you and I may not be called upon to answer for deeds of which we never conceived; in order that there may be a law in the United States and that the American people may know it; in order that the rights of a great population may be protected by the ancient standards under which laws have been made from the day of Moses to the present hour, not in little cubbyholes down in some department, but from the high mount where laws should be given, and on the tablets of stone.

Mr. BORAH. Mr. President, will the Senator yield to me?

Mr. BAILEY. I yield.

Mr. BORAH. Although I do not find the basis for the construction in the pending measure, it has been stated to me by persons deeply interested in the proposed legislation that in a trial for the violation of a regulation the defendant must prove his innocence.

Mr. BAILEY. Yes; the regulation as administered is prima facie law until held to the contrary.

Mr. BORAH. That the Government does not need to prove the guilt of the defendant, but that he must prove his innocence.

Mr. BAILEY. He must plead just as any other defendant will plead in a criminal case. The presumption is that the regulation is the law.

Mr. BORAH. I am not sure that I understand the Senator, or that the Senator understands my question. Of course, when a charge is lodged against an individual for the violation of a regulation, the Government must proceed in the first instance, must it not, to prove the case against the defendant?

Mr. BAILEY. Does the Senator refer to the trial, or to the arrest?

Mr. BORAH. I refer to the trial.

Mr. BAILEY. On the trial the Government, as I understand it, proves the regulation, and then the violation of the regulation. If the Senator has some light on that, I will greatly appreciate it.

Mr. BORAH. I am seeking enlightenment.

Mr. BAILEY. I am speaking out of some experience in the matter, and I speak wholly out of that experience, as a lawyer might without having the books before him now, out of a past which lies behind him, some distance behind him, and I say that the violation of a regulation is an offense justifying seizure and ruin without trial. If there is an accusation of crime, the Government must prove its case; all defendants in criminal actions come into court, under criminal laws, clothed with the presumption of innocence. Perhaps the confusion is due to confounding seizure of goods in libel with prosecution for crime.

I know the Senator from Idaho is a great lawyer. I am speaking out of my experience, and very definitely; but if he has a different impression, I should like to have the correction.

Mr. BORAH. I have no different impression, generally speaking. I was seeking to discover just what the proposed bill undertook to do in the way of shifting the burden of proof.

Mr. BAILEY. As I read the bill, there is no difference between the regulations contemplated in the bill and any other regulations. If I had time—and I hope I may turn the pages and find the provision—I could show that the regulations and the law are on the same basis with the regulations and the laws in respect to other acts, not only of this character but of other characters, enacted by Congress. But seizures are made and ruin may be wrought by them without trial.

Mr. McKELLAR. Mr. President, will the Senator from North Carolina yield to me?

Mr. BAILEY. Certainly.

Mr. McKELLAR. I desire to ask the Senator whether the provisions of the bill add greatly to the powers which are now possessed by the Bureau here in Washington.

Mr. BAILEY. I think so; but the powers are very great as to what are actually wrongs. This gives very much discretion. As I have just said, to take the word "misleading" and substitute it for the word "fraudulent" is an expansion in an infinite degree.

Mr. McKELLAR. In a practical sense, then, the bill very largely adds to the powers of the bureaus over advertising and over every other feature connected with the pure food and drug law?

Mr. BAILEY. Oh, yes; it very greatly expands the powers of the bureaus. I will come to that.

Mr. McKELLAR. I wish to say that I think they have too great powers now.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. McCARRAN. Carrying out the discussion between the able Senator from Idaho [Mr. BORAH] and the able Senator from North Carolina, my reading of the bill answers the question propounded by the Senator from Idaho, in that it does not shift the burden of proof in any way whatever. The burden of proof remains where it was. In order for the agency having the prosecution successfully to prosecute, it must establish guilt, and it must establish it affirmatively.

Mr. BAILEY. I am looking for the paragraph referred to. I realize that this is the tenth reprint of the bill, and I am having some difficulty in finding the provision relating to the regulations.

Mr. McCARRAN. In view of the fact that I have pending before the committee a companion bill, which bears my name, I wish to say that I have followed the course of this legislation with some considerable study; and I believe the Senator may content himself with the idea, in answer to the query made by the Senator from Idaho, that nowhere does this bill seek to shift the burden of proof. In other words, the same rules that now prevail with reference to criminal prosecutions will prevail under this bill. The violation must be proven, and its intent must be proven; and the violation of the regulation must be established, to use the expression of the Senator from North Carolina, beyond a reasonable doubt. There is no question in my mind about that.

Mr. BAILEY. The Senator takes the view I take, but the distinction lies in the difference between the power to seize goods, in which the burden is shifted, and the power to prosecute for crime, in which it is not.

Mr. McCARRAN. I agree with the Senator in that; and that is true all the way through all our legislation. In other words, we do delegate our authority to a large extent in the way of providing that certain bureaus may make regulations. The Supreme Court recently passed on that and commented

on it severely, and I think rightfully so, because the bureaus did not file their regulations so that they might become public, and thus that the average man might know what the law was. That was the general tenor of the comment of the Supreme Court. These regulations should be filed, should become public, should become a thing to guide the public; but when that is all over, and the regulations have been established, as they must be established, the burden of proof rests on the Government or the prosecuting agency to establish the guilt of those charged with offenses.

Mr. BAILEY. The burden of proof always rests with the Government bureau in prosecutions for crime, but not in actions of seizure.

Mr. McCARRAN. That is what I desired to clarify, in view of the discussion between the Senator from Idaho and the Senator from North Carolina.

Mr. BAILEY. I must confess that I do not see the difference. The burden of proof always rests upon the State to prove the guilt of the defendant. What is the distinction?

Mr. McCARRAN. The distinction is this: The Senator from Idaho asked a question, which was, if I recall it correctly, "Does this bill shift the burden of proof? In other words, must one who is accused prove his innocence?" That was the purport of the question of the Senator from Idaho.

Mr. BAILEY. I do not think so. I should not say that the bill shifted the burden of proof in criminal actions. I very seriously question whether that could be done, or ever thought of. Senators realize that we have a distinction here in the matter of seizures and the matter of criminal guilt; but I do not think anywhere in America, or in any regulation, it is conceivable that we bring a man into court and presume him guilty of crime.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. BORAH. As I said, I myself did not find in the bill the justification for the theory that the burden of proof was attempted to be shifted.

Mr. BAILEY. If the Senator wishes a flat answer to that statement, I do not think the burden of proof is shifted in criminal actions. There are instances here in which, in matters of seizure, the action is wholly within the breasts of the administrators. That is assimilated in the actions in admiralty. The offense is not made a crime; it is a libel. When we come to the criminal end of it, however, I would not for one moment suggest that the burden of proof is shifted.

Mr. BORAH. I knew it could not be shifted, but I understood there was an attempt to shift it.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BAILEY. I yield to the Senator from New York.

Mr. COPELAND. That was the case, I may say to the Senator, in the original bill, but not in the present bill.

Mr. BORAH. That undoubtedly explains it.

Mr. BAILEY. Yes. I am glad we have that matter made clear. I was totally unprepared for the question, because that sort of thing never entered my mind. I will say to the Senator from Idaho that I knew many things might be attempted here, but I did not think that sort of thing would be attempted, and I was totally unaware of the implications of his questions.

To go on with the analysis, I now come to the procedure. Under the old law there was provision for multiple seizure in adulteration or misbranding, whether injurious or not. Under the new proposed law there is provision for multiple seizure the same as in the old law, except that there are included in the proposed law advertising and false or misleading statements in advertising or inadequate warnings and directions.

Now I desire to dwell for a moment on the matter of multiple seizures. I agree that wherever an article of food, cosmetic, or drug is imminently dangerous to health, there ought to be the power to take it out of the market. I would strike it as quickly as I would strike poison. There would be no difference between the committee and myself, or the proponents of the bill and myself, in that respect. But with that for a base, this proposed law has been spread out to the point—and I wish the Senator from Idaho to get my thought in this respect, because I think it is of the utmost importance—where advertising is described for the purposes of the act as adulteration, and under adulteration by way of publication in the newspapers there may be multiple seizures; and if the head of the Bureau finds, in his opinion, that the advertising is misleading, he may proceed to seize throughout the land. That is just as much power as Julius Caesar ever asked for. The head of the Bureau can kill and make alive.

Assume that I am selling a proprietary article in every State in the Union, and the head of the Bureau reads an advertisement printed by me in a magazine and decides that the advertising is misleading, and from that decision, under this proposed act and by its power, he forms the judgment that that is adulteration. Then he declares that I am selling an adulterated article, injurious to health; he seizes my goods in 10 States in a day, or on every day; and I am ruined and destroyed before I can get back to court.

That is too much power. That is more power than the Congress ought to have.

Mr. BORAH and Mr. TYDINGS rose.

The PRESIDING OFFICER. Does the Senator from North Carolina yield; and if so, to whom?

Mr. BAILEY. I yield to the Senator from Idaho.

Mr. BORAH. Do I understand that the person whose goods may be seized is not given an opportunity to be heard?

Mr. BAILEY. His goods can be seized at once.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BAILEY. I yield to the Senator from New York.

Mr. COPELAND. The official can seize the article if he has reported to the Secretary that it is imminently dangerous to health. That is when he can seize it.

Mr. BAILEY. And he can seize it under the adulterated theory on the ground of misleading advertising.

Mr. COPELAND. No, Mr. President, he cannot. He can seize it if the advertising puts forth untruthful statements.

Mr. BAILEY. Or is misleading.

Mr. COPELAND. But he cannot seize it except where there is reason to believe that the article is imminently dangerous to the public health.

Mr. BAILEY. I said he could find that it was adulterated from the advertising, reach the conclusion that it was dangerous to health, and then make the multiple seizures.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BAILEY. I yield to the Senator from Idaho.

Mr. BORAH. In other words, if the person who reads the advertisement in the magazine or the newspaper comes to the conclusion that the food as advertised is adulterated, he may seize the food?

Mr. BAILEY. Yes; that may be done in every State, under the multiple-seizure provision, but the person must be an official with authority.

Mr. BORAH. Yes; I understand.

Mr. COPELAND. Mr. President, will the Senator from North Carolina permit me to interrupt him?

Mr. BAILEY. I promised to yield to the Senator from Maryland; then, I will yield to the Senator from New York.

Mr. TYDINGS. I should like to ask whether or not—I presume it is impracticable—it would be possible to have an advertisement approved before it was used?

Mr. BAILEY. I cannot answer that question, but I should dislike to be put to that expedient; I should dislike to have to run to Washington and ask somebody here whether I could advertise a commodity in which I was interested.

Mr. TYDINGS. That would be somewhat inconvenient, I admit, but, at the same time, inasmuch as the Department has to pass on whether or not the article is pure, it strikes me that it would be no great inconvenience, because advertising is nothing more than describing the food or other commodity, and so it might be passed on at the same time. One of the evils complained of, as I understand the Senator from New York, is that misleading advertising is being used to induce people to buy commodities. If that be the case, if the commodity were not deleterious to the person who bought it, the advertising might be subjected to a fraud charge. While we do not want to cover too much scope, I

was wondering just to what extent the consumer was protected from false and misleading advertising as well as from the harmful contents of a package or bottle.

Mr. BAILEY. I thank the Senator. I wish to recur to this language of section 401 on page 13, which reads in part:

A drug shall be deemed to be adulterated—
(a) (1) If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

That is the language of the bill. Under it we provide for a supervisor of advertising in America, and we repose in his supreme judgment the right to seize the goods of an American citizen. He says the advertising makes an adulteration that is injurious to health; I am selling my goods in 48 States; he seizes them in 40 States, and, even though I go into court a thousand times and prove he is wrong, my business is gone, for a man cannot be universally disgraced by his Government and hope to recover in a lawsuit.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BAILEY. I yield to the Senator from Missouri.

Mr. CLARK. I call the Senator's attention to the fact that not only does the bill set up in Washington a supervisor of advertising, as the Secretary of Agriculture or his subordinate, the head of the Food and Drug Administration in Washington would be, but it sets up as many supervisors of advertising as there are localities in the United States where there are employees representing the Secretary of Agriculture, because at the bottom of page 45 appears this language:

The article shall be liable to seizure by process pursuant to the libel; but if a chief of station or other employee of the Administration, duly designated by the Secretary, has probable cause to believe from facts found by him and duly reported to the Secretary that such article is so adulterated as to be imminently dangerous to health, then, and in such case only, the article shall be liable to seizure by such chief of station or employee, who shall promptly report the facts to the proper United States attorney.

In other words, if a $100-a-month employee in the Food and Drug Administration who happens to be listening to a radio program hears an advertising claim made which he regards as misbranding, it ipso facto becomes adulterated under the definition of this bill, and, after reporting the matter to the Secretary but without being required to hear from the Secretary to get specific authority, he can go out and seize the goods and possibly ruin the manufacturer's business, or the retailer's business, as the case may be, and on his own responsibility, without any necessity for any further instructions from the Secretary of Agriculture, report the matter to the United States district attorney.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. TYDINGS. I think perhaps I did not make my contention plain. Assuming that a food is pure and qualifies under the Pure Food and Drug Act, what has advertising got to do with it?

Mr. BAILEY. Assuming that the article is pure?

Mr. TYDINGS. Assuming that it is pure and is not an adulteration, what has advertising got to do with it?

Mr. BAILEY. I imagine if the Bureau head said that the advertising was misleading to somebody as to the nature of the food or its value or its character, he could proceed against it.

Mr. TYDINGS. What I am getting at is, even admitting the advertising is miseading, then the pending measure is not only a pure food and drug bill per se but it is also a bill to protect the public from misleading or false advertising about an article which per se is pure and good in itself. In other words, chopped up automobile tires might be prescribed for some disease, and, of course, that would be deleterious; but plain water might be prescribed for the disease. What if the advertisement should state that the water would cure pneumonia or whatever the disease might be, that would not affect the water; as I understand this proposed law, it is primarily to keep from the public deleterious foods and medicines; so where the advertising comes in and how it is a part of the subject matter I do not really see.

Mr. BAILEY. I am glad the Senator asked me the question, because I can explain that point to him. This proposed legislation is contrived so adroitly that whoever drew the bill—I do not mean to impute anything to anyone's motives, of course—managed to include advertising under adulteration.

Mr. TYDINGS. On what page is that found?

Mr. BAILEY. It is found on page 13, under the title "Adulterated drugs."

That was done with a view of bringing advertising under the statutes relating to adulteration, which are the strictest statutes. I have an amendment which will transfer this advertising provision to the misbranding section, and when it shall be placed in the misbranding section we will have it where it belongs, and the law will be entirely different and much more moderate. I shall offer three amendments to accomplish that purpose.

Mr. TYDINGS. Does the Senator from North Carolina have the copy of the bill which I have the print of which is dated April 2? Paragraph (a) of section 401 has been stricken out in the copy I hold in my hand.

Mr. BAILEY. If the Senator will read just below he will see what was substituted for it.

Mr. TYDINGS. The language is:

If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

Mr. BAILEY. That is the same language as has been stricken out.

Mr. TYDINGS. That fact has to be established, does it not?

Mr. BAILEY. Let me make it clear to the Senator. That constitutes an adulteration. If the Senator will agree with me that that is not adulteration but misbranding, and should be in the misbranding section, I shall be entirely content.

Mr. TYDINGS. The Senator has already arrived at a solution for my dilemma if he has an amendment of that kind.

Mr. BAILEY. I have three amendments for that purpose.

Mr. TYDINGS. I cannot see why food that is good, but which might be falsely advertised, becomes deleterious because of the advertising. It is simply misbranding.

Mr. BAILEY. That is a part of the logic of the bill I cannot understand.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. CLARK. For the benefit of the Senator from Maryland, on the point he just asked as to procedure in the case of adulteration, and whether it has to be proved or not, I suggest that he read the language on page 13 just referred to by the Senator from North Carolina in connection with the language in the seizure section on page 44, particularly the language of the amendment starting at the bottom of page 45, which provides for the summary seizure of adulterated goods whenever an employee concludes that they ought to be seized.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. BAILEY. Certainly.

Mr. COPELAND. May I say to the Senator from Maryland that if he will turn to page 13, lines 19 and 20, he will find this language:

If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

A drug might be the purest one in the world, a perfectly proper drug when used under proper conditions, but if in the newspaper advertising of it, or in the radio advertising of it, the public should be told they might take the drug in any quantity without harm to health, that would be misleading, false, and harmful; and the object is to prevent that sort of thing.

Mr. TYDINGS. Even assuming that to be so, that is entirely different from saying whether a drug or a food is deleterious or injurious per se. What I am attempting to get at, and what the Senator from North Carolina offers, is that if it is a case of false advertising or misbranding, that does not make the article itself impure. It might be prescribed wrongly; its use might be recommended in a quantity that would make it deleterious, I agree; but that would be because of the advertisement, and the fault would not be

in the article which is advertised. There ought to be a section against fraud, but there is no reason to go out and seize an article if it is all right simply because it has been wrongly advertised over the radio.

For example, let us suppose that some drug, calomel, for instance, is properly labeled on a bottle which is held out for sale; and let us suppose that somebody recommends that 25 grains of it be taken before each meal. That would not make the calomel any worse than if the properly prescribed dose had been ordered. The point in that instance is not that the medicine is deleterious but that the advertising is erroneous; and certainly we do not want the medicine seized when it is properly branded simply because somebody erroneously or falsely misrepresented its value over the radio.

Mr. COPELAND. Will the Senator from North Carolina permit me to interrupt there?

Mr. BAILEY. Certainly.

Mr. COPELAND. The Senator wants in some way to stop misleading, false, and harmful statements?

Mr. TYDINGS. Yes.

Mr. COPELAND. What difference does it make?

Mr. TYDINGS. What difference does it make?

Mr. COPELAND. Yes, what difference does it make?

Mr. TYDINGS. My illustration was not very apt. Let me give a better one. Let us suppose that someone starts to produce vinegar, and it is labeled as a certain kind of vinegar; we will call it "Western vinegar", for want of a better name. Suppose someone "goes on the air", and says, "You should drink a pint of Western vinegar before each meal as a health-producing beverage"; that would not make the vinegar deleterious; the vinegar would be perfectly good vinegar; it would not do to go out and seize the vinegar because somebody had falsely advertised it.

On the other hand, the public ought to be protected against false advertising. That would be no excuse for seizing the vinegar.

Mr. COPELAND. The unfortunate thing about the illustration is that that sort of thing does not enter into food.

Mr. TYDINGS. I just took a food for illustration.

Mr. COPELAND. There is no such provision as the Senator from North Carolina is discussing that relates to food. It applies to drugs.

Mr. TYDINGS. Suppose someone, to cause a greater consumption of some drug that is not deleterious in its effects, advertises that more than a healthful dose should be used, to get fat, to get thin, to keep well, or for whatever reason; that would be no excuse for going out and seizing the article itself if it were branded properly, would it?

Mr. COPELAND. I have in my hand an article such as the Senator has in mind, for the reduction of fat. We will not name the article.

Mr. TYDINGS. What about it?

Mr. COPELAND. The radio man, the advertiser, says it is a perfectly harmless preparation and should be used. Certainly the Senator does not want the American people to be given products which are harmful. There ought to be some way to reach them, and this is the way by which we are reaching them.

Mr. TYDINGS. Suppose this preparation which the Senator has just handed me and which I hold in my hand, properly taken, two capsules before each meal, is not injurious. Let us suppose, on the other hand, that six capsules taken before each meal would be injurious. Suppose the directions on the box say to take two capsules before each meal, but some enthusiastic advertiser over the radio says, "You ought to take 6 capsules before each meal instead of 2." Would the Senator then favor going out and seizing all of the preparation in the country when the harm done has been in the false advertising rather than in the drug being injurious in itself?

Mr. COPELAND. If the Senator will bear with me——

Mr. TYDINGS. If the Senator will answer my question I shall bear with him.

Mr. COPELAND. I was asking the Senator from North Carolina, who has the floor, to bear with me.

Mr. TYDINGS. If the Senator from North Carolina will let the Senator from New York answer my question, I will bear with him, too.

Mr. COPELAND. This particular article——

Mr. TYDINGS. Will the Senator answer my question, using the illustration I put to the Senator, where the article itself is not injurious but a dose is prescribed which is injurious. Would the Senator say the article ought to be seized in every drug store in the United States?

Mr. COPELAND. If the article is dangerous to health, under the doses prescribed on the label or the advertising thereof, it should be seized.

Mr. TYDINGS. Let us suppose it is not injurious, but that the radio advertising prescribes such doses as would be injurious.

Mr. COPELAND. Then action should be taken.

Mr. TYDINGS. What action would be taken?

Mr. COPELAND. The radio licensee——

Mr. TYDINGS. Oh, no! Under the Senator's bill, as I understand, the agent of the bureau would be justified in seizing every box of that article in the country, notwithstanding the branding on the box was a proper branding.

Mr. COPELAND. But it is not. Will the Senator read the language of the bill?

If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

This article is dangerous to health in the labeling and the advertising.

Mr. TYDINGS. With all due respect and perhaps because I have not made it clear, the Senator is evading the question I am putting to him. The article is not harmful. The article is properly labeled, but the radio program advertising is erroneous, it is false, it induces a quantity to be used greater than the amount stated on the label. What would the Senator do in that case?

Mr. COPELAND. There would not be any action then except against the man who gave the copy to the radio advertiser.

Mr. TYDINGS. What action would there be against him?

Mr. COPELAND. If it was false advertising, there would be a penalty for it.

Mr. TYDINGS. Where is the penalty found?

Mr. COPELAND. With the manufacturer and not the advertiser.

Mr. TYDINGS. Would that come under the United States district attorney or the Pure Food and Drug Bureau?

Mr. COPELAND. It would be reported by the Pure Food and Drug Bureau to the United States district attorney.

Mr. TYDINGS. The Senator would not want the article seized in that case throughout the entire United States?

Mr. COPELAND. Not unless it came under this provision of the bill.

Mr. TYDINGS. That is what I have been trying for 10 minutes to get the Senator to say. It does come within the provisions of the bill.

Mr. BAILEY. Mr. President, I will resume with a view to concluding. The point in the colloquy between the Senator from New York and the Senator from Maryland is wholly the making of a distinction between adulteration and misbranding. No one objects to proper measures to take hold of and get out of the channels of commerce adulterated articles which are injurious to health. The unfortunate thing about the bill is that it takes a misbranded article, or the advertisement by way of some inaccurate statement as in the character of adulteration, and applies to it the strict law of adulteration. My amendment would take the advertised article on the basis of the false advertisement and put it where it belongs, under misbranding, and then would permit one seizure. There is a vast difference between destroying an injurious poison or product, and a proper action to take charge and proceed in a considerate way protective of the rights of the people under the misbranding act.

Mr. President, for one reason and another I have remained on my feet and talked a great deal longer than I had intended.

Mr. McKELLAR. Mr. President, will the Senator yield at that point?

Mr. BAILEY. Certainly.

Mr. McKELLAR. Will the Senator express an opinion about this point? As I gather it, the necessary result of the legislation as explained by the Senator means that every business house dealing with foods or drugs, which advertises its wares, will of necessity have to come to Washington and have its advertisements passed on by a bureau here before it can advertise.

Mr. BAILEY. I think that is the consequence. That is one of the things I hope to avoid. And there will also be wide exposure to inspection.

Mr. McKELLAR. Yes; that is something that ought to be avoided.

Mr. COPELAND. Mr. President, has the Senator from North Carolina prepared his amendments?

Mr. BAILEY. I have my amendments here. I am about to conclude.

Mr. COPELAND. May I see the amendments the Senator proposes to offer?

Mr. BAILEY. Certainly. Let me say to the Senator from New York that the first two amendments merely transfer the advertising feature from the adulteration section of the bill to the misbranding section. The third amendment makes the matter complete by authorizing one seizure action in cases of misbranding instead of the multiple seizures.

Mr. VANDENBERG. Mr. President, may I ask the Senator from North Carolina if the final amendment which he offers is to section 711?

Mr. BAILEY. Yes; on page 45, line 7.

Mr. VANDENBERG. If the Senator will permit me, I desire cordially to concur in what he said at that point, and to urge upon the Senator from New York the utter justice of the amendment and the propriety of its acceptance.

Mr. BAILEY. Mr. President, I wish to conclude. I am for the legislation. I have spoken very earnestly against excessive powers and against certain abuses by way of confusing advertising with adulteration. I have tried to speak constructively. I do not wish to destroy the legislation. On the other hand, I wish with all my heart to accomplish to the utmost degree the spirit and the objectives of the President's message. I wish to fulfill all the fine hopes of refinement and improvement upon the Wiley Act, which has served the American people very nobly.

I shall conclude with this statement from the President, contained in his message of March 22:

> The great majority of those engaged in the trade in food and drugs do not need regulation.

He did not contemplate that we should put regulations upon them.

> They observe the spirit as well as the letter of existing law. Present legislation ought to be directed primarily toward a small minority of evaders and chiselers.

Submit such a measure, and no Senator will be found more heartily disposed to go the limit of his capacity to bring about its passage than myself.

I thank the Senate

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 255. An act for the relief of Margaret L. Carleton;
S. 274. An act for the relief of Charles C. Floyd;
S. 906. An act for the relief of Chellis T. Mooers;
S. 1391. An act for the relief of William Lyons;
S. 1520. An act for the relief of Charles E. Dagenett;
S. 1621. An act for the relief of Mrs. Charles L. Reed;
S. 1694. An act for the relief of C. B. Dickinson; and
S. J. Res. 21. Joint resolution authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein, to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes.

Mr. AUSTIN. Mr. President, I send to the desk an amendment, which I should like to have incorporated in the bill.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. At the bottom of page 51 it is proposed to insert the following new subsection:

> (h) Notwithstanding the provisions of section 876 of the Revised Statutes, subpenas for witnesses who are required to attend a court of the United States in any district in which cases from various jurisdictions are consolidated under this section may run into any other district.

Mr. AUSTIN. Mr. President, to explain this amendment——

Mr. COPELAND. May I ask the Senator on what page it is to be inserted?

Mr. AUSTIN. At the bottom of page 51 I propose to insert a new paragraph to enable the courts in districts in which cases are consolidated to reach witnesses in the districts from which the consolidations are made.

Mr. COPELAND. I am in the fullest sympathy with the amendment, and I hope it will prevail.

Mr. AUSTIN. Very well, then, if the question may be put on the amendment without explanation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont.

The amendment was agreed to.

Mr. BAILEY. Mr. President, I send to the desk the three amendments to which I referred in the course of my remarks. When they are considered I shall ask that they be considered together, as they are part of one whole. They relate to different sections, and therefore had to be written separately; but I should like to have them considered as one amendment.

The PRESIDING OFFICER. The amendments offered by the Senator from North Carolina will be stated.

The LEGISLATIVE CLERK. In section 711 (a), on page 45, line 7, it is proposed to insert a semicolon after the word "found", and to add the following:

> *Provided, however,* That not more than one seizure action shall be instituted in cases of alleged misbranding, except upon order to show cause, and then upon a showing by the Secretary that such article is misbranded in manner or degree as to render such article imminently dangerous to health, or that such alleged misbranding has been the basis of a prior judgment in favor of the United States in a criminal prosecution or libel for condemnation proceeding respecting such article under this act; and provided further, that said single seizure action shall, on motion, be removed for trial to a jurisdiction of reasonable proximity to the residence of the claimant of such article.

In section 401 (a) (1), on page 13, it is proposed to strike out all of lines 19 and 20.

In section 402, on page 16, it is proposed to insert a new subsection between lines 2 and 3, to be designated as (b), and to read as follows:

> If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

Mr. COPELAND. Mr. President, before giving consideration to these amendments I desire to discuss the matter somewhat at length. I ask the leader of the majority what is his wish?

Mr. ROBINSON. Unless there is objection, I shall move an executive session.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBINSON. Yes.

Mr. CLARK. I send to the desk sundry amendments which I intend to propose to the bill, and ask that they may be printed and lie on the table. In the case of a series of amendments having to do with the jurisdiction of the Federal Trade Commission, while they necessarily involve amendments to several different sections, I ask that they may be printed as one amendment for consideration in that way.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments will be printed and lie on the table.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). If there be no further reports of committees, the clerk will state the first business on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

That concludes the calendar.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 28 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Thursday, April 4, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 3 (legislative day of Mar. 13), 1935

POSTMASTERS

MISSISSIPPI

Ira I. Massey, Ethel.

PENNSYLVANIA

John J. Roll, Natrona Heights.
James M. Herrold, Fort Trevorton.
Ruth B. Walker, Unity.

TEXAS

Amos H. Howard, Lubbock.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 3, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Incline Thine ear, our Heavenly Father, and hear us, and may we not be ashamed to confess Thee before men. Direct us by the inspiration of that altruism taught by the Master and fulfilled in His exemplary life. This is the jewel of revelation flashed out of the mines of eternity. We pray that the passion to serve may beat in our blood; having this compulsion, do Thou shine upon our paths with heavenly luster. Give us strength to crowd out of our lives evil desire and sinful tendencies; in all things may we hallow Thy name. Almighty God, we come to Thee for help and guidance, for upon this Congress rest great and solemn responsibilities and the issues are tremendous. O be consciously near all Members, dominate our thoughts and acts, and in all things may we be wise, just, and noble. For Thy name's sake. Amen.

The Journal of the proceedings of yesterday were read and approved.

PERSONAL PRIVILEGE

Mr. BLANTON. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his question of privilege.

Mr. MAPES. Mr. Speaker, will the gentleman withhold his request for a moment that I may make an announcement?

Mr. BLANTON. Mr. Speaker, I withhold my question of personal privilege to allow the gentleman from Michigan to make an announcement.

EDWIN F. SWEET

Mr. MAPES. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes to announce the death of a former Member.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAPES. Mr. Speaker, the morning's paper carries the notice of the death, in California, of a former distinguished Democratic Member of the House, who represented the Fifth Congressional District of Michigan in the Sixty-second Congress—Hon. Edwin F. Sweet. He died at the ripe old age of 87. After his service in the House, he served as Assistant Secretary of Commerce during the 8 years of the Wilson administration. He was an honored and highly respected citizen and a capable and patriotic public servant.

REFERENCE OF BILLS

Mr. JONES. Mr. Speaker, will the gentleman from Texas permit me to ask unanimous consent for the reference of certain bills before he presses his question of personal privilege?

Mr. BLANTON. Mr. Speaker, I yield for that purpose.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the bills—

S. 464. An act to add certain lands to the Malheur National Forest, in the State of Oregon;

S. 462. An act to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest, in the State of Oregon;

H. R. 5925. A bill to add certain lands to the Malheur National Forest, in the State of Oregon; and

H. R. 1418. A bill to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest, in the State of Oregon; be referred from the Committee on Agriculture to the Committee on the Public Lands, with the understanding that this does not in any way affect the general jurisdiction of the Committee on Agriculture over the question of the national forests. The Parliamentarian advises me that there was an error of reference in the first place.

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understood the statement of the gentleman from Texas it was that there had been a mistake in the original reference, and that these bills should have gone to the Committee on the Public Lands.

Mr. JONES. That was my impression from what the Parliamentarian told me. It merely involves the transfer of some public lands to the Forest Service.

Mr. SNELL. And they are bills that properly should go to the Committee on the Public Lands?

Mr. JONES. That is my understanding.

Mr. RICH. Mr. Speaker, reserving the right to object, are these administration bills?

Mr. JONES. I may state to the gentleman that I am not informed; we have not gone into the merits of the bills. I understand some of them may be of interest to the administration, but I cannot give the gentleman definite information.

Mr. RICH. Does the gentleman know whether they are from any particular department of the Government?

Mr. JONES. Two of them, I believe, were introduced by Senators and two by Members of the House. I prefer not to express an opinion on it.

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I renew my request of yesterday and ask unanimous consent that business in order on today, Calendar Wednesday, be dispensed with in view of the fact there are matters of pressing importance we want to take up.

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman tell the Members what is to come up today if Calendar Wednesday business is dispensed with?

Mr. TAYLOR of Colorado. We expect to call up the McSwain bill to take the profits out of war.

Mr. RICH. Mr. Speaker, reserving the right to object, has the House had notice that the McSwain bill is to be brought up? Is it expected that a special rule will be brought in for the passage of the bill today?

Mr. TAYLOR of Colorado. I so understand. The Chairman of the Committee on Rules is here.

Mr. RICH. Have the Members been advised that the bill will be brought up today?

The SPEAKER. There has been a rule on this bill at the desk for some time.

Mr. TAYLOR of Colorado. There is a rule on the bill, as I understand it.

Mr. KLOEB. Mr. Speaker, if the gentleman will yield, I may say that a rule was granted a month ago which provides for 4 hours' general debate.

Mr. RICH. But the bill will not be acted on today?

Mr. KLOEB. That is my understanding.

Mr. CULLEN. That is right.

Mr. RICH. Is that the understanding of the floor leader?

Mr. TAYLOR of Colorado. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Colorado that business in order on today, Calendar Wednesday, be dispensed with?

There was no objection.

PERSONAL PRIVILEGE

Mr. BLANTON. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Mr. Speaker, the Washington Times of Thursday, March 14, 1935, wholly without foundation or excuse, in big box-car letters across the entire front page—and by " box car " letters I mean letters of large black-faced type about an inch high—falsely and maliciously states:

Police plot laid to BLANTON.

And follows that with a lot of other unfounded and malicious allegations.

The Washington Times in another issue of the same date, March 14, 1935, in large box-car letters falsely and maliciously states:

BLANTON police ouster plot charged—

followed by other false and malicious allegations.

The Washington Star for that date in large headlines on the front page, without foundation or excuse, but with intent to injure me, states:

BLANTON accused by Bean of plot—

followed by unwarranted allegations, and printing my picture with some police officials, as if I had done something wrong.

From the body of these press reports I quote the following excerpts:

Charges that Representative THOMAS L. BLANTON, Democrat, of Texas, had threatened to force Assistant Police Supt. Thaddeus R. Bean out of office unless he resigned to make way for Representative BLANTON'S friend, Inspector Albert J. Headley, was made at the District crime hearing today.

The press reports showed that there were but two Members of Congress on said committee present at said hearing, one being Mr. WILLIAM T. SCHULTE, of Indiana, who did his first service here in the last Seventy-third Congress, and Mr. CHAUNCEY REED, of Illinois, whose only service here began in this session last January, neither of whom have yet had time to learn all about Washington.

Although my office is in the same building near the committee room, on the floor just below, and between it and the post office, I had no notice whatever of any such ridiculous charge or proceedings before said subcommittee of two members, with its employed counsel, Mr. Fitzpatrick, being at the time present, until I saw the evening papers filled with such silly headlines.

Shortly after said committee had been organized I went before it to present the facts about a bill I have introduced to change the present system of police and firemen trial boards, as the present trial board is composed of policemen, who are called upon to pass upon the delinquencies of brother policemen, and it is absolutely impossible under such system to get rid of the dishonest policemen among the 1,300 police on the Metropolitan Police Force of Washington, as not a policeman can be discharged by the Commissioners until he has been tried and convicted by a police trial board composed of brother policemen, and my bill sought to change this to an impartial civilian trial board, so that we could get rid of the crooks who are now on the force, destroying its morale, and preventing proper law enforcement.

I had caused Maj. Ernest W. Brown, Superintendent of the Metropolitan Police Department, to be present, so that he could hear what I said, and I called attention to the fact that a reliable Government official had testified before my committee that there was a big gambling house running regularly within less than a block from the committee room, and had been running for over a year. As the five Washington newspapers then had their reporters all present at this executive meeting of this crime-investigating committee, they all then played up my action as an attack upon the entire police department, but, as this big gambling house was raided on February 6, 1935, and 58 gamblers arrested, I did not expect a reprisal.

From one of these Washington papers reporting what Inspector Bean said, and the way in which he made the charges, I quote the following excerpts:

Q. Do you know of any petty jealousies among the higher ranking officers of the police department, say above the rank of captain? Representative SCHULTE asked.

Inspector Bean said, No.

Q. Then why, snapped Mr. SCHULTE, are they trying to get you?

I heard last September, Inspector Bean replied, that Mr. BLANTON, of Texas, had written a letter to Major Brown asking him to retire me and replace me with Inspector Headley.

Q. Why? asked Mr. SCHULTE. Had you had trouble with Mr. BLANTON?

A. No, sir.

Q. Then why?

A. Well, Mr. BLANTON and Inspector Headley have been good friends for a number of years, Inspector Bean replied. Several years ago Inspector Headley was reduced to a captain, and had to come to Congress to get back.

Q. Mr. BLANTON did that for him?

A. Yes, sir.

Q. Now, interrupted Mr. SCHULTE, if this is true in your case, are there any other cases? Anyone else they are trying to get out of the picture?

A. Not that I know of.

Q. Isn't it true, asked Representative SCHULTE, that Mr. BLANTON is a member of the District Appropriations Subcommittee?

A. I understand that he is; yes, sir.

Q. Don't you think their conniving to get you out is lowering the morale of the police department?

A. I only know about myself. I know how I feel.

Q. It means there are others, Mr. SCHULTE said. No one knows when the cap will be set off under them.

Have you ever heard of similar tactics employed against any other members of the department, either by a Member of Congress or anyone else?

A. No, sir. Not that I know of.

Dr. John R. Fitzpatrick, committee counsel, said: "Brown sent you to the guillotine."

Representative WILLIAM SCHULTE complimented Mr. Bean and said: "It seems unfair that a man could be threatened by a conniving person or persons outside of the police department. I believe that if the people of Washington knew the true facts they would resent it."

The papers reported that Inspector Bean said that in a conversation with me in my office I had said to him that I was a high Mason, and as he is a Catholic and Representative WILLIAM T. SCHULTE is a Knights of Columbus, and

the committee counsel, John R. Fitzpatrick, is also a high Catholic, he undoubtedly interjected that statement hoping to arouse some religious prejudice against me, when in my own breast I have not now, and never have had, any religious prejudice, some of my best friends in this House being Catholics and Knights of Columbus.

The whole silly hurrah and hullabaloo about nothing was stirred up by these malicious Washington newspapers. Inspector Albert J. Headley has been an honored, faithful police officer here in Washington for 39 years. He is as brave as a lion. He is absolutely dependable. He is a man of strict honor and integrity. He is a good neighbor and a loyal friend.

On account of his seniority, he was in line for promotion as assistant superintendent. Inspector Bean also was in line. When in the spring of 1934 the Senate placed such a position in the bill, one of these two men was entitled to be appointed. I was for Inspector Headley, because I had absolute confidence in him and knew that he would clean up the rotten conditions in Washington. A number of his friends who were prominent citizens of Washington, both Masons and Catholics, came to me and asked my help to get Inspector Headley appointed. Some of Inspector Bean's friends, including Major Brown, came to see me and advised that Inspector Bean was in bad health; that he did not want to spend another winter in Washington, but intended to move to Florida; that he was anxious to get this appointment, so that when he retired in a few months he could be retired on higher pay; and that he was in sore need of this, and such extra pay would mean much to him financially; and that if I would get Inspector Headley and Headley's friends to withdraw Headley's application, and all of us would get in behind Inspector Bean and help him get the appointment, he would retire in a few months, and then Inspector Headley would have an open field for the appointment. And Major Brown assured me that he would then appoint Inspector Headley to the position.

I caused Inspector Headley to step down and out, which he did gracefully, and we got in behind Bean, and did what we could to have him appointed, and he was appointed, as a result of that gentlemen's agreement.

What I did for Inspector Headley was done without his solicitation. The following letters passing between Major Brown and myself show the agreement:

ABILENE, TEX., *August 4, 1934.*

Maj. ERNEST W. BROWN,
Superintendent Metropolitan Police Department,
Washington, D. C.

MY DEAR MAJOR BROWN: You will remember the gentlemen's agreement we had that the assistant superintendent only wanted to hold the office a short time and would then retire and that you would then give the place to Inspector Albert J. Headley. I am counting on you to carry out this agreement and would appreciate your advising me just how soon this change will be effected.

Very sincerely yours,

THOMAS L. BLANTON.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
August 8, 1934.

Hon. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 4th instant in which you refer to our conversation some months ago in connection with the position of assistant superintendent of police, in which it was our understanding that there would be a vacancy in this position very shortly, due to the retirement of one of the assistant superintendents.

In reply, permit me to advise that it is my understanding that one of the assistant superintendents contemplates retiring in the very near future, and although he has not mentioned it to me, through other sources he has made the statement that he would not continue in the service again during cold weather, and in the event this vacancy occurs our agreement will be carried out as discussed by us in your office.

It may be of interest to you to know that Inspector Headley is rendering me a most efficient service and is cooperating fully in bringing about improvements in the department.

I trust you are able to obtain a little rest from your arduous duties during the past session of Congress and your campaign for renomination.

I intended writing you before expressing the congratulations and best wishes of the membership of the police department on your renomination, which we know is equivalent to your election as a Member of Congress.

With personal best wishes, I am,

Sincerely yours,

ERNEST W. BROWN,
Major and Superintendent.

ABILENE, TEX., *August 15, 1934.*

Hon. ERNEST W. BROWN,
Major and Superintendent Metropolitan Police Department,
Washington, D. C.

DEAR MAJOR BROWN: Thank you for your letter of the 8th instant. In it you use the following language:

"It was our understanding that there would be a vacancy in this position very shortly due to the retirement of one of the assistant superintendents."

The above does not quite state the understanding. It was distinctly stated by you that the one who was to be appointed to this specific position provided for in that bill only wanted the position for a few months, as he intended to retire, anyway, and only wanted it for the purpose of increasing his retirement pay. And I was assured that he would retire in a few months, and I am counting on you to see that he keeps his agreement and does retire at an early date, because he has now held the position longer than was contemplated at the time we had our gentlemen's agreement.

With kind personal regards, I am,

Your friend,

THOMAS L. BLANTON.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
August 25, 1934.

Hon. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 15th instant, and before replying I have endeavored to obtain, if possible, definite information as to the approximate time of retirement of one of our assistant superintendents, and the best information at this time is that he contemplates asking for retirement in the next few months, possibly around January 1.

It was my understanding when we discussed this matter in your office that he contemplated retiring before cold weather.

I have already taken this matter up with Commissioner Hazen and advised him of our agreement in this matter, and as soon as we have the vacancy everything is arranged for the promotion of Inspector Headley to the position; and I want you to know that the agreement between us will be carried out, as I am most anxious to do something for Inspector Headley, especially in view of our many years of association together in the department; and I most certainly appreciate your interest in this, a matter of mutual interest to both of us.

Reciprocating your kind personal regards, I am, as ever,

Your friend,

ERNEST W. BROWN,
Major and Superintendent.

Mr. Speaker, the next day, March 15, 1935, all of the various Washington newspapers again attacked me with vicious articles. I call attention first to the Washington Post, which, in large box-car headlines, printed the following:

BLANTON police plot charged at inquiry.

Followed by a lot of other unfounded malicious allegations to which I will call attention later.

The Washington Herald for that date, March 15, 1935, maliciously and falsely states:

House to probe BLANTON plot—

In large headlines on the front page, as if I had been in a plot and had done something wrong, when it knew I had done neither, and when it knew that the House was not even thinking of probing any action of mine.

The Washington Star for that date, March 15, 1935, in large headlines says:

BLANTON takes fight on police plot to House.

And then it fills several columns with a ridiculous recitation of purported evidence about my endorsing a police officer for promotion.

The Washington Times for that date, I want the Speaker to note, had three separate issues, all with different big box-car headlines in each issue falsely referring to me and maligning me. One of the issues of that date, March 15, 1935, had across the whole top of the front page:

Representative BLANTON faces accuser—

As if I had done something wrong. In another issue it printed on that same day, across the whole top of the front page in big box-car letters this statement:

Crime probers rebuke Representative BLANTON—

As if I had done something wrong. In a third issue of that same day the Washington Times has in large box-car letters across the entire front page:

BLANTON screams plot denial—

With my picture taken between two police officials.

All of my colleagues here know that is untrue.

As soon as I had seen an account of Inspector Bean's statement before this subcommittee—and its two members only who were present—from the accounts given in the evening papers of March 14, 1935, I went immediately to my good friend and colleague, JENNINGS RANDOLPH, of West Virginia, chairman of it, but who had not been present when Bean was heard, and arranged with him for me to appear the next morning and answer Inspector Bean and also for me to bring with me Maj. Ernest W. Brown, superintendent of police, and Inspector Albert J. Headley, and let them tell the facts about it. He readily agreed.

To my great surprise, when I appeared, I found the five reporters for the five Washington newspapers present, to sit in at an executive session; and I found a bevy of newspaper photographers with the cameras, all prepared to take pictures of everybody.

I requested that Inspector Bean should be present so that he could hear all I had to say, but this request was turned down. To my great surprise objection was raised to Major Brown and Inspector Headley, whom I had brought with me, being allowed to sit in the front, where I wanted them to be, so that they could hear all I had to say. They were finally allowed to remain, but when we met back after noon the gentleman from Indiana [Mr. SCHULTE] objected to their staying in the room, and on his motion they were excluded.

It was nothing to me whether they were there or not, but in fairness to them I thought they were entitled to hear what I said that affected both of them.

While I appeared voluntarily, as a Member of Congress entitled to be heard regarding charges one in my absence had unjustly made against me, I was insulted repeatedly by John R. Fitzpatrick, who as counsel for said committee was receiving $225 per month from this House, and he seemed to think that he had a duty upon his shoulders to cross-question me as he would some defendant in a police court, to the glee and satisfaction of the five newspaper reporters and the newspaper photographer who were there present to witness and publish any embarrassment that could be caused me.

The first thing I did was to produce for the inspection of the committee and the five newspaper reporters who were in attendance on the "executive" meeting of this subcommittee the four letters heretofore quoted, two from myself to Major Brown and two from him to me, and to my surprise the papers stated that I had been forced to produce such letters before the committee, when they knew they were publishing a deliberate falsehood.

I want to quote from these papers of March 15, 1935, some excerpts indicating the kind of reception I had when I voluntarily appeared as a Member of Congress, and the following are quoted from the Washington Star:

Fitzpatrick, counsel for the committee, wanted to know why BLANTON should have all this interest in the Metropolitan Police force. BLANTON reached into his pocket, drew out a wallet, and threw a card onto the table.

"Here is why," he said. "On account of the work I've done for the police department and the few accomplishments I have made in their behalf, they made me an honorary member of the Policemen's Association."

SCHULTE wanted to know "why the rest of the Congressmen couldn't get honorary membership tickets to the Policemen's Association."

Fitzpatrick asked of BLANTON: "Why were you so interested in having Bean retired?"

In answer, BLANTON went over his previous testimony about friends telling him Bean could not live another winter in Washington, and explained he wanted Bean retired so Bean could get more money.

The name of Bean never figured in the correspondence between the major and BLANTON.

In asking BLANTON to explain that, a flare-up was started in the committee.

"Why," asked Fitzpatrick, "was Major Brown telling you all this?"

"Because we had a gentlemen's agreement," responded BLANTON.

"Why did you have a gentlemen's agreement?" Fitzpatrick asked.

"What are you doing here, trying to find out crime conditions in the District or stir up trouble in Congress?" BLANTON asked, looking at Fitzpatrick. "I am a Member of Congress," BLANTON shouted, and intimated that if necessary he would take this case to the floor of the House.

Fitzpatrick sallied: "You may be a Member of Congress, but you're just another witness here."

SCHULTE, who has taken a leading part in the crime investigation, resented BLANTON'S attitude and told him that he was "just another witness" even though he is a Member of Congress.

BLANTON failed to complete his statement to the committee because of a roll call in the House, which caused an abrupt adjournment of the hearing until this afternoon.

BLANTON GRILLED

SCHULTE also declared just before the committee began its afternoon session that "we are going to take this baby apart." He had reference to BLANTON, who returned to the witness stand to complete his statement. For 3 hours BLANTON was shelled with questions about his interest in the Bean-Headley case by members of the committee and John R. Fitzpatrick, committee counsel.

RANDOLPH ASKS ORDER

SCHULTE'S remarks that BLANTON was "just another witness" caused a flare-up and threw the hearing into disorder. The disturbance became so hot and furious that Chairman JENNINGS RANDOLPH arose from his seat and demanded that the hearing be conducted in a dignified manner.

"I'll treat them right if they treat me right," BLANTON shouted, at the same time glaring at SCHULTE and Fitzpatrick.

In the midst of the excitement Fitzpatrick looked at BLANTON and said:

"What are you doing here; trying to show your authority?"

"Oh, hell, no," Blanton replied.

From the News I quote the following:

JUST ANOTHER WITNESS

With visible anger, Representative SCHULTE addressed BLANTON: "I object to the attitude you have taken. You may be a Member of Congress, but remember, you're just another witness to this committee."

But BLANTON was not to be deterred.

"I insist upon my privilege as a Member of Congress to make my statement here without interference," he shrieked. "If I can't do it here I'll do it on the floor of the House."

From the Washington Times I quote the following:

Following the morning session, Mr. SCHULTE said: "That is just the beginning. We will take that baby apart" (the reference being made about BLANTON).

In the Washington News of that date, which is the fifth Washington paper to attack me, on March 15, 1935, there is at the top in large headlines the malicious statement, "BLANTON rages at crime quiz", and a lot of other silly, ridiculous allegations I shall call attention to later.

Mr. O'CONNOR. Mr. Speaker, not to interrupt the gentleman, but in an attempt to save time, may I say I think the gentleman has stated a question of personal privilige, by showing that he had his picture taken with some cops.

Mr. BLANTON. Mr. Speaker, each one of these attacks constitutes privilege, but I am entitled to state all of my grounds of privilege from these continuous, untrue, unfounded, malicious attacks for 3 solid weeks by the 5 Washington papers acting concertedly, and I want to show it in full. This is a matter that affects me, and it affects the integrity of the House, its proceedings, and its membership by an unwarranted interference by these avaricious newspapers that are always trying to take something out of the people's Treasury.

The Washington Post for the next day, March 16, 1935, in large headlines across the front page, stated, "BLANTON admits deal", and other matters I shall call attention to.

In the Washington Times of that date in one issue it is stated in large headlines, "Representative BLANTON fails to brush aside police accusation", as if I had been accused of doing something wrong.

In another issue of that date, March 16, the Washington Times has a large, vicious cartoon intended to be of myself, which is not stated by name, but which by its innuendoes and its editorial shows that it was trying to refer to me as "a politician who fixes things" here in the District against the people's interest, when it knew that it was a damnable libel.

In the Washington Herald for March 17, again in large headlines, there is a reference to me in a derogatory manner which I shall not take time to read.

The Washington Post for Sunday, March 17, has an infamous editorial attacking my standing and integrity here in the House as a Member and impugning my motives, when it knew it was maliciously libeling me.

The Washington Times for March 18 has another big headline with pictures and an alleged statement made in the presence of police officers, with the following statement, "Blanton deal under scrutiny", as if I had done something wrong which needed scrutinizing by police officials or those interested in enforcing the law.

The News of Monday, March 18, has another vicious editorial referring to me in a derogatory manner, and which I shall not take time to read.

The Washington Herald, on its editorial page for March 19, has another vicious editorial, occupying practically a full double column, attacking me in a derogatory manner. The Washington News of March 20 has a vicious cartoon and a statement in it attacking me in a derogatory manner.

The Washington Herald for March 20, 1935, in large headlines has this statement: "Hazen will probe Blanton deal", and the article makes derogatory remarks about my standing as a Representative in this House.

The Washington Herald for March 20 has a statement about a meeting of a so-called "citizens' association to oust me", and it says that—

At Tuesday night's meeting Mr. Arthur Clarendon Smith denounced Representative BLANTON.

The Washington Herald for that same day, under headlines printed in large type, states:

Mass meeting to ask Blanton ouster at once. Protest planned for March 28 on Capitol steps by federation of men's group.

And it states that I was excoriated at such meeting. It has this further language:

The federation intends to immediately appeal to Congress, asking the removal of Representative BLANTON from the subcommittee. Headquarters for the arrangement committee for the mass meeting has been established at the Smith Transfer Co., 1313 U Street NW. Organizations and citizens desiring to participate have been asked to communicate with the committee. Members of the committee include Mr. Arthur Clarendon Smith and Dr. F. Thomas Evans—

About whom I will tell you some very pertinent facts directly. I will also tell you some pertinent facts about this Mr. Arthur Clarendon Smith.

The Washington Post for March 20, on the front page, taking up practically the entire page, has in large headlines:

DRIVE TO OUST BLANTON BEGUN BY D. C. GROUP—DEMONSTRATION IS PLANNED TO FORCE HIM OFF THE D. C. COMMITTEE

The executive committee of the Federation of Business Men's Association last night voted to stage a city-wide demonstration to persuade Congress to remove Representative THOMAS L. BLANTON, of Texas, from the House District Appropriations Committee. The protests of Washington residents, under the plan of the Federation, of which Arthur Clarendon Smith is president, will be presented to Speaker JOSEPH W. BYRNS, of Tennesee, on the east steps of the Capitol. The presentation would be made at night so that business duties would not keep away those who wished to participate.

All of this hurrah was carefully planned and worked up by these Washington newspapers.

Then it goes on to give these silly and ridiculous plans for a public demonstration of several thousand people here at the Capitol to ask for my removal from one of the House committees to which I was placed by the House itself, and concerning which position, Mr. Speaker, only the House of Representatives has anything whatever to do under the law and the Constitution of the United States.

Then, on March 20, the Washington Post has a long, almost double-column editorial attacking me in a derogatory manner, and winding up with this language:

A more vigorous commissioner of public safety would have taken precautions to protect the police department from intolerable political intrusion. If the present inquiry merely exposed the danger of carpetbag politics in the District, it will be a blessing to the community.

Note the innuendo that I have been guilty of carpetbag efforts in this District to place people in positions.

Mr. Speaker, I have been a Member of this House for 18 years and I have never been given but one position by the Commissioners, filled first a few months ago by Mr. Howsley, and now filled by Mr. Brooks—just one in 18 years—notwithstanding the fact that for 12 years I was a member of the District Legislative Committee, the ranking Democrat on it, and for several years I have been a member of the District Appropriations Subcommittee, and yet I have been given only one position by the District Commissioners. One position only has been allowed me, when there are 1,300 police positions, 900 firemen's positions, and hundreds of other positions, and I have had one position in 18 years granted me by the Commissioners. Is not that some carpetbagging?

Mr. Speaker, the Washington Times for March 20, 1935, has another article about the move to oust BLANTON in large headlines, and again states that Arthur Clarendon Smith assailed me.

Then the Evening Star, Mr. Speaker, for Wednesday, March 20, 1935, had in big headlines, "Fight on BLANTON planned by citizens", and I want to read this article, because it shows privilege and it shows an interference on the part of these people and these newspapers with the integrity of this House and its organization and its procedure:

Fight on BLANTON planned by citizens. Plans for a proposed demonstration March 28 to request the House to remove Representative BLANTON, Democrat, of Texas, from his assignment on the House Appropriations Committee, were discussed at a meeting last night of the executive committee of the Federation of Business Men's Associations. A march on the Capitol, where petitions would be presented to Speaker BYRNS, demanding BLANTON's removal from the committee, were proposed. Every civic organization in Washington, it is stated, is to be invited to participate. Arthur Clarendon Smith, president of the federation, who initiated the move for the demonstration, criticized BLANTON, commended the Crime Committee for its courage, and pointed out that there could be no effective enforcement of the law until the police department is divorced from politics. Smith also called a special meeting of the federation in the Lafayette Hotel at 6:30 o'clock tonight to further plan for the proposed demonstration.

The Washington Times for Friday, March 29, in large headlines, states:

Business men flay BLANTON. Members of the Northeast Business Men's Association last night voted to demand removal of Representative BLANTON, of Texas, from the House Subcommittee on District Appropriations. Heated debate marked the meeting, and the matter was not decided until Dr. James J. Greeves, president, voted in favor of the measure to break a 20–20 tie. During the bitter speeches, James Farmer, association secretary, shouted, "Representative BLANTON has been the greatest detriment to Washington's progress this city has seen in 35 years—possibly longer."

And listen, Mr. Speaker. He said at this meeting:

We want him out, and we are not going to stop until we get him out.

In other words, they are not going to stop until they interfere with the orderly procedure and the organization of this House. They are going to dictate to this House of Representatives what it shall do with regard to its organization and with regard to its committee personnel. Is not that silly and ridiculous?

I call attention, Mr. Speaker, to the Washington Post for March 21, 1935, which has a large, double-column editorial against me, attacking me in a derogatory manner, and making the threat that if I did not resign from this position, they would take steps to place me in a further derogatory attitude, and would take steps to put me out of the House Appropriations Subcommittee; and they wind up by questioning my motives, and I want you colleagues to know how they attack the procedure of this House and the integrity of the House in making this statement.

His motives in opposing District measures are now open to a suspicion, as unfortunate as it is understandable. His prestige with regard to legislation for the District is irrevocably shattered. Under these distressing circumstances, Mr. BLANTON can hardly be expected to expose himself to unnecessary criticism by remaining a member of the Appropriations Subcommittee now that his constructive influence there is at an end.

I call attention to another one, and I have about four or five stacks of these attacks that have occurred continuously for almost 3 solid weeks in the five newspapers of Washington; but, of course, I am not going to inflict them on the House or take its time in reading but one more of them.

The SPEAKER. Will the gentleman send the editorial to the desk?

Mr. BLANTON. Yes, Mr. Speaker; but I have one worse than this, where they falsely and maliciously charge me with disgraceful conduct.

As was intimated by my good friend from New York [Mr. O'CONNOR], each and all of these are privileged, but I want this RECORD to show how far they went in this plot, but I will read only one more, which especially is privileged.

This is a double column editorial in the Washington Post of March 16. I will read an excerpt from it:

For years citizens of the District have suspected Representative BLANTON of bulldozing local officials. As a member of the District Appropriation Subcommittee in the House, he has used his influence to thwart numerous measures of special importance to Washington. On several occasions he has been accused of trying to force the appointment of favored constituents to District positions. Now he is exposed as the sponsor of this disgraceful "gentlemen's agreement" designed to displace a trusted assistant superintendent of police in order to make room for an officer who has a claim upon his friendship.

This sort of procedure is intolerable, regardless of who the offender may be.

Mr. Speaker, I am not going to take further time of the House. I submit, Mr. Speaker, I have a privilege, and I ask to be recognized so that I can tell these Washington newspapers, and those who with them are responsible for this outrage, something about what I think of them.

Mr. TABER. Mr. Speaker, it seems to me that we ought to have a quorum present.

The SPEAKER. Will the gentleman withhold that until the Chair has made a ruling?

Mr. TABER. I will.

The SPEAKER. The gentleman from Texas rises to a question of personal privilege, and has presented a great number of publications of newspapers in the city of Washington, which will appear in extenso in the RECORD of today's proceedings.

It is unnecessary for the Chair to rule upon each of these publications, and the Chair will not undertake to discuss all of them. Many of them affect the gentleman from Texas in his representative capacity. Rule IX reads as follows:

Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of Members individually in their representative capacity only; and shall have precedence of all other questions, except motions to adjourn.

Among these publications presented by the gentleman from Texas there is one which he has read from an editorial published in the Washington Post of March 16. The Chair calls attention to a portion of this editorial. It reads as follows:

For years citizens of the District have suspected Representative BLANTON of bulldozing local officials. As a member of the District Appropriations Subcommittee in the House he has used his influence to thwart numerous measures of special importance to Washington. On several occasions he has been accused of trying to force the appointment of favored constituents to District positions. Now he is exposed as the sponsor of this disgraceful "gentlemen's agreement" designed to displace a trusted assistant superintendent of police in order to make room for an officer who has a claim upon his friendship.

This sort of procedure is intolerable, regardless of who the offender may be.

As the Chair stated, he does not think it necessary to rule upon all the publications which have been presented, but the publication which the Chair had just read seems to the Chair clearly entitles the gentleman to speak on a question of personal privilege. The Chair recognizes the gentleman from Texas for 1 hour.

Mr. TABER. Mr. Speaker, I suggest the absence of a quorum, and make the point of order there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order there is no quorum present. Evidently there is not.

Mr. CULLEN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 45]

Allen	Faddis	Lambertson	Polk
Bankhead	Farley	Lamneck	Robinson, Utah
Berlin	Fish	Lee, Okla.	Romjue
Bloom	Focht	Lehlbach	Sadowski
Bolton	Frey	Lewis, Md.	Schneider
Brennan	Gambrill	Lucas	Schulte
Buckbee	Gasque	McAndrews	Shanley
Casey	Gassaway	McKeough	Smith, Conn.
Chapman	Gifford	McLeod	Smith, Wash.
Clark, Idaho	Gingery	McMillan	Somers, N. Y.
Clark, N. C.	Green	McSwain	Sweeney
Cooper, Ohio	Greenwood	Meeks	Taylor, Tenn.
Crowther	Griswold	Montague	Thomas
Daly	Gwynne	Moran	Tobey
Darrow	Hamlin	Norton	Wadsworth
Dempsey	Hartley, N. J.	O'Brien	Walter
DeRouen	Hennings	O'Day	White
Dies	Higgins, Conn.	Patman	Wigglesworth
Dietrich	Hoffman	Perkins	Wilcox
Dingell	Imhoff	Peterson, Ga.	Wilson, La.
Ditter	Johnson, Tex.	Pettengill	Woodrum
Dunn, Miss.	Kennedy, Md.	Peyser	

The SPEAKER pro tempore (Mr. RANKIN). Three hundred and forty-four Members have answered to their names, a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. McSWAIN. Mr. Speaker, I was present and did not hear my name called. I desire to have my name called and to answer "present."

The SPEAKER pro tempore. The request of the gentleman comes too late, but the RECORD will show that he is here. The gentleman from Texas is recognized for 1 hour.

Mr. BLANTON. Mr. Speaker, I am not unmindful of the fact that the House of Representatives has important business to transact, and I wish that it had not been necessary for me to take the floor at this time. I shall try not to use all of the time allotted to me under the rule.

First, I call attention to the Constitution of the United States with respect to the duty that the Congress owes and the authority that it exercises over the District of Columbia. Clause 17 of section 8 of article I of the Constitution of the United States provides that the Congress shall have power—

To exercise exclusive legislation in all cases whatsoever over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States.

I quote now from Watson on the Constitution, page 698:

This clause confers upon Congress absolute control and authority over the District of Columbia. It probably grew out of an unpleasant episode in the history of the Continental Congress while it was sitting in Philadelphia.

Gentlemen will remember that episode that harassed the Members in the performance of their constitutional privileges and duties.

Toward the close of the war of the Revolution Congress was surrounded and greatly mistreated by a body of mutineers of the Continental Army. This led to the removal of the seat of government from Philadelphia to Princeton, N. J., and later, for the sake of greater convenience, to Annapolis.

In construing the above clause of the Constitution in the cases I shall thereunder cite, the Supreme Court of the United States held:

By this clause Congress is given exclusive jurisdiction over the District of Columbia for every purpose of Government, national or local, in all cases whatsoever, including taxation. The terms of the clause are not limited by the principle that representation is necessary to taxation (*Loughborough* v. *Blake*, 5 Wheat. 321; *Kendall* v. *U. S.*, 12 Pet. 619; *Shoemaker* v. *U. S.*, 147 U. S. 300; *Parsons* v. *District of Columbia*, 170 U. S. 52; *Capital Traction Co.* v. *Hof*, 174 U. S. 5; *Gibbons* v. *District of Columbia*, 116 U. S. 404).

In the First Congress of the United States, in an act approved July 16, 1790, entitled "An act for establishing the temporary and permanent seat of the Government of the United States" provided: That a district of territory, not exceeding 10 miles square, to be located as heretofore

directed on the River Potomac, at some place between the mouths of the Eastern Branch and Connogochegue, be, and the same is hereby accepted for the permanent seat of government of the United States."

The above act provided for the erection of suitable buildings for the accommodation of Congress, and of the President, and for the public offices of the Government by the first Monday in December 1800, until which time the temporary seat of government should remain in Philadelphia, Pa., but that on the first Monday in December 1800 the seat of government and all offices of the United States should be transferred and removed to said district and thereafter cease to be exercised elsewhere.

Mr. Speaker, so that I may have time possibly to answer questions, if my colleagues should ask them, I ask unanimous consent to revise and extend my remarks and insert in my remarks, by way of revision, certain excerpts to which I shall refer.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that in revising and extending his remarks he may insert certain excerpts to which he may refer. Is there objection?

There was no objection.

Mr. BLANTON. I shall read now the explanation by President William Howard Taft:

EXPLANATION BY PRESIDENT WILLIAM HOWARD TAFT

On May 8, 1909, leading citizens of Washington gave a banquet to President Taft, who in later years was Chief Justice of the Supreme Court of the United States. In explaining the necessity under the Constitution for preventing the people of Washington from having self-government, President Taft, in addressing said banquet, said:

This was taken out of the application of the principle of self-government in the very Constitution that was intended to put that in force in every other part of the country, and it was done because it was intended to have the representatives of all the people of the country control this one city, and to prevent its being controlled by the parochial spirit that would necessarily govern men who did not look beyond the city to the grandeur of the Nation and this as the representative of that Nation.

In an article prepared by George W. Hodgkin, which was published as Senate Document No. 653, second session, Sixty-first Congress, on June 25, 1910, he quoted the above statement from President Taft and admitted the following:

Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government. Local officials are either directly or indirectly appointed by and are responsible to the National Government.

Madison argued: "The indisputable necessity of complete authority at the seat of government carries its own evidence with it. Without it, not only the public authority might be insulted and its proceedings interrupted with impunity but a dependence of the members of the General Government on the State comprehending the seat of government, for protection in the exercise of their duty, might bring on the national councils an imputation of awe or influence equally dishonorable to the Government and dissatisfactory to the members of the confederacy."

There is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs.

Several attempts have been made so to amend the Constitution as to give the inhabitants elective representation in Congress and participation in Presidential elections.

ORIGINAL CESSION OF DISTRICT BY MARYLAND AND VIRGINIA

The State of Maryland, by an act approved December 23, 1788, directed that:

The Representatives of this State in the House of Representatives of the Congress of the United States, appointed to assemble at New York, on the first Wednesday of March next, be, and they are hereby, authorized and required on behalf of this State to cede to the Congress of the United States any district in this State, not exceeding 10 miles square, which the Congress may fix upon and accept for the seat of Government of the United States.

The State of Virginia, by an act approved December 3, 1789, provided:

That a tract of country not exceeding 10 miles square, or any lesser quantity, to be located within the limits of this State, and in any part thereof as Congress may by law direct, shall be, and the same is, forever ceded and relinquished to the Congress and Government of the United States, in full and absolute right and exclusive jurisdiction, as well of the soil as of persons residing or to reside thereon, pursuant to the tenor and effect of the eighth section of the first article of the Constitution of the Government of the United States.

It should be remembered that Mr. Hodgkins was discussing the matter from the standpoint of the citizens of the District of Columbia and he made the following pertinent admission:

Congress exercises the District of Columbia in addition to its national powers——

Mr. SEARS. Mr. Speaker, I make the point of order that the House is not in order.

Mr. BLANTON. Oh, Mr. Speaker, I shall come to matters soon to which the House will be glad to listen, but I want to get these things I am quoting from in the RECORD, particularly because this morning the press reports that, concerning the District appropriation bill, the Senate of the United States, through its subcommittee, has rewritten the entire House bill and added the things that the District wanted, and has ignored the President's Budget and the House of Representatives concerning those appropriations.

In 1846 Congress ceded back to Virginia the city and county of Alexandria.

In 1871, after continual hammering of Congress by the papers of Washington, it passed an act giving the District a government of its own, and provided that the tax rate in Washington should be $3 on the $100, and provided for the District to elect and send a delegate to Congress.

It took only 3 years for Congress to recognize the unwisdom and folly of such an affront to the Constitution, and in 1874 Congress repealed that foolish act, and abolished the position of delegate.

PHILADELPHIA HOUSED BOTH HOUSES OF CONGRESS FREE

It is interesting to remember that during the 10 years the seat of our Government was located in Philadelphia the commissioners of the city and county of Philadelphia furnished to our Government without any charge whatever the building at Sixth and Chestnut Streets for the use of both Houses of Congress.

The removal to Washington of the seat of our Government from Philadelphia was completed by June 15, 1800. A building was rented in Washington near the corner of Ninth and E Streets NW., about where the south wing of the present old Post Office Department Building is situated, at a rental of only $600 per year, and the owner permitted the Government to spend half of that sum for renovations and improvements, and this building housed the Post Office Department of the United States and the local post office for Washington and quarters for the family of Hon. Abraham Bradley, Jr., the Assistant Postmaster General, all provided for an annual rental of only $600. Compare this rental in the District of Columbia when our Government first created Washington with the present average rental of about $2,000 per year that the arrogant gorged plutocrats of modern Washington are now charging the 96 Senators and 435 Congressmen for their respective apartments.

I quote the following from today's Washington Herald:

UNITED STATES LUMP SUM UP $2,600,000 IN SENATE BILL—DISTRICT SUBCOMMITTEE ALTERS MEASURE; 141 MORE POLICE AND OTHER RAISES GRANTED

With an increase of $2,600,000 in the Federal lump-sum contribution to the District, provision for 141 more policemen and other substantial increases, the District appropriation bill for the 1936 fiscal year is expected to be given the full Senate Appropriations Committee today for approval.

The Appropriations Subcommittee, under the chairmanship of Senator THOMAS (D), of Oklahoma, practically rewrote the House bill, paying little or no attention to recommendations of the Budget Bureau or the House.

Mr. Speaker, in trying to resist such assaults on the President's Budget, and upon his financial recommendtions, I have been acting for you gentlemen. What I have done with respect to District appropriations in connection with my able colleague, the distinguished gentleman from Missouri [Mr. CANNON], who is my chairman and whom I follow, I have been doing for you, in holding down the clamorous demands of a money-spending District. [Ap-

plause.] When they attack me, whom you have placed in this position, and say they are going to demand that I be taken off the committee, when they demand that you rescind your action in placing me there, it is not me, but it is your authority they are questioning. Their attack is not upon me as a Representative, but it is upon your agent, and therefore upon you, the House of Representatives, in its integrity, in its capacity, in its organization, and in its personnel.

I left my home last November and came to Washington to spend the month of December in helping my colleague from Missouri [Mr. CANNON] hold hearings on the District of Columbia appropriation bill. I did not even get to attend a Christmas family reunion in Texas.

After we had spent most of December holding extensive hearings, on December 23, 1934, I wrote a letter to many of the leading citizens in Washington, and sent a copy to each of my colleagues, giving them some facts disclosed by that hearing, and if you will compare same with the printed hearings, you will see every assertion proven by said hearings, and I quote the following from my said letter:

This city has begun its annual campaign to force a large Federal contribution to its civic expenses. Living here, self-interest, without the facts, may give you a perverted view. Our District hearings will show that the District Commissioners this week admit the following: That most of the paved streets, bridges, schools, playgrounds, parks, water system, sewer system, hospitals, courts, jails, asylums for defectives, and other projects were acquired and constructed when the United States paid half of their cost; that during the last 20 years the United States has spent over $200,000,000 in Washington on its permanent buildings—a great city asset—attracting large crowds here daily, visitors spending $50,000,000 in Washington in 1934; that $13,000,000 has been spent here on relief in 1934, there being 1 of every 7 persons and 1 of every 4 negroes on relief, many refusing jobs, families receiving from $14 to $90 per month; that the tax rate is still $1.50 per $100 on real and personal property, and one-half of 1 percent on intangibles, with hundreds of millions in locked boxes never taxed; all libraries and $1,000 worth of furniture is exempt from taxes to each family; to aid citizens the assessed values have been lowered $50,000,000 this year and $80,000,000 last year; gasoline tax is 2 cents; auto license tags cost $1 for all cars, driver's permits $1; no income tax; no inheritance tax, no monthly sewer charge; all trees and their care free; trash, ashes, and garbage removed free; cost of water $7 per year per family; all school books, supplies, and clinics free; Commissioners testified that people here are least taxed and have more valuable privileges than in any other city in the United States. I cite you the above to offset city popaganda.

The officials and employees of the District of Columbia are the best paid of any in the whole world. Just to show you the kind of salaries they now receive, and what tremendous raises they have gotten since 1923, I quote the following furnished by the District Auditor to our Appropriations Committee:

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, the present salaries of which are over $2,500, together with the salaries of the positions in 1923, immediately prior to the date the Classification Act became effective

Name of employee	Present salary	Position	Salary of position prior to Classification Act of 1923
Executive office:			
Commissioner	$9,000	Commissioner	$5,000
Do	9,000	do	5,000
Garges, Daniel E	5,600	Secretary, Board of Commissioners	2,700
Purchasing division:			
Hargrove, M. C	5,400	Purchasing officer	3,000
Lindsay, M. D	3,300	Principal assistant purchasing officer	(1)
Gelbman, J. L	3,300	Chief, printing section	(1)
Kennedy, J. T	3,100	Deputy purchasing officer	1,800
Teachum, G. F	2,900	Assistant purchasing officer	1,800
Teepe, W. T	2,600	Chief clerk	1,500
Building inspection division:			
Oehmann, J. W	5,800	Inspector of buildings	3,000
Scullen, A. J	3,400	Chief engineer computer	(1)
Lindholm, S. G	3,400	Zoning engineer, zoning commission	(1)
McGuire, J. J	3,400	Engineer computer	2,000
Daly, J. B	3,400	do	1,800
Downing, J. W	3,300	Deputy inspector of buildings	2,000
Dollins, H. D	3,300	Engineer computer	1,800
Gedney, Ralph	3,200	Chief engineer inspector	(1)
Johnstone, J. E	3,200	Zoning engineer, building department.	(1)
Ritchie, John	2,800	Chief clerk	1,800
Frankhouser, R. V	2,700	Steel inspector	(1)
Newman, William	2,700	do	(1)

[See footnotes at end of table]

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to Classification Act of 1923
Building inspection division—Continued.			
Rogers, A. T	$2,700	Concrete inspector	(1)
Downman, J. R	2,700	do	$1,800
Sherrier, C. W	2,600	Steel inspector	(1)
Dulin, E. M	2,600	Concrete inspector	(1)
Price, Roy A	2,600	do	(1)
Kimball, J. J	2,600	Chief field inspector	1,500
Roche, T. F	2,600	Inspector of signs	(1)
Brown, J. M	2,600	Chief elevator inspector	1,680
Plumbing inspection division:			
McGonegal, A. R	3,200	Inspector of plumbing	2,000
Tapp, Samuel	2,600	Assistant inspector of plumbing	1,550
Mallet, Edmond	2,600	do	1,360
Lucas, Reese H	2,600	Inspector of refrigeration	(1)
Care of District building:			
Brooke, E. P	3,500	Superintendent, District Building	2,240
Assessor's office:			
Richards, W. P	7,500	Assessor	3,500
Russell, Charles A	5,600	Deputy assessor	(1)
Allen, Fred A	4,800	Assistant assessors	3,000
Johnson, L. S	4,800	do	3,000
Bardroff, John T	4,800	do	3,000
Gunther, Frank A	4,800	do	3,000
Edwards, Daniel H	4,800	do	2,000
Willige, Augustus	4,800	do	2,000
Gaines, Lloyd F	4,800	do	3,000
Fletcher, Edward B	4,600	do	3,000
Fitzgerald, M. C	3,000	do	2,000
Allmond, Harry	2,700	Field man	2,000
Causey, Foster	2,500	Chief, special assessment	2,000
Collector's office:			
Towers, C. M	6,000	Collector of taxes	4,000
Clark, W. D	3,000	Deputy collector of taxes	
Auditor's office:			
Donovan, D. J	9,000	Auditor and Budget officer	4,000
Wilding, W. G	3,100	Assistant auditor	(1)
McKimmie, S	3,400	do	2,700
Pilkerton, A. R	4,600	Principal assistant auditor	(1)
Cain, B. J	3,000	Chief, bookkeeping section	2,160
Harrison, B. A	2,900	Property survey officer	2,160
Hipkins, W. A	2,600	Chief, pay roll section	1,800
Ward, J. H	2,700	Chief, audit section	1,600
Lepson, F. P	2,600	Chief, retirement section	2,040
Thornett, G. M	2,700	Secretary, District personnel board	(1)
Lusby, J. R	3,600	Disbursing officer	3,000
Wright, K. P	3,000	Deputy disbursing officer	1,840
Corporation counsel:			
Bride, W. W	9,000	Corporation counsel	5,500
West, Vernon E	7,000	Principal assistant corporation counsel.	3,000
Roberts, Wm. A	7,000	Special assistant corporation counsel	(1)
Lynch, Robert E	6,000	Assistant corporation counsel	(1)
Fowler, Walter L	5,600	do	1,800
Stephens, F. H	4,800	do	2,500
Thomas, Edw. W	4,000	Assistant corporation counsel	(1)
Wahly, William H	3,800	do	2,000
Cameron, Thomas F	3,200	do	1,606
Walsh, T. G	3,200	do	1,500
DeNeale, Stanley	3,200	do	1,000
Gray, Chester H	3,200	do	(1)
Welliver, E. M	2,800	do	1,500
Sparks, Raymond	2,600	do	1,500
Dawson, Edw. S	3,200	Inspector of claims	1,878
Giebel, Adam A	2,700	Chief clerk	1,400
Coroners' office: Rogers, Joseph D.	3,200	Coroner	1,800
Weights, measures, and markets: Roberts, George M.	3,700	Superintendent	2,740
Chief clerk, engineer department:			
Brennan, Roland M	4,000	Chief clerk, engineer department	2,490
Handiboe, William N	3,000	Assistant chief clerk, engineer department.	2,040
Meaney, John	2,600	Clerk	(1)
Municipal architect's office:			
Harris, A. L	7,500	Municipal architect	3,600
Walsh, S. B	5,600	Assistant municipal architect	(1)
Marsh, H. H	4,600	Chief, structural division	2,640
Bennett, C. A	4,600	Chief, mechanical division	2,118
Coe, M. A	3,800	Chief, architectural division	2,431
Warren, George	3,800	Chief, inspection division	(1)
Holmes, Osgood	3,200	Associate engineer	2,431
Thrasher, R. H	3,300	do	(1)
Blatt, R. C	3,200	do	(1)
Hutson, A. G	3,200	do	(1)
Gregg, Charles	3,800	Chief, specification division	(1)
Peckham, C. I	3,800	Engineer	(1)
Soars, L	3,300	Associate engineer	(1)
Bubb, Ralph S	3,200	do	(1)
Greenleaf, A. H	3,200	do	(1)
Myers, H. F	3,200	do	(1)
Hooe, H. H	3,200	do	(1)
Cullinane, J. J	3,200	do	(1)
Redington, R. B	3,200	do	(1)
Johnston, L. P	3,200	do	(1)
Smith, H. J	3,200	do	(1)
Cuthriell, J. I	3,200	do	(1)
Conway, R. A	3,200	do	(1)

[See footnotes at end of table]

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to Classification Act of 1923
Municipal architect's office—Continued.			
Draper, W. A	$3,200	Associate engineer	(1)
Brown, L. H	2,600	do	(1)
Newman, L. J	2,600	do	(1)
Grant, Paul	2,600	do	(1)
Phillips, F. D	2,600	Superintendent of construction	$2,240
Dicks, R. L	2,600	Assistant engineer	(1)
Wotier, A. A	2,600	do	(1)
Sweet, T. S	2,600	do	(1)
Durfee, N. B	2,600	do	(1)
Horton, E. F	2,600	do	(1)
Lind, A. R	2,600	do	(1)
Hale, W. T	2,600	do	(1)
Morrett, O. F	2,600	do	(1)
Whitcomb, R. L	2,600	do	(1)
Schultz, A. H	2,600	do	(1)
Freeman, D. C	2,600	do	(1)
Bradley, J. E	2,600	Chief engineering inspector	1,961
Repair shop:			
Wormington, L. C	3,800	Engineer in charge	(1)
Storey, Henry	3,100	Superintendent of repairs	1,800
Public Utilities Commission:			
Bachman, B. M	5,000	Chief accountant	3,000
Fisher, Earl V	4,800	Executive secretary	4,000
Reynolds, I. L	4,600	Chief engineer	(1)
Murray, J. D	3,800	Valuation accountant	(1)
Tate, T. R	3,800	Valuation engineer	(1)
Martin, J. L	3,500	Senior accountant	(1)
Dunlap, W. H	3,300	Engineer	3,000
Steele, H. B	3,300	Accountant and auditor	(1)
Runyan, E. G	3,200	Inspector of gas and meters	2,240
Porter, W. T	2,900	Associate accountant	(1)
Hoysradt, H. V	2,700	Inspector of electric meters	2,040
Milligan, E. J	2,700	Chief clerk	2,040
Nicholson, J. M	2,700	Research assistant	(1)
Falk, J. W	2,600	Assistant accountant and auditor	(1)
Putnam, A. C	2,600	Assistant engineer	(1)
Insurance department:			
Davis, H. L	4,600	Superintendent	3,500
Bryan, F. D	3,500	First deputy	3,000
Creighton, C. F	2,900	Second deputy	2,000
Surveyor's office:			
Hazen, M. C	5,000	Surveyor	3,000
Boyd, W. I	3,500	Assistant surveyor	2,000
Dent, E. A	3,500	Assistant engineer	1,800
Pelz, C. E	3,000	do	1,500
Williams, W. A	2,900	Assistant engineer	(1)
Armstrong, J. C	2,800	do	1,565
Jarboe, J. A	2,800	do	1,500
Hale, M. J	2,800	Computer	1,565
Healy, F. F	2,800	Assistant engineer	1,200
Crickenberger, G. W	2,700	do	(1)
Vehicles and traffic:			
Van Duzer, W. A	7,500	Director of traffic	(1)
Harland, W. H	5,400	Assistant director	(1)
Eldridge, M. O	4,800	do	(1)
Seiler, A. G	2,900	Office engineer	(1)
Bell, M. W	2,600	Chief clerk	(1)
Free public library:			
Bowerman, G. F	8,000	Chief librarian	4,000
Herbert, Clara W	4,600	Assistant librarian	2,000
Hance, Emma	3,400	Director reference work	1,500
Latimer, Louise P	3,300	Director children's work	1,600
Thompson, Ralph L	3,300	Librarian, Mount Pleasant branch	(1)
Finney, Grace B	3,300	Chief, circulating department	1,760
Laskey, Julia H	3,200	Chief, catalogue department	1,400
Purdum, W. T	3,200	Chief, acquisitions and binding	(1)
McHale, Cecil J	3,200	Librarian, northeast branch	(1)
Osborne, Frances S	2,700	Librarian, southeast branch	1,400
Bubb, M. Ethel	2,700	Assistant director children's work	(1)
Clark, C. H	2,600	Superintendent, school work	1,260
Williams, M. D	2,600	Superintendent, extension work	(1)
Lacey, Ethel A. L	2,600	Curator of Washingtonians	(1)
Cavanagh, Helen L	2,800	Chief clerk	1,560
Chaney, Alvan C	2,600	Superintendent of buildings and grounds.	(1)
Register of wills:			
Cogswell, Theodore	6,400	Register of wills	4,000
Mersch, Victor S	4,800	First deputy	3,200
Melvin, J. Margues	3,100	Second deputy	2,700
James, Chas. J	2,700	Appraiser	1,800
McLaughlin, Francesca.	2,700	Disbursing clerk	2,250
Recorder of deeds:			
Coage, Jefferson S	5,500	Recorder of deeds	4,000
Fisher, Wm. N	3,500	First deputy recorder	2,500
Tompkins, R. W	2,900	Second deputy recorder	2,000
Highways department:			
Whitehurst, H. C	7,500	Director of highways	(1)
Robertson, L. P	5,600	Engineer of streets	(1)
Whyte, C. R	4,800	Engineer of bridges	2,740
Fennell, A. S	4,800	Engineer of construction	(1)
Clemmer, H. F	4,800	Engineer of tests	(1)
Davison, F. M	4,800	Engineer of maintenance	(1)
Howser, H. R	3,800	Assistant engineer of bridges	(1)
Couch, F. B	3,400	Superintendent of streets	2,240
Gass, S. J	3,400	Superintendent of roads	2,490
Cleaver, Vernon	3,400	Inspector asphalt and cements	2,640
Grabill, L. R	3,300	Assistant engineer of maintenance	(1)
Robertson, J. N	3,300	Assistant engineer of construction	(1)

[See footnotes at end of table]

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to Classification Act of 1923
Highways department—Continued.			
Emack, E. G	$3,100	Assistant engineer	$2,040
Wager, C. E	2,800	Topographic engineer	2,275
MacGregor, W. B	2,800	Assistant engineer (grading)	2,275
Rousseau, J. G	2,700	Assistant engineer (asphalt)	2,440
Elbert, J. C	3,100	Assistant engineer computations	(1)
Curtin, J. J	3,000	Assistant engineer of alleys	(1)
Champion, W. B	2,900	Chief inspector	(1)
Roach, G. H	2,800	Assistant engineer (concrete)	(1)
Preston, H. C	2,700	Assistant engineer (substitute repairs)	(1)
Watson, L. R., Jr	2,600	Assistant engineer (concrete)	(1)
Sencindiver, J. A	2,600	Assistant engineer (asphalt)	(1)
Gainey, Morris	2,600	Principal inspector	(1)
Hoover, Walter	2,600	do	(1)
Bourgois, R. L	1,960	Superintendent of minor repairs	(1)
Trees and parking:			
Lanham, C	5,200	Superintendent	2,000
Wallace, C. B	3,200	Assistant superintendent	1,350
Sewer department:			
Gordon, J. B	7,500	Director of sanitary engineering	(1)
Black, A. D	5,000	Engineer of sewers	3,300
Chapin, R. S	4,000	Operation and maintenance	2,118
Baden, C. C	3,500	Assistant engineer	2,040
Sagrario, S. C	3,300	Mechanical designer	2,118
Johnson, Elwood	3,200	Associate maintenance engineer	2,118
Robinson, J. F	2,900	Assistant engineer	1,740
Iden, F. H	2,900	do	2,118
Fitzpatrick, W. T	2,900	do	1,740
Byrnes, W. M	2,900	do	2,118
Dick, J. H	2,900	Chief clerk	2,118
Steele, F. K	2,900	Principal steam engineer	2,330
Harbaugh, Y. D	2,700	Assistant engineer	1,840
Pearson, G. W	2,700	Assistant to sanitary engineer	(1)
Auld, D. V	2,600	Draftsman	1,440
Press, E. A	2,600	do	1,648
Gleason, J. F	2,600	Chief inspector	1,640
Dent, J. T	2,600	Chief overseer	2,431
City refuse division:			
Hacker, Morris	6,000	Supervisor, city refuse	4,000
Costigan, R. L	5,000	Superintendent, street cleaning	3,000
Crane, J. G	5,000	Superintendent, garbage reduction plant.	2,500
Russell, H. O	3,000	Assistant superintendent, garbage plant.	2,100
Corder, G. K	2,800	Superintendent, trash service	2,000
Murray, J. D	3,200	Master mechanic	2,000
Edgington, F. E	2,900	Administrative assistant	2,400
Meeks, B. M	2,600	Chief clerk	1,800
Krams, H. F	2,700	Accountant	1,800
Wood, W. R	2,700	Superintendent, garbage collection	2,000
Brooke, A. G	2,600	Superintendent ash service	1,760
Santmyer, E. L	2,600	Master mechanic	1,600
Grenfell, F. W	2,850	Veterinarian (part time)	1,400
Greene, A. B	3,800	Resident engineer	(1)
Playground department:			
Baker, Sybil	4,600	Supervisor of playgrounds	2,500
Tennyson, R. S	2,900	Assistant supervisor	(1)
Electrical department:			
Kern, W. E	4,600	Electrical engineer	2,750
Simpson, J. C	3,400	Electrical inspector	2,000
Lyman, F. C	3,400	do	1,800
Murray, J. J	2,600	do	1,350
Zebley, J. S	2,700	Chief electrical inspector	1,560
Public schools:			
Anderson, R. S	3,200	Statistician	(1)
Hine, H. O	3,500	Secretary, board of education	2,000
Holt, R. W	3,500	Chief accountant	2,000
McQueeney, H. F	3,500	Superintendent of janitors	1,500
Metropolitan police:			
Crawford, H. E	3,500	Chief clerk	2,400
Brandenburg, W. H	3,040	Police and fire surgeon	1,600
Reed, J. A	3,040	do	1,600
Borden, D. L	3,040	do	1,600
Allen, F. McJ	3,040	do	1,600
Marbury, W. B	3,040	do	(1)
Williamson, F. Y	3,040	do	(1)
Health Department:			
Fowler, W. C	7,000	Health officer	4,000
Schwartz, E. J	5,600	Assistant health officer	2,500
Cumming, J. G	4,600	Chief, preventable diseases	2,750
Reed, J. B	4,600	Chemist	2,000
Donaldson, E. R	3,800	Microanalyst	(1)
Cole, A. G	3,200	Chief clerk and deputy	2,500
Porch, J. P	3,200	Serologist	2,500
Yongue, N. E	2,600	Assistant chemist	1,500
Butts, J. F	2,600	Chief sanitary inspector	1,800
Ashworth, R. R	4,600	Chief food inspector	1,800
Gelston, S. L	2,700	Food inspector	1,400
Neale, H. V	2,700	do	1,400
Shumate, T. J	2,700	do	1,000
Conroy, J. G	2,700	do	1,200
Lanahan, F. R	2,700	do	1,400
Sando, E. R	2,700	do	1,400
Sproesser, T. W	2,700	do	1,200
Hailman, J. A	2,600	do	1,400
Martin, R. L	2,600	do	1,200
Smith, W. R	3,080	Poundmaster	1,400
Murphy, J. A	4,800	Chief medical and sanitary inspector of schools.	2,500
Davis, H. J	2,800	Director, child-hygiene service	1,500
Noble, J. E	4,800	Bacteriologist	2,240

[See footnotes at end of table]

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classification act of 1923
Health department—Con.			
Bradfield, J. D	$3,400	Medical inspector	$2,000
Grayson, S. M	3,400	do	1,720
Fisher, Howard	2,800	do	1,250
Juvenile court:			
Sellers, Kathryn	7,000	Judge	3,600
Sellers, C. F	2,600	Clerk of the court	2,000
Ezekiels, Jeanette	3,200	Chief probation officer	2,000
Lyons, J. Leonard	2,600	Assistant chief probation officer	1,500
Bayles, Mary H	2,600	Director department of inquiry	(1)
Police court:			
Sebring, F. A	3,800	Clerk of the court	2,200
Norgren, W. A	2,900	Chief, deputy clerk	(1)
Alienist: Hickling, D. Percy.	3,500	Alienist	1,500
Board of Public Welfare:			
Wilson, George S	8,000	Director of public welfare	(1)
Kirby, Paul L	5,600	Assistant director	(1)
Tobin, Dr. R. F	3,400	Medical officer	1,400
Allen, Mary P	3,200	Administrative assistant	1,600
Davies, Emma	2,800	Supervisor, home care	(1)
Snyder, Wm. I	3,000	War Veterans' service	(1)
Morss, A. Patricia	3,200	Chief, child welfare	1,800
Donahue, A. M	2,700	Supervisor	1,740
Closson, Eleanor	2,600	do	1,500
Miller, R. R	2,600	Social worker	900
Jail:			
Peak, W. L	4,400	Superintendent	1,680
Angevine, W. K	2,600	Physician	(1)
Workhouse and reformatory:			
Hornbaker, F. W	3,200	do	1,680
Barnard, M. M	6,000	Superintendent, penal institution	3,500
Tawse, A. C	5,000	Superintendent, reformatory	1,800
Bischoff, J. E. C	4,600	Business manager	(1)
Petitt, A. L	4,200	Superintendent, workhouse	1,680
Haar, H. R	3,400	Construction engineer	1,800
Schreyer, Geo	3,100	Superintendent of foundry	(1)
Selecman, J. R	3,000	Superintendent of brick plant	1,500
Fling, J. A	2,600	Chief agriculturist	(1)
Hanger, Chas. W	2,800	Chief accountant	(1)
Green, E. Allen	2,800	Chief mechanical division	(1)
Coffin, Frank	2,500	Steward	1,500
Lambert, N. S	2,500	Head brick burner	(1)
National Training School for Girls: Richardson, L. R.	3,000	Superintendent	1,440
Tuberculosis Hospital:			
Peabody, Dr. J. W	4,600	do	2,040
Risk, Dr. W. A	2,800	Resident physician	840
Finucane, Dr. D. L	2,600	Assistant resident physician	840
Gallinger Municipal Hospital:			
Bocock, Dr. E. A	7,500	Superintendent	(1)
Gilbert, Dr. J. G	5,600	Chief psychiatrist	(1)
Leffler, Dr. H. H	4,600	Medical officer	(1)
Kelk, Dr. J. A	3,200	Associate medical officer	(1)
King, Dr. C. V	3,200	Roentgenologist	(1)
Silverman, Dr. I	3,200	Associate medical officer	(1)
Malone, Dr. Lillian	2,600	Resident clinical director	(1)
McCullagh, Dr. Wm	2,600	do	(1)
Collins, Dr. J. L	2,600	Assistant medical officer	(1)
Skinner, Dr. V. V	2,600	Assistant dentist	(1)
Moran, Catherine E	2,600	Superintendent of nurses	1,440
Snyder, Bradley A	2,600	Chief engineer	(1)
District Training School: Jones, K. B.	6,000	Superintendent	(1)
Industrial Home School (colored): Tucker, Wendell P.	2,600	do	1,200
Industrial Home School (white): Cassie, E. W.	3,000	do	1,740
Home for Aged and Infirm: Haskell, Frank B.	3,500	do	1,200
Militia: Nevitt, P. G	3,200	Administrative assistant	2,040
Public buildings and parks:			
Gartside, Frank T	5,000	Division chief	2,500
Clark, George E	4,800	Engineer in charge	3,000
Payne, Irving W	4,600	Landscape architect	3,300
Ranger, Donald R	3,200	Associate civil engineer	(1)
Saunders, David E	3,200	Section chief	1,860
Hanson, August H	3,200	Assistant landscape architect	(1)
Emmett, Thomas T	2,700	Chief of party	1,502
Bailey, T. L	2,600	Assistant civil engineer	(1)
Wigglesworth, T. H	2,600	do	(1)
Smith, Percy E	2,600	do	(1)
Hoffman, Irvin N	2,700	Engineer draftsman	(1)
Kinnear, Wm. E	2,600	do	(1)
Balluff, R. B	2,600	Assistant chief section	1,860
Clyde Burton, A	3,400	Assistant division chief	1,800
Ely, Lewis B	3,400	do	1,860
Taylor, Hazel F	2,600	Deputy disbursing clerk	1,860
Sheets, Wm. S	3,000	Section chief	(1)
Kincheloe, R. W	2,700	Foreman carpenter	2,100
Littleton, Edwin C	2,600	Chief painter	2,040
Lewis, Harry B	2,600	General foreman	1,920
McNally, William	2,600	do	1,860
Roche, John	2,600	do	2,040
Watt, George	2,600	do	2,100

[See footnotes at end of table]

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classification act of 1923
National Capital Park and Planning Commission:			
Nolen, John J	$4,600	City planner	(1)
Settle, Thomas S	4,600	Secretary	(1)
Jeffers, Thomas S	3,800	Landscape architect	(1)
Ryder, James A	3,200	Associate engineer	(1)
Haiber, William F	2,800	Draftsman	(1)
Kelly, Edward J	3,400	Assistant motion-picture producer	(1)
Nolte, Carl R	2,600	Assistant secretary	(1)
Eliot, Charles W	[2] 20	Director of planning	(1)
Zoological Park:			
Mann, W. M	6,500	Director	$3,300
Walker, E. P	4,800	Assistant director	2,500
Blackburne, W. H	3,200	Head keeper	2,400
Clark, T. F	3,100	Department disbursing agent	2,200
DuPre, D. L	2,600	Property clerk	1,800
Water department:			
Holton, D. W	5,800	Superintendent	3,300
Beckett, H	4,800	Engineer	2,640
Lanham, Paul	4,000	do	1,928
Grove, E. H	3,500	Water registrar	2,640
Lay, A. S	3,300	Assistant engineer	2,040
Woodward, W. R	3,200	do	1,940
Hibbs, L. L	3,200	do	1,752
Van Doren, W. T	3,200	do	2,003
Gibbons, A. E	3,200	Master mechanic	2,740
Robertson, W. V	2,900	Property officer	2,160
Lybrand, A. W	2,800	Assistant engineer	1,565
Beckett, C. C	2,800	do	1,643
Hebbard, R. L	2,800	do	1,752
Wilson, T. L	2,700	do	2,040
Hoeke, H. W	2,600	do	(1)
Robertson, N. B	2,600	Chief clerk	2,040

[1] Created since 1923. [2] Per diem.

The Superintendent of Schools in Washington receives $10,000. The teachers, from the high schools to the lowest grades, receive better salaries than are paid elsewhere in the United States. And during all of the years of depression they have not had to wait an hour for their money, but have always received it in cash on the day it was due. The police and firemen all are well paid.

The press recently reports that there are approximately 100,000 Government employees in Washington, and that the Government's pay roll here is $200,000,000, which is a bonanza for Washington.

My colleagues will remember that a few years ago I took the floor and called attention to the fact that Hearst's vicious Herald had hired a newspaper writer named Edward T. Folliard—I designated him as "Funny" Folliard—to write an attack upon me every day. Did you know that every day for 66 days in a Washington newspaper there was an attack on me, numbered consecutively from 1 to 66, because I was doing my duty in holding down these expenses?

They tried to take out of your Treasury and build up here at Great Falls—what they said would cost $75,000,000—an electric plant. I had reports from expert engineers to show that eventually it would cost at least $125,000,000, and the most that the people of Washington could expect in benefits would be about 15 cents a year per family. I am the one who led the fight against that for 3 years, until it was killed and stopped. The Washington papers did not like it.

The RECORD for March 3, 1933, pages 5611 to 5618, inclusive, will show that after holding the District appropriation bill for weeks, the Senate placed 174 amendments on it aggregating millions of dollars, and that Senator Bingham, of Connecticut, arrogantly demanded that unless this House agreed to make a Federal contribution of $9,500,000 out of the people's Treasury to help pay the taxes of the people of Washington there would be no appropriation bill at all. He thereby, under threats, forced a conference agreement.

You will remember that I led the fight on this floor to kill that conference report, and on that last night, in the dying hours of the Seventy-second Congress, this House killed that conference report and adjourned sine die without any appropriation bill at all.

Mr. Bingham never came back to the Senate from Connecticut. The people of Connecticut found out that he was

thinking more of the people of Washington than he was of the people of Connecticut. He did not come back any more. He ceased to be a Senator. When the people of the United States find out that any Member of Congress, House or Senate, is so unmindful of their interests that after they pay their taxes and are burdened down more than they can stand up under, they then will be called upon to pay most of the taxes of the people of Washington, you will hear of some more distinguished men being forgotten at the polls in some of the States.

Mr. TAYLOR of South Carolina. Will the gentleman yield?

Mr. BLANTON. In just a moment. I appreciate the gentleman's wanting to help me, but I must get this off of my system. [Laughter and applause.]

The funny part of it was we offered them that night by way of compromise—and conferences are always compromises—we offered them a $6,500,000 Federal contribution. No. They demanded $9,500,000. When the next Congress met, the President's Budget had gone carefully into the matter. The first Budget of Franklin D. Roosevelt had gone into the matter carefully. Do you know what kind of a Budget report President Roosevelt sent to Congress? He recommended that that Federal contribution should be only $5,700,000; not even the $6,500,000 that was offered them, and not the $9,500,000 they demanded, but $5,700,000; and that has been the Federal contribution ever since.

While I do not think the people of the United States ought to pay one dollar of the taxes of the people of Washington [applause], and if I had my way about it they would not pay one dollar, yet when the Budget says it shall be $5,700,000, I have not felt like going up against the President's Budget or his recommendations, and I have gone along.

You will remember the gentleman from Pennsylvania, Mr. McFadden, who was formerly Chairman of the great Committee on Banking and Currency in this House, was elected to this Congress the last time by 74,000 votes over so distinguished a personage as the wife of Governor Pinchot. Mr. McFadden rose to his seat on the floor of this House on May 23, 1933, and filed impeachment charges against Eugene Meyer and others, and in those charges he alleged that they had defrauded the Government and the people of the United States out of many millions of dollars.

You will remember that in the magazine Fortune a few years ago it showed that Eugene Meyer, when he was 21 years of age, did not own a dollar; never had a dollar to his name.

During the years from 1917 up until the time the Hoover administration went out of office, look back at all the Government positions he held, even up to being in charge of the great Federal Reserve System. Holding those Government jobs from 1917 on, he is now worth his millions.

Mrs. KAHN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I am sorry, I cannot just now.

Now he is worth his millions; and, of course, with the nearly $2,000,000 that he schemed and squirmed out of the McLean heirs when he took over that Washington Post by a dummy arrangement, though once a young fellow owning nothing, he is able now to be a member of the great, influential Metropolitan Club, a member of the great Cosmos Club, a member of the great National Press Club, a member of the Washington Golf and Country Club of Washington; and he is also able, with all the money that he has gotten since he has been holding these Government offices and since he got this $2,000,000 property from the McLean heirs, to belong to such influential clubs as the Players' Club, the great Lotus Club, the Grolier Club of New York City——

Mrs. KAHN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Not now; I will yield directly; I will never refuse to yield to my good friend from California; I will yield after a while, when I get through. Please do not interrupt now.

You remember he kept attacking me in his Washington Post, attack after attack, because I was doing my duty here as a sworn representative of the people until he forced me to take this floor on June 15, 1933. Look at my remarks. I notified him then that if he did not stop maligning me I was going to let the country know something about his record. Now I am forced to do it.

Were the McLean minor children swindled out of their birthright? Let us see. About the time Eugene Meyer cast his covetous eyes on the Washington Post following his amassing a fortune by manipulating the Government it then belonged to the McLean heirs, the McLean family having established it and cherished it as a family heritage for many, many years. Edward McLean was then sick in a sanatorium, unable to attend to business. A tentative sale of the property had been arranged for $3,000,000 and the proposed purchaser had posted a forfeit, but the sale was not consummated because it was not arranged for Mr. Eugene Meyer; it was for somebody else. Then arrangements were entered into through Julius Peyser to sell the Post, and a tentative agreement of sale for $2,800,000 was arranged to a distinguished newspaperman of this country than whom there is no better journalist in the world; and he was willing to make the deal, but those in authority refused to consummate it.

Through influential friends Eugene Meyer learned that the Washington Post owed the International Paper Co. about $100,000. Then it dawned upon him how he could take it over. On March 24, 1933, his friend, Harry Covington, filed in the Supreme Court of the District of Columbia a bill in equity, no. 55485, styled "International Paper Co. versus Washington Post", alleging that on March 21, 1933, the latter owed the former $103,263.96, that the Post's assets were in excess of $800,000, and that its liabilities approximated $625,000.

Paragraph 7 of that bill in equity admitted that the Post was solvent and that its assets exceeded its liabilities and requested that a receiver be appointed. The Supreme Court of the United States in both the *Jones case* (261 U. S. 491) and the *Lyon Bonding Co. case* (262 U. S. 491) held that a simple contract creditor could not have a receiver appointed for a debtor where solvency existed; yet on the identical day, showing collusion, on the identical day that the suit was filed, Mr. Corcoran Thom, the executor of the McLean estate, through his attorney, Mr. Flannery, on March 24, 1933, immediately filed an answer admitting the bill and consenting to the appointment of the receiver—right in the face of the decision of the United States Supreme Court to the contrary.

Promptly the next day, Benjamin Minor was appointed receiver, on March 25, 1933. Even though sick and incapacitated, Edward McLean, through an attorney, tried to intervene on April 14, 1933, but objection to his intervention was filed on April 19, 1933, by Harry Covington, and on May 9, 1933, he was denied the right to intervene. He was denied the right to come in there and protect the interests of his little minor children who owned the assets of the estate, and concerning that newspaper which once tentatively had been agreed to be sold for $3,000,000!

On May 17, 1933, Harry Covington filed a supplemental bill asking that the receiver be authorized to sell the Washington Post. On that identical day, showing collusion, May 17, 1933, Corcoran Thom, through his attorney, Flannery, filed his consent to such sale. On that identical day, May 17, 1933, the order of sale was issued empowering the receiver, Benjamin Minor, to sell the Washington Post.

That was pretty fast action, was it not? Thereafter, on account of Edward McLean, being sick in a sanatorium and incapacitated for business, Mrs. Edward McLean made arrangements to protect the interests of her children in an attempt to buy in the Washington Post and thus saving the family heritage.

She knew the debts against it totaled only $625,000 and that the bill in equity alleged it to be worth over $800,000. She knew it really was worth about $3,000,000, but she never dreamed that any outsider would bid more than the $800,000, so she arranged for enough money to enable her to bid up as high as $800,000. She knew nothing of Eugene Meyer's scheme; she knew nothing of his plots; she did not know about his conspiracy; she did not know that he was going to have a dummy at said sale representing him; she did not know that Eugene Meyer was all prepared to defraud her and

her minor children; but Eugene Meyer had George Hamilton at said sale as his secret dummy, and she realized that it was being run up on her, so finally she was forced to bid her entire $800,000, but she had no more money.

Then Eugene Meyer's dummy, George Hamilton, bid $825,000, and on June 5, 1933, the sale of the Washington Post was approved to George Hamilton at $825,000. On June 12, 1933, said sale was ratified by order of the court, and immediately on that identical day George Hamilton, Eugene Meyer's secret dummy at said sale, assigned and transferred the Washington Post to the Eugene Meyer Publishing Co., and Eugene Meyer immediately incorporated it for $1,250,000.

Thus did Eugene Meyer swindle the little McLean minor children out of about $2,175,000 besides taking their family heritage away from them.

On August 2, 1933, the court allowed Benjamin Minor a fee of $40,000 in payment of his services as receiver, which service consisted mostly in his having signed his name a few times. On the same day, August 2, 1933, the court allowed a fee of $12,000 jointly to the two attorneys, Mr. Covington and Mr. Flannery, and yet with that kind of indelible stain upon his dirty hands Eugene Meyer for 3 weeks has filled his purloined newspaper with malicious, lying, contemptible articles libeling me in every one of them, simply because I wanted to have a faithful, dependable officer who has been a policeman in Washington for 39 years made assistant superintendent of police so that we may have a chance to stop crime in the District of Columbia.

As I told you awhile ago, I was for 12 years the ranking Democrat on the District legislative committee. God knows how much work I did during those 12 years. Did you know that I did not go home lots of summers? I worked the entire 12 months. I made it a point to know just as much about every single part of the District's business in Washington as anybody else knew, and I did. I checked up every single department of the District government. I conducted many investigations. For several years I have been under the gentleman from Missouri [Mr. CANNON] on this committee that makes appropriations for the District. God knows how hard both the gentleman from Missouri [Mr. CANNON] and myself and our other colleagues on that committee have worked. Not a newspaper has said a word about all of the hard work that I ever did for Washington and the District of Columbia. I helped it in its progress. I helped it construct its various enterprises, its hospitals, schools, and playgrounds. I helped to procure its now more than 1,200 parks in this city, big and little. I helped it all the way down the line in a constructive program to build for the people, not of Washington, but for the people of the United States, under the Constitution, the most beautiful city in the world, and it is the most beautiful city in the world. [Applause.]

When I first came here the policemen got only $1,400 a year. They could not maintain their families on that salary, they could not educate their children, they could not do the things for their families that other families had done for them. They could not pay their doctor bills, their dental bills, and all of the charges that come on a family. I was one of those who for weeks and months, with my good friend Clyde Kelly, of Pennsylvania, and others, worked to get a bill through which would pay them a reasonable living wage. We finally got the bill passed that provided them not a basic salary of $1,400 but a basic salary of $1,800 a year, with an additional $100 a year for 3 years' service, which gives them now a maximum of $2,100 a year. I helped do the same thing for the firemen of the District. We have 1,300 policemen and 900 firemen here.

They talk about me being a carpetbag politician. They play me up to the Washington people in all of these damnable cartoons as a carpetbag politician who endeavors to put friends in the employment of the District of Columbia. Not a man have I ever asked to be appointed from Texas on the police force with its 1,300 men. Not a man have I ever asked to be appointed on the fire department force with their 900 members. In all my 18 years' experience here I have had just one single position allotted to me by the District Commissioners for someone from my district. One position! Mr. Howsley filled it for a few months, but he saw such a rotten situation here in Washington, that he became disgusted and homesick and he did not want to stay here any longer. He resigned and went home. Then the Commissioners let me put Mr. Brooks in his place. That is the only position that has been given me, and these damnable Washington newspapers have been crucifying me ever since because the District Commissioners saw fit to allot me one measly little position.

The gentleman from Missouri [Mr. CANNON], in all fairness and justice, took this floor the other day to keep them straight, and you know I have loved him ever since I have been serving under him. He is God's nobleman. There is nothing I would not do for him. He took the floor the other day, when they were talking about me having put this position of assistant superintendent in the bill in order to get one of my friends appointed, and stated that I had nothing to do with that matter, that I was against it. It was a legislative committee that had passed a law that authorized that position, and the Senate of the United States put the money in the bill for it. Mr. CANNON told you it was over my objection that they did that. However, it is one of those compromises that is forced on the conferees of the House. The position was included in the bill.

What would you have done if you had been in my place, representing the House of Representatives in a representative capacity? What would you have done? I knew that in this District among the 1,300 policemen there were some of the finest men in the world—honorable, upright, Christian gentlemen; but among those 1,300 there are some of the biggest crooks in the world, who sell out the people's interest.

I wanted to see a man placed in charge of them on whom we could depend to enforce the law. Whom did I recommend? A man who had served as an old Washington policeman and who honorably served the police department for 39 years—Albert J. Headley, inspector. When ERNEST GIBSON, from Vermont, who is now a United States Senator, and myself were on a committee investigating conditions in Washington, he was the one man who went down the line for us to help us clean up the rotten conditions existing in Washington. He was the man whom GIBSON and I learned to depend on. We found out that he was truthful, that he was honest. He was a perfect gentleman. He was reliable. He was dependable all the way down the line, and with all that he was a splendid neighbor to those living around him, and he is a faithful, loyal friend. Without even saying a word to him, some of his friends came to me when they learned of the situation. My office was filled with them one evening. It has been mentioned here that religion crept into the case. In that bunch of business men who came to my office were Knights of Columbus and Knights Templar Masons, both working for Headley. There was no religious question entered into the matter.

It was the man they wanted, because they wanted the law enforced, and it was the office seeking the man, and I got Major Brown up there at the office and asked him about appointing him. I had him put in an application. He never asked me to do it for him. I and others were doing it for him and for the people of the District, and we found out that he was in line, but another man was in line also, Inspector Bean. Both of them were in line for the position, both of them had served 39 years and we found out that Inspector Bean just wanted the position for a few months. He was fixing to retire. He was in bad health and these friends represented to me that he did not intend to spend another winter in Washington. He was going to Florida, and they said, "If you and Headley's friends will withdraw his application and get in behind Bean, he will retire in a few months, and then Mr. Headley will be the only man in line for the position, because he will be the man who has the seniority." I asked Brown what he would do about it and Brown said, "Why, certainly", if we would take Headley out of the way that Bean's friends had assured him he would retire in a few months and he said, "I will appoint your friend, Albert J. Headley, who is also my friend, to the position", and we had a gentlemen's agreement with him about it.

Of course, I cannot expect anybody connected with the Washington papers, especially the Herald and Post, to understand a gentleman's agreement. It would be impossible. It is beyond their comprehension. [Laughter.]

We took Headley out of the way and we helped to get Bean appointed, and he would have retired—because I believe he is honest—if these infernal Washington newspapers had let him alone.

Then a good friend of mine met me in Washington, a good business man, who told me that one of the representatives of a Washington paper had gone to him a short time before Congress met and said:

BLANTON has just got out a statement that he sent to the people the last of December calling attention to all the things that Washington enjoys, and the Members are not going to give us anything more than the Budget in the District bill. BLANTON is in our way. We can get anything we want put in the bill in the Senate, but we cannot get it by BLANTON on the House Appropriations Committee, because he works with Mr. CANNON, and Mr. CANNON knows these conditions, but BLANTON is the one who takes the floor and fights like he did when he killed our conference report back in March 1933. We must get him out of the way.

This friend said, "How are you going to do it?" and they said, "Through continual hammering." He said, "There is not any man on earth who can stand continual hammering. If you will just continue hammering him, you will finally get his nerve, and we are going to continue to hammer him until we get his nerve and get him out of the way."

Dick, do you believe those sons of guns can get my nerve?

Mr. KLEBERG. They have not yet.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MAY. Some 2 years ago I was attempting to defend myself on the floor of this House against a newspaper attack, and my friend from Texas came to my rescue with the statement that he used to dread newspaper attacks when he was a young Member of the House, but he had learned later that if a man continued to do his duty newspaper assaults or nothing else would ever bother him. I should like to say to my friend from Texas that I do not think he need worry himself about the high regard that the House of Representatives has for him in connection with this charge. [Applause.]

Mr. BLANTON. I am grateful from the depths of my heart to my friend from Kentucky and to my colleagues for their hearty applause; but I want to get back to my subject, because my time is fleeting. [Applause.]

Hearst newspapers have been maligning me ever since I have been in Congress. They have caused opposition to come up against me, and have cost me about $2,500 every election year since I have been in Congress. I still owe about $2,000 to a bank for my last campaign, and am still paying interest on it. I want to give these newspapers this much satisfaction. They at least put this burden on me. They have filled my district with their infamous attacks.

I took this floor on April 24, 1934, after repeated and continued attacks on me by Hearst and his papers here, and I warned Hearst that if he did not quit maligning and lying on me in his papers I was going to take this floor and give his life record. I ought to do it. [Cries of "Go ahead!"]

But I am not going to punish innocent people or the victims of his wrongs by mentioning now all the things he has brought about on the Pacific coast and in New York City, concerning which I have a stack of affidavits by some of the best women both in California and New York; but it affects some little children, innocent children, who are not responsible, and I am not going to allow myself, in justly punishing Hearst, to punish them unjustly.

I will show just a few things about what the CONGRESSIONAL RECORD, during the history of Congress, shows about him. These are facts which Hearst's former attorney knew about him, a man who had been his attorney. And who is closer to a man than his attorney? Who knows a man better than his attorney?

When Hon. Grove L. Johnson, the father of the present United States Senator, HIRAM JOHNSON, of California, was a Member of this House, he made a speech on January 8, 1897, page 593 of the daily RECORD of that date, picturing William Randolph Hearst as he then existed back in 1897, from which speech I quote from the RECORD the following:

Mr. JOHNSON of California. Of this literary coyote, William Randolph Hearst, much could be said. He is a young man, rich not by his own exertions but by inheritance. He became possessed of the idea that he wanted to run a newspaper. Like the child in the song, "he wanted a bow-wow", and his indulgent parents gave him the Examiner.

At first we Californians were suspicious of "our Willie", as Hearst is called on the Pacific coast. Daily editorials written by "our Willie's" hired men praised his motives and proclaimed his honesty.

We knew him to be a debauchee, a dude in dress, an Anglomaniac in language and manners, but we thought he was honest.

We knew him to be licentious in his tastes, regal in his dissipations, unfit to associate with pure women or decent men, but we thought "our Willie" was honest.

We knew he was erotic in his tastes, erratic in his moods, of small understanding and smaller views of men and measures, but we thought "our Willie", in his English plaids, his Cockney accent, and his middle-parted hair was honest.

We knew he sought on the banks of the Nile reliefs from the haunts of vice, and had rivaled the Khedive in the gorgeousness of his harem, but we still believed him honest, though low and depraved.

We knew he was debarred from society in San Francisco because of his delight in flaunting his wickedness, but we believed him honest, though tattooed with sin.

We knew that he was ungrateful to his friends, unkind to his employees, unfaithful to his business associates.

We knew he had money not earned by himself—for he knew that he was unable to earn any money save as a statue for a cigar store—but given him by indulgent parents; we knew he needed no bribes with which to pay his way; hence, while we knew all these things, we did believe "our Willie" to be honest.

When C. P. Huntington told the truth about "our Willie" and showed that he was simply fighting the railroad funding bill because he could get no more blackmail from the Southern Pacific Co., we were dazed with the charge, and as Californians we were humiliated.

We looked eagerly for "our Willie's" denial, but it came not. On the contrary, he admitted that he had blackmailed the Southern Pacific Co. into a contract whereby they were to pay him $30,000 to let them alone, and that he had received $22,000 of his blackmail, and that C. P. Huntington had cut it off as soon as he knew of it, and that he was getting even now on Huntington and the railroad company because he had not received the other $8,000 of his bribe. He admitted by silence that the Southern Pacific Co. was financially responsible, but that he dared not sue it for the $8,000 he claimed to be due because of fear that his blackmail would be exposed in court.

With brazen effrontery only equaled by the lowest denizens of vice "our Willie" knows so well in every city of the globe, he unblushingly admitted he had blackmailed the railroad company, but pleaded in extenuation that he did not keep his contract, but swindled them out of their money.

He showed himself to be the correct exponent of a scoundrel as defined by Bill Tweed, namely, "A man who wouldn't stay bought." I cannot tell how sad I felt to learn of this phase of Hearst's life. I had been his attorney. I had regarded Hearst as honest.

To learn "our Willie" was nothing but a common, ordinary, everyday blackmailer—a low highwayman of the newspaper world—grieved the people of California, myself included.

I regret it. For the honor of California I wish this exposé had never been necessary, but it is true, sadly true. We grieve over a wicked newspaper.

People read the newspaper because it gives the news in large type, but they say while reading it, "Isn't it too bad Hearst should have sold himself. He must be wicked at heart, for he didn't need the money." He has intimidated men. He has intimidated people. You do not know the terrorism he has exercised in California with his paper. You know how it has abused and maligned and caricatured people in this House, the honored chairman of our committee, and other members of our committee, and our honored speaker. He has carried it on for years. He has debauched the public mind in California by terrorism. He has terrorized over everyone. He has issued his edicts that men shall be driven from public life, shall be ruined in private life, and shall be disgraced before the people. I am willing to stand for what I believe to be right, even if this blackmailing paper does continue to assault me.

The above was a cross section of what William Randolph Hearst and his Hearst paper was 38 years ago, expressed by Hearst's former attorney, Congressman Grove L. Johnson, father of United States Senator HIRAM JOHNSON, in his speech from the floor of this House on January 8, 1897.

ENTERED POLITICS IN NEW YORK, NOT CALIFORNIA

A few years thereafter William Randolph Hearst was elected to Congress from New York. As to his service and standing then, I will quote from one of his colleagues, Congressman John A. Sullivan, of Massachusetts, who from the

floor of this House on February 13, 1905, concerning Hearst and his newspapers, said:

Where the proprietor of a newspaper is also a Member of Congress, he owes a double duty to his colleagues to be fair and impartial in his newspaper criticisms of them. A breach of these obligations is offensive to the law, to justice, and to the proprieties. It affects the dignity of the House and of every one of its Members. The right to publish must never be permitted to degenerate in a mere license to slander. The gentleman from New York must not seek to coerce others into agreement with him by wrongful and cowardly use of an unscrupulous press.

It is surely a grievous misfortune not to be able to appreciate the value of the legislative services of the gentleman from New York. It covers the case of the moral degenerate who insolently casts his lecherous eyes upon the noblest of women whose virtue places them beyond the contamination of his lust. It covers the case of the unclean, unproductive, shiftless member of society and includes the man who, totally bereft of the senses of proportion, raises his profaning eyes toward the splendid temple of the people's highest gift—the Presidency of the United States—blissfully unconscious of the woeful contrast between the qualifications requisite for that high office and his own contemptible mental and moral equipment.

It is well known that the gentleman is the most notorious absentee in this body and does not attend 1 day in 10, and has never been known to remain for an entire legislative day even upon those rare occasions he condescends to grace us with his presence. Has any Member heard his manly, sonorous voice once upon this floor in the discussion of a subject, in the asking of a question, in the making of an amendment, in the offering of a motion? Not once! Silent, inarticulate, wrapt in impenetrable gloom, this legislative sphinx sits enshrouded in the majesty of his fancied greatness.

The magnificant advantages of distance have never been more fully demonstrated than in our system, which unites in a common scheme of government territories situated at opposite ends of this great continent.

Thus while this man may by his conduct on the borders of the Pacific Ocean make either his nomination or election to office impossible in a community of self-respecting persons, he may by fleeing from the sources of his reputation as far as the Atlantic Ocean permits, secure election to high office. From California to New York measures the scope of this continent. Any less distance would be fatal to his ambition. If by my remarks I have checked the scheme of political assassination which has been marked out by this Nero of modern politics, I have performed a service to the House and to the country. [Prolonged applause.]

HEARST TOOK IT AND LIKED IT

Immediately following Congressman Sullivan's speech Mr. Hearst took the floor, and from his few remarks I quote the following excerpts:

Mr. HEARST. Mr. Speaker, it seems to me that the gentleman from Massachusetts [Mr. Sullivan] has very largely exaggerated the article which appeared in my newspaper. * * *

The gentleman from Massachusetts apparently criticizes my action, or lack of action, on the floor of this House. * * * I have heard the ablest speakers deliver the most admirable addresses on the floor of this House without influencing legislation in the smallest particular.

Therefore, according to Mr. Hearst, there is no use whatever for Members of Congress to attend sessions or take any part in proceedings, but should go back to their homes and attend to private affairs when Congress is in session.

Mr. Hearst then made an attempt to attack Mr. Grove L. Johnson concerning something he had done when a young boy, when he was interrupted as follows:

Mr. DALZELL. Mr. Speaker, I desire to make a suggestion. If Mr. Johnson is to be criticized by the gentleman from New York [Mr. Hearst], we ought to have what Mr. Johnson said. I am for fair play; let us have both sides.

Then Mr. Hearst attempted to slander Mr. John A. Sullivan concerning what he had done as a young boy many years before, and from the floor of the House Mr. Sullivan was warmly defended the next day as follows:

Mr. GARDNER of Massachusetts. Mr. Speaker, when the gentleman from Massachusetts [Mr. Sullivan], my colleague, came to Congress, I suppose that I was his greatest friend politically and personally. I have known him for many years. I served in the Massachusetts Senate with him. There is no man in politics in Massachusetts today, be he Republican or be he Democrat, for whom I would more quickly personally lay down my life on the proposition that he is entirely honest, absolutely above reproach, and almost too good a man to be in politics. [Prolonged applause.]

WHAT THE HERALD AND POST SAY ABOUT EACH OTHER

The following front-page editorial, or personal letter, appears on the front page of the Washington Herald for February 14, 1935:

YOU ASKED FOR IT, EUGENE

Mr. EUGENE MEYER,
Publisher the Washington Post.

DEAR EUGENE: I wonder if you know that the photographs reproduced Monday and Tuesday in full-page announcements in your Washington Post were taken by a Washington Herald photographer in the presence of a representative of the Audit Bureau of Circulations?

Could you imagine that copies of these photographs, and similar ones, have been locked in my desk since December 19, 1934?

Do you know that the papers represented are all Washington Posts? Would you be surprised, Eugene, to learn that probably none of these papers were ever put into the racks, nor were they ever distributed to the public?

Are you so innocent that you believe that papers stolen singly, as you infer, "corrupting the youth of Washington", collect themselves all by themselves into bundles of hundreds, neatly bound up with twine?

Would you be terribly surprised to learn that none of these papers were ever stolen by the Washington public, in whom you have so little faith?

But, as a matter of fact, were they ever intended for the public? Has the thought not yet occurred to you that they were probably never out of the hands of your own employees?

You have so little faith in human nature, Eugene, that you may not believe me when I tell you that thousands of other copies of the reliable Washington Post were "dumped" at the same time in other localities. We have photographs of these other copies also. Would you like to see them?

Were these thousands stolen by the Washington public, as you have said, Eugene, or were they "dumped" papers which the Washington Post, in its circulation figures, claimed as net paid? I wonder if you have as yet discovered that the Audit Bureau of Circulations will not permit you to call this "paid" circulation.

I'm not very old in the newspaper business, Eugene, but you are even younger than I. Possibly when you are a little more experienced, you will learn to have as real a faith in the Washington public as I have always had.

Sincerely yours,

ELEANOR PATTERSON.

P. S.—And will you please, Eugene, turn to page 6?

Then on the sixth page of the Herald, to which the Herald asked Eugene Meyer to turn, is a reproduction from the Washington Post giving the Hauptmann jury verdict, headed "Scoop", and stating that Hauptmann had escaped the death verdict, and with the following comment by the Washington Herald, to wit:

WRONG AGAIN!

One of the most astonishing performances in local newspaper history was given to the people of this city last night by a Washington newspaper—not the Herald. (See above.)

An edition of this paper, which calls itself "Washington's reliable morning newspaper", was on sale on the streets before the jury brought in a verdict in the Hauptmann trial.

The paper made a slight mistake. The headlines read:

"Hauptmann is guilty, but escapes death."

The paper said that the jury recommended clemency.

EUGENE MEYER IS TOO TIMID TO CALL NAMES

When Eugene Meyer in his purloined Washington Post falsely told his cheated readers that the jury in the Bruno Hauptmann case had given him a life sentence instead of death his no less prevaricating contemporary, Hearst's Washington Herald on its front page denounced him by name.

But when Hearst's scandal, crime-distributing Washington Herald on February 3, 1935, in its 6 o'clock a. m. edition falsely gave its cheated readers the death facts about the electrocution of the two gangsters Mais and Legenza, specially fabricated and manufactured 2 hours before the electrocution, Eugene Meyer, squirming and trembling for fear more would be told on him, had his Washington Post, Sunday, February 3, 1935, on its front page, tell all about the same being printed in a "Washington newspaper", but for fear somebody might take him across her knees and spank him, he did not dare state that it was the Washington Herald that had perpetrated this fraud. The following is the way his Post carried it, which, by not naming the Herald, fraudulently left his readers to believe that it might have been some other newspaper:

SCOOP

One of the most astonishing performances in local newspaper history was given to the people of this city yesterday by a Washington morning newspaper—not the Post.

An edition of the paper appeared at 6 a. m. carrying a detailed "account" of the deaths in Richmond of the gangsters Mais and Legenza, 2 hours before the men were executed! Chevy Chase readers got the "news" at 7. The men actually died at 7:50 and 8:06, respectively.

An unnamed witness of the execution was quoted as telling how Mais died; how he was carried to the execution room with "legs paralyzed by fear", although Mais was still alive when the paper was printed. Actually, he walked to the chair. Legenza was taken to death, according to the same paper, "cursing law, himself, and God." Legenza had not been executed then, either.

The slogan of the newspaper in question is "Truth, justice, public service."

If the Washington Post had been alert, and keeping up with the news, it might have mentioned that on the day the bill to provide an additional judge for the Court of Appeals in Washington was killed in the House, one of Hearst's papers reported that the bill had been passed by the House.

Mr. Speaker, in the few minutes remaining, I desire to refer to some criticism that has been made. Did you know that the Washington newspapers caused this crime committee to be organized? Two months before we met, in the District Supreme Court, Mr. Justice Proctor called on the United States district attorney to come down to his court, and in open court he said, "Mr. District Attorney, your assistant here, Mr. John Fitzpatrick, has been impudent and insolent to this court, and I demand that you take action about keeping him out of here."

Mr. Garnett told Mr. Fitzpatrick that he could not use him in that court any longer, and that in Judge Luhring's court he had another district attorney who was ably performing his duty and getting along with the court, and he would have to put him in a civil court.

Mr. Fitzpatrick had never been an astute lawyer. He had been secretary to one of the judges down there and had not tried cases when he was made assistant district attorney.

Mr. Garnett told him that he was going to have to take him out of that criminal court, and Mr. Fitzpatrick got mad and quit. Immediately he reported to the newspapers. Instead of sending his resignation to the district attorney he sent it to the newspapers here in Washington. Mr. Garnett first found out that he had resigned, from a newspaper, and then when it was created, he was selected for a position on this crime committee. My good friend JENNINGS RANDOLPH knew nothing about what these newspapers had been doing. He would not have been a party to it if he had, and I am afraid that they put one over on him. I am going to read you a statement directly that will show how it was done. The newspapers did it all. Did you know that the Washington Post made one of their reporters, Mr. Seals, an investigator before that committee, and Mr. RANDOLPH tells me that he has been drawing a salary of $225 a month from the Government.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Was not that what the gentleman told me?

Mr. RANDOLPH. I want to suggest——

Mr. BLANTON. Oh, please, just answer me.

Mr. RANDOLPH. I will reply in my own time.

Mr. BLANTON. Very well. The gentleman told me that he was drawing $225 a month, didn't he?

Mr. RANDOLPH. That is right.

Mr. BLANTON. Then, I have not misquoted the gentleman, and he told me this fellow Fitzpatrick, who is insolent and insulting in Judge Proctor's supreme court, is drawing $225 a month from the Government as the committee counsel. And the first thing Mr. Fitzpatrick did was to bring your district attorney up there before him and grill him and insult him, like he tried to insult me in that committee. All because of pique and spite. Why, JENNINGS RANDOLPH knew nothing about all that. He would not have stood for it if he had.

The papers came out and said that I was going to be crucified by this Mr. Arthur Clarendon Smith, who was getting up this march on the Capitol, and by this Dr. Thomas S. Evans. Did you know these Washington newspapers went to the Speaker of this House and tried to get him to take part in having me removed? And you all doubtless know what JOE BYRNS told them, do you not? They went to my colleague Judge BUCHANAN, Chairman of the Committee on Appropriations, and tried to get him to take action; and you all doubtless know what "Buck" told them, do you not? They went also to another one of the finest men in the Government employ, Col. James G. Yaden, and all of you know Jim Yaden, one of the finest citizens of this city. He is president of the Federated Citizens Association—not this little gang of two-bit, second-class merchants that Smith is president of, but the real citizens of the city of Washington.

Jim Yaden is the president of the entire Federated Citizens Associations of the city of Washington. They went to him and tried to get him to take charge of this newspaper-inspired march on the Capitol against me, and I wish you could have heard what Jim Yaden told them. Jim told them they could not work him into anything like that, and then they got this fellow Smith, this cheap guy, among the cheap little merchants here, not the big merchants—and let me show you something about him.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. BLANTON. Could I get 10 minutes more to finish?

Mr. COX. Mr. Speaker, I ask unanimous consent that the gentleman may be granted 10 minutes more.

The SPEAKER. The gentleman from Georgia asks unanimous consent that the gentleman from Texas may have 10 additional minutes. Is there objection?

There was no objection.

Mr. BLANTON. About October 1, 1916, on Bladensburg Road, Mr. Smith's car was in an automobile accident in which John William Shaffer was killed. On October 4, 1916, Arthur Clarendon Smith was held by the coroner's jury for the grand jury, and on October 26, 1916, the grand jury ignored the case. The case was no. 32229 down in the coroner's court. I will not tell you anything about the circumstances of that accident, because it involves some other people, but you ought to find out something about it.

Dr. Thomas F. Evans was going to help Smith organize the thugs of Washington against me, not the good people. Why, he could have gotten 2,000 hoodlums here under the domination of these newspapers to have marched on the Capitol against me if he could have gotten any recognition from anybody. But it all fell flat. People would not respond.

Dr. Thomas F. Evans was indicted in 1924 for procuring an abortion. I will not mention the lady's name. It was case No. 42063. At that time Dr. Evans lived at 1347 L Street NW. On April 21 his bail was fixed at $3,000. This case was nolle prossed on November 9, 1927. The district attorney said that the complaining witness had changed her story and had since married the man who was responsible. That is the "son of a gun" who is after me. [Laughter.]

I do not blame those boys in the press gallery. They have to write what their newspapers tell them to write. Lots of them are good fellows; lots of them are good scouts. They would not malign me at all if they did not have to do it to hold their jobs.

Did you know that these Washington newspapers after me have had some reporters here who have been charged with serious crimes, attending this executive meeting of the Crime Investigating Committee, with two fellows sitting there at the time I was attacked on the 14th of March, when I did not know anything about this fellow coming there at all? They did not tell me he was coming. Just two new Members, not any of the older ones were there. If they had been I would have been notified. Did you know that some of the reporters, with 2 Members of Congress conducting an investigation, with 5 newspaper reporters present in an executive session and 5 photographers present were taking a picture of Members every 5 minutes? [Laughter.] Let me tell you about one of these reporters. He is now called "Lester Sumners." His alias is Lester Stanley Simmons.

That is the name he went by once. Lester Sumners is now a reporter for the Washington Herald, or he was when this crime committee first met, and was present before the Subcommittee of the District of Columbia on Crime Conditions. This man was a partner in the bootleg business with one John E. O'Hearn, going by the name of Lester Stanley Simmons. Let me quote you his police record. In

the case of the United States of America against him and this other fellow and some others in Equity No. 53454 I am going to show you the order of the court if I have time. Here is his police record.

Case No. 6121: He was charged with possession of liquor. The complainant was Holmes. The officer was F. O. Brass, precinct no. 14.

Case No. 61531: He was charged with possession of liquor; Holmes, complainant; Holmes, officer; eighth precinct.

Case No. 9131: Charged with possession of liquor; Holmes, complainant; McBerry, officer, headquarters; verdict of not guilty.

Case No. 9231: He was charged with maintaining a nuisance; Officer Holmes, complainant; McBerry, officer, headquarters precinct. In that case he got a verdict of not guilty.

Then he was mixed up in cases nos. 343024 and 985965 with other defendants. In that case there was $10 forfeited.

John J. Sirica is counsel for Sam Beard and 12 other gamblers charged with conspiracy to violate the gambling laws now pending in the District of Columbia. I have been trying to get from the committee a copy of the statement I made there. I have not yet been able to get it, and I am a Member of Congress.

A party tells me, who says he knows it is true, that copies of the evidence taken before the Crime Committee have been made available to this man Sirica, who is counsel for Sam Beard. I will put in this record, showing that the Government has charged Beard recently with maintaining and operating gambling houses in about 12 different places in Washington, and I will give you the places by name and number:

[From the Washington Post, Feb. 24, 1935]

BEARD RECEIVES SPECIFIC DATA IN GAMING CASE—UNITED STATES SUPPLIES LIST OF 18 PLACES HERE ALLEGEDLY INVOLVED IN "PLOT"

Forced to reveal its hand through a bill of particulars, the Government has furnished Sam R. Beard and his 13 codefendants with a list of 18 places where it is alleged they conspired in "the setting up and keeping of gaming tables, gaming devices, and gaming places."

The list was revealed when Roger Robb, assistant United States attorney in charge of the prosecution, was directed by Justice James M. Proctor to draw up a list of the specific offenses that would be shown in his trial.

In accordance with the order, Robb has given Beard's attorney, John J. Sirica, a list showing the addresses where alleged offenses either occurred or were about to occur.

The addresses are: Room 508, Mather Building; 605 Pennsylvania Avenue NW.; 718 Eighteenth Street NW.; 1319 Wisconsin Avenue NW.; 1319 F Street NW.; 833 Fourteenth Street NW.; 804 North Capitol Street; 10 H Street NE.; 1405 L Street NW.; 519 Ninth Street NW.; 742½ Ninth Street NW.; 722 Thirteenth Street NW.; 939 D Street NW.; 702 O Street NW.; 522 Eighth Street NW.; 514 Tenth Street NW.; 1417 New York Avenue NW.; 922 F Street NW.; and divers other places to the grand jury unknown.

INDICTED ON THREE COUNTS

Beard and the others were indicted on three counts, the first two charging the setting up of a gaming table and the setting up of a gaming place, and the alleging a conspiracy to violate the gaming laws.

Beard was arrested several months ago. His trial has been postponed numerous times because of attacks on the indictments, the defense claiming it was illegal because a woman on the indicting grand jury was serving unlawfully. Following that another indictment was returned, and it, too, was attacked.

The latest move, one to force the Government to acquaint Beard with the nature of the charge against him so he could properly prepare his defense, has resulted in the removal of his case from the trial calendar.

WAS ARRESTED IN RAID

This was brought about by the necessity of investigating all of the places listed.

Beard was arrested in a raid on the Mather Building, where police claimed they seized 60 phones, each with sufficient outlets to make possible 1,600 simultaneous calls. Mr. Robb said he hoped to be able to show that race-track information was sent out throughout Washington over the telephonic system.

Removal of Beard's trial from the calendar means he probably will not be brought to face the charges until after the Easter recess. He is at liberty on a $9,000 bond.

John Kenny was employed by the Washington Herald. I do not know whether he is still employed or not, but he was employed by them as a reporter. He was indicted July 2, 1934, for gambling, case no. 57437. On October 29 he entered a plea of guilty, and on November 19 he was sentenced to the penitentiary for a period of from 1 to 3 years, to take effect upon arrival. The sentence being suspended, Kenny was put out on probation. I do not know whether he is still working for the Herald or not. [Laughter.]

Now, I want to call the attention of my good friend from West Virginia to a thing that he should have corrected himself. The paper said that not only did I try to put Headley in a position but I had endorsed a man by the name of Lieutenant Varney for promotion and that Mr. RANDOLPH'S committee was going to hail me back there and probe me for having endorsed Mr. Varney. Jennings, why did you not tell them that before I endorsed him you wrote the first letter that was ever written asking that he be promoted? I have your letter here, a copy of it, and I am going to put in the RECORD a copy of the reply. You should have told them that, Jennings.

Mr. RANDOLPH. I want to say that the letter is proper in every way.

Mr. BLANTON. Yes. Now, in this connection, I will put in other letters written by other Congressmen for Lieutenant Varney:

MARCH 30, 1934.

Hon. MELVIN C. HAZEN,
District Commissioner, District Building,
Washington, D. C.

MY DEAR MR. HAZEN: This letter is written in behalf of Mr. Frank A. Varney, who is a lieutenant of the police force, but wishes to become a captain for the vacancy which I understand will exist. I trust he can be given most careful consideration.

With kind personal regards, I am, very sincerely yours,

JENNINGS RANDOLPH.

APRIL 2, 1934.

Hon. JENNINGS RANDOLPH,
Member of Congress, House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN RANDOLPH: Referring to your letter of the 30th ultimo, written in behalf of Lieut. Frank A. Varney for promotion to the grade of captain, Metropolitan Police, District of Columbia, permit me to advise that the recent vacancy occurring in the rank of inspector was filled by the advancement of an acting inspector to the full pay of an inspector, in keeping with the economy program, and resulting in but one promotion instead of four, and assuring the District of Columbia of the same measure of patrol service as heretofore.

Major Brown further informs me that in the event of a vacancy to be filled in the grade of captain, every consideration possible will be given Lieutenant Varney, your interest in him being kept in mind.

Thanking you for writing me concerning this officer, and reciprocating your kind personal regards, I am,

Sincerely yours,

MELVIN C. HAZEN,
Commissioner, District of Columbia.

APRIL 7, 1934.

Hon. ERNEST W. BROWN,
Major and Superintendent Metropolitan Police,
Washington, D. C.

DEAR MAJOR BROWN: I understand that Lieut. Frank A. Varney stands first on the civil-service eligible list to be made a captain in your department. I would appreciate your seeing that he is given due consideration and made a captain at the earliest date possible.

With kind regards, I am,

Your friend,

THOMAS L. BLANTON.

APRIL 14, 1934.

Mr. GEORGE E. ALLEN,
Commissioner, District Government,
District Building, Washington, D. C.

DEAR GEORGE: Perry Howard has spoken to me about Lieut. F. A. Varney, of the twelfth precinct.

From what Perry tells me, Lieutenant Varney is in line for a promotion to a captaincy and if the superintendent of police recommends this promotion, I sincerely hope that you will do everything you can to have it effected.

With best wishes, I am,

Sincerely yours,

PAT HARRISON.

Hon. MELVIN C. HAZEN,
President of Board of Commissioners,
Washington, D. C.

MY DEAR COMMISSIONER: I understand that Lt. Frank A. Varney is first on the eligible list for captain in the Metropolitan Police, Washington.

Many of my friends here in Washington have told me of Mr. Varney's record and excellent work. If opportunity presents itself, will you not give him serious consideration?

Very truly yours,

D. LANE POWERS.

APRIL 13, 1934.

Hon. MELVIN C. HAZEN,
Commissioner, District of Columbia,
Washington, D. C.

MY DEAR MR. HAZEN: I understand that a vacancy exists in the police department in the office of captain of police.

My attention has been directed to the qualifications of Lt. Frank A. Varney who, I believe, is first on the eligible list of the civil-service applicants. From authentic reports, which have come to me, I feel warranted in presenting the claims of Lieutenant Varney to you for consideration for promotion. I am persuaded that this promotion will be for the benefit of the service.

Thanking you for such favorable consideration as you can give to this subject, with kind personal regards, I am,

Very truly yours,

J. W. DITTER.

The following is a dirty little dig, wholly untrue and uncalled for, made by Paul Mallon, under his column for a Washington newspaper, and which was sent into my district:

PAUL MALLON

NOTES

The irrepressible BLANTON, of Texas, spoke so often on the bonus bill that House Members finally openly joined in a chorus inviting him to "sit down", and he did.

The following letter, voluntarily written by my colleague, Hon. WRIGHT PATMAN, author of the bill, and who managed it on the floor, shows just how unreliable these digs are:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 23, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR FRIEND AND COLLEAGUE: Since I am acquainted with your activities in behalf of the full cash payment of the adjusted-service certificates, permit me to personally thank you for your cooperation and support in the passage of H. R. 1.

It is not my victory; it is our victory. The veterans all over this Nation owe you a debt of gratitude. You have also performed a useful and constructive service to the country.

As one who knows and realizes your worth and service to this great cause, permit me to extend to you my sincere thanks and appreciation.

Judge, you are entitled to greatest recognition for your very effective service to the cause. I am personally indebted to you for your splendid help.

With kindest personal regards and very best wishes for your future success, I am,

Your friend,

WRIGHT PATMAN.

The following letter explains one part of the testimony:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
March 30, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 27th instant, in which you request information as to the issuance of a courtesy card to one Tony De Janeiro.

In reply, permit me to advise that as I recall it was in the evening of the day on which you had testified before the Crime Investigation Committee that the Honorable WILLIAM T. SCHULTE, a member of that committee, came to my office at these headquarters and introduced to me Mr. DiGenaro, and referred to him as one of his good friends, and requested that I issue Mr. DiGenaro a courtesy card, as well as a courtesy card for myself.

This is the first time that I had ever met DiGenaro, and while my secretary was engaged in making out the card I remarked to DiGenaro that I did not recall ever having met him before, and he stated that I had known his father some years ago when I was in the sixth precinct, and his father was engaged in the grocery business in that precinct, which I did not recall.

The record kept of the courtesy card issued in my office indicates that card, no. 980, was issued to Anthony DiGenaro, at the request of Congressman SCHULTE.

Trusting this is the information you desire, I am,

Very sincerely yours,

ERNEST W. BROWN,
Major and Superintendent.

The Washington newspapers have played me up as an enemy to the police department. I introduced a bill and helped to pass it that gave the policemen in Washington their uniforms and equipment. I introduced a bill that gave both policemen and firemen 1 day off in lieu of Sunday; and I showed a card they had given me making me an honorary member of the policemen's association for life. The gentleman from Indiana [Mr. SCHULTE] said, "They have not furnished me one."

Then I showed them a courtesy card; they had issued a number of these cards which allows us to park our cars, and so forth; and that very evening, as soon as the committee adjourned, my friend from Indiana brought a "dago" named Tony de Janiero down there and wanted them to issue one of these courtesy cards to both of them, permitting them special parking privileges. Major Brown's letter shows it. Tony runs a joint down here, a restaurant and saloon downstairs and a place upstairs where people may have wild parties.

Now, just one thing further and I am done. One of my friends in Congress told me that I could depend absolutely upon anything that one of the newspaper reporters he happened to know told me. I wrote him a letter, told him about it, and asked him to please give me a statement about what he knew of this transaction, and here is what he said——

[Here the gavel fell.]

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Here is what he said:

UNIVERSITY CLUB,
Washington, D. C., March 20, 1935.

Hon. THOMAS L. BLANTON,
Member of Congress, House of Representatives.

MY DEAR MR. BLANTON: I do not like to be mixed up in any local matters here, but in the interest of common justice I am willing to tell you what I know. I was a reporter for the Chicago Tribune for a period of 10 years.

At the first and subsequent meetings of the subcommittee of the District Committee investigating crime conditions in Washington, I represented the Washington Herald.

At the first meeting of the Crime Committee, I was introduced to a Mr. Seals and he informed me that he was a reporter for the Washington Post. Subsequently, at the time of the appointment of Mr. Fitzpatrick as counsel for the committee, Mr. Seals became investigator for the committee. At the time of my assignment to cover the Crime Committee activities for the Washington Herald, in a conversation with one of the reporters who evidently enjoys the confidence of the city editor, I was told to stay away from BLANTON because he was extremely unfriendly to any of Hearst's representatives.

With reference to the appointment of Mr. Fitzpatrick as counsel for the subcommittee, at the time I knew nothing of the arrangements or what brought it about, except I was informed by Mr. JENNINGS RANDOLPH at a press conference in his office, with other reporters present, that Dr. John R. Fitzpatrick was the man the committee had decided upon as counsel, and asked if he was acceptable to all of the papers. I concurred as the others did, assuming that in view of the high praise of him by the others present, he was the man for the job. At a later date, a Sunday evening, in casting about for a follow-up story on the Crime Committee, I phoned Colonel Yaden and one other member of a local civic body to get their comment on a crime address made over the radio by Representative RANDOLPH. During my conversation with Colonel Yaden he informed me that he had a very high regard for Mr. RANDOLPH, Mr. Fitzpatrick, and Mr. Seals, of the Washington Post, and for their activities in the functions of the Crime Committee, and added that Mr. Seals, of the Washington Post, had talked with him about the appointment of Dr. Fitzpatrick as counsel for the Crime Committee.

About February 5, at the close of a meeting of the subcommittee, Representative SCHULTE had a conversation with me, in which he said, "George, they killed poor Tommie", having reference to Tommie Malloy, head of the Motion Picture Operators' Union, in Chicago. We discussed Malloy momentarily, and I remarked from my observation of Tommie Malloy's activities that he had simply overstayed his leave. Mr. SCHULTE indicated to me his fondness and great friendship for Tommie Malloy.

He was a much-feared man, and the newspaper clippings in the morgues of the various Chicago papers tell many vivid stories of his alleged activities. Malloy was shot to death at the wheel of his Packard sedan while on the outer drive in the vicinity of Soldiers' Field, Grant Park, Chicago, February 4, 1935.

One day following the reported death of Tommie Malloy I was in Mr. SCHULTE's office. Mr. SCHULTE wasn't in, and I had a conversation with Harry Gallagher, SCHULTE's secretary, during which he expressed comment on the death of Malloy, saying that Tommie had been in Washington and saw Mr. SCHULTE just a day or two before his death.

The evening following the afternoon testimony of Chief of Detectives Burke I was called at the Herald office by a friend of mine who informed me that a detective from the office of Mr. Burke was talking about the efforts Mr. Burke was about to make to discredit Mr. SCHULTE in retaliation for his (Burke's) embarrassment at the hands of Mr. SCHULTE during the Crime Committee session of that day. He informed me as follows: That Mr. Burke had detailed a couple of his men to watch Mr. SCHULTE and his activities very carefully, and at the moment Mr. SCHULTE was in the New Haven Grill, 45 H Street NE., and two detectives were watching the place, and at the first opportunity to embarrass

Mr. SCHULTE they were to do just that. Immediately upon receiving the information I consulted with the assistant city editor who was in charge at the time on the Herald, as to what course to take. He suggested either to permit the police to do what they saw fit, and I be an observer and record the event, or contact Mr. SCHULTE with a view to having him submit to the frame-up and the Herald would expose the situation. I contacted Mr. SCHULTE on the telephone at the New Haven Grill, advised him he was in a precarious position, and suggested he meet me immediately so I could inform him of what I had been told. He suggested that I come to his office, room 1018, New House Office Building, which I did. This was at about 10:30 in the evening—the exact date I do not at the moment recall. I met him there, told him what I had been informed of, suggested that he exercise extreme care in his conduct while in this place, and he suggested that I go back there with him. Before doing so, however, he called Tony De Janeiro, the alleged proprietor, on the phone and ordered him to remove some photographs of his (Mr. SCHULTE) and others which were hanging back of the small service bar of the main room of the New Haven Grill. He also asked Tony if there were any policemen about the place. Tony informed him that there were two in the place at the time, but that they were friendly. Mr. SCHULTE then suggested that I go back to the place with him. He drove me over in his Packard sedan, parked the car in the gasoline filling station parking lot on the corner of H and First Streets NE., and we entered the place by the side entrance. I was taken upstairs on the second floor to a private dining room facing H Street, where I was introduced to Tony De Janeiro. I infer from the manner of introduction and the conversation that transpired that Mr. De Janeiro and Mr. SCHULTE were on the friendliest of terms. I was introduced to several men and women, friends of Mr. SCHULTE. We had several bottles of beer, some lunch, and Mr. SCHULTE and I left the place alone at 2:30 a. m., he driving me to the University Club.

It is a combination saloon and restaurant. Frank Waldrop, a reporter on the Herald, and myself visited the New Haven Grill one afternoon, Mr. Waldrop taking me there for the purpose of showing me Mr. SCHULTE's autographed picture taken with Tony de Janeiro, the alleged proprietor of the place. The picture and two others adorned the wall of the back bar of the small service bar. I have already related that I heard Mr. SCHULTE ask Tony over the phone to remove the pictures.

I interviewed Mr. SCHULTE late the afternoon of the day the report of his car being stripped was given to the police. I knew nothing of my own knowledge of it, except that Mr. SCHULTE said the window of the door and lock on his Packard sedan was broken, the car was entered, and papers and things in the pockets and compartments were disturbed as though someone was in search of some papers. Mr. SCHULTE inferred that he had some idea who was responsible for the breaking into his car. The inference I got was that it was the police. The stripping of the car incident took place sometime after the night I had been to Tony's place.

Trusting this complies with your request, I am

Very sincerely yours,

GEORGE E. REEDY.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for sufficient time to finish.

The SPEAKER. Without objection, the gentleman's time is extended 5 additional minutes.

There was no objection.

Mr. BLANTON. Mr. Speaker, I regret to have taken this time, but I want the Washington newspapers to know that this House of Representatives is going to be the judge of its own committees. Nothing the newspapers may do can disturb the action of this House. This House does not belong to the Washington newspapers. This House has shown that it does not honor their infamous and despicable influence; this House does what it pleases.

Mr. COX. Mr. Speaker, if the gentleman will permit me, I should like to make the observation that I do not think the gentleman should feel any regret at having consumed the time he has taken to make answer to these charges that have been made against him for weeks in the effort to undermine his standing and position here with his colleagues. He should be very happy in the consciousness that his colleagues still believe in him and are standing with him. [Applause.]

Mr. BLANTON. I thank my good friend the gentleman from Georgia.

I want to say, my colleagues, that since I have been in public office I have given the best that is in me and have been getting poorer and poorer every year. I am $30,000 poorer now than I was when I entered public life. Above a bare living for my family it is the honest truth that since I have been in public life I have spent every bit of my income in trying to bring about better conditions.

Why, I was the man who first started the crime committee doing anything worth while. I went to them with a bill to reorganize the trial board here. You cannot have good policemen as long as you have a trial board made up of policemen themselves; they will let the crooked policemen stay and sometimes convict innocent men. You have got to take that crime board out of the hands of the police. Incidentally, I thought it was an executive session, but there was a bunch of photographers there.

I told the chairman of the committee, JENNINGS RANDOLPH, that I would not make any statement as long as the photographers were there and asked him to forbid them taking pictures of me during the hearing. He ordered them not to take pictures of the committee that afternoon. I told them, incidentally off the record, that there had appeared before the committee of the gentleman from Missouri [Mr. CANNON] a responsible, reliable Government employee who said that within a block of that committee's room there was a regular gambling house going on day and night, with lots of tables filled with all kinds of gambling devices, openly defying the law. I told them and I insisted that the superintendent of police stay there and hear me, which he did, over the protest of one member of the committee, my good friend from Indiana [Mr. SCHULTE]. But he stayed there, the committee let him stay there to hear me; and the next day there was staged a raid. He said he did not believe there was any gambling house there, that they would not find anything; but he told them to make a raid. They found nothing, because the gamblers had been tipped off.

The following is the account of the real raid:

[From the Washington Post, Feb. 7, 1935]

POLICE STAGE GAMING RAID NEAR CAPITOL—AXES USED TO SMASH INTO HOUSE; 56 MEN TAKEN IN CUSTODY—CONGRESSMEN WHO SEE VICE SQUAD AT WORK PRAISE EFFORTS

One week to the day after fifth precinct police had made a visit and found only "vacant rooms", vice squad police late yesterday swooped down on a three-story building located near the Capitol and within a block of the House Office Building, where hearings on District crime conditions are now under way, and discovered an elaborate gambling establishment, where they seized 56 men.

Eight of the men taken into custody were booked on charges of setting up a gaming table and ordered held for arraignment in $2,000 bonds. The others were released after police had put them through the line-up, searched them, and ordered them to hold themselves in readiness to appear as witnesses.

EIGHT PRISONERS CHARGED

The eight gave their names as follows: Charles Turner, 45, 1300 block of East Capitol Street; John M. Cornell, 31, 900 block of East Capitol Street; Edgar J. Behrle, 39, 900 block of E Street NE.; Fred A. Stillman, 42, 1700 block of P Street NW.; Kenneth T. Pumphrey, 29, 400 block of Fifteenth Street NE.; John E. Goetz, 36, 1600 block of Q Street NW.; Wilmer M. Long, 28, 700 block of Nineteenth Street NE.; and Frank E. Lyon, 51, 500 block of Fifth Street NW.

Both police raids on the building came on the heels of charges made several days ago by Representative THOMAS L. BLANTON, Democrat, of Texas, before the crime investigating committee that a gambling establishment "which everybody knows about" is operating within the shadow of the Capitol.

CONGRESSMEN SEE RAID

The police activities attracted the attention of hundreds of persons, including Members of Congress, their secretaries, employees of the Capitol, workers in the Library of Congress, and ordinary residents—and many who stood in the street and watched the police corral their prisoners into patrols looked over their shoulders at the dome of the Capitol looming against the western sky and grinned.

Several of the Members of Congress attracted to the spot praised the work of Lt. George Little, vice squad chief, and the six men who helped him in the coup. Among these was Representative JOHN J. MCSWAIN (Democrat), South Carolina, Chairman of the House Military Affairs Committee.

Lieutenant Little announced that $2,127 was taken off the eight men booked, including marked money for a bet made earlier in the day by a member of the squad.

KNEW OF PREVIOUS RAID

The vice squad chief, asked about the previous raid by the fifth-precinct detail, admitted that he knew about it. Asked specifically if the equipment seized was new, Lieutenant Little said: "Well, the beams supporting the backs of the blackboards were new lumber."

The fifth-precinct squad made the raid last week and the raiding squad at that time consisted of Lt. John Flaherty, Sgt. A. S. Bohrer, and Privates T. Smithson and W. Salkeld.

Private Salkeld, speaking of that raid last night, said: "We battered our way in. I wielded the ax myself, but we found nothing but vacant rooms and a lot of dust."

The vice squad members also had to smash their way in, but Lieutenant Little was confident that no patron or alleged operator had been permitted to escape.

PARAPHERNALIA SEIZED

While occupying the entire building, the gaming establishment was centered on the third floor where police found a blackboard containing racing results and a quantity of numbers slips.

Loud speakers for dissemination of race track results and mutuel totals were found, as were a trough in which discarded numbers slips were thrown, two tables covered with green baize, ostensibly for dice games, and a cashier's cage where police said the race and numbers bets were made and where the winners collected.

Police records showed the following equipment seized: One cloth table (used for dice), 1 pool table (used for dice), 1 radio, 1 radio power pack, 2 telephones, 1 set of ear phones, 1 stool, 1 electric heater, 1 fan ventilator, 1,200 numbers books, 2 barricaded doors, an uncounted number of poker chips.

Several members of the vice squad reported to Lieutenant Little that they saw people in the establishment turn back the dice blankets from the tables when the police axes crashed through.

Police, armed with axes, came in from the rear and gained entrance to the third floor by smashing in a heavily reinforced door in the rear of the second floor.

Automatic locks were used on both front and back doors, and persons entering, according to police, had to identify themselves before being permitted to get into the gaming room.

That the place had been expecting a land-office business, police said, was evidenced by the fact that the third floor had been reinforced from the second floor by 4-inch joists. Police who had been in the place some time previously said that partitions on the third floor had been torn out to make one big room. In addition, it was pointed out that stairways leading from the top floors in the rear had been encased in composition wall boarding to make detection from that sector impossible.

This same man Headley ordered that captain to close up this joint. The records show it; Captain Morgan admitted it before this committee, that Headley had ordered him to close it up. These real raiders headed by Captain Little went there, cut those doors down, and arrested 58 gamblers there and took charge of that gambling paraphernalia within a stone's throw of the House Office Building and the Committee on Crime. The committee had ignored it for about 2 weeks and spent 8 days investigating my endorsement of a policeman.

In conclusion, let me say, that Bob Taylor, in Paradise of Fools, said:

God deliver us from the fools whose life work is to cast aspersions upon the motives and character of the leaders of men. I believe the men who reach high places in politics are, as a rule, men of sterling worth and intelligence, and upon their shoulders rest the safety and well-being of the peace-loving, God-fearing millions.

I thank you kindly, all of you colleagues, for your kind attention and consideration. [Prolonged applause.]

The SPEAKER. Under the previous order of the House the Chair will recognize the gentleman from North Dakota [Mr. LEMKE].

Mr. TAYLOR of Colorado. Mr. Speaker, I may say that the gentleman from North Dakota [Mr. LEMKE] has very kindly yielded his time for the present in order to take up the McSwain bill.

Mr. BLANTON. Mr. Speaker, in fairness and justice, my colleague the gentleman from West Virginia [Mr. RANDOLPH] is Chairman of the Crime Committee, and he indicated a desire to make some remarks. I therefore ask unanimous consent that the gentleman from West Virginia [Mr. RANDOLPH] may be permitted to address the House for 10 minutes at this time.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, of course, I have neither the strong language nor the inclination to attempt an answer to my friend, the distinguished gentleman from Texas. I do not desire to go into the matters which he has consumed most of his time discussing in his address today. They are matters with which he is personally interested, and, of course, he has explained them to you. My remarks, of course, are extemporaneous, but they will be directed only to the honesty and to the devotion to duty of the eight members of the Crime Committee, acting under a resolution of this body to investigate all conditions of a criminal nature existing in the District of Columbia. The gentleman from Texas [Mr. BLANTON] has told you that years ago he was engaged in a similar task as a Member of the House of Representatives in connection with an investigation of crime conditions in the District of Columbia. I am certain that he gave his very best efforts at that time in the discharge of his duties as he saw them. Now, we are saddled with worse situations than in those years, and there was created, because the District of Columbia Committee asked that there be created, a special committee to investigate the alarming crime conditions in the District of Columbia. It was upon the unanimous request of the District of Columbia Committee that this House was asked to pass upon a resolution which gave to the Special Crime Committee the sum of $1,500, to be used for the employment of a counsel, an investigator-secretary, together with the other needed help in order to conduct hearings and investigate the criminal activities and the functioning of law-enforcement agencies at the Nation's Capital.

Mr. Speaker, it so happened that the Chairman of the District of Columbia Committee selected me as Chairman of the Special Subcommittee to Investigate Crime in the District of Columbia. I am a comparatively new Member in the House of Representatives, serving my second term. I am not familiar with all the workings of this body nor of the Federal Government to the extent which my friend from Texas is; however, I yield to no Member of the House in the energetic service to the task to which I am appointed nor devotion to duty and in the obligations that are presented before me in any capacity which I have been chosen for or selected to perform by the Membership of this House. [Applause.]

The Members of this body voted for the resolution and power of investigation which gave us a small fund of $1,500 for this important task. Mr. BLANTON supported and spoke for it. I may say to you that when the final report of the Special Crime Committee is made to this House—I trust within the next 18 days—I hope the committee and its work will be judged solely upon its findings and recommendations for remedial legislation brought here at that time. Regardless of the fact that our counsel received $225 per month for his services or that the investigator for the committee receives a like amount, we are going to return to the Committee on Accounts perhaps $300 of the amount of $1,500 which was given to us to investigate criminal activities in the District of Columbia. This investigation might have been a long, drawn-out affair, drifting into the summer or fall and a report made after the Members came back here next year. But I determined, and the rest of the members of the special committee determined that they should work hard, that they should be honest and fair to all concerned in conducting this investigation into criminal conditions in the District of Columbia during the weeks which we were to serve. I say now that I have labored long hours at the hearings held by this committee. We met in the morning and we had sessions in the afternoon because we had the permission of the House to sit during its sessions and we have also met as a committee at night.

At this time I want to thank the membership of the special committee who have served with me in the investigation of criminal activities in the District of Columbia. I take this occasion to thank them publicly, as I am going to do when the final report is made, on behalf of myself and also on behalf of the Membership of this House, for, after all, those eight Members who serve on this committee acted for a standing committee of Congress, the District of Columbia Committee, and thereby, I trust, they have served you as well.

Mr. Speaker, I shall not detain the House long. The gentleman from Texas [Mr. BLANTON] appeared before our committee—and let me say to the Membership of the House at this time that the gentleman from Texas [Mr. BLANTON] was never called before our committee to testify. He came upon the first occasion and he came upon the second occasion as a voluntary witness. We were glad to have him, just

as we would have been glad to have had any Member of this body who felt that he or she had been in position to contribute something to this committee in the conduct of its hearings in reference to crime conditions existing in the National Capital.

Mr. Speaker, I have no desire whatsoever to go into personalities at this time. However, as chairman of this committee I do desire to stand 100 percent by the choices of this committee in its selection of counsel, investigator, and secretary for the committee. I shall take that blame upon my own shoulders, not asking even the other members of this special committee to stand with me as those selections are gone into.

Dr. John R. Fitzpatrick was secretary to Justice Frederick L. Siddons, of the Supreme Court of the District of Columbia, from 1925 to 1929. It was from Justice Siddons, who was formerly police commissioner of the District of Columbia, that Dr. Fitzpatrick received his later ideas concerning the necessary educational equipment for policemen, and other matters pertaining to police work in the District of Columbia.

In 1929 Dr. Fitzpatrick was appointed by Leo O. Rover as assistant United States attorney, and he continued in that capacity under Mr. Garnett when he took over the duties of the office. It was in November of last year, 1934, that Dr. Fitzpatrick resigned from his assistant district attorneyship in protest at what he believed to be unreasonable continuances in the Buccoli murder case.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RANDOLPH. As assistant United States district attorney, Dr. Fitzpatrick was in charge of the district attorney's office at police court, in charge of grand jury work and, finally, was elevated to active prosecution in criminal cases. As a prosecutor, he won prominence in this work in the District of Columbia. He prepared and successfully prosecuted a large number of difficult cases. Among these were the Brinkler, Wampler, Bowles, and Du Benque-Gormley cases.

Because of his experience in the district attorney's office and his earlier training under Justice Siddons, Dr. Fitzpatrick applied himself to seeking a solution of the problem of equipping police officers in the District of Columbia so that they would be of assistance in the prosecution of criminal cases. His experience had impressed upon him the great weaknesses that exist because the average policeman knows nothing of evidence, it is said, and the manner in which it should be presented. As a result of Dr. Fitzpatrick's concentration upon this problem he conceived the idea of the establishment here in Washington, D. C., of a school in which members of the police department would be given sufficient legal and criminological training so as to increase their efficiency. Dr. Fitzpatrick enlisted the support of the District Commissioners, the officials of the Metropolitan Police Force, and the officers of Columbus University; and in January 1932 this counsel for your subcommittee investigating criminal activities in the District of Columbia was placed in charge and established the Metropolitan Police School of Criminology here in the Nation's Capital at Columbus University. The university donates its facilities and Dr. Fitzpatrick donates two evenings a week without pay to the instruction of the police officers and the privates of the force in the District of Columbia.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. Yes.

Mr. McCORMACK. Do I understand the counsel only receives $225 a month?

Mr. RANDOLPH. Yes; that is true; and I know of the salary that the gentleman's committee paid its counsel, of course.

Mr. McCORMACK. My committee started out to pay its counsel $500 a month, and I did not think it was high enough. [Applause.]

Mr. RANDOLPH. I do want to say at this time that of all the witnesses that came before our committee from the very opening until the closing session on this past Friday, so far as I was able to conduct the hearings, and I missed only two of them, once on account of being out of the city and the other time on account of meeting with a group from my own district upon an important matter at one of the departments, I gave to every witness every courtesy of which I personally am capable.

Mr. MAVERICK. If the gentleman will permit, I think the House feels about the matter in this way, although I do not know—just exonerate everybody, make TOM BLANTON the mayor of the District of Columbia and keep the gentleman at the head of the committee and we will call it square. [Laughter.]

Mr. RANDOLPH. I thank the gentleman.

Other professors have since been added to the courses which are being given at Columbus University at night by Dr. Fitzpatrick.

When the school was announced, 300 members of the Metropolitan Police force made formal application for enrollment. From this list 100 police students were selected by Major Brown, the superintendent of police. The course is absolutely free to members of the police force, and in addition to the men in the Metropolitan Police, women from the Women's Bureau and members of the United States Park Police are now enrolled in the school.

The subjects which Dr. Fitzpatrick presides over include evidence, criminal law and procedure, correct method of obtaining and presenting evidence in court, public speaking, so that an officer will be at ease before a grand jury or on the witness stand, and such practical criminological subjects as handwriting, fingerprinting, photography, ballistics, and allied matters. The school at this time has 150 men enrolled. They range from private to captain, and many members of the detective bureau of the District of Columbia are studying at this school 2 nights a week.

It is the only school of its kind in the United States, and it has added materially to the efficiency with which its student policemen present their cases in court. Dr. Fitzpatrick has devoted himself to this work purely out of a sense of obligation, as I see it, as a citizen of this community, and in the feeling that those who are so fortunate as to have acquired education and learning should endeavor to improve the educational status of their fellow men. It is to his credit that he has performed this task quietly, without any attempt at praise, without seeking publicity, and without thought of personal gain, because through his unusual concentration upon police problems in the District of Columbia he has not only gained an intimate knowledge of the police situation but he has an unusually broad acquaintance in the department and is well known by the membership of almost the entire force; and these men, I may say, hold him in the highest regard. In addition to this he has ideals for the raising of the standards of police work. He has courage and he has ability to achieve these ideals.

I may also say that he is under obligation to no one and he seeks no favors or special consideration from any individual or any group. He has been hard-working and painstaking as counsel for this committee, and I may add at this time that we had about 100 attorneys in the District of Columbia who applied for the position of counsel for this Special Committee on the Investigation of Crime.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia may have 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RANDOLPH. Dr. Fitzpatrick was one gentleman who never made an application to me or to this committee to serve as its counsel.

I made a careful investigation, as I understood the needs, into the type of attorney which could serve the committee best. I went to the heads of the District of Columbia law group, and there I found the highest recommendations of

Dr. Fitzpatrick. When I asked the president of the District of Columbia Bar Association about the man the committee had under consideration I found the same high recommendation.

Now, I believe that is all I want to say in behalf of Dr. Fitzpatrick. I hold him in the highest esteem. I have the highest confidence in his ability, his devotion, and his service for the committee, which is now preparing its report after 2 months of hearings.

I should like to speak a moment about Mr. Seals.

It has been said that Mr. Seals was connected with the Washington Post, and at the very time that we were considering the hiring of an investigator for the committee to act as secretary.

I want to say that I knew Mr. Seals—not a few weeks ago—but I knew him personally more than 2 years ago.

Why did I suggest Mr. Seals for the position? Because, ladies and gentlemen of the House, Bill Seals, my friend, was executive secretary of the United States Flag Association 2 years ago at the time the country fixed its attention for the first time on the solution of and the grappling with crime conditions not only in the District of Columbia but in the Nation at large.

The United States Flag Association had many eminent men upon its official board and at the meetings of the first criminal conference in the history of the United States to be held in Washington. The Attorney General of the United States, Mr. Cummings, addressed the group, and there were other distinguished men who addressed the delegates. The President of the United States sent a special message to it. It was from that crime conference, sponsored by the United States Flag Association, of which Mr. Seals was the executive secretary, that we began to face the crime problem and work for its solution.

Mr. Seals was a man who had studied the problem, made careful investigation of it. He served at one time as secretary of the committee over which Grover Whalen presided in the city of New York, and which rendered great service.

Now, I am about through, and I notice my time is nearly up, but before I sit down I want to say to the gentleman from Texas that these things that occurred between the gentleman from Texas [Mr. BLANTON] and the officials and Mr. SCHULTE and other Members are things that always occur at such hearings.

The SPEAKER. The time of the gentleman from West Virginia has again expired.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute more.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, throughout all the heat and discussion, I never asked the gentleman from Texas [Mr. BLANTON] a single question while he was upon the stand, because I considered him, as I know that he would consider me, as a Member of Congress in his own right serving a certain district of the United States. This committee must be judged not by something unpleasant that happened along the route as it went toward its goal to better crime conditions in the District of Columbia, but this committee, charged with responsibility under a special resolution of bringing in a report to this Congress, must be judged by its final report upon which you gentlemen as Members of Congress shall solemnly pass. [Applause.]

APPORTIONMENT OF THE WATERS OF THE COLORADO RIVER

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from Hon. EDWARD T. TAYLOR, a Representative from the State of Colorado, to the Secretary of the Interior.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter, dated April 2, 1935, to Hon. Harold L. Ickes, Secretary of the Interior, from Hon. EDWARD T. TAYLOR, the distinguished and beloved dean of the Colorado delegation, earnestly protesting against the Secretary of the Interior entering into any contract with the State of Arizona for the storage or delivery to Arizona of any water from the Boulder Canyon project reservoir unless and until that State ratifies the Colorado River compact.

For 50 years Mr. TAYLOR has been recognized throughout the West as one of the leading authorities on the law of irrigation and water rights. In 1887–89, as referee appointed by the State district court, Mr. TAYLOR took testimony, adjudicated and established the irrigation water rights of all northwestern Colorado. None of the 1,000 water-right decrees prepared by him has been reversed. Throughout the years since 1909, during which he has served continuously as a Congressman from Colorado, he has taken a most active part in the negotiations and in the framing of legislation for equitable apportionment of the waters of the Colorado River. No one is more familiar than he with the details of this complicated question so vitally affecting the welfare of the seven States of the Colorado River Basin. He writes as a leading authority both on the facts and on the law of this question.

The views expressed in Congressman TAYLOR's letter are shared by all the Members of the House from Colorado.

The letter is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 2, 1935.

Hon. HAROLD L. ICKES,
Secretary of the Interior, Washington, D. C.

DEAR MR. SECRETARY: At the time of the hearing before you of the representatives of the seven Colorado Basin States, December 17 last, on the application of Arizona to you to execute a contract for the free and perpetual delivery to that State of 2,800,000 acre-feet of water per annum from the Boulder Canyon project reservoir, I was too ill to attend the hearing, and you may recall that I expressed my disappointment, and requested the privilege of writing you a letter on the subject.

At that time you declined to execute the contract presented by Arizona and suggested that the representatives of the seven States should get together and, if possible, agree upon a contract.

I understand that the representatives of those States met at Phoenix, Ariz., on January 14, and again at Salt Lake City, on February 25, and that Arizona has prepared a revised contract that may be presented to you soon.

In this letter, when I use the name "Arizona" in any critical sense, I mean no reflection whatever upon the great State, or her splendid population. I refer only and collectively and impersonally to the 13 years' perpetual relay of her marvelously energetic, persistent, alert, shrewd, astute, and supersubtle Colorado River compact representatives.

They would richly deserve the highest commendation if their energies were expended in a more commendable enterprise.

I do not at all intend to in any way question the serious earnestness, great ability, or entire good faith of any of the official representatives of the six Colorado River compact States; and certainly would not in the slightest way reflect upon the Colorado members of that commission.

I am not a member of Colorado's Colorado River Commission; but I am the official home representative of the western half of Colorado, and I have not only a right but an imperative duty to speak, as best I know how, for the 150,000 people now residing there, as well as for the protection of all succeeeding generations in that "great western slope empire."

My home is on the bank of the main stream of the Colorado River; and that main stream and 12 of its greatest tributaries arise on the western slope of the main range of the Rocky Mountains—the highest part of the Continental Divide of our country—in my congressional district; and 20 of the 24 counties of my district that are within the Colorado River Basin furnish two-thirds of all the gigantic flow of that marvelous stream.

For over 50 years the people of western Colorado have very greatly honored and trusted me; and I have spent a large part of my time and energy during that half century in trying to establish and protect our water rights.

So that, regardless of any individual or personal considerations, and in view of the very serious and far-reaching importance of this matter, I feel I would not be performing my full personal or official obligation to the Colorado River Basin in my State if I remained silent, or did not candidly write you my judgment concerning the proposed Arizona contract.

As you are fully aware, this matter of the fair division of the waters of the Colorado River is a long, complicated, technical, and conflicting controversy that has been carried on by the State of Arizona against the other 6 States ever since the 24th day of November 1922, when the representatives of all those 7 States, including Mr. W. S. Norviel, of Arizona, officially approved and signed the Colorado River compact at Santa Fe, N. Mex. There have been hundreds of conferences on this matter since then. I have attended some of them.

As you are also aware, the waters of that great "Nile of America" are worth untold billions of dollars to the inhabitants of

those seven States for this and all succeeding generations for thousands of years to come.

The Colorado River is the only great river in the world entirely within an arid region, and it is intrinsically the most valuable stream on this planet.

The waters of that stream are worth a thousand times more to the Colorado River Basin than all its minerals and everything else.

In fact, a large portion of each of those States would be an utterly uninhabited and barren waste, were it not for that river.

The population of those seven States is about 10,000,000. About 5 percent of them live in Arizona.

The waters of that river belong absolutely to those seven States, and they imperatively must be equitably apportioned between them.

That was and is the express object and purpose of the Colorado River compact. It required more than a year to prepare that compact. It is the final composite result of the long and earnest efforts not only of the seven official representatives of those States but also of a large number of other splendidly capable and honest men. It is a great, statesmanlike document; and, frankly, I have never been able to appreciate the reasoning of Arizona or any other State in refusing to join her sister States in making an equitable, rightful, and practical division of those waters under the terms of that compact.

I cannot believe that any State has any legal or moral right whatever to be singled out and given any exclusive rights or special privileges at the expense of and to the detriment and future injury of the other six States.

If any State should have a preference right it would be my home State of Colorado, that furnishes the larger part of the water. My constituents have always felt that we ought to have a preference right to the first use of those waters on the western slope of our State, because our use within that basin would not really consume much of it.

Much of the water used by us would always run off and seep down into the hundreds of tributaries and gradually stabilize the flow below on the main stream.

However, Colorado has not reserved a claim of this kind in that compact, and we are willing to join our sister States in a division of that water under the provisions of that compact and also the division and apportionment of the waters in accordance with the requirements of the Boulder Canyon Project Act of December 21, 1928; and, in my judgment, that is all that any of those States is entitled to.

From the standpoint of the four upper basin States we are very much interested in the matter of the surplus waters unapportioned by the compact upon which the burden of supplying the Republic of Mexico may first fall. If the users in the lower basin States acquire large legal rights to these waters ahead of us, the upper four States may be called upon to supply most or all of the demands of Mexico.

I feel that you have no more right to contract that water to Arizona than you have to contract to any one of the other States the exclusive right to the first use of all the waters that rise in or flow through her borders. All those States have a joint interest in the ownership and fair use of those waters.

Those States should have reserved to them forever the sovereign right to the first and consumptive use of their share of the waters that is allocated to them by the Colorado River compact; and that right should never be taken away from them or diminished or jeopardized by any contract or otherwise.

I received a tentative draft of the present proposed contract a few days ago, and I have read it; but have not had time to give it the intensive study it deserves. However, from this and former drafts I know generally what it is; and while it is polished off some, yet it means just the same as all the former drafts. It seems to me that there is nothing whatever in it for anybody except Arizona.

I am not going to attempt a detailed analysis of this contract, because it may be amended several times before it reaches you. I am writing you concerning the water-right situation in the entire Colorado River Basin, and the Colorado River compact, and Arizona's application for a contract, as I individually look at it.

Section 5 of the Boulder Canyon Project Act provides:

"That the Secretary of the Interior is hereby authorized, under such general regulations as he may prescribe, to contract for the storage of water in said reservoir, and for the delivery thereof * * * upon charges that will provide revenue, etc."

But that does not give the Secretary any authority to unjustly and grievously inflict an utterly unwarranted and irreparable outrage upon six States for the benefit of one.

The Secretary has a very wide discretionary authority in this matter; and I am appealing to you upon the old-fashioned principle of "right or wrong", between seven sovereign States; and the untold millions of present and future residents of all of those States, who are so vitally affected by this matter, and whose very lives and property rights and all hopes for the future are, as I believe, in most serious jeopardy by this proposed contract.

The contract refers to the regulations by the Secretary of the Interior of April 23, 1930, as amended September 28, 1931, authorizing the extension of delivery contracts. The contract also states that the vested rights of the other States shall not be affected thereby—except as in this contract provided. But what those exceptions and provisions are, or really mean, I am very apprehensive of.

It also refers to the contract between the Imperial Irrigation District, of December 1, 1932, for the construction of the Imperial Dam; and the contract of February 10, 1933, with the Metropolitan Water District of Southern California, for the construction of the Parker Dam; and also to the contract of the Government to the city of Los Angeles, of April 26, 1930; and to some Arizona statutes, and to many other matters that seem rather irrelevant to me.

The contract provides that the United States shall each year deliver to Arizona not more than 2,800,000 acre-feet of water, and at a price of not more than 25 cents per acre-foot.

Whether or not the State can take whatever amount she needs, or wants, less than the full amount, or she can resell it, or let it run down to Mexico, or just leave it in the reservoir, the terms of the final contract will determine.

There is no reference whatever to the limitation in the Colorado River compact in relation to the computation of the average flow of the stream over a 10-year period, or the average of 7,500,000 acre-feet per year, to which the upper basin States are entitled and are subject to.

It provides that Arizona shall get all her demands every year, whether the other States get any or not. If this contract had been in force in 1934, Arizona would have been entitled to demand all the waters of that stream during that entire year for her sole benefit.

And yet Arizona expressly reserves the right to hereafter apply for more water—if there is any more left in the river.

The contract says that the vested rights of the other States shall not be affected—except as in this contract provided. But what the effect of the provisions are, or will be, is exceedingly ambiguous.

The contract provides that no charge shall ever be made by the Government for the free storage, or free delivery to Arizona of the 2,800,000 acre-feet of water, including also the use thereof on the Indian reservation or the Yuma project in Arizona, and no charge of any kind shall ever be made in excess of 25 cents per acre-foot.

As a consideration, that is about the limit of absurdity. They might as well have made it $1 a year.

The quantity of water in a reservoir is measured in acre-feet. An acre of land is nearly 209 feet square. An acre-foot of water means the quantity of water necessary to cover an acre of land 1 foot deep. That means about 43,600 cubic feet of water. That is the quantity of water for which Arizona agrees to pay not more than 25 cents. The amount of water that is flowing in a stream or canal is measured by the number of cubic feet passing a given point on the stream or canal each second. So that 1 cubic foot of water flowing in a stream or canal each second would be 60 cubic feet a minute, or 3,600 cubit feet an hour, or 86,400 cubic feet each 24 hours, which is approximately 2 acre-feet of water.

In eastern Colorado a first priority, that is, a perfect water right, to a cubic foot of water per second of time for irrigation purposes is valued at $24,000. In Colorado, the irrigation season is ordinarily only about 6 months in the year, while in Arizona and California, within the Colorado River Basin, the irrigation season is approximately 12 months in the year; and the climate is such that they can raise crops every month in the year, and they are much more valuable than can be raised in the higher altitudes. Moreover, water for domestic or municipal use is many times more valuable than it is for just irrigation purposes; and it is very much more valuable when it is used first for power and then also for irrigation or domestic purposes. Therefore, in Arizona and California the waters of the Colorado River are undoubtedly very much more valuable than they are in the upper four States. But because the water is much more valuable to that part of the lower basin than it is to the upper basin, is no reason whatever why the upper basin should be deprived of their rights.

I am only making this comment to show, what seems to me, the ridiculous inadequacy of 25 cents per acre-foot of water for a perfect water right in that climate, to be forever delivered by Uncle Sam as, and when, and where, Arizona wants it.

I assume the Secretary has the authority to fix the price at 5 cents, or at any other sum less than 25 cents per acre-foot, if he so desires.

Arizona also very condescendingly agrees in consideration of this contract to abstain from litigating Uncle Sam, except under certain conditions that are likewise problematical.

Arizona also reserves her right to an additional equitable apportionment of the waters of the Colorado River, if there are any left to apportion.

Arizona also reserves the right to litigate with any or all of the other States, as much and as often as she wants to; to establish the relative priorities and use of the waters of the entire Colorado River Basin in accordance with her wishes.

The contract also includes a very valuable exemption for the benefit of New Mexico, Utah, and Navada. But they hold their grip on Wyoming and Colorado, where the water mainly comes from. In fact, it is the Colorado water that Arizona is after all the way through the contract. If it were not for the water that comes from my congressional district, Arizona would have very little to be fighting over.

The contract provides that the United States shall not even be permitted to transfer any interest in or under the contract without the written permission of Arizona.

They sew the United States up in a bag all right, along with the other six States.

It may be presumptious for me to criticize this contract, because seldom has there ever been a document prepared that has had so long and so much and so many different conferences and considerations as this one has. It is the tentative compromise result of years of intense and exhaustive study by many very

exceptionally bright, alert, and capable gentlemen, and every little wording has a meaning all its own.

I imagine the genius who conceived some of the language of that compilation could take three live rabbits right out of a lady's thimble.

I confess it is a kind of weird, guileful, and insidious crosswork puzzle to me.

It begins with eight lengthy "whereases"; then there are about a dozen paragraphs of generalities, followed by about a dozen "provisos", and "nothing herein shall", etc., and "subject to's", all amplifying, modifying, or nullifying something.

As an illustration of my impression of the "now you see it and now you don't see it" character of this uncanny document, I will quote in full the last paragraph, which is given the appropriate number of "23." It is as follows:

MEMBER OF CONGRESS CLAUSE

"23. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing in this paragraph, however, shall invalidate this contract, if made with a corporation for its general benefit."

If it is deemed necessary in the first sentence to broadcast to the world that there is to be no graft in this deal for any Senator or Representative, why do they immediately follow it with the suggestion to those officials and everybody else that if they care to incorporate themselves for their "general benefit" they will be eligible for a rake-off?

That appears to me a fitting finale for that kind of a "contract."

Where in that contract is there the slightest benefit or consideration, whatever, inuring to either Uncle Sam or any of the other six States? Not a thing.

A contract without a consideration ought to be void.

Where in that contract is there any positive language saying: "That nothing in this contract shall be understood or ever construed to in any way injuriously affect or diminish the rights of any of the other six States under the terms of the Colorado River compact"? Even if it did so provide, it would not protect the upper States.

Where in the contract is there any provision saying: "That this contract is based wholly upon, and only as authorized by and in compliance with, the Colorado River compact; and that the Federal Government shall, under no circumstances, ever be obligated to store or deliver any water to Arizona, or any subdivision thereof, or any organization, corporation, or anyone else, that would in any way or at any time injuriously affect the use of said waters or the rights of any of the other six States under the provisions of that Colorado River compact or otherwise"?

As I read it, there is not a line to that effect or any valid or enforcible protection whatever either to the Federal Government or to any of those six States in all of those 11 pages of ingenious, ambiguous, and skillful phraseology. It is purely a "heads I win, and tails you lose" contract.

Moreover, it seems to me that if you execute the contract proposed you will be overcontracting the entire 8,500,000 acre-feet of water allocated to the lower basin by that compact, which is inclusive of the Gila River.

If I understand the situation correctly, Arizona, Nevada, and California now have acquired, or claim to have acquired, or initiated rights to, practically the full amount to which they are entitled under the allocations by that compact, and that this proposed contract seeks to obtain an additional gratuitous donation to Arizona of 2,800,000 acre-feet in excess of the total amount that the compact provides the lower basin States may jointly have for her use, primarily for power and commercial purposes and wholly at the expense of the upper States.

If I am correct in that, it would not only deprive the upper basin States of any part of their just share of the surplus waters, which cannot, under the compact, be divided until October 1, 1963, but would forever deprive them of all future development, or hope of irrigating any more land than they now have under irrigation. It would also effectually prevent any appreciable amount of water from ever hereafter being diverted out of the Colorado River Basin. Because Arizona would compel it all to flow down to that reservoir to perpetually supply her 2,800,000 acre-feet, there would be no spare water left to divert.

The drought in recent years very forcibly brings these matters home to us, and makes us extremely apprehensive of any special privileges being granted, like Arizona is endeavoring to obtain.

The average annual flow of the stream (exclusive of the Gila River) is now estimated to be about fifteen and one-half million acre-feet.

The entire recorded flow of the stream, during 1934, was only about 4,000,000 acre-feet.

In Arizona's brief in the case of *Arizona* v. *California et al.*, the Arizona attorneys assert very positively that of the total flow of the Colorado River "9,000,000 acre-feet were appropriated and put to beneficial use in the United States prior to June 25, 1929, and said appropriated water has ever since been, and is now being, used and consumed."

If that statement is true, and I think it is substantially, what possibility is there of the other States ever hereafter acquiring any additional water, if Arizona now obtains 2,800,000 additional acre-feet, and secures a clear title to it, and a preference and exclusive right, to have it delivered to her practically free of charge, and when, and where, and as, she wants it, in addition to the amount she really owns, and the further amount she already claims?

It would simply apportion to her exclusively much more than the entire flow of the river some years, and probably during many years.

I cannot see the slightest semblance of any justice, reason, common sense, fair dealing, or even good faith toward the other States in that kind of an application.

As long as Arizona refuses to sign and approve the Colorado River compact, she has no legal or moral right, in my judgment, to any contract for any amount of water whatsoever, especially when such water as she seeks is impounded by, and is to be delivered from, and through the facilities created by the Boulder Canyon Project Act, which act expressly approved and makes vital the Colorado River compact—the very compact that Arizona always has and still does defiantly repudiate and denounce.

To give Arizona this gratuity would be permitting her to reap a very great benefit on account of the compact, and yet to wholly escape its restrictions, joint liabilities, and proper regulations to the incalculable injury of those other States which are signatory to the compact.

What semblance of right, or justice, or decently fair dealing between States is there in that?

If Arizona does not hope to induce the Federal officials to grant that permission and also donate the money to enable her to obtain a fabulously valuable advantage over the other States by this proposed contract that she never could obtain by, and has no right to, under the compact, she would not be so persistently determined to obtain this contract and get it signed as quick as possible.

To my mind, the whole course of Arizona in this matter is so amazingly selfish and utterly without any appreciable benefit or consideration whatever therefor inuring to either the Federal Government or to the other six States; so wantonly without regard for both the present and future undetermined rights of the other States, as authorized by that act of Congress; so ruinously injurious and destructive of the rights of the other States, and so palpably unwarranted and unconscionable that I believe the United States Supreme Court would enjoin the enforcement of any contract of that character; and I have earnestly advised the representatives of those States to take that course.

That Court will never put that burden upon the present and blight the entire future of six States, to heap unjust and untold riches on their recalcitrant sister.

The States of California and Nevada are not so seriously affected or in such grave jeopardy by the proposed contract as are the upper basin States.

That 2,800,000 acre-feet, plus the Gila River, and plus Arizona's actual appropriations, and her additional claims, would amount to one-half of the entire flow of the stream throughout an average 10-year period.

That would not only greatly jeopardize and seriously diminish even the amount of water that those States have now adjudicated to them and in actual use and to which they are rightfully entitled, but it would outrageously prevent practically all future irrigation and domestic use and all further development in those States.

There are millions of additional acres of good land in those four upper basin States that some day can be profitably irrigated if we are permitted to retain our right to the use of a sufficient quantity of water for that purpose. But if you sign this contract, and your authority to do so is sustained, those States might as well give up all hope of future or further development within the Colorado River Basin.

Of course, you would not for a moment consider inflicting any such an outrageous injury or any injury upon those States of Wyoming, Colorado, Utah, and New Mexico.

But, Mr. Secretary, next to the President of the United States, at this time you have more arduous official duties and gigantic matters in your hands than any other human being in the United States, and it is a human impossibility for you, not being an irrigation lawyer, to give these matters the detailed study and investigation that is necessary to comprehend the enormity of this matter. And the Solicitor of your Department, being a splendid New York lawyer, cannot possibly give this contract the attention it deserves, with all the thousands of other matters on his hands.

From long and serious experience, the West, generally speaking, with all due respect to our friends in the East, North, and South, has a feeling that it is practically an utter impossibility for a nonresident of the arid region to ever fully grasp either the law or the facts of the water-right situation in the Colorado River Basin, or the importance and purport of the relativity of the rights and necessity of those States to coordinate the use of the waters of the Colorado River as between them.

Pardon my presumption in making this statement, but the law of irrigation and water rights is the most important branch of the law throughout the arid regions of the West. It is exceedingly intricate, and rests upon the many different constitutional provisions of the Western States, and hundreds of different statutes and thousands of different decisions of the various courts of those States. And a different condition prevails throughout the vast Colorado River Watershed on account of the Colorado River compact and numerous acts of Congress. That is my reason for writing you as extensively as I am doing.

I say to you, with the utmost deliberation, that if you sign that contract and the upper States do not prevent its execution, Arizona can forever confidently rely upon the Federal courts to compel the four upper States to perpetually send down to her an abundant irrigation and domestic water right, in addition to fabulously valuable power rights, for centuries to come, to the everlasting injury and outrageous wrong of the other six States.

No contract whatever of that kind, no matter how adroitly it may be worded, should ever be given by any Secretary of the Interior to any one of those States.

I hope and believe the 6 Governors, 6 attorneys general, 6 State engineers, and 6 Colorado River Water Commissioners, of those compact States will never be induced to even give a tacit acquiescence to what I look upon as a bold and plain robbery and promotion scheme, and that they will emphatically repudiate it, and make every possible effort to prevent its execution.

If that contract were executed in its present form, some years Colorado would have to pay rent to Arizona for the use of the waters in our own streams.

Frankly, it seems to me that contract would be giving Arizona a billion-dollar bonus for brazenly buccaneering her six sister States for 13 years; and a reward of merit for her persistently refusing to join in a fair apportionment of those waters for the mutual benefit and orderly development of all of them.

As long as that State persists in refusing to enter into the Colorado River compact, she should never have any separate contract of any kind. That State has acquired more than she is entitled to already.

On the 25th of February 1927 I delivered over an hour's speech and answered 60 questions on the floor of the House on the subject of the Boulder Canyon bill and the filibuster against the Colorado River development.

That speech appears in the CONGRESSIONAL RECORD, volume 68, part 5, second session, Sixty-ninth Congress, pages 4832 to 4840. I also delivered another extended speech on The Rights of Colorado, New Mexico, Utah, and Wyoming in the Colorado River, on May 24, 1928, which speech appears in volume 69, part 9, Seventieth Congress, first session, pages 9763 to 9766.

I made, I think, a very elaborate and accurate presentation of this entire Colorado River situation and the rights and obligations of those various States, and the damages that are being inflicted upon those States by Arizona's carrying on this long controversy, and I earnestly advocated, as I have many times since, the bringing of a suit in the United States Supreme Court to determine and quiet the respective rights of all the seven States in that stream. If Arizona continues to persist in her present course, I still feel that that is the only effective, honest, and fair way of determining and adjusting the respective rights of all the States and terminating this appallingly ruinous controversy.

In my opinion, Arizona is defiantly determined to get a gigantic portion of that water exclusively assigned to her, to be used for commercial purposes, to the frightful detriment and expense of the rights of the other States; and I cannot believe that you will, knowingly, inflict or tolerate any such irreparable and appalling injury upon this and all succeeding generations of the other six States.

Candidly and with the utmost respect, I feel that no one human being has, or ever should have, the sole power of unalterably determining the limit of the future destiny for all time of those four great upper-basin States of the Colorado River Basin; yet that is exactly what Arizona is desperately trying to obtain before the separate rights of those States to the waters of that stream can be in a legal and orderly manner determined and adjusted, as is specifically provided for by law.

As I said to you in a telegram last summer, when I first heard of this scheme, "that a relay of Arizona politicians has been carrying on and capitalizing this infamous racketeering game against her sister States for 13 years, trying desperately by every conceivable pretext to grab off an enormous amount of water and power rights to which that State has no right whatever."

Arizona's representatives, both in and out of Congress, fought the passage of the Boulder Canyon project bill with a terrifically raging fury for 6 years, day and night; and from the date of its passage to this they have all fought with an equal determination to not only get the benefits of it but to grab off all the benefits of it as near as they can.

Figuratively speaking, they have been precipitately ejected from the United States Supreme Court in *Arizona* v. *California*, and the other five States; in 283 U. S. 423; and also in 292 U. S. 341; and the Federal Government now has her hailed into that Court in *United States* v. *Arizona*, no. 18, original, October term, 1934, and will probably discipline her some more when that case is decided.

Arizona has also frequently been rebuffed by both Congress and the Secretary of the Interior, but nothing, apparently, phases her remarkable persistence or amazing audacity.

This year in and year out perpetual harassing, jockeying, and juggling with the destiny of six States and the lives of untold millions of people and billions of dollars' worth of property rights is a frightfully expensive and disturbing outrage that should not be tolerated any longer.

Personally, I frankly acknowledge my genuine admiration for the ability, shrewdness, ingenuity, and persistence of those Arizona attorneys. But it is time they should be permanently enjoined and suppressed as an intolerable nuisance and a perennial menace to the peace, comity, and orderly development of her neighbor States.

Section 15 of the Boulder Canyon Project Act of December 21, 1928, is as follows:

"The Secretary of the Interior is authorized and directed to make an investigation and public reports of the feasibility of projects for irrigation, generation of electric power, and other purposes in the States of Arizona, Nevada, Colorado, New Mexico, Utah, and Wyoming for the purpose of making such information available to said States and to the Congress and of formulating a comprehensive scheme of control and the improvement and utilization of the water of the Colorado River and its tributaries. The sum of $250,000 is hereby authorized to be appropriated from said Colorado River Dam fund, created by section 2 of this act, for such purposes."

The Reclamation Service has spent over 6 years in that investigation and consumed that $250,000, and has received $100,000 more to complete this investigation. It ought to have been completed sooner, because it is very important and must be completed before any special allocations of the waters of that stream can be rightfully or safely made to any State or for any purpose.

That investigation and report is necessary so that each State may learn what its respective rights, allocations, and obligations are in relation to each of the other States for their mutual benefit in formulating a comprehensive scheme of control and utilization of those waters.

The upper States never will or can know what their rights or liabilities are, to either the lower basin or to Mexico, as long as Arizona is running at large.

The fact that the other States are not a party to that contract does not at all, in my judgment, protect them from the evil effects of it.

The legal status of this matter, I think, in brief is this:

The Supreme Court of the United States, in the Arkansas River case of *Kansas* v. *Colorado* (206 U. S. 46), held that the waters of an interstate stream should be divided between the two States on the principle of an "equitable apportionment."

In the South Platte River case of *Wyoming* v. *Colorado* (259 U. S. 419) the Supreme Court held that the doctrine of "equitable apportionment" was applicable where one of the States held to the common-law doctrine of riparian rights and the other State adopted the policy of the right of priority of appropriation of the waters of the stream for irrigation purposes; and that throughout the arid regions of the West the latter doctrine of priority of appropriation, giving the superior right to the waters pro tanto, applied to all streams in that region from their ultimate sources to their mouths, regardless of State or county lines, topography, or anything else. And that is the law at the present time.

Therefore, from its ultimate source near the northwestern corner of the Rocky Mountain National Park in my congressional district, 1,700 miles down the Colorado River to the Gulf of California, it is one stream, including the Gila River and all other tributaries, from all seven States; and the doctrine of priority of right applies up and down the stream and to all those tributaries within the 244,000 square miles and 156,160,000 acres of that great watershed.

My judgment is that Arizona, not being a party to or bound by the Colorado River Compact at all, and expressly and repeatedly repudiating it, no matter what language you put in that contract, if you expressly give that State your official permission and authority to acquire rights-of-way over the public domain and the use of other Government property and the use of the Boulder Canyon Government-owned reservoir to initiate and perfect that right and bind the Federal Government to forever deliver from that reservoir that amount of water to her as and whenever and wherever she wants it; and that State goes ahead and makes expenditures in pursuance thereof, in reliance thereupon, and in compliance therewith, and diverts, applies, and beneficially uses that water, she will thereby perfect an absolutely lawful appropriation of it; and nothing either in or outside of those 11 pages of involved, adroitly, and ingeniously worded language will ever estop Arizona from consummating and holding that appropriation; and it will always be prior and superior in point of time and right to any and all subsequent appropriations on that stream in the entire upper basin States, regardless of the contract or the compact or anything else.

To me that is as clear as the noonday sun.

You cannot by that contract change the law or the doctrine of priority of appropriation. It required the Colorado River Compact and the approval of those six States and of Congress to change that law; and Arizona is not at all bound by that compact. She has a right to invoke and is invoking and will rely upon not your contract at all, but upon the doctrine of priority of right that is assured to an appropriation, which she expects to make by your permission and assistance and with Uncle Sam's money.

In other words, if, as the Secretary of the Interior, you have the authority to, and do officially, enter into a contract with a State, expressly permitting her to do all the acts and things that are necessary to constitute a valid appropriation of water; and, in pursuance of that authority, she does all those acts, and also complies with the laws of the State in relation to the acquisition of a valid water right, how can the upper States invoke that compact, or contract, or anything else, to nullify that appropriation?

For that reason I say that under the Wyoming-Colorado case, and many other decisions, no matter what language you use, if you sign any kind of a contract, or otherwise permit the doing of the things necessary to constitute a legal appropriation of that amount of water, and the acts are fully performed, it will be a legal appropriation of that amount of water, and that will practically destroy all hope of the upper basin States developing millions of acres of good land that is not yet irrigated.

The six States, not being or becoming a party to the contract—I do not believe they can be estopped from asserting their rights in court, or otherwise, by reason of their merely holding friendly conferences and trying to come to an amicable understanding with Arizona. Nevertheless, I am apprehensive of the grave possibilities of these long-protracted and many negotiations. We are all losing more water all the time.

I do not charge, or mean to imply, any collusion by any citizens of Arizona. But I do feel that there are some other people who are, and have long been capitalizing this long controversy, to their

own very large financial advantage, by bringing in large tracts of land in old Mexico under irrigation with our water; and they now are hiding behind the skirts of the Republic of Mexico; and that this long delay in the adjustment of the water rights upon that river has encouraged and made possible the creation of enormous "claims", and the instigation of vast alleged "right of Mexico", which will inevitably greatly injure all of the Colorado River Basin States, including Arizona, for all time to come.

The upper Colorado River Basin States can never be blamed for this 13 years' controversy that has made possible and encouraged the creation and magnifying of those fabulous so-called "claims of Mexico", and those States should never be penalized for it.

No one can estimate the enormous value of the water rights that this long controversy has made possible for Mexico, and some shrewd individuals to acquire from that stream—to the corresponding damage forever to the other six States. Our country and those injured States will have to settle that as best they can hereafter.

Notwithstanding this, Arizona is apparently very industriously endeavoring to make the upper States stand practically all of the Mexican burden; except that she offers to graciously donate a little alkali waste water down near the mouth of the Gila River that she cannot use any more.

In this connection, I understand that some clever individuals are insidiously and indirectly (of course, out of "purely patriotic motives") urging that this contract should be executed as quickly as possible, and give all the remaining unappropriated waters there are, if any, both in the reservoir and the river, to Arizona, to prevent Mexico from acquiring any further rights.

If this be true, in whole or in part, it is a cunning deception, so far as this contract is concerned. This contract is not written for that purpose and will not accomplish that purpose. It is written expressly to prevent the other six States, and more particularly the four upper basin States, from acquiring any further rights in that stream; and giving all the waters of the entire stream, including all its tributaries, as well as the entire remaining storage capacity, absolutely to Arizona, and enabling her to acquire an absolute title to it, and thereby and thereafter forcing all the other six States to pay tribute to her, if they are ever permitted to make any further developments.

If Mexico could be prevented from acquiring any further rights in that stream as against the United States by any contract that you could execute, it seems to me that it would be eminently appropriate for you to immediately execute such a contract, giving all the waters there are available from all sources, storage or otherwise, jointly to the six compact States, to hold in trust, to be apportioned between them in accordance with the terms of the compact.

The House of Representatives, on yesterday, April 1, 1935, passed a bill authorizing the Secretary of State to enter into agreements and to investigate the respective rights of Mexico and the United States to the waters of the Colorado and the lower Rio Grande and Tia Juana Rivers, "for the purpose of obtaining information on which to base a treaty with the Government of Mexico relative to the use of the waters of these rivers."

I hope that bill may become a law and the respective rights of the two nations in those three rivers may be speedily determined and adjusted.

Arizona works on this Colorado River game while the other States sleep. Her very ingenious geniuses have devised a wide variety of schemes for getting away with the Colorado River. This is the worst, boldest, and rawest of any of them.

Of course, Arizona, naturally, wants to obtain as advantageous terms as possible with the Federal Government. But in this legerdemain I cannot believe she really cares very much about the terms of the contract as it affects the other States. I think she has been doing a good deal of "shadow boxing" over the terms of this present proposed contract. All she wants is to persuade the other States into keeping still, while you sign on the dotted line, and she will very quickly do the rest.

I feel that I need not assure you that this letter is not in any way whatever any personal reflection upon you. I have repeatedly and publicly expressed, and now repeat, my genuine admiration for your absolute honesty, very great ability, marvelous energy, and supreme courage. You are rendering a great service to our country, and there is nothing personal in this appeal, and I intend no reflection whatever on my Arizona colleagues in either the Senate or the House.

I am making this individual appeal because of my duty to western Colorado, as I see it, and my half-century of active experience in water-right matters, and my personal knowledge of the enormous value of the waters of that great river, and what its unfair division means to the present and all future residents of those four States. In my judgment, they never should agree to or acquiesce in any contract at all, or even remain silent in this matter. They should at once all join in a most emphatic and determined protest against Arizona's obtaining any contract at all, or any further concessions or recognition, so long as that State refuses to come into the compact and cooperate with each other in a mutual adjustment of the most beneficial and economical use of those waters under the terms of that compact.

For the reasons set forth in the foregoing letter, and in my official capacity as the Congressman from the Fourth Congressional District of Colorado, and on behalf of all the residents within the Colorado River Basin in Colorado and for their protection, I hereby formally and most emphatically object to and protest against your entering into any contract whatever with the State of Arizona in relation to any of the waters of the Colorado River.

If you feel impelled to sign that or any similar contract, I respectfully ask you to withhold its delivery until Colorado, and such other States as may so desire, have an opportunity to apply to the United States Supreme Court for an order restraining its execution.

In conclusion, Mr. Secretary, I measure my words when I say to you, with all the earnestness I can, that no person or power on earth can justify enabling one State to destroy the future development of her sister States; and if you try to take from those six States a very large part of their inherent birthright—property rights that no human being can estimate the value of—and give it to the least deserving one of them, by executing a contract that will enable that State to thereby establish a vast appropriation of water, and acquire a prior right thereto, and also obligate the Federal Government to guarantee that special and preferred privilege by perpetually delivering that water to that State, which can, by no possibility be otherwise than ruinously injurious to and a flagrant violation of their honest rights, you will precipitate interstate ill will, appalling losses, and outrageously expensive litigation that will last until long after you and I have reached the end of the trail down the western slope of life.

I have the honor to remain,

Very respectfully yours,

EDWARD T. TAYLOR,

Member of Congress from the Fourth District of Colorado.

COTTON CONFERENCE

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address delivered by my colleague, Mr. CASTELLOW, before a cotton conference.

The SPEAKER. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by my colleague [Mr. CASTELLOW] before the Cotton Conference held in Washington, D. C., in September 1933:

THIRD DISTRICT CONGRESSMAN PRAISED FOR LIBERAL STAND—REMARKS OF HON. B. T. CASTELLOW AT OPENING SESSION OF COTTON CONFERENCE IN WASHINGTON, SEPTEMBER 1933

As I understand, the object of this convention is primarily to correct the disparity existing between the prices received by the cotton producers for their commodities and the prices they are required to pay for necessities. The enhancement in price of those things which the farmer must buy is entirely out of proportion to the increase in value of the products of his labor. He not only needs relief from this unbearable and unjust situation, but he needs it now. In my section the cotton and seed are rapidly passing from the hands that toiled in their production, and even now is too late for complete equity to be accomplished.

While this convention seems to be in perfect accord in the opinion that expansion of the currency would immediately enhance the price of all commodities and thereby place the producers in better position to liquidate their obligations, this alone isn't the only relief needed; for, unless they can realize a net profit on their products, they would have nothing with which to make a credit on their indebtedness. Credits on past obligations must necessarily be made from the net profits of the present or future. To be sure, if cotton is selling for 40 cents per pound and the farmer could have a bale clear as profit, he might receive a credit therefrom of $200 on his debt instead of a credit of less than $50, as at present prices. But if it cost him 41 cents per pound to produce that cotton, he would have not a single pound to place on that debt. So I therefore contend the farmer not only needs but is entitled to more at this time than a general advance in prices. The detrimental disparity must be corrected.

The handicap under which the farmer has been forced to labor for these many years is the fact that he has been forced to sell in a competitive market and to buy in a protected market. The object of the processing tax was primarily intended to correct this very condition by giving to the producer the benefit of this tax levied upon the consumer. The producers of raw materials constitute a large percentage of the consuming public, and as such have borne their part of a protective tariff levied upon them for the benefit of the manufacturers. So the processing tax was devised for the purpose of giving this unprotected class a similar benefit. But what is the practical result of its functioning? The raising of prices to the consumer logically reduces consumption, and, in addition thereto, the farmer necessarily bears directly his part of the burden incident to the increase. Not only this, the tax so collected is not being applied as originally intended—to increase the prices received for his cotton—but is being used in reimbursing him for the loss sustained in the actual destruction of his property in the production of which he not only labored, but in most instances incurred further indebtedness. Property in the form of cotton has been destroyed, and I understand as clearly as any that if the farmer is reimbursed therefor the burden must rest somewhere, and it does appear that, as usual, it has been placed upon the shoulders least able to bear it, for it seems that the amount estimated as necessary to pay for the destroyed cotton has simply been deducted from the

price to be received from the remainder of the crop. To afford the farmer real relief, this burden must be transferred, and the only logical place would be to the common treasury, which means the general public, for a government as such has nothing. It has not a single dollar to give any man or set of men which it does not take from some man or set of men. In the physical world it is impossible to prize anything up without prizing something down. It is likewise impossible to prize up a single ounce more than is prized down.

So it is, therefore, equally essential to determine where the weight will rest as where the lifting shall be applied. This principle, equally true in government, is, I fear, sometimes overlooked. In this particular instance it appears we have committed the error of resting the fulcrum on the very sill we would prize up, and to my mind, there is no cause for surprise that its course has not been definitely upward. For more than a century cotton has maintained the balance of trade in our favor though the producers thereof have received an inadequate share of the benefit. As was so well said recently by the distinguished chairman of this convention, that if the monopoly in the production of this most useful staple had been enjoyed by the people of the North and East, they would have gotten far more profit out of the seed than we have received from both cotton and seed.

Is it, therefore, asking too much that the burden of this tax be transferred as suggested? Our farmers have been and are being called upon to pay their part of tremendous sums contributed to other causes of no direct benefit to them. In my judgment, no better investment could be made by our Government than to assume this obligation and for once give a substantial benefit and render a definite service to that class of our citizenship which has never failed our Government in a time of need and has contributed possibly more than any other to the stability of this great Nation. If it is asking too much, let's not ask it—but, in my opinion, it is not requesting a gift, but seeking a right!

A NEW DEAL IN RADIO REGULATION

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio interview the other evening in which a former Member of this House, now Chairman of the Federal Communications Committee, Hon. Anning S. Prall, participated.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following text of radio interview with Hon. Anning S. Prall, chairman Federal Communications Commission, by Martin Codel, Saturday, March 30, 1935:

Mr. CODEL. A few days ago many of you undoubtedly read in your newspapers that President Roosevelt had designated a new chairman to the Federal Communications Commission. This seven-man agency of the new deal, as you know, was created to displace the former Federal Radio Commission and to regulate not only the radio but all forms of interstate and international wire and wireless.

I have been asked to introduce to you the man picked by President Roosevelt as a sort of generalissimo of the Nation's civil communications. He is Anning S. Prall, until recently a Member of the House of Representatives from New York. To be barraged by questions is no new experience for Mr. Prall, who is seated beside me in the studio, for as a leader on Capitol Hill he had that experience with reporters almost daily. My interrogations, however, will be aimed at making you of the radio audience better acquainted with the man who is sworn to serve you.

A glimpse into the public service rendered by Mr. Prall tells quite eloquently why President Roosevelt selected him to head the F. C. C.

Of Dutch origin, Mr. Prall is a native New Yorker. In 1918 he had his first taste of public service, being appointed as a member of the board of education of New York City. For 3 years he served as president of that board. In 1921 he became commissioner of the department of taxes and assessments. Two years later he was elected to Congress, where he served continuously for 12 years. On January 17 the President honored Mr. Prall with an appointment to the Federal Communications Commission, successor to the old Radio Commission. Then on March 11 the President designated him as chairman of the Commission.

That, in brief, is the public service "Who's Who" of Anning S. Prall. He is slightly above average height, has a high forehead with hardly a furrow on it, wears a neatly trimmed moustache that is a mixture of black and gray, has clear blue eyes that twinkle with his ready smile. Always well groomed, he is, in a word, a handsome figure of a man.

Perhaps his outstanding characteristics, noticed by those of us who have frequent occasion to see him, are his quick grasp of the subject at hand and his ready wit. I don't know a readier raconteur in Washington, and from his generous stock of stories he seldom tells one that isn't pat.

Now I am going to initiate Mr. Prall, an old newspaper man himself, having served on the old New York World, into the realm of ultra-modern journalism—the radio interview. This is his first broadcast appearance since becoming chairman of the F. C. C.

Mr. Chairman Prall, let us talk about radio broadcasting first, for it seems to be the subject that touches our listeners most intimately. After your experience as chairman of the Broadcast Division and now as chairman of the full Commission, you must have some definite ideas about broadcasting?

Mr. PRALL. Mr. Codel, aside from my experience as a Congressman and as a member of the New York City Board of Education, I really bring to the Commission the point of view of a layman and business man. I think radio broadcasting is an industrial and social phenomenon quite aside from its scientific aspects. Its progress as an art and an industry has eclipsed anything we might have imagined a dozen years ago. On the other hand, I do not think it has taken the fullest advantage of its cultural, educational, and public-service possibilities.

Mr. CODEL. We seem to be getting into something. What do you mean, Mr. Chairman? Would you suggest some changes in the program menu now being served to radio listeners?

Mr. PRALL. Yes, I would. The bulwark of America is the American home. The success of radio broadcasting depends very largely upon its reception in American homes; therefore if broadcasting is to continue successfully it must present clean, wholesome programs which will be acceptable in, and receive the support of the average American home. My feeling is that we have made more definite progress under our peculiarly American system of private competitive radio programs than has any other country in the world. There is full freedom of speech on the air in America. That is not the case in other countries where the government, and of course the party in power, controls the radio.

Mr. CODEL. But the fault of radio, Mr. Prall, you said you would change some of its programs?

Mr. PRALL. Mr. Codel, long before I had any idea that I might become identified with the Federal machinery that administers radio, I took an interest in certain aspects of its programs. While I was head of the New York board of education, I was in daily contact with young people and the teachers who guide them. I had to deal with every imaginable kind of juvenile problem. There were underprivileged children who required special consideration, and there were youngsters with the spark of genius who likewise required special consideration.

Sometime ago I took a fancy to certain children's programs on the air. While in Congress I frequently visited this very studio of WRC to observe the children's hours. I have always thought that among these children might be a Galli-Curci or Barrymore, whose opportunities are negligible because of family circumstances. Radio offers an avenue for the development of new artistry and talent that has never before been available. The amateur hours now prominent on radio schedules may bring some of this out, but there's even more to the juvenile situation than that.

Mr. CODEL. Have you evolved any new ideas in this regard, Mr. Chairman?

Mr. PRALL. Yes, Mr. Codel, though I must say they are more general than specific, and the actual working out of the problem must be left to experts. While I believe that radio presents an unequalled opportunity for the new development of juvenile talent, I am not sure that it is entirely meeting its obligations with a regard to the effect it is having on the child mind of America. In some cases I am certain that it is having a deleterious effect because of some of the programs that are being presented. I refer to the blood-and-thunder programs so prevalent in the late afternoons. I am not condemning all of them, for I know many that are distinctly educational. I do condemn, however, those that can be compared to the dime novels of the "Deadeye Dick" or "Boy Smuggler" variety.

Mr. CODEL. Well, Mr. Prall, why can't your Commission do something about them?

Mr. PRALL. It is my view that the radio people themselves would do well to eliminate programs that arouse the imaginations of children to the point where they cannot eat or sleep. Good, clean adventure programs can be made educational, and even their commercial messages can be helpful. Now, as to what the Commission can do: Under the Communications Act, as under the old Radio Act, we may not exercise any direct control over radio programs. We cannot censor what is said on the air. That is right and proper, for you can readily see the political consequences if any governmental agency were invested with such bureaucratic powers while any one party is in the ascendancy.

What we can do is maintain a general surveillance over radio stations and networks under our broad authority in the public interest, convenience, and necessity. We can take into account the public interest as a whole, or in part, of the general program structures of the radio stations. If they are consistent violators, we can refuse to renew their licenses. As you know, about a half dozen stations have been taken off the air in recent years because of their failure to live up to proper standards of public service.

Mr. CODEL. Yes, Mr. Prall; but I recall that they were eliminated for quackery or for actually vilifying people and institutions. Isn't education by radio another thing—a matter of seeing that the proper people with proper character do the educating?

Mr. PRALL. Yes, Mr. Codel; but the fullest possible use of radio as an educational medium has not yet been found. I have studied the records of the hearings before our Broadcast Division last fall, and both educators and broadcasters, as I interpret the record, freely admitted that they have not cooperated to the fullest extent. Whoever is to blame, the fact remains that they must get together for a unified program of action. It is our plan to get

them together for a national conference under our auspices beginning next May 15.

In my opinion, radio cannot supplant the classroom, but it can supplement classroom instruction very appreciably if properly handled by proper persons.

Mr. CODEL. Well, now, what about the Commission's other activities, Chairman Prall? After all, you have the telephone and telegraph fields under your jurisdiction, too.

Mr. PRALL. I find myself in the position of being a jack of all the communications trades, so to speak, yet I am not an expert in any of them. As you know, I sit as a member of all three divisions—broadcast, telephone, and telegraph. Broadcasting regulation dates back to 1927, but the Federal regulation of the interstate telephone and telegraph is something entirely new. We are moving slowly in the telegraph and telephone fields, for our jurisdiction is supplementary to that of the States, and our fact-finding job may take years. Even now we are going into the telegraph structure thoroughly, and Congress has ordered a complete investigation of the telephone industry.

Eventually we will get to the matter of fair rates for interstate services, for our duty is to the consumer first. Contrary to some views, we are not aiming to hurt the industries that come under our jurisdiction. Together with them, we hope to be able to assure the American people continued efficient and perhaps cheaper methods of communication, whether by wire or wireless.

Mr. CODEL. The newspaper said something about a "new deal" on the F. C. C. with your appointment as chairman.

Mr. PRALL. Yes; I believe they did use that popular term. When I assumed the chairmanship this month we did reorganize somewhat. My distinguished colleague, Judge Sykes, who has been one of the mainstays of radio regulation since he came here with the old Radio Commission in 1927, asked to be relieved of the chairmanship of the full Commission and simply exchanged places with me, as chairman of the broadcast division. Then we shifted former Governor Case, of Rhode Island, over to the broadcast division, and he simply exchanged places with Col. Thad H. Brown, who took Governor Case's place on the telephone division.

Mr. CODEL. What was the purpose of these changes? Are some radical reforms in view?

Mr. PRALL. Oh, I would not say we are going to do anything especially sensational. We all agreed that bringing fresh viewpoints to the several divisions might be helpful all around.

Mr. CODEL. We hear reports every now and then that big reallocations are going to turn the broadcast band topsy-turvy and put stations on different dial settings with different powers. Is there anything in that?

Mr. PRALL. Of course, there are many proposals put before us constantly for this shift and that, and they might affect listeners locally or regionally, but these all have to go through due forms of applications, hearings, arguments, recommendations by our examiners, and the like before we render decisions. That doesn't sound very radical, does it? I will say that we have decided to tighten up broadcasting regulation and enforce our rules more rigidly. That means that radio stations must toe the mark if they want to earn their license renewals. We will not brook any trifling with our regulations. The radio people who disregard them—and I include the broadcasting of harmful and manifestly fraudulent material—are going to be made conscious that there is a board in Washington to whom they must render an accounting. We will punish the malefactors, even if it means their extinction from the wave lengths.

To maintain the high standards of radio programs, to render the most efficient and satisfying service to the people of the country, to aid the broadcasting industry in every possible legitimate way, and to bring to the administration, to which we are responsible, honor and credit in this particular field of its activity, is the purpose of the seven members of the Federal Communications Commission.

LEAVE TO ADDRESS THE HOUSE

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes out of order.

The SPEAKER. The gentleman from Ohio asks unanimous consent to address the House for 10 minutes out of order. Is there objection?

Mr. COCHRAN. Mr. Speaker, I reserve the right to object. As I understand the order of business today, it was for the gentleman from North Dakota [Mr. LEMKE] to address the House; but I am informed, in order to hurry along a bill that is to come before the House, the gentleman from North Dakota very kindly stated that he would make his speech at another time. Cannot the gentleman from Ohio do the same thing?

Mr. HARLAN. Mr. Speaker, I have tried three or four times to get a little time on this subject. In view of the time that has been spent here today on other matters, I do not think my request for 10 minutes is unreasonable.

Mr. COCHRAN. It is not my place to object, and I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARLAN. Mr. Speaker, in view of the deluge of criticism which has been heaped upon the administration during the last few weeks, it does seem a little out of order for anyone to arise in this body and say anything in defense of the administration, but at the risk of wasting some time, I feel that possibly some Members of the House might be interested in some of the facts that indicate that the Government has not quite gone to the dogs. I am not going to make an effort to weed out this entire crop of propaganda. I merely want to talk on a few subjects—the administration's financial policy, the industrial and agriculture recovery agencies, and the foreign-trade policy.

The administration is accused of violating its platform pledge on economy. They quote from the Democratic platform:

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent.

They then combine our present normal with our emergency expenditures and declare that we have broken faith. This platform clause was written in 1932 to criticize the kind of Federal Government that existed in 1932. That Government was not engaged in human relief, in saving homes from foreclosures, in salvaging the morals of our young men, or any similar activity. It was indifferent to any human obligations and unconscious of the deluge that was imminent. Its extravagance in this limited field was a national scandal, wholly indefensible in the light of decreasing revenue. In the last Hoover fiscal year the cost of this type of alleged government was approximately $4,000,000,000. In the first Roosevelt fiscal year the cost of these same activities was approximately $3,000,000,000.

The administration is chided because it has not abolished governmental commissions and bureaus. The platform promise was definitely limited to "useless commissions and offices", such, for example, as the commission investigating prohibition, and the Farm Board; one carrying an appropriation of half a million and the other one of half a billion.

The fact that additional governmental agencies and wholesale new expenditures would be inevitable under Democratic control was frankly declared by other clauses in the platform which our opponents, charging bad faith, like to ignore:

> We advocate the extension of Federal credit to the States to provide unemployment relief, wherever the diminishing resources of the State make it impossible for them to provide for the needy; the expansion of the Federal program of necessary and useful construction, effected with the public interest, such as adequate flood control and waterways.

Again:

> We advocate continuous responsibility of Government for human welfare, especially for the protection of children.

Economy in government; liberality in necessary relief. This is the Democratic promise and performance, and no amount of confusion or smoke screen can obliterate this common-sense distinction.

You may talk extravagance if you wish, but you cannot honestly charge bad faith. Before we bewail extravagance too much, let us consider the condition of the country in March of 1933. States, counties, and municipalities that had been carrying on relief were financially exhausted. The great heart of human sympathy had pumped almost dry the reservoir of private charity. When the Roosevelt administration took over this work it took from the citizen local tax and charity expenditures and added to his Federal tax.

Furthermore, is it fair to look at our bonded indebtedness alone, without considering the cash in our Treasury or the value of our investments? No bank or industrial concern would be so foolish. A statement of this character made from the United States Treasury records appears as follows:

Statement of the public debt of the United States

[On basis of Treasury statement, in millions of dollars]

	Last administration		Present
	Feb. 28, 1929	Feb. 28, 1933	Feb. 28, 1935
Gross public debt	$17,345	$20,935	$28,526
Less (cash in Treasury)	74	221	2,081
Net debt	17,271	20,714	26,445
Proprietary interests in Government corporations and securities owned (exclusive of foreign obligations)	520	2,504	[1] 4,474
Debit balance	16,751	18,210	21,971

[1] As of Jan. 31, 1935.

Thus we see that the real primary indebtedness of the United States, instead of being twenty-eight billion, is less than twenty-two billion. A debit balance less than we have carried for many years in the past and nothing to get hysterical about.

Mr. HALLECK. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. HALLECK. Does the two-billion item represent the profit on the gold transaction?

Mr. HARLAN. About $700,000,000 of that represents profit on the gold transaction. The rest of it is independent of that.

Mr. TABER. Will the gentleman yield for a question?

Mr. HARLAN. I will.

Mr. TABER. Will the gentleman put in a list of those proprietary interest items?

Mr. HARLAN. Yes. The Treasury report shows that. I will put that in.

United States Government proprietary interest in governmentally financed corporations

	Excess of assets over liabilities [1]
I. Financed wholly from Government funds:	
Reconstruction Finance Corporation	$2,321,219,105
Commodity Credit Corporation	40,502,135
Export-Import Banks	[2] 13,802,510
Public Works Administration	269,071,605
Regional agricultural credit corporations	90,275,178
Production credit corporations	112,905,915
Panama Railroad Co	42,497,584
U. S. Shipping Board Merchant Fleet Corporation	193,905,081
War emergency corporations and agencies [3]	14,916,598
Other [4]	255,400,191
Total, group I	3,354,495,902
II. Financed partly from Government funds and partly from private funds:	
Federal land banks	253,948,363
Federal intermediate credit banks	68,516,165
Federal Farm Mortgage Corporation	202,306,025
Banks for cooperatives	117,752,467
Home loan banks	82,065,368
Home Owners' Loan Corporation [5]	88,022,334
Federal Savings & Loan Insurance Corporation	101,848,451
Federal Savings and Loan Associations	13,663,900
Federal Deposit Insurance Corporation	191,402,978
War Finance Corporation [6]	222,285
Total, group II	1,119,748,336
Grand total	4,474,244,238

[1] Exclusive of interagency assets and liabilities (except bond investments).

[2] Excludes contingent assets and liabilities amounting to $5,464,967 for guaranteed loans, etc.

[3] Includes U. S. Housing Corporation; U. S. Spruce Production Corporation; U. S. Railroad Administration; and notes received on account of war supplies.

[4] Includes Inland Waterways Corporation; Federal Subsistence Homesteads Corporation; Tennessee Valley Authority, Inc.; Electric Home and Farm Authority, Inc.; Federal Housing Administration; Farm Credit Administration (crop production and other loans); Agricultural Adjustment Administration; Tennessee Valley Associated Cooperatives, Inc.; and interagency interests held by the U. S. Treasury, and loans to railroads.

[5] Preliminary statement.

[6] In liquidation.

Mr. CRAWFORD. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. CRAWFORD. Does this chart show contingent liabilities?

Mr. HARLAN. This chart does not show contingent liabilities except as reflected by the subtraction of those liabilities from the assets. I am glad the gentleman asked that question. By referring to the contingent liabilities the gentleman refers to the liability of the home owners' loan bonds and the farm bonds. Gentlemen, the homes and farms of this country are the bone and sinew of this Nation. If the time ever comes when the Government of the United States has to pay the bonds secured by those homes and those farms, then it will not make any difference to you and me whether the contingent liability is four billion or four hundred billion; this Government will never pay it, because the Republic of the United States will not be here any more. That is a charge against the homes, and the Government that you and I represent, if it continues, will never pay it; and if it does not, then we do not need to worry about it.

The SPEAKER. The time of the gentleman from Ohio [Mr. HARLAN] has expired.

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. HILL of Alabama. Reserving the right to object, and I am not going to object, but the members of the Committee on Military Affairs have been waiting here for over 3 hours, since 12 o'clock, to take up the war-profits bill. I shall not object to the gentleman having an additional 5 minutes, but I should like to ask if the gentleman from California [Mr. BUCK] is seeking some time?

Mr. BUCK. I want recognition to make a unanimous-consent request, and that is all.

Mr. MOTT. Reserving the right to object, I should like to inquire whether, when this oratory is concluded, it is the intention that the House proceed with the war-profits bill?

The SPEAKER. The Chair hopes so.

Mr. HARLAN. In view of the delay that has been had on this bill, I will extend my own remarks in the RECORD anyway, and so I will defer the privilege of addressing the House further.

Mr. CRAWFORD. Will the gentleman yield further?

Mr. HARLAN. I yield.

Mr. CRAWFORD. In the four billion you mentioned as contingent liabilities, have you included therein or in these figures the service certificates due in 1945?

Mr. HARLAN. Does the gentleman mean the adjusted-service certificates?

Mr. CRAWFORD. Yes.

Mr. HARLAN. Yes. That has been taken care of in a special sinking fund, unless the Congress makes an appropriation to increase our present indebtedness to the veterans, in which case new bonds will have to be sold.

While speaking of bonds, let us consider interest. The average interest rate of the Hoover term was 3.71. We are now refunding our indebtedness at an interest charge of 2.875. We can now carry a fourth greater bonded indebtedness with the same interest charge to the taxpayer.

The gentleman from Massachusetts [Mr. TREADWAY] bemoans the lack of confidence in industry. Mr. Speaker, a little more genuine frankness, a few less half truths, a diminution of calamity rumors and ghost stories, and a little less thought to Republican success in '36 might just now be helpful.

Republican propaganda fails to disclose any affirmative program along with its criticism, unless it is to build even higher our present Chinese tariff wall. In 1930 they told us that with the Smoot-Hawley addition to this wall we would "forget that there was a depression in 90 days." The gentleman from Minnesota at that time said:

I believe that with the operation of the new tariff law employment conditions will rapidly become normal and the unemploy-

ment slack will be taken up * * *. It will stimulate business by opening factories that will make work for everyone.

On March 11, 5 years later, the same gentleman told us that if we would just give these import duties another general raise "you can end the depression in 60 days." If it were not for the very high personal esteem that I have for all of the gentlemen that have presented these arguments, I should recall that an ancient wise man once said:

As a dog returneth to his vomit, so a fool returneth to his folly.

Their negative program is to wreck the industrial and agricultural organizations. They say that the N. R. A. has injured the little business man. If we define a small business man as one who could not continue in business when his liabilities exceeded $5,000, then the facts do not carry out this contention. From 1928 through 1932, 2 years of prosperity and 3 of adversity, bankruptcies among this class amounted to 10,000 per annum. In '33 this dropped to 7,000, and in '34 to less than 5,000. A decrease of 54 percent under the N. R. A. With the large business men the decrease was less than 46 percent. Among the very large firms with liabilities of a hundred thousand and over, the decrease was but 11 percent.

A recent report of the Envelope Manufacturers Association of America discloses that under N. R. A. big companies in their organization have dropped 7 percent in volume of business, small companies have gained 8 percent, and very small companies have gained 20 percent.

If the N. R. A. is abolished, do the gentlemen propose to return to the good old days when we were cherishing our rugged individualism at the expense of our civilization, or will they adopt a policy of imposing code provisions by law rather than by voluntary contract? Do they favor industrial chaos, or a much more severe system of regimentation? The issue between the N. R. A. and its critics is not a new one with this administration. Senator Beveridge's keynote speech in the Progressive Convention of 1912 contained these words:

We stand for a broader liberty, a fuller justice. We stand for social brotherhood against savage individualism. We stand for an intelligent cooperation instead of a reckless competition. We stand for mutual helpfulness instead of mutual hatred.

Woodrow Wilson commented upon this proposal to control competition through voluntary contracts, as follows:

I said not long ago that Mr. Roosevelt was promoting a plan for the control of monopoly, which was supported by the United States Steel Corporation * * *. The Roosevelt plan is that there shall be an industrial commission charged with the supervision of the great monopolistic combinations which have been formed under the protection of the tariff, and that the Government of the United States shall see to it that these gentlemen who have conquered labor shall be kind to labor.

Woodrow Wilson relied on law. Franklin Roosevelt relied on contract. Neither was wholly successful. But they both progressed. Wilson was followed by the great ice age, when our governmental milk of human kindness was frozen harder than the Rock of Gibraltar. When, in the words of Emerson, "Things were in the saddle and they rode mankind."

The only question before us today is, Shall we use the experience and knowledge which we have gained by our mistakes, if you will, for further advance, or shall we repeat the tragic mistake of 1920, turn our backs on all progress, and invite another devastating panic to awaken us to our human responsibility?

Similarly, our destructive critics tell us that many farmers have not prospered under the A. A. A.; that the processing tax has worked some injustices and interfered with our foreign trade. The party to which most of these critics belong had 12 years to evolve a solution, and their answer was to throw the Government into the grain-gambling business. Their Secretary of Agriculture, at the end of 12 years, publicly stated repeatedly that crop limitation was the only way, but the imagination and courage to put this recommendation into force was lacking.

With sanctimonious fervor, we are told of the unpardonable sin of flaunting Divine bounty by plowing under the crops.

When we reduced the labor day from 12 to 10 hours about a century ago, that same devout intellect was doubtless then abroad talking about the sin of wasting God-given time. Industry, in the interest of efficiency, abandons factories and throws employees out on the streets by improved machinery. In fact, it plows under everything that interferes with its own profits, but we hear no pseudo-religious clamor on that subject. The tariff itself is nothing but a means of plowing under all foreign manufactured produce that might find access to our market. Yet the Democratic Party is taking us all to damnation because we have enabled the farmer to survive by doing what all of his exploiters have done for years.

The A. A. A. is nothing but the farmers' tariff. It is just as abhorrent economically as the tariff. Just as the tariff drives capital abroad and destroys exports, so will the process tax and the crop limitation policy drive agriculture abroad and strangle our export trade. Yet as long as we have this indefensibly high tariff, we will never escape some system answering the purpose of the A. A. A. unless we are willing to accept a pauper peasant class, kept in constant subjugation by a rigorous police power. To argue for a tariff and criticize the A. A. A. is an absurdity fit for the archives.

This brings us to the critical attitude of the opposition on our reciprocity policy. The speech of the gentleman from Minnesota opens up with a wail by a number of Maine potato growers, who are selling potatoes at 50 cents a barrel that cost three times that much to produce. Potato producers have been blessed for years by a tariff of a dollar and twenty cents per barrel, and yet are now selling their product at less than half of the tariff. This is a shining example of the benefit which agriculture gets from our tariff system.

Such schedules have been established solely to jolly the farmers into thinking that they were getting a piece of the mellon, and to keep them voting properly while the industrial interests picked their pockets. A tariff for any industry, either agriculture or manufacturing that produces for export, is nothing but a burden. The only protection so far devised for the farmer is the A. A. A.

Mr. KNUTSON asks us why we have not repealed or radically reduced the Smoot-Hawley tariff if it is so obnoxious. That is exactly what we are trying to do through these reciprocity treaties, but we must consider the capital that has already been invested in tariff-created industries. Stocks and bonds have been sold to innocent people and must not be ruthlessly destroyed. Import quotas and a gradual reduction in duties will allow that capital to drift into other channels to be profitably employed. If we are ever going to escape from this war-provoking, poverty-breeding tariff system, either as a nation or as a world, reciprocity is our only salvation.

Mr. KNUTSON apparently can see no connection at all between the amount of our exports and imports. He insists that there are only two things necessary to enable us to sell in any foreign market—"price and necessity." The fact that the purchasing nation must also have some means of paying our price, no matter how low it is, does not appeal to him as sound economics. He also says:

Under the Democratic theory Colombia should buy as much from us as we do from her, but such, unfortunately, is not the case.

This is not the Democratic theory, nor is it an economic fact; but if it is any Congressman's conception of the Democratic theory, it is no wonder that the people throughout the country have been so consistently and easily misled to their own destruction.

The Democratic theory and the economic fact is that no nation can buy the produce of any other nation unless the purchaser has the wherewithal to pay the bill. There is not enough gold in the world to pay for even an appreciable fraction of the world's purchases. We must have an exchange of commodities, either from one nation to another or in a circuit through many nations.

One of the letters read by the gentleman from Minnesota, protesting against the Cuban reciprocity treaty, says:

The Canadian transportation system and their banking arrangement make it possible for Canada to do the Cuban business in spite of American or Cuban tariffs, and they would do it while we would get in the United States what they have to export, Canada none.

This gentleman had probably read one of Mr. TREADWAY'S earlier speeches. However, we might ask what created the Canadian transportation system? Any sailor can tell you. It was full cargoes going both ways. What gave them their effective banking system to handle Cuban trade? Any bank messenger could tell you. It is the balancing of credits of import and export that makes this kind of banking possible. And no country can have such banking facilities unless there is a current of trade flowing both ways.

The gloomy prophecy that Cuba would not buy our commodities, when she could get Canadian goods, no matter what concessions we made, does not seem to be borne out by a recent Associated Press dispatch:

HABANA, March 16.—The Cuban Government, in a sweeping decree manipulating tariff, set the United States apart yesterday as a privileged trading nation and took from such countries as Japan gains made at the expense of American interests in recent years. * * * American cotton textile interests were handed back one of the choicest of foreign markets.

Nor is this prophecy borne out by the report of our State Department. Taking the period from September to December in 1932 and 1933, and striking an average of these 2 years and comparing that average with the same period of 1934 is most interesting:

	September–December–	
	1932–33 (average)	1934
Lard:		
Pounds	2,931,789	12,804,161
Value	$206,022	$949,996
Vegetable soup stock:		
Pounds	578,984	2,320,694
Value	$11,791	$67,216
Cattle side upper leather (grain and finished splits):		
Square feet	108,096	395,927
Value	$12,622	$60,267
Rayon yarn:		
Pounds	25,753	223,705
Value	$16,994	$132,332
Veneer packages for fruits, vegetables, etc.: Value	$31,360	$95,612
Box board (paper board and strawboard):		
Pounds	167,828	2,707,382
Value	$6,194	$56,687
Other paper board:		
Pounds	226,127	3,338,154
Value	$10,028	$80,327
Table glassware		
Value	$16,799	$63,385
Do	$286,639	$932,024
Do	$15,112	$55,352
"Other" wire manufactures:		
Pounds	182,349	769,395
Value	$13,472	$48,171
Bolts, nuts, rivets, etc., except railroad:		
Pounds	208,682	724,208
Value	$14,233	$53,022
"Other" cutlery and parts: Value	$12,822	$47,134
Electric household refrigerators:		
Number	177	481
Value	$15,347	$48,562
Radio receiving sets:		
Number	1,237	11,642
Value	$29,206	$276,694
Typewriters, standard new:		
Number	54	951
Value	$5,190	$67,778
Motor trucks, busses and chassis:		
Number	94	444
Value	$54,377	$249,954
Passenger automobiles:		
Number	67	361
Value	$46,499	$206,638
Ready-mixed paints, stains and enamels:		
Gallons	10,339	37,092
Value	$16,896	$59,007
Metal cartridges:		
Thousands	254	4,029
Value	$8,956	$75,845

The gentleman from Minnesota, who has such a deep interest in Maine potatoes, will be pleased to note that, using the same system of averages over the two preceding years, our exports to Cuba amounted to 16,500,000 pounds; while in 1934, our exports amounted to 30,700,000 pounds, an increase of 86 percent. During much of this period our concession to Cuban growers was in full force, and not one pound of potatoes was sent to the United States. They were only too glad to buy and consume our potatoes and pork if we would let them sell us sugar. When the Cuban Treaty was under consideration the State Department received a larger number of requests from potato growers from Maine and elsewhere urging a reduction in the Cuban tariff. A mutual reduction was arranged, which, in the light of trade developments, ought to be pleasing to all growers having more intelligence than the potatoes they produce.

Mr. KNUTSON cites the fact that Brazil sells us more tangible goods than we sell her, and gives this as a complete refutation of the fact that imports of goods and services must balance exports of goods and services. The facts as to Brazil are obvious to anyone who will take the time to examine international trade balance and take the interest to draw the necessary conclusions.

Brazil has a so-called "favorable balance of trade" with us. We had a favorable balance of trade with England. England had a favorable balance of trade with Brazil. Brazil sold us coffee. We sold England raw cotton. England sold Brazil cotton goods. In this way our cotton that went to England paid for the coffee which we bought from Brazil. In addition to that, the last available figures show that American investment in Brazil amounted to about one-half a billion dollars. Much of that coffee and other imports into the United States constituted dividends to American citizens on that investment. On the other hand, a great deal of our imagined favorable balance of trade with England was paid for by the transportation of our commerce in British bottoms and by money spent by American tourists in England.

The ideas of the gentleman from Minnesota about the effect of the depreciation of our currency upon tariff is fully as interesting as his apparent conviction that a nation can continue to sell indefinitely and buy nothing. He says:

Before we went off the gold standard the American dollar was worth 100 cents, but today the dollar is worth only 59 cents abroad; and as a result the 14-cent tariff on butter, given under the Republican Hawley-Smoot Act, has been reduced to 8¼ cents per pound, and that is the reason that we are having such tremendous importations of butter.

His remedy, as usual, is to increase the tariff. In the Seventy-second Congress England went off of the gold standard, as did a number of foreign countries. We remained safe and secure on the 100-cent dollar and watched foreign countries take our trade from us. At that time a bill was vigorously debated on the floor of the House as to whether or not we should raise our tariff, radically and quickly, to neutralize the effect of foreign currency depreciation, while our currency remained high. The CONGRESSIONAL RECORD shows that the gentleman from Minnesota was very ardent for an increased tariff, because our high currency had neutralized protective tariffs. Now he tells that because of our low currency we have wiped out tariff benefits. Apparently it does not make much difference what happens to a country, the sole and only remedy is bigger and better tariff.

Possibly a little common sense might be helpful. When both England and the United States were on a gold standard, the British pound was worth $4.84. If an American wanted to buy English woolens to the value of 20 pounds, obviously he would pay $968. When America left the gold standard, our currency depreciated until the pound was worth $5.50. The same American, to buy his 20-pound value of woolens, would have to pay $1,100. Obviously it is much more expensive for Americans to import foreign goods when our currency is depreciated than when it is high. That is, it is obvious to any but a hopeless tariff addict.

Secretary Roper on this point says, and, so far as I know, his statement has never been controverted by any outstanding economist except the gentleman from Minnesota. I quote:

With the recent devaluation of the American dollar to 59 cents, it now takes nearly 69 percent more dollars to pay for any particular foreign import shipment than it did a year ago, assuming that the foreign price has not changed. There has thus been

brought into operation an additional all-around tariff protection or handicap on imports, which has been in only small measure offset by increased costs of production, or prices of produce resulting from the N. R. A. or other recovery measures.

In other words, prices in this country could increase to approximately 70 percent over a year ago before the domestic producer would be under any increased pressure from foreign exports.

Consequently, when we granted to the President the right to lower tariff rates by 50 percent, we have not yet permitted tariff reductions down to the pre-Grundy level.

Speaking of the pre-Grundy days, the State of Minnesota in that happy era had an export trade of $51,000,000. In 1932, the last year of the beneficient regime that fired the tariff shot that was heard around the world, that export trade had dropped to $6,347,000. A reduction of almost 88 percent. One of the greatest percentage losses in the country. Two of her most important exports, pork products, and grain with grain preparations, have received valuable concessions on the part of both Cuba and Belgium. From the results so far achieved, if the reciprocity policy of this administration is allowed to continue, in spite of the activities of the congressional Representative from the State of Minnesota, that State is going to be blessed again with $51,000,000 in exports and more. And we may just as well bear in mind another economic truth, borne out repeatedly throughout our history; as our foreign trade increases, the general economic welfare of the country goes up, and when our foreign trade decreases, the reverse has uniformly been true.

One of the amusing features of all of this tariff discussion is the contention of the tariff advocates that the American wage scale and the American standard of living are due to their policy. About 150 years ago we adopted our first tariff. We had a wage scale in the country at that time. If we can believe the letters of Benjamin Franklin to his friends in England it was an unusually high wage scale. It was utterly useless to try to induce men to go into new manufacturing ventures without paying that scale, and to pay that scale would be impossible with the world price level. Therefore the price had to be raised by a tariff. The wage scale, however, remained the same.

From that day to this there has not been a single industrial lobby asking for tariff that has not demanded this tariff on the ground that it could not pay the wage scale already in existence without increased tariff duties. After the tariff is imposed, then they say, with a straight face, that the wage scale is due to tariff. Labor has been deceived constantly by this argument, in spite of the fact that on every side the American laborer can see more than half of our workers, those in the service industries, in the building trades, and those manufacturing for export, receiving money wages unaffected by the tariff.

Patriotism is another smoke screen that the tariff advocates like to use along with their policy of selling everything, buying nothing, helping agriculture, and protecting the American wage scale. The patriotic angle of the tariff was disclosed in a peculiar way in the speech of the gentleman from Minnesota when he was discussing the tariff on manganese. He made the statement that the Secretary of State had not consulted the War Department when preparing Brazilian treaty provisions as to reducing the tariff on manganese. Investigations disclosed that in the possession of the Secretary of State at the time this treaty was negotiated was a written report from the War Department, of which I quote as follows:

Reports prepared for the War Department in 1924 and revised in 1932 indicate that known domestic reserves of ferro-grade ore are sufficient for only — to — years' requirements, even when the estimate of reserves includes not simply ore in sight but also "probable ore and even possible ore up to the limit of reasonable expectations."

Here we have a natural resource that can never be replaced when exhausted. Absolutely indispensable to us in war, and yet the gentlemen say that we should proceed to exhaust this resource in order to make some immediate profits for the mine owners. Oh, of course, as usual they do not talk about profits; they talk about the number of workingmen that have been deprived of their jobs. In fact, after reading the speech of the gentleman from Minnesota, I was convinced that probably all of the mining population in the United States was engaged in mining manganese. I had formerly thought that coal and copper and iron employed some men.

Investigation, however, on pages 30 and 404 of a separate bulletin of the Census Reports of 1929, entitled "Mines and Quarries", discloses that the figures used by the Secretary of State exactly check. Now this census report was prepared by a Republican administration; it may be just as inaccurate as all of the tariff propaganda, but until something better is shown I believe that it is worth accepting.

The appeal of tariff advocates to patriotism sounds very well when they say that they want the United States to be self-sufficient in time of war. It is completely disrobed, however, when those same advocates insist that we should put a high tariff on one of our most valuable mineral resources. To weaken us for warfare and by tariffs constantly foment commercial war, making military conflicts inevitable, is a peculiar concept of patriotism. Stripped of its false claims of helping labor, of assisting agriculture, and love of country, the tariff reduces itself to the desire on the part of selfish blocs to get their snouts in the trough, regardless of the effect on the country in general.

That is now, always has been, and always will be the basis of tariff no matter what specious arguments are given. [Applause.]

ADJUSTMENT OF TIMBER CONTRACTS, NATIONAL FORESTS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2881) authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes, with a Senate amendment, and concur in the Senate amendment.

The Clerk read as follows:

An act authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes.

Amendment: Line 8, strike out "May 1, 1933" and insert "June 30, 1934."

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, is this the bill to which I objected, the bill that had the date changed when it was considered in the House before?

Mr. BUCK. This is the same bill, except the Senate has put back the original date.

Mr. ZIONCHECK. The original date of 1934, as against 1933?

Mr. BUCK. June 30, 1934.

Mr. ZIONCHECK. Mr. Speaker, I object. I thought at the time the only justification for this bill was to relieve the contractors from the so-called "depression contracts", and surely the depression did not continue to 1934; at least we do not want to assume so at this time from the standpoint of official contracts.

Mr. BUCK. I hope the gentleman will reserve his objection for a minute.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I would like to know just what this bill is going to cost the Government; I would like to hear the bill explained and have some information as to how many contractors are going to come in under it.

Mr. BUCK. I thought that was all discussed on the floor of the House when the bill passed the House. This bill has passed the House and has passed the Senate. The Senate has put back the original date, June 30, 1934.

Mr. McFARLANE. They brought forward the date; they changed the date by 1 year in the Senate.

Mr. BUCK. This is the bill originally introduced and approved by the Committee on Agriculture.

Mr. McFARLANE. How much will the bill, as amended, cost the Government?

Mr. BUCK. It will not cost the Government anything.

Mr. McFARLANE. Then why the bill if it does not cost the Government anything; what is the purpose of this bill?

Mr. BUCK. So that the Government may make adjustment of these contracts with concerns that are unable to carry out their timber purchases; so the Government can free the land for resuming operations with other companies.

Mr. ZIONCHECK. Mr. Speaker, if the gentleman will yield, is not the date June 30, 1934, 1 year longer than that provided in the original bill?

Mr. BUCK. We explained to the House the other day why this change was made. It was put in there to take care of one corporation which went into reorganization in the State of Delaware without the knowledge of the United States Government. Its contracts for timber had to be rewritten and they were rewritten in 1934, but they cover timber contracted for before and on a predepression basis. The Government has requested that to cover these contracts the date be changed from May 31, 1933, to June 30, 1934, as the Government wants to clean the matter up.

Mr. ZIONCHECK. Mr. Speaker, further reserving the right to object, if there is only one case, why not bring in a private bill?

Mr. BUCK. Why not give this general authority to clean up the whole thing at one time? There is nothing crooked, nothing hidden, about this matter; it is all open and aboveboard.

Mr. ZIONCHECK. That one company wants to get out from under the contract; it is reorganizing.

Mr. BUCK. The timber company does not care anything about it; the Government wants to get it. This is a Government bill; it is not a corporation bill at all.

Mr. ZIONCHECK. It seems to me it is a corporation bill, and that the corporation wants to get out from under its liability.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from California if this is not different from the original bill they had before the Committee on Agriculture last year, if there is something in it that is objectionable?

Mr. BUCK. Absolutely not. The bill as passed by the Senate is now just as it was reported by your Committee on Agriculture.

Mr. ZIONCHECK. The Senate has amended the bill by advancing the date 1 year, to June 30, 1934. As it passed the House, the date was fixed at June 30, 1933.

Mr. BUCK. The amendment of the Senate makes the bill correspond with the way it was originally introduced.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object for the time being.

COINAGE OF 50-CENT PIECES—OLD SPANISH TRAIL

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of two bills, unanimously reported by the Committee on Coinage, Weights, and Measures, to provide for the coinage of 50-cent pieces for historical celebrations to be held this summer. These are emergency measures, and if they are not passed the mint will not be able to turn out the coins in time. There will be absolutely no expense to the Government. Treasury objections have been taken care of.

Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6372) to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail.

The Clerk read the title of the bill.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, are not these bills on the Consent Calendar?

Mr. COCHRAN. No; they were just reported yesterday, and are emergency bills.

Mr. ZIONCHECK. Does the gentleman mean to tell the House that the coining of 50-cent pieces is an emergency matter?

Mr. COCHRAN. It is in this instance, because the celebration is going to be held this summer, and it takes time to make the dies and to strike off the coins.

Mr. ZIONCHECK. Why were not the bills reported sooner?

Mr. COCHRAN. Because the Chairman of the Committee on Coinage, Weights, and Measures has been sick. He authorized me, as the ranking member of the committee, to call a meeting to consider these bills; and I called it.

Mr. ZIONCHECK. Is this for St. Louis again?

Mr. COCHRAN. No; this is not for St. Louis.

Mr. MILLARD. Mr. Speaker, reserving the right to object, has the gentleman consulted the minority members of his committee?

Mr. COCHRAN. Absolutely. They are unanimously in favor of it.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, has the gentleman taken care of meeting the expense, so it will not cost the Government anything?

Mr. COCHRAN. Everything is taken care of; it will not cost the Government 5 cents.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That to indicate the interest of the Government of the United States in commemorating the four hundredth anniversary of the expedition of Cabeza de Vaca and the opening of the Old Spanish Trail, there shall be coined by the Director of the Mint silver 50-cent pieces to the number of not more than 10,000, of standard weight and fineness and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

SEC. 2. That the coins herein authorized shall be issued at par and only upon the request of the chairman of the El Paso Museum Committee.

SEC. 3. Such coins may be disposed of at par or at a premium by said committee, and all proceeds shall be used in furtherance of the El Paso Museum.

SEC. 4. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

Mr. COCHRAN. Under leave to extend my remarks, I insert the report filed from the committee:

The Committee on Coinage, Weights, and Measures, to whom was referred the bill (H. R. 6372) to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail, having considered the same, report thereon with the recommendation that it do pass.

The expedition of Panfile de Narvaez to the North American Continent has been the source of considerable historical speculation. He sailed from Spain in June 1527, with 5 ships and some 700 men. The winter of 1527–28 was spent in West Indian waters, where storm and disease reduced the expedition to 400 men and 80 horses. In the spring of 1528 De Narvaez divided his forces, the greater portion of the expedition disembarked and under his leadership proceeded to explore the interior of the country.

De Narvaez experienced many hardships on this journey. Food was scarce, the Indians unfriendly, the land marshy and heavily wooded, offering small means of sustenance. Horses were killed for food and the skins used for fresh-water bags to make possible a sea voyage. The remnant of the expedition put out to sea and sailed in rude boats along the shores of the present States of Florida, Alabama, Mississippi, Louisiana, and Texas. Food and water failing, the expedition landed to search for the means of subsistence. At sea many had died from privation and on land others were killed by the Indians.

According to the best information obtainable, all the rude barges were lost at sea or wrecked on the coast. Only 80 men survived, and these came together on an island off the coast of Texas in November 1528. Death from various causes and slavery among the Indians separated and reduced the number of survivors during the succeeding 6 years to four Spaniards and a Negro.

Alvar Nunez Cabeza de Vaca, treasurer of the De Narvaez Expedition, was one of these five survivors, and for the most part, we are indebted to him for the recorded story of the expedition and the adventures of the few who were eventually to reach the Spanish settlements of New Spain. The authenticity of the account of the expedition, the hardships endured, and the fact that these finally reached the settlements in the spring of 1536 have never been questioned.

During the first winter after reaching the Texas coast the surviving Spaniards were parceled out among the Indians as slaves. Cabeza de Vaca began early to plan escape but, according to his narrative, delayed 6 years in the hope he might take with him his friend Lope de Oviedo.

Late in the year 1534 all details were worked out for the escape and De Vaca with two friends and the Negro, all being survivors of the original De Narvaez Expedition, made their way, with the help of friendly Indians whom they encountered, from an island—now generally believed to have been Galveston Island—across the continent to the settlements of New Spain. Some of our most eminent historians lay the route of Cabeza de Vaca through the present city of Alpine, Tex., and through the big bend country of the Rio Grande.

Cabeza de Vaca was the first European to traverse this great wilderness and we believe his expedition should be fittingly commemorated by the issuance of the special coin provided by the bill under consideration.

Assurance was given at the hearing that the museum committee will guarantee the entire issue and no coins will be returned to the Treasury. The enactment of this bill will result in no expense to the United States.

Representative R. EWING THOMASON, of Texas, author of the bill, appeared before the committee and gave the members historical data in reference to the Old Spanish Trail, as well as assured the committee there would be no expense to the Government if the bill was enacted into law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF THE FOUNDING OF HUDSON, N. Y.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6457) to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., there shall be coined by the Director of the Mint 6,000 silver 50-cent pieces of standard size, weight, and fineness of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

SEC. 2. The coins herein authorized shall be issued at par and only upon the request of the committee, person, or persons duly authorized by the mayor of the city of Hudson, N. Y.

SEC. 3. Such coins may be disposed of at par or at a premium by the committee, person, or persons duly authorized by said mayor of Hudson, N. Y., and all proceeds shall be used in furtherance of the commemoration of the founding of the city of Hudson, N. Y., projects.

SEC. 4. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for the security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

SEC. 5. The coins authorized herein shall be issued in such numbers, and at such times as they shall be requested by the committee, person, or persons duly authorized by said mayor of Hudson, N. Y., and upon payment to the United States of the face value of such coins.

With the following committee amendment:

Page 1, line 6, strike out the word "six" and insert in lieu thereof the word "ten."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COCHRAN. Under leave to extend my remarks I include the report of the committee.

The Committee on Coinage, Weights, and Measures, to whom was referred the bill (H. R. 6457) to authorize the coinage of 50-cent pieces in connection with the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., having considered the same, report favorably thereon and recommend the bill, as amended, do pass.

The amendment is as follows:

In line 5, after the word "mint", strike out "six" and insert the word "ten."

Representative PHILIP A. GOODWIN, of New York, author of the bill, appeared before the committee and assured the members that the city of Hudson or the committee in charge will guarantee the entire issue and no coins will be returned to the Treasury. The enactment of the bill will result in no expense to the United States.

In connection with the bill Mr. GOODWIN submitted the following letter to the acting chairman of the committee:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 30, 1935.

Hon. JOHN J. COCHRAN,
Acting Chairman Committee on
Coinage, Weights, and Measures,
House of Representatives, Washington, D. C.

MY DEAR COLLEAGUE: In line with your conversation with me yesterday regarding a brief résumé of the city of Hudson's history for the information of the Coinage, Weights, and Measures Committee in connection with bill H. R. 6457, I am pleased to give you below the following statement:

A careful perusal of the journal of the voyage in 1609 of Henry Hudson, in his ship *Half Moon*, in his endeavor to find a short route via the Hudson River to the Empire of Cathay, shows that on his first visit, he landed at the site of what is now the city of Hudson, in the State of New York. The city bears his name.

Henry Hudson was an Englishman in the employ of the Dutch East India Co. He was the first white man to enter upon the site of the present city of Hudson. History states, "It is a pleasant thought that his descendants have been residents of our country."

The city of Hudson was orginally embraced within the limits of the town of Claverack and of the county of Columbia formed in 1786, and was known as "Claverack Landing."

At an early period of the Revolution, the whale fisheries of Nantucket were broken up by the English marine. In 1783 a considerable number of the inhabitants, desirious of bettering their fortunes, determined to leave it and make a settlement somewhere upon the Hudson River, and these people entered into a compact with articles of agreement providing for its development. The site of the development was Claverack Landing. On February 17, 1785, it was voted that a petition be drafted to be laid before the legislative authority of the State for the purpose of incorporation, with city privileges.

The General Assembly in session in New York on the 22d of April 1785 granted the petition and the city of Hudson received its charter, becoming the third city in the State of New York. On May 28, 1810, the last meeting of the proprietors of the original company met and delivery of their books and plot of the city was made to the clerk of the city for the passage of a law by the legislature for confirmation of all the divisions made by them. At this time the population of the city was 5,000.

The people of the city of Hudson, descendants of these old Dutch and English families, are particularly proud of their old city and its traditions. A very unusual love and respect for their ancestors is existent, and it is my earnest hope that your Committee on Coinage, Weights, and Measures will grant to the city of Hudson the privilege of a commemorative coin on the anniversary of their one hundred and fiftieth birthday, after a history of loyalty and allegiance to the United States as one of the first cities of this country.

Respectfully submitted.

PHILIP A. GOODWIN, M. C.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H. Con. Res. 19. Concurrent resolution authorizing the Committee on Ways and Means of the House of Representatives to have printed for its use additional copies of the hearings on the Economic Security Act.

WAR PROFITS

Mr. GREENWOOD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 133.

The Clerk read as follows:

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5529, a bill to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense, and promote peace. That after general debate, which shall be confined to the bill and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. MILLARD. Mr. Speaker, I think there should be more than 75 Members present during the consideration of this important bill. I make the point of order there is not a quorum present.

Mr. GREENWOOD. Mr. Speaker, will the gentleman withhold his point of order for a moment?

Mr. MILLARD. Mr. Speaker, I withhold the point of order for a moment.

Mr. GREENWOOD. Mr. Speaker, has the gentleman from Pennsylvania any demands for time?

Mr. RANSLEY. There is some demand for time. On this side we would like the usual time on the rule. If we do not use it all, we will yield back the balance.

Mr. GREENWOOD. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania.

The SPEAKER. Does the gentleman from New York insist on his point of no quorum?

Mr. MILLARD. Yes, Mr. Speaker. I think on a subject of such importance we should have more than 75 Members present.

Mr. GREENWOOD. Does the gentleman from New York desire a quorum for the consideration of the rule or for the consideration of the bill?

Mr. MILLARD. I make the point of order that we should have a quorum present right now.

The SPEAKER. Evidently there is not a quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 46]

Allen	Driver	Larrabee	Ramspeck
Bacharach	Duncan	Lee, Okla.	Rayburn
Bankhead	Dunn, Miss.	Lehlbach	Romjue
Beam	Englebright	Lewis, Md.	Ryan
Berlin	Ferguson	Lucas	Sadowski
Bland	Fiesinger	McAndrews	Schulte
Bolton	Fish	McClellan	Sears
Brennan	Flannagan	McKeough	Shannon
Brewster	Fulmer	McLeod	Sirovich
Brooks	Gambrill	McMillan	Smith, Va.
Buckbee	Gingery	Maloney	Somers, N. Y.
Bulwinkle	Granfield	Martin, Colo.	Stefan
Casey	Green	Meeks	Sumners, Tex.
Chandler	Griswold	Merritt, Conn.	Taylor, Tenn.
Chapman	Gwynne	Montague	Thomas
Claiborne	Hamlin	Montet	Tinkham
Clark, Idaho	Hartley	Moran	Tobey
Connery	Higgins, Conn.	Norton	Treadway
Cooper, Ohio	Hoffman	O'Brien	Wadsworth
Darrow	Igoe	O'Day	Walter
Dear	Johnson, Tex.	Parsons	West
DeRouen	Kennedy, Md.	Patman	White
Dickstein	Kerr	Perkins	Wigglesworth
Dies	Lambertson	Pettengill	Wilcox
Dietrich	Lambeth	Peyser	Wilson, La.
Disney	Lamneck	Polk	Woodrum
Ditter	Lanham	Ramsay	Zimmerman
Doutrich			

The SPEAKER. Three hundred and twenty-two Members have answered to their names. A quorum is present.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

Mrs. GREENWAY. Mr. Speaker, the gentleman from Idaho [Mr. WHITE] is not present because he is ill.

APPROPRIATIONS FOR RELIEF (H. J. RES. 117)

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the conference committee on House Joint Resolution No. 117 may have until 12 o'clock tonight to file a conference report.

Mr. BACON. Mr. Speaker, reserving the right to object, may I ask the gentleman from Texas if he understands the conferees are going to meet this afternoon?

Mr. BUCHANAN. I do.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. LANHAM (at the request of Mr. THOMASON) on account of illness.

WAR PROFITS

Mr. GREENWOOD. Mr. Speaker, House Resolution 133 from the Rules Committee provides for the consideration of H. R. 5529, presented by the Chairman of the Committee on Military Affairs for the purpose of taking profits out of war.

This resolution is an open rule without restriction, providing for 4 hours' general debate in the Committee of the Whole House and allowing amendments to be offered under the 5-minute rule. The Rules Committee believed this was a question of sufficient importance that the Committee on Military Affairs should be given the opportunity to present this bill for the House to consider on its merits.

This is a matter of current interest growing out of the investigation of the Senate committee concerning the profits that were made in the World War and profits that have grown out of all wars because of advantages taken in those particular times of distress. The World War was not different in this particular from other wars. In view of the current interest that has been taken and the discussion that is being had in the public press, and understanding that a bill is pending in the other body similar to this one, we believed that the House at this time might consider the bill under the open rule which is brought in here at this time. We believe that this is an opportune time for the House to take the matter up. There is nothing about the rule that is restrictive, and the merits of the bill may be discussed in the liberal time allowed for general debate.

Mr. Speaker, the Rules Committee has no further explanation to make of the rule unless someone desires to ask questions.

Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Speaker, I rise to oppose this rule, not because it is in any way unfair, but because of the fact I believe it is inopportune. It is not a "gag rule." As a member of the Military Affairs Committee I did not oppose the McSwain bill. I believe there is a great deal of merit in the bill. I believe that the purposes of the bill are laudable and proper and should be considered by this House. I also very deeply regret having to oppose a bill offered by the gentleman from South Carolina [Mr. MCSWAIN]. He is an honorable, thoughtful, and courageous gentleman, and we all love him. As I stated, I regret very much having to oppose this bill, but I desire to call attention to certain portions of it.

In the report made by the gentleman from South Carolina [Mr. MCSWAIN] it is stated:

> This bill is a statement of broad policies and is deliberately intended to avoid the mistake of seeking to legislate as to details so far in advance of the possible outbreak of war.

I am not talking about the merits or demerits of that portion of his report, although I will get to the point in a minute. The gentleman says further:

> It may be objected by some that H. R. 5529—
>
> The McSwain bill—
>
> does not provide for the levying of an excess-profits tax during the period of the war. The explanation is simple and complete.

One of the main proponents of this bill has been Mr. Barney Baruch. I do not think Mr. Barney Baruch has anything to do with this House. We are thoroughly able to take care of ourselves. But Mr. Baruch, it seems to me, gave different testimony before the Senate committee than he did before the House committee, or at least he added to his testimony.

Senator VANDENBERG asked Mr. Baruch this question:

> I just wanted to raise a point in that connection. I hold great respect for Congressman MCSWAIN, and I know he wants to go the length in any program, but the McSwain bill by itself has been held out as a successful answer to the problem of taking the profit out of war, and I think the McSwain bill by itself is utterly inadequate. Is that so?

Mr. Baruch said:

> Quite so; because it must be accompanied by this tax program, or you do not get anywhere. You are where you were before. You might keep the prices from going up, but you won't keep the profits from going up.

The reason I refer to this proposition is because I do not want to see the House get into a legislative jam. It is my opinion that this bill will not pass the Senate at all; in fairness, I believe the gentleman from South Carolina [Mr. MCSWAIN] differs with me on this point. It has no chance of being passed by the Senate, and I know that the Senate cannot originate the revenue portions of the bill. However, the provisions are in the Senate bill that has been prepared by their Munitions Committee and which will be submitted very soon. If we pass this bill and it is rejected by the Senate, like the relief bill, it will be "confereed" to death. It

will be "confereed" for the rest of the session. Then there will be no bill at all, and we will fail.

Mr. Speaker, I hope this resolution will be voted down. I am not going to indulge in any dilatory tactics. I believe that in a few days our committee could agree with the Senate committee and then bring out a bill that is suitable for our consideration.

Mr. CULKIN. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from New York.

Mr. CULKIN. Assuming that Mr. Barney Baruch had a hand in drafting this bill, he condemned his own bill before the Senate committee?

Mr. MAVERICK. I think that is correct. At least, he gave some additional information. I did not vote against the bill in the committee, being silent, and you may also say that I am condemning myself.

Mr. CULKIN. Before the Senate committee Mr. Baruch said that the McSwain bill is inadequate to take the profits out of war.

Mr. MAVERICK. Yes; he said that.

Mr. Speaker, I now want to call attention to the Senate bill. Title I has "Tax provisions", title II has "Industrial management provisions", title III has "Commodity control provisions", title IV has "Security exchange provisions", title V has "War finance control", and title VI "War resources control." These are not covered, except slightly and in part, by the McSwain bill.

I do not say that the McSwain bill is totally inadequate, but as it appears to me, without the other safeguards that are offered in the Senate bill, it merely guarantees the profits of war.

Of course, this is just my opinion, but the fact that I give this opinion and the fact there is some controversy on this point, it appears to me it would be better that we recommit the bill, and after recommitting it, then the Military Affairs Committee could consider it and quickly come to some agreement. Then we would be assured of final passage by both Houses and of really accomplishing something fundamental.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. ROBSION of Kentucky. Is there anything to prevent amendments being adopted such as my friend from Texas has suggested?

Mr. MAVERICK. Yes; the bill of the Senate is not germane to this issue. In other words, part of the Senate bill concerns revenue and is not germane to the McSwain bill.

I had an amendment which I might have offered, but I do not think I shall offer it, because I do not think we will have adequate time to prepare the bill. The amendment would provide that revenue matters could be brought in as amendments to this bill. In other words, this bill cannot be amended now because the matter that the gentleman suggests is not germane to the bill, and this is the reason I believe it should be recommitted and then brought out on the floor again.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield to the distinguished and able gentleman from Wisconsin.

Mr. BOILEAU. If we vote down the previous question we will then have an opportunity to amend the rule and make such an amendment in order.

Mr. MAVERICK. That is what we ought to do.

Mr. MERRITT of New York. Is the Senate bill the same as the McSwain bill with the exception of additional amendments?

Mr. MAVERICK. It is a much longer bill, and I think it has been very carefully prepared.

Mr. MERRITT of New York. Are there any component parts of the McSwain bill in the Senate bill?

Mr. MAVERICK. Yes; practically in the same words, but essential taxing provisions and various controls are omitted.

I am not condemning the McSwain bill, but I believe there are additional provisions that should be in the bill, such as the revenue feature, heavy taxation on war incomes—in short, the elimination of profits—and I believe the Senate provisions will make it a more adequate bill. If we pass this bill and it is rejected in the Senate, then it will get in a log jam in the closing days and we will go home without having done anything, and I believe the people of the United States want us to do something about this question.

Mr. MERRITT of New York. Is the gentleman satisfied that if we amended the McSwain bill to conform with the language of the Senate bill it could pass this House and the Senate?

Mr. MAVERICK. I do not know whether it could pass or not, but I think the provisions ought to be before us with respect to excess war profits, commodity control, and so forth. It should be done now, not later.

Mr. FADDIS. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. FADDIS. I just want to ask the gentleman if he ever heard of a piece of legislation that was so complex that it could not be passed?

Mr. MAVERICK. I am a new Member of the Congress and I do not know much yet, but I am learning fast. [Laughter.]

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. TRUAX. This is a draft bill, is it not?

Mr. MAVERICK. The gentleman means the Senate bill?

Mr. TRUAX. No; the McSwain bill.

Mr. MAVERICK. I would rather not express an opinion on that; but it looks that way. That is the reason I would like to see the bill recommitted. Certainly that question enters into the matter, but I do not want to discuss the merits of the bill on that point.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. MONAGHAN. The specific language of the bill contained in section 3 makes it constitute a draft measure disguised under the veil of being a conscription-of-profits measure. The specific language of the bill makes it nothing more than a sugar-coated draft measure, and so far as taking the profits out of war is concerned, it will do nothing of the kind, and is likely to guarantee the profits, as the gentleman from Texas [Mr. MAVERICK] so well stated.

Mr. MAVERICK. I think the gentleman is right.

Mr. MONAGHAN. It certainly guarantees a draft of men during war, and because of its broad language, such as "the unorganized militia", which is more of a conscription of labor than anything else.

Mr. MAVERICK. I would rather not go into that, because I believe if the bill is amended, your point will be met, and everybody is going to be satisfied. The bill needs clarification and the provisions of the Nye Senate bill.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. DUNN of Pennsylvania. Does not the bill in its present form, in case of war, conscript labor?

Mr. MAVERICK. Now, we are debating the rule, and I do not want to go into that. That question is for debate on the bill itself. That is the reason I think the rule should be defeated.

I want to make this further appeal to you. I do not pose as a war veteran, because the gentleman from South Carolina [Mr. MCSWAIN] is a war veteran also. I think every Member in this House—on both sides of the House—is thoroughly conscientious about this, but Congress has been in session now for about 3½ months and I have not seen a great deal of fundamental legislation enacted. I am not appealing to, nor catering to, the Republicans when I say a great deal of fundamental legislation has not been passed. I should like to see this measure fundamentally rectified before it comes before the House, and this is the reason I oppose the rule.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. SISSON. The gentleman is a member of the committee?

Mr. MAVERICK. Yes.

Mr. SISSON. I notice in the bill the term "unorganized militia" is used. In the opinion of the gentleman or in the opinion of the committee, does that mean all the people of the United States; that is, all males between the ages of 21 and 31?

Mr. MAVERICK. I believe it could be so interpreted.

Mr. SISSON. Then the bill means the conscription of labor does it not, fairly and squarely?

Mr. MAVERICK. I think it can be interpreted in that way and that was the practical effect during the war.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Speaker, I yield the gentleman 1 more minute.

Mr. McSWAIN. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. McSWAIN. If the gentleman will carefully read the language of the measure, the proposal is to draft into the military service of the United States and not to draft for the purpose of laboring at all.

Mr. MAVERICK. I understand the purpose; but it says "unorganized militia."

Mr. SISSON. It does not say simply in time of war, if the gentleman please, but at any time "an emergency" is declared to exist by the President.

Mr. McSWAIN. No; whenever an emergency is declared to exist by the Congress.

Mr. MAVERICK. I want to make this final bipartisan or nonpartisan or multipartisan appeal, that this bill has no connection, so far as I know, with any party; except that Mr. Roosevelt, and I suppose Mr. Hoover, are in favor of taking the profits out of war. As a matter of fact, every person on earth who has the tenth part of decency wants to take the profits out of war. Everybody is in favor of the principle, of course, and I should like to see the bill recommitted for the purpose of rectifying the provisions that are in it now, so that we may make it positive and certain, and do a complete and thorough job of it. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Speaker, the gentleman from Texas [Mr. MAVERICK], who just preceded me, made such an excellent summary of my own proposed statement that I do not know that I shall occupy more than a couple of minutes.

In stating my opposition to the rule and to the bill as it is now, I think it only fair to say that the Chairman of the Military Committee [Mr. McSWAIN] should have the gratitude of every Member of Congress interested in this matter for the consistent and persistent educational work that he has done in all these years since the war, to promote this idea of eliminating profits out of war. [Applause.] I feel that we have not the time that should be devoted to this subject since the bill was acted upon in committee.

There were some differences of opinion in the committee—not serious.

I questioned General Johnson—and he answered frankly—whether or not the bill did not practically guarantee a profit, and that contains various elements which have been exploited in the last few days before the Senate committee.

There is not a Member of Congress who does not read one or more daily newspapers, and they must realize that certain admissions have been made that are dangerous, and have been specifically given.

So that if I can convince this House, when the measure is being considered under the rule, if it is adopted as it is now drawn, that its adoption would permit the guaranteeing of profits, upon the level of the high cost of producing material, and would thereby permit low-cost producers with their advantages in the facilities they have to get raw products, in their transportation facilities, and in their closeness to the terminal markets, and the other things that enter into the lost cost of producing advantage, to pile up tremendous profits in time of war, I believe this body will realize that instead of relieving a war-time psychosis we will actually continue a situation which will hold out an incentive to these tremendous, powerful interests, and foster a situation that will give them a Utopia of profit greater than the wildest peace-time prosperity possibly could offer them. That is the situation, and that is why I hope the committee can have more time. I know the chairman of the committee, with his convictions and courage, will gladly accept some of these amendments after we have had an opportunity to study the Senate testimony and recall some of those witnesses, and I hope we can give deliberation to this matter and not act hastily.

Mr. McSWAIN. Is not the purpose of bringing the bill to the House to profit by proposed amendments?

Mr. KVALE. Yes.

Mr. McSWAIN. The gentleman ought not to condemn the measure now.

Mr. KVALE. I do not feel the bill is so drawn that it can be amended successfully in the brief time that we can consider it, and I feel it is due the committee, as a servant of this body, that it be given further opportunity to study this and bring back a perfected bill for action by the House.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. KVALE. Yes.

Mr. MARCANTONIO. Is it not a fact that the only way to properly amend this bill is by inserting a tax provision taxing the profits out of war?

Mr. KVALE. That is only one of the amendments.

Mr. MARCANTONIO. And if this rule is adopted, and unless we are permitted to amend the rule so as to make the inclusion of a tax provision germane, we cannot subsequently amend it.

Mr. KVALE. That is only one of the amendments indicated. I think the committee should have further opportunity to study the measure. That is my only plea at this stage.

Mr. MAVERICK. Does not the gentleman think if this is referred back to the committee that within 2 or 3 days, or at most a week, we could complete this in a satisfactory way?

Mr. KVALE. That is my hope and confident belief.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. GREENWOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Speaker, I commend the Military Affairs Committee for bringing forward legislation on this subject. I know that they have given the matter much study, and many of us have during the past 16 years since the last war. However, in the few minutes I have I shall address myself to the rule now pending under which, if it is adopted, it will be possible only to amend the bill before us in a very limited way. I have talked to the Parliamentarian of the House as to whether we could offer tax amendments to this House bill, and he says we cannot. Under the testimony of Mr. Bernard M. Baruch, given before the Senate Munitions Committee, he testified—Senator VANDENBERG asked Mr. Baruch this question:

> I just wanted to raise a point in that connection. I hold great respect for Congressman McSWAIN, and I know he wants to go the length in any program, but the McSwain bill by itself has been held out as a successful answer to the problem of taking the profits out of war, and I think the McSwain bill by itself is utterly inadequate. Is that so?

Mr. Baruch said:

> Quite so; because it must be accompanied by this tax program or you do not get anywhere. You are where you were before. You might keep the prices from going up, but you won't keep the profits from going up.

We do not want to do a futile thing here, and I am sure the House does not want to place itself in such a position that it cannot enact the legislation it wants on this subject. Under these circumstances this legislation now pending is worthless and would be a sham and a farce for us to enact it. There is no use of beating the devil around the stump. If we cannot amend it adequately, we better get ourselves in shape before we tie our hands here so that we cannot

amend it. We had better amend this rule so that we can place adequate amendments upon the bill, so that we, as Democrats and Republicans, and as Americans first, can legislate without our hands being tied. God knows that we in the House the last two Congresses have not done anything but tie our own hands so that we cannot work. [Applause.]

It is time for this House to wake up and realize our responsibilities to our constitutents and assume these responsibilities and stop legislating under gag rules we know will not permit the free and frank consideration of legislation on this floor that should be given to it. That is the whole proposition now pending. I know this great committee has done splendid work on this subject and I congratulate them on the work they have done on the procurement of aircraft and other subjects which they have had before them in investigating the rackets going on down here in a couple of these departments in the matter of the procurement of aircraft and other things. But on this proposition it seems to me my colleague from Texas, Mr. MAVERICK, as a member of this committee, has adequately stated the case now pending. Mr. Baruch was the Chairman of the War Industries Board, and he ought to know more about this subject than any of the rest of us. He says this bill will promote and insure profit.

Mr. ANDREWS of New York. Will the gentleman give us the page in the minutes that will show such a statement?

Mr. McFARLANE. Yes; Mr. MAVERICK has a complete transcript of his testimony before the Senate Munitions Committee and read certain parts of it here on the floor. Earlier in my remarks I quoted part of this testimony.

Mr. TRUAX. Is the Baruch the gentleman refers to the same Baruch referred to by Father Coughlin as Bernard Manassas Baruch?

Mr. McFARLANE. Yes; this is the same Mr. Baruch.

Mr. KOPPLEMANN. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I decline to yield further. Let us get down to the proposition. I believe I speak the sentiment of the House, as it has been expressed here repeatedly, that we are honest in wanting to take the profits out of war.

We want to put capital on the same basis as man power. [Applause.] That being true, let us not tie our hands before we start into this proposition by adopting a rule that will prohibit any tax amendment that would really make a decent bill out of it. That is all there is to it.

Mr. MONAGHAN. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. MONAGHAN. Is not the proper way to handle this problem the method that has been proposed by the Nye bill?

Mr. McFARLANE. There is no doubt about that. I have a copy of the Nye bill before me. It is adequate to meet the situation. This little four-page pamphlet that we now have before us in the House is not adequate to meet it. It contains no tax provision nor any of the many other necessary mandatory provisions to adequately cover this subject matter, and under the rules of the House we cannot offer the Nye bill and make it germane to this bill. If we adopt the rule we cannot amend the bill in that way. We should vote against the previous question and then amend this rule so that we can offer tax and other amendments such as contained in the Nye bill. Then we will have a bill adequate to cover this subject. [Applause.]

The SPEAKER. The time of the gentleman from Texas [Mr. McFARLANE] has expired.

Mr. RANSLEY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I am not opposed to this rule. The bill does not legislate as to detail. It is merely a statement of broad policies. Therefore, for the reasons given, and having no demand for time on this side, I yield back to the gentleman from Indiana the balance of my time.

Mr. GREENWOOD. Mr. Speaker, I yield myself 5 minutes.

Mr. CELLER. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. CELLER. I would like to know whether or not, if the Senate puts in a tax provision, it is within its power to do so.

Mr. McFARLANE. No.

Mr. CELLER. So that if there is a tax provision in the Senate bill it may be out of order, and if there is no taxing provision in the bill before the House, then we will have no legislation of a taxing nature whatsoever.

Mr. GREENWOOD. It could come into the House under a special rule, as I understand it.

Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, there has been considerable argument presented here to defeat this rule. Now, the Rules Committee held a two days' session on this matter when it was presented by the Committee on Military Affairs. Not one of these gentlemen or any member of the committee appeared to object to this rule. I think it is due, as a courtesy to the Committee on Military Affairs, that the House consider this bill upon its merits.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. GREENWOOD. In just a moment. This is an open rule and any amendment that is desired may be offered.

Mr. McFARLANE. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. McFARLANE. In that regard, I think the gentleman will admit that we could not offer any tax provision on this bill.

Mr. GREENWOOD. I do not know what amendments will be offered.

Mr. McFARLANE. I am asking the gentleman this question: Can we offer a tax provision?

Mr. GREENWOOD. Well, I do not think so, under this bill.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. GREENWOOD. But this bill was not proposed as a tax measure, and tax measures ordinarily come from a different committee than this committee.

Mr. MARTIN of Massachusetts. I understand; and that is why it is not germane.

Mr. GREENWOOD. At a later date, if a rule is wanted on a tax measure in connection with this matter, it can be presented to the Rules Committee, just as the Military Affairs Committee came and asked for this rule.

Mr. MAVERICK. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. MAVERICK. Will the gentleman permit me to offer an amendment to the effect that we may offer that kind of an amendment? I have it already written.

Mr. GREENWOOD. As far as I am concerned, you may offer the amendment.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. MARTIN of Massachusetts. I would like to ask the gentleman from Indiana [Mr. GREENWOOD] if this is not the most liberal rule that the Committee on Rules could report, unless we went further and made something germane which the committee did not ask for?

Mr. GREENWOOD. The gentleman is correct. There was no request made by anybody to change this rule or to make any other provision germane. We should hear this bill upon its merits; and then, if you are not satisfied with the bill as amended, you can vote the bill up or down; but do not vote the rule down before the committee has even had an opportunity to present the bill on its merits, or before any amendment has been offered. Neither should we prejudge what the decision on a point of order may be, which the Speaker has the right to decide when the time comes in this connection.

Mr. MONAGHAN. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. MONAGHAN. Can the gentleman see any purpose in considering a measure in this House that is merely a vain gesture, or even worse than a vain gesture? It is doing an obnoxious thing under a coating of an admirable principle.

Mr. GREENWOOD. Well, that is the gentleman's own impression, and he undertakes to speak for the House. My

contention is that the House should hear this bill on its merits, and make up its conclusion whether it wants to vote the bill up or down after it has heard the bill on its merits.

Mr. KELLER. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. KELLER. This is an attempt, as I understand it, to take the profit out of war, is it not?

Mr. GREENWOOD. That is the way I understand it.

Mr. KELLER. As a matter of fact, this bill does conscript labor, does it not?

Mr. GREENWOOD. I would not say that. Had we not better wait and hear the bill discussed on its merits?

Mr. KELLER. If it does conscript labor and does not conscript capital, then it certainly does not take the profit out of war, does it?

Mr. GREENWOOD. That goes to the point I have raised, that you should consider the bill on its merits, and vote it up or down after those questions have been discussed and settled by debate and consideration of the bill.

Mr. KELLER. Why not permit an amendment to the rule which will permit the amending of the bill along that line?

Mr. GREENWOOD. I have no authority to decide that question.

Mr. KELLER. Would the gentleman permit an amendment of that kind?

Mr. KOPPLEMANN. I am trying to arrive at the parliamentary situation and the attitude of the Committee on Rules. Does it not appear to the gentleman that if the Committee on Rules, after having reported out the rule, discovers that under its rule it is impossible to consider the bill on its merits, and the merits of the pending bill are the taking of the profit out of war, that the rule should be amended? If it is suddenly discovered that an amendment which would do this very thing would not be permissible, is it not the duty of the Committee on Rules to ask that the rule be recommitted to them?

Mr. GREENWOOD. I do not think so. The gentleman assumes one position. Perhaps the House will agree with him and perhaps it will not. We should decide on the rule and then consider the bill on its merits. I have no authority to send this rule back to the Committee on Rules under the assumption the gentleman states.

Mr. KOPPLEMANN. The gentleman's own statement was that an amendment which taxed profits could not be considered under this rule if the rule is adopted.

Mr. GREENWOOD. My contention is that any bill on taxation must come from the Committee on Ways and Means and not from the Committee on Military Affairs; that proposed legislation must come from the committee the rules provide should handle the subject matter of the legislation.

Mr. KOPPLEMANN. That is agreed. I understand that thoroughly; but I now arrive back at the point I started from, the question of parliamentary procedure, the impossibility of getting such a measure out of the Ways and Means Committee. The possibility being so remote, is it not better to start this thing right? Why does the gentleman insist upon this rule when it is not broad enough to meet the situation?

Mr. GREENWOOD. All questions of taxation should come from the Committee on Ways and Means. Germane amendments may be added to the bill, but new legislation in the nature of taxation should not be offered from the floor of the House as an amendment to a bill before the taxing feature has been properly considered; and the Rules Committee does not propose to go that far.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. MAY. The fact of the matter is this is the ordinary rule which brings the bill before the House for general debate; and, if it is adopted, the usual procedure will be followed where every member of the Committee of the Whole House on the state of the Union may offer any amendment he desires.

Mr. GREENWOOD. That is right; this is an absolutely open rule to consider the bill on its merits. Why should we reject the bill before the committee has even had an opportunity to present the bill?

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. MICHENER. As a matter of fact, it is clear there are different methods being considered by the House which would bring about taking the profits out of war. The gentleman knows that if we consider this bill under this rule, under the general rules of the House then we cannot consider any method except the method here proposed.

Mr. MONAGHAN. That is exactly correct.

Mr. MICHENER. The gentleman has said it is an open rule. It is not an open rule so far as accomplishing the purpose of taking profits out of war is concerned, and we shall find ourselves in the position of having to vote "yes" or "no" without an opportunity to make the bill accomplish its purpose.

Mr. GREENWOOD. Mr. Speaker, I did not yield to the gentleman to make an extended speech. I desire to conclude. As I say, this was not intended as a tax measure, coming from the Committee on Military Affairs. The bill should be considered. Any amendment that is germane, of course, may be offered. Nobody appeared before the Rules Committee asking us to bring out an unusual rule to permit the offering as amendments of any matters that were not germane. Of course, the Rules Committee did not bring out such a rule.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield me time when he has finished to submit a unanimous-consent request to insert in the RECORD a copy of the Senate bill, together with an explanation of it? It should be in the RECORD in order that every Member may have it.

Mr. GREENWOOD. I shall do so; yes.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. CELLER. I notice a letter in the hearings from the national commander of the American Legion wherein he compliments the Chairman of the Committee on Military Affairs for reporting a bill which will take the profits out of war. In the testimony of Mr. Baruch he spoke of taking the profits out of war. The statements of the President say, "take the profits out of war." Will the gentleman state that this bill that is now before the House will take the profits out of war?

Mr. GREENWOOD. That is for the committee that brings in the bill. This is supposed to be argument on the rule, and these arguments on the merit of the bill came in somewhat irregularly. If the gentleman will propound that question to the chairman of the committee, I am sure it will be answered. I am going to yield him time in which to answer it.

Mr. CELLER. Is the gentleman willing to answer it himself?

Mr. HILL of Alabama. Mr. Speaker, if the gentleman from Indiana is through, may I suggest that he yield the balance of his time to the chairman of the committee? I think the House should hear the chairman of the committee explain this bill. They will then be in a better position to know what to do.

Mr. GREENWOOD. I will be very glad to do that, inasmuch as there is so much difference of opinion as to the effect of the bill; but first I yield 2 minutes to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Speaker, I do not expect to consume any time whatsoever. I have here a statement as to the Senate bill, an explanation of it; and I ask unanimous consent to insert this explanation in the RECORD at this point, together with a copy of the Senate bill, in order that all Members may have the bill before them tomorrow.

Mr. SISSON. Mr. Speaker, reserving the right to object, is this the Nye bill?

Mr. ZIONCHECK. Yes; it is the Nye bill.

Mr. MERRITT of New York. Mr. Speaker, reserving the right to object, it seems to me this bill can be had by any Member of the House; why put it in the RECORD?

Mr. ZIONCHECK. It cannot be had, because it is just a committee print; copies are not available in the document room.

Mr. KELLER. That is correct; I know, for I tried to get one there, but could not.

Mr. MONAGHAN. Mr. Speaker, reserving the right to object, and I shall not, is not that a further argument for the defeat of this rule; in other words, that the House Membership should be given the opportunity to review the testimony taken by the Senate committee in connection with the Senate, which it has not had an opportunity to review?

Mr. ZIONCHECK. I do not take that position. I believe that every Member should have the opportunity to know what has been done heretofore by both the House and Senate committees so that we can all vote in a more intelligent manner on each and every question that is presented on this rule and this bill which is supposed to take the profits out of wars.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The matter referred to by Mr. ZIONCHECK follows:

SPECIAL SENATE COMMITTEE ON MUNITIONS

The Senate Munitions Committee today released the following statement in regard to the bill before it to control war profits, together with a summary of the bill and the committee print of the bill:

STATEMENT

The committee now has before it a full bill intended to pay the costs of any war as it is carried on instead of engaging in huge borrowing operations. The bill intends to prevent the profiteering possible in war-time inflation and the chaos certain to come in post-war deflation.

It starts with a declared intention of Congress that no person shall profit in any manner from the conduct of a war, and proceeds to make that intent effective by the prevention of inflation by industrial mobilization and by high taxes to supplement price fixing.

The committee cannot guarantee that this bill will not be repealed under pressure at the beginning of a war. It cannot honestly guarantee that its administration will remain uninfluenced by the pressure of huge and recalcitrant corporate taxpayers. It can simply state that given the conditions of no repeal and efficient, honest performance, it will do more than any other proposal before Congress to limit profiteering and to avoid the disastrous and possibly catastrophic results of another post-war deflation.

This bill is intended to check profiteers and prevent grasping groups, strategically placed, from using a national disaster to press still further the immense concentration of wealth which oppresses the Nation. It is something more than that. It is a plan to protect our whole economic society—rich and poor—from the economic disturbances which result from war. At the same time, by universal use of all our resources it makes the national defense invincible.

The devices employed in the bill are based upon realization of the fact that war, in addition to being a calamity, is also a vast, big industry. It is an industry which has always been carried on with borrowed billions. These huge borrowings, flooding into our economic society, produce an immense and uncontrollable inflation.

This inflation puts billions of fictitious purchasing power into the hands of employers, employees, Government workers; and this swollen, false purchasing power, pressing upon our economic system, drives up prices, then earnings, then wages, then prices again, and so on in an endless and finally disastrous spiral.

In the end this forces more borrowing, and hence more inflation, and in the end, as the war ends, leaves the nation exhausted economically as well as physically, so that even success in the field of battle may leave only a barren victory, followed by an appalling catastrophe at home as the inflation collapses.

Beyond this is the crushing burden of debt which we ask our children and grandchildren to bear. Already we have passed to the young men and women of this generation sixteen billions in debt from the last war. We have piled on that another twelve and a half billion to pay for this depression. How many more we will add no man can say. If upon this appalling weight we attempt to load on them another mountain of debt for another war, can we suppose that they will accept the burden? There is a danger that such a war, paid for by borrowing, accompanied by the manifest injustices of the last struggle, may bring this Nation to the verge of revolution. It may be expected to lead, at the very least, to a repudiation of all internal debts.

This bill seeks to avert these possible calamities by doing away with the original cause of the inflation. That cause is the creation of a great war debt to pay for munitions and war material. The inflation does not come from high prices. The high prices are the fruit of the inflation. The disaster cannot be prevented by checking the prices. There must be check of inflation, and hence borrowing. We propose that the Nation shall pay for its war while it fights. The armies in the field will fight the Nation's battles. The armies' civilians behind the lines will pay the bills.

This bill is an attempt to carry out that policy—a policy which, we believe, every American of every party and of every economic school will endorse—the policy of paying for the war, as far as possible, out of current taxes.

The bill is drastic because war is a drastic thing. The tax collector who comes for one man's money is not nearly so solemn and forbidding a visitor as the draft officer who knocks upon another man's door for his young son. No individual will be permitted to earn more than the salary of a major general in the field. No corporation will be permitted to retain more than 3 percent of profit on its capital after interest on its bonds have been paid. All the rest will be taken to pay for the war. The war-time taxes on individuals are to be far higher than they ever have been before, and the exemptions are to be lower. It is the intent of this bill clearly and honestly to let every person in the country know that he will be expected to bear a large share of the burden of any war. (A description of the individual tax schedules is contained in the attached summary.)

The plan proposes to remove all commodities from the field of speculation. Commodity exchanges may be closed, while the Government may fix the prices of basic commodities and become, if necessary, the clearing house through which all such commodities will flow to those processors who need them for the most essential purposes.

The Government will have the power to fix prices and to commandeer property where necessary for war purposes.

With such a program, the Government cannot permit those industrialists who are not willing to work because their profits have been curtailed to go on strike. Therefore, when war is declared, immediately every officer of an essential corporation will be subjected to a draft of industrial managers. If their plants are deemed essential to the war, the President may induct them into the Military Establishment at grades not to exceed that of brigadier general, with the pay appropriate to that rank. They will not be taken from their industrial posts. The Government will not interfere in the internal management of the corporations thus affected. But if the industrialist thus deprived of his high salary shows himself unwilling to cooperate in the war effort, if he seeks to circumvent the Government's war ends or its war fiscal policies or laws, then he may be removed from the plant to the combat division, or, if his reluctance is sufficiently culpable, he may be court-martialed and punished.

The committee does not wish to convey the impression that such a law will of itself prevent war. War grows out of many causes. Every student of history knows that. One of the most fruitful in the past has been profit—on occasions profit for a nation, perhaps; on other occasions profit for the powerful individuals who dominate the nation. We must find a way to reach all the causes which may draw this great peace-loving Nation into war. Perhaps we cannot do that. But it is the duty of responsible statesmanship to try. This is an attempt to reach and sterilize at the same time one of the causes of war and one of the destructive consequences of war, the post-war deflation.

This plan is offered only after much study and conference with experts in many fields. It will doubtless have critics. But there will be no place in the discussion which must ensue for the man who says we must not take away from the munition maker during war his sacred profit. Every man who can find a hole in the bill, through which the greedy industrialist with the aid of his patriotic lawyer can crawl, ought to point to that hole. The man who thinks that profit in war is sacred, that money and property are holy and inviolate things, while the lives and bodies of men—young men, too, the flower of our citizenship, who probably have less to do with the causes of war than anyone—may be taken freely and sacrificed without stint—that critic of the bill should have the decency to remain silent and hope secretly that the bill will fail of adoption.

The committee expects to conclude its present hearings on the bill on Monday, April 8. It has invited the Secretary of the Treasury, the Secretary of War, and the Secretary of the Navy to address themselves to the bill. Mr. Flynn, Mr. Paul Kern, and Mr. Harry Rosenfield are also expected to testify on that day.

The bill will then be introduced in the Senate.

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UNITED STATES SENATE SPECIAL COMMITTEE ON MUNITIONS—SUMMARY OF EMERGENCY WAR TIME ACT

TITLE I—TAX PROVISIONS

SECTION 1. The act is to be known as the Emergency War Time Act. It is to be effective only during the period of a war.

SEC. 2. Most of the purely mechanical sections of the Revenue Act of 1934 are adopted to cover administration and technique.

SEC. 3. A normal tax of 6 percent is levied on all individual incomes in excess of the credits against net income provided in section 25 of the Revenue Act of 1934, as modified in the present act.

SEC. 4. Surtaxes on individual incomes in excess of $3,000. These range from 10 percent of the income in excess of $3,000, but not in excess of $5,000 up to $2,800 upon incomes of $8,000 but not in excess of $10,000. On all incomes in excess of $10,000 the surtax is 94 percent of the excess.

SEC. 5. This section levies an income tax upon every corporation income included in the taxable description of section 701 of the Revenue Act of 1934, equal to 50 percent of such portion of its net income as is not in excess of 6 percent of the adjusted declared value of the capital stock (or in the case of a foreign corporation the adjusted declared value of capital employed in the transaction of the business in the United States), plus 100 percent of its net income as in excess of its capital stock. The valuation of corporations for excess-profit tax purposes is that which has been filed by such corporations under section 701 of the Revenue Act of 1934 relating to capital stock taxes.

These income taxes are levied on an annual basis but must be reported quarterly and paid within a month of the quarter in which they are earned. Adjustments can be made in the last quarter.

SEC. 6. Numerous references to the Revenue Act of 1934 are made, and this section defines meaning of cross references.

SEC. 7. This tax act shall become operative immediately upon the declaration of war and remain in force until the emergency is declared at an end by Congress.

SEC. 8. This deals with the subject of deductions permissible under the war time tax act. They are much more severe than deductions in the peace-time revenue acts. Deductions for depletion, exhaustion, and depreciation are strictly limited. No deductions are permitted for amortization until the expiration of the war.

Sections 9 and 10: Provide methods of payment of tax.

Section 11: Provides penalty for taxes for deliberate diminution of tax payments.

Section 12: Provides surtaxes on corporations improperly accumulating surpluses.

The remaining sections, after imposing prohibitive taxes on personal holding companies during the war, outline exemptions, credits, etc.

Unmarried persons will have a credit of $500. Married persons will have an exemption of $1,000 and $100 for each dependent. Husband, wife, and minor children must make a single return.

TITLE II

An industrial management board is set up.

On declaration of war it shall immediately carry out a draft of all persons engaged as officers or directors of a corporation or persons in policy-forming positions in such corporations. They will be registered first by boards set up after the model of the combat draft boards. The President may, when such industry is declared to be essential to the war, cause such officers to be inducted into the armed forces of the United States. They will continue to remain with their respective corporations, but will be prohibited from accepting any other compensation than that paid by the Army, and shall have rank and compensation appropriate thereto, not exceeding that of a brigadier general, and shall be subject to military law and punishable under it, and may be at the will of the Government shifted from the industrial-management corps to the combat corps of the Army, and thus removed from their civilian posts. But the Army and the Government are given no powers over the internal management of the industry.

TITLE III

A Commodities Control Commission is provided for with power to close all commodity exchanges, to fix the prices of all commodities, to prohibit the sale of such commodities to persons other than the Government, to provide for purchasing the whole output of any commodity industry, and to allocate such commodity to processors as the commission may deem necessary for the conduct of the war.

TITLE IV

The President is given power to close all security exchanges and to issue rules covering the sale of securities at private sale for the duration of the emergency. These are in addition to the powers conferred by the Securities Exchange Act.

TITLE V

In the field of war financing, a securities commission is established with power to approve or disapprove all new issues of private securities during war time. The approval of the Securities Commission is a prerequisite to registration of any security for sale under the Securities Act. The Commission has power to take over for itself the financing of war industry, and an additional half-billion-dollar fund is established for that purpose. Commercial transactions for short terms are exempted from the provisions of the act, as are resales and exchanges. All approvals and financing are made public records under the bill. The commission is specifically released from any responsibility for the approval of the value of any security approved for sale.

TITLE VI

The President is empowered to fix prices for any article, on a pre-war or regional parity, to establish priorities in sale and use of articles, and to conscript the use of property deemed essential to the successful prosecution of the war. The bill deals with property of all types, real and personal. Owners who lose property rights through the operation of these provisions are entitled to compensation in a fixed manner after judicial proceedings. As an adjunct to his other war-time powers, the President is authorized to license industries and fix the conditions for issuance of licenses in businesses or industries related to the prosecution of the war. The President is also authorized by Executive order to prevent the waste and hoarding of commodities and goods and to enjoin profiteering.

TITLE VII

Severe penalties, reaching to a maximum sum of $100,000, are imposed for violation of the terms of the bill.

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A bill to provide revenue and facilitate the regulation and control of the economic and industrial structure of the Nation for the successful prosecution of war, and for other purposes

Be it enacted, etc.,

STATEMENT OF INTENTION

It is hereby declared to be the intention of Congress that no person subject to the jurisdiction of the United States shall profit in any manner whatsoever from the conduct of any war to which the United States is or may be a party.

It is the intention of Congress to protect the economic organization of the Nation from the disturbances due to war in order that such economic organization may be enabled to function at the highest efficiency in support of the armed forces and other agencies engaged in the prosecution of war.

It is the intention of Congress to protect the economic organization from the inflation of prices, wages, earnings, profits, and the consequent destructive deflationary collapse which follows the actual ending of military and naval operations.

It is the intention of Congress that the expenditures to the successful conduct of the war and the protection of the economic organization in the emergency shall be made out of current revenues and that any private interest conflicting with the Government's war objectives and operations shall be for the duration of the war subjected to the supervening necessities of the public interest in successful prosecution of war.

It is further declared to be the intention of Congress that in the event of war all technical and industrial resources shall be mobilized for the successful prosecution of such war, and that industrial management shall be subject to enlistment and conscription for the successful prosecution of war in the same general manner as combat man power has been and is subject to enlistment and conscription for the same purposes.

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TITLE I

TAX PROVISIONS

SECTION 1. Short title: This title may be cited as the "Emergency War Time Tax Act."

SEC. 2. Incorporation and reenactment of prior act: All provisions of titles I, IA, V, and VI of the Revenue Act of 1934, as in effect on March 15, 1935, are hereby incorporated and made a part of this title, and reenacted as of the effective date of this act, whether or not they may otherwise be in effect as of such date and regardless of any amendments made subsequent to March 15, 1935, except those provisions obtained in the sections and subsections listed in schedule A annexed hereto, which annexed sections and subsections are not herein incorporated nor made a part of this act nor in any respect reenacted hereby, except as expressly provided hereafter, and which annexed sections shall be superseded as of the effective date of this act.

SCHEDULE A

The following sections and subsections of title I of the Revenue Act of 1934: Sections 11, 12, and 13; section 22, subsections (b) and (3); section 23, subsections (a), (b), (j), and (n); section 25, subsections (a) and (1); section 25, subsections (a) and (4); section, 25, subsections (b) and (1); section 47, subsection (d); section 51; section 53, subsections (a) and (1); section 56, subsections (a) and (b); section 63; section 102, subsection (a); section 115, subsection (f); section 185; section 272, subsection (a); section 321.

The following sections and subsections of title IV of the same: Section 351, subsection (a); section 351, subsections (b) and (2) (B).

The following section and subsection of title V of the same: Section 702, subsection (a).

(Where a subsection symbol follows a more general symbol, only such subsection and not the whole of such general symbol is included within the aforesaid schedule.)

SEC. 3. (11) Normal tax on individuals: There shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax of 6 percent of the amount of the net income in excess of the credits against net income provided in section 25 of the Revenue Act of 1934, as herein modified.

(12) SURTAX ON INDIVIDUALS

SEC. 4. (a) Definition of "surtax net income": As used in this section the term "surtax net income" means the amount of the net income in excess of the credits against net income provided in section 25 (b) of the Revenue Act of 1934, as herein modified.

(b) Rates of surtax: There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual in quarterly payments as hereinafter provided, a surtax as follows:

Upon a surtax net income of $3,000 there shall be no surtax; upon surtax net income in excess of $3,000 but not in excess of $5,000, 10 percent of such excess.

$200 upon surtax net incomes of $5,000; and upon surtax net incomes in excess of $5,000 and not in excess of $6,500, 30 percent in addition of such excess.

$650 upon surtax net incomes of $6,500; and upon surtax net incomes in excess of $6,500 and not in excess of $8,000, 50 percent in addition of such excess.

$1,400 upon surtax net incomes of $8,000; and upon surtax net incomes in excess of $8,000 and not in excess of $10,000, 70 percent in addition of such excess.

$2,800 upon surtax net income of $10,000, and upon surtax net incomes in excess of $10,000, 94 percent in addition of such excess.

SEC. 5. (702 (a)) Tax on corporate incomes: (a) There is hereby imposed upon the net income of every corporation included within the taxable description of section 701 of the Revenue Act of 1934, for each income-tax payable year or portion of a year during which this act is in effect, an income tax equal to the following:

Fifty percent of such portion of its net income as is not in excess of 6 percent of the adjusted declared value of its capital stock (or in the case of a foreign corporation the adjusted declared value of capital employed in the transaction of its business in the United States) as at the close of the preceding income-tax taxable year (or as of the date of organization if it had no preceding income-tax taxable year); plus 100 percent of such portion of its net income as is in excess of 6 percent of the adjusted declared value of its capital stock (or in the case of a foreign corporation the adjusted declared value of capital employed in the transaction of its business in the United States) as at the close of the preceding income-tax taxable year (or as of the date of organization if it had no preceding income-tax taxable year).

(b) The maximum of the adjusted declared value of the capital stock of a corporation for the purposes of this section shall be determined as provided in section 701 of the Revenue Act of 1934, if the said section 701 is in full force and effect upon the effective date of this act, and the adjusted declared value therein determined shall be adopted as a maximum for the purposes of this section. If the said section 701 is modified or repealed prior to the effective date of this act, such maximum adjusted declared value of the capital stock of a corporation shall be determined as though the said section 701 is, and has at all times subsequent to March 15, 1935, been and remained, in full force and effect.

(c) If the Commissioner shall determine, upon his own volition, upon notice and hearing to the taxpayer, that the said maximum adjusted declared value of capital stock as herein determined is excessive, he may order an appraisal to be made of such capital stock pursuant to such rules and regulations as he may prescribe, and thereafter, if the Commissioner shall deem such appraised value to be more nearly in accord with fact than the adjusted declared value as otherwise determined hereunder, he shall order a modification of such adjusted declared value to conform with such appraisal and thereupon such appraised value shall be the adjusted declared value of such capital stock for the purposes of this title.

(d) In the case of any corporation newly organized within 1 year prior or at any time subsequent to the effective date of this title, the adjusted declared value of capital stock shall be determined by the Commissioner by appraisal pursuant to such rules and regulations as he may prescribe, notwithstanding any other provision of law or of this title to the contrary.

(e) In the event that any corporation subject to the tax herein imposed shall have been reorganized or party to a reorganization, affiliation, or merger at any time within 1 year of the effective date of this act, or shall be reorganized or party to a reorganization, affiliation, or merger subsequent to the effective date of this act, the maximum of the adjusted declared value of the capital stock of such corporation for the purposes of this section shall be the same as such adjusted declared value as herein set forth prior to such reorganization, affiliation, or merger or the sum of such adjusted declared values in the event that two or more corporations have become one corporation for purposes of this tax as the result of such reorganization, affiliation, or merger, except that cash actually paid in as a result of such reorganization, affiliation, or merger may be added to such adjusted declared value. Adjusted declared values as computed pursuant to this section shall be maximum adjusted declared values and may be reduced by the Commissioner after notice and hearing if in his opinion they are excessive or unrepresentative of the true values involved.

(f) If the income-tax taxable year in respect of which the tax under this section is imposed is a period of less than 12 months, such adjusted declared value shall be reduced to an amount which bears the same ratio thereto as the number of months in the period bears to 12 months.

(g) The tax imposed by this section shall be on an annual basis, but the corporation subject thereto shall file returns upon the dates fixed and for the periods stated in section 9 of this act. Returns for the first three quarters of each year shall be made upon an estimated annual basis except that the total tax due and payable for such quarter shall be returned as a sum equal to one-fourth of the total annual tax as computed upon such estimated annual basis. A return for the fourth quarter shall be made upon an estimated annual basis, except that such return shall also include an actual return for the entire taxable year, and the total tax due and payable for such fourth quarter shall be returned as a sum equal to the total annual tax due and payable for the entire taxable year on the basis of such actual return for the entire taxable year, minus a sum equal to the total amount of payments previously made for or on behalf of taxes due and payable for the first three quarters of such taxable year pursuant to the provisions of this title. The full amount of the tax imposed by this section shall be due and payable upon the date upon which a return is filed pursuant to the provisions of this act, and such payment shall be for the period covered by such return.

(h) For the purpose of this section the net income shall be computed in like manner as provided for income-tax purposes under the provisions of the Revenue Act of 1934 as incorporated herein and modified hereby.

SEC. 6. Cross-references: Cross-reference numbers enclosed in parentheses immediately following section numbers of this act are for convenience only, and shall be given no legal effect, except that where any provision of the Revenue Act of 1934 herein reenacted or of this title refers by number to any section included in schedule A of section 5 of this act, such reference shall be deemed to apply, insofar as may be, to the section of this act bearing the corresponding cross-reference number.

SEC. 7. Effective date; taxes in lieu of income and profits taxes; payment of such taxes for short period: The provisions of this title shall become operative and in full force and effect immediately upon the declaration by Congress that a state of war exists between the United States and any foreign government, and shall remain in full force and effect for the duration of such war and thereafter until the Congress shall declare the emergency created by such war to be at an end, and in any event for at least 1 calendar year. The taxes imposed by this act shall be in lieu of all other corresponding income or profits taxes which are or may be in effect at the time of such declaration of war for the period during which this act shall be in effect.

Regardless of any other statutory provision, taxes under any such law which is superseded by the provisions of this title shall be due and payable and a return shall be filed covering such taxes on the 15th day of the second month following the effective date of this title. Such return and taxes shall be due for any period which may have elapsed between the close of the last preceding taxable year and the effective date of this title. The Commissioner shall make rules and regulations which shall have the force and effect of law in regard to the manner of computing income on the basis of such period of less than 1 taxable year and placing such incomes on an annual basis. The provisions of section 47 of the Revenue Act of 1934 shall apply insofar as may be to such return for such period. Fractions of months shall be disregarded for all purposes in connection with computations made pursuant to the provisions of this section.

SEC. 8. (23 (a)) Deductions from gross income: (a) In computing net income there shall be allowed as deductions all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered; traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition to the continued use or possession, for the purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity: *Provided, however,* That if any such expenses, salaries, compensation, or other payments hereinbefore referred to shall be made to any officer or director of a corporation, or to any stockholder owning in excess of 1 percent of any class of the stock of the corporation, or to any relative of such officer, director, or stockholder, such expenses, salaries, compensation, or other payments shall only be allowed as deductions from the gross income of such corporation if they shall amount in total to less than $5,000, and if they exceed the amount of $5,000 they shall be allowed as deductions from gross income only to the extent of such $5,000: *And provided further,* That promotional, public relation, and all selling costs and expenses shall in no event be allowed as a deduction in a sum larger than the yearly average of such expenses for the 3 years immediately preceding the effective date of this act, and if such expenses do in fact exceed such preceding 3-year average they shall be allowed as a deduction only to the extent of such average.

(b) (23 (b)) In computing net income there shall be allowed as deductions all interest paid or accrued within the taxable year on indebtedness, except on indebtedness the interest on which is payable solely from income and is secured by and payable from no other property or funds, and except on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued between September 24, 1917, and January 1, 1921, and originally subscribed for by the taxpayer) the interest upon which is exempt from the taxes imposed by this title: *Provided,* That in no event shall such deduction for interest paid or accrued be allowed in excess of the yearly average of such interest paid or accrued for the 3 years preceding the effective date of this title, except insofar as such interest is paid or accrued for or on account of moneys borrowed and actually paid to the taxpayer, and if such interest does in fact exceed such preceding 3-year average it shall be allowed as a deduction only to the extent of such average.

(c) (23 (j)) In computing net income there shall be allowed as deductions, losses from sales or exchanges of capital assets only to the extent provided in section 22 of this act.

(d) (23 (n)) In computing net income there shall be allowed as deductions exhaustion, wear and tear, repairs, obsolescence, and depletion; and the basis upon which exhaustion, wear and tear, repairs, obsolescence, and depletion are to be allowed, in respect of any property shall be as provided in section 114 of the Revenue Act of 1934 as herein incorporated: *Provided,* That irrespective of the provisions of either section 23 or section 114 of the said act the total of deductions allowed for exhaustion, wear and tear, repairs, and obsolescence shall not exceed 2 percent of the gross income of the taxpayer during the taxable year: *And provided further,* That irrespective of the provisions of either section 23 or section 114 of the Revenue Act of 1934 as herein incorporated the total of deductions allowed for depletion shall not exceed the following percentages of the gross income from the property during the taxable year:

Two and one-half percent in the case of coal mines.

Five percent in the case of metal mines.

Seven and one-half percent in the case of sulphur mines or deposits.

Seven and one-half percent in the case of all other mines or wells.

Nine percent in the case of oil or gas wells.

(e) Notwithstanding any other provision of law or interpretation made thereunder, no deduction from gross income shall be allowed or allowable under any circumstances for—

(A) Any sums paid to foreign corporations, individuals, or other persons either as dividends or other distribution of earnings, or profits;

(B) Any sum received as distribution or disbursement of reserves against depletion, depreciation, or other capital charge or account or as distribution in complete or partial liquidation as defined in section 115 (i) of the Revenue Act of 1934; or

(C) Any sum accounted or paid or reserved for payment as an interest or amortization charge upon any obligation, bonded debt, or security created or accruing as the result of an exchange or transference of securities of the same corporation of any other character for such obligation, bonded debt, or security, in the event that such exchange or transference occurred after or within 1 year prior to the effective date of this title.

SEC. 9. (53 (a)) Times and place for filing returns: (a) All taxes levied, collected, and paid pursuant to this act shall be on an annual basis, and all rates, deductions, exemptions, credits, and other accounting computations of all kinds whatsoever shall likewise be on an annual basis, but individuals and corporations required to file returns under this act shall file such returns quarterly, and if on the basis of the calendar year, on or before the 1st day of May following for the first quarter, on or before the 1st day of August following for the second quarter, on or before the 1st day of November following for the third quarter, and on or before the 1st day of March following for the fourth quarter. If made on the basis of the fiscal year, such returns shall be filed on or before the 1st day of the second month following the close of the first three quarters of any fiscal year, and on or before the 1st day of the third month following the close of the fourth quarter of such fiscal year. As used in this section, the term "quarter" shall mean 3 calendar months.

Returns for the first three quarters of each year shall be made on an estimated annual basis, except that the total tax due and payable for such quarter shall be returned as a sum equal to one-fourth of the total annual tax as computed upon such estimated annual basis. A return for the fourth quarter shall be made on an estimated annual basis, except that such return shall also include an actual return for the entire taxable year, and the total tax due and payable for such fourth quarter shall be returned as a sum equal to the total annual tax due and payable for the entire taxable year on the basis of such actual return for the entire taxable year, minus a sum equal to the total amount of payments previously made for or on behalf of taxes due and payable for the first three quarters of such taxable year pursuant to the provisions of this act.

(b) If the effective date of this title is other than the first day of any quarter for which returns are due pursuant to the provisions of this title, no return shall be due until the date fixed herein for the filing of same at the expiration of the first full quarter for which returns are due as hereinbefore provided. Such return shall be made for the full quarter for which such return is legally due, and in addition to such full quarter shall include a return for the period commencing at the effective date of this title and expiring at midnight of the last day preceding the first day of such full quarter. The Commissioner shall make rules and regulations which shall have the force and effect of law in regard to the manner of computing income on the basis of such period of less than one full quarter. The provisions of section 47 of the Revenue Act of 1934 shall not apply to such return for such period. Fractions of months shall be disregarded for all purposes in connection with computations made pursuant to the provisions of this section.

(c) Immediately upon the effective date of this act, the President shall make public, upon such terms and conditions as he may see fit, the returns of all taxpayers for the year prior to such effective date, notwithstanding and in addition to any other terms or provisions of law relating to such publicity.

SEC. 10. (56 (a)) Time of payment of tax: The full amount of the tax imposed by this act shall be paid upon the date upon which a return is filed pursuant to the provisions of this act, and such payment shall be for the period covered by such return.

SEC. 11. Penalty: In addition to the tax imposed by this act, there shall be imposed a penalty to be added to the tax and collected as a part thereof, equal to 5 percent of the amount by which the tax due and payable for the fourth quarter of any taxable year, pursuant to the return filed in accordance with section 9 of this act, exceeds one-fourth of the total amount of such tax for the entire taxable year, unless it shall appear to the satisfaction of the Commissioner that such excess is not due to the withholding of amounts properly apportionable to the first three quarters of the taxable year.

SEC. 12. (102 (a)) Surtax on corporations improperly accumulating surplus: There shall be levied, collected, and paid for each taxable year upon the adjusted net income of every corporation (other than a personal holding company as defined in section 351 of the Revenue Act of 1934) if such corporation, however created or organized, is formed or availed of for the purpose of preventing the imposition of the surtax upon its shareholders or the shareholders of any other corporation, through the medium of permitting gains and profits to accumulate instead of being divided or distributed, a surtax equal to the sum of the following:

(1) 98 percent of the amount of the adjusted net income not in excess of $100,000; plus

(2) 100 percent of the amount of the adjusted net income in excess of $100,000.

SEC. 13. Overpayment of installments: If the taxpayer has paid, on the basis of returns filed for the first three quarters of any taxable year, an amount which exceeds his tax liability pursuant to this act for the entire year, such overpayment shall be credited against the tax due from such taxpayer under the terms of this or any previous or subsequent act for the next ensuing quarter or quarters, as the case may be; or shall be refunded at the option of the taxpayer. Section 322 (a) of the Revenue Act of 1934, as herein incorporated, is superseded only to the extent necessary to give effect to this section.

SEC. 14. (351 (a)) Imposition of surtax on personal holding companies: There shall be levied, collected, and paid, for each taxable

year upon the undistributed, adjusted net income of every personal holding company a surtax equal to the sum of the following:

(1) 98 percent of the amount thereof not in excess of $100,000; plus

(2) 100 percent of the amount thereof in excess of $100,000.

SEC. 15. Board of Tax Appeals; jurisdiction; rule of evidence: If the operation of any rule, standard, or limitation established by any subsection of section 8 or by section 20, or by section 22 of this title, shall result in a gross and unconscionable factual disparity or error, or if the operation of such section or subsection shall entail an unconstitutional result as against any taxpayer, such taxpayer may file a claim for adjustment or refund with the Board of Tax Appeals, or its successor in law or in fact. Such Board, in addition to all other powers and duties, is hereby authorized and empowered to hear and determine claims filed pursuant to this section, and if such determination is in favor of the claimant, such adjustment or refund as is allowed shall be a legal claim against the United States. No such claim shall be heard or determined unless the full sum in dispute has been paid into the Treasury of the United States, as though actually due; nor shall any such claim be heard or determined until a date subsequent to the expiration of this title, but such delay shall not prejudice in any respect, by limitation or otherwise, the rights of the claimant. In any such proceeding there shall be a presumption that the sum in dispute was validly collected and paid, and the burden shall be upon the claimant to show the contrary. All other rules, regulations, and statutory provisions relating to tax refunds shall apply to proceedings brought under this title, so far as applicable, except that the remedy herein provided for gross or unconscionable factual disparity or error or unconstitutional result under sections 8, 20, and 22 of this title shall be an exclusive remedy.

SEC. 16. Additional penalties: In addition to all other penalties provided by law, any person who willfully violates any provision of this title or who willfully fails to pay such tax, make such return, keep such records, supply such information as required by this title, or who willfully attempts in any manner to evade or defeat any tax imposed by this title or the payment thereof, shall be liable to a penalty of three times the amount of such tax withheld or evaded on the basis or as a result thereof, and the failure to pay such penalty within 30 days of its determination shall constitute a misdemeanor punishable by a fine of not more than $10,000 or imprisonment for not more than 1 year, or by both such fine and imprisonment.

SEC. 17. General auditor: There shall be appointed by the Chairman of the Senate Finance Committee, with the advice and consent of the Senate, a general auditor, who shall at all times have access to all records, files, and documents in the possession of the Treasury Department or any other department, bureau, or agency of the United States relating to the tax imposed by this title. Such general auditor shall hold office for the duration of the effectiveness of this title and shall not be removable except for misconduct. He shall have the power to subpena witnesses and administer oaths. He shall, upon request by any Member of Congress, produce for the official use of such Member all details of any record, file, or document relating to the tax imposed by this title.

SEC. 18. Credits for both normal tax and surtax; personal exemptions: There shall be allowed for the purposes of the normal tax and the surtax the following credits against net income:

(a) (25 (b) (1)) In the case of a single person or a married person not living with husband or wife, a personal exemption of $500; or in the case of married persons living with husband or wife, an exemption of $1,000. A husband and wife living together shall receive but one personal exemption.

(b) (25 (b) (2)) $100 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer, if such dependent person is under 18 years of age or is incapable of self-support because mentally or physically defective.

(c) Notwithstanding any other provision of this section or other provision of law, no personal exemption shall be allowed to any minor child whose parent or parents are alive, but such minor child shall make a joint return with such parent or parents, and only such personal exemption as is applicable to such parent or parents shall apply to the aggregate income included in such joint return.

(51) INDIVIDUAL RETURNS

SEC. 19. (a) Requirements: The following individuals shall each make under oath a return stating specifically the items of his gross income and the deductions and credits allowed under this title:

(1) Every individual having a net income for the taxable year of $500 or over, if single, or if married and not living with husband or wife;

(2) Every husband and wife having a net income for the taxable year of $1,000 or over, if living together; and

(3) Every individual having a gross income for the taxable year of $5,000 or over, regardless of the amount of his net income.

(b) Husband and wife: If a husband and wife living together have an aggregate net income for the taxable year of $1,000 or over, or an aggregate gross income of $5,000 or over, the income of both shall be included in a single joint return, and the tax shall be computed on the aggregate income.

(c) Minor children: If a minor child whose parent or parents are alive has a net income of $100 or more, his income shall be included in a single joint return with his parent or parents, and the tax shall be computed on the aggregate income. If such parents file separate returns, such joint return shall be with the parent with which the minor child resides; and if such parents file separate returns and the minor child resides with neither, such return may be filed with either such parent at the option of the child.

(d) Persons under disability: If the taxpayer is unable to make his own return, the return shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

SEC. 20. Loans to be treated as dividends: For all purposes under this title, and notwithstanding any other provisions of law to the contrary, any loan or advance made by any corporation to a stockholder or officer or for the benefit or on behalf of any stockholder or officer shall be treated as a dividend of such corporation for all purposes in connection with any tax imposed upon such officer or stockholder, but such loan or advance shall not be treated as a dividend of such corporation for any purpose in connection with any tax imposed upon such corporation.

SEC. 21. (272 (a)) Deficiency: Petition to Board of Tax Appeals: If in the case of any taxpayer the Commissioner determines that there is a deficiency in respect of the tax imposed by this title, the Commissioner is authorized to send notice of such deficiency to the taxpayer by registered mail. Within 30 days after such notice is mailed (not counting Sunday or a legal holiday within the District of Columbia as the thirtieth day) the taxpayer may file a petition with the Board of Tax Appeals for a redetermination of the deficiency. Assessment of a deficiency in respect of the tax imposed by this title and distraint or proceeding in court for its collection may be made, begun, or prosecuted after such notice has been mailed to the taxpayer, but in the event that the decision of the Board subsequently becomes final in favor of the taxpayer, he shall be entitled to a refund of such amount as has been collected on the basis of such deficiency. In any proceeding relative to a deficiency in respect of the tax imposed by this title, there shall be a presumption that the finding of such deficiency by the Commissioner is correct and the burden shall be upon the taxpayer to show the contrary to the satisfaction of the tribunal before which such proceeding is brought.

SEC. 22. (117 (d)) Limitation on capital losses: Losses from sales or exchanges of capital assets shall be allowed only to the extent of $2,000. In no event and under no circumstances shall such limitation be extended on account or to the extent of capital gains. If a bank or trust company incorporated under the laws of the United States or of any State or Territory, a substantial part of whose business is the receipt of deposits, sells any bond, debenture, note, or certificate or other evidence of indebtedness issued by any corporation (including one issued by a government or political subdivision thereof), with interest coupons or in registered form, any loss resulting from such sale (except such portion of the loss as does not exceed the amount, if any, by which the adjusted basis of such instrument exceeds the par or face value thereof) shall not be subject to the foregoing limitation, and shall not be included in determining the applicability of such limitation to other losses.

SEC. 23. Jurisdiction of courts: No suit for the purpose of restraining the assessment or collection of any tax, tax penalty, or tax deficiency as determined by the Commissioner shall be maintained in any court. Nor shall any action by any party to restrain either the voluntary or involuntary payment of any such tax, tax penalty, or tax deficiency be maintained in any court irrespective of the character of the party defendant, and irrespective of the circumstances.

TITLE II

INDUSTRIAL MANAGEMENT PROVISIONS

SECTION 101. Short title: This title may be cited as the "Industrial Management Draft Act."

SEC. 102. Creation of industrial management board and industrial management corps; power and duties: There is hereby created as an independent office a board to be known as the "Industrial Management Board" to consist of five members appointed by the President, by and with the advice and consent of the Senate. At least three of such members shall be civilians. Such board shall be officered and staffed in such manner as the President may designate, and shall exercise the powers conferred upon it by this title and such additional powers as the President may from time to time confer upon it. Such board shall have jurisdiction and control over the Industrial Management Corps, which is hereby created and which shall be a military corps; but in addition to all powers conferred upon such board, the Secretary of War, through such officers as he may designate, shall have disciplinary powers in like manner and to like extent as over any corps of the Regular Army, including the power of court martial for any offense cognizable under the law by military authority, and shall also have power of court martial or other military process for violation of any rule or regulation of the Industrial Management Board. It shall be the duty of the Industrial Management Board to cooperate to the utmost possible extent with all commissions, boards, or other authorities created or existing for the purpose of successfully prosecuting such war. In the event of any jurisdictional dispute or difficulty with any other Government department, board, or agency the President may decide such dispute or difficulty by Executive order. The Industrial Management Board shall have power to make rules and regulations for the government and control of such Industrial Management Corps, and such rules and regulations shall have the force and effect of law.

SEC. 103. Creation of local and district boards: The President is authorized and directed, immediately upon the declaration by Congress that a state of war exists between the United States and any foreign government, to create and establish throughout the several

States and subdivisions thereof and in the Territories and the District of Columbia local boards, and where, in his discretion practicable, there shall be one such local board in each county or similar subdivision in each State, and additional boards may be created within counties at his discretion. Such boards shall be appointed by the President, and shall consist of three or more members, to be chosen from among the local authorities of such subdivisions or from other citizens residing in the subdivision or area over which the respective boards will have jurisdiction, under rules and regulations to be prescribed by the President. Such boards shall have power within their respective jurisdiction to hear and determine, subject to review as hereinafter provided, all questions of exemption under this act and all questions of or claims for including or discharging individuals or classes of individuals from the draft as provided in this act.

The President is hereby authorized and directed to establish additional boards, one or more in each State, in his discretion, to be called "district boards", consisting of such number of citizens as he may determine, who shall be appointed by the President. Such district boards may, in their discretion, review on appeal and affirm, modify, or reverse any decision of any local board having jurisdiction in the area in which such district board has jurisdiction under the rules and regulations prescribed by the President. The decisions of such district boards shall be final, except that if the President shall later modify any rule, regulation, or order upon which such decision was based, such decision may be reconsidered by the said district board.

Any vacancy in any such local board or district board shall be filled by the President, and any member of such local board or district board may be removed by the President whenever he considers that the public interest requires such removal.

SEC. 104. Powers of President; rules and regulations: The President shall make rules and regulations governing the organization and procedure of such local boards and district boards, and providing for and governing appeals from such local boards to such district boards, and reviews of the decisions of any local board by the district board having jurisdiction, and determining and prescribing the several areas in which the respective local boards and district boards shall have jurisdiction, and all other rules and regulations necessary to carry out the terms and provisions of this title, and shall provide for the issuance of certificates of exemption, or partial or limited exemptions, to such persons as may be exempted from the terms and provisions of this act.

SEC. 105. Registration of persons: All persons engaged, wholly or partially, in any executive, supervisory, administrative, or policy-forming position with or in connection with any technical, industrial, or manufacturing plant or establishment of any kind whatsoever, whatever the form of ownership thereof, corporate or otherwise, or who have been engaged within 3 years of any declaration of war as heretofore referred to, shall register in accordance with regulations to be prescribed by the President, and upon proclamation by the President or other public notice to be given by him, which proclamation or public notice shall be as nearly contemporaneous with any declaration of war as may be. All such registration shall be conducted and recorded by local boards, as herein established, and shall be at such times and places as the President, or in the event of his failure to do so the local board, shall designate. Every such person shall be deemed to have notice of the requirement of this act upon the publication or other notice as aforesaid given by the President or by his direction, and it shall be the duty of all persons of the aforesaid engagements to present themselves to the local board having jurisdiction over the areas in which they reside and submit thereat for registration as herein provided. Any person who shall willfully fail or refuse to present himself for registration or submit thereto as herein provided, shall be guilty of a misdemeanor, and shall, upon conviction in the District Court of the United States having jurisdiction thereof, be punished by imprisonment of not less than 1 nor more than 5 years or by a fine of not less than $1,000 nor more than $10,000, or by both such fine and imprisonment, and shall thereupon be duly registered: *Provided*, That in the call of the docket precedence shall be given, in courts trying the same, to the trial of criminal proceeding under this act. In the case of temporary absence from actual place of legal residence, any person subject to this act may register by mail pursuant to regulations to be made by the President. For the purposes of criminal prosecution under this act a person shall be deemed prima facie to be engaged in executive, supervisory, administrative, or policy-forming position within the terms of this act if his salary, compensation, or other emoluments shall equal or exceed during any previous year within a 3-year period of the declaration of war herein referred to the sum of $4,000: *Provided further*, That the President may at such intervals as he may desire from time to time require any person who has become engaged in any position of which the occupant has or would have been subject to registration pursuant to this title since the last preceding date of registration and on or before the next date set for registration by proclamation by the President, except such persons as are exempt from such registration hereunder, to register in the same manner and subject to the same requirements and liabilities as those previously registered under the terms hereof: *Provided further*, That all such persons when registered shall be liable to combat military service and to draft under the terms of any other act of Congress and under such regulations as may be prescribed thereunder: *And provided further*, That in the event that any member of the Industrial Management Corps shall be removed from the position which he occupied prior to declaration of war pursuant to the provisions of section 107 of this title and be not immediately transferred to some other position or status under the Industrial Management Board, he shall forthwith be transferred to such other branch of the Military Establishment as the Secretary of War may direct, provided that he is otherwise qualified for such service.

SEC. 106. Exemptions: The following classes of persons shall be exempt from registration under the terms of this act:

(a) Officers and enlisted men of the Regular Army, the Navy, the National Guard, Naval Militia, and all other persons in the military and naval services of the United States.

(b) Persons found by local boards to be morally deficient for service in the military forces of the United States, or insane.

(c) Aliens who have not declared their intention to become citizens.

(d) Persons who may be exempted by unanimous vote of a local board, confirmed by a unanimous vote of a district board for unique, exceptional, extraordinary, and unforeseen reasons which make satisfactory service in the military forces of the United States impossible, but in no case shall mere physical disability be sufficient cause for exemption under this section.

SEC. 107. Power of the President; status and powers of registration: Whenever the President shall, in his discretion, deem any technical, industrial, or manufacturing plant or establishment or any group of such comprised in an industry to be necessary to the maintenance of the Military Establishment or the effective operation of the military forces or the maintenance of the national interest during the emergency, he may proclaim such plant, establishment, or industry so to be. Upon making such proclamation the President shall determine and state in the said proclamation either that—

(a) Any person registered pursuant to the provisions of this title engaged or employed wholly or partially in such plant, establishment, or industry; or

(b) Any person registered pursuant to the provisions of this title engaged in a capacity which involves the determination, or a part in the determination, of the business and industrial policy of such plant, establishment, or industry, including in the case of corporations the president, directors, vice presidents, and general manager or those occupying corresponding positions among others—

shall be drafted for service in the Industrial Management Corps. Thereupon each person so drafted shall become a member of the United States Army and of the Industrial Management Corps thereof, and subject to military discipline through such officers as the Secretary of War may designate pursuant to section 102 of this title. Such person shall receive a commission from the said Army of a rank not superior to brigadier general, and if possible such rank shall correspond approximately to the Regular Army rank of an officer in charge of a like number of men. Such corps shall be maintained, organized, and equipped in such manner as the Industrial Management Board may direct. Members of the Industrial Management Corps shall receive from their employers only such compensation and allowances as are received by officers of the Regular Army of even rank and grade, and in no case and under no circumstances shall such compensation and allowances exceed the amount paid to officers of the Regular Army of even rank and grade. All members of the Industrial Management Corps of the Army of the United States shall, from the date of enrollment therein, be subject to the laws and regulations governing the Regular Army, except as to promotions, so far as such laws and regulations are applicable to persons whose permanent retention in the military service on the active or retired list is not contemplated by existing law, and the duration of military service of such members of the Industrial Management Corps shall be for the duration of the war and for such time thereafter as the President may declare to be a period of national emergency. Each member of the Industrial Management Corps shall continue to occupy such position, in his normal status, except as otherwise provided by this title in any technical, manufacturing, or industrial plant or establishment as he occupied prior to the effective date of this title, unless promoted or demoted by the management thereof with the consent of the Industrial Management Board. If at any time, however, the Industrial Management Board shall find the services of such member of the Industrial Management Corps to be inefficient, unsatisfactory, or contrary to the public interest, such Board may order his removal therefrom and thereupon he shall be assigned to such other branch of the Military Establishment as provided in section 105 of this title. Upon such removal or in the event of any vacancy for any cause, the owners or managers of such plant or establishment shall replace such removed person in the normal manner; thereupon the person chosen as such replacement shall be enrolled forthwith as a member of the Industrial Management Corps.

SEC. 108. Limitation on income of members of Industrial Management Corps; penalties: No member of the Industrial Management Corps shall at any time receive any salary, gift, compensation, or any other emolument whatsoever for services rendered during war time from any partnership, association, trust, corporation, or other person interested in or connected with any technical, industrial, or manufacturing plant or establishment for or in which such member may render services during time of war. Such member shall receive for services rendered during time of war only such compensation and allowances as shall equal the amount paid to officers of the Regular Army of even rank and grade, and no other person shall receive on his behalf or account nor shall any person receive in trust or by other means any additional compensation or allowance. If any member of the Industrial Management Corps does receive such additional salary, gift, compensation,

or emolument he shall be forthwith dishonorably discharged from the United States Army, and such dismissal shall be in addition to other penalties. Neither shall any such person be permitted to escape such service or to be discharged therefrom prior to the expiration of his term of service by the payment of money or any other valuable thing whatsoever as consideration for his release from such service or liability thereto. Any violation of the terms of this section shall constitute a felony and shall be punishable by a fine of not exceeding $10,000 or by imprisonment for not more than 10 years, or by both such fine and imprisonment.

SEC. 109. Definition: Where used in this title the phrase "technical, industrial, or manufacturing plant or establishment" shall include, among others, gas and electric-power plants, mines and wells, railroads, pipe lines, and other public utilities, as well as all other plants or establishments of consequence to the successful prosecution of war.

SEC. 110. Emergency power; requisition of industrial resources: In the event of emergency, or in the event that inefficiency, labor dispute, or inability to agree on rates or terms of public contracts or any other cause has impaired or delayed the usefulness of any technical, industrial, or manufacturing plant or establishment to the successful prosecution of any war, the Industrial Management Board may upon a finding of such fact, and shall upon the request of the President, requisition the physical establishment or any part thereof and resources of such plant or establishment and operate it under such rules and regulations as it may deem proper in the circumstances, and with such personnel as it may provide. If the President designates any other governmental agency to operate such plant or establishment, the jurisdiction of the Industrial Management Board under this section shall be superseded. The owner of such plant or establishment shall be entitled to a return of such plant or establishment at the termination of the effectiveness of this title, together with just compensation for such loss as he may have suffered as a result of such requisition. Such loss shall be determined by the Industrial Management Board upon application made within 30 days of the return of such plant or establishment to the owner, and when so determined shall be a legal claim against the United States. The jurisdiction of the Industrial Management Board is extended for a period of 1 year beyond the expiration of this act for determination of claims filed hereunder, and such extension of time for such purpose shall be an exception to any inconsistent provision of this act.

TITLE III

COMMODITY CONTROL PROVISIONS

SECTION 201. Short title: This title may be cited as the "War Commodity Control Act."

SEC. 202. Definitions: For the purposes of this title the term "commodity" shall mean any article of commerce sold or offered for sale upon a commodity exchange; the term "commodity exchange" shall mean any central market place where articles of commerce are sold on a short, long, future, or marginal basis, or where common articles of commerce are continuously sold without being present or in view of either the buyer or seller, or whether "bid and asked" quotations are commonly furnished on demand for articles of commerce, or any place commonly known as a "commodity exchange."

SEC. 203. Commodity Control Commission: There is hereby created the Commodity Control Commission, hereinafter in this title called the "Commission", to consist of five members appointed by the President, with the advice and consent of the Senate, for a term of office to expire at the expiration date of this title, unless sooner removed by the President in his discretion. Such members shall receive the same compensation and allowances as are paid to officers of the Regular Army of the rank of colonel. No such member, so appointed, shall refuse to serve as a member of such Commission. Neither during his term of office nor thereafter, on account of services rendered during such term, shall any such member receive, nor shall any other person receive on his behalf, any reward, compensation, or emolument whatsoever from any source directly or indirectly regulated or affected by the provisions of this title, nor shall any member, attorney, agent, or employee of the Commission in any manner, directly or indirectly, participate in the determination of any question affecting his personal interest, or the interests of any corporation, partnership, association, or trust in which he is directly or indirectly interested.

SEC. 204. Powers of Commission: The Commission shall have power, in its discretion, if it deem the public interest and the successful prosecution of the war to so require or render advisable:

(a) To close any commodity exchange.

(b) To publish rules and regulations with the force and effect of law for the government of such commodity exchanges as are not closed, which rules and regulations may include, among other things, the regulation of the prices or parities at which commodities may be sold; the establishment of priorities and rationing in favor of purchasers or users most vitally linked with the successful prosecution of the war; the limitation or fixation of fees, commissions, or other charges collected by such commodity exchanges or their agents for any service whatsoever; the elimination or limitation of short, long, future, and marginal selling and hedging and speculation of all types and varieties whatsoever.

(c) To prohibit the publication of prices quoted on commodities sold or formerly sold on such commodity exchanges and to proscribe and prohibit the delivery or transmission for delivery through the mails or by telegraph, telephone, wireless, or other form of communication of such prices or of any quotation or report of the price of or contracts or sales made of commodities sold or formerly sold on such exchanges.

SEC. 205. Additional powers of Commission: If the Commission shall close all or any commodity exchanges, it shall have power, in its discretion, if it deem the public interest and the successful prosecution of the war so require or render advisable—

(a) To requisition the physical plant of or place occupied by any commodity exchange or such part of such plant or place, together with such elevators, warehouses, and other marketing facilities wherever located, including private telegraph and telephone wires, as it may require; and to requisition all stores or supplies of any such commodities held by any person.

(b) To fix the price at which any commodity may be sold and to limit sale of such commodity to itself; and to establish allocations, quotas, and priorities for sales to itself and others, either at the time of such sale or in advance of such sale.

(c) To resell any commodity purchased by itself at cost, plus such differential as shall equal the cost of handling and other expenses; and to establish allocations, quotas, and priorities among purchasers and users in favor of those most vitally linked with the successful prosecution of the war.

(d) To conserve or limit to war purposes the use of any commodity.

SEC. 206. Fees and commissions prohibited: At no time and under no circumstances shall any fee, commission, or other emolument be paid as or in lieu of brokerage on any transaction in which the Commission is either buyer or seller of a commodity.

SEC. 207. Standard for fixing of prices: In fixing any price pursuant to the provisions of this title for any agricultural commodity within the purview of this title, the Commission shall be guided but not bound by such level as will give such agricultural commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period, and shall be guided, further, by the necessities of the Government and the public interest in successful prosecution of the war. The base period shall be all or any period of 5 consecutive years or more, in the discretion of the Commission, of the period commencing on January 1 of the twentieth year preceding the effective date of this title and ending on January 1 of the second year preceding such effective date.

SEC. 208. Control of other agencies: In the event that any other governmental authority or agency is actually engaged in the control, management, operation, or government of any industrial establishment connected with or necessary to the successful prosecution of the war, any request for priority in the allocation of commodities to such industrial establishment by such authority or agency shall be binding upon the Commission.

SEC. 209. Appropriation: There is hereby authorized to be appropriated for the creation of a revolving fund to enable the Commission to make purchases of commodities as herein authorized the sum of $500,000,000. All moneys received by the Commission in the exercise of its powers under this title shall revert to such revolving fund.

SEC. 210. Compensation to owners: The owner of any physical plant or place or elevator, warehouse, other marketing facilities, or private telephone or telegraph wires subjected to requisition pursuant to the provisions of this title shall be entitled to the return of such property at the termination of the effectiveness of this title, together with compensation for such loss as he may have suffered as a result of such requisition. Such loss shall be determined by the Commission upon application made within 30 days of the return of such property to the owner, and when so determined shall be a legal claim against the United States. The jurisdiction of the Commission is extended for a period of 1 year beyond the termination of this title for determination of claims filed hereunder, and such extension of term for such purpose shall be an exception to any inconsistent provision of this act.

SEC. 211. Illegal exchange and traffic: Where, under the authority of this title, the Commission has closed all exchanges in the United States dealing in the purchase or sale of any commodity, it shall be unlawful for any person to establish an exchange or to deal or traffic in the purchase or sale of such commodity in any extemporized market or over-the-counter trade or in any other manner.

SEC. 212. Effective date: Notwithstanding the provisions of any other section of this act, the effective date of this title shall be upon the declaration of any war between the United States and any foreign power or upon the declaration by the President that an emergency has arisen due to the possible future declaration of war or due to the existence of a state of war between two foreign powers. The effectiveness of this title shall cease upon a declaration by Congress that the emergency herein referred to has ceased to exist.

TITLE IV

SECURITIES EXCHANGE PROVISIONS

SECTION 301. Short title: This act may be cited as the "War Securities Exchange Control Act."

SEC. 302. Powers of the President: In addition to all other powers possessed by the President by law as of the effective date of this title, and not in substitution therefor, the President may by proclamation close any or all exchanges where securities are bought, sold, or offered for sale and by rules or regulations prevent any public or private sale of any such securities. Such rules and regulations shall have the force and effect of law. Such proclamation shall remain effective, if so intended by the President, for the duration of the effectiveness of this title. For the purposes

of this section the word "security" shall be defined in like manner as the same is defined by section 2 of the Securities Act of 1933, as amended by act approved June 6, 1934, as in effect on March 15, 1935.

TITLE V

WAR FINANCE CONTROL

SECTION 401. Short title: This title may be cited as the "War Finance Control Act."

SEC. 402. Finance Control Commission: There is hereby created the War Finance Control Commission, hereinafter in this title called the "Commission", to consist of five members appointed by the President, with the advice and consent of the Senate, for a term of office to expire at the expiration date of this act, unless sooner removed by the President in his discretion. Such members shall receive the same compensation and allowances as are paid to officers of the Regular Army of the rank of colonel. No such member, so appointed, shall refuse to serve as a member of such Commission. Neither during his term of office, nor thereafter on account of services rendered during such term, shall any such member receive, nor shall any person receive on his behalf, any reward, compensation, or emolument whatsoever from any source directly or indirectly regulated or affected by the provisions of this title, nor shall any member, attorney, agent, or employee of the Commission in any manner, directly or indirectly, participate in the determination of any question affecting his personal interest, or the interest of any corporation, partnership, association, or trust in which he is directly or indirectly interested.

SEC. 403. Powers of Commission; approval of securities: No security may be registered with the Securities and Exchange Commission, as provided in the Securities Act of 1933, as amended, and as in effect March 15, 1935, or its successor in law or in fact, unless it shall have been approved previously by the Finance Control Commission pursuant to the provisions of this title. No security the total or aggregate par, face, or actual value of which plus the aggregate par, face, or actual value of any other securities issued by the same person since the effective date of this title, is in excess of $100,000, shall be sold or offered for sale or for subscription either publicly or privately unless such security shall have been approved previously by the Finance Control Commission pursuant to the provisions of this title. Such approval shall be granted if the Commission find, after hearing held upon notice to any applicant for such approval, if such hearing is requested, that either—

(a) The security is part of a current transaction maturing in less than 9 months;

(b) The security is issued solely in exchange for an outstanding security and that no money or other property consideration is involved in the transaction;

(c) The security is offered for resale, having been originally sold prior to the effective date of this act or pursuant to its provisions; or

(d) The sale of such security is compatible with the public interest in the successful prosecution of war, and that the proceeds from the sale of such security will be applied to the extension or improvement of the capital plant or efficiency of an industry, establishment, or agency necessary or desirable to the successful prosecution of war.

Under no circumstances shall the Commission grant approval under this section if it shall find none of the preceding conditions to exist, nor shall it grant such approval if it shall find that the proceeds from the sale of such securities will or may be applied to purposes not connected with the successful prosecution of war or that the sale of such securities may attract or absorb funds potentially more useful to the successful prosecution of war.

SEC. 404. Powers of Commission; financing: The Commission may, upon application to the Commission by any officer or agent of the United States or upon application of any officer or agent of any industry, establishment, or agency, after finding that, due to inadequate capital plant or other inadequate financial resources, the efficiency or usefulness of any such industry, establishment, or agency for the successful prosecution of war is impaired or impeded, loan or advance such sums as may in its judgment be necessary to eliminate such impaired or impeded usefulness or efficiency, upon such security, if any, as it deems necessary. If such loan or advance is made upon application of any officer or agent of the United States, no reimbursement except interest, at a rate to be fixed by the Commission, shall be required during the effective date of this act, but the United States shall have a lien superior to all other liens for the repayment of such loan or advance upon all real assets or fixtures constructed or purchased with such funds.

SEC. 405. Tax credits and allowances: No depreciation, amortization, exhaustion, wear and tear, obsolescence, or other deduction shall be allowed or credited against gross income under any tax act, including title I of this act, for any part or portion of the construction or purchase cost of any real asset or fixture constructed or purchased with funds provided by the Commission pursuant to section 404 of this title for any war or taxable period during which this act is in effect.

SEC. 406. Revolving fund; appropriation: There is hereby authorized to be appropriated the sum of $500,000,000 to be used by the Commission as a revolving fund for the purposes of making loans and advances pursuant to the provisions of section 404 of this title.

SEC. 407. Definitions: Unless the context otherwise requires, the definitions established by section 2 of the Security Act of 1933, as amended by act approved June 6, 1934, as in effect March 15, 1935, are hereby adopted as applicable to this title.

SEC. 408. Publicity: All approvals of securities made by the Commission pursuant to section 403 and all loans or advances made pursuant to section 404 of this title shall be public records and shall be available for public inspection in such detail and under such reasonable rules and regulations as the Commission may prescribe.

SEC. 409. Time limitations on action: Wherever in this title provision is made for an application to the Commission for any purpose, and such application is made, the Commission shall act upon such application within 30 days of the filing of same, or state publicly the reason for failing to do so.

SEC. 410. Limitation on powers of Commission: Nothing contained in this title shall be deemed to limit or control the power of the United States Government or any agency thereof to issue securities.

SEC. 411. Limitation of effect of approval: No action taken by the Commission pursuant to the provision of section 403 of this title shall be construed as approving the legality, validity, worth, or safety of any security.

TITLE VI

WAR RESOURCES CONTROL

SECTION 501. Short title: This may be cited as "The War Resources Control Act."

SEC. 502. Prices: The President is hereby authorized, with respect to any product, foodstuff, material, real property, right, or service, declared by him essential for the national security and defense in the prosecution of the war, to fix and establish just and reasonable, maximum, minimum, or absolute prices or rates or rentals at which such product, foodstuff, material, commodity, real property, right, or service may be bought, sold, rented, or otherwise contracted for, whether such transaction be with the Government or between persons of the civilian population, on the basis of differentials established on the basis of pre-war parities as of any year or period of years, as the President may designate, prior to the declaration of war but not more than 20 years prior to such declaration. Prices fixed pursuant to the provisions of title II of this act are not subject to the provisions of this section. Any such differential may be altered or modified from time to time as the President may direct. The President may also prescribe differentials based either on primary market or markets or upon zones or districts or may prescribe different prices or rates for different localities or for different uses in the same locality. The President is further authorized to fix and establish just and reasonable rates of profit, compensation, wage, or commission which shall be allowed for the production, the manufacture, the sale, the marketing, or the distribution of any such product, foodstuff, material, commodity, real property, right, or service. Any such rate, compensation, wage, or commission may be altered or modified from time to time as the President may direct.

SEC. 503. Priorities: The President is hereby authorized, whenever he deems it necessary or advisable to the successful prosecution of the war, to—

(a) Fix and establish the order of preference to be observed (hereinafter called "priority") by any manufacturer, producer, dealer, distributor, carrier, public utility, or other person whatsoever, in manufacturing, producing, filling existing or future contracts for, complying with requisitions or orders for, transporting, distributing, or delivering of, or

(b) Regulate, limit, or prohibit the purchase, sale, use, transportation, manufacture, or distribution of any product, foodstuff, material, commodity, real estate, right, or service.

SEC. 504. Requisitions: The President is authorized, whenever he deems it necessary or advisable to the successful prosecution of war, to requisition and take possession of any product, foodstuff, materials, commodity, real property, or right, and on such terms as he may deem desirable to sell or otherwise dispose of such product, foodstuff, material, commodity, real property, or right. For compliance with any such requisition the United States shall make just compensation, to be determined by the President. If the compensation so determined be unsatisfactory to the person entitled to receive the same, such person shall be paid 75 percent thereof, and shall be entitled to sue the United States immediately upon the close of war to recover such further sum as added to said 75 percent will make up such amount as will be just compensation therefor, and jurisdiction is hereby conferred, regardless of the amount in controversy, on the United States District Court for the district in which such product, foodstuff, material, commodity, real property, or right is situated to hear and determine all such controversies in the manner provided for by section 24, paragraph 20, of the Judicial Code: *Provided*, That no court shall have jurisdiction to entertain suit, whatever the character, of either party, plaintiff or defendant, to restrain or enjoin requisition, by the Government of the United States, under this section.

Any moneys received by the United States for or in connection with the sale or disposition of any product, foodstuff, material, commodity, real property, right, or service pursuant to this title may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this title.

SEC. 505. Licenses: (a) From time to time whenever the President shall find it essential to license the production, manufacture, sale, storage, distribution, or transportation of any product, foodstuff, material, commodity, real property, right, or service, in order to carry into effect any of the purposes of this title to and in the successful prosecution of war, and shall publicly so announce, it shall be unlawful for any person, after a date fixed in the announcement, to engage in or carry on any such business enumerated

in this section, unless he shall secure and hold a license pursuant to this section.

(b) The President is authorized to issue such licenses, to fix the conditions of such licenses, and to prescribe requirements for systems of accounts and auditing of accounts to be kept by licensees, submission of reports by them with or without oath or affirmation, and the entry and inspection by the President's duly authorized agents of the places of business of licensees. The President may order the revocation of the licenses of any licensee who fails to comply with any condition of or in a license, or who fails to observe any price, rate, wage, or priority fixed or established pursuant to this title, or who fails to perform or comply with any contract, requisition, or requirement of the United States, or otherwise fails to comply with the provisions contained in such license.

SEC. 506. Conservation of resources: The President is authorized, whenever he deems it necessary or advisable to the successful prosecution of the war, to promulgate and enforce rules and regulations against waste, destruction, hoarding, speculation, and profiteering with respect to any product, foodstuff, material, commodity, real property, right, or service.

SEC. 507. Administration of title: The authority and power conferred by this title may be exercised under the direction and during the pleasure of the President, through any department, establishment, service, agency, or officer of the United States, or any person designated by the President for the purpose, and to that end he is authorized to create or provide for such additional agencies of the Government and prescribe such rules and regulations as he may deem necessary; and for the duration of the emergency only, the President is authorized to regroup, redistribute, or reassign duties and functions of procurement of war supplies for the Military and Naval Establishments: *Provided*, That no one appointed or designated by the President hereunder shall in any manner, directly or indirectly, participate in the determination of any questions affecting his personal interests, or the interests of any corporation, partnership, association, or trust in which he is directly or indirectly interested.

SEC. 508. Rules and regulations: Rules and regulations made by the President under this title shall have the force and effect of law.

TITLE VII

GENERAL PROVISIONS

SECTION 601. Short title: This act may be cited as the "War Emergency Act."

SEC. 602. General powers of board or commissions: Any board or commission created pursuant to the provisions shall be a body corporate in name and deed and shall establish and maintain a general office in the District of Columbia. Such board or commission may rent suitable offices for its use, and purchase such furniture, equipment, and supplies as may be necessary. Such board or commission is authorized to appoint and dismiss at pleasure such officers and employees as are necessary to execute its functions under this act, and fix their salaries and compensation, and may delegate to such officers and employees by designation in writing such part of its authority as may be necessary to the efficient execution of its powers and functions. Such board or commission shall have power to make all rules and regulations appropriate and necessary to the execution of its functions, duties, and powers under this act and such rules and regulations shall have the force and effect of law. Such board or commission may make such expenditures as are necessary to execute its functions under this act, which shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the committee. Such board or commission shall make a report to Congress on the first day of each regular session, which shall include the names and compensation of all of its officers and employees. There is hereby authorized to be appropriated such amounts as may be necessary to the proper execution of the purposes of this act.

SEC. 603. Suspension of conflicting and inconsistent acts: All acts or parts of acts conflicting or inconsistent with the provisions of this act are to the extent of such conflict or inconsistency suspended during the effectiveness of this act.

SEC. 604. Criminal penalties: Any person who willfully violates any provisions of this act or any of the rules and regulations made thereunder shall, unless other criminal penalties be provided herein for such violation, be guilty of a misdemeanor, and shall upon conviction thereof, be fined not more than $100,000 or imprisoned for not more than 1 year, or both, together with the costs of prosecution.

SEC. 605. Succession to rights and duties: On the expiration of this act the United States of America shall be successor to the rights and duties acquired or incurred by any board or commission created by this act.

SEC. 606. Separability clause: If any provisions of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons and circumstances, shall not be affected thereby.

SEC. 607. Effective date: Except as otherwise specifically provided herein, the provisions of this act shall take effect immediately upon any declaration of war by the United States and shall continue in full force and effect until the termination of such war and the declaration by Congress that the emergency created by such war has ceased to exist.

Mr. GREENWOOD. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Speaker, I want to effectively and actually take the profits out of war. The McSwain bill, the rule on which we are now considering, does not, in my opinion, effectively take the profit out of war but rather freezes profits at a high level during time of war. In my opinion, the only effective way of eliminating war profits is by the system of drastic income taxation in time of war which is included in Senator NYE's program.

This McSwain bill, under the rule proposed, is being brought in under a parliamentary strait-jacket which prevents the consideration of the Nye taxation method of eliminating war profits. If this rule is adopted, I, and other Members of Congress, if we want to be on record as being against war profits, will have to vote for a fraud and a farce, a bill which will not, in effect, take the profit out of war.

I ask that you vote down the previous question on the rule so that I may have the opportunity to amend the rule as follows: It shall be in order to consider as a substitute amendment for the bill any amendment that relates to the regulation and control of the economic and industrial structure of the Nation for the successful prosecution of war, notwithstanding the fact that said amendment may impose taxes. [Applause.]

I ask that you vote down the previous question on this rule so that we may have the opportunity to vote on legislation which will actually and effectively take the profit out of war. [Applause.]

Mr. GREENWOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, I had not intended to say anything on the rule; but, being a member of the Military Affairs Committee and knowing something about the history of this legislation for the past 4 years, I undertake to say that some of the arguments used on this floor in the last 30 minutes have been the most unfair and unjust of any I have heard during the years I have been a Member of this body. This is not a revenue-raising measure. If it were, it would have to come from the Committee on Ways and Means. I am in hearty sympathy with some of the statements in reference to a tax on excess profits, and I will heartily support such legislation. This is a bill clothing the President of the United States with full authority in war time to put a ceiling on prices, on commissions, fees, and profits, and in the event there is a violation of his orders and regulations a severe penalty is imposed.

I am a little bit shocked and surprised at some of my very close and esteemed friends who are members of the committee. They were present during the many hearings on this bill before the Military Affairs Committee during the last 3 months. I do not say they voted for the bill, but they did not vote against it and manifested no opposition to it. The chairman made a public announcement that the rule would be asked for, and there was no opposition to that.

This is a wide-open rule that makes germane any amendment which is pertinent to the provisions of this bill.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from New York.

Mr. ANDREWS of New York. As I recall it, neither of these two gentlemen made any suggestion to the committee with reference to the institution of taxes in this bill?

Mr. THOMASON. Not a word did they say. Not the slightest objection was offered.

We have heard a lot of talk about Mr. Baruch. There also appeared before that committee representatives of the American Legion, Veterans of Foreign Wars, American Federation of Labor, various patriotic societies, and representatives of the War Department. I undertake to say at this time that the hearings will show there was not a single witness before that committee who did not approve of the principle of this bill.

This looks to me like a rap at the chairman, as well as the committee. No objection will be made to offering germane amendments. Some of those opposing this rule are the ones who have talked the loudest about gag rules. Now

here is a rule brought out with all the light of day thrown on it. You may amend as you want to. I am one of those who voted against the discharge and other gag rules. I am one of those who voted against the 218 petition rule. Here is a rule that has come out that is perfectly fair, yet those who have spoken the strongest against gag rules would now send it back. I thought you wanted a chance to discuss, amend, and vote on bills. There is the opportunity given under this rule to debate the matter for 4 hours. The opportunity is given to amend it in any manner, shape, or fashion you see fit, that is germane.

If the Senate wants to pass it, all right. If not, they will pass another bill, then let the bill be sent to conference, like 90 percent of the bills are.

In addition to that, if you want to follow this bill up with a tax measure, you will have the opportunity. Every witness before the committee, so far as I can recall, favored the bill. No opposition appeared. I undertake to say that there is not a man in the United States who has given this question more patriotic and devoted study than JOHN McSWAIN. In addition to having a distinguished military career, he is one of the most able, fair, and just men in this House. I expect to back him up in his effort to take the profits out of war. [Applause.]

Now, then, some of you propose, by saying this is a gag rule, to send it back to committee. Why are you afraid to face the music here? Let the bill be read. It is in your power to amend it. If you do not like the bill, kill it, but do not slap the Military Affairs Committee and its distinguished, unselfish chairman in the face by any such action. There is no use for a committee to have hearings for weeks and months if you are going to send it back without reading and debating it. Come on and let us fight it out. If you do not like the bill as it passes the Committee of the Whole, you can then move to recommit.

Mr. SHORT. In fact, our committee unanimously reported the bill.

Mr. THOMASON. This bill came out on a unanimous report of the committee. There was not a vote against it. There was a lot of publicity given to it. Everybody had a chance to be heard. All of these different organizations appeared before this committee, and not one single witness, that I can recall, appeared who did not express hearty approval of the bill. This is a fine opportunity to start some needed legislation on this question.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Speaker, I yield the balance of my time to the gentleman from South Carolina [Mr. McSWAIN].

Mr. McSWAIN. Mr. Speaker, I desire to make a very calm, and, if possible, judicial statement concerning the situation that now confronts the House. There is no surprise in this matter. This bill was reported on February 12 after long hearings, which were reported in the press every day.

The Rules Committee on two separate occasions, and publicly, heard the unanimous request of the Committee on Military Affairs to give us a rule. And the reason we asked a rule was in order that we might bring it up at an early date and not wait for Calendar Wednesday. We asked only for a wide-open rule, with all the general debate possible, confined to the bill itself. The bill has been reported and on the Union Calendar ever since February 27, month before last. House Resolution 133 has been on the House Calendar all that time.

Nobody can claim to be taken by surprise as to the provisions of this rule or of the measure proposed to be considered under the rule.

The House of Representatives is asked by my distinguished friend from Texas, a member of the committee (not the gentleman from Texas who last addressed us), however, to withdraw the bill and go into conference with the Senate and agree with them on the provisions of a bill. I should like to know who is authorized to speak for the Senate. When has the Senate ever agreed on anything in advance or even afterward? [Laughter.]

Why, Mr. Speaker, this is a simple proposal that has been in the hearts of the 4,000,000 men who followed the flag during the World War, when they realized that excessive and unreasonable profits were being made, and as soon as I came to Congress or very soon thereafter, to wit, on December 6, 1922, I started this agitation in the form of a resolution to set up a commission to study the matter, which ultimately resulted in the War Policies Commission, and on that Commission we had 14 members, 6 members of President Hoover's Cabinet, 4 members of this House, and 4 Members of the Senate, and this is an effort to effectuate in legislation the reports and recommendations of the War Policies Commission.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. In a moment. Let me first finish my statement.

So far as this taxing provision is concerned, the Committee on Military Affairs by its report recommends to you and to the Congress that may be sitting in the event of war, which we hope may never come, that instead of the 95-percent tax upon excess war profits, that the tax then be 100 percent.

The Committee on Military Affairs has no taxing power; and if there had been in the bill which I introduced a provision authorizing the levying of taxes, it might have gone to the Committee on Ways and Means. I offered in that bill only provisions that the Committee on Military Affairs had jurisdiction of. There are 435 Members of this House, and every one of them, every day since we met here in January, could have introduced a bill that would be before the Ways and Means Committee, authorizing the levy of a tax of 100 percent on war profits; and if that has not been called to their attention, any Member who has been today finding some fault with this bill because it does not contain a provision taxing the excess profits out of war today can introduce such a bill, or can introduce such a bill tomorrow, or can introduce such a bill any day that this House may be in session, and it will be referred to the Committee on Ways and Means, and will there be considered; and I will guarantee that the American Legion and every patriotic American who believes that the war profiteers should not be permitted to make their millions while the boys suffer will be behind the proposal before the Ways and Means Committee.

Mr. MAY and Mr. MONAGHAN rose.

Mr. McSWAIN. I yield first to my colleague the gentleman from Kentucky.

Mr. MAY. I call the attention of the gentleman and the House to the fact that this is a bill reported without even the offering of an amendment by any member of the committee, and reported by a unanimous vote, and then the matter was taken up with the Rules Committee and presented without objection.

Mr. McSWAIN. There is a slight misstatement in that the first bill on this subject was introduced by me the very first day of the session in January, and bore no. 3. It was bill no. 3, and has been before the House ever since the first day of the session. No. 3 was amended after consideration by the committee and receiving suggestions as a result of hearings, until it finally became no. 5529. However, in substance, it is the same bill that has been continuously before the Congress and before the committee since the very first day of the session, and nobody need be taken by surprise as to any particular matter.

Mr. MAY. And notwithstanding the fact that the hearings are full of evidence on the question of taxes and what amount of taxes ought to be levied and when they should be levied, nobody offered any amendment in committee proposing a tax, because we all felt that the Military Affairs Committee had no jurisdiction with respect to taxes.

Mr. McSWAIN. That was my view—that the committee could not take such jurisdiction.

It is now in the power of this body to take away jurisdiction from any committee, if it wants to. Every committee is the creature of this body, and I am not so much of a parliamentarian as to say that, to a bill to take the profits out of war, an amendment to authorize the levying of an

excess-profits tax as a result of the war would not be in order. I am not prepared to say this, but I am saying we want this bill brought before the House, and if any Member has a constructive suggestion he will not find this committee hostile to it. We have no special pride in it. We are trying to bring something before the country that the country has been demanding ever since the 11th of November 1918.

Mr. GREENWOOD. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Indiana.

Mr. GREENWOOD. In connection with this rule, some have suggested that the rule should have been made wide open so as to have permitted amendments concerning taxation. It would be setting aside all the precedents of the House to ask the Rules Committee to make germane provisions offered from the floor of the House on matters of taxation that have never even been submitted to the Committee on Ways and Means. This would be a very unusual procedure, and when the chairman of the legislative committee appeared before the Rules Committee it was not suggested that we set aside or thwart the action of the Committee on Ways and Means by making an amendment germane that might be offered from the floor of the House which would set aside all precedents of the House.

Mr. McSWAIN. In response to the statement, I will say that if this bill is passed and becomes a law, if I am alive I shall sponsor a bill before the Ways and Means Committee to authorize the tax which they are now suggesting. I shall sponsor it, if no one else does, if I am alive and a Member of this House, because I am dedicated, body and soul, to the proposition that the burdens of war shall be equalized among the citizens of the United States just as far as is morally possible.

Mr. SWEENEY. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman.

Mr. SWEENEY. If I understood the gentleman correctly, he stated that if war was declared we would have plenty of time to pass a resolution providing for the taxation.

Mr. McSWAIN. No; I said nothing of the kind. A bill can be introduced now and at any time to provide for taxation to take the excess war profits.

Mr. SWEENEY. We are not at war now. Why not provide the taxation now, and not leave it simply a draft bill?

Mr. McSWAIN. If the gentleman will read the bill carefully, he will see that it is not a draft bill.

Mr. MONAGHAN. Is not that the sole purpose of the bill?

Mr. McSWAIN. No. The gentleman ought to know that that is limited so that if you become a soldier you will have a fair chance with the fellow who stays at home.

Mr. SWEENEY. Will the gentleman yield again? Are not all the powers given to the Executive by this bill within his power now?

Mr. McSWAIN. No; he has not the power at all. You have got to confer that power on him by statute. The President has not any power except what is given him by the Constitution and by statute.

Now, let us vote this up, give consideration to this measure, and everybody remain calm and cool. [Applause.]

Mr. GREENWOOD. Mr. Speaker, I move the previous question.

Mr. BOILEAU. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. If the House votes down the previous question, will it be in order to offer an amendment embodying taxation?

The SPEAKER. The rule can be amended if the House votes down the previous question. The question is on the previous question.

The question was taken, and on a division (demanded by Mr. BOILEAU, Mr. MAVERICK and others) there were 106 ayes and 34 noes.

Mr. WITHROW. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point that no quorum is present. Evidently there is no quorum present.

The Doorkeeper will close the doors, and the Clerk will call the roll.

The question was taken; and there were—yeas 258, nays 71, not voting 102, as follows:

[Roll No. 47]

YEAS—258

Adair	Dickstein	Kahn	Rich
Andresen	Dingell	Kee	Richardson
Andrew, Mass.	Disney	Kennedy, N. Y.	Robertson
Andrews, N. Y.	Dobbins	Kenney	Robinson, Utah
Arends	Dockweiler	Kimball	Rogers, Mass.
Arnold	Dondero	Kinzer	Rogers, N. H.
Ashbrook	Dorsey	Kleberg	Rogers, Okla.
Bacon	Doughton	Kloeb	Rudd
Barden	Doxey	Kocialkowski	Russell
Beiter	Drewry	Kramer	Ryan
Bell	Driscoll	Lambertson	Sabath
Blackney	Driver	Lambeth	Sanders, La.
Bland	Duffey, Ohio	Larrabee	Sanders, Tex.
Blanton	Duffy, N. Y.	Lea, Calif.	Sandlin
Bloom	Dunn, Miss.	Lewis, Colo.	Schaefer
Boland	Eaton	Lord	Schuetz
Boylan	Eckert	McClellan	Sears
Brennan	Eicher	McGehee	Seger
Brewster	Ekwall	McGrath	Shanley
Brown, Ga.	Engel	McLaughlin	Short
Brown, Mich.	Evans	McLean	Sirovich
Brunner	Faddis	McReynolds	Smith, Conn.
Buchanan	Farley	McSwain	Snell
Buck	Fenerty	Mahon	Snyder
Buckley, N. Y.	Fernandez	Mansfield	South
Bulwinkle	Fitzpatrick	Mapes	Spence
Caldwell	Fletcher	Marshall	Stack
Cannon, Mo.	Focht	Martin, Colo.	Starnes
Carden	Ford, Calif.	Martin, Mass.	Stefan
Carlson	Ford, Miss.	Mason	Stewart
Carmichael	Frey	Massingale	Sullivan
Carpenter	Fulmer	May	Sumners, Tex.
Carter	Gasque	Mead	Sutphin
Cartwright	Gassaway	Merritt, N. Y.	Taber
Cary	Gavagan	Michener	Tarver
Castellow	Gifford	Millard	Taylor, Colo.
Cavicchia	Gillette	Miller	Taylor, S. C.
Chapman	Goodwin	Mitchell, Ill.	Terry
Church	Gray, Pa.	Mitchell, Tenn.	Thom
Clark, N. C.	Greenway	Nelson	Thomason
Cochran	Greenwood	O'Connell	Thompson
Coffee	Greever	O'Connor	Thurston
Colden	Gregory	O'Leary	Tolan
Cole, Md.	Guyer	Oliver	Tonry
Cole, N. Y.	Haines	O'Neal	Turner
Collins	Halleck	Owen	Turpin
Colmer	Hancock, N. Y.	Parks	Umstead
Cooley	Harlan	Patton	Underwood
Cooper, Ohio	Hart	Pearson	Utterback
Cooper, Tenn.	Hess	Peterson, Fla.	Vinson, Ga.
Corning	Hill, Ala.	Peterson, Ga.	Vinson, Ky.
Costello	Hill, Samuel B.	Pettengill	Warren
Cox	Hobbs	Pfeifer	Wearin
Cravens	Hollister	Pittenger	Weaver
Crosby	Holmes	Plumley	West
Cross, Tex.	Hook	Powers	Whelchel
Crowe	Houston	Quinn	Whittington
Culkin	Igoe	Rabaut	Williams
Cullen	Imhoff	Ramsay	Wilson, La.
Daly	Jacobsen	Randolph	Wolcott
Darrow	Jenckes, Ind.	Rankin	Wolfenden
Dear	Jenkins, Ohio	Ransley	Wolverton
Deen	Johnson, Okla	Rayburn	Zimmerman
Dempsey	Johnson, W. Va.	Reece	
DeRouen	Jones	Reilly	

NAYS—71

Amlie	Gearhart	Luckey	Schneider
Ayers	Gehrmann	Ludlow	Scott
Biermann	Gilchrist	Lundeen	Secrest
Binderup	Goldsborough	McFarlane	Sisson
Boileau	Gray, Ind.	McGroarty	Smith, Wash.
Buckler, Minn.	Hancock, N. C.	McLeod	Stubbs
Burdick	Healey	Maas	Sweeney
Cannon, Wis.	Higgins, Mass.	Maverick	Truax
Celler	Hildebrandt	Merritt, Conn.	Wallgren
Christianson	Hill, Knute	Monaghan	Welch
Citron	Hoeppel	Moritz	Werner
Connery	Huddleston	Mott	Wilson, Pa.
Crawford	Hull	Murdock	Withrow
Crosser, Ohio	Keller	O'Malley	Wood
Dirksen	Kniffin	Patterson	Woodruff
Dunn, Pa.	Knutson	Reed, Ill.	Young
Eagle	Kopplemann	Robsion, Ky.	Zioncheck
Ellenbogen	Lemke	Sauthoff	

NOT VOTING—102

Allen	Berlin	Buckbee	Chandler
Bacharach	Boehne	Burch	Claiborne
Bankhead	Bolton	Burnham	Clark, Idaho
Beam	Brooks	Casey	Crowther

Cummings	Hamlin	McKeough	Romjue
Darden	Harter	McMillan	Sadowski
Delaney	Hartley	Maloney	Schulte
Dies	Hennings	Marcantonio	Scrugham
Dietrich	Higgins, Conn.	Meeks	Shannon
Ditter	Hoffman	Montague	Smith, Va.
Doutrich	Hope	Montet	Smith, W. Va.
Duncan	Johnson, Tex.	Moran	Somers, N. Y.
Edmiston	Kelly	Nichols	Steagall
Englebright	Kennedy, Md.	Norton	Taylor, Tenn.
Ferguson	Kerr	O'Brien	Thomas
Fiesinger	Kvale	O'Day	Tinkham
Fish	Lamneck	Palmisano	Tobey
Flannagan	Lanham	Parsons	Treadway
Fuller	Lee, Okla.	Patman	Wadsworth
Gambrill	Lehlbach	Perkins	Walter
Gildea	Lesinski	Peyser	White
Gingery	Lewis, Md.	Pierce	Wigglesworth
Granfield	Lloyd	Polk	Wilcox
Green	Lucas	Ramspeck	Woodrum
Griswold	McAndrews	Reed, N. Y.	
Gwynne	McCormack	Richards	

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mr. Granfield (for) with Mr. Kvale (against).
Mr. Parsons (for) with Mr. Marcantonio (against).

General pairs:

Mr. Bankhead with Mr. Ditter.
Mr. McAndrews with Mr. Lehlbach.
Mr. Delaney with Mr. Burnham.
Mr. Boehne with Mr. Allen.
Mr. Lamneck with Mr. Cooper of Ohio.
Mr. Darden with Mr. Hoffman.
Mr. McKeough with Mr. Bacharach.
Mr. O'Brien with Mr. Crowther.
Mrs. Norton with Mr. Hartley.
Mr. Griswold with Mr. Reed of New York.
Mr. Fuller with Mr. Tobey.
Mr. Dies with Mr. Treadway.
Mr. Beam with Mr. Bolton.
Mr. Johnson of Texas with Mr. Gwynne.
Mr. Kerr with Mr. Perkins.
Mr. Somers of New York with Mr. Thomas.
Mr. Lanham with Mr. Hope.
Mr. McCormack with Mr. Buckbee.
Mr. Montague with Mr. Doutrich.
Mr. Wilcox with Mr. Wigglesworth.
Mr. Steagall with Mr. Higgins of Connecticut.
Mr. McMillan with Mr. Tinkham.
Mr. Smith of West Virginia with Mr. Fish.
Mr. Patman with Mr. Taylor of Tennessee.
Mr. Smith of Virginia with Mr. Englebright.
Mr. Maloney with Mr. Hamlin.
Mr. Gambrill with Mr. Moran.
Mr. Fiesinger with Mr. Walter.
Mr. Chandler with Mr. Lee of Oklahoma.
Mr. Pierce with Mr. Berlin.
Mr. Claiborne with Mr. Polk.
Mr. Harter with Mr. Lloyd.
Mr. Scrugham with Mr. Meeks.
Mr. Lewis of Maryland with Mr. Shannon.
Mr. White with Mr. Nichols.
Mr. Hennings with Mr. Gingery.
Mr. Brooks with Mr. Lesinski.
Mr. Ramspeck with Mr. Duncan.
Mr. Flannagan with Mr. Cummings.
Mr. Green with Mr. Casey.
Mr. Kelly with Mr. Lucas.
Mr. Romjue with Mr. Montet.
Mrs. O'Day with Mr. Edmiston.
Mr. Kennedy of Maryland with Mr. Richards.
Mr. Clark of Idaho with Mr. Dietrich.
Mr. Peyser with Mr. Ferguson.

Mr. CRAWFORD changed his vote from "aye" to "no."

Mr. HILDEBRANDT changed his vote from "aye" to "no."

Mr. BINDERUP changed his vote from "aye" to "no."

Mr. FLETCHER changed his vote from "no" to "aye."

Mr. HEALEY. Mr. Speaker, my colleague, Mr. McCORMACK, is unavoidably absent. I wish to announce that if present he would have voted "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 193, noes 39.

Mr. CROSSER. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. Those who favor taking this vote by the yeas and nays will stand and remain standing until counted. [After counting.] Fourteen Members have arisen; not a sufficient number.

The yeas and nays were refused.

So the resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

CLAIMANTS WHO SUFFERED LOSS FROM FIRES SET BY GOVERNMENT-OPERATED RAILROADS IN MINNESOTA IN 1918

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in connection with H. R. 3662.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PITTENGER. Mr. Speaker, in the CONGRESSIONAL RECORD for April 1, on page 4768, I discussed with my colleagues one of the alleged objections to H. R. 3662, which is the bill for the relief of claimants who were burned out in the great fire of October 1918 in Minnesota. I briefly called attention to the lack of any foundation for one alleged objection to the bill—namely, that it is an old bill and has never had serious consideration. I pointed out that this measure has been seriously brought to the attention of Congress but that it has been impossible to get action on it due to the fact that one objector could prevent consideration.

Today I want to discuss another alleged objection to the bill. I was talking to a colleague, who said to me, "Well, these people were treated very liberally and really received full pay for their losses, did they not?" I took occasion right there to point out to my friend that the contrary was true. The Government "chiseled" on its own citizens, and instead of being generous, deliberately broke its agreement to fulfill its obligation, and told them that they would have to take 40 or 50 percent of their actual loss or get nothing. The Government was anything else but generous, and, as I have heretofore pointed out, a great wrong was done by a bureaucratic official. This proposition of the alleged fairness of the settlement was fully considered by the committee, which conducted extensive hearings in March 1930. One of the witnesses who appeared before the committee was the Honorable H. A. Dancer, who was one of the trial judges when these cases were in the courts. Judge Dancer was recognized for years as a jurist of high standing and ability. He resigned his position of judge some 2 or 3 years before the hearings on this bill were held in 1930. In presenting this bill to Congress it was desired to have one of the trial judges testify, and Judge Dancer was the only one available in March 1930. At my request he appeared and gave testimony before the Claims Committee. I want to quote his testimony dealing with the question of alleged liberality of the settlements. On page 97 of the hearings Judge Dancer uses this language:

> Thousands of these people who were entitled to payment of 100 cents on the dollar for their claims were faced with the necessity of accepting 50 cents on the dollar unless they cared to go to court individually and fight out each individual case. They did not know how long it would be before the Government would get around to pay their judgments. They were entitled to relief promptly. They were faced with the necessity of waiting years and years for that relief they were entitled to, and so, under the circumstances, I think they accepted and executed those releases under compulsion. They were under more compulsion which has been likened to that of a man at the point of a gun. A man at the point of a gun might have a fair show if he could knock the gun out of the hands of the other man. But against the Government that would not pay over 50 cents on the dollar—well, they had to take what they could get.

The above language is significant and comes from a man who was in a position to know absolutely what took place. I again quote from Judge Dancer on page 102 of the hearings where he uses this language:

> I realize that it will be urged strenuously that these cases were compromised, that the Government never admitted liability, and that when the fire sufferers accepted 50 or 40 cents on the dollar of their loss, and executed a full release, they became bound thereby, and have no legal, moral, or equitable claim to further relief at this time. I disagree with such argument. If, in the beginning, without 5 years delay and litigation, and before the liability of the Government had been finally adjudicated and established, the Government had settled the cases as of doubtful liability and on a compromised basis, a different situation

entirely would have been now presented to Congress; but the Government declined to compromise any claim until after its liability in hundreds of claims had been definitely and finally established. I do not have in mind any act evidencing more charity and brotherly love than the act of 278 fire claimants in the city of Cloquet who had, by the judgment of the Supreme Court, become entitled to recover of the Government in full for their loss from the fire. They voluntarily accepted 50 cents on the dollar on their loss in order that the Government might be persuaded to pay 50 cents on the dollar of the loss of large numbers of other fire sufferers whose claims had not been so adjudicated and established.

Virtually the same situation existed with regard to a very large proportion of all persons with whom settlements were made. Either they had thus secured findings from the court that they were entitled to recover from the Government in full for their losses or else their neighbors who were burned out by the same fire which burned them out had secured such adjudication. To thousands of these claimants the Government, in making settlement, yielded nothing except its right to compel each claimant to try his case separately, and that at a cost to him of more than the amount of his loss, to say nothing of the possible years of delay which faced him in securing such redress. The settlements were clearly under compulsion as far as the fire sufferers were concerned. It was up to them to take what the Government was willing to pay or suffer interminable delays and prohibitive costs, even though their right to full compensation had been definitely established by the courts. As I view it, the only debatable questions then were as to the exact boundary lines of the district where liability had been so established, and the amounts of the losses of the various persons involved, and the presumption is that after years of litigation the boundary lines as disclosed by a preponderance of evidence must have been fairly well established and known to the negotiating parties.

THE CHILD-LABOR AMENDMENT

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, for a hundred years we have been trying to abolish child labor. The child-labor amendment, endorsed by the finest and most sincere champions of humanitarian legislation from Mrs. Roosevelt down, has been assailed by those who want to perpetuate exploitation of the young and the helpless. It has been defended by the noblest and the best of our citizenship, regardless of party lines.

Our President declared:

> One of the accomplishments under the National Recovery Act which has given me the greatest gratification is the outlawing of child labor. It shows how simple a long-desired reform, which no individual or State could accomplish alone, may be brought about when people work together. It is my desire that the advances attained through the National Recovery Act be made permanent. In the child-labor field the obvious method of maintaining the present gains is through ratification of the child-labor amendment. I hope this may be achieved.

Just the other day I heard an illuminating address by the able attorney, Arthur Garfield Hays, over broadcasting station WEVD, in which, discussing this child-labor amendment, he said:

> At the beginning of the factory system we heard of the God-given right even of babies to work. We heard of the God-given right of parents to use their children to add to the family income. Yet everyone knows that this God-given right is a curse of poverty. It is wrong to designate a necessity as a right. Sometimes the right of the child to work is a correlative of the right of the adult to starve.

Without going into the intricate legalism that generally accompanies objections to humane and decent laws, I want to call the attention of my colleagues to the fact that more and more the combat over new statutes resolves itself into a question as to whether these statutes would benefit the average man and woman or not. If the ordinary person would benefit, the letters and telegrams in commendation usually come from farmers, workers, and small business men who are on the edge of bankruptcy. If the legislation is of profit to the exploiting class, plenty of communications, typed on expensive bond paper and handsomely gotten up, reach the Members of the National Legislature. I have received thousands of communications of this character. I have always tried to answer them and to extend the proper courtesy to those who wrote me, regardless of their motives or their status in life. But I have never been deceived as to their background, interests, and motives.

Repeatedly I have emphasized that the Democratic Party, if it is to adhere to the principles of Thomas Jefferson and Andrew Jackson, must stand for a government maintained in the interest of those who produce. Such a government means real democracy. A party consecrated to that philosophy is a party of real democracy. If our party is to sell itself to beneficiaries of privilege, it should discard its name and call itself a party of Hamiltonian federalism, of Bourbon toryism, of Wall Street capitalism, and waste no more time in pretty protestations about its progressive tendencies.

I appeal to believers in fundamental democracy to stand solidly together. Only yesterday the gentleman from Pennsylvania, Congressman GILDEA, issued a clarion call to party members who recognize the priority of the right of man. Never in American history has democracy had so magnificent an opportunity. And never will its defeat be more ignominious if it fails to utilize that opportunity.

PROFITS OF WAR

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SCOTT. Mr. Speaker, it is my firm conviction that every man has a right to form his own opinion according to the dictates of his own conscience. It is likewise my opinion that having formed that opinion, he is entitled to cast his vote as he sees fit, no matter what others may have to say on the subject.

I am one of those who would be willing to go to any extreme in the form of legislation to eliminate the possibility of profit from war or the production of machinery for war. It is my solemn conviction that this is the only way that it will ever be possible to eliminate warfare. I think that fundamental to the destruction of profit from warfare and the manufacturing of war materials is a law to restrict the individual income of any person during the course of the war to as small an amount as possible. I believe that the profit from the war trade should be restricted to the minimum. I know that it is impossible to accomplish this purpose without making use of the power to tax. Any proposal to accomplish the result by any other means is futile. The bill under consideration does not contain a tax proposal.

I am voting against ordering the previous question because I want to have an opportunity to vote for an amendment to the rule which will make a taxing provision germane so that I may finally vote for a bill that will tax every vestige of profit from the manufacturing of war machines both during peace time and war time.

It is not pleasant to have to vote against the Rules Committee and the Committee on Military Affairs, but my convictions force me to do it. I believe that the people whom I represent will approve of my action.

WORKERS' UNEMPLOYMENT, OLD-AGE, AND SOCIAL INSURANCE BILL—HISTORY AND STATUS OF H. R. 2827

Mr. LUNDEEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUNDEEN. Mr. Speaker, on February 2, 1934, during the Seventy-third Congress, I first introduced the Lundeen unemployment, old-age, and social-insurance bill, then known as H. R. 7598. Hearings were held on the measure by the House Committee on Labor. After H. R. 7598 had been in committee for 30 legislative days, I filed a motion to discharge the committee from further consideration of the measure. This motion received the signatures of about 30 Members of the House.

On January 3, 1935, I reintroduced the bill in the Seventy-fourth Congress. It is now known as H. R. 2827.

PROVISIONS OF LUNDEEN BILL

The Lundeen unemployment, old-age, and social-insurance bill provides in section 1 that the—

> Bill shall be known by the title "The workers' unemployment, old-age, and social-insurance act."

SECTION 2

Section 2 provides that—

The Secretary of Labor is hereby authorized and directed to provide for the immediate establishment of a system of unemployment insurance for the purpose of providing compensation for all workers and farmers above 18 years of age, unemployed through no fault of their own. Such compensation shall be equal to average local wages, but shall in no case be less than $10 per week plus $3 for each dependent. Workers willing and able to do full-time work but unable to secure full-time employment shall be entitled to receive the difference between their earnings and the average local wages for full-time employment. The minimum compensation guaranteed by this act shall be increased in conformity with rises in the cost of living. Such unemployment insurance shall be administered and controlled, and the minimum compensation shall be adjusted by workers and farmers under rules and regulations which shall be prescribed by the Secretary of Labor in conformity with the purposes and provisions of this act through unemployment-insurance commissions directly elected by members of workers' and farmers' organizations.

SECTION 3

Section 3 provides that—

The Secretary of Labor is hereby further authorized and directed to provide for the immediate establishment of other forms of social insurance for the purpose of providing compensation for all workers and farmers who are unable to work because of sickness, old age, maternity, industrial injury, or any other disability. Such compensation shall be the same as provided by section 2 of this act for unemployment insurance and shall be administered in like manner. Compensation for disability because of maternity shall be paid to women during the period of 8 weeks previous and 8 weeks following childbirth.

SECTION 4

Section 4 provides that—

All moneys necessary to pay compensation guaranteed by this act and the cost of establishing and maintaining the administration of this act shall be paid by the Government of the United States. All such moneys are hereby appropriated out of all funds in the Treasury of the United States not otherwise appropriated. Further taxation necessary to provide funds for the purposes of this act shall be levied on inheritances, gifts, and individual and corporation incomes of $5,000 a year and over. The benefits of this act shall be extended to workers, whether they be industrial, agricultural, domestic, office, or professional workers, and to farmers, without discrimination because of age, sex, race, color, religion, or political opinion or affiliation. No worker or farmer shall be disqualified from receiving the compensation guaranteed by this act because of past participation in strikes, or refusal to work in place of strikers, or at less than average local or trade-union wages, or under unsafe or unsanitary conditions, or where hours are longer than the prevailing union standards of a particular trade or locality, or at an unreasonable distance from home.

HEARINGS HELD

From February 4 to February 15, 1933, inclusive, hearings were held on the Lundeen bill by the House Subcommittee on Labor, with Congressman MATTHEW A. DUNN, of Pennsylvania, as chairman. The subcommittee reported the bill favorably to the House Committee on Labor, and on March 15, 1935, Congressman CONNERY, of Massachusetts, Chairman of the House Committee on Labor, submitted to the House of Representatives the favorable report of the Labor Committee. This committee report (No. 418), submitted by Congressman CONNERY, states that the Committee on Labor, to whom was referred the bill H. R. 2827, introduced by Mr. LUNDEEN, to provide for workers' unemployment, old-age, and social insurance, having had the bill under consideration, report favorably thereon without amendment and recommends that the bill do pass.

The hearings commenced on February 4, 1935, and concluded on February 15, 1935, during which time testimony was heard as follows: 80 witnesses appeared to speak in favor of the bill—7 economists, specialists in the law, social service and relief; women in industry, maternity care, and medical service; 12 representatives of American Federation of Labor local unions, most of whom were delegated by district committees of American Federation of Labor locals representing hundreds of locals; farmers, veterans, unemployed workers, small home and land owners; a representative of the railroad brotherhoods; representatives of professional workers, including writers, teachers, physicians, architects, engineers, chemists, and technicians, dentists, and many others. All of the above-mentioned witnesses testified as to the wide-spread necessity for genuine unemployment and social insurance and testified in favor of this bill, H. R. 2827.

FEATURES OF THE BILL

The bill provides for the immediate establishment of a system of social insurance to compensate all workers and farmers, 18 years of age and over, in all industries, occupations, and professions, who are unemployed through no fault of their own, and for the entire period of this involuntary unemployment. To prevent the lowering of minimum standards of living, insurance benefits are to be equal to full average wages in the locality; and in no case less than $10 a week, plus $3 for each dependent. Those employed part time who are unable to find full-time employment are to be paid the difference between their earnings and the prescribed insurance benefit. As a further safeguard of the minimum standards of living, stability of the purchasing power of the insurance payments is to be maintained by requiring the minimum compensation for unemployment to be increased with increases in the cost of living. Administration of the insurance and adjustment of the minimum compensation shall be controlled by unemployment insurance commissions directly elected by workers' and farmers' organizations under rules and regulations prescribed by the Secretary of Labor in conformity with the purposes and provisions of the act.

Similar social insurance shall be established by the Secretary of Labor for all workers and farmers who are unable to work because of sickness, old age, maternity, industrial injury, or any other disability.

Moneys necessary to pay the compensation and to administer the act shall be paid by the Government of the United States out of funds in the Treasury not otherwise appropriated, increased if necessary by levying additional taxation on inheritances, gifts, and individual, and corporation incomes of $5,000 a year and over.

DIFFERENCES FROM OTHER PROPOSALS

This bill differs from other proposals in that (1) it covers all the unemployed for the entire period of their unemployment, whereas other systems limit the occupations covered and the duration of benefits so that numbers of the unemployed who are outside its scope or who have exhausted benefit payments are left dependent upon private charity or public relief; (2) it derives its funds from current taxation instead of from reserves built up through taxation on pay rolls, which inevitably raises prices to the consumers, taxes, wages, and salaries, directly or indirectly, and by the "reserve" features complicates the debt-credit structure of the monetary system, thus tending to prolong depression and to create further maladjustment between funds available for investment and money available for consumers' purchasing power; (3) it provides democratic administration by workers' representatives.

WHY SOCIAL INSURANCE IS NEEDED

Testimony summarizing the need for this new form of social insurance was as follows:

(1) The continuation of extensive mass unemployment demands comprehensive action to provide insurance for all workers, in lieu of income from earnings now cut off through long-continued depression. Estimates of present unemployment placed before the committee ranged from 14,000,000 to 17,000,000. Indices of employment and earnings were cited showing that both are still considerably below the level of 1923–33 or 1925–27, but that total earnings are disproportionately low as compared even with the continued low level of employment, thus indicating a lowering of the purchasing power of the masses. At the same time, output per man per hour has considerably and disproportionately increased, thus indicating the probability of increase in permanent technological unemployment.

(2) The great and vital need of the unemployed for means with which to buy the necessities of life for themselves and their families is not and cannot be met by the uncertain and inadequate provision for relief. It is pointed out that the new proposed work-relief program will at best, if enacted, provide relief for approximately one-third of the jobless in the United States who are seeking employment. Yet there are at least 20,000,000 persons in this country whose sole or chief source of subsistence is obtained through the program of the Federal Emergency Relief Administration. For these only an assured and immediate social-insurance program can prevent appalling destitution which will permanently undermine standards of living.

(3) Mass unemployment, though unusually long continued and wide-spread in the present depression is not an unusual emergency, but has recurred at frequent intervals in this country. Between 1793 and 1925 the number of depressions was 32 with an average period of 4 years from panic to panic. For every year of depression there was only one and a half years of prosperity. The time has come for definite recognition of the obligation of government and the economic system to insure continuity of income.

(4) This is a practical proposal. Technicians and scientists agree that the productive capacity of the United States is equal to a far greater measure of security and to far higher standards of living than have yet been established; and science and invention promise to expand this productivity to a higher level if the productive system can be freed from the recurrent burden of industrial depression.

(5) This, however, cannot be achieved merely by rearranging workers' earnings by taxing pay rolls for reserves for future unemployment. The first step is compensation for insecurity by taxing higher incomes, not pay rolls.

(6) As a continuing problem, mass unemployment requires congressional action because of the mandate laid upon Congress by the Constitution to provide for the general welfare. The general welfare is undermined at all points by mass unemployment.

ESTIMATES OF COST OF THE BILL

To determine the cost of the social insurance which would be provided in H. R. 2827 requires several estimates, which should be used with caution. In the first place, the United States has no

current basis for ascertaining accurately the number of the unemployed.

The second and more important point requiring caution relates to the estimate of the effect of social insurance upon purchasing power, and its consequent results in decreasing the amount of unemployment through stimulation of reemployment. No experience in this country is available to indicate the extent to which an increase in consumers' purchasing power for those in the lower-income groups would stimulate production and increase employment.

If it is assumed, however, that the entire amount of benefits paid under the provisions of this bill would appear in the market as new purchasing power, economists have calculated that 60 percent of this total would become available as wages and salaries. Therefore, on the basis of given average wages and salaries, it can be estimated how many persons could be reemployed, and this would result in a corresponding decrease in the number of unemployed eligible for benefits, and, therefore, in a reduction of costs.

Having in mind the above cautions, it may be said at once that if there be 10,000,000 unemployed, the annual gross cost, after taking care otherwise of those who should receive old-age pensions and those who are unemployed because of sickness or disability, and eliminating those under 18 years of age, to whom the bill does not apply, would be $8,235,000,000. Deducting from this the estimated decrease in the cost of unemployment insurance on account of the reemployment of workers following the establishment of a social-insurance program, $6,090,000,000, and adding to it the cost of old-age pensions, sickness, disability, accident, and maternity insurance, and deducting present annual expenditures for relief amounting to $3,375,000,000, we would have a net annual increase for the Federal Government imposed by the provisions of the bill amounting to $4,060,000,000.

If the number of unemployed be equal to the average number estimated as unemployed in 1934, as 14,021,000, then the annual net increase in cost, after deducting present expenditures for relief and estimating the reemployment which would follow adequate social insurance, would be $5,800,000,000.

The estimate of total costs of the program for social insurance under the bill should be compared with the amount that workers have lost in wages and salaries since the beginning of the depression. According to estimates published in the Survey of Current Business for January 1935, total income paid out to labor since 1929 was as follows (in millions):

	1929	1930	1931	1932	1933
Total income	$52,700	$48,400	$40,700	$31,500	$29,300
Loss from 1929		4,300	12,000	21,200	23,400

The total loss to workers in wages and salaries in the first 4 years of the depression has amounted to $60,900,000,000. It is with these huge losses sustained by American workers during these 4 years that the costs of security provided by the bill should be compared. Furthermore, this report has already pointed out the inadequacy of present relief measures, and it must therefore be realized that the cost of truly adequate relief would be the cost of this bill.

SOURCES OF FUNDS

It has been pointed out that an important difference between H. R. 2827 and other proposals is in the source of funds. Other proposals, including H. R. 4120 (the Wagner-Lewis-Doughton bill) depend on the building up of reserves in advance of payment of benefits, these reserves to be secured by a tax on pay rolls. Several serious objections are made to this method. In an article in the Annalist, published by the New York Times on February 22, 1935 (by Elgin Groseclose, professor of economics, University of Oklahoma), under the title "The Chimera of Unemployment Reserves Under the American Money System", attention is called to the provisions in H. R. 4120 in these words:

"The Wagner bill as introduced in Congress sets up in the Federal Treasury an 'unemployment trust fund' in which is to be held all moneys received under the provisions of the act, and directs the Secretary of the Treasury to invest these moneys, except such amount as is not required to meet current withdrawals, in a defined category of obligations of the United States or obligations guaranteed as to both principal and interest by the United States."

The Annalist article summarizes the objections to these reserves for unemployment insurance as follows:

"(1) Financial reserves can be effective only in cases where contingencies can be calculated and determined by actuarial methods and where these contingencies arise in sufficient regularity to permit the arrangement of reserves in accordance therewith. (2) The incidence of depressions are irregular and unpredictable, and hence defy actuarial procedure. (3) Purchasing power cannot be stored up en masse under our money system, which is a system of debt rather than metallic circulation. (4) The attempt to create unemployment reserve will intensify booms. (5) Unemployment reserves are incapable of mobilization when needed and any attempt to mobilize them will only result in further intensification of depressions."

Testimony before the Committee on Labor on H. R. 2827 brought out the further objection that a tax on pay rolls is a tax on cost of production which is passed on to the consumer in higher prices to all consumers and to workers in lower wages as well as in higher prices to them as consumers. Thus it tends to reduce rather than to expand purchasing power, causing in itself recurrent industrial depression which arises out of the failure of consumption to keep pace with production, or a disproportion between money available for consumers' purchases and funds available for investment in increased production.

Moreover, these reserves, even if they could be accumulated without these disastrous effects upon consumers' purchasing power, and upon the monetary system, would be inadequate to cover more than a fraction of needs. The Commissioner of Labor Statistics and Senator ROBERT F. WAGNER (in radio addresses on Mar. 7) have estimated that if H. R. 4120 had been in effect from 1922 there would have been set aside by 1934 the sum of $10,000,000,000; yet the figures on the national income published by the Department of Commerce show that in 4 of those years workers lost $60,000,000,000 of wages and salaries. Thus, even if reserves seem to involve saving the Treasury from obligation, as a matter of fact, they leave unsolved the real problem of protecting workers against the destitution of mass unemployment.

As the only adequate solution of the problem, and to avoid the unsound idea of setting aside reserves, the funds required in H. R. 2827 are made an obligation upon existing wealth and current higher incomes of individuals and corporations. These sources may be indicated as follows:

(1) Income taxes of individuals: If the United States were to apply merely the tax rates of Great Britain upon all individual incomes of $5,000 or over, a considerable sum would be available for social insurance. These rates in 1928 would have yielded the Federal Government five and three-fourths billion dollars as against slightly over one billion actually collected. In 1932, a year of low income, we would have collected on the same basis $1,128,000,000 as against the actual receipts of $324,000,000.

(2) Corporation income tax: Compared with other countries also our corporation tax is very low. Taking a flat rate of 25 percent, we would have raised in 1928 the amount of $2,600,000,000 instead of $1,200,000,000.

(3) Inheritance or estates: Here again the United States is very lenient. In 1928 on a total declared gross estate of 3½ billion dollars, the total collected by Federal and State taxes was only $42,000,000, or a little over 1 percent. If an average of 25 percent were taken this would have been raised in 1928 to $888,000,000.

(4) Tax-exempt securities: Exact figures on the total are not available, but here is an important source of large additional returns which should be available for the general welfare.

(5) Tax on corporate surplus: In 1928, the corporate surplus, representing the accumulation by corporations of funds which had not been distributed to labor and capital amounted to $47,000,000,000, and even in 1932 it was over 36 billions. Made possible as it is by the cooperation of labor and capital, thus surplus which is now set aside to meet capital's claims for exigencies certainly should be also a source of funds for labor's social insurance in the exigencies of unemployment. The Department of Commerce has showed in its study of the national income that labor has lost a larger percent of its earned income in the depression than capital has lost in interest charges, because capital has been sustained by drawing both on current income and on accumulated surplus. The great economist, Adam Smith, 150 years ago, called the industrial system a "collective undertaking." Thus it is both logical and just to provide a tax on corporate surpluses as a source for social insurance.

THIS BILL IS UNQUESTIONABLY CONSTITUTIONAL

This bill provides for the appropriation of Federal moneys out of the Treasury of the United States for the payment of compensation to the unemployed, the sick, the disabled, and the aged. It is thus simply an exercise of the appropriating power, the power of Congress to spend money. The bill does, indeed, do more than provide for appropriations; it provides for the setting up of the administrative machinery. But the appropriating power of Congress necessarily carries with it the incidental power to provide administrative machinery for disbursing the moneys appropriated and for insuring their proper application to the purposes sought to be achieved by Congress.

One of the enumerated powers set forth in the Constitution is the power of Congress to "lay and collect taxes, pay debts, and provide for the common defense and the general welfare of the United States." To limit this power to spend moneys for the "general welfare", the power to spend money for the execution of other enumerated powers, is to rob the "general welfare" clause of its meaning, and thus to violate an elementary principle of constitutional construction. Such distinguished constitutional authorities as Washington, Madison, Monroe, Hamilton, Calhoun, and Justice Storey have repudiated the conception of an appropriating power limited by the other powers. Our highest authority, the United States Supreme Court, has, in the famous Sugar Bounty Case, definitely upheld appropriations by the Government in payment of purely moral obligations, entirely beyond the scope of the other specifically enumerated powers. Congress itself has uniformly and consistently exercised its appropriating power for any purpose which it deems for the general welfare and irrespective of whether the purpose came within the specifically enumerated powers or not. Surely it could not be said that a bill which will provide a system of unemployment and social insurance for millions of unemployed, sick, disabled, and aged, is less for the "general welfare" than other bills such as the one above. If Congress passes the bill, it will thereby declare that, in its judgment, the bill is for the "general welfare" and no court has the power to substitute its judgment on this question for that of Congress.

While the bill does indeed invest the Secretary of Labor with large discretion this does not render the bill unconstitutional. The United States Supreme Court has again and again sustained

delegations of power to the President, Cabinet, officers, and commissions. Thus, the Tariff Act of 1922 was held constitutional, although it vested the President with the power to raise or lower the tariff upon any important article whenever it found that American products were at a competitive disadvantage with those imported from abroad. Again an act of Congress which gave the Secretary of the Treasury, on the recommendation of experts, the power to fix an established standard of purity, quality, and fitness for consumption of certain commodities imported into the United States, was held constitutional.

In H. R. 2827 the discretion vested in the Secretary of Labor is narrow, for the beneficiaries who are to receive the compensation are named, the minimum compensation is prescribed, the maximum compensation is ascertainable, and the nature of the compensation is fixed. Certainly the discretion here vested in the Secretary of Labor is far less wide than that vested in the Secretary of Agriculture by the Agricultural Adjustment Act of 1933, wherein the Secretary of Agriculture was granted the power "to provide for rental or benefit payments in connection with crop reduction in such amounts as the Secretary deems fair and reasonable."

No specific amount is appropriated by this bill but this does not render the bill unconstitutional, for general indefinite appropriations are common. The first of such general indefinite appropriations was passed when Congress directed that all expenses accruing and necessary for the maintenance of lighthouses should be paid out of the Treasury of the United States. Since then hundreds of statutes containing similar indefinite appropriations have been passed.

This bill deprives no one of his property without the "due process of law" guaranteed by the Constitution. Unlike all other unemployment and social-insurance plans, this bill does not involve the setting up of "reserves" created by enforced contributions by employers or employees. The only way that any person could regard himself as in any wise deprived of property for the purpose of financing this bill would be by regarding this bill as a taxing measure. The bill provides that "further taxation necessary to provide funds for the purposes of this act, shall be levied on inheritances, gifts, and individual and corporation incomes of $5,000 a year or over." But even if it can be argued that this is a taxing measure, the bill is a proper exercise of the taxing power of Congress since Congress has the power under the Constitution to lay taxes for the "general welfare" subject to two limitations only. In the case of duties, imports, and excises "this must be uniform." In the case of direct taxes, they must be apportioned according to the census. Neither limitation, however, applies to incomes, gifts, or inheritances since the sixteenth amendment. Once Congress has levied such a tax, the tax cannot be assailed by a taxpayer since the courts will not review the exercise of the congressional discretion involved. The decision of Congress is thus final.

This bill in no way involves a question of usurpation of the rights of the States. While the power of Congress to regulate commerce and industry is limited to the "interstate-commerce power" and any regulation by the Federal Government of intrastate business and of matters "not commerce" is unconstitutional, this argument is wholly inapplicable to the present bill. This bill is not an exercise of the interstate-commerce power; it is an exercise of the appropriating power. This bill does not involve any regulation of intrastate commerce of matters "not commerce." It does not involve the setting up of "reserves." It does not set up such business relationships as might possibly be involved in the creation of special accounts with employers or employees based on their contributions to a reserve fund. The Supreme Court has explicitly declared that no State will be heard to complain that the Federal Government is invading State's rights when it simply exercises its appropriating power.

The Congress which passed the Agricultural Adjustment Act of 1933 declared that the loss of the purchasing power of the farmers endangered the entire economic structure of the Nation. The mechanism set up by that act was conceived as a device to restore purchasing power. Similarly this bill is an effort to restore purchasing power, and may be therefore conceived to remove obstacles to the free flow of interstate commerce, by creating purchasing power for the masses who must spend the money for these necessities of life and who, in spending the money for these necessities, will thereby remove obstructions to the free flow of interstate commerce.

Since this bill is merely an exercise of the appropriating power, it rests upon the same constitutional basis as do the Reconstruction Finance Corporation Act and Home Owners' Loan Corporation Act, which involve merely an exercise of the power of Congress to spend Federal moneys. The Reconstruction Finance Corporation Act, the Home Owners' Loan Corporation Act, and, indeed, the bulk of the national emergency legislation which has been enacted during the Hoover and Roosevelt administrations involve recognition of the national character of our problems. Furthermore, they indicate an appreciation of the inadequacy and the cumbersomeness of the Federal subsidy system. These acts all provide for direct aid to persons, firms, and corporations in the States. The Reconstruction Finance Corporation Act supplies Federal moneys directly to banks throughout the country. Unemployment and social-insurance problems are even more clearly Federal problems. They require a similar national solution.

The Congress which passed the Reconstruction Finance Corporation Act, the Home Owner's Loan Corporation Act, and the bulk of the national emergency legislation clearly conceived that it was for the "general welfare" that individuals, corporations, and banks should be given money out of the Treasury of the United States. When Congress passes this bill, it will have realized that it is for the "general welfare" that all human beings in the United States who, through no fault of their own, are unable to earn the necessities of life, should receive money representing their contribution to production so that they may purchase the necessities of life and, in so doing, maintain not only their lives but the economic life of the United States.

In view of the foregoing considerations, this bill is clearly constitutional.

SUMMARY

The committee recommends the passage of this bill as necessary to prevent and relieve wide-spread destitution; as practical in view of the great productive capacity of the Nation and its surpluses available for taxation; as sound in its probable effects upon purchasing power and the monetary system; and as constitutional under the obligation of Congress to legislate for the general welfare.

CONNERY ASKS FOR RULE ON LUNDEEN BILL

On March 18, 1935, Congressman WILLIAM P. CONNERY, Chairman of the House Committee on Labor, filed House Resolution 166, which was referred to the Committee on Rules. House Resolution 166 provides that upon adoption of this resolution it—

Shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 2827, a bill to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

MOTION NOW ON SPEAKER'S DESK FOR SIGNATURE

On March 28, 1935, immediately upon expiration of the necessary 7 legislative days, I filed a motion to discharge the Rules Committee from House Resolution 166 and in this way bring the Lundeen unemployment, old-age, and social-insurance bill before the House.

Many able and distinguished Members of Congress have already signed my motion on House Resolution 166. I call attention to this motion, which now lies on the Speaker's desk, and urge Members of the House who favor an adequate social-security program to sign the motion to discharge the Rules Committee from further consideration of House Resolution 166.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. IMHOFF, for 3 days, on account of illness in his family.

SENATE BILLS REFERRED

Bills and resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 37. An act authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and material men for material and labor furnished in the construction of a post-office and courthouse building at Rutland, Vt.; to the Committee on Public Buildings and Grounds.

S. 93. An act to authorize certain officers of the Navy and Marine Corps to administer oaths; to the Committee on Naval Affairs.

S. 95. An act to provide for the carrying at reduced rates of officers and enlisted men of the military and naval forces while on leave of absence or furlough at their own expense; to the Committee on Interstate and Foreign Commerce.

S. 170. An act for the relief of Alva A. Murphy; to the Committee on Claims.

S. 208. An act for the relief of the Consolidated Ashcroft Hancock Co., Inc., Bridgeport, Conn.; to the Committee on Claims.

S. 276. An act for the relief of Harry Layman; to the Committee on Claims.

S. 380. An act to reserve 80 acres on the public domain for the use and benefit of the Kanosh Band of Indians in the State of Utah; to the Committee on Indian Affairs.

S. 395. An act relative to the qualifications of practitioners of law in the District of Columbia; to the Committee on the District of Columbia.

S. 438. An act for the relief of Roy Chandler; to the Committee on Military Affairs.

S. 538. An act for the relief of H. Kaminski & Co., Kaminski Hardware Co., and the Carolina Hardware Co.; to the Committee on Claims.

S. 560. An act for the relief of the Western Electric Co., Inc.; to the Committee on Claims.

S. 654. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands; to the Committee on Indian Affairs.

S. 659. An act for the relief of Walter J. Bryson Paving Co.; to the Committee on Claims.

S. 780. An act for the relief of the Standard Dredging Co.; to the Committee on Claims.

S. 794. An act for the relief of the Bowers Southern Dredging Co.; to Committee on War Claims.

S. 814. An act for the relief of John Mulhern; to the Committee on Claims.

S. 865. An act authorizing a preliminary examination of the Willamette River and its tributaries in the State of Oregon, with a view to controlling floods; to the Committee on Flood Control.

S. 881. An act for the relief of Leo James McCoy; to the Committee on Naval Affairs.

S. 883. An act directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years; to the Committee on Naval Affairs.

S. 884. An act for the relief of Lt. Comdr. G. C. Manning; to the Committee on Claims.

S. 908. An act for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass.; to the Committee on Claims.

S. 933. An act to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture; to the Committee on Agriculture.

S. 951. An act for the relief of Mrs. Guy A. McConoha; to the Committee on Claims.

S. 952. An act for the relief of Zelma Halverson; to the Committee on Claims.

S. 983. An act for the relief of Grady D. Coleman; to the Committee on Military Affairs.

S. 1024. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co.; to the Committee on Claims.

S. 1041. An act for the relief of Choen, Goldman & Co., Inc.; to the Committee on Claims.

S. 1051. An act for the relief of the Western Union Telegraph Co.; to the Committee on Claims.

S. 1065. An act to further extend the period of time during which final proof may be offered by homestead and desert-land entrymen; to the Committee on the Public Lands.

S. 1073. An act for the relief of Louis Finger; to the Committee on Claims.

S. 1077. An act to further extend the time in which the States of Washington, Idaho, Oregon, Montana, and Wyoming may enter into a compact or agreement respecting the disposition and apportionment of the waters of the Columbia River and its tributaries; to the Committee on Irrigation and Reclamation.

S. 1099. An act for the relief of Ethel G. Remington; to the Committee on Claims.

S. 1210. An act authorizing certain officials under the Naval Establishment to administer oaths; to the Committee on Naval Affairs.

S. 1290. An act for the relief of Walter Motor Truck Co., Inc.; to the Committee on Claims.

S. 1307. An act to establish the Homestead National Monument of America in Gage County, Nebr.; to the Committee on the Public Lands.

S. 1410. An act for the relief of Thomas G. Carlin; to the Committee on Military Affairs.

S. 1431. An act for the relief of the Collier Manufacturing Co., of Barnesville, Ga.; to the Committee on Claims.

S. 1494. An act to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555); to the Committee on Indian Affairs.

S. 1498. An act for the relief of Robert D. Baldwin; to the Committee on Claims.

S. 1499. An act for the relief of Robert J. Enochs; to the Committee on Claims.

S. 1513. An act to add certain lands to the Siskiyou National Forest, in the State of Oregon; to the Committee on the Public Lands.

S. 1566. An act for the relief of Carl C. Christensen; to the Committee on Claims.

S. 1571. An act granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Little Missouri River; to the Committee on Irrigation and Reclamation.

S. 1606. An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges issued by the Navy Department; to the Committee on Naval Affairs.

S. 1680. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; to the Committee on the Public Lands.

S. 1713. An act to further amend section 6, act of March 4, 1923, so as to make better provision for the recovery and disposition of bodies of members of the civilian components of the Army who die in line of duty, and for other purposes; to the Committee on Military Affairs.

S. 1787. An act to add certain lands to the Pisgah National Forest in the State of North Carolina; to the Committee on Agriculture.

S. 1821. An act for the relief of Frank White and others; to the Committee on Claims.

S. 1855. An act to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931; to the Committee on Interstate and Foreign Commerce.

S. 1864. An act for the relief of the State of Nebraska; to the Committee on the Judiciary.

S. 1872. An act for the relief of Guy Clatterbuck; to the Committee on Claims.

S. 1885. An act to authorize turning over to the Indian Service vehicles, vessels, and supplies seized and forfeited for violation of liquor laws; to the Committee on Indian Affairs.

S. 1987. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.; to the Committee on Interstate and Foreign Commerce.

S. 1994. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended; to the Committee on Interstate and Foreign Commerce.

S. 2156. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.; to the Committee on Interstate and Foreign Commerce.

S. 2205. An act for the relief of Thomas F. Cooney; to the Committee on Claims.

S. 2218. An act for the relief of Elsie Segar; to the Committee on Claims.

S. 2333. An act for the relief of John W. Dady; to the Committee on Claims.

S. Con. Res. 3. Concurrent resolution favoring the designation and appropriate observance of American Conservation Week; to the Committee on the Judiciary.

S. Con. Res. 13. Concurrent resolution to recognize April 6, 1935, as Army Day; to the Committee on the Judiciary.

SENATE ENROLLED BILLS SIGNED

The Speaker announced his signature to enrolled bills and an enrolled joint resolution of the Senate of the following titles:

S. 255. An act for the relief of Margaret L. Carleton.

S. 274. An act for the relief of Charles C. Floyd.

S. 906. An act for the relief of Chellis T. Mooers.

S. 1391. An act for the relief of William Lyons.

S. 1520. An act for the relief of Charles E. Dagenett.

S. 1621. An act for the relief of Mrs. Charles L. Reed.

S. 1694. An act for the relief of C. B. Dickinson.

S. J. Res. 21. Joint resolution authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until tomorrow, Thursday, April 4, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Thursday, Apr. 4, 10:30 a. m.)

Subcommittee will hold hearings on bill (H. R. 5370) pertaining to obscene matter in the mails, and on bill (H. R. 5728) relative to straw ballots.

COMMITTEE ON THE PUBLIC LANDS

(Thursday, Apr. 4, 10:30 a. m.)

Committee will hold hearings to consider various bills pertaining to historic sites, etc.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

288. A letter from the Secretary of State, transmitting receipt of a despatch from the Honorable Laurence A. Steinhardt, American Minister to Sweden, reporting that this year marks the five hundredth anniversary of the Swedish Riksdag and that a celebration to mark this event will be held from May 27 to May 30, 1935; to the Committee on Foreign Affairs.

289. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend paragraph (a) of section 602½ of the Revenue Act of 1934, relating to the processing tax on certain oils imported from the Philippine Islands or other possession of the United States, so as to provide uniform treatment for Guam, American Samoa, and the Philippine Islands; to the Committee on Ways and Means.

290. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, fiscal year 1936, under the Library of Congress in the sum of $3,660, and under the Government Printing Office, increasing the estimate contained in the Budget for the fiscal year 1936 for the working capital of the Government Printing Office from $2,700,000 to $4,200,000 (H. Doc. No. 147); to the Committee on Appropriations and ordered to be printed.

291. A communication from the President of the United States, transmitting deficiency and supplemental estimates of appropriations for the fiscal years 1933 and 1935 for the Department of the Interior in the amount of $853,589.52 (H. Doc. No. 148); to the Committee on Appropriations and ordered to be printed.

292. A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Lighthouse Service, Department of Commerce, for the fiscal year 1935 (H. Doc. No. 149); to the Committee on Appropriations and ordered to be printed.

293. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1936, in the sum of $1,200 (H. Doc. No. 150); to the Committee on Appropriations and ordered to be printed.

294. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1935, in the sum of $2,500 (H. Doc. No. 151); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. YOUNG: Committee on Naval Affairs. H. R. 6629. A bill to amend section 12 of the act approved May 18, 1920 (41 Stat. 604; U. S. C., title 34, sec. 896), as amended; with amendment (Rept. No. 578). Referred to the Committee of the Whole House on the state of the Union.

Mr. ASHBROOK: Committee on the Post Office and Post Roads. H. R. 5049. A bill providing punishment for forging or counterfeiting any postmarking stamp; with amendment (Rept. No. 580). Referred to the House Calendar.

Mr. ASHBROOK: Committee on the Post Office and Post Roads. H. R. 5162. A bill providing for punishment for attempts to obtain mail by fraud or by deception; with amendment (Rept. No. 581). Referred to the House Calendar.

Mr. ASHBROOK: Committee on the Post Office and Post Roads: H. R. 5360. A bill providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property; with amendment (Rept. No. 582). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Claims. S. 1809. An act for the relief of Germaine M. Finley; without amendment (Rept. No. 579). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 4259. A bill for the relief of George R. Slate; without amendment (Rept. No. 583). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 431) granting a pension to William A. Symington, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COCHRAN: A bill (H. R. 7220) to provide for the use of the U. S. S. *Olympia* as a memorial to the men and women who served the United States in the War with Spain; to the Committee on Naval Affairs.

By Mr. DICKSTEIN: A bill (H. R. 7221) to authorize the shortening or termination of the stay in the United States of certain aliens not admitted for permanent residence, to authorize the deportation of certain aliens admitted for permanent residence, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. ENGEL: A bill (H. R. 7222) to amend the act of February 10, 1920, as amended, relating to the loaning of Army rifles to organizations of former soldiers, sailors, or marines; to the Committee on Military Affairs.

By Mr. FOCHT: A bill (H. R. 7223) to authorize the prompt deportation of habitual criminals and habitual aliens, to guard against the separation from their families of certain law-abiding aliens, to deport direct-action Com-

munists, to relieve meritorious cases of deportation hardships, to further restrict immigration into the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. GEARHART: A bill (H. R. 7224) to conserve the water resources and to encourage reforestation of the watersheds of Fresno County by the withdrawal of certain public lands included within the Sequoia National Forest from location and entry under the mining laws; to the Committee on the Public Lands.

By Mr. GEHRMANN: A bill (H. R. 7225) authorizing a revolving reimbursable fund for the Lac du Flambeau Band of Chippewa Indians in Wisconsin; to the Committee on Indian Affairs.

By Mr. HARLAN: A bill (H. R. 7226) to provide a tax on the transfers of estates of decedents; to the Committee on the District of Columbia.

By Mr. HOEPPEL: A bill (H. R. 7227) to protect American industry, labor, and agriculture by providing immediate changes in tariff rates on importations in accordance with the exchange quotation of the currency of the country of export; to the Committee on Ways and Means.

By Mr. McLAUGHLIN: A bill (H. R. 7228) to establish the Lewis and Clark National Park and the Lewis and Clark Game and Bird Sanctuary; to the Committee on the Public Lands.

By Mr. SCRUGHAM: A bill (H. R. 7229) authorizing the Western Bands of the Shoshone Tribe of Indians, as defined herein, to sue in the Court of Claims; to the Committee on Indian Affairs.

By Mr. STACK: A bill (H. R. 7230) to incorporate the Military Order of the Purple Heart; to the Committee on the Judiciary.

By Mr. TURPIN: A bill (H. R. 7231) providing import duties on coal and coke imported into the United States from foreign countries; to the Committee on Ways and Means.

By Mr. WEST: A bill (H. R. 7232) to authorize the erection of a Veterans' Administration hospital in the State of Texas; to the Committee on World War Veterans' Legislation.

By Mr. ZIMMERMAN: A bill (H. R. 7233) granting the consent of Congress to the Missouri State Highway Commission to construct, maintain, and operate a free highway bridge across Black River on United States Highway No. 60 in the town of Poplar Bluff, Butler County, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. CHRISTIANSON (by request): A bill (H. R. 7234) to authorize the erection of an addition to the existing Veterans' Administration facility, Minneapolis, Minn.; to the Committee on World War Veterans' Legislation.

By Mr. THOMASON: A bill (H. R. 7235) to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. UNDERWOOD: A bill (H. R. 7236) to authorize the erection of additional facilities to the existing Veterans' Administration facility at Chillicothe, Ohio; to the Committee on World War Veterans' Administration.

By Mr. HEALEY: Resolution (H. Res. 191) to create a congressional committee to study the present condition of the textile industry and the cotton industry in the United States; to the Committee on Rules.

By Mr. REILLY: Resolution (H. Res. 192) for the investigation of businesses engaged in the manufacture and distribution of farm implements; to the Committee on Rules.

By Mr. SCHULTE: Joint resolution (H. J. Res. 236) to suspend issuance of nonquota immigration visas to persons born in the Republic of Mexico, to suspend issuance of all nonpreference quota immigration visas, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SUMNERS of Texas: Joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the "Oliver Wendell Holmes Memorial Fund"; to the Committee on the Library.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of North Dakota, regarding the possibilities for development of the Missouri River in North and South Dakota; to the Committee on Flood Control.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 7237) for the relief of the State of New York Insurance Department as liquidator; to the Committee on Claims.

By Mr. BRUNNER: A bill (H. R. 7238) for the relief of Abraham Cohen; to the Committee on Claims.

By Mr. CANNON of Missouri: A bill (H. R. 7239) for the relief of Harry Warren Halterman; to the Committee on Military Affairs.

By Mr. CANNON of Wisconsin: A bill (H. R. 7240) for the relief of Richard Burrill; to the Committee on Claims.

By Mr. CROSS of Texas: A bill (H. R. 7241) for the relief of Earl J. Thomas; to the Committee on Merchant Marine and Fisheries.

By Mr. ELLENBOGEN: A bill (H. R. 7242) for the relief of Alfred J. Buka; to the Committee on Military Affairs.

Also, a bill (H. R. 7243) to correct the military record of Joseph A. Roland; to the Committee on Military Affairs.

By Mr. GASSAWAY: A bill (H. R. 7244) for the relief of John E. T. Clark; to the Committee on Claims.

By Mr. GAVAGAN: A bill (H. R. 7245) for the relief of the city of New York; to the Committee on Claims.

By Mr. GEHRMANN: A bill (H. R. 7246) for the relief of Edward M. Steffenson; to the Committee on Claims.

Also, a bill (H. R. 7247) for the relief of Roy O. Steffenson; to the Committee on Claims.

By Mr. GRISWOLD: A bill (H. R. 7248) granting a pension to Sarah E. Goine; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 7249) for the relief of K. E. Parker Co.; to the Committee on Claims.

By Mr. KRAMER: A bill (H. R. 7250) granting a pension to Laura C. Gipple; to the Committee on Pensions.

By Mr. LUNDEEN: A bill (H. R. 7251) for the relief of F. C. Gangloff; to the Committee on Military Affairs.

By Mr. McKEOUGH: A bill (H. R. 7252) to extend the benefits of the United States Employees' Compensation Act to Frederick L. Lothrop; to the Committee on Claims.

By Mr. McREYNOLDS: A bill (H. R. 7253) for the relief of James Murphy Morgan; to the Committee on Claims.

By Mr. MILLARD: A bill (H. R. 7254) for the relief of Lily M. Miller; to the Committee on Foreign Affairs.

By Mr. MURDOCK: A bill (H. R. 7255) for the relief of Frederic R. Leland; to the Committee on Military Affairs.

By Mr. PEARSON: A bill (H. R. 7256) granting compensation to Perry H. Callahan and Malcolm W. Callahan for damages to building; to the Committee on Claims.

By Mr. SOMERS of New York: A bill (H. R. 7257) to correct the military record of William T. Leshin; to the Committee on Military Affairs.

Also, a bill (H. R. 7258) for the relief of Francis J. Duffy; to the Committee on Naval Affairs.

By Mr. ZIMMERMAN: A bill (H. R. 7259) granting a pension to Sophia Springer; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6213. By Mr. ROGERS of Oklahoma: Petition headed by J. H. McEwen, of Coosa County, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6214. Also, petition headed by N. E. McClearen, of Milan, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6215. Also, petition headed by Henry Smith, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6216. Also, petition headed by S. Oenbry, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6217. Also, petition headed by A. J. Norwood, of Greenfield, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6218. Also, petition headed by Dock Alexander, of Greenfield, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6219. Also, petition headed by A. J. Tucker, of Alamo, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6220. Also, petition headed by W. H. Griswell, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6221. Also, petition headed by W. E. McClothin, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6222. Also, petition headed by W. S. Darnell, of Phillippy, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6223. Also, petition headed by G. T. Braggs, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6224. Also, petition headed by J. W. Dunaway, of Fayetteville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6225. Also, petition headed by J. W. Osborne, of Gantts Quarry, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6226. Also, petition headed by D. Hilyer, of Bon Air, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6227. Also, petition headed by S. Hughley, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6228. Also, petition headed by W. M. Brooks, of De Armanville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6229. Also, petition headed by M. C. Hawkins, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6230. Also, petition headed by M. K. Higgins, of Simpsonville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6231. Also, petition headed by H. G. Fennell, of Travelers Rest, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6232. Also, petition headed by J. W. Fisher, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6233. Also, petition headed by C. L. Morgan, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6234. Also, petition headed by E. McElrath, of Greer, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6235. Also, petition headed by S. Turner, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6236. Also, petition headed by F. K. Hill, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6237. Also, petition headed by K. M. C. Aldrich, of Wellford, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6238. Also, petition headed by Mr. Shutt, of Rock, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6239. Also, petition headed by M. Williams, of Dallas, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6240. Also, petition headed by J. L. Cooper, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6241. Also, petition headed by R. B. Wright, of Cullman, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pople plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6242. Also, petition headed by C. F. Badgett, of Choccolocco, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6243. Also, petition headed by Albert Burnett, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6244. Also, petition headed by A. White, of Choccolocco, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6245. Also, petition headed by S. J. Goodgame, of Cropwell, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6246. Also, petition headed by Sam McMillian, of Berlin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6247. Also, petition headed by R. L. Cooper, of Lincoln, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6248. Also, petition headed by W. M. Canada, of Talladega, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6249. Also, petition headed by W. J. Tipton, of Pell City, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6250. Also, petition headed by K. Banks, of Atoka, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6251. Also, petition headed by W. B. Roberts, of Como, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6252. Also, petition headed by C. N. Emmons, of Cottagegrove, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6253. Also, petition headed by J. Long, of Miston, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6254. Also, petition headed by L. M. Powell, of Miston, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6255. Also, petition headed by B. E. Seabey, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6256. Also, petition headed by W. Burns, of Mengelwood, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6257. Also, petition headed by E. Jones, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6258. Also, petition headed by Mr. Moore, of Spartanburg, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6259. Also, petition headed by S. Davis, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6260. Also, petition headed by W. C. Billings, of Buffalo, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6261. Also, petition headed by M. Hall, of Union, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6262. Also, petition headed by J. B. Nelson, of Cabot, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6263. Also, petition headed by H. C. Gore, of Irondale, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6264. Also, petition headed by J. Ferrel, of Alamo, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6265. Also, petition headed by C. C. Phipps, of Rosetta, Miss., favoring House bill 2856, by Congress WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6266. Also, petition headed by J. H. Williams, of Ensley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6267. Also, petition headed by W. L. Garrett, of Little Rock, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6268. Also, petition headed by P. Banister, of Tarry, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6269. By Mr. BACHARACH: Resolution of Atlantic City Council, No. 405, Atlantic City, N. J., urging the enactment of legislation for the issuance of a commemorative postage stamp in honor of one hundred and fiftieth anniversary of the termination of Commodore John Barry's services with the American Revolutionary forces; to the Committee on the Post Office and Post Roads.

6270. By Mr. BRUNNER: Concurrent resolution by New York State Senator Frank B. Hendel, urging that Congress be respectfully memorialized to enact legislation establishing a sea-food distributing and market bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry, and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6271. By Mr. BOYLAN: Resolution unanimously adopted at a meeting of the representatives of 30 set-up paper-box manufacturers at Troy, N. Y., favoring the continuance of the National Recovery Administration, etc.; to the Committee on Appropriations.

6272. By Mr. CRAWFORD: Petition of William H. Huber and a number of other residents of Saginaw, Mich., urging the passage of the McGroarty bill; to the Committee on Labor.

6273. Also, petition of Lloyd Janes and a number of other residents of Clinton County, Mich., urging the passage of the McGroarty bill; to the Committee on Labor.

6274. Also, petition of a number of residents of Saginaw County, Mich., urging the enactment into a law of the Frazier-Lemke bill; to the Committee on Agriculture.

6275. Also, petition of J. A. Robinson and a number of residents of Shaftsburg and Owosso, Mich., urging the passage of the McGroarty bill; to the Committee on Labor.

6276. By Mr. GAVAGAN: Memorial of the Legislature of the State of New York to Congress, concerning establishment of a sea-food distributing and marketing bureau for purpose of protecting and encouraging the fisheries of the Atlantic coast, etc.; to the Committee on Merchant Marine and Fisheries.

6277. Also, memorial of the Legislature of the State of New York, relating to General Pulaski's Memorial Day; to the Committee on the Judiciary.

6278. By Mr. GOLDSBOROUGH: Resolution of the City Wide Democratic Woman's Club of Baltimore, favoring the equal rights amendment; to the Committee on the Judiciary.

6279. Also, resolution of the City-Wide Democratic Woman's Club of Baltimore, opposing section 213 of the Economy Act and urging its repeal; to the Committee on Appropriations.

6280. By Mr. HANCOCK of New York: Petitions of Rev. Walter V. Watson, members of the Billy Sunday Club, and First Ward Presbyterian Church, of Syracuse, N. Y., urging legislation to curb the activities of individuals and organizations which advocate the overthrow by force and violence the United States Government; to the Committee on the Judiciary.

6281. By Mr. HOUSTON: Memorial of the Southern Kansas Mills, Wichita, Kans., opposing any change in the present fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

6282. By Mr. HULL: Resolution by the Common Council of the City of River Falls, Wis., urging the enactment of the Townsend old-age pension plan; to the Committee on Ways and Means.

6283. By Mr. KVALE: Petition of the Minnesota division of the Farmers' Educational and Cooperative Union of America, urging enactment of House bills 2066 and 4298; to the Committee on Agriculture.

6284. Also, petition of the Farmers Union, Local No. 244, Fountain Prairie, Pipestone County, Minn., urging passage

of House bills 2066 and 4298; to the Committee on Agriculture.

6285. Also, resolution of the county board, Lincoln County, Minn., urging legislation permitting the farmer to refinance on a basis that will enable him to retain his farm home; to the Committee on Agriculture.

6286. By Mr. LUNDEEN: Petition of the National Grange Lodge, No. 671, Wyanett, Ill., urging Government ownership, control, and operation of banks; to the Committee on Banking and Currency.

6287. Also, petition of Minnesota State Legislature, urging Congress to authorize the States to tax sales and gross income and/or gross receipts arising from transactions in interstate commerce; to the Committee on the Judiciary.

6288. Also, petition of the Minnesota State Federation of Labor, urging that steps be taken to discontinue the importation, duty free, of newsprint paper; to the Committee on Ways and Means.

6289. Also, petition of the Joint Legislative Committee of District Granges, Braham, Minn., urging that the import duty on butter imported into this country be increased to 20 cents per pound; to the Committee on Ways and Means.

6290. Also, petition of Canisteo Chapter, Izaak Walton League of America, Coleraine, Minn., urging that the administration of the Alaska game law not be transferred to the Territorial legislature, and that House bill 163 not be passed by the Congress of the United States; to the Committee on the Territories.

6291. Also, petition of the Minneapolis board of education, asking that education be placed on a parity with roads and road building, and that the Board of Education of Minneapolis be granted Federal appropriations on a 100-percent grant basis to finance the construction of certain schools and additions to schools; to the Committee on Appropriations.

6292. Also, petition of the Minnesota Congress of Parents and Teachers, Inc., of Minneapolis, Minn., urging regulation of trade practices of the motion-picture industry as provided in House bill 2999; to the Committee on Interstate and Foreign Commerce.

6293. By Mr. McCORMACK: Resolution of Gov. James M. Curley, the executive council, representatives of the fisheries and allied interests, and citizens of the Commonwealth of Massachusetts, urging the adoption of tariff schedules and other limitations as will exclude fish products of other countries where health, wage, and other standards are disregarded thereby rendering it impossible for Americans to compete; to the Committee on Ways and Means.

6294. By Mr. MAPES: Petition of the residents of Ottawa County, Mich., transmitted by Carl Hutchins, recording secretary, Polkton Local No. 225, F. E. and C. U. of A., Coopersville, Mich., recommending the passage of the Frazier-Lemke refinance bill; to the Committee on Agriculture.

6295. By Mr. MERRITT of New York: Petition of Ray Swanson and approximately 125 additional residents of the Bronx and New York City, urging Congress to defeat House bill 5585, as conferring unlimited powers upon the Secretary of Agriculture in the matter of continuous price fixing; to the Committee on Agriculture.

6296. Also, petition of T. W. Appleton, of 88 Oak Street, Floral Park, N. Y., and 18 other residents of that vicinity, protesting against the passage of the Rayburn-Wheeler public-utility bills; to the Committee on Interstate and Foreign Commerce.

6297. By Mr. MILLARD: Petition of the retail monument industry of New York City and metropolitan area, opposing the continuance of the National Recovery Administration; to the Committee on Appropriations.

6298. By Mr. PFEIFER: Petition of the Malt-Diastase Co., Brooklyn, N. Y., concerning the Wagner labor disputes bill; to the Committee on Labor.

6299. Also, petition of the Magnuson Products Corporation, Brooklyn, N. Y., concerning the Wheeler-Rayburn bills; to the Committee on Interstate and Foreign Commerce.

6300. Also, petition of the Association of Employees, longlines department, American Telephone & Telegraph Co., Branch No. 1, New York, concerning the National Labor Relations Act; to the Committee on Labor.

6301. Also, petition of the Rockwood & Co., Brooklyn, N. Y., concerning the Wheeler-Rayburn bills; to the Committee on Interstate and Foreign Commerce.

6302. Also, petition of the Warner Publications, Inc., New York City, concerning the Wagner labor bill (S. 1958); to the Committee on Labor.

6303. Also, petition of Harold W. Rambusch, of New York City, urging continuation of the Code for Stained and Leaded Glass Industry; to the Committee on Appropriations.

6304. Also, petition of the Topics Publishing Co., New York City, concerning the Wagner bill; to the Committee on Labor.

6305. Also, petition of the National Handbag & Accessories Salesmen's Association, New York, favoring the request of the President to continue the National Recovery Act; to the Committee on Appropriations.

6306. Also, Concurrent Resolution No. 100, of the Senate of the State of New York, urging enactment of legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6307. Also, Concurrent Resolution No. 103, of the Senate of the State of New York, urging the proclamation of October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

6308. By Mr. RUDD: Petition of the Senate, Legislature of the State of New York, concerning the enactment of legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6309. Also, petition of the senate, Legislature of the State of New York, favoring the resolution providing for the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

6310. Also, petition of the Malt-Diastase Co., Brooklyn, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

6311. Also, petition of the Mutual Paper Box Manufacturers' Association of Central and Eastern New York, concerning the continuation of the National Recovery Administration; to the Committee on Appropriations.

6312. Also, petition of the National Handbag & Accessories Salesmen's Association, New York City, concerning the continuation of the National Recovery Administration, as requested by the President of the United States; to the Committee on Appropriations.

6313. By Mr. SADOWSKI: Petition of S. E. U. of America, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

6314. Also, petition of the Michigan State Legislature, for Congress to provide for the relief of unemployed women and girls in the various States of the Union; to the Committee on Labor.

6315. Also, petition of the Slovak Democratic League of Michigan, endorsing House bill 2827; to the Committee on Labor.

6316. Also, petition of National S. S., endorsing House bill 2827; to the Committee on Labor.

6317. Also, petition of Roumanian American Democratic Club of Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

6318. Also, petition of Lodge No. 711 of the Slovene National Benefit Society of Detroit, endorsing House bill 2827; to the Committee on Labor.

6319. By Mr. TONRY: Resolution of the Thomas Dongan Council, No. 1251, Knights of Columbus, Brooklyn, N. Y., calling for a favorable report by the Senate committee con-

sidering the Borah resolution relative to the religious situation in Mexico; to the Committee on Foreign Affairs.

6320. By the SPEAKER: Petition of the board of aldermen of the city of Derby, Conn.; to the Committee on the Judiciary.

6321. By Mr. TURNER: Petition of H. B. Evans et al., citizens of Lynnville, Giles County, Tenn., asking that Congress pass a uniform Federal old-age-pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

6322. Also, petition of the Third Ward Democratic Club of Camden County, N. J.; to the Committee on Ways nad Means.

6323. By Mr. KEE: Petition of members of the Railway Employees and Taxpayers Association of Bluefield, W. Va., urging the passage of Senate bill 1629 and House bill 5262; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, APRIL 4, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Wednesday, April 3, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 857. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes; and

S. 1605. An act authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2689. An act for the relief of Mary Ford Conrad;

H. R. 6372. An act to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail; and

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Lewis	Reynolds
Ashurst	Couzens	Logan	Robinson
Austin	Cutting	Lonergan	Russell
Bachman	Dickinson	Long	Schall
Bailey	Dieterich	McAdoo	Schwellenbach
Bankhead	Donahey	McCarran	Sheppard
Barbour	Duffy	McGill	Steiwer
Barkley	Fletcher	McKellar	Thomas, Okla.
Bilbo	Frazier	McNary	Thomas, Utah
Black	George	Maloney	Townsend
Bone	Gerry	Metcalf	Trammell
Borah	Gibson	Minton	Truman
Brown	Glass	Moore	Tydings
Bulkley	Gore	Murphy	Vandenberg
Bulow	Guffey	Murray	Van Nuys
Burke	Hale	Neely	Wagner
Byrnes	Harrison	Norris	Walsh
Capper	Hatch	Nye	Wheeler
Clark	Hayden	O'Mahoney	White
Connally	Keyes	Pittman	
Coolidge	King	Pope	
Copeland	La Follette	Radcliffe	

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Virginia [Mr. BYRD] and the Senator from South Carolina [Mr. SMITH] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness; that the Senator from Wyoming [Mr. CAREY], the senior Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from Delaware [Mr. HASTINGS] are absent on official business; and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate. I will let this announcement stand for the day.

Mr. McNARY. The Senator from California [Mr. JOHNSON] is absent on account of illness.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Commerce:

Investigation Missouri River possibilities in North and South Dakota

Whereas it is necessary to check the flow of the Missouri River in North Dakota and South Dakota by means of a large manually controlled diversion dam; and to release the stored water as needed to maintain an average flow to the mouth of the Missouri River and to divert part of aforesaid stored water to furnish surface water for cities and villages in North Dakota and South Dakota; also part of aforesaid diverted water to be used in replenishing receding ground-water tables in North Dakota and South Dakota; and

Whereas many of the shelter belts now owned by farmers are dying from lack of ground-water supply; and

Whereas it would be necessary to restore ground-water tables before a shelter belt of such large proportions as proposed by the Government could be expected to survive; and

Whereas the control of the Missouri River between limits would make it entirely possible to afford the great Northwestern territory a less expensive transportation of agricultural products; and

Whereas the Missouri River forms a part of one of the most dangerous flood basins, namely, the Mississippi-Missouri Basin, which annually causes millions of dollars of property damage and loss of life; and

Whereas the Missouri River having caused local floods by excessive water and ice jams causes thousands of dollars of property damage and loss of life; aforesaid losses could be averted by complete Missouri River control; and

Whereas North Dakota and South Dakota were at one time one of the largest Northwest breeding areas for fowl in the United States, and with the receding water table causing water holes, sloughs, ponds, etc., to dry up, thus forcing aforementioned fowl to leave the aforesaid areas; and

Whereas with the development of the Missouri River a large amount of cheap electrical energy could be produced which would act as an incentive for industrial expansion within the States of North Dakota and South Dakota; and

Whereas every year thousands of acres of North Dakota's and South Dakota's most productive land is washed away by the Missouri River at its high stages; and

Whereas in view of the fact that proper development of the Missouri River very naturally comes under several different departments and/or commissions of the Federal Government, it is respectfully suggested that a commission of five engineers be created to properly investigate the obvious possibilities for development of the Missouri River in North Dakota and South Dakota: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota (the senate concurring therein), That we petition the United States Congress, now assembled, and the President of the United States, the Honorable Franklin D. Roosevelt, to appoint and instruct the aforesaid commission of five engineers; and be it further

Resolved, That aforesaid commission be selected from civil engineers in private life, one engineer to be chosen from the States of North Dakota and/or South Dakota; and be it further

Resolved, That the secretary of state of the State of North Dakota be and is hereby instructed to forward an authenticated copy of this resolution to the President of the United States, the Honorable Franklin D. Roosevelt, to the President of the United States Senate, to the Speaker of the House of Representatives at Washington, D. C., to the two United States Senators and the two Representatives from North Dakota in Congress.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the council of the city of San Fernando, Calif., favoring the adoption of the so-called "Townsend

old-age-pension plan", which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by Local Union No. 107, Paper Plate and Bag Workers, and International Pocketbook Workers Union, both of New York City, N. Y., protesting against the enactment of proposed alien and sedition legislation, which were referred to the Committee on Immigration.

He also laid before the Senate petitions of sundry citizens of the United States praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate resolutions adopted by the city council of Muskegon Heights, Mich., and the board of aldermen of the city of Derby, Conn., favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. CAPPER presented memorials of sundry citizens of Beaver and Clearwater, in the State of Kansas, remonstrating against the enactment of legislation amending the Agricultural Adjustment Act and the enactment of the so-called "commodities exchange bill", which were referred to the Committee on Agriculture and Forestry.

Mr. MALONEY presented the petition of R. C. Fisher and sundry other citizens of Waterbury, Conn., praying for an investigation of the alleged denial of justice to tenant farmers and share-croppers of the South by the Agricultural Adjustment Administration, and favoring the release and full publicity of the so-called "Myers report" on violations of acreage contracts, which was referred to the Committee on Agriculture and Forestry.

Mr. WALSH presented a letter in the nature of a petition from Miss Eleanor Baldwin, executive secretary, New England Anti-Vivisection Society, of Boston, Mass., praying for the enactment of Senate bill 1737, to exempt dogs from vivisection in the District of Columbia which, with the accompanying papers, was referred to the Committee on the District of Columbia.

He also presented a resolution adopted at a meeting of the Manufacturers and Employers' Association of Taunton, Mass., favoring the enactment of legislation restricting the importation of any textile article from any country in a greater volume than the average annual volume from such country during the years 1930 to 1934, both inclusive, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Melrose, Mass., remonstrating against the enactment of legislation inimical to public-utility holding companies, which was referred to the Committee on Interstate Commerce.

He also presented the memorial of the Arcade Malleable Iron Co., of Worcester, Mass., remonstrating against the enactment of Senate bill 87, the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

Mr. McCARRAN presented a joint resolution of the Legislature of the State of Nevada, favoring the enactment of legislation enlarging the Dixie National Forest, situated in Clark County, Nev., etc., which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented by Mr. PITTMAN on the 2d instant, p. 4829, CONGRESSIONAL RECORD.)

Mr. McCARRAN also presented a joint resolution of the Legislature of the State of Nevada, favoring the making of sufficient appropriation to establish a monument in memory of the miners of the State of Nevada, in the nature of a home for aged and indigent miners, at some suitable location within the limits of Virginia City, Nev., which was referred to the Committee on the Library.

(See joint resolution printed in full when presented by Mr. PITTMAN on the 2d instant, p. 4829, CONGRESSIONAL RECORD.)

Mr. NORRIS presented the following concurrent resolution of the Legislature of the State of Nebraska, which was referred to the Committee on Military Affairs:

Concurrent resolution concerning Spanish-American War troops

Whereas during the Spanish-American War the troops who were serving in the Philippine Islands in 1899 were requested by the War Department to remain in service for an additional 6 months after the expiration of their enlistment period and until troops could be sent to replace them; and

Whereas these troops were promised by the officers in charge that if they would so remain during the period of such emergency then existing that they would be given regular travel pay of soldiers whose enlistments expired and reenlistment in the service of the United States, as was authorized by section 15 of the Army bill then in force; and

Whereas these troops were held in service for said 6 months' period under such agreement and these troops were never paid such travel pay so promised; and

Whereas numerous citizens of the State of Nebraska would be greatly benefited by such payment; and

Whereas House bill 2024 of the Federal Congress covering such payment has been recommended by the War Claims Committee for passage: Now, therefore, be it

Resolved by the house (the senate concurring), That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed House bill 2024 of the Federal Congress; and be it further

Resolved, That the chief clerk of the house cause copies of this resolution, duly certified, to be transmitted to the Senators and Representatives in Congress from the State of Nebraska, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purpose of this resolution.

Mr. NEELY presented the following concurrent resolution of the Legislature of the State of West Virginia, which was ordered to lie on the table:

House concurrent resolution concerning allotment of P. W. A. funds in West Virginia for road building

Whereas West Virginia was allotted only $21,000,000 of the $62,000,000 that would have been due the State on an equitable distribution of P. W. A. funds distributed in the past; and

Whereas a fair allotment to West Virginia of the proposed appropriation for P. W. A. service in the future will be approximately $58,000,000; and

Whereas Ernest L. Bailey, State road commissioner of West Virginia, has asked for an allotment of $20,000,000, to be used for construction and improvement of non-Federal roads in this State; and

Whereas the allotment of $20,000,000, added to such amounts as the State can provide, will provide local employment for rural residents, provide farm-to-market roads, provide for rural mail delivery, permit consolidation of rural schools, and permit rural home owners to seek employment in nearby industrial centers while enjoying country life and the products of their farms and gardens: Therefore be it

Resolved by the house of delegates (the senate concurring therein), That we approve and earnestly join in the request of Ernest L. Bailey, State road commissioner, that the amount of $20,000,000 be allotted to West Virginia from P. W. A. funds, when made available by action of Congress, to be used under the direction of the State road commissioner for the construction and improvement of non-Federal roads in this State; and be it further

Resolved, That the clerks of the senate and house of delegates have copies of this resolution sent to the President of the United States and to each of the United States Senators and Members of the House of Representatives from West Virginia.

KEEP THE SCHOOLS OPEN

Mr. WHEELER. I present an editorial appearing in the April 2 issue of Labor, the weekly paper of the standard railway brotherhoods entitled "Keep American Schools Open", and also an editorial from the Washington Daily News of March 29 entitled "Keep the Schools Open", which I ask may lie on the table and be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorials are as follows:

[Editorial in Apr. 2, 1935, issue of Labor]

KEEP AMERICAN SCHOOLS OPEN—CONGRESS SHOULD ACCEPT SENATOR CUTTING'S AMENDMENT—NEED OF TRADE-UNION ORGANIZATION AMONG TEACHERS

Senator CUTTING's amendment setting aside $40,000,000 of President Roosevelt's huge relief fund to keep schools open in communities which have exhausted their resources should be approved unanimously by both Houses of Congress.

Only a few days ago Dr. John W. Studebaker, Director of the United States Bureau of Education in the Department of the Interior, announced the result of a survey of American schools made under his direction. The facts thus revealed are truly appalling.

Unless the Federal Government goes to the aid of the public schools at once, Dr. Studebaker predicts that 3,500,000 school children will be denied educational training after April 1.

In many instances teachers have not received a penny of salary since January 1 and yet they are sticking to the job.

It is not necessary to argue with readers of Labor that locking the doors of tens of thousands of American schools would be a calamity of major proportions. The nation that neglects its children is wantonly sacrificing its most precious asset. America cannot afford to make such a blunder.

Labor cannot refrain from recording, with what it regards as pardonable pride, that Senator CUTTING's proposal was suggested by the Federation of Teachers, a real trade union, affiliated with the American Federation of Labor. Every teacher in the land should be a member of this excellent organization.

The present tragic plight of our schools is largely due to the fact that the big majority of our educators have failed to appreciate the value of organization. United in a militant union, they could do more to save America's endangered school system than any other single force.

[Editorial in the Washington Daily News of Mar. 29, 1935]

KEEP THE SCHOOLS OPEN

The Cutting amendment to the work-relief bill, setting aside $40,000,000 to keep open the schools for the remainder of this school year, should be favorably considered by the House and Senate conference. All of this sum may not be needed, but there is no doubt that many of the States must have help.

Commissioner John W. Studebaker, of the United States Office of Education, estimates that 31 States have total deficits of $37,000,000, out of which $24,500,000 is needed to pay teachers' back salaries. Some 42,000 schools in 25 States are faced with immediate closing orders and 102,000 teachers with loss of income. In view of their meager salaries, loss of income would mean destitution for many teachers.

As F. E. R. A. Administrator Hopkins says, "Teachers should not be identified with relief." The Cutting amendment will keep teachers off the relief rolls, keep the schools open until June, and keep children off the streets.

REPORTS OF COMMITTEES

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (S. 1209) to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii, reported it without amendment and submitted a report (No. 415) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 885) to correct the naval record of Joseph Horace Albion Normandin, reported it with an amendment and submitted a report (No. 412) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 1723) to authorize payment to the Sac and Fox (of Missouri) Tribe of Indians of certain tribal funds to their credit in the United States Treasury, and for other purposes, reported it with amendments and submitted a report (No. 413) thereon.

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (S. 506) to credit the Klamath Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Klamath Reservation, Oreg., reported it without amendment and submitted a report (No. 414) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2088. A bill to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark. (Rept. No. 416); and

S. 2356. A bill to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920 (Rept. No. 417).

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (S. 1783) for the relief of John F. Patterson, reported it without amendment and submitted a report (No. 418) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 1023) to provide for the payment of a military instructor for the high-school cadets of Washington, D. C., reported it with amendments and submitted a report (No. 419) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1522. A bill to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children (Rept. No. 420);

S. 1524. A bill to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children (Rept. No. 421);

S. 1525. A bill to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation (Rept. No. 422);

S. 1526. A bill to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation (Rept. No. 423); and

S. 1530. A bill to authorize appropriations for the completion of the public high school at Frazer, Mont. (Rept. No. 424).

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS—MINORITY VIEWS (REPT. NO. 361, PT. 2)

Mr. BAILEY. Mr. President, with reference to the pending legislation, I gave notice in the Committee on Commerce that I would reserve the right to file views of the minority to Senate bill 5. Thereafter I suffered an injury and was incapacitated. That accounts for the delay. I have, however, at last prepared the report. I know that we have proceeded far in the debate, and that there have been many amendments adopted to the pending bill, but I should like to have permission of the Senate to file the report at this time in order that it may be printed and put on the desks of Senators, even though that may be after the passage of the bill. If there is any objection, I will not insist, but my excuse is that I could not do the work sooner.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. BAILEY. I yield.

Mr. COPELAND. Was the request of the Senator that he be permitted to file views of the minority?

Mr. BAILEY. Yes.

Mr. COPELAND. I have no objection to that, but I should like to add that if the bill should be finally disposed of, the report which has been presented may be revised to include the amendments which have been made.

Mr. BAILEY. I shall be glad to take that up with the Senator from New York in the course of the day.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Carolina? The Chair hears none, and the views of the minority will be received and printed.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mr. LONERGAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on today, April 4, 1935, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 255. An act for the relief of Margaret L. Carleton;

S. 274. An act for the relief of Charles C. Floyd;

S. 906. An act for the relief of Chellis T. Mooers;

S. 1391. An act for the relief of William Lyons;

S. 1520. An act for the relief of Charles E. Dagenett;

S. 1621. An act for the relief of Mrs. Charles L. Reed;

S. 1694. An act for the relief of C. B. Dickinson; and

S. J. Res. 21. Joint resolution authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORRIS:

A bill (S. 2498) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.; to the Committee on Commerce.

By Mr. GEORGE:

A bill (S. 2499) for the relief of Eddie B. Black; to the Committee on Finance.

By Mr. BONE:

A bill (S. 2500) to create and establish a national United States Educational Peace Commission to promote peace by means of education; to the Committee on Education and Labor.

A bill (S. 2501) for the relief of Shafer Schwartz; to the Committee on Military Affairs.

By Mr. McADOO:

A bill (S. 2502) granting an increase of pension to Anna L. Sweet; to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 2503) authorizing the Comptroller General of the United States to credit certain sums of money to the account of Henry McReynolds; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 2504) to incorporate the Marine Corps League; to the Committee on Naval Affairs.

By Mr. COUZENS:

A bill (S. 2505) authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods; to the Committee on Commerce.

By Mr. THOMAS of Oklahoma:

A bill (S. 2506) repealing section 9 (processing tax) of title I of Public Law Numbered 10, Seventy-third Congress; to the Committee on Agriculture and Forestry.

By Mr. McCARRAN:

A bill (S. 2507) to amend Public Law No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes"; to the Committee on Banking and Currency.

By Mr. NYE:

A bill (S. 2508) to authorize the naturalization of certain resident alien World War veterans; to the Committee on Immigration.

By Mr. NEELY:

A bill (S. 2509) granting relief to Joseph M. Burr; to the Committee on Claims.

By Mr. McCARRAN:

A bill (S. 2510) authorizing the western bands of the Shoshone Tribe of Indians, as defined herein, to sue in the Court of Claims; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 2511) to promote the safety of employees and travelers on railroads by providing for the inspection and investigation of conditions prevailing in train-dispatching offices and for the promulgation of necessary rules and regulations governing the working conditions of train dispatchers; to the Committee on Interstate Commerce.

By Mr. BAILEY:

A bill (S. 2513) to provide for a change in the judicial districts of North Carolina with respect to Durham County; to the Committee on the Judiciary.

REGULATION OF LOBBYING

Mr. BLACK. Mr. President, I ask consent to introduce a bill and to have it referred to the Committee on the Judiciary. It is a bill to define lobbyists, to require registration of lobbyists, and provide regulation thereof.

I wish to state that it is my intention to ask the Committee on the Judiciary to appoint a subcommittee to investigate and consider this measure at once. It is my belief that, with the vast expenditures the Government is undertaking, it is absolutely essential that some protection be afforded the public; and this measure, in my judgment, will provide protection from lobbyists who swarm into Washington.

The VICE PRESIDENT. Without objection, the bill will be received and referred as requested by the Senator from Alabama.

The bill (S. 2512) to define lobbyists, to require registration of lobbyists, and provide regulation thereof was read twice by its title and referred to the Committee on the Judiciary.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 6372. An act to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail; and

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y.; to the Committee on Banking and Currency.

H. R. 2689. An act for the relief of Mary Ford Conrad; to the Committee on Claims.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS—AMENDMENTS

Mr. McKELLAR submitted three amendments intended to be proposed by him to the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, which were ordered to lie on the table and to be printed.

NATIONAL ECONOMIC COUNCIL

Mr. BULKLEY submitted the following resolution (S. Res. 114), which was referred to the Committee on Manufactures:

Resolved, That the Committee on Manufactures, or any duly authorized subcommittee thereof, is authorized and directed to investigate the desirability of establishing a national economic council and to make recommendations with respect to the functions and duties which might be assigned to such council. The committee shall report to the Senate as soon as practicable the result of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

THE BITUMINOUS COAL INDUSTRY—ADDRESS BY SENATOR GUFFEY

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a radio address delivered over the National Broadcasting System April 2, 1935, by the junior Senator from Pennsylvania [Mr. GUFFEY] on the Guffey bituminous-coal bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am going to talk with you briefly this evening on Senate bill 1417, known as the "Guffey bituminous coal bill", which has for its purpose the regulation of the bituminous-coal industry and the conservation of that natural resource.

Before proceeding with my subject I want to particularly express my appreciation and thanks to Hon. M. M. NEELY, the United States Senator from the State of West Virginia, who, as Chairman of the Subcommittee on Interstate Commerce, conducted hearings on the bill. His great knowledge of the subject and desire to be of help in formulating legislation which will enure to the benefit of the people of this country made him the ideal person to conduct these hearings. He has most intelligently, industriously, and successfully discharged his duties.

The legislation provided in the Guffey bituminous coal bill is, in my judgment, of paramount importance to the owners of the bituminous mines in this country, the miners who work in the bituminous mines, and last, but most important, the great majority of the people of this country. The legislation is important to the mine owners because it will enable them, as well as their associate investors, to make a profit through the operation of their mines. It is important to the mine labor of the country in that it will enable them to obtain more steady employment at wages which will make it possible for them to enjoy a much

higher standard of living than that to which they have been accustomed in years past. It is important to the great majority of the people of the country, because it will regulate production and thereby preserve this great natural resource for the benefit of the public.

This measure has the support of operators producing a majority of the tonnage in America. It is backed by 95 percent of the men engaged in mining coal. And with the exception of a few selfish interests, it has not been opposed by the consumer.

The proponents of this bill are intensely interested in its success. They believe fully that its failure would bring immediate catastrophe to the bituminous coal industry, ruining thousands of producers, impoverishing half a million miners and their 2,000,000 dependents, and jeopardizing the Nation's fuel supply.

Interstate commerce depends upon it, not only for power in transportation, but in the manufacture of most articles of trade between the States. The very life of America's commerce has its origin in bituminous coal. To foster and safeguard the industry is thus a national problem and obligation.

America's future place among the nations of the world depends largely upon its supply of power—bituminous coal, and for that reason we have a duty to conserve it.

Yet by our failure to control and regulate this most important natural resource, the industry has been conducted in a manner that threatens its destruction.

Unrestricted production and cutthroat competition have resulted in mining practices that waste 20 percent of our best bituminous reserves, and at the same time have brought ruin to producers and poverty to labor.

The Nation's major supply of fuel is in danger from day to day. Operators in the industry were bankrupt and miners on the verge of starvation, when saved temporarily by the Government through the N. R. A.

The purposes of this bill, and the conditions which we seek to remedy, are as follows:

To conserve America's most important natural resource, which, through wasteful mining and operating practices, is being so rapidly depleted that the National Government already is counting the years when our most valuable bituminous deposits will be exhausted.

To thus insure the consumer an adequate supply of fuel at reasonable prices not only for the present but in the long future, when America will be forced to compete with other countries with respect to fuel and power.

To stabilize an industry that for 50 years has failed to conduct successfully its own business, and to do this in the interest of the entire Nation, whose fuel supply is at stake.

To provide a living wage for the 500,000 men in the industry and their 2,000,000 dependents, all of whom most of the time have lived close to starvation.

To build up a national bituminous-coal reserve, owned by the American people, so that for the future we will be assured of an ample supply of fuel at reasonable costs.

What most appeals to me is that the rights of all interests—the consumer, the producer, and the workmen—are safeguarded by placing the industry under the control of a national commission, appointed by the President, by and with the advice and consent of the Senate, the commission reporting to the Congress through the Department of the Interior.

To stabilize the industry several steps are necessary. Every authority and interest admits that the demoralization of the bituminous-coal industry comes from overproduction. With present facilities America can produce 100 percent more coal than it can consume. This has resulted in cutthroat competition and unfair trade practices, with ruin for the operator and starvation for the miner.

The fundamental remedy then, as agreed by all, is to control production. This is accomplished through the Commission which is required to fix the national tonnage.

The Commission apportions to each of the 21 districts their proportion of the national tonnage, and it has the right to increase such quotas if there is a need for additional coal.

The district boards then allocate the district tonnage to the various mines under their jurisdiction. Mine owners have the right to appeal to the Commission. They are thus protected.

The second step in stabilization calls for fixing standard hours of labor and wages. This is absolutely vital, or one section of the country will be cutting the throat of another.

Thus, through the Commission, having allocated tonnage by districts and fixed hours of labor, and, through the district boards, fixed mine quotas and established wage scales by collective bargaining, the next step is to determine fair minimum and maximum prices for the consumer.

This is made easier in the coal industry because labor costs amount to 65 percent of the cost of production.

As the Commission has power to require the producers to maintain uniform systems of accounting of costs, wages, operations, sales, profits, losses, and the like, the consumer is given adequate protection against unfair prices. As an additional safeguard, the consumer is given the right of appeal to the Commission.

Carrying out the ideals of the N. R. A. with respect to the rights of labor, provision is made for collective bargaining, and the rights of the workmen are fully protected in the bill.

A sincere effort has been made throughout to safeguard every interest and to give each the fullest right to hearings in every controversy that may arise under the bill.

The successful operation of the industry having been thus assured, the Commission is then empowered to plan for the future of bituminous coal. Because at least 20 percent of our most valuable coal reserve is being wasted through inefficient mining practices, the Commission is authorized to investigate the problem with a view toward conserving this valuable resource.

Finally, through the Commission and the Department of the Interior, a great national coal reserve is to be built up.

At the same time we have given thought to the miner, who may be thrown out of work through the closing of mines. He is to be trained and placed in other fields of employment.

Both the purchase of coal lands and the rehabilitation of the miner are financed through a bond issue authorized by the Federal Government. But as both interest and principal are to be paid by a tax of a few cents a ton on all coal mined, such financing will require no outlay by the Congress.

The entire cost of administration under this bill is paid for by the industry. The district boards are supported by their own members, assessments being made upon a tonnage basis. The administrative costs of the Commission and of the Labor Board are provided for in the small tax on coal production.

The problem, to my mind, narrows down to these simple propositions:

1. Does the bituminous-coal industry need governmental regulation?

The great majority of witnesses appearing before the committee insisted that Government regulation was necessary.

2. Will the legislation provided in this bill assist the mine owners and investors to operate at a fair profit?

Representatives of 85 percent of the mine operators of the country testified before the committee that it would.

3. Will the legislation provided in this bill result in the payment of better wages to and living conditions for those employed in the mines?

Representatives of 95 percent of the bituminous mine labor of this country testified that it would.

4. Will the legislation provided in this bill result in the creation of a reserve of bituminous coal for the benefit of our people in years to come?

Everyone testifying on this feature of the bill declared that it would. The conversation clause of the bill is based upon the findings of the Natural Resources Board, which was appointed by the President for the purpose of making a report to him. This Board has in my opinion made one of the finest reports ever submitted to a Chief Executive, and its recommendation will undoubtedly be carried out by this administration.

STEPS IN THE RESTORATION OF CONFIDENCE—RECOMMENDATIONS OF INTERNATIONAL CONFERENCE

Mr. WAGNER. Mr. President, I ask unanimous consent that there be printed in the RECORD a resume of the recommendations of an international conference held at Chatham House, London, March 5–7, 1935, on "steps to be taken to restore confidence by promotion of trade and reduction of unemployment, stabilization of national monetary systems, and better organization of the family of nations to give security and to strengthen the foundations on which international peace must rest."

This conference was composed of 60 of the most distinguished economists, business men, and statesmen drawn from 10 different countries who reached a unanimous conclusion upon these questions considered.

As I understand, this conference was presided over by that distinguished world scholar, Dr. Nicholas Murray Butler, president of Columbia University and president of Carnegie Endowment.

There being no objection the matter was ordered to be printed in the RECORD, as follows:

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

INTERNATIONAL CONFERENCE HELD AT CHATHAM HOUSE, LONDON, MARCH 5–7, 1935, ON STEPS TO BE TAKEN TO RESTORE CONFIDENCE BY PROMOTION OF TRADE AND REDUCTION OF UNEMPLOYMENT, STABILIZATION OF NATIONAL MONETARY SYSTEMS, AND BETTER ORGANIZATION OF THE FAMILY OF NATIONS TO GIVE SECURITY AND TO STRENGTHEN THE FOUNDATIONS ON WHICH INTERNATIONAL PEACE MUST REST

MEMBERS OF THE CONFERENCE

(The names of those unable to attend are printed in italics)

Belgium

M. Paul van Zeeland, Brussels, vice governor of the Bank of Belgium; professor in the University of Louvain.

France

M. Jacques Rueff, Paris, directeur-adjoint du mouvement général des Fondes in the Ministry of Finance.

M. René Seydoux, Paris, sous-directeur de l'École Libre des Sciences Politiques.

Germany

Dr. Ernst Trendelenburg, Berlin, vice president of the Economic Chamber of the Reich; for some time secretary of the Ministry of Commerce with special relationship to tariffs and customs' problems.

Dr. F. A. Grüger, secretary, Berlin.

Holland

Dr. E. Heldring, Amsterdam; former president of the Amsterdam Chamber of Commerce; managing director of the Netherlands Steamship Co.; and a director of the Netherlands Bank.

Italy

Prof. Luigi Amoroso, Rome, professor of economics in the University of Rome.

Dr. Umberto Padovan, secretary, London.

Norway

Sir Karl Knudsen, Oslo, president of the Norwegian Chamber of Commerce; director of Hambrose Bank, Ltd.

Sweden

Dr. E. Classen, London, secretary of the Swedish Chamber of Commerce in London.

Great Britain

Sir Alan Anderson, London, director of the Bank of England; director of the Suez Canal Co.; manager of the Orient Line; honorary treasurer of the International Chamber of Commerce.

Sir Norman Angell, London, author; former M. P.; awarded Nobel peace prize, 1934.

The Honorable Cyril Asquith, London, author; barrister at law.

Henry Bell, London, banker.

Sir William Beveridge, London, director of the London School of Economics and Political Science since 1919.

Wyndham A. Bewes, London, secretary of Grotius Society.

Prof. Arthur L. Bowley, London, professor of statistics in the University of London; member of the council of the Royal Statistical Society.

Sir Edward Boyle, London, chairman of the Balkan Committee.

C. J. L. Brock, secretary, London, secretary of the Dunford House (Cobden Memorial) Association.

The Right Honorable Viscount Cecil of Chelwood, London, President of the League of Nations Union; M. P., 1906–23; Parliamentary Under-Secretary for Foreign Affairs, 1915–16; Minister of Blockade, 1916–18; Lord Privy Seal, 1923–24; Chancellor of the Duchy of Lancaster, 1924–27.

The Right Honorable Sir Austen Chamberlain, London, M. P.; Chancellor of the Exchequer, 1903–6 and 1919–21; Secretary of State for Foreign Affairs, 1924–29.

Prof. Henry Clay, London, economic adviser to Bank of England.

The Most Honorable the Marquess of Crewe, London, secretary of state for the colonies, 1908–10; and for India, 1910–15; ambassador to France, 1922–28.

The Right Honorable Lord Dickinson, London, president of the World Alliance for Promoting International Friendship through the Churches; chairman of the London Council of Social Service.

G. M. Gathorne-Hardy, London, honorary secretary of the Royal Institute of International Affairs.

Dr. George P. Gooch, London, economist and historian; joint editor of British documents on the origin of the war.

Prof. T. E. G. Gregory, London, professor of banking in the University of London.

The Right Honorable Arthur Henderson, London, M. P.; Secretary of State for Foreign Affairs, 1929–31; president, Disarmament Conference, 1932–33.

Francis W. Hirst, London, economist; editor of The Economist, 1907–16.

J. B. Hobman, London, journalist; editor of the Westminster Gazette, 1922–28.

The Right Honorable Lord Howard of Penrith, London, member of British delegation to the Paris Peace Conference, 1919; Ambassador to the United States, 1924–30.

Sir Robert A. Johnson, London, Deputy Master and Controller of the Royal Mint since 1922.

Harcourt Johnstone, London, M. P.; Liberal Party Whip.

Commander Stephen King-Hall, London, author and publicist.

Sir Walter T. Layton, London, editor of The Economist since 1922.

The Most Honorable the Marquess of Lothian, London, secretary of the Rhodes Trust since 1925; Parliamentary Under-Secretary for the India Office, 1931–32.

Ivison S. Macadam, London, secretary of the Royal Institute of International Affairs.

Sir Charles E. Mallet, London, M. P. 1906–10; Financial Secretary to the War Office, 1910–11; Secretary for Indian Students at the India Office, 1912–16.

J. Ramsay Muir, London, historian and man of letters; president of the National Liberal Federation since 1933.

Prof. Gilbert Murray, Oxford, Regius professor of Greek in Oxford University; chairman, League of Nations Union; member of European Committee of Carnegie Endowment.

Sir George Paish, London, on editorial staff of the Statist, 1888–1916; adviser to the British Government on financial and economic questions, 1914–16.

J. Beaumont Pease, London, chairman of Lloyds Bank, Ltd.

Sir Percival Perry, London, chairman of Ford Motor Co., Ltd.; director of National Provincial Bank.

The Right Honorable Lord Queenborough, London, treasurer of the League of Nations Union.

The Right Honorable Lord Rhayader, London, M. P., 1905–18, 1923–24, 1929–31; Liberal and Labor candidate at several elections.

Prof. Lionel C. Robbins, London, professor of economics in the University of London.

The Honorable Francis Rodd, London, banker; student of international finance.

J. A. de Rothschild, London, M. P. since 1929.

Sir Arthur Salter, London, Gladstone Professor of Political Theory and Institutions in Oxford University.

The Right Honorable Sir Herbert Samuel, London, M. P.; leader of the Parliamentary Liberal Party.

J. A. Spender, Chelsfield, Kent, editor of the Westminster Gazette 1896–1922; member of the European Committee of the Carnegie Endowment.

Harold Stannard, London, journalist; correspondent of the Carnegie Endowment.

The Right Honorable Sir Arthur Steel-Maitland, London, former M. P.; minister of labor, 1924–29.

Sir Henry Strakosch, London, member of the financial committee of the League of Nations since 1920; member of the Royal Commission on Indian Currency and Finance, 1925–26; delegate of India to Monetary and Economic Conference, 1933.

Arnold J. Toynbee, London, author; director of studies in the Royal Institute of International Affairs.

Hartley Withers, Ingatestone, Essex, editor of The Economist, 1916–21; editor of financial supplement of Saturday Review, 1921–23.

Prof. Alfred Zimmern, Oxford, Montague Burton, professor on international relations in Oxford University.

Canada

Prof. W. A. Mackintosh, Kingston, Ontario, professor of economics in Queens' University, Kingstown, Ontario.

United States

Nicholas Murray Butler, New York, president of Columbia University; president of Carnegie Endowment.

Malcolm W. Davis, Geneva, representative of the Carnegie endowment at Geneva.

Leon Fraser, Basel, president of the Bank for International Settlements at Basel.

Charles O. Hardy, Washington, D. C., member of the research staff, Brookings Institution, Washington, D. C.

Henry S. Haskell, secretary, New York, assistant to the director of the Division of Intercourse and Education of the Carnegie Endowment.

Philip C. Jessup, New York, associate professor of international law in Columbia University.

Peter Molyneaux, San Antonio, Tex., editor of The Texas Weekly; a trustee of the Carnegie Endowment.

The Honorable Frederic M. Sackett, Louisville, Ky., United States Senator, 1925–30; Ambassador of United States to Germany, 1930–33.

PROGRAM OF THE CONFERENCE

Tuesday, March 5

The president of the Carnegie Endowment opened the conference.

The Most Honorable the Marquess of Crewe in the chair.

Discussion opened by Dr. E. Heldring of Amsterdam.

Topic: The promotion of trade, the reduction of unemployment and the restoration of agricultural prosperity.

Wednesday, March 6

J. A. Spender, Esq., in the chair.

Discussion opened by Prof. T. E. G. Gregory of the University of London.

Topic: The stabilization of national monetary systems.

Thursday, March 7

The Right Honorable Sir Austen Chamberlain in the chair.

Discussion opened by Prof. Philip C. Jessup of Columbia University in the City of New York.

Topic: The better organization of the family of nations in order to restore confidence, to give security, and to strengthen the foundations on which international peace must rest.

RECOMMENDATIONS ADOPTED BY THE CONFERENCE

I

1. Seeing that the commercial policy of creditor nations is of supreme moment to the financial and economic stability of debtor countries in all parts of the world, this conference recommends that the Governments of the United States and Great Britain, the world's greatest creditor nations, be requested to consult together and with such other governments as it might be advisable to approach, for the purpose of agreeing upon measures to enable the debtor nations to meet their obligations in goods and services and thus of materially assisting in the work of creating stability and restoring confidence.

2. The conference draws the attention of governments to the desirability of forming low-tariff or free-trade unions on the model of the Ouchy Convention, to which any nation which did not originally join might afterward adhere on the same terms.

In this connection attention is also directed to the treaty drafted at the Montevideo Pan-American Conference, with special reference to the most-favored-nation clause.

II

Seeing that the instability of currencies and the chaotic condition of exchanges are among the chief causes of—

(1) the difficulties which trade experiences every day in concluding international transactions;

(2) many of the barriers farther restricting that trade, such as exchange restrictions, compensation, and clearing treaties, quotas, and many of the increases of tariffs;

(3) the accumulation of gold at a few centers and the hoarding of gold on an extensive scale;

(4) the discouragement of long-term lending, the resumption of which would mean increased movement of goods and a reduction in the abnormal volume of floating balances;

(5) A narrowing of the world's market and a decline of world prices;

We recommend that the leading governments, especially in the first instance those of France, Great Britain, and the United States, should consult one another without delay for the purpose of coming to a provisional stabilization of exchange on the basis of gold—allowing for the possibility of readjustment in case of need—with a view to the establishment of a stable world gold standard.

III

Fundamentally, international, economic, and financial problems depend for their solution upon the preservation of peace and the restoration of political confidence and security.

Throughout the world the people as a whole are earnestly desirous of peace and eagerly anxious that practical steps be taken to secure it.

Therefore, the policies of governments and their use of the organs of international organization should be such as will strengthen the habit of consultation between nations on equal terms, and thus keep them out of the atmosphere of war which, when it exists, makes almost impossible an adequate period of time for negotiation and the peaceful solution of disputes. These policies would include—

1. Strengthening the League of Nations and increasing its influence and authority as an impartial instrument of all the nations.

2. Steadily building the habit of the judicial settlement of international disputes by use of the Permanent Court of International Justice, of the Permanent Court of Arbitration, and of commissions of inquiry and conciliation.

3. Checking the constant growth of armaments, which may so easily be used for violating the pledge given in the Pact of Paris and which are so heavy a burden upon the taxpayer.

4. Steps to increase the effectiveness of the Pact of Paris by providing a regular method of consultation and by affording an adequate interpretation of the Pact and of the obligations implicit in it.

5. Recognition by peoples as well as by governments of the fact that continuous consultation is the best safeguard against war and that should restraints ever be necessary economic measures could or would be effective if virtually universal, and that, if effective, military measures would be unnecessary.

6. Cooperation of the nations to raise the standard of living of their several peoples and to assist in solving their pressing social problems as has already been undertaken through the International Labor Organization.

IV

Believing it to be important that there shall be made available in accessible form all possible accurate information with respect to international economic relations, we recommend that the trustees of the Carnegie Endowment for International Peace and the officers and directors of the International Chamber of Commerce shall give consideration to the practicability of sponsoring jointly the institution of a competent commission to make a comprehensive and exhaustive survey and study of international economic relations in all of their aspects, to the end that a better understanding of these relations by the peoples of the world may be promoted and the cause of economic stability and progress furthered.

INCOME TAXES AND THE SALES TAX—STATEMENT BY MR. E. A. FILENE

Mr. WALSH. Mr. President, I ask unanimous consent to have inserted in the RECORD a very able presentation by E. A. Filene, of Boston, before the Committee on Taxation, Massachusetts Legislature, March 7, 1935, on the subject of income and the sales tax.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Mr. Chairman and gentlemen of the committee, to save your time in the pressure of a busy legislative session, I have reduced my statement to writing; but at the risk of seeming, perhaps, to be wandering from the subject, I wish to urge at the outset that you approach this problem of taxation, not merely with the thought of how the necessary State funds can most easily be raised, but in the light of the present great crisis in American affairs.

I have just returned from another coast-to-coast, first-hand study of conditions in our country, and I confess that I am not only alarmed but appalled. The way is still open for a solution of our economic problems, and for the achievement of such prosperity as our country has never known before. But there are attitudes, points of view—commonly accepted points of view—which are keeping us as a nation from taking that way, and this has led to the mobilization of many millions of Americans in strange, economically unsound campaigns which if successful can lead only to the collapse of our economic system and the possible destruction of our present political system.

I am speaking in part out of a rich experience in the State of Louisiana where there is a movement which amounts virtually to war between the rich and poor. Yes; I have met HUEY LONG and have watched him for hours successfully dictating as to what shall be done to the legislature and the highest executives of Louisiana. HUEY does not hesitate to call it war. Four and a half million Americans, he tells me, are already enrolled in his "share the wealth" campaign. Father Coughlin, of Michigan, boasts of an enrolled following of eight and a half million; and 21,000,000 Americans, including the "conservative" Governor of California, have enrolled under the leadership of Dr. Townsend in a Utopian drive to restore prosperity by paying $200 a month to everybody as a reward for becoming 60 years old.

I am not blaming Townsend, Coughlin, Long, and the others for this movement of Americans away from safe and sane economic principles. I look upon them all as results, not causes, of what is wrong with America; and what is wrong is definitely a wrong attitude, both in business and in government, toward the problem of mass misery in a nation abundantly able to produce mass prosperity.

These movements, all told, already claim to have the balance of power in the next election. Nothing will more surely make this true than if these leaders can tell their people that we who have escaped the acute poverty of the depression now propose to reduce or do away with income taxes and, by sales taxes, make them carry the burden of government.

I shall not here enter into any criticism of organized wealth in America: but this attitude that I speak of is nowhere more apparent than in the action of many sincere, well-meaning, and patriotic legislatures in preparing what they believe to be fair bills of taxation. You gentlemen, I know, do not wish to solve the tax problem by merely "soaking the rich"; and it might appeal to your sense of justice and your economic reasoning, if I were to come before you with a plea for a reduction of income taxes, especially in the higher brackets. I might plead that I am already turning over approximately half of my annual income for the support of government, and urge you to widen the base of the tax burden so as to bring more Americans into an understanding of their responsibility as citizens and arouse their interest in the reduction of governmental expenditures.

I beg of you, however, not to be misled by such appeals; for if, in a national crisis, you have to choose between soaking the rich and soaking the most helpless elements of our population, I beg of you, in the name of justice and fair play to soak the rich—if, remember, there is no alternative than to soak the poor.

And you are in a position, gentlemen, where you will have to make some such choice. You've got to raise money. You've got to do it by one means or another; and the chances are that your choice has already narrowed down to a choice of a higher income tax or the imposition of a sales tax. I am not here in behalf of any particular bill; but if that is your dilemma, I urge you, as a business man, to increase the income tax, especially in the higher brackets and especially on the unearned incomes.

You cannot look at this matter solely in terms of present conditions in Massachusetts. You must think of it in the light of what is happening in America at large, and which, from the present outlook, may soon infect Massachusetts. The reason that you must raise more money is because of a condition of business depression throughout our country. What caused that depression? It cannot be denied that this depression was due, and is due, to the fact that organized business in our country did not organize business, and still hesitates to organize business, in such a way as to keep everybody profitably employed.

I do not mean to scold. Let us say that we business men did not know how to effect such an organization of business, because such an organization of business had never been necessary before. Let us say that we could not understand the President's recovery program and that we couldn't realize the necessity for any new deal.

Let us say that we believed that every American had a right to make all the money that he could and to keep the rewards of his industry and business enterprise. The fact remains, however, that organized business failed to cope with this crisis when it came, and millions of Americans whose very lives depended upon their being employed were thrown out of employment and, through no fault of their own, were compelled to look to Government for relief.

We who had been business leaders could still live. We could still buy enough to supply all our bodily wants; but our incomes nevertheless went down and down, while the demand for relief went up and up; and it was only natural of us under the circumstances to cry for a reduction in taxes, or at least for a tax which would be spread to include the masses of our people.

Hence, many began to agitate for the sales tax. It seemed so sweetly reasonable. People would only have to pay, they said, according to their means. Those who lived in luxury would have to pay much, and those who lived in poverty would have to pay but little. And since the average American was likely to think of wealth in terms of the luxury enjoyed by the wealthy, there was never any great organized opposition to such a plan. The flaw in the argument, however, was that a man with a large income had to use but a small fraction of that income for his living expenses,

whereas a man with a small income had to use it all to keep himself and his family alive.

The sales tax practically eliminates the wealthy from its taxation and places the burden of government upon those least able to bear it; and yet, from the moment that the first sales tax was introduced, there has been a definite movement everywhere to substitute the sales tax for the income tax, on the claim that the sales tax is so much more easily collected.

The Legislature of Massachusetts, like the legislatures of all the States, must face this problem. Call it "soaking the rich" if you like, to increase the income tax in the higher brackets, but will this legislature prefer to soak the poor on the ground that the poor can be soaked so much more conveniently?

There are reasons, however, and excellent business reasons, why taxation should be rated according to income rather than to the purchase of commodities, and when organized business throughout America once grasps the imminent danger of the present crisis, there will be little agitation for the sales tax as opposed to the income tax excepting on the part of those who are entrenched in special privilege and have no other thought of government excepting the desire to use it to keep their special privileges intact.

For this depression, we must recognize, was brought about by just one basic cause. That was that the masses of Americans could not buy the ever-increasing volume of American industry. Our machines had become so productive that, if the masses could not buy their products, they could not be sold at all.

How much the masses could buy, however, depended mainly upon two things. First, upon how much they received in wages. Second, upon the price demanded for the goods. The sales tax obviously increases prices to the consumer, and thus restricts the market for all legitimate business at a time when the great business necessity is for an increase of that market. I do not claim any unselfishness, then, in urging the Legislature of Massachusetts to shun the sales tax as an economic plague. You will not only be doing your duty by the consuming public of Massachusetts if you remember this but you will be serving business, in the last analysis, in the best way that business can possibly be served.

It is not necessary for me to tell you that I do not personally welcome any increase in my income tax, any more than do those who are interested in this agitation to shift the tax burden to the shoulders of the weak. I will agree, if you wish, that our present income taxes are almost unbearable, and that the base of the income tax should be made much wider. But the way to widen the base of the income tax is not to impose taxes upon those who have no income more than enough to keep their families alive. The way to broaden the base of the income tax is to provide income—taxable income—to the masses of American people; and, when American business is sufficiently alive to its business responsibilities, it will see that this is done. In the meantime, I urge upon your committee, and upon the legislature of Massachusetts, that you do not add your contribution to the forces that are tearing America apart, and that are producing this despair—this mass sense of injuries endured, which is causing our millions to enroll in all these utterly chaotic drives. Despair, we must remember, is not a matter of logic, and there is no logical answer to it. Despair is brought about by wrong economic conditions which result from wrong economic thinking. I believe that I am playing the part of a true conservative, then, when I urge you against any step which will further increase the rapidly growing power of this organized and so dangerous wrong thinking.

Do not imagine for a moment that the evils of the sales tax can be avoided by exempting a list of articles which are supposed to be the bare necessities of life. For the sales tax, in the first place, will raise the cost of living generally. It will increase prices generally; and business, to be on the safe side, will not only pass the tax on to the consumer, but will pass the tax plus what is decided to be a safe margin on to the consumer. There are times also when those who are living close to the line of poverty need things which legislators generally would class as luxuries, but which, for the time being, become necessities as genuinely as are milk and bread. A sick child, for instance, may have to be taken to the hospital in a hurry, and may, therefore, have to be taken in a taxi-cab, although we are inclined to think of taxicabs as luxuries. It is the circumstance which creates necessity; and no sales tax can be devised which will not strike at the weakest and most helpless element of our population. If, on the other hand, you do impose a seemingly intolerable burden upon the rich, it will only spur them to the kind of action to which they should be spurred. It will spur them to see, for instance, that waste and graft and special privilege in government have to be paid for out of their pockets; and they will throw their influence, as they have never heretofore thrown their influence, toward really reducing taxation by the effective fighting of all tax-increasing graft and special privilege. In this way, eventually, income taxes may also be reduced.

And finally, I beg to remind you that you cannot keep the sales tax from becoming an intolerable burden upon those least able to bear it, by making the tax small and seemingly insignificant. Once let the principle be established, and legislators, under the necessity of raising more funds, will certainly increase the tax. Already, the State of California has a 2-percent sales tax, and the Governor of California is definitely proposing in his budget message to raise it to 3 percent. And already, in the same State, bills are before the legislature to abolish the income tax. Similar things are happening in other States. Within the past week, according to the newspapers, a campaign in this same direction has been launched in New York State.

That is something which is bound to happen; and the same influences which are causing it to happen in California and elsewhere will soon be hard at work in Massachusetts. I know of no other point at which the issue, which is tearing our Nation apart, is more clearly set forth than in this issue of taxation. In this crisis, I hope that Massachusetts will do her part for mass prosperity—toward healing the wounds which the masses have received and avoiding the peril inherent in these mass movements of today—by placing the burden of taxation upon those of us who are best able to bear it.

PROPOSED BANKING ACT OF 1935—ANALYSIS BY SENATOR ADAMS

Mr. O'MAHONEY. Mr. President, on last Monday the junior Senator from Colorado [Mr. ADAMS] delivered an able and courageous analysis of pending bank legislation in the National Radio Forum. I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The presentation by the national administration of a new bank bill modifying in essential respects the banking system of the country is a matter of vital importance to the entire citizenship of the United States.

The proposed bill consists of three subdivisions designated as titles I, II, and III.

Title I provides for the merger of the present temporary deposit-insurance plan into a permanent plan. All banks now insured under the temporary plan will come under the permanent insurance plan without further examination or certificate.

The permanent plan will insure the deposit of each individual depositor to the extent of $5,000, as under the present temporary plan. The existing law, which would have put the permanent plan in effect July 1 of this year, would have imposed an unlimited liability upon insured banks for assessments to replenish the insurance funds. The new bill proposes to change this requirement so that the obligation of banks insured in the permanent fund will be limited to an annual payment into the insurance fund of one-twelfth of 1 percent of the amount of their total deposits, insured and uninsured.

Title III contains a number of amendments of various features of the banking law which seem to meet the approval of the administration, the public, and the banks. My limited time will not permit a full or adequate consideration even of the more important provisions of title II, so it will be impossible to discuss the provisions of title III.

Title II, if adopted, would make radical and fundamental changes in our banking system. Under the existing law the 12 Federal Reserve banks, which are located in commercial centers in the 12 Federal Reserve districts of the country, exercise a high degree of independence in their operation. The capital of these Federal Reserve banks is furnished by the banks affiliated with them. Of the 9 members of the board of directors of each Federal Reserve bank, 6 are elected by the stockholding banks, or, as they are designated, "the member banks", within the district. Three members of the board are selected by the Federal Reserve Board, at Washington. The executive officer of each of the Federal Reserve banks, known as the "governor", is selected by the board of directors of the Federal Reserve bank and paid by the bank which he serves. The Federal Reserve Board has no control over the selection or compensation of the governors of the Federal Reserve banks. The deliberate purpose of the framers of the Federal Reserve System was to secure a decentralized banking and currency control to avoid a centralization of banking and financial control in Washington or New York City. It was planned that there should be a connection and relationship among the Reserve banks so that the resources of one or more of these banks would be available to the other Federal Reserve banks when their own resources were inadequate to meet the demands. The funds in the control of the Federal Reserve banks consist of the capital, all of which is subscribed by the member banks; the deposits of the member banks, and the earnings of the Federal Reserve banks from their operations. The new bill proposes to repeal the statutory requirements which now require member banks to keep on deposit with the Federal Reserve bank as a reserve not less than a fixed percentage of their deposits and to give the Federal Reserve Board complete discretion to fix the amount thereof. The new bill places no limits whatever upon the discretion of the Federal Reserve Board in fixing these reserves. They can increase these requirements over the present statutory requirements or can reduce them. The act further provides that there need be no uniformity in these Reserve requirements, so that there can be different rates in the several districts and different rates in the several classes of cities within the same Federal Reserve district. The proposal would give power to the Federal Reserve Board to control to a large degree the lending capacity of the individual member banks and, as a consequence, their earning possibilities.

Under the present law the governor or executive officer of the Reserve bank is naturally sympathetic and responsive to the needs and policies of the individual banks which are really responsible for his selection. The new bill provides that the selection of governor of each Federal Reserve bank must be approved by the Federal Reserve Board, thus bringing the executive officer of each of the Federal Reserve banks under at least partial control of the Board at Washington.

The individual banks constitute at the same time the stockholders, the depositors, and the borrowers of the Federal Reserve

banks. Under the existing practice, each Federal Reserve bank fixes the rate of interest which it charges its member banks upon moneys borrowed from it, but under the law the rate of interest to be charged member banks upon their borrowings from the Federal Reserve bank may be fixed by the Federal Reserve Board in Washington. The Federal Reserve Board may thus make borrowing by individual members attractive by a low rate or prohibitive by a high rate.

The present statute fixes the character of security that may be accepted by the Federal Reserve bank from the local bank to secure its borrowings. The original limitations upon these securities, which are commonly designated as "eligible paper", were quite narrow. Paper eligible to discount was restricted to certain specified types and among those types to that having early maturities. These restrictions proved to be unduly narrow for times of emergency and among the emergency legislation of the depression have been statutes widening the definition of eligible paper. However, those statutes either have or are about to expire. It is estimated that the total amount of eligible paper in the hands of member banks in 1929 did not exceed $4,500,000,000, while the eligible paper at the low point of the depression did not exceed $2,000,000,000. As the depression deepened, the amount of paper held by the member banks which was eligible to discount with the Federal Reserve banks under the statute declined until many banks throughout the country had no eligible paper. In many communities, especially the smaller communities, banking practices were such that none of the paper held by the banks met the requirements of the Federal Reserve statute. The result was that as deposits declined the banks were compelled, in order to pay depositors and to maintain their cash reserves, to sell bonds. As deposits were declining throughout the country, bonds were thrown upon the market in great quantities, with the inevitable consequence that bond prices declined greatly and banks suffered losses of hundreds of millions of dollars through the forced sale of their bonds at prices far below their fair values. The losses so suffered brought insolvency to many banks and tremendous losses to their depositors.

It has been quite generally recognized that the definition of paper eligible for discount at Federal Reserve banks should be broadened. The new bill, in the place of widening and expanding the statutory classification of paper available as security for bank borrowings at the Federal Reserve banks, proposes to repeal practically all statutory definitions and limitations and to give to the Federal Reserve Board at Washington full and unrestricted power to designate the kinds and classes of securities that may be accepted for discount by Federal Reserve banks.

The new bill provides that "subject to such regulations as to maturities and other matters as the Federal Reserve Board may prescribe, any Federal Reserve bank may discount any commercial, agricultural, or industrial paper and may make advances to any such member bank on its promissory notes secured by any sound assets of such member bank."

Governor Eccles, of the Federal Reserve Board in Washington, says in references to this provision, "What is proposed is that the problem of liquidity shall cease to a large extent to be a concern of the individual bank and shall become the collective concern of the banking system." "It is proposed to make it possible for banks without abandoning prudence or care to meet local needs for short-time and long-time funds and to be assured that in case of need they can resort to the Federal Reserve banks on the basis of all their sound assets regardless of the form or nature of the collateral."

This provision constitutes a fundamental departure from the theory heretofore prevailing as to the character of securities acceptable by Federal Reserve banks. Had this or a similar provision been in effect and liberal use made of it during the first years of the depression, many hundreds of banks which closed their doors could have continued to operate successfully, effectively, and soundly.

The present statute provides for an Open Market Committee, which consists of 12 members, 1 being selected by the board of directors of each of the Federal Reserve banks. As a matter of practice, the 12 governors of these banks have constituted this committee. The Open Market Committee thus created naturally represents the views and interests of the 12 Federal Reserve banks. While the existing act provides that the Federal Reserve Board may transmit to the Open Market Committee, and to the several Federal Reserve banks, regulations relating to open-market transactions of such banks, the individual Reserve banks are not obligated to participate in any open-market operations recommended or approved by the Federal Reserve Board.

The new act proposes to substitute for the existing Open Market Committee a board of 5, which shall consist of the Governor and 2 members of the Federal Reserve Board and 2 governors of the Federal Reserve banks selected by the governors of the Federal Reserve banks, in accordance with the regulations of the Federal Reserve Board. The present Open Market Committee can only make recommendations, but the proposed statute makes it mandatory upon Federal Reserve banks to comply with the recommendations of the Open Market Committee.

Many do not understand the significance and importance of the powers sought to be conferred upon the Open Market Committee. These provisions are probably more vital not only to banking and financial operations but to our national welfare than any other single provision of the Federal Reserve Act, either as it exists or as proposed to be amended by the new act.

The supply of money available for business and financial operations has a direct effect upon all prices and upon business activities. Rates of interest, prices of bonds, and securities are all affected by the available supply of money. In the hands of the Open Market Committee as proposed by the new bill will rest the power to increase or decrease the supply of money in this country. Therefore, upon the action of this committee may rest the country's financial welfare. By going into the market and selling securities the amount of money available for agriculture, industry, and commerce will be reduced, while by going into the market and buying securities the supply of money will be increased. The Open Market Committee will have under its control, under this new statute, for the purchase of securities all of the resources of the Federal Reserve banks, and for the purpose of sale all of their vast holdings of Federal and other securities. This vast power would be concentrated in the hands of a board of five men, three of whom, constituting a majority of the committee, are members of the Federal Reserve Board, and for all practical purposes subject to the direction of the President of the United States.

Governor Eccles of the Federal Reserve Board complains that the present Open Market Committee is unsatisfactory because it represents the views of commercial banks; that it has the local and not the national view. In other words, that they represent the views of the banks whose moneys have, in the main, supplied the funds with which the operations of the Open Market Committee will be carried on. Governor Eccles proposes that the Open Market Committee shall be a national agency and shall use the funds of the Federal Reserve banks primarily for national purposes without any control by the banks which provide the funds.

He recognizes the power of this committee, and when asked by a member of the House Banking and Currency Committee: "So it really gives you complete control of the money supply?" he answered: "That is right, namely, to that extent it is centralizing that function to a greater extent than it has ever been centralized."

The bill under consideration is a reversal of the fundamental theory and purposes underlying the Federal Reserve System. The Federal Reserve System was not organized to conduct governmental financial operations or as a financial arm or agency of the Government. It was designed primarily to be an agency partly under governmental control and with governmental assistance to protect and coordinate the resources of the banks of the United States for the benefit of agriculture, industry, and commerce. There has been, however, a gradual diversion of its functions into channels of Government finance.

As stated before, decentralization of financial power was an essential thought in the planning of the Federal Reserve System. Projects and designs for centralized control of the banking system were deliberately and definitely rejected.

The present bill does not propose to establish a central bank. It maintains the decentralized form of the original Federal Reserve System but centralizes in Washington the actual control of that System. The control by the national administration of the banking system of the country, if this bill is adopted, will be far greater than was ever exercised by any central bank.

To those who argue that this means political control, it has been stated that inasmuch as the bill provides for 12-year terms for the members of the Federal Reserve Board in whose hands this vast power is lodged they will be independent of political control, but the Supreme Court of the United States, in the case of *Myers v. United States* (272 U. S. 52), has held that every officer appointed by the President of the United States, other than members of the judiciary, may be removed by him at any time without a hearing and without notice, and that Congress cannot place any limitations upon this power of removal. While it is my deliberate judgment that in this decision inhere grave dangers to the future of our institutions, it is today the law of the land. Consequently the President may remove any member of the Federal Reserve Board at any time; therefore provisions of the law in reference to the length of their terms constitutes no limitation upon his power to control that Board, though, of course, it is expected that with rare exceptions the terms of office so fixed will not be disregarded and that neither the President nor the members of the Board would yield to political motives.

The Federal Deposit Insurance Corporation Act provides that after July 1, 1937, no banks except those affiliated with the Federal Reserve System can be insured. This provision will compel all the banks of the country to affiliate themselves with the Federal Reserve System, and thus bring under the control of the Federal Reserve Board and the President the entire banking structure of the country.

Every commercial industry and financial interest, even agriculture, is to a large extent dependent upon the banks of the country. Even agriculture must look to the banks, and, insofar as agriculture does not look to the banks for its capital, its loans already are in the hands of Government agencies.

The bill must, of course, be viewed in the light of the problems of today. We cannot allow the voices of the past, however much we may revere them, to control, yet it is impossible for one schooled in the ideas of the great men of the past to refrain from a lingering thought of wonder as to what those great men would have thought of this bill. A good guess could be made as to Andrew Jackson, who, in a message on September 13, 1833, said, "It is the desire of the President that the control of the banks and the currency shall as far as possible be entirely separate from the political power of the country * * *."

The extent of the power thus concentrated in the administration in Washington is almost inconceivable. For the present it may be a source of efficiency, comfort, and security. It must be remembered, however, that whenever great power is granted it may be productive of great evil as well as great good, according to its

exercise. I am sure under the present leadership of our country only good can be expected from this concentration, but we know not what is ahead of us. Franklin Roosevelt will not always be President of the United States.

REGULATION OF TRAFFIC IN FOODS, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Carolina [Mr. BAILEY], his request being that all three amendments submitted by him be considered as one.

THE COTTON INDUSTRY

Mr. BANKHEAD. Mr. President, on account of efforts of some people who are personally and financially interested in breaking down the cotton program of the administration, and because of the fact that the senior Senator from Maryland [Mr. TYDINGS] a day or two ago brought the subject to the floor of the Senate, I have decided that it would be appropriate to submit some observations upon that general subject.

Mr. President, the whole program relating to cotton under the present administration has, from its inception, been based upon an effort to apply to the cotton industry the old, inexorable trade law of supply and demand. We have sought to follow the principles adopted and practiced by the business industries in this country, but it appears that what is accepted as good business and sound economics on the part of industry, upon the part of business, socalled, in this country, when the same rule is sought to be applied to agriculture becomes a great offense in the eyes of business and of critics of the administration.

We heard no complaint and criticism of the great industrial corporations when, following the crash in 1929, they began to close down plants here and there, when they reduced the number of workmen from day to day, when they reduced the number of units of their output to fit the purchasing demands of the consuming public. That was accepted as good business and the proper thing to do, notwithstanding it resulted in the discharge of millions of workmen, deprived them of employment, and finally turned them over to the relief rolls of the Government. Has anyone on the floor of the Senate or in the newspapers of the country or upon the stump denounced the managers of industry for reducing production when the situation became necessary in order to meet a declining consumption of their particular commodities?

But, Mr. President, as soon as agriculture seeks to adopt that principle, which has always been followed with success under the old trade law of supply and demand, we find at once a cry of horror arising in the land. "Oh, these working farmers, these cotton farmers or wheat farmers, ought to work as long each day, 6 days in the week, as the weather will permit to produce all they can at whatever price their commodities will bring." It is asserted that it is sinful for the farmer individually and the farmers collectively to seek some machinery under which they can adjust the supply of their commodity to fit the consuming demands of the market.

Mr. President, as a result of the great increase in the demand for cotton, growing out of the World War and what are known as the "boom days" following the World War, the cotton acreage in the United States was tremendously increased, as it was in foreign countries. During the 5 prewar years we had an average acreage planted to cotton of 33,000,000 acres. Finally that acreage, during the early twenties and from 1924–25 down to 1930, was increased to an average of 44,000,000 acres.

When the crash came in 1929, when businesses in the country were reducing the number of units they turned into the market, when prices were declining, when consumption in all lines was decreasing, what took place and what happened with the cotton farmers of the United States? For the 3 years from 1929 to 1931, inclusive, the world consumption of American cotton was an average of 12,250,000 bales. During the same 3 years the farmers, geared to a high rate of production upon a large acreage, proceeded to the operation of their plants at full capacity and produced an average crop for those 3 years of 15,520,000 bales of cotton.

Beginning with the normal carry-over of 4,000,000 bales, in 3 successive years an average of 3,000,000 bales in excess of consumption was produced, thereby accumulating the greatest quantity of American cotton in all the history of the country. The supply at the end of the year, when the new crop was coming in, was 13,000,000 bales; more, in fact, than the actual annual consumption at that time. Therefore, when we approached the crop year of 1933, there was enough cotton in the warehouses or cotton mills of the world and in the possession of the cotton merchants available to the cotton mills to supply for an entire year all the mills that used American cotton, if not a single stalk of cotton had been raised in the year 1933.

As a result of this very great increase in the supply of cotton over consumption, of course, the price went down, down, down. From an average of 19½ cents per pound in the year 1929, when the depression started, the price went to an average in 1932 of 5½ cents a pound. Thus nearly 75 percent of the price of cotton and of the purchasing power of the raw cotton disappeared. No one can say that was attributable solely to the great depression.

In the whole list of industrial commodities we cannot find one where the price decreased in that proportion. Whoever heard of a $20 suit of clothes going down to $5 or $6 in the same proportion that cotton went down? Whoever heard of any industrial commodity falling in the same percentage that cotton and wheat and other agricultural commodities fell? The mere suggestion is sufficient to show that the destructive and pauperizing price received by the cotton farmer was not the sole result of the depression and the reduction in consumption. The other factor, and the larger factor, was the inability of the farmers of the country to adjust their production to meet the changing conditions in purchasing power.

In a brief way I desire to point out, from figures taken from the Bureau of Economics of the Department of Agriculture, that the price of cotton and the total amount of money received by the cotton growers are governed directly by the size of the cotton crop each year. Of course, there may be abnormal conditions which cause it to vary. Let me refer briefly to the years 1923 to 1927, a period of 5 years, when there was no depression either here or abroad, when purchasing power was strong, when consumption was at its very height during those great days of business activity.

During the 13 years from 1917 to 1929 the average amount of money received by cotton growers of the country for their lint cotton alone was $1,400,000,000. When the depression came and the surplus piled up each year, they lost $1,000,000,000 of that annual purchasing money. Instead of receiving $1,400,000,000, the greater portion of it coming from foreign customers, they received in the years 1931 and 1932 only between $400,000,000 and $500,000,000. In 1931 they received $483,000,000 and in 1932, $424,000,000.

With that great reduction in the purchasing power of the great mass of people stretching across America from California to Virginia, and with the money received for cotton in the many large areas in that section being the only cash money that came into those sections to replace the money being sent out by every mail to pay for practically everything they bought in the stores of the country, including also interest payments, insurance premiums, and all the other items that go to the financial and industrial centers of the country, it is clearly apparent there could be nothing like prosperity among the cotton farmers of the country.

They were prostrate, the farmers losing their homes, tenancy being increased, children going in rags, many farm people without money to buy schoolbooks, merchants having their credit facilities exhausted, banks all in trouble, purchasing power all over the Cotton Belt having disappeared, and there was a year's crop already in the ware-

houses; and still we find these preachers of the doctrine espoused here the other day by my friend the senior Senator from Maryland [Mr. TYDINGS], these theorists who denounce what they term the philosophy of scarcity, standing by and saying that nothing should be done by Congress to aid a situation which was bringing to despair and pauperism millions of our people.

Scarcity! Economy of scarcity! I have not heard the senior Senator from Maryland or anyone else denounce anybody but the farmers of the country for practicing the doctrine of scarcity. If the industries of the country had not practiced the doctrine which the Senator from Maryland so loudly denounces on the part of agriculture, and had shipped shoes and clothing and farm implements and fertilizer out to the farmers at any price they would pay for them, as some persons want the farmers to do with their wheat and cotton, the farmers might have gotten along all right if they could have bought on the same scale of prices on which they were obliged to sell; but they had to deal with the philosophy of scarcity practiced by all those who offered their products to the farmers—the cotton farmers, the wheat and corn and hog farmers. They had to buy at prices that were not commensurate with the prices which the farmers were getting for their products.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BAILEY. I do not intend to be at all controversial; but before the Senator leaves the subject I should like to have him compare our policy of scarcity with the foreign policy of increased production in respect to cotton. I am sure the Senator can throw a great deal of light upon that subject, and I think it is one which we ought to consider in this connection.

Mr. BANKHEAD. I am coming to that phase of the matter. I shall deal with it before I conclude.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Alabama yield to his colleague?

Mr. BANKHEAD. I do.

Mr. BLACK. Before the Senator leaves the question of scarcity in agricultural products, I think he might be interested in a bit of evidence on this identical subject that came out before the Finance Committee several days ago.

A witness from the State of Michigan—whose name I do not recall, but who is a manufacturer of furniture, and, as I remember, is the chairman of the code authority on furniture—was on the stand. He stated that in 1927 his factories ran almost to their maximum capacity, and that since 1929, including the year 1930, his factories have run at about 33⅓ percent of capacity. I asked him those questions because he was complaining of an economy which would impoverish the people by lack of production.

In other words, for 5 years—and the witness stated that his factory operations were comparable with other factory operations—because his factories could not sell their goods at the profit they desired, they had reduced the production of furniture in this country 66⅔ percent. I asked the witness if, in his judgment, that was in line with the reduction of production on the part of the other manufacturers throughout the Nation, and it was his judgment that it was. So, just as the Senator states, although the farmers have reduced their production they have not yet reduced it to the extent to which production has been reduced in industry and in manufacturing.

A conservative estimate is that since 1929 we have lost $300,000,000,000 worth of products in this Nation by reason of the fact that there has been a curtailment of production. So the Senator is very clearly presenting the fact that so long as we have an economy of scarcity in manufactured products, the economy of scarcity being brought about for the express purpose of keeping up prices and maintaining profits, it becomes interesting to know whether the farmers alone, of all the people of the Nation, should produce in superabundance in order to lower the price, while the manufacturers produce under the economy of scarcity in order to raise the price.

Mr. BANKHEAD. I thank the Senator for his informative statement. It certainly confirms the general rule that all even casual observers of conditions during the days of the depression will understand, whether they are willing to admit it or not. Unfortunately, the cotton farmers and the wheat farmers were unable to comply in any way with the doctrine practiced by industry until, by overproduction and the accumulation of burdensome carry-overs, they had gotten themselves in a position where they could not readjust themselves as readily as could industry; and they suffered for 2 or 3 years as a result of their inability to follow the precepts of business.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. In connection with the suggestions regarding the economy of scarcity, is there any real economy in producing an article or a product below the cost of production?

Mr. BANKHEAD. It is absolutely uneconomic and wasteful.

Mr. CONNALLY. Is there any real economy in a course of that kind, whether with regard to manufactured articles or farm products or anything else? Is there any real economy in producing a thing and then selling it for less than it costs, with resultant economic disaster and poverty to the producer?

Mr. BANKHEAD. My answer is, clearly, "No." I have not even insisted upon industry practicing production below cost. I am replying to those who speak in terms of industry when they denounce agriculture for following their example.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. TYDINGS. Under the philosophy of scarcity, would it not be a good idea if we should again cut the cotton crop in half, and then the farmer could get 35 to 40 cents a pound for his cotton?

Mr. BANKHEAD. When a reasonable argument is being made, it is useless to try to reduce it to an absurdity; and one who undertakes to do so is clearly conscious of the weakness of his position.

Mr. BLACK. Mr. President, will the Senator yield again?

Mr. BANKHEAD. I yield.

Mr. BLACK. As I understand the Senator, his idea is to increase all production by trying to provide customers for the things which are produced, even the fertilizer for which the South has had to pay at exorbitant rates for many years. The Senator, as I understand, is going on the principle not of a permanent philosophy of scarcity but of trying to bring about a balanced economy on the part of the people of the country that will supply customers, so that we may prevent industrial manufacturers from reducing their production 66⅔ percent.

I asked the gentleman to whom I have referred why he had reduced his production. He said because he had not been able to sell his product at a profit. Of course he could not sell it at a profit to the farmers of the South on 5-cent cotton, nor to the wheat farmers of the West on 25-cent wheat. So, as I understand the Senator's philosophy, it is, under the system by which we operate, to try to increase the income of the purchasers of the Nation and thereby to increase the production of all products, including cotton, instead of decreasing it.

Mr. BANKHEAD. That is correct; including the production of industry.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. TYDINGS. Let us see how sound that argument is. We contend that the more money we can put in the hands of a man, the more he can buy. That is sound. Conversely, by the same token, the higher we make the price of an article, the less he can buy of it. So if we increase the cost of an article we decrease its consumption, and if we increase the wages of the people we increase consumption; but if we increase the price of cotton we must, by the very logic we use to prove one point, be bound by it in proof of the other,

namely, that the higher the price of cotton, the less of it will be consumed.

Mr. BANKHEAD. Mr. President, there is, of course, a limit upon the price level; but the Senator has just enough learning about cotton for it to be a dangerous thing. I call his attention to the fact that in 1919, when cotton was selling at 36 cents a pound, we exported more cotton than in either of the preceding 4 years or either of the succeeding 4 years.

Mr. TYDINGS. I will answer the Senator later. I do not desire continually to interrupt him.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BLACK. I should like to suggest that price does have a great deal to do with consumption; but in 1929 the income-tax returns showed that 511 individuals in the United States received enough income from the products of the Nation to buy every bushel of wheat and every bale of cotton raised by all the millions of farmers in America. It seems to me a little strange and a little strained to complain that we seek to increase the income of the farmer without at the same time suggesting some method for stopping the "economy of scarcity" in industry and the high prices which "economy of scarcity" has placed in the hands of 511 men more income than was received by all the millions of wheat and cotton farmers in the United States.

Mr. BANKHEAD. I thank the Senator.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LOGAN. As to the interesting suggestion of the Senator from Maryland, is it not a fact that if we reduce the price of cotton seriously, instead of that increasing the amount of cotton that will be produced, eventually it will result in there being no cotton to sell at all? Unless the farmers are slaves, or have to produce it, they will cease producing. What the Senator desires is to have the surplus reduced so as to encourage the farmer by raising the price for his cotton?

Mr. BANKHEAD. That is all.

Mr. LOGAN. If he does not receive more than the cost of producing the cotton, he will eventually quit producing it, or he ought to do so.

Mr. BANKHEAD. He will be obliged to quit.

Mr. LOGAN. Reverting to the question asked by the Senator from North Carolina, as to why it is that some countries in other parts of the world are increasing their production while we are reducing ours, I believe the Senator was diverted from his answer.

M. BANKHEAD. I will come to that.

Mr. LOGAN. The Senator expects to come to that eventually?

Mr. BANKHEAD. Yes.

Mr. LOGAN. I believe it is true that in Egypt there is a controlled production of cotton, and always has been.

Mr. BANKHEAD. Not always, but they had it for 2 years.

Mr. LOGAN. They have had it for the last several years?

Mr. BANKHEAD. Yes.

Mr. BAILEY. They have recently withdrawn the control.

Mr. BANKHEAD. That is true. They got control of their surplus, and that is what we propose to do.

Mr. BAILEY. I am not criticizing the Senator's policy. What has happened is the result of the recently adopted American policy. But I will wait; I do not want to divert the Senator.

Mr. BANKHEAD. While we are on the question of the Egyptian control, though it is a side issue, we might as well clear that up now.

As a result of overproduction as compared with the market demand, Egypt, following the crash in 1929, accumulated a great surplus of their long-staple Egyptian cotton. Of course, the price went down, as ours went down, in a disastrous way. In 1931 and in 1932 Egypt did exactly what we undertook to do a year later; by governmental decree they reduced their acreage the first year, 1931, about 50 percent, and then in 1932 they increased the acreage slightly less; but for 2 years there was compulsory control of the quantity of cotton, and they reduced it so materially during those 2 years of control that they disposed of their burdensome surplus, and then went back last year and the year before to normal production.

Of course, everyone who has any connection at all with this cotton program fully understands that we have not embarked upon any payment program of arbitrary limitation and reduction in the size of our cotton crop. We embarked upon the program because of the necessities growing out of the pauperized condition of our farmers with such low prices as a result of the biggest surplus in the history of the world.

We have gone at the program too slowly, according to my judgment. I wanted to cut the size of the cotton crop more last year than it was cut. I wanted to reduce the acreage. I wanted to trim the big carry-over down faster, and get through with it more quickly, so that we would be in position, with a supply bearing a reasonable relation to the consumption demand of the world, to go back into a normal cotton production commensurate with the requirements of the world for American cotton.

Mr. BAILEY. Mr. President, will the Senator permit me to interrupt him again?

Mr. BANKHEAD. Certainly.

Mr. BAILEY. I assure the Senator that I am not undertaking to present any opposition to his proposal.

Mr. BANKHEAD. I proceed on that theory.

Mr. BAILEY. My information is that the Egyptian Government is encouraging a very great increase in their production; and in order to do that, they are abandoning, to a large extent, the production of long-staple cotton.

Mr. BANKHEAD. I hope the Senator will permit me to go a little further before I come to foreign conditions.

Mr. BAILEY. I will propound my question and then wait.

Mr. BANKHEAD. Very well.

Mr. BAILEY. How is it, if, with the tremendous world carry-over, the surplus of which the Senator is speaking, Egypt can afford to increase her acreage, that we cannot do so? I should like to get some light on that point.

Mr. BANKHEAD. I will answer that very briefly now by saying that Egypt is not increasing her production, except by going back to normal production as compared with the 2 years when they had compulsory production.

Mr. BAILEY. I think it is agreed that Egypt is undertaking now to reach a production of 800,000 to a million bales, and by way of abandoning the production of long staple, because they can produce a larger poundage of short staple than of long staple. The point of the whole matter is that Egypt is increasing her production, we are decreasing ours, and there is a surplus which causes us to decrease. Why does not that surplus cause them to decrease also?

Mr. BANKHEAD. As I have already submitted, Egypt is not increasing its production. If the Senator will inquire from the Bureau of Economics and get a report recently made by a Mr. Norris, who has just returned from Egypt, where he made an investigation, the Senator will find that Mr. Norris reports that in Egypt there is little additional available acreage to put into cotton, unless they expend about $175,000,000 on irrigation, which would take them some years to accomplish.

Mr. Norris did indicate in the report that they were disposed to turn to short-staple cotton, not for the purpose of increasing the cotton crop but as a change in the quality, because there is greater demand for the short staple than for the long staple. In other words, no change is contemplated in total production but merely in the quality of cotton being produced.

Mr. BAILEY. I will say to the Senator that I have read the pamphlet to which he refers and based my statement on the information contained in the pamphlet. I will send over to my office and get it.

Mr. BANKHEAD. Very well.

Mr. BAILEY. The statement is made in this pamphlet that the Egyptians are abandoning the long staple because they can produce more poundage per acre with the short staple. I think the Senator will agree with me about that. They are increasing the crop, or, as the Senator says, re-

turning to normal. How is it they can return to normal despite the tremendous carry-over, while we cannot?

Mr. BANKHEAD. They got rid of their carry-over, I have undertaken to impress upon the Senator, during their 2 years of compulsory reduction.

Mr. BAILEY. What is there peculiar about their carry-over? It is a world carry-over of cotton we are having to deal with, not the excess of Egyptian cotton.

Mr. BANKHEAD. I assume that the Senator recognizes, I am sure he knows it, though he may have forgotten it for the moment, that practically all the Egyptian cotton is long-staple cotton, for which there is a special demand. We import into this country, after paying a 5-percent tariff, several hundred thousand bales of Egyptian cotton, because it is used in making specials; and because of that situation, the world supply does not involve them as much as it does us, because their cotton is not in direct competition with our upland grade cotton.

Mr. BAILEY. Assuming that to be so, this colloquy between the Senator from Alabama and myself is predicated upon the report of the Department that Egypt is abandoning the long staple and is producing the short staple. That is the point of the question I have in mind.

Mr. BANKHEAD. I have stated that they are inclined to go to short staple in lieu of the long staple, not in addition to it.

Mr. BAILEY. The Senator's last argument was to the effect that they were not competing in the short staple, but had a monopoly in the long staple.

Mr. BANKHEAD. They were competing when they were undertaking to control the surplus.

Mr. BAILEY. Very well. Assuming we have gotten this far, they are now moving in the direction of the production of short staple and in the direction of the production of a normal crop. I think the Senator has agreed to that. I come back to my question: In the face of the world carry-over, how is it that they can go to the short staple and return to normal production, while we must continue to reduce our production? That is the question which troubles me.

Mr. BANKHEAD. Mr. President, to begin with, the price of American cotton makes the world price.

Mr. REYNOLDS. Mr. President——

The PRESIDING OFFICER (Mr. GUFFEY in the chair). Does the Senator from Alabama yield to the junior Senator from North Carolina?

Mr. BANKHEAD. I yield.

Mr. REYNOLDS. Referring to the question of my colleague the senior Senator from North Carolina, is not the condition to which he refers attributable to the fact that labor is so much cheaper in Egypt and the other costs of producing cotton there are lower than in our Southern States?

In view of the carry-over, in view of the difficulties we experience with cotton, in view of what the Senator has said in regard to the growing of the short staple and abandoning the long staple, and the increase in Egypt of the production of short staple, will not the Senator agree that the present condition is attributable very largely to the wages the workers in the cotton fields of Egypt receive in comparison with the wages paid in the United States?

Mr. BANKHEAD. Undoubtedly, I will say to the Senator, the cheap-labor prices in Egypt, India, and Brazil during the last few years, especially when the price of silver has been so low, have been a most disturbing factor in our cotton program, in my judgment, because those conditions have made it possible for them to produce cotton cheaper than they did in former days.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. REYNOLDS. I think that is true to a certain degree. Brazil, if my recollection does not fail me, increased its cotton production some sixty-odd percent during last year. I think reports will show that some other cotton-growing countries also increased their cotton production last year. That increase is perhaps due, in part, to the price of silver.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. TYDINGS. May I ask the Senator from North Carolina to state to what extent Brazil can increase its cotton production? What is the limitation of the extent to which it can increase its cotton production?

Mr. LONG. Brazil can produce more than the world can use.

Mr. REYNOLDS. I will say to the Senator that, as he probably knows, Brazil has been producing cotton for a length of time almost as great as has the United States itself. The probabilities are, according to those who are familiar with the countries of Central and South America, that they started growing cotton for commercial purposes even before we started it in the United States. Taking into consideration the tremendous area of Brazil and its climatic conditions, which make a large portion of that country peculiarly adapted to raising cotton, I believe that eventually we shall probably find Brazil competing with us to a greater extent than India or Russia or China or Egypt or the Dutch East Indies.

Mr. TYDINGS. If the Senator from Alabama will yield to me further, I desire to point out that there is the nub of the problem. First of all, it is conceded on the floor of the Senate that Brazil alone can greatly increase its cotton production.

Mr. BANKHEAD. What is the Senator's remedy to prevent that?

Mr. TYDINGS. Permit me to finish. It is also conceded on the floor of the Senate that Brazil can produce cotton more cheaply than can the United States. If Brazil can produce more cotton, and she can produce it more cheaply, should we try to keep the price of cotton up so as to encourage her to overproduce, or should we bring the price of cotton down and discourage her from producing?

Mr. REYNOLDS. That brings up another question. One of the difficulties experienced in the country today is that we can sell cotton in Texas, and it can be shipped aboard Japanese vessels to Japan, they can pay our price for that cotton, they can work that cotton, and they can return it to this country and sell it for less than we can manufacture it, by an extremely large percentage.

Mr. TYDINGS. Mr. President, will the Senator yield right there?

Mr. BANKHEAD. I yield.

Mr. TYDINGS. I do not want to get into an involved discussion of this question, because we are trespassing on the time of our friend from Alabama.

Mr. BANKHEAD. Yes; I should like to go ahead.

Mr. TYDINGS. I should like to make this concluding observation, and then I will answer further in my own time.

We cannot escape the logic that if it costs more to produce cotton in this country than it costs to produce it in other countries, and if we accentuate that cost by increasing its price, we invite the other countries of the world, at a better profit than they have heretofore enjoyed, to increase more and more their production of cotton; and if that policy is pursued, the logical end is that eventually they will produce most of the cotton, and we will produce less of the cotton. What are those who are temporarily getting these high prices going to do when the foreign cotton producer has taken their markets?

Mr. LONG. Mr. President, before the Senator goes further, will he not let me put in a word?

Mr. BANKHEAD. It depends upon whether or not it is on my side.

Mr. LONG. It is half on the Senator's side and half against him.

Mr. BANKHEAD. State that which is on mine, and then I will continue.

Mr. LONG. I desire to say to the learned Senators that we shall all be voting for a tariff on cotton very soon.

Mr. BANKHEAD. Mr. President, when someone satisfies me that the United States Steel Corporation and General Motors and other motor companies should continue to pro-

duce to the full limit of their plants in order to hold the foreign markets which they had before this tariff war started, I shall be willing to consider the suggestion of the Senator from Maryland. But, Mr. President, as I stated before, persons remote from agriculture, persons who do not understand the misery in the farm homes of America during the past 3 or 4 years, stand here without any knowledge of those conditions, without any deep study of the economics involved, and undertake to advise our people about what they should do with their great financial problem.

The Senator from Maryland [Mr. TYDINGS] intimates that we ought to produce cotton low enough to drive out of competition all the cheap labor in the world. "Why not", he said, "produce enough and sell cheap enough to stop Brazil, stop the East Indians, stop the Mexicans, stop the Egyptians, and drive them out of the world production of cotton by starving them to death with low prices?" I am astonished that a Member of the Senate should be standing upon this floor with the credentials of my own Democratic Party announcing any such doctrine as that.

The cotton farmers have lost a considerable amount of their foreign business, and the wheat farmers have lost their foreign business to a greater extent than have the cotton farmers. I am astonished that the Senator should stand here and pronounce the doctrine that we must get down to the very bottom with prices for the only cash crop our farmers have to drive the peons of Mexico and of Brazil, in the tropical countries, out of the cotton business.

That is such a strange doctrine, Mr. President, that it seems to me no one should want to give it any real serious consideration.

Mr. BAILEY. Mr. President, may I interrupt the Senator?

Mr. BANKHEAD. I should like to proceed.

Mr. BAILEY. But will the Senator just let me call to his attention that the problem which is troubling everyone of us, I am sure the Senator from Maryland almost as much as the Senator from Alabama, is the one of preserving the American world market. That is our problem. How can we do it under the present circumstances? If we lose the foreign market when the domestic market takes only 65 to 68 percent of our cotton production, what happens to the southern farmer? That is the problem which is troubling me.

Mr. BANKHEAD. Mr. President, when I get through with the domestic phase of this problem I am going into the foreign end of it, if the Senator will have patience enough to wait.

Mr. BAILEY. I shall be very happy to do that.

Mr. BANKHEAD. Mr. President, I started some time ago, but was diverted, to call attention to the figures which show how directly the size of the crop governs the amount of money which is paid for the cotton crop, the greater part of which comes from foreign countries, new money, Mr. President, new money brought from foreign lands, not solely for the benefit of the cotton farmer—for his primary benefit, of course—but to help support the business of the agricultural implement manufacturers of this country, to help support the steel plants of this country—and a considerable percentage of the present steel output is going on the farms—to help support the fertilizer companies of this country, the manufacturers of shoes and of hats and of clothing—in other words, to furnish purchasing power for those things which, in large part, are not produced in the Cotton Belt.

We do not get much money in the Cotton Belt from anything but cotton, but the quantity of money we get bears directly upon the number of workmen employed in the industrial plants of this country. It bears directly upon the time that those industrial plants are able to operate. Just think of what it means to the country when the Cotton Belt loses the billion dollars a year which it had been receiving annually for 13 years! All of it came right back to the industrial and financial centers of this country. Just as certainly as the waters from a spring go into the branch, and from the branch to the river, and from the river to the ocean, just so fast as we get more money in the South it goes to the merchants, it goes into the banks, it goes to the wholesalers, it moves on to the manufacturers, and in a short time it is all gone, and our people then are trading upon credit to get supplies actually to survive and carry their families until they can get another return flow of money for cotton.

It seems strange to me that objection, and carping objection, should come from some sections of the financial and industrial parts of this country; and that it should come from the city of Baltimore, with its great distributing wholesale houses there, which for years have had their chief customers in the Southern States, the cotton States, which houses lost the better part of their business during the years 1931 and 1932 and on into 1933 because the consuming power, the purchasing power, of their farmer customers had disappeared.

We see Senators stand here and hear them bewail the loss of some portion of our export trade without giving any thought to the great loss in our own domestic market. We do not hear any complaint about that—no; all complaint is directed across the sea. I remind the representatives of industrialism and of the financial interests of the country, to whom our people pay so much interest and dividends and financial returns, of an old religious song. I do not know whether or not many of them ever attended a revival meeting and heard it, but I want to paraphrase that old song in this way:

If you cannot cross the ocean,
And foreign lands explore,
You can find the markets nearer;
You can find them at your door.

Mr. President, instead of looking around their own doors, instead of considering that great mass of willing purchasers and consumers, we hear able men say to the cotton producers, "Forget it; put your prices down where you cannot buy anything from us; all we look for the cotton farmers to do is to drive off the farm the peon labor of Central and South America, of India and China; that is their job."

Now, let me get to the point I have been trying to reach for some time; that is, the effect of the size of the crop. It ought to be of interest to the representatives East and North and all manufacturing and industrial sections of the country, because, sooner or later, they get all the money. We had had years of the bollweevil scourge; the bollweevil had spread over the South by 1921, and the cotton crop that year was cut down below 8,000,000 bales; in 1922 the crop was 9,000,000 bales; and in 1923 it was 10,000,000 bales. There was an average production for the 3 years of 9,000,000 bales of cotton. The surplus had gone.

O Mr. President, we did not then lose our foreign market. We had, of course, a reduction in exports. The word went out to the cotton-growing countries all over the world "America has a pest which will ultimately put its people out of the cotton business; their dominance in cotton production has gone." Did we lose our exports permanently? No, Mr. President. As soon as we got control of the bollweevil, and brought our production back to normal, we immediately increased our exports over those of previous years. All foreign countries know that we are going through a temporary reduction program. To listen to some people talk, one would think that foreign countries had just discovered that cotton had been grown in America and that they themselves would proceed to grow some. Since the days of the Civil War, when the embargoes upon cotton and the absence from the farm of the men put the price of cotton above $1 a pound, every foreign country that had suitable soil and climate has been endeavoring, from year to year, to produce all the cotton it could economically produce and sell in competition with the superior grades and staple of American cotton.

In 1923, after the surplus had disappeared, we produced 10,000,000 bales of cotton, and the farmers received an average price of 28.69 cents a pound. The total sum paid to the farmers for their lint cotton was $1,454,000,000.

The next year the size of the crop increased by three and a half million bales. We began to get better control of the bollweevil. The crop totaled 13,600,000 bales and the price

fell from 28½ cents to approximately 23 cents, a 6-cent reduction as a result of the increase of three and a half million bales of cotton.

In 1925 the crop again was increased two and a half million bales, the total being 16,100,000 bales. The price dropped down from 23 cents to 19½ cents. The total amount received by the farmers was approximately the same, $1,570,000,000. For 5,000,000 bales more of cotton than in 1923 the farmers received about the same amount of money.

Then came 1926, regarded generally as the best business year in all that cycle which followed the World War, the year to which economists have pointed as the ideal price year. Then purchasing power was strong; consumption was as strong as ever, not only in America but abroad; the prices of everything the farmers bought were high, right at the peak. There was no depression, no disturbance, nothing to bring about a change in the price of cotton, except one thing, and that was the supply.

That year, induced by the rising tide of prices, by the complete control of the bollweevil, our farmers planted the largest acreage to cotton in our history, nearly 48,000,000 acres. They produced 18,000,000 bales of cotton, the largest crop known to this country. In that wonderful year of wonderful business in America and abroad the price fell from 19½ cents to 12½ cents a pound. No one can say that was due to a depression; no one can say that was due to a reduction in consumption. It was due solely to overproduction beyond the consumptive requirements of the world. For that crop of 18,000,000 bales our farmers received only $1,120,000,000. In other words, for a crop 8,000,000 bales more than was produced in 1923, when the supply was adjusted to world requirements, 8,000,000 bales more, with all the additional labor involved, with all the additional expense involved, with certainly a better business year in 1926 than in 1923, which was so soon after the deflation of 1920 and 1921, the farmers received for that 8,000,000 bales more of cotton $200,000,000 less than they received for the 10,000,000-bale crop.

Mr. NORRIS. Mr. President, will the Senator yield there?

Mr. BANKHEAD. Gladly.

Mr. NORRIS. I wish the Senator would tell us how much of a reduction per pound that was; how much did the market go down per pound of cotton in 1926 on account of that big crop?

Mr. BANKHEAD. It went down from 19.59 cents average for 1925 to 12.47 cents for 1926, a reduction a little in excess of 7 cents a pound.

Mr. NORRIS. And that resulted, although the farmers produced a bigger crop, in their getting less money?

Mr. BANKHEAD. Much less; more than $200,000,000 less.

Now, let me take 1927. The years 1926 and 1927 were almost as alike as two peas, so far as business conditions were concerned. In 1927, as the result of that low price, a smaller crop was produced; the crop dropped down to 13,000,000 bales, a 5,000,000-bale reduction. The price jumped up to 20 cents a pound, and the farmers got $1,300,000,000. In other words, they received about $200,000,000 more in 1927 than in the preceding year for 5,000,000 less bales of cotton.

Mr. FLETCHER. Mr. President, the Senator does not mean that the farmer got 20 cents a pound for his cotton in that year, does he?

Mr. BANKHEAD. That was the average farm price, as computed by the Bureau in 1927.

Mr. President, it thus appears that it is in the interest, not only of agriculture—and it does not apply to cotton alone, although I am dealing only with cotton—but it is to the interest of everybody in this country, not only in the agricultural South but the farmers everywhere and those engaged in industry and finance and everyone else, for the cotton growers to get a fair living price for their cotton.

The figures I have just read covering those 6 years of uneventful, unchanging business conditions tell the tale and demonstrate that the amount of money the farmers get for their crop is directly controlled by the relation of the supply to the demand.

Now, let me discuss briefly the subject of the export business. In the first place, I assert that there is an undue alarm about the loss of exports in cotton. It is disturbing, of course, but the facts are not properly understood by the public, as they have been misrepresented and a wrong conclusion has been drawn.

Our normal exports of American cotton for a 10-year average were a little over 7,000,000 bales. That is the 10-year average we have been exporting. When the price of cotton was very low, foreign spinners and foreign cotton merchants accumulated an unusual supply of American cotton. In 1932, when the price of cotton averaged about 5½ cents a pound, there was in foreign countries—and these are Government figures—an accumulation of 3,439,000 bales on the 1st day of August when the new crop was coming on the market; in other words, about a 6-months normal supply based on the 10-year average of consumption of American cotton in foreign countries.

In 1933 the accumulated stock was increased to 3,537,000 bales. By reason of the increase in the price of cotton, in 1933 and early in 1934, the stock decreased, but on the first day of August 1934, when the cotton crop was entering the market, they had 2,859,000 bales of American cotton in foreign countries.

While very greatly decreased under the preceding years, the exports up to March 1 were 3,250,000 bales. In other words, with the supply of cotton on hand on the first of August and the exports made this year, with 4 months yet to go in the current cotton year, they have had a supply of American cotton on hand of 6,109,000 bales, with a 10-year average consumption in foreign countries of a little in excess of 7,000,000 bales.

The exports do not in any true sense reflect the consumption of American cotton in foreign countries. They have taken out of these stocks of shipped cotton, grabbed up and accumulated there in unusual quantities; they have been eating out of that store of cotton rather than shipping currently as they had done theretofore. With 4 months yet to go in this cotton year, if they continue at the same rate of consumption of American cotton, there will not be a very large reduction in the consumption of American cotton abroad notwithstanding the very material reduction in exports. For the 8 months, while there has been a reduction in exports of over 2,000,000 bales, the reduction in consumption has been only about 700,000 bales.

There has been some discussion about an increase in acreage planted to cotton in foreign countries. The figures of the acreage for 1934–35 are not yet available. Nobody has the figures. Nobody claims to have the figures, neither the Bureau of Economics with all its reporting agencies nor the New York Cotton Exchange service with whatever agencies it has.

In other words, in the foreign countries they do not have the up-to-date methods of reporting acreage that we have through our trained agencies in this country. The only real test is production, so far as accurate figures are available.

I assert, however, upon information given to me by the Bureau of Economics, that there has been no material increase in planted acreage in 1934 as compared with 1933 in any cotton-growing country in the world except Brazil. Moreover, the peak of acreage planted to cotton in the world was reached in the 1925–26 crop. After 8 or 9 years of decreased acreage, in 1933 the acreage was increased to about that of 1925–26. The acreage increase in the United States that year was in higher percentage than it was in all foreign countries.

As a result of high prices about that time every country converted to cotton planting all the acreage that was suitable for it that could be spared from food production, except alone Brazil. China has increased somewhat. During the last few years, not particularly this year, they have had an increasing trend, it is said, because a large area previously planted to cotton was not reported. They did not have the facilities for exporting it and it was not commercially used. China is not a commercial exporting country. It exports practically no cotton.

There has been an increase, of course, in Russia since their 5-year plan was put into operation; but our agencies, after a field survey, report that they have little, if any, additional acreage which they can put to cotton that is suitable for economical cotton production. Because of the cost of irrigation on most of their cotton lands now, their costs are relatively high compared with the costs of other countries.

Egypt and India are our two chief competitors in the matter of the exportation of cotton. Last year, judging by production, which gives us the only available figures, there was a decrease in cotton production not only in Egypt and in India, but in all foreign countries combined, including Brazil, with its large increase. All of them put together had slightly in excess of 2 percent less cotton produced last year than was produced in 1933. Still we hear all this alarm and all this great scare, as if foreign countries had just discovered the value of cotton. They have been increasing steadily, just as America has been increasing steadily over the years. There is no way to prevent it. They are not now engaged in a production race. In 1933 they increased their acreage 10 percent in excess of their average acreage for 10 years, but that increase was in no sense due to our cotton program. We did not have any cotton program for plow-up of excess until the cotton in all these countries had been planted and was in a state of cultivation like ours.

They had no information of the restriction program, and therefore of necessity their increase was not the result of the control of cotton production in this country. I have just presented a statement showing that last year, with knowledge of the cotton-production control, their production was less than the preceding year.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BANKHEAD. Yes; I yield.

Mr. BAILEY. The Senator relates his statistics to 1 year. I have before me the report of the United States Department of Agriculture, Cotton Leaflet No. 3, issued October 25, 1934, which gives the foreign cotton production as follows:

1920–21, 7,671,000 bales.
1921–22, 7,400,000 bales.

And it runs from that time—1921–22—to 1933–34, 13,053,000 bales.

I am unwilling to consider the figures on the basis of 1 year. I think we should base our argument on the fact that since 1920 the foreign production has increased from 7,671,000 bales to 13,053,000 bales in 11 years.

Mr. BANKHEAD. Yes; and America has increased her production in about the same ratio.

Mr. BAILEY. No; I beg the Senator's pardon.

Mr. BANKHEAD. I do not mean compared with our control years, 1933 and 1934.

Mr. BAILEY. No; in 1920–21 the American production was 13,429,000 bales. In 1933–34 the American production was 13,047,000 bales, which is practically the same. Those are the statistics of the Agricultural Department, and they are the statistics with which we must deal.

Mr. BANKHEAD. Mr. President, the Senator evidently does not get my point.

Mr. BAILEY. But does the Senator get the force of these statistics from the Department of Agriculture?

Mr. BANKHEAD. Undoubtedly foreign production has increased since the days when the war started. The Senator went back and took his base before that time.

Mr. BAILEY. It has increased from 7,600,000 bales to 13,000,000 bales.

Mr. BANKHEAD. I get the Senator's statement. The point I am making is that the assault on the cotton-control program by the Senator from Maryland and others on the the theory that it is responsible for the increase in foreign growth is not supported by the facts. The Senator from North Carolina has just proven the point I have in mind. We are not debating this subject in a controversial way. We are trying to get at the facts, both of us being friends of the cotton farmer. The Senator has just pointed out, and correctly, that there has been a trend toward increase in foreign production of cotton since the end of the World War; but that trend had begun before that time, and it was not a steady increase. The principal part of that increase was in 1933–34, and our bureau reports that it was due not so much to increase in acreage as to unusually good weather conditions through the cotton-growing countries.

Mr. BAILEY. I am sure the Senator did not mean to suggest that I had made such an assault.

Mr. BANKHEAD. No; I said we were engaging in this debate as joint friends of the cotton farmer.

Mr. BAILEY. In January, when the matter came up, I took pains to point out that the increase in foreign production related to a time far back of the control program.

Mr. BANKHEAD. I agree to that.

Mr. BAILEY. The Senator will bear witness to that.

Mr. BANKHEAD. Oh, to be sure; and I distinctly stated that we were working toward the same end, to develop the facts and deal with the program, both of us as friends of the cotton grower. I clearly understood the motive of the Senator; but I was glad to have a statement made by him supporting the position I had taken on the subject.

Mr. President, cotton is not the only commodity which is in trouble about its exports. I do not know why a lot of these people who do not study cotton much and who never get any cotton money in their pockets, desire to pick on cotton. They seem to think it is a plaything to be picked on here all the time. That is the reason why I am speaking this morning. I am getting a little tired of hearing so many statements made by some people who, I know, do not know anything about cotton. In the first place, our cotton people understand their problem. They are going through a temporary reduction program; but, if I can have my way, I will say to all concerned that I would enact permanent legislation under which, year after year, the cotton farmers could adjust the size of their crop to the consumptive demands of the world.

If we are losing our export business—and we are losing a great deal of it in all agricultural and industrial commodities—if our markets are disappearing, I desire to ask in the name of common sense and reason why we should not boldly, as brave business men, in the interest of our constituents, meet that situation and deal with it, if we can, just as business men have always dealt with their problems of readjustment to fit changing conditions in their respective businesses?

I have no thought of any arbitrary price for cotton. The Senator from Maryland talks about reducing the present price. Our export trade in cotton has not shrunk or been reduced as a result either of supply or of the price. On the 1st day of August, when the new crop starts to the market, we shall have a supply of American cotton of between eight and a half and nine million bales to furnish an apparent world consumption of around 12,000,000 bales. So no one can insist that as a result of our 2 years' effort to reduce the burdensome carry-over we have reduced the supply to a point which endangers a reasonable price for cotton.

The truth is that in the pre-war period, when we had a parity price for cotton as compared with the things which the cotton farmer bought, 12½ cents, we had during those 5 years an average carry-over of 3,200,000 bales—plenty of margin to meet any change in the size of the crop, due to weather conditions, whichever took place in the history of this country. With that fair relation of supply to demand, we secured parity prices. How can any thoughtful person expect us to receive parity prices when we still have, with the reducing consumption, almost a year's supply to meet the requirements of the mills of the world using American cotton?

So the supply is there. The distinguished Senator from Maryland seems to have the thought that the present price of cotton is an obstruction to the export of our cotton; and he, as I understood him, wants America today to go back to the old gold-standard currency. I call his attention to

the fact that France and Italy and Germany, old gold-standard countries which were formerly among our very largest consumers of American cotton, have almost discontinued the use of our cotton. England, a former large customer, is now securing her cotton from the cheap labor of India and Egypt, two silver-using countries controlled by her. Under her trade agreements with her colonies, England has displaced American cotton with Egyptian and Indian cotton. France and Italy and Germany, as consumers of our cotton, have almost disappeared from the map, due, as we are told not only by the economists in the Department of Agriculture but by representatives of those countries who have been in America trying to buy cotton, to our antidumping laws, which do not fit the conditions which they fitted at the time the laws were passed.

Now, by virtue of our devaluation of the gold dollar, our taking approximately 40 percent out of it, those countries still on the old gold standard have, as measured by weight of gold, prices about 40 percent higher than we have. So when they undertake to ship goods to this country in payment of cotton as they have heretofore done—of course, in the old days they shipped more gold; now they have not the gold; now they cannot spare the gold—they are left in a position, under the change in the currency situation, which has taken them away from us as customers of cotton; and our raw cotton trade, instead of going to our old customers, is now largely going to Japan.

What has cotton control to do with that? A representative of one of those countries stayed here for several months, and came and talked to me, and talked to different agencies of the Government; and in those conversations he stated—he stated it positively to me, and I heard that he made the same statement to others—that they would not object to a price of 15 cents a pound for cotton. Their problem was securing American dollars; and as a result of the difference in their gold-standard currency and ours they could not sell here cheaper than they sold at home, although they were willing to do it in order to get our cotton; but they could not do it without violating, as construed—a technical violation, if you please—the antidumping law.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BANKHEAD. Yes.

Mr. LONG. The Senator says the great trouble with these foreign countries is getting American dollars. What we needed was a free-silver law in order to open up the trade with India and China. What we needed was a currency or money which was more universal. Is not that one of our main troubles?

Mr. BANKHEAD. Mr. President, while I had not intended to digress into the currency question, I may surprise the Senator from Louisiana with the statement that I am in full accord with that view.

Mr. LONG. Fine!

Mr. BANKHEAD. All the cotton-producing countries competing with the United States are really on the silver standard—Mexico, China, India, Brazil. Whether they are theoretically upon that standard or not, it is their only money; it is the money their people are used to. It is the money which circulates among them, and with silver cheap they can produce more cheaply than can those countries which have a higher-valued dollar.

While I live probably 2,000 miles from a silver mine, it is my humble judgment that instead of starving the American farmers into low prices our country could render no better service than to raise the cost of production of cotton in those countries by bringing about an increase in the price of silver.

I think one of the most beneficial things we could do in a proper and legitimate way in carrying out the constitutional functions given to Congress would be putting the costs of production of our competitors nearer than they are now to our own cost of production, all of which grows out of the very low price of silver. As a result of the interruption of the Senator from Louisiana, I have digressed to say this much; but I say it with great earnestness and sincerity.

Mr. President, I have occupied the floor longer than I had expected to, due in large part to the interruptions and colloquies. But the price of cotton is about 11 cents, and some people want it to go still lower. The fact is that last year, when cotton was selling at 13 cents a pound, we exported more cotton than we have been exporting since the price has gone down. We are not troubled in our exports from the standpoint of the price of our cotton.

Mr. BAILEY. Mr. President, may I interrupt the Senator on that point?

Mr. BANKHEAD. Certainly.

Mr. BAILEY. As I understand, it is the world price that relates itself to and governs exports, and the world price is the gold price; and the present gold price of a pound of cotton is not more than 6½ cents. So the argument that cotton is selling high could not possibly agree with the conclusions which are intended to be derived from that argument. Is not that correct?

Mr. BANKHEAD. That is correct. I am glad to have the confirmation of the Senator.

Mr. BAILEY. The 6½-cent cotton of today compares with 11¼ cents in American money, but the world price of cotton has changed about a cent. The Senator from Alabama said the price was 5½ cents in 1932 and 6½ cents now. Is that approximately correct?

Mr. BANKHEAD. That is true, so far as gold is concerned.

Mr. BAILEY. The American price of cotton is due to the valuation of the dollar, and because we consider the price in terms of American dollars rather than in terms of gold, but prior to the devaluation we always spoke of the price of cotton in terms of the gold price.

Mr. BANKHEAD. That is correct. I am glad to have the Senator's statement in that regard. Instead of the present price of cotton being reduced, it should be increased to the parity price of 15 cents a pound.

Mr. President, as I stated, we shipped more cotton when the price was higher than we do now. We hear no objection from prospective buyers on account of the price, because, as indicated by the able Senator from North Carolina, the price is around 6 cents a pound as measured in gold, the medium of foreign exchange.

Everything farmers buy has gone up. Here we have an argument for lowering the prices of what they produce and sell, when nobody interested in this subject, and who has gone into it, insists that the present price of cotton, 4 cents below parity. has anything to do with the loss of our exports.

I should like to have someone tell me, the Senator from Maryland, or anyone else who is making this argument, why our country lost practically all of its exports of wheat in 1932. We had a carry-over of 360,000,000 bushels, the largest in the history of this country and the price went down to 35 cents a bushel. In the face of that low price for wheat—and this was under the former administration—and without any suggestion of a control program or a reduction in the size of the crop, our export business simply disappeared.

I had hoped the junior Senator from Virginia [Mr. BYRD] would be here. I want someone to tell me why we have lost nearly all of our business in the export of apples. Heretofore that comprised one of the largest exports of agricultural commodities.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Alabama yield to the Senator from Maryland?

Mr. BANKHEAD. I yield.

Mr. TYDINGS. I think I can answer in part in reference to apples.

Mr. BANKHEAD. I yield to the Senator.

Mr. TYDINGS. As a matter of fact, we have a favorable trade balance with France. France is one of the largest importers of American apples. So much gold was being drained

from France to pay for her unfavorable balance of trade with the United States that the French Government not only put a tariff on apples but they put an embargo on apples, so that even if we were willing to ship apples to France, after a certain amount of shipments had gone into that country, no additional apples could be shipped there.

The reason was obvious. It was because we were pursuing the philosophy, ever since the World War, when our condition changed from what it was before the war, that we could sell to countries without buying from them. That cannot be done.

Mr. BANKHEAD. I am in full accord with the statement of the Senator from Maryland; but we have a clear-cut statement from the Senator from Maryland also that we did not lose our exports of apples on account of any control or reduction program, or on account of the price of apples.

Mr. TYDINGS. I must take issue with the Senator. When we adopt high tariffs, that is in effect a control of all exports.

Mr. BANKHEAD. I am talking about a control of production. That is the program the Senator and those who agree with him are criticizing.

Mr. TYDINGS. When we control imports, as we do indirectly through the tariff, we automatically control the exports, because of the control of imports. The two things go hand in hand. No nation in the world can sell to another nation unless that nation buys something. Money is only an incident to the transaction, a yardstick, a measurement; that is all. What really happens is that nations swap goods, and only the difference, the balance of trade, as it is called, is paid in money. What we are really doing is swapping products, and consequently we cannot export products unless we import products.

If we were to bar all importations into this country whatsoever, our exports would fall overnight to almost the vanishing point.

Mr. BANKHEAD. The Senator from Maryland cannot provoke any argument from me on that subject. I think we are in full accord in our views about the necessity of turning from our present nationalistic spirit. But, as I have heretofore insisted, with his splendid intelligence, with his knowledge of the cause of the loss of exports in wheat, and apples, and other things, the Senator must concede, as a straight shooter, that the argument that is being made that cotton growers alone of all who produce agricultural commodities and all industrial commodities have lost their foreign trade as a result of a program of control, or the operations of the Agricultural Adjustment Administration cannot be sustained.

The Senator knows, and he has just stated it, and I agree with him, that our problem is not a problem of the adjustment of supply to demand but our problem is the trade wars going on throughout the world—the tariff-rate barriers. I know the Senator from Louisiana does not like that and does not agree with me in that statement. I agreed with him once, but I differ with him in this. The tariff-rate barriers, the quotas, the trade agreements between different nations, have brought down our commerce, industrially and agriculturally; and, as I suggested once before, we have that condition confronting us. By action of the American Congress alone, as I see it, we are not able to restore the former free-trade relations with the nations of the world.

I know that we precipitated the tariff war; I know that we brought about retaliatory tariff measures as a result of our former tariff program. There is no sort of doubt of that in my mind. But that has been done. We did it. America did it. We provoked the battle. The foreign countries have been fighting us ever since. They are in the ring now, nearly all those nations, ready to carry forward a masterly battle with us and with other nations.

Having provoked them into the ring, where they now are, with their arms up ready to hit, and have been hitting, I say that the American Congress, although it started the row, cannot afford to stand there now and drop its hands and permit the other countries to strike mortal blows.

I do not know what we Americans can do except what we are trying to do through the reciprocal-trade agreements. I do not think the Senator from Maryland [Mr. TYDINGS] would advocate pulling down our tariff rates in any general way, and stand by and see our country flooded with imports and at the same time get no advantages by trading and shipping our goods into the countries which are shipping theirs here. We have that serious problem and that is what we have to deal with. It will take patience, it will take policy, it will take great diplomacy, and it certainly will require great statesmanship; but, so long as we have that condition over which we have no control, I appeal to the common sense, judgment, and the fairness of my colleagues here whether we should recognize that situation in the business of agriculture, or blindly go about the old system of uncontrolled and unlimited production, with full knowledge that the markets are gone.

I submit, instead of abandoning this program because of the loss of exports and the loss of markets, knowing that it is because of the tariff barriers and other causes I have mentioned, that the fair and just thing to do is to meet the situation and deal with it as the facts require, regardless of any theories or formulas abstract in their nature. We have got to deal with a condition which confronts us; we have to deal with facts which confront us. If our markets have diminished, we ought to do as the steel corporation does and as the automobile industry does—recognize the situation and readjust accordingly. That is more important when we are losing markets than it is when we have got steady markets or gaining markets.

That is our problem, Mr. President. I have spoken longer than I had intended. I appreciate the indulgence of those who have listened. I was anxious, at least, that certain phases of this problem should be brought to the attention of Members of the Senate.

Mr. WALSH subsequently said: Mr. President, I was absent from the Chamber when the junior Senator from Alabama [Mr. BANKHEAD] finished his able address. I desired to have inserted in the RECORD following his address some letters which I have received dealing with the condition of the cotton-textile industry; and I ask that those letters, together with a press statement by me, may be inserted in the RECORD following the address of the Senator from Alabama.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters referred to are as follows:

STATEMENT OF SENATOR WALSH ON THE COTTON-TEXTILE SITUATION

I have from the beginning stated that the problem of cotton and other agricultural products is an economic problem and cannot be solved by any political artifice.

The desire to help out the cotton farmers and other agriculturalists is laudable, but the means to that end which have been employed are not only not fundamentally constructive but are fundamentally destructive to the general purchasing power of the country.

The combined exactions of the N. R. A. and the A. A. A. have converged in the textile industry, resulting in the collapse of cotton exports. The N. R. A., beneficial as it was in many respects, could have been sustained by this industry; but the A. A. A. provided the crushing blow.

Why is it to be wondered at that the cotton-textile industry is in dire distress, when the cost of production has suddenly risen to mountainous proportions, domestic consumption has slumped, foreign trade has diminished, and competitive imports are constantly increasing?

What are the causes of the threatened collapse of the cotton-textile industry, and what, if anything, can be done to help this industry?

The following factors contributing to present unfavorable conditions may be enumerated:

1. The processing tax has added a substantial increase in the cost of cotton cloth, averaging as much as 20 percent to the price, which has increased 100 percent. This has resulted in both sales resistance and substitution of other fabrics by the public. The N. R. A. has also been a contributing element in increasing costs of production, but which the industry could bear because of other benefits.

2. The continuing increase in imports of cotton cloth from Japan and the absorption by Japan of the export trade heretofore possessed by the industry in the Philippine Islands and South America has reduced the demand both in the domestic and foreign markets.

3. Continually increasing production has glutted the market, with the result that there has been no adjustment of production to consumption.

What are the remedies?

The checking of the accumulation of surplus goods can be eliminated through the efforts of the industry itself by amending

its code. The N. R. A. board within a few days has authorized a curtailment plan for 3 months, and it is expected this step will be taken.

The second factor can be remedied by the industry bringing pressure to bear on the N. R. A. to exercise the power granted under the N. R. A. law, which provides that where operations in an industry under the code are being restricted or handicapped by imports, authority may be exercised to the extent of placing limitations or even embargoes upon imports.

The first difficulty mentioned may be eliminated by repealing the A. A. A. law or, as has been proposed, by the President allocating some of the funds appropriated under the work-relief bill in the nature of reimbursements as a substitute for the processing tax.

Unless some such action as outlined above is taken in the not too distant future, an increasing degree of distress will inevitably befall the general purchasing power of the millions dependent directly or indirectly on this industry, all of which will make for a substantial set-back to recovery.

In discussing this problem, I have refrained from discussing the further additional handicap under which the cotton cloth textile industry of the North labors. It is the differential in wages which favors the southern section of the industry, which now represents the largest group of producers. The textile code provided for a minimum wage which affected comparatively few employees, but left uncontrolled the competition in all other classifications of wages. It is estimated that the wage differentials in certain classifications of employment between the North and the South reaches from $2 to $7 more in the North than in the South. Adjustment of this serious wage differential is not easy of accomplishment. The industry shows no disposition to unite under any wage agreement that could be incorporated in the code. It is possible that the N. R. A., when reenacted, may launch in some branch of the Federal Government the power to force equality in wages that is such an important element in the cost of production in this industry. Even if the authority were granted, it would require courageous statesmanship to resist the united and militant opposition of the southern textile interests.

Drastic action must be taken at once, if this industry is to be saved, and the first step is to eliminate the processing tax, which is indefensible.

MANUFACTURERS' AND EMPLOYERS' ASSOCIATION OF TAUNTON,
Taunton, Mass., April 2, 1935.

HON. DAVID I. WALSH,
The Senate Chamber, Washington, D. C.

DEAR MR. WALSH: The city of Taunton as you are undoubtedly aware, at one time, and until quite recently, maintained a moderate number of textile manufacturing plants employing approximately 6,000 people; today there are but 2 plants left employing between 600 and 700. Last week the plant owned by William M. Butler and son and known as the "Hoosac Mills", closed its doors. Owing to the processing tax it was impossible for them to continue. Until recently the Hoosac Mill has been running with two shifts employing 250 to 300 people. This means a loss of a pay roll of approximately $4,000 per week to the city of Taunton. The writer is aware that our representatives are doing all in their power to have this tax repealed.

The above facts are presented to you with the hope that such evidence as this when presented to the proper committee will have some influence, if not entirely repealing the tax, perhaps have a tendency to reduce it somewhat.

Very truly yours,
MANUFACTURERS' AND EMPLOYERS' ASSOCIATION OF TAUNTON,
FRANK L. LOCKLIN, *Secretary.*

PATTEN BROS.,
Fall River, Mass., April 1, 1935.

HON. DAVID I. WALSH,
United States Senator, Washington, D. C.

SIR: We, together with many others in this territory, certainly think it is time the cotton-processing tax was removed in order that the cotton-mill industry might have an opportunity to remain in existence a few years longer.

Massachusetts, certainly for the past 15 years or more, has been driven to the wall by legislation affecting its principal manufacturing industries. For instance, the various conditions brought about by State legislation has killed the shoe industry here, as it has driven the greater portion of it out of New England, and particularly out of Massachusetts. The same fate seems to await the cotton-mill industry, not only in Massachusetts, but in every State in New England, and something should be done to remedy the situation before it is too late.

It does seem as though the lawmaking bodies of this State, as well as of other New England States, have shut their eyes to conditions for the last 15 years, during which time these conditions have been steadily growing worse, and now since the Federal Government has taken matters into its own hands, in trying to legislate business, the end of the cotton-mill industry seems to be in sight.

Soon after the N. R. A. was organized, the cotton-mill industry thought it had helped the cotton-mill business to a great extent. However, it was only a fictitious improvement, therefore could not last. This whole N. R. A. scheme was simply hatched by companies that were broke. They went to the Government for assistance, and the Government in attempting to help them, of necessity stepped on the small business man. Washington can hedge all it pleases but the N. R. A. is killing the small industrialist. The whole scheme is rotten and wrong from the beginning and therefore cannot be made to work satisfactorily nor permanently. The final result will be a debt on which the industrialists will be forced to pay the rest of their days. The millions of dollars the N. R. A. has already cost is probably beyond computation.

There is certainly no more sound reason for a processing tax on cotton, or on wheat, than on any manufactured article being made by an industry that is broke. For instance, to give what occurs to me as the simplest of illustrations, it certainly would not sound very reasonable to put a 2-cent processing tax on every bundle of wet wash done by the laundries, when the laundries as a whole are in a bad condition, most of them not making any more than enough to meet running expenses, therefore unable to lay aside a dollar for replacements, to pass out to the man who sells them their supplies, or machinery, so that the manufacturer might realize a profit at the end of the year, to offset the lack of business he receives from the laundries, on which he depends for existence.

When the politicians wake up to the fact you cannot bring back prosperity by increasing the price of food by legislation, we may get some relief. When legislation causes the price of meat to be raised, the result is every family in the country has its meat sliced thinner, so that less is consumed, because the public is getting no more dollars in its pay envelop with which to buy it. This increasing the price of meat 100 percent causes 120,000,000 people to eat less of it, or go without it, and brings meat into the country in shiploads. The same applies to butter. Less of it is bought, and the general public substitutes a manufactured article.

When we get done trying to squander the taxpayers' money in an attempt to bring back prosperity, there may be some relief for the workingman and the business man, and a return of prosperity for all.

In 1917 and 1918, when those in power at Washington took a dollar bill and marked three dollars across the face of it, or did what amounted to the same thing, they caused a condition that brought about our depression. In other words, the depression was brought about in no other way, and what Washington has been doing the last 2 years will bring about another depression in the future that will make the present one seem insignificant.

The experimenting that has been done by the Government has certainly not helped us out of the depression as yet, simply because all Government employees, from the letter carriers to the high officials, are getting the same rate of pay they were drawing during the years of supposed prosperity, while the small industrialists, and the men who earn the dollars to pay the bills, or to pay the salaries of Government employees, are the ones who find work scarce, and those who have work are not getting enough to exist on.

We do not know how long it will take the politicians to realize that the members of one industry cannot go to Washington and ask for legislation to help them, without stepping on the neck of another industry—in fact when one industrialist goes to Washington to ask for such legislation, he does it with that intention in mind.

We trust the cotton-mill industry will experience relief from the processing tax before more harm is done.

Respectfully yours,

A. R. PATTEN.

FEDERAL MILL, INC.,
Lockport, N. Y., April 1, 1935.

Senator DAVID I. WALSH,
Washington, D. C.

DEAR SENATOR WALSH: I note that you have had inserted in the CONGRESSIONAL RECORD a letter from Mr. Charles F. Adams, protesting against the increase in cost of food, and it occurs to me that you might be interested in the enclosed tabulation showing the so-called "farm-benefit payments" to various States, and the cost of the processing taxes to each State.

From this you will note (column 5) that the estimated benefit payments to the farmers of Massachusetts amount to $367,000 per year.

On the other hand, the processing taxes (column 6) cost the people of Massachusetts $16,354,000.

These costs do not include an average cost of 55.9 cents per capita additional processing taxes covering sugarcane, sugar beets, and peanuts. If these figures were included, it would show the cost of processing taxes to the people of Massachusetts well over $18,000,000.

I was interested in a recent bulletin of the Federal Reserve bank showing an increase in retail sales of food of something like 11 percent, but a reduction in retail sales of furniture of something like 10 percent. I am giving these figures of retail sales from memory, but they are approximately correct. This, of course, means an increase in the cost of food, the benefits of which very largely go to western farmers, with a corresponding reduction in the purchase of manufactured goods which in turn naturally must reduce employment.

Very respectfully yours,

FRED J. LINGHAM.

P. S.—I assume you understand that the proposed A. A. A. amendments are intended to still further increase the cost of food through marketing agreements which would naturally be entered into only for the purpose of raising prices of farm commodities.

Also, a bill has been presented in the House (H. R. 6199) for the definite purpose of increasing the basis of assessing processing taxes.—F. J. L.

WALTHAM BLEACHERY & DYE WORKS, INC.,
Waltham, Mass., March 29, 1935.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: As president of the first bleachery in the world, and in behalf of all the employees of this company, may I add to the protests of the present conditions in the textile industry in this country.

I have just returned from New York, after having made a thorough canvassing of practically all of the largest commission houses in this country. The conditions are appalling. Between the N. R. A. control, the continued spread of wages between the North and the South, processing tax, and the lack of proper protection against the importations of textiles into this country, even though raw materials emanate in this country, the textile industry in the United States is about to collapse in its entirety. This is not only my personal opinion but the expressed opinion of men that have a comprehensive knowledge of the textile industry.

As bad as the domestic market actually is, our exports of cotton and textiles are far worse.

The importations, particularly those of Japan, have not only replaced our domestic outlet but the low prices have caused total destruction and collapse of prices on merchandise to the extent that the industry as a whole is panic stricken. Therefore, under the circumstances, business at any price is the slogan, and it means that each successive bidder steps down deeper into a bottomless pit of desperation.

The word which apparently emanated in the agricultural section at Washington a few weeks ago that cotton would not continue to be pegged at 12 cents caused a new and unlooked-for calamity. Now we are told that the processing tax shall be increased rather than totally eliminated. More embarrassment.

Unless we know something—and we hope at least a word of encouragement—as to the immediate future plans of the United States Government we cannot intelligently proceed.

A word from you at this time would be more than appreciated. In desperation I ask that something be done to turn the tide, that we may be enabled to continue to operate and give deserving employees a chance to exist—faithful, deserving employees, many of whom have been in our employ for over 50 years.

Respectfully yours,

WALTHAM BLEACHERY & DYE WORKS, INC.,
JAS. WM. MCQUISTON, *President.*

HAMPTON CO., INC.,
Easthampton, Mass., April 2, 1935.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: The Cotton Textile Institute has submitted to all its members figures on the importation into this country of cotton piece goods from Japan from January 1928 through February of 1935. The increase over that period is astounding. Since the N. R. A. and the processing tax have been in effect Japan's imports to this country have increased at a rate that now threatens the existence of our whole cotton-textile industry. In 1934 the imports of cotton piece goods from Japan were 650 percent greater than in 1933. In the single month of February 1935 there was more than a 500-percent increase over the imports for the whole calendar year of 1933. Unless some action is taken immediately to stop these importations, the damage to the cotton-textile industry will be permanent and irreparable.

It is our opinion that the processing tax on cotton should be eliminated and that legislation should be passed setting a definite limit on imports of cotton piece goods from Japan during any calendar year. If the cotton-textile industry is expected to bear the increased costs occasioned by the National Industrial Recovery Act, then the administration should give it protection against cheap foreign goods.

We appreciate your active interest in behalf of the cotton-textile industry, and we ask that its problems receive your continued support and attention.

Very truly yours,

HAMPTON CO.,
By JOHN H. FINN, *Secretary.*

WATERHEAD MILLS, INC.,
Lowell, Mass., March 28, 1935.

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: You are doubtless aware of the extreme danger to our textile business caused by the tremendous increase in Japanese importations. The following figures are taken from the report published by the Cotton Textile Institute:

Total Japanese imports of bleached and dyed cotton cloths

	Square yards
January 1934	30,378
April 1934	537,000
September 1934	683,000
November 1934	927,000
December 1934	2,210,000
January and February 1935	24,000,000

The Rhode Island State Legislature has passed a resolution very similar to the following one:

"*Resolved*, That the Congress of the United States be urged to pass an act which will restrict the importation into this country of any textile article from any country in a greater volume than the average annual volume of importation of that article from such country during the 5 years 1930–34, inclusive."

I cannot urge you too strongly to use your influence to aid our textile industry.

Very truly yours,

WATERHEAD MILLS, INC.,
LINCOLN CLARK,
President.

NAUMKEAG STEAM COTTON CO.,
Salem, Mass., April 2, 1935.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: While I know you are aware of what is going on, the situation in regard to the importations of cotton piece goods from Japan into this country, commencing with December 1934, has reached such serious proportions that it is necessary for the industry to concentrate upon measures to be taken promptly to check this flood of textiles now coming into this country at prices which are so much below our own costs of production as to constitute a thoroughly demoralizing influence in our markets, the effects of which will extend not only to the price structure of the cloths which are being imported but to similar lines also.

This rapid increase in the imports of cotton piece goods from Japan is strikingly shown by the following figures:

	Total from Japan	Total from all countries
	Square yards	*Square yards*
Year of 1928	1,710,000	61,295,000
Year 1929	1,217,000	61,185,000
Year 1930	1,016,000	35,517,000
Year 1931	770,000	34,732,000
Year 1932	789,000	29,436,000
Year 1933	1,116,000	41,348,000
Year 1934	7,287,000	41,533,000
Month December 1934	2,210,000	4,353,000
Month January 1935	3,341,000	6,682,000
Month February 1935	5,744,000	9,746,000

It is apparent from the above figures that unless controlled the imports from Japan alone during the present calendar year will exceed our total imports from all countries during the prosperous years of 1928–29. Tariff walls present no barrier to this merchandise made under labor costs and standards of living which are far below those of our own country, and the present procedure, under section 3 (e) of the National Industrial Recovery Act, is wholly ineffective to afford the protection which the act was designed to provide.

The most effective way of stemming this tide of imports would appear to be by setting a quota which shall limit importations from any country to not more than the annual average of the years 1928–32, inclusive.

It may be that we can secure some relief through a summary procedure under section 3 (e) which we are proposing to the National Industrial Recovery Board, but clear-cut relief is likely to be dependent on new legislation to establish such limitations.

We are putting these facts before you in the hope you can devise some method of correcting the situation, which really is desperate.

With best regards, very truly yours,

ERNEST N. HOOD, *Treasurer.*

FITCHBURG YARN CO.,
Fitchburg, Mass., April 1, 1935.

Senator DAVID I. WALSH,
Washington, D. C.

MY DEAR SENATOR: I have written you recently, and want to acknowledge your replies in reference to the textile situation. The industry today, as I know you are fully familiar, is in a panic, and serious consequences are going to be the outcome unless drastic action is taken by the administration, to say nothing of the curtailed purchasing power, even with restricted spindle and loom hours creating large surpluses in all ends of our business.

The following tabulation, I know you will understand, adds more fuel to this situation:

	Total from Japan	Total from all countries
	Square yards	*Square yards*
Year 1928	1,710,000	61,295,000
Year 1929	1,217,000	61,185,000
Year 1930	1,016,000	35,517,000
Year 1931	770,000	34,732,000
Year 1932	789,000	29,436,000
Year 1933	1,116,000	41,348,000
Year 1934	7,287,000	41,533,000
Month December 1934	2,210,000	4,353,000
Month January 1935	3,341,000	6,682,000
Month February 1935	5,744,000	9,746,000

You will note from the above that in the last 3 months Japan has imported approximately 11,000,000 square yards of cotton piece goods, over 25 percent of the total importations of all last year from all countries; and they will keep it up, as I understand their merchandise, even on the basis of present prices, is profitable to Japanese manufacturers and the Government; and I cannot help but feel that the suggestions that have been made to keep theirs and other import countries' quotas in line with the years 1930, 1931, and 1932, as a maximum might give our industry a chance.

Irrespective of all of the data and effort that is being made for removal of the processing tax, I personally cannot feel that this is going to be a cure-all for our industry, and still feel that the stimulus that we need is control of imports, as above stated, and the absolute impounding of at least 50 percent, with the Government holding the 6,000,000 bales of cotton for an indefinite period and the balance to be impounded until the cotton market reaches at least 15 cents a pound.

Statistics and figures show that due to the monetary and exchange situation we have lost a big part of our export business; but with the present indications of the gold-bloc countries devaluing their currencies, I believe that you will see a return of a big portion of our export demand for cotton, as there are not big surpluses of cotton in other cotton-producing countries, and our cotton, or a big percentage of it, is still wanted; and a serious gesture along the above lines, I feel, with a proper devaluation of currency, would start foreign buying, which would materially lift and improve the present situation.

If you agree, your efforts along the above lines would certainly be appreciated from our point of view.

With kindest personal regards.

Yours very truly,

FITCHBURG YARN CO.,
J. W. LYMAN,
President and Treasurer.

THE ASSOCIATION OF COTTON TEXTILE MERCHANTS OF NEW YORK,
New York, February 19, 1935.

Imports of cotton piece goods from Japan.

To all members:

Rapid extension of the Japanese foothold in our domestic markets for cotton goods is indicated in the following records of the Department of Commerce, recently made public:

United States imports of cotton cloth from Japan

	Total	(a) Bleached piece goods	(b) Printed, dyed, and colored
	Square yards	*Square yards*	*Square yards*
1934	7,287,000	6,044,000	1,243,000
1933	1,116,000	257,000	859,000
1932	789,000	51,000	738,000
1931	770,000	100,000	670,000
1930	1,016,000	48,000	967,000
1929	1,217,000	176,000	1,038,000

The progressively increasing volume of these imports is better shown by a comparison of the monthly figures for 1934:

	Total	(a) Bleached piece goods	(b) Printed, dyed, and colored
	Square yards	*Square yards*	*Square yards*
January	30,378	3,960	26,418
February	86,458	72,529	13,929
March	333,535	266,215	67,320
April	537,342	482,056	55,286
May	823,932	641,681	182,251
June	312,173	179,948	132,225
July	386,543	295,603	90,940
August	388,672	332,360	56,312
September	683,302	589,432	93,870
October	567,014	372,311	194,703
November	927,343	812,507	114,836
December	2,210,325	1,995,243	215,082

December imports from Japan equal the total yardage of any two previous 12-month periods and are only slightly less than the gross total from that country for 3 preceding years of 1931, 1932, and 1933. The continuance of this development is seen in the appended memorandum of shipments to consignees in the United States cleared from Japanese ports since the beginning of 1935. Whether these are to banks, import houses, or to domestic distributing firms, an equivalent amount of domestic yardage production is being displaced. At the moment the most important classifications are bleached piece goods and ginghams, but the extension to other fabrics and articles is freely predicted.

Price has been the controlling factor in establishing this condition, since qualities, patterns, and colors of domestic goods have in many cases been duplicated. With landed prices for the Japanese products 20 to 30 percent under the domestic market, already highly competitive, there is no practical way for our industry under current regulations to compete on a price basis. Our higher standards of living mean labor costs 10 times higher under the code and shorter hours of operation. To preserve employment opportunities under American standards it is vital that the impending flood of Japanese cotton goods into domestic consumption channels be promptly diverted and cost equalization established.

Confronted with a similar situation some months ago Great Britain was quick to establish quotas for her various colonies and thus preserve the markets essential to prevent the scrapping of her factories and large increases in her unemployed. According to Mr. Arno S. Pearse, a noted British authority, "Japan produces cheaper than any other country and the difference in price is so marked (from 25 percent to 50 percent) that the European industrialist has in many cases given up hope of overcoming it." We are now more vulnerable than any of the European countries and our tariff walls are no longer effective in equalizing the different standards of life.

The influence of greatly increased domestic costs under the N. R. A. and consequent higher prices in our cotton-goods markets has been an easy stimulant to the Japanese drive for American business, coupled with the protective limitations adopted in many formerly important world markets where the doors are now barred to them. It is not our habit to be alarmists, but we are convinced that these developments present a serious threat to the well-being of our industry and all connected with it, as well as to the highest public interest. We believe that prompt governmental action is necessary to cope with the situation which is growing progressively worse.

W. RAY BELL.

COTTON INDUSTRIES EMPLOYEES' ASSOCIATION,
Houston, Tex., April 1, 1935.

Senator WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: The Galveston News of recent date carried an A. P. dispatch indicating that you had called for a Department of Commerce study as to why Japan was increasing her trade with South America.

Very likely such a study will reveal many important matters never brought before the Department and to the attention of our lawmakers.

As one of the officials of the Cotton Industries Employees' Association, which has units located all over the Cotton Belt, I have had the opportunity of giving close study to this situation, and if I can assist in any way in presenting you with statistics, data, etc., please do not hesitate to call on me.

The present agricultural program of the A. A. A. is being severely criticized here in the South for its short-sighted theories of pegging the price of American cotton above that of the rest of the world, which has resulted in the Government taking over huge surpluses under their loan program. This naturally takes "free" cotton from normal channels of trade, and it is almost impossible for exporters, etc., to furnish the needs of our former foreign customers. European and Asiatic buyers of American raw cotton are being forced by this present program to become price conscious rather than quality conscious, and to seek their requirements of raw cotton from foreign producing countries who have annually increased production in view of our enforced reduction.

The law of supply and demand clearly indicates that the price of cotton with the world supply as it is is not worth 12 cents. With other producing countries offering their cotton at world prices, it is only natural that they should sell theirs and attract to their shores such large consumers of cotton as Japan and China.

Every month of continuance of the present program causes further loss of our former cotton customers, as they are gradually changing their machinery to accommodate exotic growths rather than American cotton.

As a Senator from an industrial State, with factories which have always considered the South a wonderful outlet for their finished goods, please consider what will happen down here when the Government is forced to take its protective arm from the farmer's shoulder and turn him back to the soil. In Texas and Oklahoma 90 percent of the cotton produced normally goes into export channels, for which the producer has always secured a consumer's dollar with which to buy from the East. We must export our cotton in order to maintain economic stability, and we cannot maintain our export markets if the A. A. A. pegs the price and takes the cotton from trade channels.

Your consideration of this matter will be of vital interest not only to the South but the industrial area you represent, and I would certainly appreciate your views on same.

Sincerely yours,

F. P. LORDAN,
Chairman Houston-Galveston Division.

JANUARY 9, 1935.

Hon. PAT HARRISON,
United States Senator,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In a spirit of constructive analysis I offer these thoughts for your consideration:

You and I know that the production of cotton, at best, is always an unknown quantity. It is not a commodity the production of which is solely within the will of man to command, as is the case in the mining of metals or coal or in the industrial output of

factories. Agricultural production ever faces the uncertainty of the unforeseeable and/or uncontrollable in natural elements, such as too much or too little moisture, adverse temperatures, and the ravages of insects and pests.

Any plan devised or devisable with the purpose of affecting the price of cotton must reckon in terms of world supply and world demand.

World supply and world demand are, in turn, made up of five parts, to wit: First, world carry-over of all kinds; second, combined foreign production; third, United States production; fourth, foreign consumption of all kinds; and, fifth, United States consumption. Of these five factors there are four unknown quantities, assuming only world carry-over as knowable.

Of these four unknown quantities, if we are to consider American crop control as predeterminable, then there are still left three unknown quantities, which must be guessed at with the view of determining to what figure the American crop must be controlled.

But even here, in the process of arbitrarily determining what the American crop shall be, a definite conclusion must be reached, based upon the three unknown quantities, to wit: Estimated forecast of domestic consumption, estimated forecast of foreign consumption, and an estimated forecast of all foreign crops. While these prospective figures may be guessed at, no one can contend that they can be definitely predetermined or controlled, and two of them are entirely outside of the jurisdiction of the United States.

Any plan that has for its design the purpose of raising cotton prices by the means of reducing the cotton supply, and that relies for this purpose upon the curtailing of the American crop, must, of necessity, reckon in terms of total world supplies, of which only the world carry-over is knowable. From these conditions it has been obvious that even a drastic sacrifice of American production would affect world supplies by only a small percentage.

It is also noteworthy that, even after the very material sacrifice of American production, there has resulted only a slight increase in the real comparative price of cotton, when we eliminate the factor of dollar devaluation and further eliminate the artificial bolstering effect of the 12-cent loan.

I do not believe that any student of cotton economics can consistently hold that the price of cotton today, even in terms of the devalued dollar, would be 12 cents a pound in the absence of any Government loans. If we are to look at the truth fairly and squarely, we have to recognize that if the present cotton market were given over to the free action of supply and demand, that the price for cotton would be materially below 12 cents. But even if we take the figure as high as 12 cents per pound, and then convert this into terms of the dollar before devaluation, we would have a price of about 7.20 cents. It is probable that if the cotton market were given over to the free action of supply and demand, that the price for cotton would be more nearly 10 cents per pound than 12 cents. In this case the real comparative value would be about 6 cents per pound. If we then place this figure alongside of the price for cotton prevailing just before our abandonment of the gold standard, we would find that the price for cotton has actually declined. If, on the other hand, anyone wishes to contend that the free market price for cotton today, in terms of the devalued dollar, would be even as high as 11 cents per pound, then, in that event, the comparative price would be 6.60 cents per pound, which is about the same price as that prevailing just before we abandoned the gold standard.

I am, of course, aware that, under the existing influence of the 12-cent loan, actual cotton has sold on a basis higher than 12 cents. This is because the impounding effect of the loans has worked to artificially increase the "basis." This condition can be quickly understood and better visualized by likening the line of the loan level to that of the sea level and by likening cotton to an iceberg floating in the sea, from which merely a peak of the iceberg protrudes above the sea level, while the bulk of it is well beneath the sea.

In the spirit of intellectual integrity I think it is proper that these comparative figures be given due weight if we are actually to understand how much of the rise in price has been due in reality to the curtailment program exclusively and how much to dollar devaluation. I think this is necessary in the consideration of any cotton program that is designed even in the sole assumed interests of our cotton farmers, because we cannot continue dollar devaluation indefinitely.

The fact appears inescapable that the recent rise in price nearly directly corresponds to the devaluation of the dollar.

Sincerely yours,

GRENVILLE MELLEN, *Gulfport, Miss.*

Copy sent to Senator WALSH.

SHOE LACE AND BRAID INSTITUTE,
Providence, R. I., March 29, 1935.

Hon. DAVID I. WALSH,
Senator from Massachusetts, United States Senate,
Washington, D. C.

MY DEAR SENATOR: Knowing of your interest in legislation designed to restrict or control textile imports from Japan, am enclosing copy of a letter to Robert L. O'Brien, Chairman of the United States Tariff Commission, which outlines the shoe-lace industry's attitude toward Japanese competition, and shows clearly how Japan has taken advantage of the increased costs under N. R. A. to aggressively push their shoe laces into the United States market.

Several of our mills are located in your State of Massachusetts, and account for about 15 percent of the total production of the industry. More than 80 percent of the industry is centered in New England, with the State of Rhode Island accounting for 60 percent of the total. We therefore urge in your efforts to obtain a constructive protection against Japanese imports for the textile industry as a whole, and for the New England textiles in particular, that you will include the shoe lace industry among those several branches of the textile industry for which any specific legislation may be enacted.

Yours very truly,

SHOE LACE AND BRAID INSTITUTE,
L. K. LOOMIS, *Secretary.*

SHOE LACE AND BRAID INSTITUTE,
Providence, R. I., March 22, 1935.

ROBERT L. O'BRIEN,
Chairman United States Tariff Commission,
Washington, D. C.

DEAR SIR: In behalf of the shoe-lace industry, which for the past 20 months has been suffering from imports of shoe laces from Japan at prices far below the domestic cost of production, the Shoe Lace and Braid Institute hereby requests that shoe laces be included among those textile products for which the administration may enact specific legislation to prevent further increases of general textile imports from Japan at prices demoralizing to domestic industry.

Industry facts: The Shoe Lace and Braid Institute is the national trade association for the shoe lace industry which is located in several of our States, including Rhode Island, Massachusetts, Connecticut, New Jersey, New York, Pennsylvania, Kentucky, Ohio, North Carolina, Missouri, and Illinois. The industry is centered in Rhode Island, whose manufacturers account for 60 percent of the entire production in the United States. Wage earners number from 2,700 to 2,800.

The industry produces about 7,000,000 gross laces a year, representing annual sales of approximately $4,000,000. Sales fall into two general classes. (1) Bulk laces to shoe factories (5,000,000 gross laces), and (2) paired laces for replacement purposes (2,000,000 gross laces or 1,000,000 gross pairs). At present the Japanese are exporting only the paired laces to this country, and it is in the paired-lace-replacement market that the domestic industry is suffering from low-priced Japanese competition.

Beginning August 1, 1933, the industry operated under the minimum wage, hours of labor, and productive machine-hour provisions of the cotton textile code until March 12, 1934, at which time it went under the code for the narrow-fabrics industry, as approved on February 27, 1934.

Japan's opportunity since N. I. R. A.: Until August 1, 1933, at which time labor and overhead costs increased through this voluntary cooperation with the N. R. A., the industry was able to compete with foreign-made goods, under the 90-percent duty provided by paragraph 1529-a of the Tariff Act of 1930 (braids or laces made on a braiding machine). Consequently, previous to and throughout 1932 and the first 6 months of 1933 there were only scattered imports of cotton shoe laces.

Increase in imports: However, in the summer of 1933 Japanese manufacturers saw the opportunity afforded in the American market through rising costs under the N. I. R. A. and A. A. A., and started to export paired shoe laces to America in large quantities. Imports of Japanese shoe laces continued to grow at a rapid rate all through the last 6 months of 1933 and throughout 1934, reaching a volume of 111,000 gross laces for the year 1934. Thus the industry, despite a 90 percent duty on its product, has witnessed imports of Japanese shoe laces grow from 420 gross laces in July 1933, to an average of almost 10,000 gross laces per month during 1934. (See attached schedule no. 4.)

Price comparisons: The average value of a gross of Japanese paired laces is 0.64 yen, or about 18 cents at the prevailing rate of exchange. The 90-percent duty and import landing costs bring the price to the importer up to 36 cents per gross laces. Several wholesalers in New York City are offering the Japanese laces at 40 cents to 45 cents per gross laces. Yet the domestic cost of production on similar laces averages between 55 cents and 65 cents per gross laces. Such price competition as that is severe, and employers and employees in this industry are suffering accordingly.

Imports of 111,000 gross laces represent about 6 percent of total domestic paired production for 1934. Although 6 percent may appear small in percentage, it should be pointed out that the destructive feature of Japanese competition is the low price at which the laces sell throughout the country. The mere quotation of low prices on a few thousand gross of paired Japanese laces in the various metropolitan centers serves to break paired shoe lace prices to jobbers and shoe finders in those centers. Each sale of a Japanese lace at a price below the costs of production of a domestic lace instigates through severe price competition the cutting of prices by domestic producers, which cutting becomes cumulative and eventually results in a serious dislocation to the price structure of the entire industry.

The severe price competition offered by the Japanese product is not of the healthy type experienced in many other industries in which a low-priced product from abroad stimulates total consumption both of the domestic and the imported product at an average price scale lower than that which existed before the foreign compe-

tition. In the case of the shoe lace, competition from abroad is primarily destructive, and each foreign lace sold in this country eliminates the sale of a domestic lace.

A natural corollary of the administration's policies of the last 2 years, which has resulted in increased costs to domestic manufacturers, is a compensating increase in protection against foreign competition, especially that from Japan, whose yen has depreciated more than other currencies, including that of the United States dollar. The institute is prepared to furnish further statistical data concerning the shoe lace industry, including costs of production of laces similar to the Japanese laces, and other pertinent data which the Tariff Commission will probably need if and when Congress authorizes a specific investigation of the effects of Japanese competition on domestic textile industries.

Yours very truly,

SHOE LACE & BRAID INSTITUTE,
L. KENYON LOOMIS,
Secretary.

Imports of Japanese shoe laces, United States, all ports of entry

[Unit: Gross laces. Converted from dollar figures available at customhouse, New York City]

Month	1933			1934			1935		
	Imports as recorded under par. 1529 (a) of the 1930 Tariff Act		Total imports	Imports as recorded under par. 1529 (a) of 1930 Tariff Act		Total imports	Imports as recorded under par. 1529 (a) of 1930 Tariff Act		Total imports
	Imports consumed	Imports into warehouses		Imports consumed	Imports into warehouses		Imports consumed	Imports into warehouses	
January				5,550	1,635	7,185	4,750	520	5,270
February				12,065	3,610	15,675	0	475	475
March				2,560	900	3,460			
April				2,100	3,775	5,875			
May				12,685	3,160	15,845			
June				1,750	6,490	8,240			
July	420		420	5,470	6,970	12,440			
August	1,040	3,895	4,935	12,300	13,080	25,380			
September	235	1,640	1,875	1,850	3,965	5,815			
October		2,010	2,010	325	2,165	2,490			
November		1,720	1,720	3,420	0	3,420			
December	5,465		5,465	5,465	0	5,465			
Total gross laces	7,160	9,265	16,425	65,720	45,750	111,470			

BARNARD MANUFACTURING CO.,
Fall River, Mass., November 27, 1934.

Hon. DAVID I. WALSH,
Washington, D. C.

MY DEAR SENATOR: Unless the processing tax is eliminated, and the southern manufacturer is obliged to pay the same wages for the same amount of work required for each operative, less the differential of $1 per week, it will only be a few years when the active spindles in New England will be less than 4,000,000.

In 1923, there were 16,247,100 spindles in New England. At one time, there were about 4,000,000 spindles in Fall River alone, and today, from the best information available, there are only about 1,000,000 spindles running.

Yours very truly,

J. EDWARD NEWTON, *Treasurer.*

P. S.—We are enclosing a copy of a letter sent to Mr. Louis McHenry Howe, Secretary to the President.

BARNARD MANUFACTURING CO.,
Fall River, Mass., November 26, 1934.

Mr. LOUIS MCHENRY HOWE,
Secretary to the President, Washington, D. C.

DEAR MR. HOWE: For the last 10 years the cotton mills in New England have been closed down one by one, because the southern mills could manufacture cotton cloth at a lower cost, due principally to lower wages paid their employees and working them longer hours.

When President Roosevelt took office he said through the N. I. R. A., "All cotton mills in the United States shall run 40 hours per week and the minimum pay in the southern mills will be $12 per week, and in the North, $13." This differential of $1 was because the southern workers living expenses were that much less per week than the northern workers.

The experienced employees, such as loom fixers, card grinders, fancy weavers, and so forth, are being paid in the northern mills from $6 to $10 per week more than the southern mills are paying for the same work, saying nothing about giving their employees more work to do, which is called the "stretch-out." Now, if we have to continue to pay this increase in wages over the southern mills, we cannot sell our goods, because our cost is too high.

Why not apply the differential of $1 per week not only to the minimum wage, but all the way up to the maximum?

In 1923, there were in New England over 82,000 more spindles than in the cotton-growing States today, "according to the report of the Department of Commerce of October 1934." The South has over 8,800,000 more spindles than the North. The active spindles in the South are over 9,000,000 more than in the New England States, and unless the wages paid in the southern mills are rectified, and they eliminate the "stretch-out" system, I am quite positive that there will be six cotton mills in Fall River that will have to liquidate, and this will also apply to a large number of other mills in New England. In fact, there are three mills that have started to liquidate in the last 6 weeks, that are located in New Bedford and Rhode Island.

One thing that will help the cotton industry more than anything I know of, is to eliminate the processing tax. Cotton goods will then be bought at much lower prices which will stimulate buying to a great extent.

We know you are widely interested in the city of Fall River, and hope you can bring these facts to the attention of the President's Textile Board.

Yours very truly,

J. EDWARD NEWTON, *Treasurer.*

CATLIN YARN CO., INC.,
Boston, March 20, 1935.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: A word of approval for the effort you are making to relieve the textile industry in New England.

You can see at Clinton in the carpet mill and in Lancaster examples of the plight of this State, and razed buildings and vacant plants in Lowell, Lawrence, Fall River, and Woonsocket are eloquent danger signals that cry out for help if the industry is to be saved for Massachusetts.

Probably you are burdened with data, but only this week I have learned of velveteens offered by the Japanese in the New York market at one-third the selling price of New England manufacturers.

Does not the administration realize the necessity for quick action if Mr. Wallace is to continue to receive the processing taxes with which to pay the farmer for not growing cotton?

If you have an opportunity, I wish you would write me your candid opinion as to the possibility of getting any relief.

You can count me as a new recruit to the list of Walsh Republicans.

Yours very truly,

GEO. J. KNAPP, JR.

THE ACHESON HARDEN CO.,
New York, May 8, 1934.

Senator DAVID I. WALSH,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: We are taking the liberty of enclosing herewith copies of correspondence we have received recently in reference to the importation of cheap cotton handkerchiefs into this market from Japan. These importations have already caused us to curtail our operations at our Passaic, N. J., plant, where we have been employing upward of one thousand people steadily on making handkerchiefs. Our pay roll amounts to over $600,000 a year; a sizable figure for a small community like Passaic.

This serious menace of cheap handkerchiefs coming into this country from Japan is causing our industry a great deal of concern and is not helping us to aid the Government in its recovery program. In fact, it is operating quite to the contrary. It is also causing us to be very cautious about placing forward commitments for our raw materials.

We thought you might be interested in receiving some data on this subject for your information and records.

Yours very truly,

FRANK A. HARDEN,
President the Acheson Harden Co.

[Copy of letter received from Hibben, Hollweg & Co., Indianapolis, Ind., one of our largest customers in the Middle West]

APRIL 28, 1934.

ACHESON HARDEN CO.,
470 Fourth Aenue, New York, N. Y.
(Attention Mr. Sturgess.)

DEAR MR. STURGESS: You will probably be interested in seeing a sample of a Japanese handkerchief that is to arrive in New York about May 20, men's, colored border, size 15 by 15, 4 colors, assorted, to the dozen, green, brown, lavender, and blue, 25 cents per dozen f. o. b. New York City, packed 1 dozen to the bundle, 10 dozen to the paper package.

There are three designs in addition to the enclosed. The price is quite attractive for a man's 5-cent handkerchief, but the material is nothing to brag about. This has been offered to us through our New York office in 100 dozen lots, or more, of a number. It is possible that you already know this item; but if not, I feel sure you will be interested.

We also received from our Chicago friends a sample of the white handkerchief enclosed, which is supposed to be of 70/58 Japanese cloth put up in bundles, supposed to be first quality at 28 cents per dozen.

The sample they sent us is far from being a first in my estimation, as the piece I have kept is worse looking than the half I am sending you. This same party is quoting a 60/48, 17½ by 15½ cut, men's white, at 26½ cents.

Always know that you are interested in what is going on down here.

With kindest regards,
Yours very truly,

FRED C. DICKSON,
Receiver, Hibben, Hollweg & Co.
By WILSON J. HERRINGTON.

Below is extract from a letter received on April 28 from our representative in Philadelphia, Mr. H. R. Baldwin, reading as follows:

"I have lately been up against very hard competition on my staple men's white cotton handkerchiefs because of handkerchiefs made by the Japanese and imported into this country. I wish you would do all in your power to have the duty raised on these handkerchiefs and keep them out of our country. They surely will cut down our sales if allowed to be imported."

H. R. BALDWIN,
Representative for the Acheson Harden Co.

The following is copy of a letter received from our Mr. C. J. Norsch from New Orleans:

"Jaubert Bros., of New Orleans, have received a sample of a Japanese men's white handkerchief with printed border, cut 15 by 15, quoted at 25 cents per dozen; a pretty good-looking item."

C. J. NORSCH,
Representative for the Acheson Harden Co.

P. S.—The above quotation is about 33⅓ percent below our cost.

STEDMAN HANDKERCHIEF MANUFACTURING CO.,
Asheboro, N. C., April 21, 1934.

MR. FRANK G. BARRY,
Handkerchief Industry Code Authority,
95 Madison Avenue, New York City.

DEAR MR. BARRY: I wired you yesterday in regard to the Japanese goods that were being unloaded in this country, and also I acknowledge receipt of your telegram in prompt reply.

While I was aware that Japanese imports were causing a little uneasiness in some industries, we had not come in competition with their handkerchiefs until this week. We found that they sold one of our customers 2,000 dozen 64 by 60's, which had a finished size of 17 by 18, and doubtless this would mean that they were originally cut at least 18 by 19. These goods were sold at 30 cents per dozen. I have received information this morning by wire where another customer has bought a quantity of the Japanese handkerchiefs, and they are actually boasting about the size of these goods and the price that they have been getting. They seem to get quite a kick out of it and do not seem to realize what it would mean to the American industry if a thing of this kind is permitted to continue. They are packing their goods in 5 dozen blue papers instead of the usual 10 dozen papers.

I am pleased to note that the association has taken steps to secure cooperation from the Government with regard to Japanese imports, and trust that it will not require the necessary slow routing to get the proper action. With 2,000 dozen Japanese handkerchiefs placed with one small dry goods jobber and others that I happen to know about buying proportionate quantities, it would certainly indicate that it would be quite possible for them to land several hundred thousand dozen of their goods and dispose of them before we were aware of what was taking place. If this is permitted, all of us might just as well throw up our hands and turn the business over to the Japanese to handle. With our high labor costs and their ridiculously low costs there is no chance for us to meet this foreign competition. If the Government has this matter put before them forcibly, no doubt they will see the seriousness of the condition and take the necessary steps to work the matter out for the protection of the American manufacturer.

I shall be glad for you to give me what information you can concerning this matter.

With best of good wishes to you from the writer, we are,
Yours very truly,

STEDMAN HANDKERCHIEF MANUFACTURING CO.,
S. B. STEDMAN.

MAY 7, 1934.

Senator W. WARREN BARBOUR,
United States Senate, Washington, D. C.

DEAR WARREN: Mr. George C. Fisher, handkerchief buyer for the S. S. Kresge Co., was in our office this afternoon. He stated that he had been offered in the market this morning, from a Japanese source, a men's cotton handkerchief made from a 68 by 72 cloth, finished, 17 inches square, with 1½-inch rayon initial embroidered on same, at 42½ cents per dozen. We have a similar article in our line at the present time which costs us 53 cents per dozen.

He was also offered a men's plain white cotton handkerchief, from the same source, made from a 64 by 60 cloth, finished, about 17 inches square, at 25 cents per dozen. This is an exact duplication of a handkerchief which we are running and which costs us 37 cents per dozen.

You can see by these that the Japanese are underquoting our costs by approximately 20 percent.

Mr. Fisher stated he would not buy any Japanese handkerchiefs, as he thought that it would be an inadvisable thing to do, in view of the economic situation in this country at the present time and the efforts that the Government is trying to make toward helping reemployment and restoring some measure of prosperity. All buyers, however, may not be as patriotic as Mr. Fisher is.

I am handing you the above information for your files and records for future reference.

FRANK A. HARDEN,
President the Acheson Harden Co.

WATERTOWN, MASS., *April 1, 1935.*

Senator DAVID I. WALSH,
Washington, D. C.

DEAR SENATOR: Over the past month or two I think I have noticed greater amounts of Japanese goods being used in the State. I am not able to check up on the figures, but the closing of New England mills is a pretty clear indication that something is wrong. Probably the so-called "Jap threat" is one of the contributing factors.

If a basic aim of the new deal is to raise the price structure in our internal affairs, I cannot see why Japan should be allowed to dump her low-cost goods onto our market, as she is apparently doing. I rather think that Japan, blocked somewhat by other major nations, has concentrated on us. What can be done about it?

Please let me congratulate you on your sensible stand on so many of the outstanding issues of today.

Sincerely,

FREDERICK T. LARRABEE.

BOSTON, *April 12, 1934.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: Enclosed is an article on textile exports. This situation is getting constantly worse as time goes on.

Very truly yours,

H. C. DUMAINE, Jr.

[Telegram]

FLORENCE, ALA., *April 4, 1935.*

Hon. DAVID WALSH,
United States Senate:

We appreciate your efforts in behalf of the textile industry, which, under present conditions, will not survive much longer the process-tax labor conditions, and all the various restrictions under N. R. A. are making it impossible for us to continue operations much longer, and hope through your efforts these can be entirely eliminated; if not, the textile industry is in a hopeless condition.

M. W. DARBY,
Treasurer Cherry Cotton Mills.

SETTLEMENT OF SPECIAL CLAIMS WITH UNITED MEXICAN STATES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1068) to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934, which was, on page 5, line 23, after the word "duties", to insert a comma and "at which time all powers, rights, and duties conferred by this act upon the Commission shall terminate."

Mr. KING. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AMENDMENT OF THE MERCHANT MARINE ACT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 619) to amend section 27 of the Merchant Marine Act, 1920, which were, on page 1, line 3, after "1920", to insert "(U. S. C., title 46, sec. 883)"; on page 1, line 6, after "to", to insert "the transportation of"; on page 1, line 7, to strike out "and" and insert "or to motor vehicles with or without trailers, and with their passengers or contents when accompanied by the operator thereof, when such railroad cars or motor vehicles are"; on page 1, line 9, to strike out all after "route" down to and including "tariffs", in line 11; on page 1, line 11, to strike out "or vessel"; on page 2, line 5, to strike out "or vessel"; and on page 2, line 8, to strike out "ferries and vessels are" and insert "ferry is built in and."

Mr. VANDENBERG. I move the Senate concur in the House amendments.

Mr. ROBINSON. Mr. President, what is the bill?

Mr. VANDENBERG. This is a bill passed by the Senate to relieve shipping on the Great Lakes from an unintended stricture which was involved in the original Merchant Marine Act of 1920. It has the approval of all the departments. It was passed by the Senate and has now been passed by the House with a further restriction.

Mr. ROBINSON. What is the restriction which the House imposed?

Mr. VANDENBERG. As the Senate passed the bill it applied to only three situations in the United States. As the House passed the bill it applied to only two. The Vermont situation has been eliminated from the jurisdiction of the bill. The measure was proposed by the Senator from Oregon [Mr. McNARY].

Mr. COPELAND. Mr. President, I think the bill is entirely satisfactory.

Mr. ROBINSON. Very well.

Mr. VANDENBERG. I renew the motion that the Senate concur in the amendments of the House.

The motion was agreed to.

REPORT ON SUGAR EXCHANGE TRANSACTIONS (S. DOC. NO. 44)

Mr. BAILEY obtained the floor.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. COSTIGAN. Mr. President, I have asked the Senator from North Carolina to yield for the purpose of presenting a report and asking to have it printed as a Senate document.

Several weeks ago the able Senator from Michigan [Mr. VANDENBERG] introduced a resolution calling for a report by the Secretary of Agriculture on what was known and widely discussed as the December 1934 "sugar squeeze" as a result of speculation in Cuban sugar futures on the New York Coffee and Sugar Exchange. The report of the Secretary of Agriculture has been recently filed with the Senate. It contains useful information with respect to the operation of the Sugar Act of May 1934, and I feel it worth while to ask unanimous consent to have it published as a Senate document.

A printed estimate of the moderate cost of publication has been secured. The dependable and informative nature of the report is vouched for not only by the integrity and fairness of the Secretary of Agriculture but also by the participation in its preparation of Dr. Joshua Bernhardt, a competent economist and an exceptionally qualified sugar expert who some 10 years ago was chief of the sugar division of the United States Tariff Commission. I make the request at this time that the report, with an illustration, be printed as a Senate document.

The PRESIDING OFFICER. Without objection, the report, with the illustration, will be printed as a Senate document.

Mr. COSTIGAN. Before I surrender the floor, Mr. President, I feel I should say from my intimate experience throughout with the details of the sugar law enacted last May that in my judgment the distinguished Chairman of the Finance Committee [Mr. HARRISON] recently, through what I conclude was a misunderstanding, has been unjustly charged with having caused to be inserted in that law in some unexplained concealed fashion a clause which prevents the construction of Puerto Rican refineries.

The provision for the limited importation of off-shore direct consumption sugars from such sources as Puerto Rico, Hawaii, and the Philippine Islands was not one for which the Senator from Mississippi appears in any respect separately or specially responsible. It was incidental to the feature of the law which provided for quotas on imports and on continental United States sugar productions in order to prevent the overloading of the domestic sugar market with surplus sugar far exceeding domestic demand, with ruinous effects on sugar prices and on farmers engaged in the production of sugar beets and sugarcane. That provision permits the importation of island sugar in refined form in the largest quantities imported from the respective regions in any of the previous 3 years. This limitation should be contrasted with the relatively less favorable condition imposed on Cuban imports of direct-consumption sugar, which the same law fixed at 22 percent of the Cuban quota. In view of the complexities of the legislation and the importance and far-reaching nature of the conflicting interests of sugar producers and refiners in the United States and in other sugar regions under the American flag, the requirements in that legislation, which is experimental and temporary, impress me as not open to reasonable criticism.

The entire subject of off-shore quotas and imports of direct-consumption sugar was openly discussed and dealt with during the progress of the legislation and I take this opportunity as I did when the legislation was enacted, to express appreciation to the Senator from Mississippi [Mr. HARRISON] for his helpful and impartial attitude toward the legislation, both as Chairman of the Finance Committee and on the floor of the Senate.

THE COTTON INDUSTRY

Mr. BAILEY. Mr. President, I know we ought not to delay the proceedings of the Senate, and I am not inclined to do that sort of thing. I do not, of course, intend to say anything that would wound the feelings of my good friend from Alabama [Mr. BANKHEAD], but he has brought forward the matter of cotton and has made a great impression upon my mind. I am very greatly obliged to him for what he has said. I do not know that I have any controversy with him, but, since he has brought the matter forward, I feel rather inclined to the view that it is quite timely that something further be said upon the subject. I regret to do it, because I do not wish to be put in the position of delaying the consideration of the pending legislation, and I am doing so only because the subject has been presented very ably by my friend the junior Senator from Alabama.

I wish to remark, first of all, that I am deeply alarmed by the situation with respect not only to raw cotton as produced by the farmers of the South but with respect to the cotton textiles which are produced in the North and the North Atlantic States and in the Southern States. There is no question, Mr. President, but that we are losing the world market for raw cotton. I have the data here before me, and I intend as briefly as possible to show just the progressive trend of that loss covering a long period. There is no question whatever, in my mind, that if we shall lose a large proportion of the world market for American cotton the loss will amount to an economic catastrophe. It will not only affect the 2,000,000 cotton producers in the cotton-growing States but it will directly affect the entire American population, because the 13 or 14 cotton-producing States constitute a third of the territory of our country, a third of its population, and a third of its market.

We have enjoyed a large portion of the world market in raw cotton for a long period. As late as 1890 we had 70 percent of the entire world market in cotton. That meant, of course, practically the clothing of 70 percent of the people who wear clothes in the world. But today, no long period having elapsed since 1890, only 40 years, one man's active lifetime, we produce and sell less cotton than the other nations. To make an approximation, the 70 percent which we

had in 1890 has been reduced to about 45 percent and is being still further reduced.

There is no reason why we should be in doubt about these matters. The Department of Agriculture has fully informed us. Here is Cotton Leaflet No. 3, issued October 25, 1934, by the United States Department of Agriculture, in which we are informed as to the production of cotton in foreign countries and how it is being increased.

In India, for example, the "cotton acreage has ranged from 11,885,000 acres in 1899", 36 years ago, "to 28,403,000 acres in 1925", an increase of two and a half times. The cotton production in India has risen from less than a million bales, until they were expecting this year 6,000,000 bales, but, due to drought, the crop was cut to five and a half million bales. Nevertheless, there has been an increase of over 500 percent within the period of the lifetime of practically every Senator here. The leaflet states as to Egypt:

During the last 40 years Egypt's annual cotton acreage has fluctuated between 1,036,000 acres in 1895 to 2,162,000 acres in 1930.

An increase of 100 percent, or 1,000,000 acres.

The figures are given as to Russia:

Russia planted 4,843,000 acres of cotton in 1934.

And I have here a publication issued, I understand, under the auspices of the Soviet Republic, which bears the title "Economic Review of the Soviet Union", and is published by the Amtorg Trading Corporation, of New York City. I quote from this publication:

During the past several years there has been a considerable increase in the area sown to cotton and the production of cotton fiber in the U. S. S. R. This growth has resulted both from expansion of old cotton-growing districts in central Asia, Kazakstan, and Transcaucasia * * * and the development of new cotton regions in the Ukraine, Crimea, North Caucasus—

And so forth.

Thus the area sown to cotton in central Asia and Kazakstan rose from 837,400 hectares in 1928—

And a hectare represents 2½ acres—

to 1,491,600 in 1932, while that in Transcaucasia increased by 90 percent.

Here are the figures as to the production in Russia:

In 1913, 230,000 tons of cotton; in 1933, 410,000 tons.

Thus it will be seen that the production was nearly doubled.

I have also here the facts as to Brazil. Brazil is very rapidly expanding her cotton acreage and her cotton production. It leaped from about 500,000 bales last year to 800,000 bales, and those who are best prepared to inform us tell us that Brazil is capable of an almost unlimited expansion of her acreage. The plateaus from which the rivers flow into the Amazon furnish abundant opportunity for the development of cotton land.

I believe I can see something in that matter of real significance. The South enjoyed for so many years a monopoly of the production of cotton because it was surrounded on three sides by deep water. I question whether anywhere else on the globe can be found a great farming area that is surrounded as is the Cotton Belt by such seaports. Going down the Mississippi there are Memphis and Vicksburg; on the Gulf there are Houston and Galveston, Corpus Christi, New Orleans, and Mobile; and on the Atlantic there are Savannah, Charleston, Wilmington, and Norfolk—a great collection of deep-water seaports that open to all the world that tremendous agricultural territory as no other portion of the earth is opened.

Water transportation, I am informed, is about one-tenth the cost of rail transportation. It is safe to say that practically every bale of cotton produced in the Cotton Belt, except a small area within the center of the belt, is within 300 miles of a great port and therefore easily to be transported to all the markets of the world.

That is a natural advantage which tends to give us a great monopoly in a raw material of universal use. That is the biggest stake in America. I would not undertake to say what was the very best thing the American people had, but I am satisfied that any group of economists would say that, economically speaking, the capacity to produce cotton in a great area and transport it throughout the world from ports in close proximity to the farm is one of the supreme advantages of the American Republic.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER (Mr. McCARRAN in the chair). Does the Senator from North Carolina yield to the Senator from Massachusetts?

Mr. BAILEY. Certainly.

Mr. WALSH. Will the Senator state whether or not there has been a decrease in the consumption of cotton throughout the world?

Mr. BAILEY. No; there has not been.

Mr. WALSH. I should like to invite the attention of the Senator to some figures which have been brought to my attention in reference to imports of cotton. The Senator from North Carolina and other Senators from the Southern States, and Senators, including myself, from Northern States where cotton textiles are manufactured, have been protesting against imports of cotton cloth.

Mr. BAILEY. I am coming to that.

Mr. WALSH. I should like to have the Senator confirm these figures, if he will. Information has come to me that 2 years ago the amount of cotton we exported to Japan was approximately 60 percent of its consumption, and that 40 percent came from outside of the United States; but at the present time the amount of American cotton imported into Japan is only 25 percent of its consumption and the amount of cotton which is produced elsewhere is 75 percent. I am glad the Senator is going to approach that subject. I should like to know if he has any explanation for that decrease.

Mr. BAILEY. I shall dwell upon that feature just a little, but I wish to develop further the value of this remarkable location of our cotton-producing belt with respect to the ports which transport the raw material to all the world markets. It lies in the fact that the chief export of the American people for over 100 years has been cotton. The statistical fact is that 22 percent of the total exports of the United States are constituted in just one item, and that is raw cotton. Mr. Peek, of the Export-Import Bank, recently developed the fact that the total net balance of trade in favor of the United States for 100 years in the sum of $34,000,000,000 is accounted for altogether in the fact that within 100 years we have shipped abroad $34,000,000,000 worth of cotton. But for that we would be today, as we were once, a debtor nation, and I suspect would always be destined to be a debtor nation.

Mr. President, I do not care to go at great length into the statistics. I think there may be an opportunity to do so when the remarks would be appropriate to pending legislation, when I should feel much more free to speak. A product of the soil of America, the creation of the labor of human beings who constitute our population, which has brought to us $34,000,000,000, which has made possible one-third of the American market, is of infinite value to the Republic, not just to the South. Now that we see that we are losing this great export market for raw cotton, it ought to be a matter of the utmost concern not only to the legislator but to every human being in the land. It is an amazing thing for us to have had this advantage for the space of four generations and now to be content to remain quiet or to be disposed to lay the flattering unction to our souls that it is not going to happen, when as a matter of fact it has happened, it is happening, and its culmination is not far distant.

Mr. President, I do not believe we are losing this export market for cotton because cotton is selling at a "high" price. The gold price of cotton today is about 6½ cents per pound, and that is below the cost of production. It is not selling at a high price. The argument made here this morning about the pay of the man who produces the cotton, it being suggested that we would have to get down upon the level of the farmer or worker in Egypt or India or China or Brazil in order to maintain this market, is not well

founded for the simple reason that cotton now is produced in the South by labor which is paid no more than is paid to the laborers in the countries I have mentioned.

I do not hear anyone say that many of the tenant farmers of the South are in any respect worthily paid. If in 12 months of labor they get the means to keep body and soul together they are considered fortunate, and every man from the South knows it. When all that a man gets out of his labor in this world is the mere means of keeping body and soul together, I take it he has reached the irreducible minimum of compensation for his labor. I think Senators from the Southern States will bear witness that I do not overstate that fact.

I do not think that is the point of our attack. I desire to go into this matter with a view not to the worker or the farmer, but with a view to the American Union and our economic civilization. We are either going to sit quiet and do nothing about cotton and let the world take the market and confine us to the production of 5,000,000 or 6,000,000 bales where we ought to produce 14,000,000 to 15,000,000 bales, or we are going to address ourselves to the problem. I do not hesitate to say that if it appears necessary to pay a bounty for the production of export cotton, the bounty to be the difference between the world price and the parity price, it would be a magnificent investment for this country to pay the bounty. If we spend billions of dollars to build up the industries of America, it could not be said to be unjust that we should spend millions more saving agriculture in America and preserving the world market for our raw materials.

Alexander Hamilton changed the course of the country with his report on manufactures at the beginning of the nineteenth century. He directed the minds of the American legislators to the necessity for a public policy which would foster industry, and America became for a hundred years industrially minded. If America for the next hundred years becomes agriculturally minded, no mistake will be made.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. BLACK. Of course, when Mr. Hamilton turned the minds of this country toward industry, and suggested the tariff, he also called attention to the fact that in order to compensate the farmer it was necessary that some kind of bounty be paid, just as the Senator has suggested.

Mr. BAILEY. Precisely; and that leads me to make the remark that we resolve the present agricultural problem in terms of parity prices. Parity means that the farmer's dollar shall buy in the market as much as he gets when he sells his goods. The buying power and the selling power of the farmer's dollar should be the same; but that cannot be as long as the farmer buys in a protected market and sells in a world market. Water does not run uphill. The only correction is a bounty on his exports.

I have said all that I intended to say on this point. I desire now to say something about the textile phase of the matter.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. THOMAS of Oklahoma. Has the Senator considered the cotton problem from the standpoint of the fact that the countries producing cotton in competition with America are upon silver standards, which means exceedingly cheap money?

I have before me the New York Times, in which I find these figures, and I will place them before the Senator for his consideration:

Mexico, just to the south of the United States, has for its unit the silver peso. The par value of the peso was 84.40 cents. That monetary unit has depreciated until yesterday it was worth only 27.85 cents, which shows that the Mexican dollar—let us call it that—is worth today less than one-third what it was worth before it fell in value. That shows that the Mexican is today receiving for his cotton, in terms of pesos, more than three times what he received before the Mexican peso was depreciated.

Today, the Mexicans are getting in excess of 45 cents a pound in Mexican money for their cotton; and just across the Rio Grande the Mexican farmers are prosperous, while just north of the Rio Grande they are in depression and the bread line.

Take the next country, India: India has the silver rupee. Originally the rupee was worth 61.79 cents. The rupee has depreciated until today it is worth only 36.34 cents, a depreciation of almost 50 percent.

Take the next country, Japan: Japan has the yen for its unit of money. Originally the yen was worth 84.39 cents. Today the yen is worth only 28.12 cents.

Take Brazil, for example: Originally the milreis of Brazil was worth 20.25 cents. It has depreciated to 6.20 cents.

The same thing is true of every competing country. These countries on silver standards have depreciated their currencies, which means that the farmers of those countries are receiving from two to four times in cents, in their money, what they originally received; and these cents and dollars, so-called, pay their taxes, their interest, and their debts just the same.

So the facts are that in the countries which compete with us the farmers are receiving high prices for their cotton on, of course, a depreciated-currency standard. In America the depreciation in the value of the domestic dollar is not as much as 25 percent.

Does not the Senator see in this situation a possible solution for a further aid to cotton farmers of the South?

Mr. BAILEY. I will answer the Senator briefly. I do not. Perhaps I can. I sit not far from the Senator from Oklahoma, and if I sit at his feet longer, I hope I may master this question as he has. Meanwhile I will ask him a question. Did he ever read the story of the six blind men who went out to examine the elephant? Each one came back with a different tale. I do not know but that there is considerable of analogy between those blind men and the Members of the Senate—I would not say any one particular Senator, but all of them put together. Each one has a different view.

Mr. BARKLEY. I did not know an elephant had more than one tail. [Laughter.]

Mr. BAILEY. There were six tales in the case of this elephant.

Mr. President, I was about to say something about the textile business. We are not only losing the foreign market for our raw material in cotton, but we are also losing our domestic market for our manufactured goods. How can an American manufacturer pay $21 a bale more for cotton than the Japanese manufacturer pays, and then compete with him in the domestic market? That is precisely the fact.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

Mr. BAILEY. Yes.

Mr. THOMAS of Oklahoma. Is it not a fact that Japan is buying her raw cotton from our competing countries, taking the cotton to Japan and processing it into fabricated articles, and then bringing the completed, finished product to America and selling such goods in competition with our textile mills in America?

Mr. BAILEY. That is true, and that is what I wish to stop; and while the Senator is on that point, I may add that Japan has made a bargain with India whereby she takes a certain number of bales of cotton produced in India upon the agreement on India's part to buy 400,000,000 yards of Japanese manufactured cloth.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. BAILEY. One minute—then I will yield to the Senator from Alabama. My point is that the economic base in America is such that no cotton-manufacturing establishment in the land can hope to sell its goods in the domestic markets, and by reason of this handicap are also losing the world market. Now, we are losing the world market for the

raw material on the one hand, and we have lost the world market for the manufactured product on the other.

Mr. WALSH. As illustrated by Japan.

Mr. BAILEY. Yes.

Mr. WALSH. There is a reduction in the amount of exports of cotton, and an increase in the imports of cotton cloth to our own country.

Mr. BAILEY. And I very greatly fear this consequence, and I think it is well worthy of grave consideration: If we maintain the present course, we shall be reduced to the necessity of selling the cotton of the American farmers through the mills of the Japanese.

Mr. WALSH. I am inclined to agree that if we keep on that is the course we shall follow.

Mr. BAILEY. For years we had to depend upon Great Britain, but Japan now exceeds Great Britain in manufactures of cotton. We cannot sell our cotton textiles abroad. Japan can sell hers. We must deal with Japan in order that there may be a market for the product of the men who toil on the farm in North Carolina and elsewhere. They have no other world market, as matters are going.

To my mind, that constitutes one of the gravest of all our problems. It is a present thing, but it will intensify with every month. Shall we wait until the culmination, and then proceed to the policy of palliatives, and create work for those people by public appropriations, or shall we take steps to arrest the fatal process while it is going on?

I now yield to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, I am interested, of course, in the Senator's discussion about the condition of the cotton-textile industry. Personally, I think it is more important to find a new outlet for cotton-textile goods than for raw cotton, because in the former case we get the benefit of manufacturing in this country. I desire to complete the record on one statement the Senator made, however, so that there will be no misunderstanding about it.

Mr. BAILEY. I shall be very glad to have any correction.

Mr. BANKHEAD. That is with reference to the cost which the manufacturers have due to the processing tax of $21 a bale.

Mr. BAILEY. I know what the Senator is about to say.

Mr. BANKHEAD. I assume the Senator has overlooked the fact that the textile mills get a drawback for that $21 a bale on all exported textiles.

Mr. BAILEY. I agree with that. Now let us turn that right around. When we sell cotton goods in the home market we pay $21 a bale more than the Japanese do for the raw cotton; and that has opened the door of every home throughout America to the competition of the foreign manufacturers of cotton goods with the American manufacturers, and we stand today in the presence of the solemn fact that the mills are closing day by day throughout the land. That requires instant action.

Mr. WALSH. Mr. President, the Senator cannot use language strong enough to describe the distressed condition of this industry and to indicate that it is bound to collapse completely if something is not done very shortly.

Mr. BAILEY. Mr. President, I am dwelling on this matter out of order, as I conceive it—I realize that it is not technically out of order—wholly because the able Senator from Alabama [Mr. BANKHEAD] brought the subject forward in a very fine way, with a great deal of intelligence; and, as he talked, these things occurred to me about which I had wished an opportunity to speak. By the time he concluded I decided that I would bring the matter forward.

I spoke about the dependence of 2,000,000 farm operators and their families, 10,000,000 people.

I hesitate to think what will be the consequences as the people find their means of livelihood paralyzed around the cotton mills in New England, in Rhode Island, and the other States there, and all down the Atlantic coast, 400 cotton mills in my Commonwealth, hundreds more in South Carolina, and a great number in Georgia, while, on the other hand, and without any invidious word whatever, the people of the Kingdom of Japan are making a livelihood in this business, while American citizens hold out helpless hands to their Government and beg for daily bread.

Mr. THOMAS of Oklahoma. Mr. President——

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. BAILEY. I yield.

Mr. THOMAS of Oklahoma. Of the 2,000,000 and more people who live in Oklahoma, 1,000,000 depend on cotton for their livelihood. Naturally, I am just as much interested in the cotton problem as is anyone upon the floor of the Senate.

Mr. BAILEY. I am sure of that.

Mr. THOMAS of Oklahoma. I think the Senator will agree with me that the farmers of North Carolina, as well as the farmers of Oklahoma, are forced to produce cotton in competition with the farmers of Mexico, Chile, Peru, Brazil, Argentina, India, China, and other cotton-producing countries. Those countries are all upon a cheap-money standard, a silver standard. In the United States we are on a gold standard. The United States on a gold standard, a high-money country, with a high-valued dollar even yet, is forced to compete in the production of cotton and in the processing of cotton with numerous nations on a silver standard, which is a cheap-money standard.

Now my question. If something could be done in a proper and legitimate way to raise the value of silver, such program would raise the value of the monetary units in the cotton-producing countries, and then if we could reduce the value of our dollar would not such program tend to bring about a more settled and harmonious basis on which we could compete with these silver-using nations? Does not the Senator believe that such a program would afford at least partial relief for the cotton farmers of the United States?

Mr. BAILEY. Mr. President, I will answer the Senator from Oklahoma. I do not think that the American Republic, as great and powerful as it is, has the power to increase the cost of production in India. Let us assume that we lift the value of silver to $1.29 an ounce—and that is the objective of the Senator from Oklahoma. They could at once move off that base and get on a lower one. That would be a process of deflation for those people; it would probably drive them off any money base whatsoever.

I am willing to entertain a possibility, but I do not feel that I am remotely competent and very respectfully I question whether the Congress of the United States has the slightest capacity to affect the costs of production around the world. I am willing to have us attend to our own business here, but I do not know that we can affect such things in other countries.

Mr. THOMAS of Oklahoma. Let me suggest to the Senator that some 2 years ago silver was selling for 24 cents an ounce in the world market.

Mr. BAILEY. Yes.

Mr. THOMAS of Oklahoma. At that time the Indian rupee was tied to the British pound, and the rupee was a very cheap piece of silver so far as its metallic content was concerned; but being tied to the British pound, the value of the rupee was governed by the value of the British pound.

In the past 2 years silver has risen from 24 cents an ounce to 61¼ cents an ounce. By virtue of that rise in the price of silver the silver in the Indian rupee today is practically worth its face value; and if silver continues to rise in value, say 10 more points, then the silver in the Indian rupee, which is their unit of money, will be worth more than its face stamped value. That will force the Indian government to make a readjustment of their financial unit, which is one reason, obviously, why Great Britain is opposed to the American silver program. Great Britain does not want the silver in the Indian rupee to rise to the point where that coin will be worth more as bullion than as a stamped coin.

Mr. BAILEY. The Senator says we would drive the people of India to some sort of readjustment. I agree, and they would make that adjustment to suit themselves. They would

not make it according to the terms fixed by the Congress of the United States.

I would rather deal with something a little bit nearer home, the cotton growers all over the South. I believe we can handle this matter on our own base, without undertaking some sort of a monetary operation with a view to determining the cost of production in Japan or India. I think that is a matter they will determine, not we. I do not understand how we could drive them to an economic organization or regime which they were unwilling to assume. We might take steps to injure them in some way, but that is almost inconceivable. We want to help the peoples of the world, as I understand. I am not entertaining the idea of any retaliation. I would not proceed to deflate the money of the people of India, just as I would resent it and did resent it when other nations pursued policies tending to deflate the situation in the United States. It is wrong wherever done; it is wrong for the United States to do it to the other fellow, and when we do it, let us remember there is retribution in history.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield again?

Mr. BAILEY. Certainly.

Mr. THOMAS of Oklahoma. The Senator suggests that he wants to keep closer home, but the fact is that India and China together contain about one-half the population of the earth, and those two countries afford the greatest outlet for American cotton. Six out of 10 bales that we used to sell went to clothe half the people of the world, residing in China and India.

Mr. BAILEY. And the Senator proposes to provide an outlet for American cotton in India and China by making their money dearer, and that is an impossibility.

Mr. THOMAS of Oklahoma. Mr. President, I propose to use more silver in an effort to help the cotton farmers of the South and the people of the United States.

Mr. BAILEY. I take it from the Senator's remarks that he has retaliation in mind. I am not going to speak or act in terms of retaliation.

Vengeance is mine; I will repay, saith the Lord.

I will leave that to Him. I want to act in a reasonable and a constructive way, and with a decent regard for the rights and the welfare of human beings in whatever clime and in whatever condition they may live. I am not in for war of any sort, commercial or otherwise.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. HATCH. I merely wish to suggest to the Senator from Oklahoma that elements of self-defense are sometimes involved, are they not?

Mr. THOMAS of Oklahoma. Mr. President, if the Senator from North Carolina will yield, from 1920 until 1933 some influence or power raised the value of our dollar from 64 cents to $1.67. The smart financiers in the United States apparently did not know what the trouble was, and have not yet found out. I suggest that when we do find out, perhaps we may be able to take the entire world into consideration and make necessary adjustments so as to promote the general welfare of the people of our own country.

Mr. BAILEY. If those financiers have not found it out, it has not been the fault of my honored and able friend from Oklahoma. If they had read the RECORD, they would have understood it.

Mr. THOMAS of Oklahoma. I do not have much help here or elsewhere.

Mr. BAILEY. It does not take much help. When the Senator from Oklahoma tells them the truth and all about it, all they have to do is to read the RECORD, and I am willing to let them do that.

Mr. President, to resume the course of my argument, and with a view to taking my seat, I have brought out here just the facts about the loss of world trade in raw cotton notwithstanding our incomparable advantage through producing a superior article and have extraordinary shipping facilities. I have also brought out the fact that at the present moment we are losing our export trade in manufactured cotton.

We have heard it said on the floor of the Senate more than once that the people of Japan have shipped into this country within 60 days of 1935 more of textiles than they did in the 12 months of 1934. We cannot stand that. We cannot see our mills closed. We must take steps to prevent it. Certainly we are not asking much for ourselves when we say that every cotton-mill wheel in the United States shall turn for the benefit of American workmen with respect to the domestic trade rather than for the benefit of any other workers whatsoever. That is not retaliation. That is intelligent self-interest. That is common sense.

I conclude with just this: I have a statement here of the index numbers of the quantum, price, and value of the foreign trade of the leading countries for several years. I shall start with the figure "100" as the standard in 1929. United States export trade was at 100 in 1929. Today it is at 56. The United Kingdom's trade, 100 in 1929. In 1933 they were at 64 and today they are at 70. Compared with us constantly going down, they are constantly going up. France, 100 in 1929. France in 1933 had gone down in her export trade to the point of 60. Italy, 100 in 1929, and now 53. And Germany, 100 in 1929, and now 65.

The United States has made less of recovery of her lost foreign trade from 1929 to 1934 than Great Britain or France or Italy or Germany.

Take that in the matter of price, the matter of value, take it with respect to imports and exports, and Senators will be amazed to see how the other nations have been recovering their lost foreign trade while we have been losing our own.

I had reason the other day to examine and submit to the Committee on Agriculture statements of the losses of foreign trade in the matter of agricultural products, and in every product that we ship abroad we have suffered severe losses in the last 12 months.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. BARKLEY. Does the Senator think that our attitude previous to that time toward other nations which resulted in obvious retaliations against us by them has had any part in the loss of our markets?

Mr. BAILEY. I am glad the Senator asked that question, and I hope I may plead it by way of exoneration for not taking my seat sooner. I heard a great deal and read and thought a great deal about the effect of the Smoot-Hawley bill. I am sure that is what the Senator from Kentucky has in mind. I think it did build up a tremendous resentment throughout the whole world against us. I think it was one of the most unfortunate pieces of legislation that ever was enacted. I remember reading the statement of the leader on the other side that once that bill was passed we would be out of the depression in 30 days, and if I am not mistaken, it is certainly my recollection, that within 30 days after the bill had passed at least 30 foreign nations had retaliated against us. I do not think, however, that the present situation relates to that altogether. I think the present situation is one of universal competition in the most intense degree. Whatever may have been the causes 3 and 4 and 5 years ago, those of us who are now responsible have got to deal with the consequences as they are. We cannot go back and correct what was done in 1930. We have got to take the step with the situation as it is, and I have brought forward this matter of cotton and textiles and agricultural exports only because I see not only no recovery in those respects, but ever-increasing disaster, and I am deeply convinced that we ought to address ourselves to these things while the fatal process may be arrested.

I ask to have printed in the RECORD at this point the report from the League of Nations Bulletin on World Trade and Official Reports of the Respective Countries with regard to the index numbers of quantum, price, and value of the foreign trade of leading countries.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Index numbers of quantum, price, and value of the foreign trade of leading countries

	Imports			Exports		
	Quantum	Price	Value	Quantum	Price	Value
United States:						
1929	100	100	100	100	100	100
1930	85	82	70	81	90	73
1931	75	63	48	67	69	46
1932	60	49	30	52	59	31
1933	66	49	33	52	62	32
1934 (10 months, January to October)	65	57	37	56	72	41
United Kingdom:						
1929	100	100	100	100	100	100
1930	98	88	86	82	96	78
1931	101	71	72	63	86	54
1932	88	66	59	63	80	50
1933	90	63	56	64	78	50
France:						
1929	100	100	100	100	100	100
1930	108	85	91	89	96	86
1931	106	70	74	76	80	61
1932	89	59	52	59	68	40
1933	93	54	50	60	62	37
Italy:						
1929	100	100	100	100	100	100
1930	93	87	80	95	84	80
1931	80	67	54	99	68	67
1932	72	53	38	77	58	45
1933	73	47	34	79	50	39
Germany:						
1929	100	100	100	100	100	100
1930	89	87	77	95	94	89
1931	74	67	50	86	83	71
1932	70	50	35	59	72	43
1933	69	45	31	56	65	36

Source: League of Nations' Bulletin on World Trade and Official Reports of the Respective Countries.

ON THE COMPLAINTS OF THE DEMOCRATS

Mr. LONG. Mr. President, I had not intended to interrupt this discussion on the cotton question. It grieves me, however, to see the lack of understanding of some of my Democratic colleagues on the cotton question and on other questions.

To begin with, we do not need the market of Japan for cotton. We do not need the market of India for cotton. We do not need the market of England for cotton. The United States today needs 25,000,000 bales of cotton. I am not going to explain why, because I have taken too much time on other days to tell Senators why. There is a demand in the United States today for 25,000,000 bales of cotton. That is not only true of cotton. That is true of other commodities. The people of the United States in order to be in a normal condition today need to consume 25,000,000 bales of cotton.

My friend the Senator from Massachusetts [Mr. WALSH], where they make toothbrushes and shoes, finds that on the streets of Boston today they are selling a Japanese toothbrush and they are selling foreign-made shoes. Notwithstanding the fact that they are making them in Boston they are selling the foreign-made goods in Boston.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. WALSH. Only this morning my attention was called to another commodity which is being imported into this country from Japan in very large and increasing quantities, and which is manufactured in my State and in other States of the Union. It is a very simple article—shoe laces. The amount of shoe laces imported from Japan to this country in July of 1933 was 420 gross per month. This past year the average of shoe laces imported from Japan to this country was 10,000 gross per month.

It may interest the Senator to know that although there is a tariff duty of 90 percent on those shoe laces and though the importers paid that tariff duty and paid the Japanese manufacturer, these shoe laces are sold in the chain stores of this country for 1 cent a pair, while no manufacturer in this country can produce them and sell them at less than two pairs for 5 cents.

That is in addition to what has been said here so ably a short time ago by the Senator from North Carolina [Mr. BAILEY] about the imports of cotton cloth, which has resulted in creating a condition that I have never seen before in the 20 years of my public life—an entire industry panicky.

I have letters which I put into the RECORD today in which they refer to the possible collapse in the near future of this industry. I hope Senators will read these letters. I sat in with a group of industrialists from the Southern States which are supposed to have advantages over the northern producers, 2 weeks ago Saturday, who stated that if something is not done in 3 months there will be 500,000 textile employees added to the welfare rolls of this country.

I am glad the Senator from Louisiana [Mr. LONG] is raising his voice to help us get some action and obtain remedies to prevent the collapse of this industry. If it comes it is going to seriously impair the whole recovery program, because if this industry collapses the many industries depending upon it will collapse.

Mr. LONG. The Senator described conditions affecting that industry. The facts are that nearly every American industry is in that same condition, which will be found if we will just dig deep enough. What is the trouble? We have a very difficult time getting Senators to be consistent. The first trouble is that our markets have been taken away from us. The second is we are not consuming in America what the people of America are begging to have. We have enough people in America today who would consume every product which is raised or manufactured. At the most, Mr. President, the foreign business never did amount to more than 10 percent of the American business, and it never was that much. Of our entire business in America that which was due to foreign trade was never in excess of 10 percent. That is a recognized figure. But we undertook to carry on a certain foreign trade. I never have been so wild about that foreign trade, although I am from a cotton country.

I have never been very wild about our foreign trade, because I have realized that the time was coming when Egypt was going to plant cotton; so was Russia; so was Turkey; so was Brazil. There is no question about the fact that long before I came to the Senate we imposed a tariff on long-staple cotton, and I stated on this floor when I was trying to get a tariff on oil that the time would come when we would have a tariff on short-staple cotton; and that time is coming. southern Senators need not fool themselves. We will have to put a tariff on cotton, just as certain as we are living. Short-sighted southern statesmen who have been clamoring for free trade, in the imaginary belief that always there would be cotton which had to have a free-trade market, will wake up, if they have not already awakened, and find out that other countries are going to be able to produce cotton cheaper than can America.

Now, getting to the point that the Senator from Massachusetts covered, certainly foreign nations are underselling us. Why? Their currency is one thing; the lower cost of their labor is another; the lower cost of their water transportation is another.

As an example, we have had the Interstate Commerce Commission operating in the United States, but it has never been known, since it was created, to lower a freight rate. Yet Senators keep wanting to put matters under the Interstate Commerce Commission. For 11 years I was a member of the Louisiana Railroad and Public Service Commissions, and never did I have occasion to go before the Interstate Commerce Commission when the net result was other than to get a higher freight rate in the interior of the country.

At Waterloo, Iowa, as an example, there was formerly, as I believe the Senator from Missouri [Mr. CLARK] told us here one day, a great cream separator establishment. Why did it not continue? When the Panama Canal was constructed such an advantage was given to coast points that the interior could not meet the transportation cost.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I gladly yield, and more readily to the Senator from Missouri than anyone else in this body. [Laughter.]

Mr. BARKLEY. Why the discrimination?

Mr. CLARK. I will say, so far as the illustration used by the Senator from Louisiana is concerned, that at Waterloo, Iowa, they formerly had not only a cream-separator factory but also a gas-engine factory and 8 or 10 other great factories which were put out of business, largely by the construction of the Panama Canal.

Mr. LONG. That is my understanding. I remember having read a speech of the Senator from Missouri about the cream separator, but I assume it applied to many other businesses.

The Interstate Commerce Commission, Mr. President, has practically destroyed the railroads in the interior of the United States with their rate-making and railroad-regulating policies. They have raised the interior freight rates to the point where one can hardly carry on business, notwithstanding the fact that somehow or other the railroad rates have been adjusted on the coasts to meet water competition, and they have, none the less, made a profit. We just fiddle around——

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. DICKINSON. Before the Senator leaves the tariff issue——

Mr. LONG. I am coming back to it.

Mr. DICKINSON. I wish to refer to subsection (e) of section 3 of the National Recovery Act, which reads as follows:

(e) On his own motion, or if any labor organization, or any trade or industrial organization, association, or group, which has complied with the provisions of this title, shall make complaint to the President that any article or articles are being imported into the United States in substantial quantities or increasing ratio to domestic production of any competitive article or articles and on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of any code or agreement under this title, the President may cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this subsection, and if, after such investigation and such public notice and hearing as he shall specify, the President shall find the existence of such facts, he shall, in order to effectuate the policy of this title, direct that the article or articles concerned shall be permitted entry into the United States only upon such terms and conditions and subject to the payment of such fees and to such limitations in the total quantity which may be imported (in the course of any specified period or periods) as he shall find it necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any code or agreement made under this title.

So the responsibility is laid down at the door of the White House.

Mr. LONG. The point is that that is about the only half-sane provision which was written into that entire law.

Mr. DICKINSON. I concur in that view.

Mr. BARKLEY. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. Can the Senator from Louisiana or the Senator from Iowa tell us whether any such complaint as is referred to in the language quoted as a basis for action on the part of the President has been filed with him?

Mr. LONG. Yes; I can tell the Senator; and I want my Democratic and Republican friends to listen, because it is "A plague o' both your houses" when it comes down to just what they did. We followed that up; we put in the N. R. A. law the provision that the President could lift higher the tariff wall or prescribe an embargo in order to prevent foreign-made goods or materials from breaking down the American market. Then, after we had gotten that finally signed, the ink had hardly become dry when the administration came along with the reciprocal tariff law to allow them to lower the wall. I never did know why we had to bite them both off. We gave the President the power we found to be necessary to raise the tariff wall, and the next thing we gave him the right to lower the tariff wall. In other words, it is kind of like the old man who said he did not know whether Peary discovered the North Pole or not, because Peary did not meet anybody coming back from there. [Laughter.]

So we have two kinds of authority in the hands of the President, one going to the left and one going to the right, and he zigzags. We are zigzagging. At one time we go to the left and the next time we go to the right. It brings to mind the story of the colored man out on no man's land. The captain had told him to zigzag and zigzag, and when he came back he had been shot up pretty badly; and the captain said, "Did I not tell you to zigzag?" He replied, "Yes, Captain; but I believe I must have zagged when I ought to have zigged and zigged when I ought to have zagged." [Laughter.]

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. LONG. I yield.

Mr. BARKLEY. I asked the Senator a moment ago whether he or the Senator from Iowa could point to any case where an application under the National Industrial Recovery Act had been filed with the President upon which action could be taken. I am asking for information, and if the Senator knows of a case where a complaint has been made to the President and he has refused to institute the investigation provided for or the action provided for, I should like to know it.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Massachusetts?

Mr. LONG. I yield to my friend from Massachusetts.

Mr. WALSH. I understood that the President did act upon one petition presented to him and did limit the amount of imports of cotton rugs, which are manufactured both in the South and in the North. I know his attention has been called by the textile manufacturers to the increasing importations of cotton cloth from Japan and its effect on reducing the sales of the domestic producer in the domestic market. It is possible the matter did not reach the President's attention until shortly before he left Washington.

Mr. BYRNES and Mr. BARKLEY rose.

Mr. LONG. I do not want to yield any further to have other Senators engage in arguing among themselves. I should like to conclude my speech, as it will be very short.

Mr. BARKLEY. With that understanding, I will not ask the Senator to yield any further.

Mr. LONG. I do not want three Democrats to become engaged in an argument, because I do not want the harmony of the party disturbed. [Laughter.] I am trying to reconcile them; I am trying to strike a note of harmony on the Democratic side. As the Chair knows, I am a leader of the Democratic Party; I am one of its titular leaders at this time and expect to be for a while yet. [Laughter.]

Mr. CONNALLY. Did the Senator say "kickular" leader?

Mr. LONG. Yes; both "kickular" and titular; I have been on the receiving end of the former. [Laughter.]

However, the Senator from North Carolina tells us that we lost the world market for one reason; the Senator from Massachusetts tells us that we lost the domestic market. In other words, we gave the President authority which I did not want him to have. It was foolishness to have intrusted him with such authority; if we did not know how to exercise it, we ought not to have expected him to know how to exercise it. I never did believe in that kind of legislation, and I do not believe in it now. I think it is unconstitutional. I care not that the Supreme Court by a 5-to-4 decision approved the first flexible tariff law provision; if I had been on the Supreme Court it would have been 5 to 4 the other way, because that law, in my opinion, never was constitutional, and many United States Senators felt the same way about it; but we finally wound up by giving the President more authority. He has a right to protect the domestic market, and he has a right to open up the foreign market. According to what has been said on this floor, he closed the foreign market and then closed the domestic market, and we lost them both. That is what we Democrats allege to be the fact.

I am not going to say that there was a mistake in the statements of the Senator from North Carolina and the Sen-

ator from Oklahoma and the Senator from Massachusetts, because I think all of them are stating the facts, and they are proving about what some of us reasonably sane believers in a sound tariff policy said on the floor of the Senate when we embarked upon this game to go both ways and lose both routes.

Mr. BARKLEY. Mr. President, I do not want to ask the Senator to yield and interrupt his remarks, but I should be glad if he would yield to me for a moment with reference to the matter to which the Senator from Massachusetts called attention.

Mr. LONG. I yield.

Mr. BARKLEY. I think, in order to be fair, it ought to be stated in the RECORD that only on the 28th day of March was a complaint filed with the President on the part of the Cotton Textile Institute. That complaint was referred to the Tariff Commission and is now pending before the Commission. That was only about a week ago, and up to that time no other complaint had been filed with the President with respect to cotton cloth.

Mr. WALSH. I did not know the exact date, but I did know that complaint had been made. I myself, on March 16, wrote an open letter to the United States Tariff Commission calling attention to the situation.

Mr. DICKINSON. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Iowa?

Mr. LONG. I yield.

Mr. DICKINSON. I wish to suggest that the language of subsection (e) of section 3, which I previously read to the Senator, provided that "on his own motion" action may be taken. If the situation suggested by the Senator from Massachusetts exists in various industries, action can be initiated on the part of the President himself; he does not have to wait.

Mr. LONG. That is true, but the President might not find the trouble. As it stands the President has a right to correct it without somebody else asking him to do it, but the President might not find it out. The fact of the case is that if I was down on Mr. Astor's $5,000,000 yacht I probably would not find out about it either. If he were out in the cotton fields, he would learn about it. We cannot expect a man to find out something when he has no opportunity to be told about it. I am making that defense for the President.

Mr. FRAZIER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from North Dakota?

Mr. LONG. I yield.

Mr. FRAZIER. In reply to the question of the Senator from Kentucky, let me say that the question of the importations of rye has been taken up with the President, having first been taken up with the Tariff Commission.

Mr. BARKLEY. Does the Senator speak of rye in the grain or liquid form?

Mr. FRAZIER. Rye, I said. It is called rye in our section of the country, and it is in grain form.

Mr. BARKLEY. Whatever it is, if it is from Kentucky it is of a superior quality.

Mr. FRAZIER. Rye is being imported from Poland and other countries in quite large quantities. We found there was a 30-cent bounty paid by the Government of Poland. We found previous to the last tariff law that where imports are coming in and a bounty being paid upon them, the Secretary of the Treasury can raise the duty equal to the amount of the bounty plus the already existing duty. We took it up with the Treasury Department, but could not get any satisfaction. We were told that the Antidumping Act was not being violated, but they ignored that provision of the tariff law in regard to bounty.

The only argument as to why they did not undertake to stop the imports of rye from Poland on which a bounty was being paid, and thus forcing down the price of rye in this country, so the farmers could not make any money out of it, was that we sell more products to Poland than we buy from them, and therefore it was not desired to disturb that trade arrangement. Poland is now delivering rye at New York ports at about 54 cents a bushel, which is far under the American cost of production. It could not be done unless a bounty was paid there by the Polish Government.

Mr. LONG. I thank the Senator from North Dakota. There is just this difference between the two policies in this respect. Poland pays the farmer a bounty to ship products to a foreign country. We pay our farmers a bounty to bury them. That is the difference. Poland pays a bounty to ship rye from Poland to the United States. We pay a bounty to burn it up. That is the difference. We pay a man for hogs if he proves he did not raise hogs. We pay a cattle raiser for cattle he did not raise if he proves he did not have as many cattle this year as he had last year. We pay for the cotton if the cotton farmer shows he plowed it under. That is the difference between the two systems. As a result, today there are being shipped into this country Polish rye, Japanese shoestrings and toothbrushes, foreign-made shoes, and the American workingmen—not 11,000,000 of them, as we have been told by the statistics—

Mr. LEWIS rose.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LEWIS. No, Mr. President. I was under a misapprehension. I was assuming the eminent Senator from Louisiana was about to take his seat. I would not deprive the Senator of a continuance of his discussion.

Mr. LONG. One reason I have not concluded my speech is because the Senator from Illinois has just come into the Chamber and I was kindly repeating a part of it because I was anxious that he should understand it.

Mr. FRAZIER. Will the Senator yield again?

Mr. LONG. Certainly.

Mr. FRAZIER. According to figures which come from one of the departments of the Government, a little over 51 percent of the imports last year, 1934, were agricultural products—51 percent of all the imports brought into the United States.

Mr. LONG. Fifty-one percent of the imports?

Mr. FRAZIER. Yes; 51 percent.

Mr. LONG. In other words, we are trying to cure the condition of an overplus in our American market, but what have we done, according to the figures the Senator from North Dakota has given me? I know he has made a study of the matter. Of all the imports into the United States, 51 percent are raw agricultural products. I was told in my home city of New Orleans that one of our distinguished statesmen clapped his hands and jumped up in jubilee when he saw them bringing in again the meats of Argentina and the wheat of South America. In our own State of Louisiana we were killing cows and paying the people to get rid of the surplus.

What I was trying to bring out when I yielded to numerous interruptions was this thought. Here is our trouble. I do not need to go anywhere except to invite attention to all that has been said here and what has been pointed out here. We need to protect the American market for our domestic products. I mean by that, we need to protect our domestic market. That has to be done first. The country must control its own market.

With 11,000,000 men out of work, as it is said we have, though I maintain it is 21,000,000 to 22,000,000 men out of work, and I shall prove it by figures in just a moment—with all these men out of work, increased idleness is being enforced in this country due to the fact that foreign competition is allowed recourse to the American market so we not only cannot reemploy the American men who are now walking the streets, but they cannot themselves expect to be supported very long by their brothers who are employed, because what markets we have left are being taken away from the laboring men of America. The laboring men of America cannot get work to make American products to sell to the American people themselves, due to the simple fact that Japan can take a bale of American cotton, ship it to Japan, manufacture it, and send back the manufac-

tured articles to the United States and undersell anybody in the United States on such manufactured products.

That is the kind of situation we are facing. We keep talking, as my friend from Maryland [Mr. TYDINGS] was talking yesterday, about world trade, notwithstanding the fact that if he would look around in Baltimore he would find that foreign countries are selling in the department stores of Baltimore the very products which would put his own people to work in Baltimore if it were not for the fact that foreign competition undersells the American producer.

That is one point. We need to protect the American businessman in the American market, so that he can sell in his own market what he produces.

We cannot put an elephant through a keyhole. That cannot be done. It is not possible to make 200 fit into 100, nor is it possible to make 200 fit into 5. We have a debt structure in this country of $252,000,000,000. We have $6,000,000,000 in currency. That debt structure has practically destroyed interchange in commerce among the Americans themselves. We have been crying not only for the foreign market—I will come to that in a moment, because I agree with what the Senator from Oklahoma [Mr. THOMAS] said—but in order that we can have an interchange in America there has to be something done in two ways:

We have got to provide a means to lower the debt structure. An indebtedness of $252,000,000,000 means $2,000 for every man, woman, and child. It is an impossibility for the American people ever to pay $252,000,000,000 of debt with $6,000,000,000 of currency with which to pay it. That is an impossibility.

India, China, Japan—60 percent of the people of the world—use silver as the yardstick for money. If we want to get into those foreign markets, we have got to take up America's own metal, silver, which primarily was an American product, and get this country to a point where it does not fiddle around with silver, but where once and for all silver shall be a medium of exchange as it was prior to 1873, when it was unconstitutionally taken out of the category of passable money.

These are the three primary objects. Then comes a fourth and overpowering object, which is as follows: The American people still have nearly all the wealth they ever had. I read Mr. B. C. Forbes' article on America's Wealth Which Has Disappeared. As a matter of fact, our wealth has not disappeared. The land has not disappeared. The buildings have not disappeared. The railroads have not disappeared. The wealth of the earth, the wealth in the earth, the wealth on the earth, the wealth in the water, is all still here. The raw materials are still here and all other things are here in abundance. America today, substantially speaking, from the standpoint of its intrinsic worth, is worth just as much as it ever was.

However, Japan does not know there is a depression in America. Japan thinks there must be mighty good times in America, because the markets of America seem to be open to the products of Japan. Japan thinks this country must have prosperity, judging by the amount of materials she has been selling to the United States, whereas our wealth is actually here but it cannot be assimilated and used for American commerce. Why?

I started out by saying that we needed today for domestic consumption 25,000,000 bales of cotton. Where do we need it? We need it to put bed sheets on the beds in this country where they have not any sheets and have not had them for years. We need it to put some new mattresses on the beds that have not had them. We need it to put some rugs on the floors of the people who have stopped buying rugs because they cannot buy them. We need it for window curtains. We need it to make five or six dresses available for every female child and two or three suits of clothes for every male child in this country. There is a demand in the United States today that would consume 25,000,000 bales of American cotton if Americans could buy cotton; but we may go on with all the other things I have mentioned, and if Congress neglects one thing, nothing is going to do any good. The income is not in the hands of the consumers. The man who needs to buy shoes has not the income with which to buy shoes. The man who needs to buy clothes has not the money with which to buy clothes. The man who needs to rent a house has not the money to pay rent. There is the income, there is the property, there has been the prosperity, but until Congress decides that it is going to do something to provide that the income and wealth of America shall be placed back in the hands of the people who could consume American products we shall not be able to buy our own domestic products, and we shall gradually be reaching out, trying to buy some product made by slave labor because our own domestic earnings are insufficient to buy the products produced by our own labor.

So Congress has been fiddling, and the President has had us fiddling. The President sends us down a new instrument, and we put a bow on it, and we put a few more strings on it. We send him one instrument to play to lose the foreign markets, and we send him another instrument to play to lose the domestic markets, and they are both rigged up that way, and America has not 11,000,000 unemployed; America today has twenty-one and a half million unemployed breadwinners. I will prove that statement.

In 1929 the income of the American farmer was just twice what it is now. The American farmer is, at the very least, 50 percent unemployed; and if we consider that 22,000,000 American farmers, having only one-half their former income, are thereby, on the basis of income, 50 percent unemployed, we have 11,000,000 industrially unemployed, and we have 11,000,000 agriculturally unemployed; and at the very least from twenty-one to twenty-two million American breadwinners are in the unemployed ranks today, as a result of what? As a result of the fact that those very people cannot find the means of buying the very things they need, which they are desirous of producing, but which this abominable conglomeration and derangement of the alphabet is supposed to correct, and which it is not correcting, and never will correct.

The next bill we shall pass here will afford no relief. The Senator from Oklahoma [Mr. THOMAS] was one of my compatriots when we were trying to legalize the use of silver as money. We fought here for a good while to try to have that done; and one day, while I had gone to New York, and my friend from Montana [Mr. WHEELER] and my friend from Oklahoma [Mr. THOMAS] were left here, I read in the New York newspapers that they had compromised the matter, and that the President had called my friend the Senator from Oklahoma [Mr. THOMAS], who was really our leader on the inflation question, to the White House in order to make peace with him and to provide what we needed in the way of currency. I was so happy when I read of the fact that the Senator from Oklahoma had been sent for by the President—I was up there in New York by myself—I was so happy when I read that good news that I felt that something good was coming from this business.

Lo and behold, we came in here, and I guess the Senator from Oklahoma got all he could. I am a better horse trader than he is. I think I would have hung out a little longer and got a little more; but he came in here and got a pretty good-sounding bill. He got a bill that authorized the President to remonetize silver if the President wanted to do it; he got a bill that authorized the President to expand the currency if the President wanted to do it; and he got a bill that authorized the President to cure the whole thing, top, side, and bottom, provided the President wanted to do it; but we started out with $6,000,000,000 of merchantable money, and today we still have about $6,000,000,000 of merchantable money; have we not?

Mr. THOMAS of Oklahoma. It is less than five and one-half billion.

Mr. LONG. It is less than five and one-half billion? Then we lost something instead of gaining anything.

Mr. THOMAS of Oklahoma. Mr. President——

Mr. LONG. I yield to the Senator.

Mr. THOMAS of Oklahoma. We have lost three-quarters of a billion dollars of money since we started to make money more plentiful.

Mr. LONG. The next time we have a trade, I am going to get the Senator from Oklahoma to let me go down there with him. [Laughter.] We may not gain anything, but the only thing we shall lose will be ourselves. In other words, we came along here with the President yielding to us. He was supposed to have put his chin in his hand and said, "Well, boys, you have the votes in the Senate. I am going to yield", and we started out with $6,000,000,000 in money, and today we have three-quarters of a billion dollars less money than we had before we made that compromise.

So the thing for us men to do is to stay out of the White House. Do not fool with a man who is smarter than you are, Mr. President! Never do that. I feel like telling again where I got that instruction, but I wore it out here on the floor of the Senate. I was taught by my grandfather that a man should never let another man stay around who is smarter than he is. If you hire a man to work for you who is smarter than you are, he will have you working for him if you keep him around very long. So the thing for Congress to do is to decide that it will write out that A is A, and B is B; not that A is A provided the President wants it to be A, not that B is B provided the President says it is all right, but the Congress ought to write out that A is A and B is B. Otherwise, what good are we going to do? We started with $6,000,000,000 of money, hoping we would get about twelve billion—and that is about what we ought to have in this country right now; at the very least, we ought to have twelve billion—and, instead of that, we have three-quarters of a billion less than we had when we started out.

Mr. MOORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from New Jersey?

Mr. LONG. I do.

Mr. MOORE. I was wondering if the Senator from Louisiana had introduced a bill, or a series of bills, to correct all the evils of which he speaks.

Mr. LONG. Yes.

Mr. MOORE. I should like to vote for them if I knew what they were. I do not like to sit here and listen to this list of evils and do nothing about it.

Mr. LONG. If the Senator from New Jersey will vote for it, that is another vote we will get. I have not quite enough votes yet. That is a good diversion, however. I did not expect to get the Senator's vote so early. If my logic has changed him, I intend to keep talking, so that I will change another one.

Mr. MOORE. If it can be called logic. I am a new Senator, and I should like to get somewhere without wasting time.

Mr. LONG. The Senator ought not to be so optimistic. I have been here 3 years, and we have been going back the other way every day I have been here; so the Senator is overoptimistic.

Mr. MOORE. Perhaps that is the reason.

Mr. LONG. Mr. President, instead of having started out with $6,000,000,000 and having it sweated down to less than five and a half billion dollars, we have a right to expect to go the other way; and we shall have to go the other way if we are going to do any good in the United States.

There is another bill here which I should like to call to the attention of my friend from New Jersey. We have a soldiers' bonus bill here. That would not only pay the soldiers' bonus but it would give the country $2,000,000,000 more money that is sadly needed by other enterprises. That is one of the bills that ought to be passed; but what are we doing? We are passing a $5,000,000,000 joint resolution authorizing the President of the United States to spend $5,000,000,000 more between now and the next election, or during the election, whichever time you call election time. We are giving him $5,000,000,000. Where is that $5,000,000,000 coming from? The Treasury Department is going to issue bonds. That $5,000,000,000, if the bond interest should amount to 4 percent, will mean that much more annual interest to be paid out of a constantly decreasing stock of money. We shall have to turn the little five and a half billion dollars over in order that we may pay the interest on that amount of money that we are going to spend, represented by bonds that we are going to owe. So where are we going?

The Senator from Maryland [Mr. TYDINGS] is complaining. He is a Democrat. The Senator from Massachusetts [Mr. WALSH] is complaining. He is a Democrat. The Senator from Alabama [Mr. BANKHEAD] is complaining. He is a Democrat. The Senator from Oklahoma [Mr. THOMAS] is complaining. He is a Democrat. I am complaining. I am a Democrat. Are we going to stand here and complain and complain and complain and confess that what we did last year was wrong, and what we did year before last was wrong, and what we are doing now is wrong, and keep going deeper into the chasm of distress and bankruptcy and national insolvency? Are we going to keep yelling, "We are going to ruin! We are going to ruin! We are going to ruin!" and marching just as fast into the jaws of hell as our feet can carry us? Is that what this logic means?

Why have the speech of the Senator from Maryland that it is all wrong and have his vote the other way? Why have the speech of the Senator from Alabama that the thing is all wrong, and have his vote the other way? Why have them tell us that when we authorized the President to raise the tariff wall and let the foreign goods come in and when we authorized him to restore the foreign markets he closed them up, and then vote to give the President power to do something else? Why does not the Congress of the United States take unto itself responsibility?

There was a time, when we hired a captain and sent him out with a ship and he tried for about 3 or 4 years to make a voyage and could not make it, that we would go back and decide to hire another captain and see whether or not he could make the trip; but this is not even that good a chance. This is a case in which the Congress of the United States was given by the American people a duty to perform, and the Congress of the United States held up its hands and said, "Oh, no; the President does not think we are competent to perform this duty assigned to us by the Constitution of the United States. He does not think we know how to handle this thing. He told us to give him the authority to handle it in order that it might be handled more expeditiously, and we have given that authority", with what results? Not the results I am complaining about today, but the results that the Senator from Alabama [Mr. BANKHEAD] is complaining about, the results that the Senator from Maryland [Mr. TYDINGS] is complaining about, the results that the Senator from North Carolina [Mr. BAILEY] is complaining about, the results that our party is complaining about. Those are the kind of results of which I think the Congress should take stock and should reckon with itself on whether or not we ought to begin to see reason or make a serious effort at legislation.

We have not adopted any legislation since we Democrats came into power. I want to repeat that statement, for fear somebody may contradict it. We have not passed any legislation since the Democrats came into power.

It may be said that we passed the N. R. A. Act. That is not legislation. That was a bill authorizing the President to do something if he wanted to do it. He could have taken the standing Army and done the same thing. He did not need to have an act of Congress, in my opinion. One method would have been just as constitutional as the other, and, according to my belief, the Attorney General thinks that it would have been just as constitutional for the President to have taken the standing Army and do as he has done as it would have been for us to pass the N. R. A. bill, because the minute the N. R. A. law got to the Supreme Court of the United States, where it was going to be held unconstitutional, the Attorney General withdrew the case from the court in order to keep the court from passing on the law.

Mr. President, that is the kind of expedient we are condemning. I am afraid that my leader, the Senator from Arkansas [Mr. ROBINSON], who came into the Chamber after I had started speaking, may think that I am criticizing the administration. I am simply summing up the criti-

cisms which have been made against the administration, and giving my explanation of them.

To sum up, we are all complaining. The whole Democratic Party is in revolt against its own administration. We are all complaining that the N. R. A., and the A. A. A., and all other derangements of the alphabet have failed to deliver the goods. We are all complaining that our domestic markets are lost. We are all complaining that our foreign markets are lost. We are all complaining that we have not the means of reducing the debt. There is a constantly rising tide of complaint. And what is the recourse? The recourse is for the United States Congress, in session duly convened and assembled, to take unto itself the duty devolved upon it as a result of the Constitution of the United States, and enact legislation pure and simple, specific and to the point, arbitrary, if you may call it such, providing—

No. 1. That the wealth and income of the United States shall be spread among the people.

No. 2. That there shall be enough money to discharge the debt structure.

No. 3. For the protection of our domestic markets.

No. 4. For getting what we can from the foreigners after these others things are done.

LOUISIANA'S CONTRIBUTION THAT HAS SPREAD INTO A PLAN FOR AMERICAN RESTORATION

Mr. LONG resumed and concluded his speech begun by him on yesterday, which entire is as follows:

Wednesday, April 3, 1935

Mr. LONG. Mr. President, I desire to take about 5 minutes to present to the Senate something which has required 5 years of very serious study, and which, before we close the doors, I hope to have called to the attention of the Senate.

This morning, in the city of Washington, it is raining mud. The clouds are not sprinkling rain water alone; the rain water is mixed with mud resulting from the dust gathered hundreds of miles west of the Mississippi River. That condition, I understand, extends as far as the Atlantic coast.

In the years 1927 and 1928, when Congress had before it the question of flood control, any number of plans were tentatively proposed; and finally Congress adopted what was known as the "Jadwin plan." I was called to Washington as the Governor-elect of my State because of differences existing in the Louisiana delegation; and we agreed, with certain reservations, to undertake to secure the passage of the Jadwin plan, hoping later to secure its amendment.

In 1928, in the State of Louisiana, we undertook, through the State government, after I had become the Governor, to propose to the United States a plan for flood control. In other words, we proposed a comprehensive plan to care for the water in order that the lands of Louisiana should not be used as a floodway for the waters of the North, particularly in the springtime when the ice and snow begin to melt. So we got up a rather comprehensive plan which we called the "Louisiana plan." Later it was named, I think, the "Jacobs plan", because Mr. Jacobs was our chief engineer.

As a result of the presentation of that map, the Congress of the United States and the War Department later were led to make a study of the problems of the waterways, also the matter of irrigation and of navigation and of the generation of power; and this year a comprehensive study of the whole question was completed. It was presented in a volume which I have in my hand, which is entitled "Projects for the Development of Rivers and Harbors, Summarized From Reports by the Corps of Engineers to the Congress."

There is presented here, in the first part of this pamphlet, a map charting the country, with proposals for the control of all the waters, all the rivers, and improvements for the purpose of handling rainfall and the ice and snow which melt in the spring; so that in carrying out the Louisiana plan of 1928 and 1929 the engineers have proposed to the Congress of the United States arresting, impounding, and scattering the flood waters of the North throughout such States as Montana, North and South Dakota, Nebraska, Kansas, Oklahoma, Colorado, Minnesota, Iowa, Missouri, Arkansas, and various States east of the Mississippi River.

That plan is so comprehensive that if it had been adopted a few years ago we should not now be concerned either with our problems of unemployment or with the dust storms or with the growing distractions now visited upon the West, and various pests which the people of that section are constantly fighting.

In order that we may understand a little about the necessity for this program, since many persons have allowed themselves to believe that it is only a flood-control problem, I wish to undertake to give to Members of the Senate just a few figures relating to phases of this subject which all of them may have taken the time to explore.

The great trouble in the West today is that there is no readily available water level. The water level in the Dakotas used to be almost up to the surface. In other words, in that western part of the country a number of years ago, when you dug a well you would strike enough water a few feet from the surface of the earth to furnish a family with whatever well water might be needed.

The water level has fallen in North Dakota in a period of from 10 to 25 years from 6 feet below the surface to 34 feet below the surface. In other words, years ago you could have dug down 6 feet and gotten well water; today you would have to dig farther than 34 feet to strike water.

In South Dakota the water level was a mere matter of inches below the surface. In from 2 to 25 years the water level of South Dakota has gone down from inches to 70 feet, and in South Dakota today one would have to dig a well 70 feet deep, or deeper, in order to strike water that could be used for supplying family needs.

Even in the State of Minnesota the water level has gone down from 5 to 24 feet; in Nebraska, from 4 to 26 feet; in Iowa, from 7 to 21 feet; in Kansas, from 2 to 13 feet; and in Missouri, from nothing down to 26 feet in some cases.

Mr. President, as a result of this falling of the water level, draining the lands of the North, the country around Louisiana, Mississippi, and Arkansas has been constantly inundated by the floods caused by the melting of the snow and ice in the North in the springtime. That has been a growing scourge, by reason of the fact that as the Northern States began to cut their timber and to drain their lands, and to provide for a quicker handling of the rainfall, that much quicker did the waters gather in the rivers of Louisiana, Mississippi, south Missouri, and Arkansas, quickly causing scourges, rather than flowing in an orderly way over a space of months.

As the people of the North began to cut their timber and to drain their lands, and to promote various and sundry projects, they took from their own territory, from a water level that was almost at the surface in some States, or within a few feet of the surface, the water sadly needed there if they were to protect themselves from having it fall to a level as deep as 75 feet below the surface of the earth.

We have found that the Northern States, and particularly the Western States, and even the city of Washington, are in need of their own water.

The State of Louisiana did this country the service of calling this matter to the attention of the Congress and to the attention of the War Department, so that now there has been perfected a complete chart of waterways, flood control, irrigation, navigation, and I might say an almost physical panacea for the faults which now afflict the whole United States along the line of dust storms, drought, and flood scourges.

I want to get this map, which has been presented to the Congress, printed in the RECORD, which will require an order of the Joint Committee on Printing, and before completing the few remarks I may wish to make in the next few moments, I want to ask the Senator from Florida [Mr. FLETCHER] to give me his attention. This map which has

been prepared in the course of long studies at a cost of $60,000,000, I wish to have printed as a part of my remarks, and with my explanation in the CONGRESSIONAL RECORD. I offer the map, with the understanding that in order that it may be printed I will have to have an order from the Joint Committee on Printing.

Mr. FLETCHER. Mr. President, I may say to the Senator that if he will submit the map to the committee we will consider it. I do not know whether it is practicable or feasible to print it in the RECORD.

Mr. LONG. Yes; it is practicable. As a printer, I can tell the Senator that it will be all right.

Mr. McCARRAN. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. McCARRAN. I wonder whether the Senator would incorporate a request for the printing of a record dealing with snow surveys in the North and West. It is most comprehensive, and is illustrative of the point the Senator is bringing out, and I think the information would be most advantageous. However, I believe both these things should be printed as a public document rather than as a part of the RECORD, because I find, from such little experience as I have had with such matters, that the printing of a public document is much less expensive than inserting a matter of this kind in the RECORD.

Mr. LONG. I will say to my friend the Senator from Nevada that I will be glad to have the report to which he has referred printed as a public document or in the RECORD. But the map which I hold in my hand can be drawn down to about one-half the size of a page of the RECORD, and I believe this study would be more beneficial than any information that could be read by the Members of the Congress, and it is very necessary at this time.

Mr. McCARRAN. Mr. President, whether my proposal is in keeping with that of the Senator from Louisiana or not, I think both requests should go to the Joint Committee on Printing and that they should follow the matter up.

Mr. LONG. Mr. President, I ask that this map and the matter referred to by the Senator from Nevada be referred to the Joint Committee on Printing to determine whether they can be printed in the RECORD or not.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG. Mr. President, if I may have the attention of the Senate for just a moment further, there has been a clamor on the part of the people of the West for irrigation from a time when the memory of man runneth not to the contrary. That whole problem may be solved from this study made by the War Department. There is a way made for a complete solution for every drought trouble and for every irrigation problem, as well as a plan for a complete power system throughout the length and breadth of the United States, from coast to coast, and from the Great Lakes to the Gulf. There is a complete plan for year-round navigation.

The study comprehends such things, for instance, as taking the Red River, which is a scourge to Louisiana, and is not a scourge to Texas, and diverting the Red River so that its waters would flow down through the State of Texas, where it is needed, and so that it would find its way through the Sabine River, rather than constitute a flood scourge to the State of Louisiana.

Under the proposed plan the flow of the Tennessee River could be controlled. The flood waters of the entire water system of the United States would be harnessed rather than allowed to become a scourge. It is a plan for affording the needed power for any project that may be necessary in the United States. It is a thing which ought long since have been completed, and the study ought long ago have been perfected; but it never would have been made if it had not been for the plan of the State of Louisiana.

The entire plan would cost the United States only approximately $9,000,000,000. The mere mention of such a sum a few years ago might have caused us to shudder, but the resulting intrinsic increase in value, the amount of taxes which would be received in a relatively short period of time, would make the cost of this entire project seem rather small.

I might say to the Members of the Senate that someone handed me a table yesterday showing that from George Washington down to Woodrow Wilson our entire appropriations for all our wars and everything else amounted to $24,000,000,000. Our appropriations for 1934, 1935, and 1936 aggregate about $24,000,000,000. So, inasmuch as our appropriations for 3 years total as much as the appropriations for some-hundred-odd years, I am sure that for a program that would develop this country from one end to the other a little expense of $9,000,000,000 is infinitesimal.

The dust storms will not be abated through the temporary expedients which I understand are being projected again. As the Senator from Iowa termed it, temporary pacification is not going to do any good in dealing with the scourges with which the country is afflicted.

I am saddened by the fact that we are about to authorize the spending of $5,000,000,000, God knows where, in about the way the last five billion was spent. They will patch a little over here and patch a little over there, mess around a little over here and a little over there, put a few poor devils to hanging around the courthouse to get their doles, and others to plowing up and destroying gardens and getting other doles, whereas instead of going around aimlessly and without purpose we could take up this great matter of internal improvement, settle all these scourges, and turn every menace into a blessing. The waters which have flooded the South would promote year-round navigation for us all; it could irrigate the West, restore the flood level of the water, and good could be drawn from every scourge and every menace. None the less, aimlessly, without purpose, relentlessly, and, I might say, without cause and without plan, we will fritter away $5,000,000,000 more and let a complete matter of this kind remain almost like a body of death, never mentioned, the plan never completed, a plan which would be almost a complete panacea not only for unemployment but for every other scourge which now afflicts us.

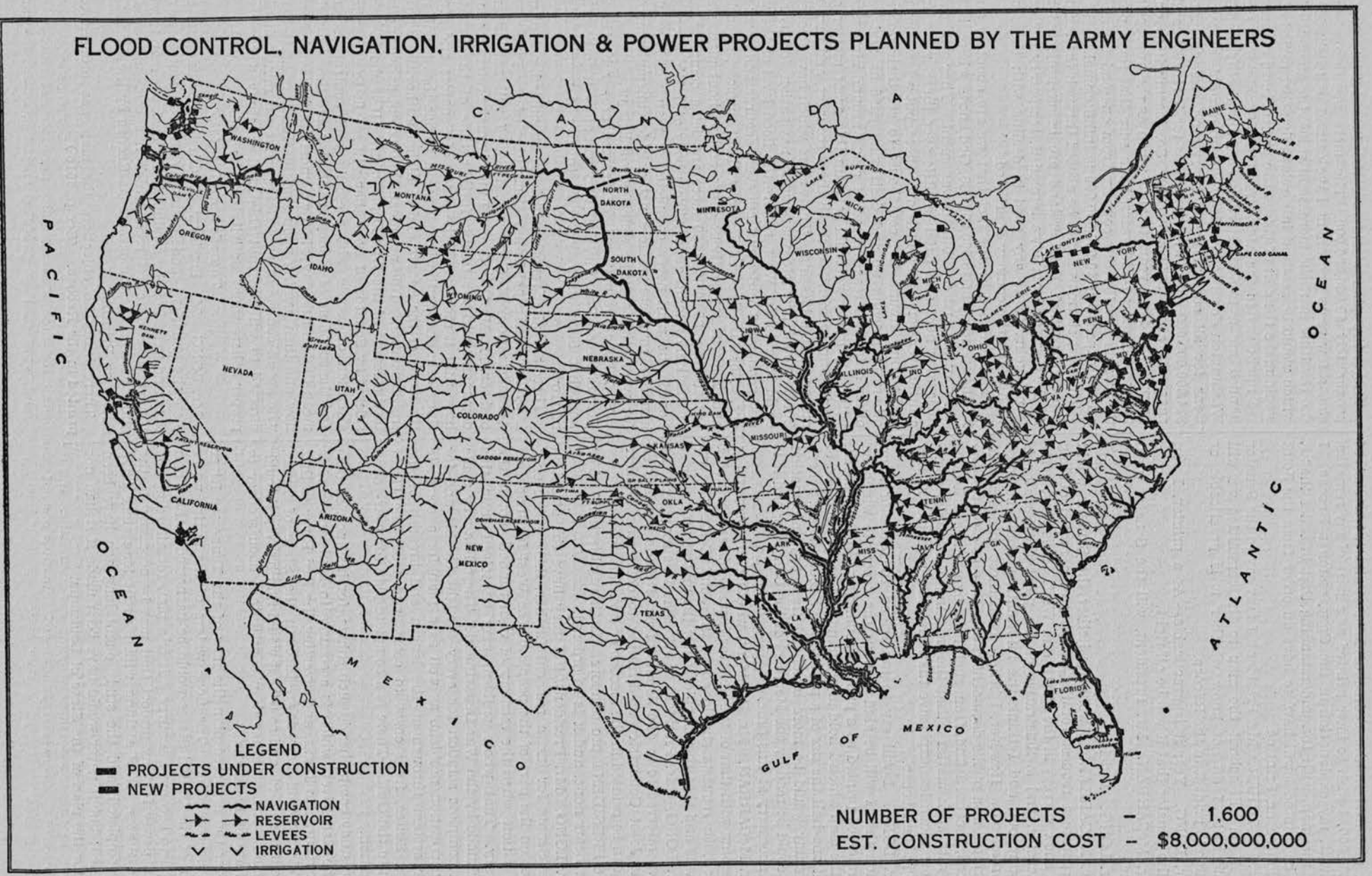
So I hope the map will be deemed proper by the Joint Committee on Printing, that they will allow it to be printed, and that Senators may see fit to give it some study tomorrow.

There are other reports which are submitted, one of which is by the Mississippi Valley Committee of the Public Works Administration, of October 1, 1934. I will not undertake to discuss it, Mr. President. I merely make reference to that document, without taking further time of the Senate. I hope that it may reach the study of Senators and perhaps those of higher authority. I mean I hope that it will reach the study of the Senate and of higher authorities who control legislation. I do not mean that except as a compliment to the report of the War Department. If it should be considered by Senators, I hope they will see fit to call it to the attention of people who prescribe and control legislation and the spending of money in this day and time. By that I mean that in this day when we understand that we here are now and then passing upon some perfunctory matter, those who are in control of prescribing what our minds should be directed to will see that this kind of study will reach its proper sphere where activity may be had.

Thursday, April 4, 1935

Mr. LONG. Mr. President, I wish to conclude and complete the remarks I made yesterday on flood control, navigation, and irrigation, by sending to the desk the map to which I have heretofore referred, which has been approved for publication in the CONGRESSIONAL RECORD by the Joint Committee on Printing.

There being no objection, the map was ordered to be printed in the RECORD. (See p. 5016.)


FLOOD CONTROL, NAVIGATION, IRRIGATION & POWER PROJECTS PLANNED BY THE ARMY ENGINEERS
PACIFIC OCEAN
ATLANTIC OCEAN
GULF OF MEXICO
MEXICO
CANADA
WASHINGTON
OREGON
CALIFORNIA
NEVADA
IDAHO
MONTANA
WYOMING
UTAH
ARIZONA
COLORADO
NEW MEXICO
NORTH DAKOTA
SOUTH DAKOTA
NEBRASKA
KANSAS
OKLA
TEXAS
MINNESOTA
IOWA
MISSOURI
ARK
LA
WISCONSIN
ILLINOIS
MICH
OHIO
KY
TENN
MISS
ALA
GA
FLORIDA
S C
N C
VA
W VA
PENN
NEW YORK
MAINE
MASS
LEGEND
PROJECTS UNDER CONSTRUCTION
NEW PROJECTS
NAVIGATION
RESERVOIR
LEVEES
IRRIGATION
NUMBER OF PROJECTS – 1,600
EST. CONSTRUCTION COST – $8,000,000,000

REPLY TO CRITICISMS OF THE PRESIDENT OF THE UNITED STATES

Mr. LEWIS obtained the floor.

Mr. COPELAND. Mr. President——

Mr. LEWIS. Does the Senator desire to have me yield to him?

Mr. COPELAND. I want to go on with the bill at the earliest moment.

Mr. LEWIS. Mr. President, I have no desire to enter into the discussion of the polemics of the tariff or oriental economics. I wish to bring to the attention of the Senate a printed document which I dare say has found its way in the mails to some of my colleagues, and no doubt others who have not seen the document may find it on their desks.

I produce a circular headed "New York Chamber of Commerce, 65 Liberty Street, New York, N. Y." This circular assumes to criticize and comment on the legislation of this and the other body and to set forth what it assumes to be some future course of consequence. But this organization, which by its name would be assumed to be wholly an American organization of gentlemen, a commercial agency of the country, with deference to their Nation and respect to the officials of their land, concludes by saying:

> The framers of the Constitution planned to have the Members of Congress decide how the money for which they taxed the people should be spent. This was done up to March 4, 1933. Since March 4, 1933, the Members of Congress have shirked this duty and have turned billions of dollars of the people's money over to the political accident in the White House for him to juggle as suits his whims.

This is a declaration from one of the great commercial bodies of the United States, which sends this slanderous assertion, lacking both decency and manner, depositing it in the mails, and addressing it to United States Senators, referring to the President of the United States in the exact words I have just read, referring to "the political accident in the White House for him to juggle as suits his whims."

Mr. President, at a time like this, when there is a disposition to evince disrespect for all law and a tendency on the part of certain organizations to disrupt the whole Government, at a time when there is no regard being paid to the fundamental institutions of the land, to have a great commercial body of this nature prepare a document solemnly and with deliberation casting such reflection upon the President of the United States, and upon the office of President of the United States, and send it across the land, to designate that office with the expressions of contempt they boldly offer, is a matter worthy of our most serious consideration. It should call for reflection by us as to the manner of these institutions, which, starting out to condemn what they feel is legislation adverse to their private interests, proceed to hold up to contempt and contumely the office of the President with the slanderous observation that the Congress has turned over money to him to do as his whims might dictate and his desire suggest.

I do not exactly know what the expression was intended to convey. It will leave the impression upon the public mind, of course, that the Congress shirked its duty, voted large sums of money derived from taxation against the people, and turned the funds thus appropriated into the hands of one whom they designate "the accident in the White House."

Mr. President, I do not presume it matters much to the President himself that there should be those with so little decency and such flagrant ill manners as to have written a declaration of this nature, and so lacking in common patriotism as to have mailed it through the mails to their countrymen. But one would assume that such a commercial band of the order these men are assumed to be would not have done such a thing, which tends all the more to bring into contempt the high office of the President to the minds of those who, as we see from the public press, are daily accumulating in number, and here and there from high places of authority call their conventions or their assemblies, hurling their anathemas at the Government, their threats at those in power, and their assertions of complete disturbance and destruction of the whole fundamental institutions of the United States.

I do not exactly know what this body of gentlemen means by saying that up to the 4th of March 1933 there had been nothing done by a President, that everything had been done by Congress, that previous to that date Congress had proceeded to act in each detail and to describe what should be done in directing the course of the Government.

It is well that the country knows the truth. There has been no course taken by this Congress regarding any subject whatever that is not along the line of a precedent which had been established and executed in the exact manner adopted by the present Congress.

What do these gentlemen, a commercial agency, mean by this slanderous falsehood? It is well known as a matter of history by my colleagues sitting about me that those of all political parties voted $500,000,000 to the discretion of a distinguished President, the then President of the United States, for use by what was known as the "Farm Board Administration." It is well known that through his discretion, trusting to an honor that was not at all impeached by even the slightest suggestion, that money was distributed and applied in such manner as seemed to the best welfare of the country.

In the same manner we proceeded to vest in this distinguished officer the right of changing tariffs on importations according to what he felt to be to the welfare of his country, the duty being sometimes executed through a board, and sometimes by his own individual suggestion. Thus we trusted the former honorable President, who acted according to his honest convictions, and thus, sirs, we have done the same thing in this body in exactly the same way.

When the former President, in his desire to rescue the country from what was a peril in respect to its financial institutions, summoned the banks to let him have 10 percent of the money they could control to place at his service that he might in some manner rescue the banks that were cracking and falling like shattered debris, can anyone complain of his being granted, and using, his discretion? We trusted to his honor. We were conscious that our trust would not be abused. Yet the honorable commercial body which makes this accusation in its official capacity against the present President would lead the modern generation to believe that something had transpired which had no precedent, was in violation of the Constitution, was not only in violation of the Constitution but in desecration of the Constitution of our land, and they are willing to hold up before the whole world the estimate of this great commercial body called the New York Chamber of Commerce when they designate the President of the United States as an "accident in the White House", and call this honorable body the Senate, one which has shirked its duty and violated the Constitution in vesting discretion such as has been referred to in the present incumbent, and such as has been adverted to in the President's honorable predecessor.

Mr. President, I know we cannot restrain the hand that mysteriously, covertly, and anonymously assaults. I know we cannot still the tongue that here and there will asperse the most honest, the most efficient. We recall in the lines of the bard, sir:

> No might nor greatness in mortality
> Can censure 'scape; back-wounding calumny
> The whitest virtue strikes. What king so strong
> Can tie the gall up in the slanderous tongue?

But, sir, while we may not be particularly concerned as to the effect on the single individual here or there, we cannot be indifferent to what these gentlemen, in their very high position, are doing to the vast mind of America by engendering lack of respect with regard to our institutions and by encouraging the desires in the hearts of those who are already assaulting our institutions by the thought that persons in high places are ready to have those institutions overthrown, and by rack and ruin lay low the mansions which the fathers have built.

It is because of the effect and influence of such a thing as this document that I ask if these gentlemen, such as they are, shall continue these assaults upon the institutions of the land, what shall we expect from the ignorant, the unfortu-

nate, the miserable, the untutored, and those who are being misled by bad advisers and seriously corrupt counsel in America?

I did not rise to interfere with my friend, the eminent Senator from New York [Mr. COPELAND], to delay the progress of the passage of the bill which has to do with the health of the citizens of our country; but this communication being on my desk today, and no doubt in the hands of other Senators, I felt it should not escape the attention of those who are seeking to build up respect for merit, some regard for our institutions, some obedience to the law, and who wish to give some aid, Mr. President, in upholding the honor of the Republic.

I regret that such publication should have emanated from such a source; but I delight to feel that in this honorable body, whatever may be the differences of opinion as respects that which we call "politics", not one man could be found who would endorse the declarations or approve the policy suggested in this document. It is to the greatest degree ill-mannered and indecent, and must remain so in history.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The Senate resumed consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes.

The PRESIDING OFFICER. The question is on the pending amendment.

Mr. COPELAND. May we have the amendment read? We have been basking in the agreeable sunshine radiated by the Senator from Illinois; but now we should return to the food and drugs bill, and I believe the amendment should be read.

The PRESIDING OFFICER. It is the understanding of the Chair that three amendments are to be voted on as one. The clerk will state the amendments of the Senator from North Carolina.

The LEGISLATIVE CLERK. On page 45, line 7, after the word "found", it is proposed to insert a colon and the following——

Mr. COPELAND. Mr. President, permit me to interrupt the reading of the amendment. I suggest that while we are waiting for the Senator from North Carolina to return to the Chamber I might bring up one or two amendments.

Mr. KING. Will the Senator from New York permit me to read two telegrams?

Mr. COPELAND. I yield to the Senator from Utah.

Mr. KING. I have received two telegrams, one from the McKesson Ogden Wholesale Co., of my State, reading as follows:

> We urge your opposition to so-called "Copeland food and drug bill", particularly portions requiring formula disclosures, as destroying in many cases property rights built up over many years; also, removal of the advertising control from Federal Trade Commission, where effective procedure has been built up through long experience. Would appreciate very much your support of so-called "Mead bill", as we feel it would be equally effective in protecting consumer. Your urgent consideration will be appreciated.

Mr. COPELAND. Mr. President, I think the Senator will find when he reads the bill, as will also the sender of the telegram, that there is not anything in the bill which requires formula disclosure. It does require that the active ingredients shall be stated by name on the package; but the formula itself, and the secret measures involved in making it, are not required to be revealed to the public or reviewed by the Department.

Mr. KING. I may say to the Senator from New York that I am not sure that the suggestion he has made fully answers the suggestion which has been urged by the sender of the telegram to which I have referred. If all the ingredients of the product are to be stated, or the proportions in which they appear are found, might not that indicate the formula and be subject to the criticism urged by the sender of the telegram?

Mr. COPELAND. The concern which sends the telegram is a drug concern. I call the attention of the Senator, in order that he may reply to his correspondent, to the fact that where the ingredients are those which are recognized by the Pharmacopoeia, which we mentioned yesterday, there need be no mention of content as to the requirement of the label. If it is something not so recognized, the manufacturer must place upon the package the names of the active ingredients—not the quantities; just the names of the ingredients. The value of the formula to the manufacturer lies in the proportions, his use of the different ingredients, in order that there may be a mixture of his own and one which he thinks will render the product of peculiar value and popular with the user. So I may say categorically that the bill does not require formula disclosure in the sense feared by the sender of the telegram.

Mr. KING. May I ask the Senator whether there is any validity in the statement made by another company, which has wired me as follows:

> Will you please give your support to Senator COPELAND'S amendments to S. 5, and in particular support his amendment to exempt established proprietary food products made from private formula from disclosing list of ingredients on labels.

Mr. COPELAND. I am sorry to say that that provision is in the bill.

Mr. KING. That is to say, the bill contains the provision which this writer desires?

Mr. COPELAND. It does. I said yesterday that I yielded very reluctantly to that amendment as regards foods because such articles are simply mechanical mixtures. I would not yield when the able Senator from Michigan yesterday wanted the same provision applied to drugs.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. VANDENBERG. Will the Senator also make a statement for the RECORD as to the effect of this proposed legislation upon biological products, and the possible interference with the existing Serum Act of 1902, and the existing administration of biological supervision?

Mr. COPELAND. If the Senator will turn to the last page of the bill, page 56, and read lines 6, 7, and 8, he will see that it is provided that the provisions of this bill shall not be held to modify or repeal any of the existing laws of the United States, except as provided by paragraph (a) of section 717. That particular law mentioned by the Senator is not dealt with at all by this bill, and there is no thought of transferring that very well-done function of the Public Health Service to the Food and Drug Administration.

Mr. VANDENBERG. And no new authority over biological products is contained within the bill?

Mr. COPELAND. Not the slightest.

Mr. LONG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. LONG. Are we now under the order of amending the bill?

Mr. COPELAND. If the Senator will wait just one moment for a couple of short committee amendments, I shall be glad to yield to him.

Referring to page 2 of the bill, line 23, the Secretary of War has written asking that the Canal Zone be excluded from the operation of the proposed law. The Canal Zone is under such Federal administration anyhow that I can see no reason why the request should not be granted. Therefore, I move that on line 23, page 2, the period be deleted, and the words added, "and excluding the Canal Zone."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. COPELAND. On page 16, line 25, I move to reconsider the vote by which the amendment was adopted which struck out the words "or any other narcotic or hypnotic substance which has been designated as habit-forming by regulations as provided in sections 701 and 703" and which inserted in lieu thereof the words "unless a derivative is clearly not habit-forming." In other words, I desire to strike out the words in italics and let the other words stand.

Mr. VANDENBERG. What is the effect of the proposed change?

Mr. COPELAND. So that a great laboratory like the Parke, Davis & Co., working, as they are, to find substances which have

hypnotic effects and yet are not habit-forming, if they should find one, would not be embarrassed by this language, which prohibits the use of any such thing. This is not now possible, because of rulings of the Food and Drug Bureau, and they are not permitted to make use of them as they desire. If the language is restored and the words in italics deleted as I have suggested, then when Parke, Davis & Co. come to Washington and present evidence that they have discovered a hypnotic which is not habit-forming it will be possible for that product to be put on the market without labeling it "Warning—habit forming."

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to will be reconsidered. The question now is on the amendment of the committee, as stated by the Senator from New York, on page 16, line 25.

The amendment was rejected.

Mr. COPELAND. At the bottom of page 30, line 24, after the word "paragraphs", I move to insert "(d)."

Mr. KING. Mr. President, I am not quite clear as to the significance of the amendment.

Mr. COPELAND. It is to permit the laboratory to appeal to the committee which has to do with the making of new regulations.

The amendment was agreed to.

Mr. LEWIS. Mr. President, will the Senator in charge of the bill permit me to call his attention to page 2, line 16, and to make inquiry if it would be satisfactory to him to add the words:

Provided, however, That the term "drug" is not intended to apply to a medicine prepared and dispensed by a physician in the course of his professional practice.

Mr. COPELAND. If the Senator will turn to page 17, line 4, he will find this language has been inserted in the bill:

Except when dispensed on the written order of a member of the medical profession.

Also, on page 2, line 5, he will find the words:

The term "drug" for the purposes of this act, and not for the regulation of the legalized practice of the healing arts—

And so forth.

Mr. LEWIS. The Senator feels it is already comprehended and included within the measure?

Mr. COPELAND. I believe so.

Mr. KING. Mr. President, I hope the Senator from New York is correct, but section 402 reads:

A drug shall be deemed to be misbranded—

Then going to subdivision (d) to which the Senator from New York just called attention, it is provided:

(d) Unless the derivative is clearly not habit-forming, and, except when dispensed on the written order of a member of the medical profession.

It seems to me this deals merely with the question of misbranding, but would not comprehend the point made by the Senator from Illinois.

Mr. COPELAND. The matter the Senator from Illinois has in mind is whether or not this measure interferes at all with a written prescription of a doctor.

Mr. LEWIS. The word "drug" is not intended to apply to preparations dispensed by a doctor himself in the course of his professional practice.

Mr. COPELAND. There is nothing in the bill which would interfere at all with the ordinary legal practice of the profession.

Mr. LEWIS. The able Senator does not think it is necessary to add the language I suggested?

Mr. COPELAND. I do not think we need to add a thing to cover what the Senator has in mind.

Mr. LONG. Mr. President, may I offer an amendment now?

Mr. CLARK. Mr. President, I understood the Senator from New York to offer an amendment to add "(d)", in line 24, page 30, and that the amendment is still pending.

Mr. COPELAND. That was just to insert at the bottom of the page, after the word "paragraphs", the letter "(d)."

Mr. CLARK. Yes; I understood that; but I desire to address myself very briefly to that amendment of the Senator from New York.

The PRESIDING OFFICER. The amendment was agreed to.

Mr. CLARK. I did not understand the Chair to state it was agreed to. I desire to submit some observations in connection with that amendment of the Senator from New York. Therefore, I move to reconsider the vote by which it was agreed to.

Mr. COPELAND. I have no objection.

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to is reconsidered.

Mr. CLARK. Mr. President, the amendment offered by the Senator from New York calls attention to a paragraph which very conclusively illustrates the vices of the bill, the obscurity and lack of clearness and direction of the bill. Let me read the section, and challenge any Senator, with the possible exception of the stepfather of the bill, as he described himself yesterday, the Senator from New York [Mr. COPELAND], to tell what it means. I read:

(d) If any regulation promulgated by the Secretary under section 301, paragraphs (a) and (c); section 302, paragraph (j); section 304, paragraphs (a) and (b); section 401, paragraph (a); section 402, paragraphs (d), (h), (j), and (k); section 403; section 501, paragraph (e); and section 503, is declared invalid in any court proceeding, the Secretary may promulgate in substitution therefor a temporary regulation consistent with such decision. Such temporary regulation may be promulgated without notice or hearing and shall become effective at and for such time as the Secretary designates, but in no event longer than 180 days from the effective date thereof. On or before the promulgation of such temporary regulation the Secretary shall institute proceedings, as provided in paragraph (c) of this section, for the establishment of a new regulation.

Mr. President, that simply means that whenever any part of the act specified—and I dare say there is not a Senator who can tell what those sections are, or can tell from a reading of this section what he is legislating about—shall be declared invalid by a court, the Secretary of Agriculture, on his mere ipse dixit, shall be permitted, without hearing and without regulation and without review, for a period of 6 months, to put into effect any regulation he may deem consistent with the decision of the court.

I say that is a vicious system of legislation. When Senators, no matter how careful they may be in their study of the bill, are unable to know what they are authorizing the Secretary of Agriculture to do, I say it is a vicious system of legislation for us to sit here and permit this section to be incorporated in the bill.

Mr. LONG. Mr. President, I am not familiar with this bill.

Mr. CLARK. Nobody else is, I will say to the Senator.

Mr. LONG. It is a scientific bill, and I am sure my friend from New York knows the subject. Does this paragraph undertake to say that if part of the bill is held unconstitutional, then, because it is unconstitutional, the Secretary of Agriculture may make any regulation of the subject he pleases?

Mr. CLARK. If the Senator will read subsection (d), turning to a point near the bottom of page 30 and continuing to about the middle of page 31, he will find that it reads:

(d) If any regulation promulgated by the Secretary under section 301, paragraphs (a) and (c); section 302, paragraph (j); section 304, paragraphs (a) and (b); section 401, paragraph (a); section 402, paragraphs (h), (j), and (k); section 403; section 501, paragraph (e); and section 503, is declared invalid in any court proceeding, the Secretary may promulgate in substitution therefor a temporary regulation consistent with such decision.

I have just made the statement that there is not a Senator on this floor who can tell what those sections are; and I dare say that even the distinguished Senator from New York [Mr. COPELAND], who has put in so much time on the bill, would not be able to tell off-hand, without having his memory refreshed by the representative of the Food and Drug Administration of the Agricultural Department, what those sections are. If any regulation, no matter what it may be, under any of those sections shall be declared invalid

by the courts, then for a period of 6 months the Secretary of Agriculture is to have absolute authority, subject to no review, without notice, without hearing, without any court procedure at all, to make any regulation he may see fit. I say that is an extremely vicious system of legislation.

Mr. LONG. Mr. President——

Mr. COPELAND. Mr. President, I desire to reply to the Senator from Missouri, if I may.

If the Members of the Senate will look on page 31, line 3, it will be found that we have there the word "consistent."

Mr. CLARK. In whose opinion consistent? In the opinion of the Secretary of Agriculture?

Mr. COPELAND. If the court decides that this regulation is invalid, and states the reasons why it is invalid——

Mr. KING. Suppose he does not?

Mr. COPELAND. I cannot say about that. The distinguished lawyer from Utah knows better than I do what would happen in that case; but if the court does give the reasons why it is invalid, then and only then can the Secretary of Agriculture promulgate, in substitution therefor, a temporary regulation consistent with such decision. It might relate to some matter of very great importance to the public health, with the need of prompt action.

Mr. CLARK. But, Mr. President, who is to determine what is consistent? The Secretary of Agriculture, without notice of hearing, without review, in his own discretion or at his own whim, is to determine what is consistent with the court's decision. In other words, for a period of 6 months any citizen is absolutely deprived of his rights if the Secretary of Agriculture asserts that his temporary regulation is consistent with the holding before him.

Mr. LONG. Mr. President, I wish to appeal to my friend from New York. This is going further than we have ever gone since I have been here, and we have gone some awful distances. To authorize the Secretary of Agriculture to make a new law because the old one is declared unconstitutional I do not believe would itself be constitutional.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Not only is the Secretary of Agriculture to have authority to make a new law, but, when a regulation which he has made has been declared invalid by a court, immediately for a period of 6 months he is to have unrestrained discretion to make any sort of regulation he pleases, so long as he says it is consistent with the court's decree.

Mr. LONG. To begin with, I do not think this provision is constitutional at all. It does not set out any form. In other words, in order to allow an official to prescribe regulations which shall have the force of legislation, some form must be prescribed so that it may be known that he is acting under powers particularly prescribed. This provision says the Secretary may do whatever he may think is not prohibited by the decision of the court.

I think by such a provision the Senator from New York endangers the passage of this bill, which I desire to see passed. I think we need some legislation along this line, and I am one of the hearty advocates of the bill.

Mr. COPELAND. I have no objection at all to eliminating that language. In order that it may be brought before the Senate, I move a reconsideration of the amendment on pages 30 and 31, the whole of subsection (d); and I make the motion with a view to moving that it be eliminated from the bill.

The PRESIDING OFFICER (Mr. MOORE in the chair). Without objection, the vote whereby the committee amendment on pages 30 and 31 was agreed to will be reconsidered.

Mr. NORRIS. Mr. President, before that is done, I should like to make an inquiry of the Senator from New York.

As I understand the parliamentary situation, there was an amendment pending, which was reconsidered; and the Senator from Missouri was arguing against the adoption of the amendment. Is that correct?

Mr. CLARK. I will say to the Senator from Nebraska that I was addressing myself to the whole section on the proposed amendment adding the letter (d).

Mr. NORRIS. It seemed to me that all it would be necessary for us to do, if it should be thought best to eliminate this language, would be to vote against the amendment. Would not that be sufficient?

Mr. COPELAND. I will say to the distinguished Senator from Nebraska that I have no objection to the elimination of the entire paragraph.

Mr. NORRIS. I may say that the paragraph appears to me to be rather objectionable. If we legislate in that way we shall be doing something that so far we have not done, although it may be necessary for us to take up that question.

As I understand, it is provided in this language that if any part of the section shall be held unconstitutional, the Secretary may make a rule having the effect of a statute. Suppose one judge holds part of the law unconstitutional, and then the Secretary sets up new rules having the force and effect of a statute, and some other judge holds that the Secretary's rules are unconstitutional. Where shall we be then?

Mr. COPELAND. Mr. President——

Mr. NORRIS. As the Senator from Maine [Mr. WHITE] suggests, has the judge's power been exhausted, or can he go still further?

Mr. COPELAND. He can suggest wherein the regulation is objectionable.

Mr. NORRIS. If that is good legislation, and if we have reached the point where, when we enact a law, we must go on the theory that it may not be satisfactory to some judge and he may enjoin its enforcement, why not let him, when he holds it unconstitutional, announce the law that he thinks ought to be in effect? We have to meet with his pleasure anyway before we can get a law that is effective.

Mr. COPELAND. I may say to the Senator that the reason why I personally am willing to yield and eliminate the whole section is because since this bill came before us we added, on page 32, a provision for securing a new regulation. It might happen that the Secretary would not provide a new regulation or modify the one objected to by the court. In that event there would be difficulty about it. It was brought out in the hearings, not alone by the producers or manufacturers but by witnesses from the consumer group, that there should be some way by which an interested industry or representatives of the public might appear before the Public Health Committee or the Food Committee and ask that a new regulation be presented, or that a modification might be made in one already in existence.

Under the bill as we had it before that time, the request for a modification or a new regulation had to come from the Secretary himself; but now there is language in the bill which permits the industry or the public to ask for a change in the regulations. So I have no objection at all to the elimination of the paragraph.

Mr. LONG. As I understand, the Senator from New York has moved to strike out paragraph (d).

The PRESIDING OFFICER. The Senator from New York has moved to strike out subdivision (d). The question is on the motion of the Senator from New York.

The motion was agreed to.

Mr. LONG. I had started to offer an amendment——

Mr. COPELAND. Just one moment, Mr. President, if the Senator please. To implement the provision made by the action just taken, on page 29, line 2, after the word "paragraphs", I ask the insertion of "(d)" and a comma.

The PRESIDING OFFICER. Without objection, the amendment will be reconsidered. The question is on the amendment offered by the Senator from New York to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. LONG. Mr. President, I call the attention of Senators to page 42, line 1, where I move to strike out the words "other than by radio broadcast."

I ask Senators to listen while I read the sentence there where I undertake to strike out those words.

No retail dealer shall be prosecuted under this section for the dissemination in good faith, other than by radio broadcast, of any advertisement offering for sale at his place of business any article which he does not distribute or sell in interstate commerce.

In other words, no dealer is to be prosecuted for what he sells in good faith and for advertising it, except by radio broadcast. If he publishes in good faith an "ad" in a newspaper, or if he sends out a circular, or sends out a letter, he is not bothered, but if he accidently sends a word over the radio, he is to be prosecuted for that.

Mr. President, the provision is unnecessary, because if we turn back to another provision of the bill on page 37, subdivision (4), under section 708, we find this:

The dissemination of any false advertisement by United States mails, or in interstate commerce by radio broadcast or otherwise—

and that includes everybody—

for the purpose of inducing, directly or indirectly, the purchase of food, drugs, or cosmetics.

It is to be prohibited under the preceding provision. In other words, it would prohibit false information being spread in any way, by newspaper, radio, or otherwise, and that is all right; I have no objection to that. That covers the radio, it covers a newspaper, and it covers a magazine. But on page 42 it is provided that no retail dealer shall be held responsible for whatever he advertises in good faith except by radio. He must not make a mistake by radio, but he can make any other mistake he wants to.

If it is desired that no mistakes be made, if it is desired that anyone shall be punished if he does not act in good faith, that is one matter; but to hold that a man shall be responsible for what he says over the radio, but that he can put the same statement in a newspaper and not be responsible for it, is an unfair discrimination and there is no basis to support it.

I therefore move that we strike out the words "other than by radio broadcast", for the reason that a preceding section of the bill amply covers all false information and forbids its dissemination. This other provision is simply one to eliminate the radio and place it in a separate category.

I do not give my support to favoring the newspapers in preference to the radio anyway, just as between us Members of the Senate. I have been able to make myself heard over the radio, when the newspapers would not let me be heard, and I am somewhat of the opinion that there is no reason to discriminate. Perhaps my friend, the Senator from New York, has had better luck the other way.

Mr. COPELAND. Mr. President, when this provision was written into the bill last year, beginning, at the bottom of page 41, with the words "No retail dealer shall be prosecuted", there was great fear on the part of the small-town newspapers, the village weeklies, and so on, that the editor or publisher who wrote the advertising might somehow or other find himself in difficulty. At that time we had not included the language about the radio which has been quoted by the Senator from Louisiana. I am in agreement now that there is no reason why this language should not be deleted from the bill.

The idea originally was to take care of the case, for instance, of a small-town newspaper, such as one at Suffern, N. Y., where I live. The Suffern Independent, which is never for me, I may say, so I have no particular desire to advertise it; it is a bitter Republican paper, but, fortunately, its circulation is limited, though unfortunately for the present occupant of the chair [Mr. MOORE] it also slops over into New Jersey—and I use that term advisedly. It was thought that it would be all right to let the Suffern Independent run its advertising, even though it got into interstate commerce, but that we did not want the Rogers drug store in Suffern, perhaps, to devise a remedy for tuberculosis or cancer and be able to go on the radio up at Chester and advertise it widely as the "greatest remedy in the world" for such a disease.

As the Senator has said, this protection is provided for in the other section of the bill to which he has referred. I am very glad to join in the request that the language he has quoted be stricken from the bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 42, line 1, it is proposed to strike out the words "other than by radio broadcast".

The amendment was agreed to.

Mr. WALSH. Mr. President, if I may have the attention of the Senator from New York, I have in my hand a letter containing several criticisms of the bill which the Senator has in charge. One of the criticisms refers to the definition of advertising, and the writer states:

There is too broad a definition of the term "advertising" in the bill. For example, "advertisement" is defined to include representation outside the label, such as correspondence between a manufacturer and the director of his research department in the development of a new product, where you are dealing with unknown questions as to the remedial value of a drug being developed.

I should like to inquire whether the criticism is a fair one.

Mr. COPELAND. It is perfectly absurd.

Mr. WALSH. What is the definition of "advertising" in the bill, and where is it to be found?

Mr. COPELAND. It is to be found on page 3, line 17. Undoubtedly the writer of the letter was speaking about one of the old prints of the bill.

Mr. WALSH. I find that the bill provides:

The term "advertisement" includes all representations of fact or opinion disseminated to the public in any manner or by any means other than by the labeling.

Mr. COPELAND. That is the provision.

Mr. WALSH. So that the amendment submitted by the committee covers the objection made by the writer of this letter?

Mr. COPELAND. That is correct.

Mr. WALSH. May I read to the Senator another paragraph from this letter?

Mr. COPELAND. Certainly.

Mr. WALSH. It states:

In the section with respect to seizures of drugs there is a provision which appears wholly unjustified. This provision gives the chief of any district laboratory of the United States Department of Agriculture the power, *without court order*, to go out and seize a product in his discretion. Under the present act no seizure can be made without the consent and approval of the court, by its formal order. There appears to be no reason for modifying the present protective system of a seizure under court order, and for permitting a purely administrative discretionary seizure without court safeguard.

Mr. COPELAND. I fear the writer of the letter had a very old issue of the bill, because if the Senator will turn to page 45, he will find this language at the bottom of the page:

The article shall be liable to seizure by process pursuant to the libel; but if a chief of station or other employee of the Administration, duly designated by the Secretary, has probable cause to believe from facts found by him and duly reported to the Secretary that such article is so adulterated as to be imminently dangerous to health, then, and in such case only, the article shall be liable to seizure.

Mr. WALSH. It is quite apparent from what the Senator says that the writer of the letter probably had earlier copies of the bill. Will the Senator state in general whether the provisions which have been subject to criticisms such as this writer has presented to me have been corrected in the later copies of the bill?

Mr. COPELAND. Every criticism which the Senator has mentioned in this colloquy has been fully met by this print of the bill, and no such violations of the feelings and pocketbook of the Senator's constituent, as he indicates he fears, will be suffered by reason of what has been done.

Mr. WALSH. I judge there has been a rather radical change in the text of this bill as compared with the earlier bills which were presented.

Mr. COPELAND. Very radical.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. If I understood the criticism contained in the letter which the Senator from Massachusetts read, it went to the provision of the proposed law which is still in the draft now before the Senate, which declares in effect that a misbranded article is an adulterated article and may

be considered for purposes of punishment under the law as adulterated; and, if I am correct in my assumption that that is what the correspondence of the Senator from Massachusetts is directed to, then the provision has not been corrected in the present draft.

Mr. WALSH. Does the Senator refer to the first criticism I read to the Senator from New York, or the second?

Mr. CLARK. The second.

Mr. WALSH. That deals with seizures.

Mr. CLARK. That involves the question of seizures.

Mr. WALSH. Yes.

Mr. CLARK. Seizures are authorized for adulterated articles. However, in an earlier section of the bill articles which are only misbranded are declared to be adulterated, by definition, and therefore, in my judgment, that is what the correspondent of the Senator from Massachusetts is directing himself to.

Mr. WALSH. Is it correct that articles which are merely mislabeled may be seized under this bill?

Mr. COPELAND. They may be seized if adulterated.

Mr. WALSH. If adulterated?

Mr. CLARK. They may be seized if declared by definition to be adulterated.

Mr. WALSH. Of course, if they are adulterated, they ought to be seized.

Mr. COPELAND. If both Senators will wait a little bit, that is the thing I am now going to talk about.

Mr. CLARK. Let me say to the Senator from Massachusetts that that is precisely the proposition to which the amendment offered on yesterday by the Senator from North Carolina, which has not been disposed of, was directed.

Mr. WALSH. I was not in the Chamber when that subject was discussed.

Mr. COPELAND. I think if Senators have no other matters to present, the three amendments presented by the Senator from North Carolina might well be considered at this time. Personally, I should be glad to have considered the amendment proposed by the Senator from North Carolina, in which reference is made to page 45, line 7. That is the subject referred to just now by the Senator from Missouri.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. REYNOLDS. I was wondering if the Senator from New York would accept the first amendments offered by my colleague, the senior Senator from North Carolina [Mr. BAILEY], in view of the fact that they merely call for the transfer of two lines from one section to another. I refer to page 13, where it is proposed by the amendment of the senior Senator from North Carolina to strike out lines 19 and 20.

Mr. COPELAND. I am familiar with what the Senator has in mind.

Mr. REYNOLDS. And it is proposed to insert the same lines on page 15, under section 402, making an additional subsection.

Mr. COPELAND. The Senator from North Carolina has introduced three amendments, as the junior Senator from North Carolina has said.

Mr. REYNOLDS. The other amendment, the third, of which the Senator made mention, is on page 45, line 17.

Mr. COPELAND. Yes. If the third amendment shall be defeated, as I sincerely hope it may be, I shall have no objection to the passage of the other two. That is the reason why, if the Senator will bear with me, I should like to have us consider the long amendment first.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BAILEY. I have asked that the three amendments be considered together. Nothing will be accomplished unless the third amendment shall be adopted. I think the Senator from New York will agree with me on that.

Mr. COPELAND. I agree with that.

Mr. BAILEY. Very well; then I ask that the three amendments be considered together.

Mr. COPELAND. I have no objection.

Mr. BAILEY. I asked unanimous consent to have that done when I introduced the amendment and it was granted.

Mr. COPELAND. Very well. Then these three amendments in a package are presented to the Senate.

Mr. President, if these amendments, plus one presented by the Senator from Missouri, which is also a blanket amendment, which proposes the transfer of supervision of advertising to the Federal Trade Commission shall be adopted, I shall have no further interest in the bill. The provisions affected by all these amendments are those which implement and make possible the successful administration of the proposed law.

May I ask Senators how they feel about the Senate continuing in session? I think I am sure to speak an hour on this subject.

Mr. CLARK. Mr. President, I suggest to the Senator that since he is going into the whole subject matter of the bill, and since I propose at the conclusion of his remarks, if I can secure the floor, to address myself to a motion to recommit which I intend to make, it seems to me we might as well start in in the morning and make a clean sweep of it.

Mr. COPELAND. I leave it wholly to the Members present to decide what shall be done.

Mr. CLARK. The Senator is now presenting the controversial features in the bill, and I propose to address myself to the same subjects.

Mr. COPELAND. We have come now to the heart of the opposition; and, as I said a moment ago, if these two groups of amendments shall be adopted, I shall have no further interest in the bill. We might just as well stay under the law as it is at present, and there would be no added protection to the public under the provisions of the new bill. Therefore we come to the very fundamental question; and I am willing to be governed wholly by the wishes of Senators on both sides of the Chamber as to whether we shall proceed now, or whether we shall recess until tomorrow at 12 o'clock.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. NEELY. May I ask the Senator from Missouri a question? He has stated that he intends to move to recommit the bill. What does the Senator believe could be accomplished by recommitting the bill?

Mr. CLARK. I may say to the Senator from West Virginia that I believe this might be accomplished: The bill might be taken up paragraph by paragraph in the committee, for which an opportunity has never been afforded in the nearly 2 years that the bill has been before the committee, in order to correct such vicious misuse of language as has repeatedly appeared here in its consideration in the Senate, to eliminate some of the jokers which have appeared, some of which already have been eliminated and some of which have not, and to decide on particular questions of policy, such as whether or not the aims expressed in the President's message shall be accomplished by amendment of the existing law which would preserve the great body of decisions which have been made under that law during a period of nearly 30 years, and also preserve the laws now existing in 46 States, based on the present law, or whether it is necessary to write a new law; also the question of whether or not it is necessary to take from the Federal Trade Commission the jurisdiction which it has very efficiently exercised for a period of a good many years, in order to confer greater power on a bureau in the Department of Agriculture, and other questions of general policy. These things have never been thought out in the Committee on Commerce. There has never been an opportunity for any adequate discussion in the Committee on Commerce of any of these very essential propositions. During my service on the committee there has never been any consideration of any draft of the bill which has been presented to the committee at any meeting previous to the meeting at which the motion was made and adopted to report the bill.

Mr. WALSH. Mr. President, the Senator from Missouri is making a very serious indictment of the procedure of the Committee on Commerce.

Mr. COPELAND. O Mr. President, I have no objection. I do not resent it. Let the Senator from Missouri go as far as he likes.

Mr. CLARK. I am perfectly willing to leave that question to any member of the committee. I have been a very constant attendant at the meetings of the Committee on Commerce.

Mr. NEELY. Does the Senator from Missouri believe if the bill were recommitted the changes which he has in mind could be made without impairing the protective features of the bill so far as the public is concerned?

Mr. CLARK. Let me say to the Senator from West Virginia that I am as much in favor of the strongest kind of protective features, so far as the public is concerned, as either the Senator from West Virginia or the Senator from New York or anybody else inside or outside of this body. But I do not believe it is necessary to declare a crutch to be a drug, to declare a misbranded article to be adulterated, to indulge in all sorts of subterfuges and jokers and loose terms such as are contained in the bill, in order to accomplish the purpose defined by the President so clearly and so adequately in his message.

Mr. COPELAND. Mr. President, I absolve every Senator. What I have to say I do not wish to be interpreted as applying to any Member of this body.

I want to know, and I want the Senate to decide, whether the patent-medicine manufacturers who have been exploiting the American people for the last quarter of a century, who have been able to put upon the market alleged remedies for tuberculosis and cancer and syphilis and other diseases well known by the medical profession not to be reached by those remedies—I want to know whether the Senate of the United States is going to take the position that the patent-medicine advertiser and manufacturer, the vilest man on the face of the earth, because he is taking money from innocent people making them believe that they are going to be cured, shall be permitted to continue in those practices.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. No; I do not yield. I have already said I absolve all Senators. I am not talking about Senators. I am talking about the hidden influences which reach into this body, not alone as regard " vested interest " and other interests, but also as regards this great big vested interest which has to do with the very dearest and best thing in life—public health and individual health. If we are going to permit this bill to be emasculated and to permit the continuance of advertising in various newspapers of such vile truck as I have before me in a photostatic copy of a newspaper, all taken from one issue of the paper of the 15th of January 1935, I want the Senate to decide it for itself. I ask Senators to read this copy, because in the presence of this audience, made up of fine women and some children, I could not read aloud what I find here.

If the Senate of the United States is willing to have the Federal Trade Commission go on through another 22 years and fail as during the last 22 years to protect our people against such fraudulent things, such vile and outrageous things, I am satisfied to go down with my colors flying.

Every Senator can speak for himself, but if he desires to emasculate the bill and to make it impossible to seize articles which are being sold daily and which cannot be controlled otherwise than by the enactment of such a law—if Senators desire to do such a thing, let them vote to continue to send the advertising to the Federal Trade Commission, and do away with the possibility of seizure in the market of those things which have to do with invasion of the health of our people.

Mr. President, I am sorry I speak so feelingly, but I have a right to speak this way. This problem has been my training for years. I have had occasion to administer a law like this. I know of the difficulties involved. I know the name of every vile patent medicine which is seeking here now, through its influences in legislative halls, to defeat a fine piece of legislation.

Do not think I have any pride of authorship in the bill. I am not going to be distressed as an individual whether we pass a bill which carries my name or not, but I am going to find out, if I can, how many Members of the United States Senate are willing to perpetuate the conditions which have existed in the United States year after year. I venture to say that the cemeteries contain the bodies of millions of American citizens who have been killed by products which we are seeking to take off the market.

If there are Senators who are so interested in the vested interests, so fearful of disturbing somebody who has been doing this sort of thing, all right, let them vote to destroy the bill, let them vote to prevent seizure, let them vote to send the advertising to the body which has failed for a quarter of a century to do this work.

Talk about sending these matters to the Federal Trade Commission! A lawyer friend of mine who is said to have an income of more that $100,000 a year confided to me on yesterday about a case in which he was retained in 1922. He said there was a notice sent out by the Federal Trade Commission that his client was disobeying the law. He said that in 1929, 7 years later, his client got a " cease and desist order ", and from 1929 until this month he has been able by injunctions to stand off action, and now after 13 years the case is in the circuit court of appeals! If Senators want to " protect " the American people by that sort of procedure, let them do it. I myself do not want to do it.

This bill, about which some persons in the United States are so sensitive, is not a brand new thing. The law at present prohibits the placing upon a label false or misleading claims in any particular. It prohibits false and fraudulent claims, but only so far as the label is concerned; and what is advertising but an extension of the label? No one questions, no one can question, that the Food and Drug Administration shall pass upon the quality of the product, shall pass upon the material upon the label, shall pass upon the material which goes with the package; and what is advertising but an extension of the label and of such printed material?

Mr. President, if there be those here who wish to break down the proposed law, who wish to leave us right where we are after these years of splendid administration of the Wiley law; if there be those here who are unwilling to have that law extended to cosmetics and extended to advertising; if there be those who feel that way about the matter, all right. Let such Senators vote that way. So far as I am concerned, however, I am going to pass this bill as it is, if I can.

On the other hand, if the majority of this body say that it must be emasculated and all the teeth taken out of it, and that we are to be no better off after it shall have been passed than we are at present, I am satisfied to let dear old Dr. Wiley's law stand where it is. That is a good enough law for me if we cannot enact these other provisions which will take care of modern advertising and give us decent protection for the men and women and children of the country. That is where I stand.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WALSH. May I ask the Senator whether there is any question about the members of the committee having had full opportunity to analyze and study the bill before it was reported?

Mr. COPELAND. Ask the Senator from Oregon [Mr. McNARY]. He was a member of the committee.

Mr. WALSH. I am in accord with the views expressed by the Senator.

Mr. COPELAND. I am sure the Senator is.

Mr. CLARK. Mr. President, the Senator from New York once refused to yield, and I do not like to ask him again; but, in view of the inquiry of the Senator from Massachusetts, I do ask the Senator from New York to yield.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I will yield the floor if the Senator wishes to make a speech.

Mr. CLARK. No; I do not wish to make a speech. I do desire the floor later in my own right; but in connection

with the inquiry of the Senator from Massachusetts, the statement I made was that the bill had never been taken up paragraph by paragraph in the ordinary course in the Commerce Committee during the last 2 years of its consideration. I said that on each occasion, when the committee had been asked to consider the bill, they had been asked by the chairman to consider a new draft of the bill, presented to the committee that morning, and that an opportunity was always refused—notably on the occasion when the bill was actually reported—to consider the bill in detail and paragraph by paragraph.

I ask any member of the committee who desires to do so to contradict my statement in that regard.

Mr. COPELAND. Mr. President, I desire to call attention to three volumes of hearings which I have here.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CONNALLY. It was suggested a moment ago by the Senator from New York that probably it might be wise to recess now and go on in the morning.

Mr. COPELAND. Perhaps the Senator thinks adjournment would tend to peace?

Mr. CONNALLY. No; I am trying to help the Senator.

Mr. COPELAND. I do not desire to be helped. I am much obliged to the Senator, but I do not desire the help he proffers.

Mr. CONNALLY. I think we are now right up to the important point of the bill, and there is such a small attendance of Senators that I thought it would be helpful to the Senator from New York to have a larger attendance.

Mr. COPELAND. I am going to get a few things out of my system before we take a recess.

Mr. COUZENS. Mr. President, I hope the Senator from New York will get them out of his system.

Mr. CONNALLY. I do not insist on a recess. I was really seeking to help the Senator.

Mr. COPELAND. Mr. President, I do not know who wrote the original bill. I did not. Senate bill 1944 came down here, and was called the "Tugwell bill." I do not know who wrote it. I was asked to introduce it. That was in June of 1933. I introduced the bill, and I confess that I never read it until October. When October came I realized that pretty soon we must have some hearings, and when I read the bill I was shocked to think I had introduced a bill like that, giving arbitrary power to the Secretary of Agriculture. I am not reflecting on any individual Secretary of Agriculture, but I was shocked to find that I had introduced a bill giving arbitrary power to any official who might hold that position. A subcommittee was appointed, consisting of the Senator from Oregon [Mr. McNARY], the Senator from Arkansas [Mr. CARAWAY], and myself, and we held hearings in December; and here are the hearings [exhibiting volume].

Out of that came another bill. That bill was presented to the committee, and dealt with at considerable length by the committee. It was made clear to me that it was necessary to have some more hearings; and so from February 27 to March 3, 1934, we had some more hearings. Out of that came a bill which was brought here so late in the session that it had no chance to be given consideration.

This year a third bill was introduced.

Mr. WALSH. Mr. President, are those the hearings of this year?

Mr. COPELAND. No; those hearings are last year's hearings. Those were in December 1933 and in February and March of 1934.

Then this bill came along, and there were hearings on it during the month of March, presided over by the Senator from Missouri [Mr. CLARK]. The Senator from Arkansas [Mrs. CARAWAY] was ill, and I sat in the committee by courtesy of all concerned, and I suppose because, as Chairman of the Committee on Commerce, I had some privileges.

Those hearings were printed, and before they were bound a complete copy in sheet form was sent to each member of the committee 1 week before the committee was to meet. With this set of sheets was sent a letter saying that a week later there would be a meeting of the committee to consider the bill; and a copy of the proposed bill, with the amendments which grew out of it, attached to these sheets, was sent with the letter.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. So far as the subcommittee was concerned, I think the Senator from New York will agree that the subcommittee was not appointed or empowered to consider the bill. It was appointed simply because the Senator from New York himself did not desire to preside over the hearings; and as a personal matter he requested me to be chairman of the subcommittee and to preside over the hearings. The subcommittee had no authority whatever to consider the amendments proposed or to report on the bill one way or the other.

The Senator from New York has stated that he sent out these galley proofs a week before the meeting of the Commerce Committee, and it is possible that that is true. From my own personal experience, I desire to say that I received the galley proofs 2 days before the meeting at which the Senator insisted on reporting out the bill without detailed consideration in the committee, and that when the Senator from North Carolina [Mr. BAILEY] in the committee proposed that the bill be taken up paragraph by paragraph for consideration, and that an opportunity be afforded to consider the language and the various lines of the sections, the chairman refused to permit that to be done and insisted that the bill must be reported out that day, and, by a vote of 9 to 6, the bill was so reported.

Mr. COPELAND. All of which proves what?

Mr. CLARK. All of which proves my preliminary statement that this bill has never, at any stage in all the hearings which have been held or at any of the times it has been before the committee, been taken up by the Committee on Commerce in the ordinary, customary method for consideration and perfection by the committee, which might have eliminated all of the jokers and catch phrases that are now found in the bill.

Mr. COPELAND. It is very apparent to me that, so far as the Senator from Missouri and the Senator from North Carolina are concerned, they have not had any trouble in studying the bill and finding where the "jokers" are.

Mr. CLARK. Mr. President, will the Senator yield on that point?

Mr. COPELAND. I yield.

Mr. CLARK. The Senator from New York a while ago called my attention to one which had escaped me, by offering an amendment to it; and when I read the section and called attention to its legal import, it became apparent that it was so outrageous and so indefensible that the Senator from New York, with the consent of his mentor from the Agricultural Department, agreed that the paragraph should be stricken out of the bill; and it was so done on his own motion.

Mr. COPELAND. I congratulate my mentor.

Mr. CLARK. So do I.

Mr. COPELAND. I had not realized that my mentor was leading me by the hand; but I bow to him, and say that I am glad that he is my mentor. I like to have a mentor like this man, who is interested in the public health and in the public safety and who is desirous of saving the lives of people.

The Senator says that he had these sheets in his possession for 2 days before the meeting of the committee. I took pains to see to it that the sheets were delivered to the offices of members of the committee a week before the meeting, and they were so delivered at every office. If Senators had no time to study the galley proofs before the consideration of the bill was begun by the Senate, we have been going along with the bill on the floor of the Senate all this week, 4 days, and if any Senator was sufficiently interested to study it, he certainly has had the time and opportunity. If he did not care to study it, he was certainly getting letters from home. Among the letters that every Senator received are letters from vile patent-medicine manufacturers, who do not want any regulation. I am happy to say, so far as they are con-

cerned, that they will still have the Wiley law to contend with, even if they should succeed in defeating this measure, which is no more than an extension of that law to cosmetics and to advertising.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I do.

Mr. VANDENBERG. I am sure the Senator from New York would not wish to leave the implication that the only critics of the bill and the only persons who have sought to amend it are those who qualify under the description he has just given.

Mr. COPELAND. I absolve the Senator absolutely. I think most of the criticisms which have been offered here have been very worthy and very proper ones. But the fact remains that there is, in effect, a conspiracy on the part of these patent-medicine men—and some of them are sitting in the gallery right now as I speak—seeking to defeat the bill. Then there are certain newspaper interests who are so afraid that they will not be permitted any more to run the vile advertising which I have exhibited, who are so afraid that their dividends will be affected by this attack upon their revenues that they are here in force, and possibly, though I pray not, they may have influence enough to beat the bill.

I know what will be said by every mother in the United States, by every decent citizen who believes in purity of drugs and in proper foods, who believes our people ought to be protected in the use of cosmetics from such blindness as was suffered by the girl whose picture I exhibited, every person who believes that advertising should be truthful and regulated by somebody. I know what a flood of protest will come, so I am satisfied, if I shall be defeated in my efforts to pass the bill, it will be an honorable defeat, and I will be satisfied to accept that sort of a defeat.

Mr. ROBINSON obtained the floor.

Mr. CLARK. Mr. President, I hope the Senator from Arkansas will not now ask for a recess, in view of the fact that the Senator from New York has consumed nearly an hour making a very vicious attack on everybody opposed to his bill. I desire to address myself for a few moments to the remarks of the Senator from New York.

Mr. ROBINSON. Very well. I thought perhaps we could take a recess at this time and resume tomorrow. If the Senator wishes to proceed now, I have no objection.

Mr. CLARK. I wish to make a few remarks in reply to the Senator from New York. In view of the plain implication of the Senator from New York that every Senator who has criticized his bill, or has desired to proceed in an orderly manner and after action by a committee on the language of a most important, technical, detailed bill, is controlled by patent-medicine or vicious interests, as he says, I should like to say that, so far as I am concerned, I have no connection, direct or indirct, with any patent-medicine manufacturer or the manufacturer of any foods such as the clients of Mr. Dunn, who has been broadcasting in favor of the bill during the last 2 weeks, or with anybody else.

Furthermore, I should like to say that I am heart and soul in favor of the purposes announced in the President's message for amending and broadening the present law to such extent as may be necessary.

Two years ago, when the Senator from New York introduced a measure, the name of the author of which he now says he does not know, but which bore the name of the "Tugwell bill", and which he has told the Committee on Commerce he now abhors, and did as soon as he read it, I did not conceive that it was necessary either for the Committee on Commerce to report it without consideration, or for the Senate of the United States to adopt it without proper consideration.

When the Senator from New York, after the hearings a year ago last fall, came back with the first of these nearly 20 different drafts of the bill, and came into the Committee on Commerce on the morning when the draft had first been furnished to the committee, and requested and insisted that the bill be reported without consideration and without hearing, I did not conceive then that it was my duty, as a Member of the United States Senate or as a member of the Committee on Commerce, to vote to report that bill, and I voted against it.

On the numerous occasions since, when the Senator from New York, for whose professional opinion I have the highest respect and of whom I am personally exceedingly fond, would come in with a different draft of a bill, when no opportunity had been given the members of the committee to examine it, and would ask as a matter of personal courtesy to him that the bill be reported without consideration, I still did not feel it was my duty, as a Member of the Senate or of the committee, to vote to report it.

The Senator from New York has begged the question constantly in the Committee on Commerce and in the Senate when he has said that anybody who is opposed to the bill in its present form, quite a different draft from the many drafts which have preceded it, is opposed to the principle of amending the food and drug laws of the United States and affording protection to the public.

The Senator from New York has never yet, in the committee or in the Senate, explained why it was necessary to wipe out all of the great mass of decisions which have been rendered by the courts of this country during the last 30 years under the Wiley Food and Drugs Act, and to get away from the laws of the 46 States based on those decisions, and adopt an entirely new system, except as may be desirable for the purposes of extending a little new authority to the Department of Agriculture and allowing the distinguished Senator from New York to get his name on a bill.

Neither the Senator from New York nor anyone else has ever dared criticize the administration by the Federal Trade Commission of the advertising laws as they exist at present. The fact is that under the present law the Federal Trade Commission has only had jurisdiction over advertising which constituted unfair competition. Under their very limited jurisdiction they have built up a machinery, they have exhibited a willingness and a competency to deal with that situation, which makes it certain that all that is necessary now is to extend their jurisdiction to include the new subjects matter contemplated in the pending bill, rather than to take away their jurisdiction and turn it over to an entirely new agency, the Food and Drug Administration of the Department of Agriculture.

These are a very few of the matters mentioned by the Senator from New York, but the fact is, Mr. President, that in the consideration of the bill we have come upon joker after joker, upon the use of language which cannot possibly be justified either in law or in reason.

We have found that a crutch and a set of scales are to be designated by law as drugs. We have found that a drug which is misbranded is to be treated as adulterated. This afternoon we came across a section which provided that, after one of the regulations to be made by a bureaucrat under this proposed act had been declared invalid by a court, the same bureaucrat would have authority to make a new regulation which would be in force, without notice, without hearing, and without review, for a period of 6 months.

I say, Mr. President, that if the bill shall be recommitted, there should be no necessity whatever for a delay of more than 2 or 3 days. If the Senator from New York will do what he has never done, call his committee together and put the bill before them paragraph by paragraph, line by line, and word by word, for consideration and definition, the subject matter may well be cleaned up in 2 or 3 days, and a bill reported back which will conform to the President's message, and accomplish every aim set forth in the message, and, at the same time, not be full of jokers and innuendoes and hidden powers for the bureaucrats of the Department of Agriculture.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. MOORE in the chair). If there be no further reports of committees, the clerk will state the first business in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 12 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Friday, April 5, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 4 (legislative day of Mar. 13), 1935

POSTMASTERS

CALIFORNIA

Kathleen M. Rousseau, Belmont.
Irene C. Cator, Carmel.
Frances M. C. Enos, Pescadero.

TEXAS

Oscar L. Weaver, Thurber.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 4, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, author of all good and never far away from Thy children, we would listen to Thy whisper: "I will guide thee with Mine eye." Enable us to cherish sincere, sensitive, and responsive souls toward Thy rich and assuring promise; then Thou wilt preserve us against every false way. Keep us from being victims of misconceptions, prejudices, and illusions. Courageous in the denunciation of the wrong, clear in the declaration of the right, may we stand as leaders in national, civic, and social welfare. Inspire us with Thy word: "To them that love God, all things work together for good." Help us to live in the spirit of submission in trust and in hope, believing that in many and in unexpected ways Thou wilt make our work fruitful and bring it to a fine consummation for the good of our country; so grant it, blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SCHOOL HOUSING SITUATION IN MISSISSIPPI—OLD-AGE PENSIONS

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter addressed to me under date of March 10, 1935, from two very prominent educators in the State of Mississippi on the condition of our school system.

I ask also to extend my remarks and include a short resolution adopted at a mass meeting in Lauderdale County, Miss., urging legislation on old-age pensions.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, I am very proud, indeed, to have the pleasure of placing in the CONGRESSIONAL RECORD the following letter written to me under date of March 10, 1935, signed by W. G. Eckles, director public building service, department of education of the State of Mississippi, and which said letter was approved by W. F. Bond, State superintendent of education in Mississippi. The letter is as follows:

JACKSON, MISS., *March 10, 1935.*

Hon. AUBERT C. DUNN,
Member of Congress, Washington, D. C.

MY DEAR MR. DUNN: Under separate cover I am sending you today some facts concerning the school-housing situation in Mississippi.

Last year we made a detailed study of the physical plant facilities of every public school in the State. The results of this survey show unmistakably that Mississippi is very deficient in school-plant facilities. The average investment in the school plant per child enrolled in school is only $69 for Mississippi. This is the lowest average investment of all the States of the Nation. This average for the United States is $250. A copy of the general summary of the survey is in the package I am sending you. I invite your attention especially to pages 23 to 26.

Of course, our Negro schools are much more deficient than are the white schools. The investment in plant facilities per enrolled child for the white schools of Mississippi is less than one-half the average for all races in the United States.

Recently the city and county superintendents of education were requested to make up an inventory of needed school-plant improvements which, under favorable conditions, they would make in a 1-year program. A tabulation of the estimated cost of these improvements by counties is enclosed. As you will see, these estimates total $16,276,722.34, of which some $13,000,000 is for white schools and the remainder for Negro schools.

To make substantial improvement to our deplorable school-plant situation we will have to have Federal aid on a very liberal grant basis. Only a pitiful few of our school districts have been able to build school buildings under the P. W. A. program. We appreciate this aid, but we know that these communities were most able to get needed improvements without outside aid.

While Mississippi's investment in the school plant is lowest in the Nation, we are almost 50 percent above the national average in the percent of taxable wealth invested in the school plant with 0.58 percent as compared with 0.40 percent, the average for the Nation.

We appeal to you, our other Congressmen, Senator BILBO, and Senator HARRISON to give us your active support in getting Federal aid which will permit us to provide reasonable plant facilities for the school boys and girls of the State. While it would take a total of $100,000,000 to bring Mississippi up to the national average investment per child, we ask for only $20,000,000 for a 2-year program. We are convinced that if this aid is made available on a liberal enough basis, we could provide facilities where they are most needed. Such a public-works program would offer advantages not to be found in any other program.

1. The efficiency of the schools would be greatly increased.
2. The spread of employment would be ideal, reaching all sections of the State.
3. A high percent of the money expended would be for labor.
4. The facilities secured would serve a large group of people for a number of years.
5. A great saving in local tax money would result, because local communities will have to bear the whole burden unless Federal aid is secured.

May we not depend upon you to help us in this program?

Should you care to have additional information, we will be glad to supply you with it.

Thanking you for the fine things you have already done for schools and with best wishes, I am

Cordially yours,

W. G. ECKLES,
Director School Building Service.

Approved.

W. F. BOND,
State Superintendent of Education.

Mr. Speaker, the State of Mississippi has undoubtedly been as reasonable, if not considerably more so, in its requests for emergency help for schools than any other State in the Union. Our people have made great progress in education, and we are proud of that progress; but because of general agricultural conditions, such as deflated markets, the lowering of assessments in towns and cities because of the inability of our people to pay taxes on what otherwise would be normal assessments, we are now greatly handicapped in not only keeping our schools open but also in repairing and replacing many plants that are so vitally necessary to our school systems, and I am proud to have had the pleasure of placing into the RECORD such an intelligent letter from such recognized leaders in the field of education.

It is needless to say that I shall certainly cooperate with them to the fullest extent in getting my State's just propor-

tion of emergency money which we are entitled to from the Treasury of the United States.

Mr. DUNN of Mississippi. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following resolution adopted in mass meeting in Lauderdale County courthouse, March 23, 1935, Meridian, Miss.:

TO NATIONAL OFFICERS

To our Honorable President, United States Senators, and Congressmen, especially to our 2 Mississippi Senators and 7 Congressmen:

We pray of you to hear our voice and expressions as embodied in the following resolutions:

We, the citizens of Lauderdale County over 60 years of age, assembled in the court house Saturday night, March 23, after consideration of the various social security legislation and pension plans now being considered by Congress, ask you to embody the following provisions in any social legislation or old-age pension laws enacted:

We pray for immediate and sufficient appropriation to care for those above 60 years of age; at the same time put into effect the public program to care for those that are younger than 60.

We ask the old-age pension begin at 60 and not at 65, as now proposed, and that the law guarantee that the State laws pay this pension at the age of 60, this to begin immediately instead of in 1940, or, give the States now having pension laws 1 year to reduce their limit which are from 70 to 65 years of age.

We further ask that the maximum should not be fixed, but should provide that pension payments be made to insure healthy and decent living conditions for the aged. If the limit must be fixed, let the minimum be not less than $30 per month gross (Federal and State).

Should you enact old-age insurance along with immediate pension law, or instead of immediate payment of old-age-pension laws, we ask that the system plan be changed to take effect immediately instead of in 1937, and embody the above-mentioned provisions as to age limit and amount paid as above stated.

We commend our President upon this step toward obtaining for the aged assistance that they may spend their remaining days in decency, in peace, and in security in their own homes, and assure each Senator and Congressman supporting our cause that our appreciation will be like unto that given in rescue of a drowning person.

According to Government statistics, over seven and a half million people in America are dependent upon charity or are on the F. E. R. A. list. These, with millions of others between the ages of 60 and 65, who are not included in the present Federal old-age security laws, join us in praying to you for relief immediately and the change from the humiliating dole system now in force, if not cared for by their children.

We respectfully, humbly, and obediently do hereby remind you of your campaign promises, and the confidence we have in you to carry this out, regardless of the pressure brought upon you contrary to our interests.

Respectfully submitted by our officers signed below and of citizens in assembly.

Dr. M. W. GANTT, *President.*
Rev. J. W. BRAND, *Secretary.*

PERMISSION TO ADDRESS THE HOUSE

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes out of order.

Mr. HILL of Alabama. Mr. Speaker, reserving the right to object, I shall not object to the request of the gentleman from Kentucky, but I hope no other gentleman will make a similar request. The committee was delayed almost 3 hours yesterday in its effort to take up this bill. Members of the House are interested and want to consider this war-profits bill, and I hope other requests will be delayed until a future date.

Mr. COX. Mr. Speaker, if the gentleman will yield, I had hoped that I might be allowed to address the House for 3 minutes.

Mr. HILL of Alabama. Mr. Speaker, I shall not object to the gentleman from Georgia and the gentleman from Kentucky having 3 minutes each in which to address the House, but I shall be constrained to object to other similar requests.

Mr. MAY. Mr. Speaker, for just a few minutes I desire to call to the attention of the House some matters that have occurred in the last few days, about which I think the House of Representatives should have information.

References have been made in the press to certain statements and testimony before certain committees of the House of Representatives on the subject of national defense. Personally, I am a fixed, immovable advocate of adequate national defense. I do not believe in fighting, and therefore I believe that adequate preparations for war is the surest guaranty that we shall not have a war. [Applause.] A few days ago a gentleman who is possibly in a position to know as well as any other man in the country, Mr. David E. Lilienthal, one of the directors of the Tennessee Valley Authority, made the statement before the Military Affairs Committee of the House of Representatives that in case of a great national emergency, or in case of war, the United States would experience a grave and serious shortage in electric power.

In view of our experiences of the last great World War and of the years that have followed, in view of the recollections of that great conflict, and in view of the rapid development of industry since the World War and the rapid strides in power development by private industry in this country, it was alarming to me and doubtless to other members of my committee to hear such a statement coming from such a source. If it be true, gentlemen, it constitutes an indictment against the Army of the United States, against the General Staff, against the Chief of Ordnance, and against our entire national-defense organization. I do not believe it is correct; I think it is a mistaken statement; but in order that Congress and the people and the country may know whether or not, after the disasters of that war and 16 years' time within which to study and plan, our national defense has been neglected, I shall introduce within the next few minutes a resolution asking for an investigation of this particular subject.

With the great and marvelous system of power development that we have in this country, reaching into every industrial plant throughout the land and into every factory adapted to the production of war supplies, is it possible that our national-defense establishment has gone to sleep at the switch and failed to consummate arrangements for immediate conversion of these great industrial plants already electrified into peak production of the munitions of war in case of emergency? Is it possible that after our terrible experiences of the last 5 years of depression and our contemplated vast expenditures of money we are still derelict in this minor point? No, I do not believe it; but I shall undertake to find out about it.

DEPARTMENT OF LABOR STATISTICAL STUDIES

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 857) to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes, and consider the same.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, as I understand, this bill continues the authority of the Department of Labor to furnish these statistics when the people asking for them pay the costs?

Mr. CONNERY. Yes.

Mr. SNELL. And, so far as the Government is concerned, no expense whatever is attached to it?

Mr. CONNERY. Not at all. The only reason I am bringing it up now is this: These two bills have been on the Consent Calendar, but I am informed by the Department of Labor that this law which is now on the books expires April 12, which will be before the next Consent Calendar day.

Mr. SNELL. And there is real demand for these statistics?

Mr. CONNERY. Yes; there is great demand.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to authorize the Department of Labor to make special statistical studies upon payment of the cost thereof, and for other purposes" (73d Cong., ch. 118, 48 Stat. 582), and the authority therein conferred shall be, and hereby are, extended until April 13, 1937.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, through the courtesy of Mr. Julian Byrlawsky and the Warner Bros., as a com-

pliment to the House Committee on Labor, there will be shown in the Caucus Room of the old House Office Building on next Monday night, April 8, a picture which has never yet been shown to the American public, entitled "Black Fury", featuring Paul Muni. Last evening I had the privilege of a private preview of this picture, which is a most dramatic and colorful drama of life in the mines, and gives a realistic portrait of conditions in mining communities during the progress of a strike. I take pleasure in inviting every Member of the House to be present at 8 o'clock in the Caucus Room of the old House Office Building to see this picture. I suggest, in view of the limited seating capacity, that Members confine themselves to one guest.

AIR MARSHAL ITALO BALBO AND GENERAL PELLEGRINI

Mr. TURNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1605), authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. SNELL. Mr. Speaker, reserving the right to object, what is this bill? Is this a Senate bill?

Mr. TURNER. It is a Senate bill and it has been considered by the Military Affairs Committee and unanimously reported out for passage.

Mr. SNELL. Is there a similar bill on the House Calendar?

Mr. TURNER. No.

Mr. SNELL. The Senate bill has been considered in committee?

Mr. TURNER. We considered the Senate bill in committee.

Mr. SNELL. It is a unanimous proposition?

Mr. TURNER. Yes.

Mr. SNELL. What reason is there for taking up the bill at this time?

Mr. TURNER. I have a note here which will explain the reason.

The Honorable Breckenridge Long, American Ambassador to Italy, has been invited by Air Marshal Italo Balbo, now Italian Governor General of Tripoli, to be his guest in Tripoli during April. The passage of this legislation by the House within the next 10 or 12 days would make it possible for Ambassador Long to present the medal during his visit, and both he and the Department would be grateful for prompt action in this regard.

Mr. SNELL. If we could go over there, too, it would be very much better.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the President is authorized to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force, in recognition of their formation flight with 24 seaplanes to the United States and back to Italy, which was an event of national importance, a great aeronautical achievement, and a mark of the good will between Italy and the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address made by myself yesterday at Binghamton, N. Y., on the new deal.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. LEE of Oklahoma. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I made yesterday before the Exchange Club of Binghamton, N. Y., on the "new deal":

My friends, it is my purpose to divide my thoughts into three divisions. First, to answer some of the criticisms of the "new deal"; second, to point out some of the accomplishments of the "new deal"; and, third, to show how the policy of the "new deal" promotes world peace.

Now, after 2 years, Mr. Herbert Hoover comes out of the storm cellar and says there wasn't any storm. It is wonderful what 2 years of rest has done for Mr. Hoover's mind. Why, 2 years ago he couldn't think of a thing to do to save the country, and now, 2 years later, he is becoming very fertile for ideas. Personally, I think Mr. Hoover is a fine, cultured, high-class gentleman, but as a statesman he is a good food administrator.

During the war he brought us wheatless, eatless, meatless, sweetless, heatless days, and then he brought them back for the depression. I suppose he thought that if it was good for us to Hooverize during the war that it was good for us to Hooverize during the depression. So, although as a man he is a fine citizen, as a leader in the economic field he still ranks higher as a great engineer.

It must take lots of nerve for those who ran our Government into this terrible depression to stand off now and criticize the man who is leading us out of it. I admit that Mr. Roosevelt is not getting us out quite as fast as Mr. Hoover got us in, but he is doing a pretty good job at that. But it must take lots of nerve for Mr. Hoover to criticize the "new deal." I should think that it would take almost as much nerve as it did for the fellow who murdered his mother and father and then plead to the court for mercy on the grounds that he was an orphan.

My friends, the criticisms of the "new deal" are superficial, and if you notice, they are destructive criticisms. They are not constructive. Anybody can make destructive criticisms about a man who is doing something. Always when you compare the actual with the theoretical, the actual suffers. But in this case the fact remains that the "new deal" is actual and is actually taking us out of the depression.

Of course, there are those who will complain, and in many instances they are benefiting by the very Government they are complaining at. The other day I heard a man complaining about the "new deal." He said, "I ain't got no liberty. I can't get a job without going and getting a card first."

"Why," I says, "man alive, before the 'new deal' you couldn't get the card, let alone a job."

Another man was trying to get a loan from the Home Owners' Loan Corporation to save his home. He had gotten offended at one of the clerks and was cussing the whole "new deal." Of course, he wouldn't have needed the loan in the first place if it hadn't been for the "old deal", and he wouldn't have had any home to worry about if it hadn't been for the "new deal." But here is a Home Owners' Loan Corporation set up by the "new deal" to save his home from foreclosure, and yet he doesn't see the political philosophy back of a humanitarian government that has raised human rights above property rights.

When I was a soldier in France there was criticism of the Y. M. C. A. Some of this criticism may have been justified, most of it was not. We drank their hot chocolate, ate their doughnuts, and then cussed them because they didn't have something else to give us. They furnished us stationery to write home on and then mailed our letters for us. One day one of the Y. M. C. A. men found a letter in the mail box addressed to God Almighty. Not even a Y. M. C. A. man knew what to do with it, so he opened it.

It said, "Dear God, please send me a hundred dollars to pay off the mortgage on our home place back in Tennessee. We are about to lose it."

That touched the Y. M. C. A. man's heart, and he went around among his friends and raised $90. He put it in an envelop and mailed it back to the boy. The next week he found another letter in the mail box addressed to God Almighty. He opened it.

It said, "Dear God, thanks for the money which you sent me, but God, the next time you send me any don't send it through the Y. M. C. A. Them boogers took out $10."

It seems to me that that story illustrates the present situation pretty well.

The most often heard criticism is to refer to the whole "new-deal" program with the implication that the total amount of money called for must be made up by taxation. My friends, that is misleading, because a Government loan is not a Government gift.

For instance, when the corn farmers were selling their corn at the ruinous price of 10 cents a bushel the Government stepped in and loaned the farmers 45 cents a bushel on that corn in sealed cribs. Most of that corn was sold at from 75 cents to 90 cents a bushel. Those loans were paid back with 5-percent interest. That money won't have to be raised by taxation. But the Government saved the corn farmers $160,000,000 that otherwise would have gone to the gamblers on the grain exchange.

Then, again, the Government loaned farmers on their livestock. I have some cattle on my ranch in northwest Oklahoma. The Government loaned me some money on those cattle to keep me from having to sacrifice them at a ruinous price. I have already paid back over half of that loan out of the sales from the cattle. Cattle are worth three times more now than when that loan was made. That money won't have to be made up by taxation. The Government will get that money back, with interest. But the Government saved the livestock industry in this country by those loans.

Then, again, there is the Reconstruction Finance Corporation, the purpose of which is to refinance banking and industry. There is one R. F. C. loan on which the Government is pretty sure to lose money. It was made while Mr. Hoover was President. They

loaned Charley Dawes $90,000,000 on his failing bank in Chicago. They interpreted R. F. C. to mean "Relief for Charley."

Yet even with that loan Jesse Jones' report of February 7, 1935, shows total loans under section 5 amount to a little over three and a third billion dollars, while the repayments already amount to over $2,000,000,000. That money will not have to be paid by taxation.

Then, again, some people have the erroneous idea that the Federal Housing program calls for tax money to support it. But the Government in this case is only attempting to stimulate recovery by encouraging banks and loan companies to lend their own money for building and rehabilitation. The Government guarantees the loan up to 80 percent of its value. Therefore the Government is not spending the taxpayers' money on the housing program.

Then, again, there are the loans on the homes. These are not gifts. Before a citizen could get one of these loans an appraiser had to appraise his property. Then a second appraiser had to check the first appraisal. Government attorneys then examined the title. It had to be cleared. Then the citizen and his wife had to sign the mortgage to the Government. Before that citizen can give title to that property that loan must be paid off. The Government has first mortgage on that property.

The Government not only won't lose on those loans but will actually make money and at the same time help a distressed and stricken people.

My friends, if the grain that represents bread, if the livestock that represents meat, if the banks and factories that represent commerce and industry, if the fertile fields that represent the producing power of this country, if the real estate that represents the homes of America, if the character of the American people, if all of this is not good security, then we do not have any security in this Nation, because that represents America; that is America.

Therefore I must conclude that these Government loans are not Government gifts and will not have to be paid for by taxes.

Then again the money that is used to pay the farmers for reducing their wheat and cotton acreage is being raised by the processing tax. The report from the Department of Agriculture showed that up to January 1, 1935, the processing-tax receipts were $640,000,000 plus, and the rental and benefit payments were $527,000,000 plus. So you see, my friends, that program is paying its own way.

Then again there are those critics who would have you believe our Government is about to go broke. The President by reducing the gold content of the dollar placed a credit in the United States Treasury of $2,000,000,000, and can legally still further devaluate 10 cents more on the dollar and place an additional credit to the Treasury of $800,000,000, making a total of $3,600,000,000 to the credit of the United States Treasury; and yet some would try to frighten you into believing that our Government is about to go broke.

Do you know how much monetary gold there is in the world? In round numbers, $17,000,000,000. Do you know how much of that is in the vaults of the United States Treasury? Nearly half of the total world supply. There is over $8,000,000,000 of gold in the vaults of the Treasury today now.

Why our Government could pay every greenback piece of paper money in the United States off in yellow glittering gold and have over $3,000,000,000 left in the Treasury; yet some of the critics of the "new deal" would try to frighten the people about our money.

During the last campaign one of the critics of the "new deal" was speaking to a big crowd at a country picnic. He was making fun of the "new deal's" alphabet relief. "Why," he says, "there's the A. A. A., the N. R. A., the F. E. R. A., and all the other combinations. You can't think of any combination of letters in the alphabet that doesn't stand for some form of relief. Can anybody here think of a combination of letters that don't stand for some form of relief?"

An old farmer yelled out, "Yeah; G. O. P.!"

The window washer on the skyscraper up there does not see the building. He does not see the foundation supporting the structure. He does not see the different stories of useful offices. He doesn't see the sweep of architectural beauty of the skyscraper. All he sees is the dirt on the window right in front of him.

Friends, don't just look for the dirt on the window. Back up and take a look at the whole great structure and the foundation stones of the "new deal," this new political philosophy or rather old one, I should say, for it harks back to Thomas Jefferson. It is the doctrine of equal opportunity. It would give every man the right to a job, the right to feed his children when they tug at his coat and ask for bread. It is the doctrine that says every man has a right to food when he is hungry, clothes when he is naked, and shelter from the storm, in return for his labor.

One time one of the best-to-do citizens of a little village down in Louisiana went over to the neighboring city and brought home a brand-new manufactured wagon, the first "store-bought" wagon to make its appearance in that district.

When he drove it up in the village street and stopped it there was immediately a great crowd of spectators. They began at once to criticize the wagon. One said the wheels were too weak; another said the hub was too large. Another said it was too narrow gage, and so on. Each one had some fault to find with it. Finally, they seemed to exhaust their own repertoire of criticisms, so they turned to an old darkey and asked him what he thought about the new wagon.

"Well," he says, "I'se got the same fault to find wid dat wagon dat the rest of you have. Dar's only one thing de matter wid dat wagon, and dat is dat hit ain't mine."

I fear that Mr. Hoover's memory is too short. It would seem that he has forgotten the prices of farm products 3 years ago. The story goes that a fellow was walking along the road and he saw a man over in his corral shearing a sheep, and he was holding the sheep by the tail while he cut off its wool. "Why", said the traveler, "that's not the way to hold a sheep when you shear him. You should hold him by the head."

"Yeah, I know it," said the man in a rather embarrassed manner.

"Then, why don't you hold him right?"

"Well, you see, I voted for Mr. Hoover when he first ran for President, and he was elected, and cattle went down, hogs went down, sheep went down, wool went down, lambs went down, and I just can't look this sheep in the face and take his wool."

So now in just 2 short years Mr. Hoover has forgotten 25-cent wheat, 10-cent corn, and 4-cent cotton. I fear also he has forgotten the election returns of 2 years ago. In that election Mr. Hoover reminds one of Moses. The Lord buried Moses where the people couldn't find him, and the people buried Hoover where the Lord couldn't find him.

SOME "NEW DEAL" ACCOMPLISHMENTS

This depression really began in 1920 when the financial masters deliberately and intentionally contracted the credit by calling in the loans to the little country banks. These little banks had loaned on livestock and on crops and they could not pay. They began to close their doors. They folded up like camp stools. Gradually and slowly but surely times got worse. Then the clouds of depression began Hoovering (hovering) over us. In the period from 1920 until 1932 over 7,000 banks in the United States went broke.

Immediately, upon Mr. Roosevelt's inauguration, he took action; he closed every bank in the Nation. When those banks opened, they were underwritten by the Government itself. He followed quickly with an insurance-deposit law, insuring the deposits of the people. Today your deposit is guaranteed by the Government of the United States. When you support the "new deal" you are supporting that.

Then he went over our Nation and gathered up the young boys. He took them out of the box-cars and out of the alleys and off the streets and placed them in clean conservation camps, with three squares a day. Through them he sent back to their mothers and sisters and brothers money that meant food and clothes and shelter. When you boost the "new deal" you are boosting that.

Then he passed the air mail contract law, that prevents fraud in the air mail contracts.

He also set up the Communications Commission for the control of the telephone, telegraph, and radio corporations in order to protect the people against unfair rates from these utilities.

Furthermore, he set up the Tennessee Valley Authority as a yardstick for measuring the cost of electricity. He established similar power projects at different places over the Nation. These stand like a gun behind the door, a threat to prevent the power companies from imposing unfair rates upon the people.

Furthermore, the "new deal" recognition of Russia is an entering wedge to the regaining of our lost foreign markets.

Then, again, through the Agricultural Adjustment Administration, the President has distributed millions of dollars to bankrupt farmers in the form of rentals and benefit payments, making it possible for those farmers to buy shoes for their children. How could anyone object to that?

Then, again, the "new deal" investigated the house of Morgan, the most powerful banking institution in the world, and showed how J. Pierpont Morgan was evading the income-tax law, and exposed the names of high officials who were allowed to purchase their stock at a special price $17 below the market.

The "new deal" prosecuted Mr. Mitchell for evading the income-tax laws, and showed how worthless foreign securities were sold to the unsuspecting public.

The "new deal" has pending now a suit against Andrew Mellon, charging him with evading the income tax to the amount of over $3,000,000.

Surely, my friends, you must applaud the "new deal" for requiring the high and might to obey the law as well as the average citizen.

When Mr. Roosevelt came into office he found crime running rampant. He told the Federals to get busy. What has been the result? Insull, Kelley, Bates, Bailey, Dillinger, "Pretty Boy" Floyd, "Baby Face" Nelson, Bruno Hauptmann. Never in the history of America has there been such a drive on crime; when you approve the "new deal", you approve that.

Then he set up the public-works program, through which he beautified parks, constructed roads, built bridges, graded school grounds, built air fields, and constructed reservoirs.

Then he set up the N. R. A. and through it put back to work 3½ million workers and raised the wage level 26⅛ percent.

Then he set up the F. E. R. A. and through it fed the great army of unemployed. Millions of cattle were purchased from the drought-stricken areas and fed to the hungry.

Then again through the Agricultural Credit Corporation thousands of farmers have been refinanced at lower rates of interest and for longer terms, making it possible for them to save their property.

Then again he set up the Home Owners' Loan Corporation and through it saved the homes of thousands of citizens from foreclosure. He kept a roof over the heads of the distressed home owners.

No farms foreclosed, no livestock foreclosed, no homes foreclosed. The auctioneer's hammer has been thrown away during the depression. To approve the "new deal" is to approve that.

"NEW DEAL" PROMOTED WORLD PEACE

The third point which I wish to discuss is the "new deal" and world peace. I wonder how many of you could tell why the marines were sent to Nicaraugua, following the outbreak of the Nicaraguan revolution? Through the press we were told they were sent to Nicaragua to protect American lives, but it developed that no American lives were in danger.

Then we were told that they were sent down there to protect American property, but when we discovered that the United States owned no property in Nicaragua except a Canal Zone right that never was questioned, we asked for better reason. Then we were told that they were sent down there to hold a just election. Somebody suggested that the marines be sent to certain cities in the United States, and we laughed that off.

The truth is, United States capitalists had investments in Nicaragua to the amount of $18,000,000 plus. These investments were in the form of oil titles, titles to gold mines, and loans to the Nicaraguan Government. If that Government should be overturned by revolution, as it no doubt would have been save for the intervention of the United States troops, then those loans and titles would be destroyed, but if that Government which appeared to be the weaker and less popular, were kept in power at the point of American bayonets, those titles and loans would remain intact.

In short, it cost the Government of the United States six and one-half million dollars to protect private investments in Nicaragua amounting to over $18,000,000.

It cost us the lives of 150 Americans and 450 Nicaraguans and the confidence of the Latin American people in our claim that we were a peace-loving nation. For at the same moment that President Coolidge was standing on the floor of the Habana Peace Conference delivering an address on world peace and brotherly love the newsboys on the streets were shouting "Forty Nicaraguans killed in American air raid!"

In my opinion, when a man invests his money in a foreign country, that is a commercial venture. If he makes a gain, he has a right to it. If he has a loss, he has a right to that, too. As long as American citizens in a foreign country are not discriminated against because they are American citizens, then their losses are not the affair of the Government of the United States.

Why, the coconut growers of South America would make more money if the monkeys did not carry away their coconuts. Then why not send the marines down there to herd the monkeys away from the coconuts? It would be the same proposition and much more humane.

After Mr. Roosevelt's election, he called the last United States marine out of Nicaragua. Therefore the "new deal" has launched a new foreign policy, so far as the protection of private investments in foreign countries is concerned.

Those who invest abroad should have every protection that any foreigner has, but they should not expect to wrap the American flag around every dollar that they invest in foreign countries.

Thus, President Roosevelt has placed peace above profit; has by that action declared that blood is more precious than gold.

Then again when civil war broke out in Cuba the newspapers and periodicals of this country were full of agitation urging that the United States send a battleship or the Marines to put down the revolution in Cuba.

It seemed that United States capitalists who had investments in the sugar business in Cuba were eager to have the Government step in and protect their investments. For years the investors in the sugar business have made millions from their investments. Those investments were legitimate, I suppose, and perhaps commendable, and when there is a profit, the investors have a right to it, but when there is a loss, so far as I am concerned, they can have that, too.

According to the magazines and newspapers, about 90 percent of Cuba is owned by United States capitalists. We have been called Cuba's big brother, but it looks more like we are the "sugar daddy."

At any rate, there was great agitation for sending a military arm of the Government to Cuba to put down that revolution in order to protect the private investments of United States capitalists. But once more President Roosevelt came forward with a new policy so far as investments in foreign countries are concerned.

He announced that there would be no intervention in the domestic affairs of Cuba, once more placing peace above profit, once more making a long stride toward world peace.

Furthermore, it has been customary in the past to allow the manufacturers of munitions in the United States to peddle their wares in every country, and they have, even to the point of endangering world peace, to the point of violating the neutrality of the United States, sold their engines of war to belligerents.

During the World War, when President Wilson had asked that the citizens of the United States maintain strict neutrality, there were some so eager for profits that they endangered the lives of passengers who took passage on the *Lusitania*. They endangered the peace of America in order to sell one more cargo of death, for it was discovered by examining the clearance papers that there were munitions on board the *Lusitania*.

But under the "new deal", when war broke out between Paraguay and Bolivia, President Roosevelt came forward once more with a new policy in world statecraft. By proclamation he placed an embargo on the shipment of munitions from the United States to either one of those belligerents. Encouraged by the example of the United States, 18 nations of the earth declared an embargo on the shipment of munitions to those two warring nations.

Thus, my friends, the "new deal" is making long strides toward world peace.

Finally, President Roosevelt announced that he was asking a committee to draw up a plan to take the profits out of war. The "new deal" started a Senate investigation committee to investigate the profits and methods of propaganda used by the manufacturers of munitions.

That committee is still in session. Although foreign nations shunned the light of day on the activities of their manufacturers of munitions, this committee has flung open the door of the bluebeard of war. It has built public sentiment that will make it possible to pass legislation in the near future, I hope, to make war profitless.

President Roosevelt has given this program his full sanction and support. He has asked Congress to bring out legislation that will make it impossible for any person or business to profit from war, and when this shall have been done the longest single step will have been taken toward world peace.

My friends, this is the "new deal", a humanitarian program, a program of the "forgotten man", a program that places human rights above property rights, and a program of world peace that makes the United States consistent when we claim to be a peace-loving nation.

This then, my friends, is some of the program already achieved by the "new deal." It is, in my opinion, one of the greatest programs ever accomplished in the same length of time, and the "new deal" is still working on constructive measures that will result in utmost benefits to the individual, that will help redistribute the wealth of the Nation, that will make it possible for the laboring man to earn more than just a bare living, that will make agriculture profitable, and that will make it possible for America to live at peace with the other nations of the earth.

My friends, these are some of the accomplishments of the "new deal." Let us therefore salute Franklin D. Roosevelt, the leader in this great humanitarian program, the "new deal."

PERMISSION TO ADDRESS THE HOUSE

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to address the House for 4 minutes and to speak out of the regular order.

Mr. McSWAIN. Mr. Speaker, reserving the right to object, the gentleman from Montana has advised me that, at least in part, he desires to discuss the bill which we propose to consider in a few moments. It seems to me that the regular order would be to wait until this bill is under consideration. I regret that the time was parceled out more than 30 days ago, but the gentleman will have ample opportunity under the 5-minute rule to discuss this matter.

Mr. MONAGHAN. If I should accede to the gentleman's request that I entirely exclude any reference to the pending measure, would that satisfy him?

Mr. McSWAIN. If the gentleman will do that, he could conclude in 2 minutes.

Mr. MONAGHAN. Mr. Speaker, I modify my unanimous-consent request to address the House for 3 minutes instead of 4 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MONAGHAN. Mr. Speaker, I should not have arisen today to speak out of the regular order were it not that I felt constrained patriotically so to do. In this country today, we who are Members and receive mail know there is an urgent and insistent demand to take care of the aged people, and by so doing to create an opportunity for the young men and the young women who are constantly graduating from the schools and colleges of America with a highly specialized training, not to speak of the thousands and millions of other unemployed citizens who should be given an opportunity to earn their bread as decent, honorable Americans.

Mr. Speaker, I have been reliably informed that through parliamentary trickery and chicanery we are going to be prevented, in large measure, from having a direct vote on any adequate pension legislation during this session of Congress. I feel that would be a travesty upon the American public. The rules of this House were established for orderly procedure, not to destroy the will of the people. If the Rules Committee of this House reports out the security bill, which is, as one of my good friends from Colorado termed, "a plan without a pension", it will be perpetrating a fraud upon the American people today. The American people do not want a pension where fathers and mothers,

honorable, decent American citizens, must go before an officer of the law, raise their right hands to the high heavens, and say they are paupers before they may become eligible for a pension.

Two years of untiring and ceaseless struggle on the part of President Roosevelt and the Congress, yet 11,000,000 people are still unemployed.

The malady affecting our Nation is maldistribution of wealth. Machine production from endless chain belts to mighty steam shovels occasioning compulsory, permanent unemployment is the landmark of that uneven distribution, where the few have much too much and the many have little too little.

Proper and effective regulation and legislation would conquer that condition. Jobs and jobs alone can accomplish real recovery. One successful method offers itself: Pension those noble men and women who pioneered the upbuilding of industry and commerce to make the glory of our Nation. Is it not strange that nations will adopt the most drastic measures to make war, a brutal activity of human destruction, successful, but hesitate to enact extreme measures to make employment secure and old age happy and free from worry and care?

Old-age pensions become effective only when sufficiently high to encourage men of all occupations, even in the more remunerative walks of life, to abandon their posts and create opportunity for other men. A pension should, therefore, provide the necessities of life and comforts that should accompany one's declining years. A bare pittance is not what the American people want. To work successfully, a pension must be adequate. Loud and insistent is the demand for a pension and not a pauper's dole.

It is estimated the proposed administration bill will pension only 999,898 aged persons. Actuarians say there are approximately 8,000,000 men above the age of 65 in the United States. Granting that to be accurate, removal of those 8,000,000 men from pay rolls would create opportunity for the reemployment of that number, and that in turn would create necessity for supplying their additional needs. Such increased purchasing power would occasion the reemployment directly or indirectly of the 11,000,000 persons now unemployed.

I charge any bill to be unwise which compels a proud American to bow in humble submission and take an oath of poverty before he can qualify for a pension. Any measure is open to challenge which conscripts the home of an individual upon the death of the pensioner or his widow. Better pass no pension at all than set the cause of social security back many years by providing such an inadequate sum of $15 monthly as a Federal contribution, and that only to be allowed if and insofar as the States match the amount.

A lower age limit is necessary for two reasons: First, the Government itself, in many instances, and many industries will not employ men above the age of 40. Second, in many hazardous industrial occupations the life expectancy does not include 60 or 65 years. The age limit should be sufficiently low to embrace these two classes.

At the last Congress a retirement system for railroad workers was enacted. We hope the liberal-minded United States Supreme Court will uphold its constitutionality. Its minimum was $68; maximum, $124; and age limit, 65. Put into operation in towns where railroading was the exclusive industry, all of the unemployed railroad workers were reemployed, and men for the train service were actually sought. On the basis of that experience alone, is it not reasonable to presume that a proper pension, covering all industry, would end the depression overnight?

The assertion is sometimes made that an old-age pension is a palliative, but experience teaches that it would be necessary under any system of government envisioned. With the "hope that springs eternal in the human breast", seldom is provision made against a nonproductive old age. Can you conceive a sadder sight than a former successful man plunged into bankruptcy through no fault of his own, driven to suicide or the poorhouse? A pension system would abolish that abominable, cancerous growth upon the body, political and social—the poorhouse—from this civilized Nation.

I do not feel that anyone can justify a vote for a pension which would not adequately care for the aged people of this country. I feel that in passing the so-called "Lewis bill" the House would be derelict in its duty to the American people, who are demanding an adequate pension.

Mr. Speaker, it is the only way to solve the depression.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

Mr. McSWAIN. Mr. Speaker, reserving the right to object, it is a source of great regret and only the persuasion of our beloved and much admired friend could induce me to agree. We must make progress, and I hope the gentleman will not speak beyond 3 minutes.

Mr. CANNON of Wisconsin. Mr. Speaker, reserving the right to object, and I shall not object, I give the House warning now that I shall object to any further speeches. We have a very important bill to take up here, and if we do not take it up we will soon be placed in the same category as the body on the other side of the Capitol as far as wasting time is concerned. I think we should have no more speeches after this one.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, the action of the Attorney General in withdrawing his appeal in the Belcher case is to be regretted. It clearly indicates an unwillingness to risk the Supreme Court's passage upon the issues involved or else it must be taken as a confession that the National Industrial Recovery Act transcends the law and is ready for discard.

It is difficult, Mr. Speaker, if not impossible, to properly appraise N. R. A. It has probably done some good but, undeniably, it has done much harm. On the whole it represents, in my opinion, the worst legislative blunder of the century. [Applause.] It is contrary to the nature of the people and is destructive of liberty. I have never been able to understand how anyone could have brought himself to the point of favoring it. Certainly, no one will content for its continuance in its present form. It is vicious in principle and has been despotic and idiotic in administration. [Applause.]

With the grip of an iron hand it has strangled small business and gloated over the wreckage which it has wrought. If we reenact this measure and make it a fixed and permanent policy of government, then free representative government in America is dead. I am sick of this governmental regimentation of business and of life. [Applause.] I do not want America to lose the art of freedom. I do not want to see the institution of free government perish. I am anxious, Mr. Speaker, that we take our feet out of the quicksand of this state socialistic nostrum and set them once and for good upon solid ground. [Applause.]

LEAVE OF ABSENCE

Mr. MARTIN of Massachusetts. Mr. Speaker, my colleague, the gentleman from New Hampshire [Mr. TOBEY] was unable to be present yesterday on account of illness. I request that he be given leave of absence for the rest of the week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection?

"I LOST NO ONE OF IMPORTANCE"—NAPOLEON TO MARIE LOUISE

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection?

Mr. LUDLOW. Mr. Speaker, I wish to take as the text of my remarks the following paragraph from a letter written by

the Emperor Napoleon to his wife, Empress Marie Louise, after the sanguinary battle of Bautzen on May 30, 1813:

My health is good. I lost no one of any importance. I put my losses at 3,000 killed and wounded.

This letter, just made public, throws a flood of light on the inhuman characteristics of the butcher who terrorized Europe over a century ago. More than that, it shows the mental attitude of all of Napoleon's ilk, including international financiers and munitions dealers of modern times, who are perfectly heartless in their willingness to soak battlefields in the blood of fine young men and bathe nations in tears if by so doing they can attain their own selfish objectives.

One can easily visualize the honest, confiding peasants of France, consumed by a hero worship that knew no bounds when the call from the emperor comes, tearing themselves away from their weeping wives and children, leaving their little huts and homes which they will never see again, giving up all that life holds most dear to rush to the alluring standard of Napoleon. One can almost hear the cheering and the tumultuous shouts of "vive l'Empereur!" and with the eye of imagination one can note the ecstasy with which these deluded mortals throw their lives into the scales on the side of their supreme idol as if it were a rare and blessed privilege to be permitted to die for the great Napoleon. One can see them fighting like demons at Jena and Austerlitz, at the bridge of Lodi, and on a score of other bloody battle grounds, carrying the banner of Napoleon through hell itself.

AND THEN COMES BAUTZEN

And then comes Bautzen. Three thousand of these loyal, loving human pawns fall before the rain of lead; and then, in summing up the results of the battle, the incarnation of imperial villainy who led them to their slaughter dismisses them with the brief paragraph—

I lost no one of any importance.

The man who discovered these century-old letters of Napoleon and gave them to the world has made a contribution to history without a parallel. Among all of the human documents recorded on paper, on papyrus, on stone from the very beginning of time he has found the very acme of heartlessness; this expression of Napoleon—

I lost no one of any importance.

AT NAPOLEON'S TOMB

A few years ago I stood at the palatial tomb of Napoleon on the banks of the Seine he said he loved so well. I looked over the balustrade at the sarcophagus where rest the remains of that incarnation of blood and murder, encircled in magnificent panoply by the battle flags he had captured, and I could not become enthused, even amid these surroundings of imperial majesty, because I thought of the homes he destroyed, of the widows and orphans he made, of the suffering he caused in nearly every household in Europe in his amazing career of conquest and of violence. My thoughts went back to the women and children, who are always the most heavily penalized of all of the victims of war—in this case the loved ones of the peasants whom Napoleon led to violent death, and whom, as the record now discloses, he described as not being "of any importance."

As I stood there I said to myself that when I returned to America I would visit another tomb where I knew my emotions would be different. I said to myself that I would visit the tomb of the man who represents in history the very antithesis of Napoleon, the man whose philosophy was a ringing challenge to tyrants and a beacon of hope to all of the human race. I said to myself that on the first possible occasion I would visit the tomb of Thomas Jefferson and pay my humble tribute to the man of incomparable heart and vision who wrote into the preamble of the Declaration of Independence the precious doctrine that "all men are created equal."

AT JEFFERSON'S TOMB

Not until quite recently did I have an opportunity to carry that resolution into effect. As I stood on that Virginia mountainside, while the rays of early morning gilded the shaft where rest the remains of the greatest humanitarian since Jesus of Nazareth, I was thrilled as I never had been before.

"Here," I thought, "lies a man whose passion it was to save and to serve and not, like Napoleon's, to destroy humanity. Here lies the great champion and defender of the common people. In this hallowed presence let no one dare say that the common man is of 'no importance.'"

And I was especially thrilled by the inscription on his tombstone which he himself wrote and commanded to be placed there. It reads:

Here lies Thomas Jefferson, the author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia.

Not one word in that inscription to indicate that he had been a Member of Congress, minister to France, Secretary of State of the United States, and President of the United States. He wanted to be remembered by posterity not for the positions of distinction he had held but for the service he had rendered to humanity. That was Thomas Jefferson, the most incomparably grand figure in American history.

DEAD BUT STILL ON HORSEBACK

Napoleon is dead, but the spirit of Napoleon is still on horseback throughout the world. Dictators are thrumming the strings of war and getting ready for another mass slaughter. A tempo of heartlessness very similar to that expressed by Napoleon in his now famous letter runs through the pages of the testimony brought out by the Nye Senate Committee in its investigation of the munitions racket. A very striking Napoleon-like incident occurred in Chile 9 months ago, described on page 1995 of the hearings, when representatives of an American munitions firm gave a demonstration of the efficacy of their war gas by herding 120 prisoners in a penitentiary, locking the door so their trembling victims could not escape, and then squirting the gas from a 20-gage shotgun shell at them to see how they would react.

"I gave a demonstration on about 120 prisoners. It was a great success", reported the agent to the home company.

"Just human guinea pigs", commented that brave soldier, Senator BENNETT CLARK, who was examining the witness.

DOWN NAPOLEON'S ALLEY

While that demonstration was a small one compared with Napoleon Bonaparte's large-scale operations, it was right in Napoleon's line, and I have no doubt Napoleon would have cordially endorsed BENNETT CLARK's description, for he regarded human beings as guinea pigs, properly subject to being operated on and experimented with at any time.

But I wonder what Jesus of Nazareth would think of that "demonstration" down in Chile, Jesus who was so compassionate; whose heart was touched by every tale of human suffering; who held up as an example for all ages the mercy of the good Samaritan in helping the stranger out of the ditch and whose excoriation of the rich man for his treatment of Lazarus, a seeker of crumbs at the rich man's table, was the most terrible visitation of Divine wrath ever poured on any individual. I cannot imagine that Jesus would be pleased with the spectacle of men—convicts, it is true, but still men bearing the image of their Maker—being stood up in a row and used by munitions men as targets on which to try out their war gases.

And how like the old Napoleon himself in his disregard for the people "of no importance"—that is, the men who have to die in war—was the vice president of an American munitions firm who in 1928 wrote to Vickers, Ltd., a British munitions concern:

It is too bad the pernicious activities of our State Department have put the brake on armament orders from Peru by forcing the resumption of formal diplomatic relations with Chile.

Think of that! Think of the hundreds, if not thousands, of fine young men who probably would have been slain, of the mothers' hearts that would have been broken, of the homes that would have been wrecked, of the wives that would have been made widows, and the children that would have been made fatherless if these armament orders had not been canceled and then examine your conscience to see whether you agree with this gentleman that the State Department was guilty of "pernicious activities" when it brought about the resumption of diplomatic relations between these belligerents! If the sons of munitions manufacturers were out on

the firing line I do not think these manufacturers would look with so much disdain on the well-meant efforts of the State Department to bring about peace. I think that for once their fatherly instincts would get the upper hand of their love for profits. Can you imagine a more heartless communication than the one above referred to?

Similar to that Napoleonic outburst was one by Sir Charles W. Craven, of Vickers, who, in a letter to the Electric Boat Co. in January 1933, expressed concern lest Geneva "or any other troublesome organization" should abolish the large submarines. Troublesome? Why? Because Geneva's peace activities were threatening to interfere with the sale of warships.

OUR LOW SPIRITUAL ESTATE

When I observe how selfishness has taken possession of men's hearts, how strife is deliberately engendered for profit or other selfish ends, how the spirit of brotherhood has been driven away by the spirit of "the devil take the hindmost", I sometimes marvel that the Almighty does not destroy the earth. It sometimes seems that we have lost all sense of spiritual values. I believe the depression through which we are passing, with its pandora box of woes, is a backwash of war; and yet, with a blindness that beggars description, nations go on and on piling up armaments and preparing for more wars.

REAL AND IMMINENT DANGER OF WAR

And war will come as inevitably as tomorrow will succeed today unless we get back to God; unless we get away from the Napoleonic idea that human beings are of no importance, and direct our thoughts and purposes to the brotherhood of man as exemplified in the philosophy of Jefferson. It was Jefferson's hope that every home should be the owner's castle; that in every humble cabin, no less than in marble palaces, peace and happiness should have unrestricted opportunity to reign; that every mortal under the American flag should have full enjoyment of the inestimable franchise of freedom.

Jefferson did not know and of course could not foresee the extent to which the plots and machinations of tyrants and professional war makers might become a constant menace to the peace and happiness of the people of America. If he could have had that vision I think he, who was so emphatic a proponent of the theory that "all men are created equal", would have insisted that there should be written into the Constitution of the United States a provision that all men shall be equal when it comes to the highest and most sacred act of sovereignty—the issuance of a declaration of war.

I am confident he would have foreseen that the way to exercise that right of equality is at the ballot box in a war referendum. Knowing the innermost heart of Jefferson, as I think I do, I believe he would have abhorred a condition that enables professional war makers to force a declaration of war, and that he would have insisted that such a declaration must in all justice be the solemn, consecrated act of the people themselves who have to suffer and die and pay the awful costs of war.

The bill now before the House (the McSwain bill) is intended as a deterrent to war, but with all due respect to its well-meaning author I doubt whether it would have any appreciable effect in that direction. There are various proposals before the Congress for statutes to take the profits out of war, but a mere statute does not meet the requirements. The malign influences that maneuver a nation into war will instantly and unceremoniously knock into a cocked hat any statutes that conflict with their purpose. Before their onward sweep statutes are only scraps of paper, to be changed and repudiated and discarded at will. The law we are enacting today might be repealed by the next Congress or the next day by this same Congress. Let us not deceive ourselves. What we are doing here this afternoon is perfectly futile as far as erecting a barrier to stem the tide of war is concerned. That can only be done by something solid, something that cannot be repudiated when the war crisis comes; in other words, by a constitutional amendment which has permanency and stability.

AN AMENDMENT THAT HARMONIZES WITH JEFFERSON AND LINCOLN

In harmony with what I conceive to be true Jeffersonian philosophy and in the interest of the common man, who was so dear to the heart of Jefferson and Lincoln, I have introduced an amendment to the Constitution which provides for a plebiscite on war and for taking all of the profits out of war.

The text of my amendment is as follows:

SECTION 1. Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress may by law provide for the enforcement of this section.

SEC. 2. Whenever war is declared, the President shall immediately conscript and take over, for use by the Government, all the public and private war properties, yards, factories, and supplies, fixing the compensation for private properties temporarily employed for the war period at a rate not in excess of 4 percent, based on tax values assessed in the year preceding the war.

The constitutional amendment I propose would be a real preventive of war. Let the people vote on war, as my amendment provides, and there will be few wars. Give us a constitutional amendment that will really and truly take the profit out of war, and the war hazard will be greatly reduced. I ask this Congress and the people of America to support my proposed constitutional amendment (H. J. Res. No. 167), and thus remove the war menace that hangs over the Nation like a pall.

WAR PROFITS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD by inserting for the information of the House a letter received by me this morning from William Green, president of the American Federation of Labor, in reference to the McSwain bill.

Mr. RICH. Mr. Speaker, reserving the right to object, I wonder why we are requested to have statements of individuals who are not Members of the House inserted in the RECORD, and I also question the insertion of newspaper articles. I do not believe this is a good practice to follow, whether it is Mr. Green or anyone else, and, therefore, I feel that I must object.

Mr. CONNERY. Mr. Speaker, if the gentleman will withhold his objection a moment I may say that I asked my distinguished friend the gentleman from South Carolina [Mr. MCSWAIN] for time in general debate in order to bring this letter to the attention of the House, but no time in debate was left. I think the Members of the House would like to know the stand of the American Federation of Labor on this proposition.

Mr. RICH. I withdraw my objection, Mr. Speaker.

Mr. HOEPPEL. Mr. Speaker, reserving the right to object, as I understand, this is a letter from William Green, president of the American Federation of Labor. Can the gentleman state whether he is in favor of the passage of the bill now under discussion?

Mr. CONNERY. The letter gives a full statement of the whole thing.

Mr. MCSWAIN. The letter proposes certain amendments, and the amendments will be offered for adoption when the bill is being read for amendment.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The letter is as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., April 4, 1935.

Hon. WILLIAM P. CONNERY, Jr.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The American Federation of Labor is in thorough accord with the aims and purposes of H. R. 5529, to prevent profiteering in time of war and to equalize the burdens of war as they apply to all classes of our citizenship.

In order that the Members of Congress may know the position of labor upon the different provisions of H. R. 5529, I am taking the liberty of making the position of the American Federation of Labor clear and definite.

First. The people of the United States found from experience during the World War that it was necessary to confer upon the

President authority to draft men for military service. Labor interposes no objection to this policy.

Second. Labor is opposed to the conscription of workers in industry. We are confident that the exercise of such power on the part of the United States would be impracticable; that it would cause social unrest to such a degree as to hamper and hinder the Government in the prosecution of its military policy. Besides it would be unfair and unjust. Because of this position of labor, we are apprehensive over the intent, purpose, and construction which might be placed upon section 3 of H. R. 5529.

This section provides that "the President be, and he hereby is, authorized to draft into the service of the United States such members of the unorganized militia, etc."; and, again, beginning at line 17, "Likewise, during such time of war or national emergency declared by Congress, the President shall have power to determine and publicly proclaim from time to time the material resources, industrial organizations, and public services over which Government control shall then be necessary", etc.

We fear that this language may be susceptible to an interpretation which would provide for industrial conscription of labor.

I respectfully suggest that this section be amended by inserting the following at the end of section 3:

"*Provided*, That nothing in this section shall be construed as conscription of those employed in industry."

I am pleased to submit to you these opinions and recommendations of the American Federation of Labor regarding H. R. 5529.

Very sincerely yours,

WM. GREEN,
President American Federation of Labor.

TO PREVENT PROFITEERING IN WAR

Mr. McSWAIN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5529) to prevent profiteering in time of war and to equalize the burdens of war, and thus provide for the national defense and promote peace.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

There was no objection.

Mr. McSWAIN. Mr. Chairman, an arrangement has been made whereby the gentleman from New York [Mr. ANDREWS] will control the time instead of the gentleman from Pennsylvania [Mr. RANSLEY] on behalf of the minority.

The CHAIRMAN. The gentleman from Pennsylvania waives his rights in favor of the gentleman from New York.

Mr. McSWAIN. Yes. Now, Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Chairman, the McSwain bill, which now comes before you for consideration and for action is not an overnight product. It is no haphazard bill thrown together in a few hours or a few days' time. It comes to you after many weeks and months of hearings and after years of thought.

The chairman of the committee, Mr. McSWAIN, when he entered Congress in 1921, introduced a resolution providing for the establishment of a war-policies commission to study the whole question of taking the profits out of war and to make a report to Congress.

That resolution did not get anywhere in 1921. Mr. McSWAIN introduced it in the next Congress, and finally in 1924 the Committee on Military Affairs held extensive and thorough hearings on the resolution. As a result of those hearings the committee after due consideration reported the resolution to the House.

The gentleman from South Carolina [Mr. McSWAIN] and other members of the Military Committee appeared before the Rules Committee and asked for a rule that the resolution might be considered on the floor of the House.

The presentation of the matter before the Rules Committee by Mr. McSWAIN so impressed the late Theodore Burton of Ohio, who at that time was a Member of the House and of the Rules Committee, that he went to the Republican National Convention that year and had a plank written into the Republican platform declaring for the proposition of taking profits out of war.

The gentleman from Tennessee, who at that time was a Member of the House, Mr. Cordell Hull, the then chairman of the Democratic National Committee, was so impressed with the argument of Mr. McSWAIN that he went to the Democratic convention that year and succeeded in having written into the platform of that party a plank declaring for taking the profits out of war.

Mr. SISSON. Will the gentleman yield?

Mr. HILL of Alabama. In a moment. In Congress after Congress the gentleman from South Carolina [Mr. McSWAIN] introduced the resolution, but unable to get it passed by the House, finally, in 1930, he thought that perhaps if the resolution was introduced by a Republican Member it might be passed, as the Republicans were then in control of the House. So he got his colleague, the former Assistant Secretary of War, Mr. Wainwright, to introduce the resolution and it was brought up on the floor of the House and passed.

The War Policy Commission consisted of 6 members of the Cabinet, 4 Members of the Senate, and 4 Members of the House. The Chairman of the Commission was the then Secretary of War, Pat Hurley. Other members of the Commission were the gentleman from South Carolina, Mr. McSWAIN, Senator ROBINSON of Arkansas, Senator VANDENBERG, of Michigan, and the present Secretary of the Navy, Senator Swanson, of Virginia.

The War Policies Commission had extensive hearings, gave much consideration to the matter and made its report to Congress.

The bill which we bring to you today from the Committee on Military Affairs embodies the central thought of the gentleman from South Carolina [Mr. McSWAIN] as that thought has been enlarged and strengthened through the years by the Committee on Military Affairs and by the War Policies Commission. Gentlemen raise the question that there is no provision in the bill to take excess profits through taxation. Of course, as has been stated on this floor several different times, the Committee on Military Affairs, under the rules of the House, has no jurisdiction to bring to this floor any bill that would carry or make any provision for taxation, but the committee, realizing the importance of proper taxing provisions being written into the law, realizing that the bill that is now before us must be supplemented by the right kind of taxation provisions in the law, in its report on page 2, made this statement:

> [It is] our deliberate conviction that 100 percent of all profits shown to be due to war-time business conditions shall be taxed out of the person, firm, or corporation earning such excess profits.

And the committee, in its report, goes further and calls the special attention of Congress and of the members of the Ways and Means Committee to this deliberate conviction of the Committee on Military Affairs. We are waging a war today against the depression, and no one committee has the power to bring in all the bills necessary to win that war. Some of the bills that we have been passing during the past 2 years have come out of the Ways and Means Committee, some from the Banking and Currency Committee, and many others from other committees, but the fact that the Committee on Military Affairs has no power to put taxing provisions in its bill would not excuse that committee from doing its duty and bringing out legislation that it is its particular responsibility to bring out and present to this House for consideration and action. This bill we bring to you is not a bill drafted at the other end of the Avenue, and is not a bill that we have hired somebody to write for us. It is the bill of the chairman of the committee, developed, as I have explained to you, through the years.

The gentleman from Massachusetts [Mr. CONNERY] has just placed in the RECORD a letter from Mr. Green, the head of the American Federation of Labor. I had the privilege of reading that letter a few moments ago, and I say to the House that the purport of that letter, as I read it, and I think I construed it properly, is simply this, that Mr. Green has no objection to the passage of this bill provided it be made certain and clear that the bill does not conscript labor, and Mr. Green in his desire that the bill be safeguarded so as not to conscript labor, is following just what was the intent and purpose of the committee when it wrote the bill. The committee does not want to conscript labor. What the

committee proposes to do is to give to the President the power to clamp down a ceiling on prices at a certain date, that date to be selected by the President.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. If the gentleman hurries.

Mr. MONAGHAN. The gentleman has stated that he is not in favor of conscripting labor.

Mr. HILL of Alabama. I fear I have not time to go further into that.

Mr. MONAGHAN. How does the gentleman explain section 3, which does conscript labor?

Mr. HILL of Alabama. No; the bill does not conscript labor; and as to section 3 let me say this: The intent and purpose of section 3 is simply to write into law what the Congress wrote into law at the time of the World War, and that was to have a selective draft for our troops and those who must go into the Army, the Navy, and the Marine Corps, but we do not conscript labor, and certainly have no intention nor desire to do so.

We provide, just as the law did at the time of the World War, that this drafting of man power to go into the Army and the Navy shall be subject to regulations and rules prescribed by the President, so that the President, in case of any future war, can do just what he did during the last war, declare exemptions so that if a man is more important working in a mill or a factory, he can continue that work rather than be drafted into the Army; but there is absolutely nothing in the bill whatever that would conscript any laborer to work in any mill, factory, or industry. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, the gentleman from Georgia [Mr. COX] this morning taught us how to use candor, and I want to be equally candid about the bill under discussion. It is a bill so serious in its import that I do not believe in handling it with kid gloves. I believe in coming straight from the shoulder and saying what I think about it. I am unalterably opposed to this bill. My reason for my opposition is that it fails utterly to accomplish any of the things set forth in the title. Let me read those things to you:

To prevent profiteering in time of war.

It does not do that.

To equalize the burdens of war.

It does not do that.

To provide for the national defense.

It does not do that.

And promote peace.

It does not promote peace.

Nowhere in this bill is there any provision that will accomplish any of the matters so grandiloquently claimed for it in the preamble. It is a false promise, a glittering front with nothing back of it. Examine the bill as minutely as you will, scrutinize as closely as you will and you cannot find one section which will accomplish for it what is so grandly claimed. It is a sham and a subterfuge which promises everything and does nothing. What a comfort this bill will be to the 22,000 millionaires created by war profits in the last war. What an assurance that they can again mulct the people while the young men do the fighting for them. This is not a deterrent to war; on the contrary, it encourages the war racketeers and profiteers that they have nothing to fear as far as Congress is concerned. This bill, in effect, says to them: "Go ahead and chisel and gouge and graft the people of the United States all you want to. No one cares and no one objects."

It is peculiarly apparent that the matter of taxes was very carefully omitted from the bill. Why do I say that? Because the bill professes to prevent profiteering in time of war and then completely ignores taxing those profits. Not only that, in its report on the bill the committee makes the lame excuse for this omission of taxing war profits by claiming that only the Ways and Means Committee can draft a tax measure. Let us analyze this explanation. If such a reason is a valid one, then no Member of the House and no committee can draft and sponsor a bill containing any tax feature. This is absurd. Of course, we can all draft measures that contain tax provisions, and, what is more, most of us do. Evidently the committee did not want to take the profits out of war. Wars can be paid for in three ways, Mr. Chairman.

First. By excess-profits tax.

Second. By bond issues.

Third. By a combination of both.

Evidently the committee is opposed to any excess-profits tax. That leaves only a sale of United States bonds so as to raise money to finance the next war. We used such a method in the last war. It resulted in the issuance of billions upon billions of dollars of tax-exempt bonds, which the people of this country must pay. How shall we raise the money to pay for them? By taxation, of course, and that means taxing you and me and everyone else for generations. It means that the boy who fights the war must also pay for the war. He and his children and his children's children.

Some say that the Government has not the power, or that the Government could not enforce the law if it had such a law. To all such let me say that the Government that had the power and used it, to reach out with its long, strong arm and seize the boy on the farm, in the shop, in the factory and the school and in the home, wherever it found him, and carried him off 4,000 miles to fight someone else's war—the power that could put him into a uniform and place a gun in his hands and moved him into a lice-infested, rat-infested, slimy, stinking front-line trench to be shot at and gassed and bayonetted—certainly a Government that has such immense powers and that exercises them can draft the war lords, munitions makers, and international bankers as well. But nowhere does this bill make such an effort, and therefore I am against it. If the boy in the front-line trenches refuses to fight, he gets shot. Well, let me suggest after you shoot a few war lords, munitions makers, and international bankers, you will not have much trouble with the rest. I believe in treating everyone alike. Play no favorites, as this bill does. In one case you take the boy's freedom, perhaps his health, or perhaps his life; in the other case you take the profiteers' money, and that is all. It still does not treat the soldier as well as it does the profiteer, but there is no way that we can equalize loss of health or loss of life. That is beyond human power.

Now, the defense made for this bill—and evidently a defense was needed—we have in the committe report. The committee report uses this language: "A declaration of policies." And in the first sentence is the following:

This bill is a statement of broad policy and is deliberately intended to avoid the mistake of seeking to legislate as to details so far in advance of the possible outbreak of war.

Mr. Chairman, we are legislating in this session of Congress one and one-half billion dollars getting ready for the next war—because we are warned that there is going to be one. We are warned about our enemies abroad. Well, you are not hesitating to tax the people of this Nation to pay for that one and one-half billion dollars in preparation for war in an increase of the Naval and Military Establishments, but you are sensitive about taxing the munitions makers and the war lords in regard to their profits in time of war.

The committee report says it is a declaration of policy. Why not say in that policy, "We favor taxing munitions makers and excess profits of war time way up to the hilt, lock, stock, and barrel, every dollar of it?" Why do we have to stultify ourselves with a declaration of policy? Were we sent here simply to declare policies, or were we sent here to legislate? In my humble judgment, the country is not being taxed at the rate of thousands of dollars a day to have us come here and sit here and declare policies. Our business is to legislate. If we have not the courage or ability to legislate, then let us resign and let somebody come here who has the courage and ability to legislate in a definite and certain manner about war profits without side-stepping the issue.

Let me refer briefly to what I believe this bill provides. It says in its declaration:

We believe that the Congress that will be sitting at such future declaration of war will be pleased to have this deliberate expression of policy upon the statute books in the form of general legislation.

Why do you not mention taxes in this declaration of policy? To my mind, the bill is absolutely colorless; it is a flabby, spineless document which ought to be rechristened "The jellyfish bill." This jellyfish bill has nothing in it that is going to tax the profits of the next war. I suggest, in order to more fully take care of its provisions in the spirit in which it is now drafted, it ought to be amended to read as follows:

PREAMBLE

To prevent some profiteering in time of war and to unequalize the burdens of war.

That is the preamble—

Be it enacted, etc.—

SECTION 1. Nobody shall make any profits from war.

SEC. 2. The above provision applies only to labor and to agriculture.

SEC. 3. All male citizens between the ages of 21 and 31 shall be drafted.

SEC. 4. No excess-profit taxes shall be levied until the War Tax Commission shall so order.

SEC. 5. The War Tax Commission shall consist of the following: The Bethlehem Steel Corporation, the Du Pont Co., and the American Zinc, Lead & Smelting Co.

Why? Because they are unusually qualified to deal with profits of war.

Mr. KVALE. Will the gentleman yield?

Mr. SAUTHOFF. No. Please do not interrupt me.

The Bethlehem Steel Co. made in excess of 1,300-percent profit in 1916 before we ever got into the war, and made a great deal more after we were in the war.

The Du Pont Co. made in excess of 1,400 percent per year, mind you, in the year 1916, before we ever got into the war.

The American Zinc, Lead & Smelting Co. made 4,500 percent in 1916.

That is why I say they are well qualified to serve on this board.

What is the record of the Du Pont Co.? Let me read to you from the CONGRESSIONAL RECORD of January 15, 1935, at page 460, Senator NYE speaking:

Here, for example, is a memorandum concerning a special meeting of the War Industries Board, a memorandum signed by the secretary of that Board. I read from it:

"The Secretary of War informed the Board that the Du Pont Co. had refused to undertake the building of the proposed powder plant on any other terms than those contained in their last proposition."

The Du Pont Co. delayed for 3 months while we were in the midst of war and refused to build a plant to make powder for the Government and take the profit that the Government offered. Instead, they delayed 3 months until the Government was so up against it that it had to agree to the Du Pont proposition.

Now, what is the answer to any boy who is drafted, when he is facing the enemy and strikes for higher wages? What would happen to him? He would get shot. You know it and so do I know it. That is what should have been done with the Du Pont officials when they refused to take the proposition of the Government.

I am opposed to this bill for the reason that it contains no tax measure to draft excess profits made out of war. Profits in war means promotion of war. If you pass the excess-profits tax now, you will remove one of the greatest motives for promoting war, namely, profit. The second reason is that you cannot possibly pass a measure during war time that will tax excess profits. My reason for saying that is our experience during the World War. Great Britain passed a bill the first year of the war taxing excess profits 50 percent. The next year they increased it to 60 percent and the next year to 80 percent, and it remained 80 percent until the war was over.

Our own Senator from Wisconsin, the late Robert M. La Follette, attempted to model a law on the British law. He introduced it; and what happened to him?

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. SAUTHOFF] has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. SAUTHOFF. Senator La Follette said in the debate in the Senate that if we sent our boys across some of them would never come back. He said that if we sent our money across we would never get it back. Today we cannot even get back the interest on that money. We spent $25,000,000,000 fighting somebody else's war 4,000 miles away, and we loaned the Allies $12,000,000,000 more of our money after it was over. With this money obtained from us, raised by taxing our people, the allied governments paid off the munition makers and international bankers, but refused to pay even the interest on our loan, and now our people find that they have paid all the Allies' debts to the munition makers and international bankers with money which they raised by taxing themselves. And now this bill refuses to tax the war profits. Not only that but a rule was brought into this House on this bill, prohibiting any of us from amending it by placing on it a tax measure of any kind. This means that when it goes to the Senate that body will also be blocked from placing any tax amendment on the bill. Once more the people of this country have been gypped.

The late Senator La Follette also said in that debate that if we got into this war we would have the greatest inflation of prices that this country had even seen, but that when it was over we would have one of the greatest deflations and corresponding depressions that this country had ever seen. What did he get for that statesmanship? Nothing but vituperation and abuse, there being even a resolution introduced to expel him from the United States Senate on the ground that he was disloyal. In my humble judgment, of all the statesmen on this side of the Atlantic during those hectic troubled times the man with the clearest vision, who read the future accurately was our own Senator from Wisconsin, the late Robert M. La Follette. [Applause.]

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 10 minutes to a member of the committee, the gentleman from New Hampshire [Mr. ROGERS].

Mr. ROGERS of New Hampshire. Mr. Chairman, before speaking in favor of this bill, I want to remove any doubts any Member of this House may have as to any attempt or any desire on the part of any member of the Committee on Military Affairs to conscript labor. If any Member has any doubt, in view of the statements that have already been made, I call his attention to the original bill introduced to carry out the purpose for which this legislation is sought, House Resolution 3, introduced by the chairman of the committee on January 3. Section 2 thereof contained in connection with the words "price, rent, rate, commission", and so forth, the word "wage." During the hearings on that bill and the examination of The Assistant Secretary of War and other witnesses I asked Assistant Secretary of War Woodring as to the deletion of the word "wage", and he replied:

I am against the word "wage" in line 6. Personally, I am against the freezing of wages. I am against the conscription of labor.

In order to avoid any possible misunderstanding, the word "wage" was thrown out of the bill, and it does not appear in this bill which is now before this House with the recommendation and the approval of the Committee on Military Affairs.

In discussing this legislation we must realize fully that yesterday, the 3d day of April, was the eighteenth anniversary of the severance of diplomatic relations between this country and the Imperial Government of Germany; that Saturday of this week, April 6, will be the eighteenth anniversary of the declaration of war by the United States of America against Germany. In addition to the terrible toll of death, destruction, and personal injury which resulted from our participation in that war, the testimony before

the Committee on Military Affairs shows that in 1918 we spent $19,000,000,000 for such items as gloves, shoes, socks, underwear, clothing, and other wearing apparel for our soldiers; that at least $14,000,000,000 of that $19,000,000,000 went to profiteers who sold those goods to the American Government.

As a result of that outrageous procedure approximately 22,000 people in this country went from nothing to become millionaires. Do you want to see such a tragedy reenacted? If you do not, you must agree with me that after 18 years from our entrance and participation in the World War it is high time for us to take action and make such a recurrence unlawful and impossible.

In 1922 I had the honor to be elected a Member of this House, and there still ring in my ears these words of President Warren G. Harding:

Our supreme task is the resumption of our onward, normal way. Reconstruction, readjustment, restoration—all these must follow. I would like to hasten them. If it will lighten the spirit and add to the resolution with which we take up the task, let me repeat for our Nation we shall give no people just cause to make war upon us; we hold no national prejudice; we entertain no spirit of revenge; we do not hate; we do not covet; we dream of no conquest nor boast of armed prowess.

If, despite this attitude, war is again forced upon us, I earnestly hope a way may be found which will unify our individual and collective strength and consecrate all America, materially and spiritually, body and soul, to national defense. I can vision the ideal republic, where every man and woman is called under the flag for assignment to duty for whatever service, military or civic, the individual is best fitted; where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country, and not one penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all above the normal shall flow into the defense chest of the Nation. There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activities to private gain amid defensive war while another is fighting, sacrificing, or dying for national preservation.

This sentiment was several times repeated by President Harding, and notably on December 8, 1922, in his message to Congress:

The proposed survey of a plan to draft all the resources of the Republic, human and material, for national defense may well have your approval. I commended such a program in case of future war, in the inaugural address of March 4, 1921, and every experience in the adjustment and liquidation of war claims and settlement of war obligations persuades me we ought to be prepared for such universal call to armed defense.

This sentiment, Mr. Chairman, has been echoed and reechoed by each succeeding President, and as early as 1924 both the Republican and the Democratic Parties had in their platforms planks providing for the enactment of just such legislation as is called for in this bill. Extracts therefrom are as follows:

EXTRACT FROM THE DEMOCRATIC PLATFORM OF 1924

WAR

War is a relic of barbarism, and it is justifiable only as a measure of defense.

In the event of war, in which the man power of the Nation is drafted, all other resources should likewise be drafted. This will tend to discourage war by depriving it of its profits.

EXTRACT FROM THE REPUBLICAN PLATFORM OF 1924

UNIVERSAL MOBILIZATION IN TIME OF WAR

We believe that in time of war the Nation should draft for its defense not only its citizens but also every resource which may contribute to success. The country demands that should the United States ever again be called upon to defend itself by arms the President be empowered to draft such material resources and such services as may be required, and to stabilize the prices of services and essential commodities, whether utilized in actual warfare or private activity.

Now, I want to read you, if I may, a statement that seems to me to demonstrate the necessity of this legislation as well as any words I have heard from any living soul, and that is a statement made by John R. Quinn, national commander of the American Legion, 11 years ago. In January 1924 he said this:

War means a time of national struggle for self-preservation, a time when every part of the population should give the best service of which it is capable for the national welfare. Obviously there is no equality of sacrifice if one man goes to the front to be killed or maimed while another stays at home in perfect safety to make, perhaps, a large fortune from war contracts.

We know that there was, during the last war, profiteering that in some instances can only be stigmatized as "outrageous." We do not want that to occur again. We want—I speak for the Legion now—to take the profit element out of war, and I believe that if we can do so we will have taken a long step toward world peace.

It does not mean in the least that America will be hampered in carrying on a war—on the contrary, this country would be 100 percent prepared all the time. It would mean, if our plan is adopted, that all the resources of the Nation, human and material, would be thrown into the struggle without stint, with the sole purpose of bringing victory as rapidly as possible. When other nations let the fact "sink in", as our expressive phrase has it, they would be little disposed toward any aggressive tendencies as far as we were concerned.

Great financiers and manufacturers have in the past made large profits from war. That practice goes back to revolutionary days, though there was nowhere near so much profiteering then, of course, as there has been since.

A good many fortunes were made in the Civil War days, but they have been deodorized by the lapse of time. If we serve notice upon the financiers and manufacturers that their chance of exorbitant profits has ended, they will be less disposed than they are now to look upon war as a game. They will adopt the same attitude toward it as that of the young people who must fight wars—they will view war with disgust and aversion and will be only too glad to avoid it.

The American Legion has advocated a universal draft plan covering the draft of material as well as human resources before two sessions of Congress. It is one of our five major legislative demands. All the public hears about, as a rule, is the "bonus"—the adjusted-compensation bill. But the whole five measures are linked together and we are going to do our best to put them all through. Representative Royal C. Johnson, of South Dakota, will introduce the bill again in the present session of Congress.

We believe that in the event of war—and we want the country spared from war, if it is humanly possible—the President should be empowered to draft into service any necessary part of the unorganized militia; that he should have more complete control over material resources and industrial organizations than is provided for under the National Defense Act; that control over prices of commodities and over service should be established, both for the Government and for the people; and that such auxiliaries as were formed in the last war to administer essential operations should be reestablished—the War Industries Board, War Trade Board, Food and Fuel Administrations, and the like.

NO DRAFT WITHOUT WAR OR EMERGENCY

The draft measure we advocate would not be operative unless Congress had declared war or the existence of some other emergency demanding the use of armed forces. The provision of the statute other than the draft would become operative whenever war appeared imminent, in order that the President might establish machinery to stabilize conditions before the economic adjustments of the country were thrown out of gear.

Business men will take Government contracts if they can be assured that the prices of raw material, labor, power, and transportation will remain stable, and labor in general will be content if it can be assured that the cost of food, shelter, and clothing will remain stable.

We believe that all necessary stabilizing machinery can be made operative immediately upon the imminence of an emergency, and that a long and important step will have been taken in organizing the national defense in an orderly, equitable, and economical manner.

If such a law had been in operation in 1917, we believe, our real activity at the front would have been advanced many months, our Nation would have been saved many billions of dollars, and adjusted compensation would not now be necessary. The purpose of the statute is to take the profit out of war and thereby to preclude the many economic maladjustments that have followed, thus far, practically every great war in history.

The American Legion is for peace, but we believe, as George Washington did, that the best assurance of peace is to be found in a reasonable condition of preparedness. We do not believe that there should be special privilege for anyone in time of war. The American Legion tells the Nation today that its motto for the future, in the event of national emergency, must be "equal service for all and special profit for none."

In conclusion, Mr. Chairman, let me say that delay is dangerous in a troubled world such as we live in today. Let us pass this bill after 18 years of delay, have it signed by the President of the United States, and pray that we shall make it strong and effective so that on Saturday of this week, on the observance of the eighteenth anniversary of our declaration of war against the Imperial Government of Ger-

many, we may say, in the words of the poets, with genuine sympathy in our hearts and eternal hope in our minds:

Last night I dreamed the Cross of God
Stood rooted deep in Flanders sod.
And wide its outstretched arms were spread
Over the fields of living dead.
Mile upon mile the crosses rose
Shepherding sleep's supreme repose.
And as I looked they seemed to be
Merged into conquering Cavalry.
O, Jesu, more than Savior now,
Soldier, Brother, Captain, Thou,
Each of Thy Soldiers of the Cross
Treasures the gift that man calls loss.
Oh, what an Easter lies concealed
Beneath the flowers on Flanders Field.

—

Oh, specious days of glory and of grieving!
Oh, sounding hours of lustre and of loss!
Let us be glad we lived—you—still believing
The God who gave the cannon gave the cross.
Let us be sure amid these seething passions
The lusts of blood and hate our souls abhor.
The power that order out of chaos fashions
Smites fiercest in the wrath, red forge of war.
Have faith, fear not, fight on amid the battle hell;
Love triumphs, Freedom beacons: "All is well."

Mr. ANDREWS of New York. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, at the very outset I wish to specifically state that at no time is it my intention to impeach either the sincerity or the good faith not only of the author of this bill, but of the other gentlemen of the committee who worked so earnestly with him. I believe that in all sincerity and in all good faith the gentlemen who are sponsoring this bill really sought and had the purpose in mind to make war unprofitable. But that is not the issue here.

The issue, as I see it, is what will be the result? If this bill will make war unprofitable, even to a certain percentage, then I believe that the House should pass the bill, but if the result of this bill really perpetuates the profits of the profiteers during a war and if the result of the adoption of this bill is to stave off or head off a real bill which will not only have teeth in it, but which will have fangs in it, then I respectfully submit there is only one thing to do and that is to defeat this bill.

Mr. Chairman, I do not believe there is any disagreement between those of us who are opposed to this bill and the gentlemen who are in favor of this bill as to the purpose. As a matter of fact, the gentleman from South Carolina, Mr. McSwain, himself said in his report that he believes the profits should be taxed to the extent of 100 percent in order to make war unprofitable. However, he states that his committee does not have the power of inserting tax provisions in a bill, consequently they present this bill without tax provisions therein. I say in reply to that statement that the only manner in which you can eliminate profit from war is to tax the profits made out of war. It is by means of taxation that you eliminate every possibility of profit from war. If that is so, then why present this House an innocuous, meaningless bill, one which does not accomplish the very purpose which we seek to accomplish? Why should this bill be presented if it is not the purpose to forestall the consideration of a real bill which will tax the profits out of war?

Mr. Chairman, I have prepared a comparison of the provisions of this bill with the provisions that existed during the World War, and I respectfully submit to the Members of the House that the provisions in this present bill are identical with the provisions which existed during the World War, and if enormous profits were possible under the provisions existing in 1917 and 1918, why will not the same enormous profits be possible and probable in the event of a future war under the present bill, which is a repetition of the war provisions of 1917 and 1918.

Mr. McSWAIN. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from South Carolina.

Mr. McSWAIN. I know the gentleman intends to be entirely accurate. Does he recall that there was not the scratch of a pen in the way of statutory power to set up the War Policies Commission during the World War or any of the functions exercised by it, whether it involved price control or otherwise?

Mr. MARCANTONIO. I disagree with the gentleman for this reason: I shall now read some of the provisions that were issued during the World War, and after I have read those provisions I believe that they in and of themselves will answer the gentleman's question.

Mr. McSWAIN. Very well.

Mr. MARCANTONIO. First of all, we take the first provision of the bill before us, which provides—

That whenever Congress shall declare war or the existence of an emergency due to the imminence of war, then, from and after a date prior to such declaration, which date the President is hereby authorized and directed to determine and publicly proclaim, it shall be unlawful for any person to buy, sell, or otherwise contract for any article or thing at a higher rate, rent, price, commission, compensation, or reward than was in effect at the date so determined.

I now read from some of the provisions which existed in 1917.

First of all, I quote the Executive Order 2765, of November 27, 1917. It authorized the Food Administrator to find that the reasonable profits on storage facilities were those which the industry were obtaining prior to July 1, 1914.

I will come now to what the gentleman has in mind. The first section of the bill before us provides that the President shall fix a price existing at a certain date, which he shall choose, prior to the declaration of war or the existence of an emergency. This Executive Order fixed the date prior to the war as July 1, 1914. Here you have a most striking similarity.

I continue from the war provisions of 1917 and 1918, the Naval Emergency Fund Act, 39 Statutes 1168: It provided—

If any person owning, leasing, or operating any factory equipped for the building or production or ships or war material for the Navy shall refuse to build, supply, furnish, or manufacture the kind, quantity, or quality of ships or war material so ordered at such reasonable price as shall be determined by the President, the President may take immediate possession of any factory of such person or of any part thereof without taking possession of the entire factory, and may use the same at such time and in such manners as he may consider necessary or expedient.

Section 2 of the bill before us reads as follows:

Whenever in the sole discretion of the President he shall determine that any maximum price, rent, rate, commission, compensation, or reward shall be adjusted either upward or downward he is hereby authorized to make and publicly proclaim such adjustment, and such adjustment shall have the full force and effect under this statute of such price, rent, rate, commission, compensation, or reward before such adjustment.

Here, again you have practically, if not word for word, the idea and the plan which existed during the World War. What happened under the plan which existed in 1917 will unavoidably and necessarily be repeated under the present bill. Let us see what occurred under the similar war acts.

For instance, the Electric Boat Co. between 1910 and 1913 declared no dividends, but between 1915 and 1918, the war years, the average annual earnings were $4,065,481, and the average annual dividend for the years 1914 to 1917 was 18 percent.

Next I take up the Newport News Ship Building & Dry Dock Co., and remember they were operating under provisions which are identical with the provisions which this bill now intends to promulgate as the law of the land. The profits of the Newport News Ship Building & Dry Dock Co. in 1917 were $3,298,000. Percentage of profit on invested capital, 96 percent; 1918, 72 percent; 1919, 70 percent; 1920, 62 percent. Profits in large percentage continued to be made.

Now, Mr. Chairman, I have a complete table here showing the similarity between this bill and the war acts and orders of 1917 and 1918, and a list of companies and the profits that were made, and I ask unanimous consent that I may insert this table in the RECORD as a part of my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

(See p. 5041 for insertion.)

Mr. MAY. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman remember that during the World War bituminous coal at one time went to ridiculously high prices per ton, as high as $15 and $18 per ton, and that by Executive order it was reduced down and fixed at $3 per ton?

Mr. MARCANTONIO. Yes; but the gentleman forgets that you may fix prices at a certain level and you may keep the prices down to that particular level, but because of the conditions and the great demand that exists during a war the volume of sales is so great that while the prices remain at a fixed level your profit continues to increase. I shall refer the gentleman to the huge profits which were made by the coal companies.

Mr. MAY. Before the gentleman gets to that I would like him to consider section 4, on page 3 of the bill, which provides for a license arrangement by which industry may be controlled and the price fixed.

Mr. MARCANTONIO. Yes; I am coming to those provisions and will show that they are similar to those which existed in 1917 in a moment.

Mr. MAY. The same kind of licensing they are complaining about so much now in the regulation of farming.

Mr. MARCANTONIO. May I say to the gentleman that we did have certain licensing provisions prevailing in 1917, and I shall read them to the Committee.

For instance, another act which is similar to section 2 of the bill is the National Defense Act (39 Stat. 213):

> Any individual, firm, association, company, corporation, or organized manufacturing industry owning or operating any plant equipped for the manufacture of arms or ammunition or parts of ammunition or any necessary supplies or equipment for the Army who shall refuse to furnish such arms, ammunition, or parts of ammunition, or other supplies or equipment at a reasonable price as determined by the Secretary of War shall have its plants sequestered and operated by the United States Army.

Can the gentleman or any of the proponents of this bill show me any difference between this provision and any of your price-fixing or price-control provisions in the bill? I yield for the purpose of securing an answer.

Mr. McSWAIN. It is perfectly plain that that statute dealt with War Department munitions only, whereas this is an offer to deal with the entire price structure affecting every activity; civilian, military, or otherwise.

Mr. MARCANTONIO. Then, how does the gentleman differentiate the provisions in his bill? The gentleman says this particular provision applies only to ammunition. How about the Emergency Shipping Fund Act, which I have just read earlier in my speech? That certainly does not apply only to ammunition.

Mr. McSWAIN. It applies to the Navy Department only.

Mr. MARCANTONIO. All right; then we will go to other matters.

Steel—prices of steel were fixed by the President and the War Industries Board September 24, 1917, and October 11, 1917, and I need not bore you by giving you a list of the enormous profits that were made by the steel companies.

Mr. McFARLANE. Will the gentleman put that in the RECORD?

Mr. MARCANTONIO. I am going to do so.

Then there is the Food Control Act, the twelfth section thereof (40 Stat. 276), and I trust the gentleman will follow this:

> That whenever the President shall find it necessary to secure an adequate supply of the necessaries for the support of the Army or the maintenance of the Navy or for any other public use connected with the common defense, he is authorized to requisition and take over for use or operation by the Government any factory, packing house, oil pipe line, mine, or any other plant or any part thereof, in or through which any necessaries are or may be manufactured, produced, prepared, or mined, and to operate the same. The United States shall make just compensation to be determined by the President.

Again, in the Food Control Act, section 10—

> That the President is authorized to requisition foods, feeds, fuels, and other supplies necessary to the support of the Army or to the maintenance of the Navy or any other public use connected with the common defense, and he shall ascertain and pay a just compensation therefor.

I again yield to the chairman of the committee to show wherein the provisions of the gentleman's bill in attempting to fix and freeze prices on matters other than ammunition differ from the provisions I have just read from the Food Control Act.

Mr. McSWAIN. Here is a provision to give the President of the United States power which he may invoke immediately on the outbreak of war. The trouble with all those statutes was that they were piecemeal efforts after we got into the war to correct the situation of mounting prices that had already reached mountain heights before we ever declared war. The gentleman will recall that the enormous demand for American munitions and supplies made by the allied powers in Europe had mounted prices enormously before April 6, 1917. These were piecemeal efforts after April 6, 1917, as to the Navy, the Army, the Food Control Act, seeking to control a runaway market. We propose now, on the very day we declare war, to clamp down a ceiling on the prices of all commodities, munitions, food, clothing, and prices of every sort and compensation for every service.

Mr. MARCANTONIO. Exactly. The gentleman's bill will give the President power to select a date prior to war and to fix prices as of that date and these war provisions did the same thing, and failed to take profits out of war.

Mr. KLOEB. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Certainly, but before I yield may I say that every one of these provisions gave the President the power to fix the prices as they existed on a certain date, and that date prior to war, and the President did so fix the prices through his various boards as of those dates and yet, while the prices may have remained the same, because of the increase in volume of sales, which is a natural consequence and result of war, the profits increased and kept on increasing, sometimes to the extent of 200 percent, and at other times, as my table will show, to the extent of over 1,000 percent.

Mr. McSWAIN. Not only was an order issued by authority of the President by the War Industries Board fixing prices but the prices that had prevailed prior to our entry into the war were cut down and cut down in many respects, and if the war had lasted another year we would have controlled the runaway market that had existed long before the War Industries Board began to function.

Mr. MARCANTONIO. But certainly the gentleman will not say that that scheme took the profits out of war?

Mr. McSWAIN. It was taking the profits out of war.

Mr. MARCANTONIO. I disagree. It is apparent to everybody that if there ever was a war that was profitable, if there ever was a war where profiteers breeded and lived like parasites on the life of America, it was the war of 1917 and 1918. [Applause.]

Mr. McSWAIN. I agree with what the gentleman states, but does not the gentleman realize that but for the statutes he has cited, and but for the efforts of the War Industries Board, the prices would have been 10 times as high, perhaps, and the profits 10 times as great, and is not the gentleman desirous of making an effort to stop this?

Mr. MARCANTONIO. I am, but the difference between the gentleman from South Carolina and myself is this: The gentleman's bill, like the war provisions, would leave a certain large amount of profit in war. My opinion, or my idea, as well as the idea of the Nye committee, is to eliminate all profit from war—not because we want an efficacious war, not because we are interested in war, but because we want to preserve peace; and when we once have removed all

profit from war, you will have eliminated the profit motive from war and you will abolish 75 percent of the cause of war. If you leave any percentage of profit in war, that percentage will be a corresponding contributing percentage in the cause for war.

Mr. KLOEB. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. KLOEB. The gentleman will pardon me for observing that the gentleman has read four Executive orders, all of which are directed to certain articles. If the Government commandeers those articles, it must pay the market price when it commandeers them.

Mr. MARCANTONIO. The Executive Order Numbered 2765 authorizes the Food Administrator to find the reasonable profits on storage facilities as fixed at certain dates prior to war.

(The time of Mr. MARCANTONIO having expired, he was given 5 minutes more.)

Mr. McFARLANE. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman.

Mr. McFARLANE. Along the line of the statement made by the gentleman, may I call attention to the investigation before the Nye committee on profiteering. Take the Remington Arms Co.; it informed the Senate Munitions Committee that in time of peace it could produce 1,000 cartridges for the Army for 3.535 cents apiece at the rate of 10,000,000 a year, and if orders were increased, as they would be in war time, to 100,000,000 the cost would drop to 2.88 cents apiece, a drop of 0.747 apiece, which is $7.47 per thousand, or $7,470 per million. This bill, by fixing prices at a pre-war level, would add at least $747,000 to the profits of the Remington Arms Co. for every hundred million cartridges it manufactured.

Mr. MARCANTONIO. Exactly; and this bill will do the same thing. It just fixes the price under its provisions and does not control the profits. There is a vital difference between the two.

Mr. McFARLANE. The Du Pont Co. showed the Senate Munitions Committee that the price of powder would be much lower with huge war orders than with small peace orders. With annual orders of only 600,000 pounds the price would be $1.80 per pound. That is the price which would prevail before we got into the war. That is the price the McSwain bill would fix. But, according to the Du Pont Co. itself, when orders increased to 3,000,000 pounds a year or over, the price could actually be 60 cents. This McSwain bill, by fixing prices at 3 times what they should be, would give the Du Pont Co. an unwarranted profit of $1.20 per pound, or on a war-time production of 1,000,000 pounds, an unnecessary profit of $120,000,000.

Mr. MARCANTONIO. This bill is wholly inadequate to meet the situation. Now, I read from the Food Control Act, Act 40, Statute 276:

> The President of the United States shall be and he is hereby authorized and empowered whenever and wherever, in his judgment necessary for the efficient prosecution of the war to fix the price of coal and coke wherever and whenever sold, either by producer or dealer, said authority and power may be exercised by him in each case through the agency of the Federal Trade Commission.
>
> If the producer refuses to obey, the President may requisition the plant, or, at his discretion, he is hereby authorized and empowered to require any or all producers of coal or coke to sell their products only to the United States through an agency to be designated by the President, such agency to regulate the resale of such coal and coke and the prices thereof.

You have not anything stronger than that in your bill, and that is what we had in 1917. That was much stronger than your bill and still it failed to take the profit out of war.

On September 6, 1917, the Fuel Administrator fixed the price for all grades of coal. On December 24, 1917, the Fuel Administrator ordered that every sales contract contain a clause giving the Administrator or the President power to fix the price of coal. The War Industries Board, August 21, 1917, set the price for bituminous coal. What happened to coal? Taking the figure 100 as an index of profit, in 1913–14 it was 100; then in 1915 it was 97; in 1916 it was 106; in 1917 it was 160; and after 1 year of war, after a full year of price control, in 1918 it was 207. How did you take the profits out of the coal industry?

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. MAY. Will the gentleman state to the House whether or not after he did fix the price it sold continuously from that time on at $3 a ton, and no more? I was in the business and I know.

Mr. MARCANTONIO. Here I have your figures: In 1918, after 1 year of price control, it went up to 207, and in November 1918 it was 223.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. TRUAX. Does the gentleman recall that at some time under the Food Control Act they fixed the price of the farmer's wheat at $2 a bushel, when it would have gone to $5 a bushel, and thereby robbed him of $1,000,000,000?

Mr. MARCANTONIO. I do not doubt that at all.

Mr. TRUAX. I was a farmer then, and I remember all about it.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I have only a few minutes left, and I cannot yield further.

Now, we take wool prices. They were fixed for 1918 by the War Industries Board, which declared that if it be found that the dealer's gross profits are in excess of 5 percent on a season's business, then such gross profits shall be disposed of as the Government decides. And what happened with wool? Again, taking the figure 100 as the basis: for 1913–14 it was 100, in 1915 it was 113, in 1916 it was 139, and in 1917 it was 208.

I have obtained consent and shall insert all of these figures in the RECORD. What I have sought to point out here is that substantially the war provisions of 1917 and 1918 constitute the bill which the Committee on Military Affairs has presented before this House. I respectfully submit that if those provisions failed during the last war, if all they accomplished was to fix prices at a certain level but did not control profits, then we should not repeat the same errors and the same blunders of 1917 and 1918. I have no quarrel at all with the purpose and intent and the sincerity of the committee. I believe they are sincere in their purpose, I believe their purpose and mine are the same, but I contend that you cannot accomplish those purposes by means of this bill. It failed in 1917 and 1918, and it will certainly fail again. [Applause.]

PROVISIONS OF H. R. 5529, McSWAIN BILL UNDER CONSIDERATION	CORRESPONDING WAR-TIME MEASURES	RESULTS UNDER SAID CORRESPONDING WAR-TIME MEASURES PROFITS
A BILL TO PREVENT PROFITEERING IN TIME OF WAR AND TO EQUALIZE THE BURDENS OF WAR AND THUS TO PROMOTE THE NATIONAL DEFENSE		
Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That whenever Congress shall declare war or the existence of an emergency due to the imminence of war, then, from and after a date prior to such declaration which date the President is hereby authorized and directed to determine and announce it shall be unlawful for any person to buy, sell, or otherwise contract for any article or thing at a higher rate, rent, commission, price, or reward than was in effect at the date so determined.	Executive Order No. 2765 (Nov. 27, 1917) authorized the Food Administrator to find that the reasonable profits on storage facilities were those which the industry were obtaining prior to July 1, 1914.	1. Electric Boat Co.: Between 1910–13 no dividends declared; between 1915–18 the war years, the average annual earnings were $4,065,481, and the average annual dividend for years 1914–17 was 18 percent.
2. Whenever in the sole discretion of the President he shall determine that any maximum price, rent, rate, commission, or reward should be adjusted either upward or downward he is hereby authorized to make and proclaim such adjustment, and such adjustment shall have the full force and effect under this statute of such price, wage, rent, rate, commission, or reward before such adjustment.	A. Naval Emergency Fund Act (39 Stat. 1168): If any person owning, leasing, or operating any factory equipped for the building or production of ships, of war material for the Navy shall refuse to * * * build, supply, furnish, or manufacture the kind, quantity, or quality of ships or war materials so ordered at such reasonable price as shall be determined by the President, the President may take immediate possession of any factory of such person, or of any part thereof without taking possession of the entire factory, and may use same at such times and in such manners as he may consider necessary or expedient.	2. Newport News Shipbuilding & Drydock Co.:

Year	Profit	Percent of invested capital
1917	$3,298,601	96
1918	3,990,311	72
1919	4,916,655	70
1920	5,764,089	62

For an average return on capital of 74.5 percent.

This company's balance sheet surplus rose from an average during the last 4 peace years of $2,707,183 per year to an average, during the 4 war years of $4,828,503 per year.

3. International Mercantile Marine: Average profit last 4 peace years, $6,690,000 per year; average profit in 4 war years, $14,229,000 per year.

4. Du Pont de Nemours Co.: Average profit in last 4 peace years, $6,092,000 per year; average profit during 4 war years, $58,076,000 per year.

1915, 200 percent stock dividend to stockholders of Du Pont Powder Co. which was merged, 54 percent dividend to stockholders of parent company.

1916, 101¼ percent dividends on common stock.

1917, 33 percent dividend.

1915–18, the company made a net profit during the war of $228,731,000.

5. Hercules Powder (this company was organized in 1912, owing to a court decision necessitating the splitting up of the Du Pont Co.): Average profit per year, 1913–18: $5,426,781, and for 4 war years, $7,430,000; 1916, 95 percent dividends; 1917, 60 percent dividends; 1922, 100-percent stock dividends.

6. Curtiss Airplane & Motor Corporation: In 1915–16 average annual profit of $1,804,104, or $9.90 on each no-par common, and in 1917, profit of $3,093,862, or return of $13.72 for each no-par common share.

7. Colt Patent Firearms Co.: In 1909, dividends on stock (cash or stock) to 1913, average annual, 6.8 percent; in 1914–18, average annual dividend (cash or stock), 59.6 percent.

8. Savage Arms Corporation: This company jumped its profits from $88,175 in 1913 to an annual average for 1916–18 of $5,455,527. In 1913 it was a 31-percent dividend.

9. Atlas Powder Co.: Average annual profit in last 4 peace years, $485,000; and average annual profit during 4 war years, $2,374,000.

10. See also under "Steel", infra.

11. During the war, Wright-Martin Aircraft Co. made a profit of 270 percent.

B. Naval Emergency Fund Act (39 Stat. 1138): If, in the judgment of the Secretary of Navy, the most rapid and economical construction of the battle crusier herein appropriated for can be obtained thereby, he may contract for the construction of said battle cruiser upon the basis of actual cost, plus a reasonable profit to be determined by him.

C. Emergency Shipping Fund Act (40 Stat. 182): If any person owning any ship, charter, or material, or owning, leasing, or operating any plant equipped for the building or production of ships or materials shall refuse to build, supply, furnish, or manufacture the kind, quantities, or qualities of ships or materials so ordered, at such reasonable price as shall be determined by the President, the President may take immediate possession of any ship, charter, material, or plant of such person or any part thereof without taking possession of the entire plant and may use the same at such times and in such manners as he may consider necessary or expedient.

D. National Defense Act (39 Stat. 213): Any individual, firm association company, corporation, or organized manufacturing industry * * * owning or operating any plant equipped for the manufacture of arms or ammunition, or parts of a munition, or any necessary supplies or equipment for the Army * * * who shall refuse to furnish such arms, ammunition, or part of ammunition, or other supplies or equipment, at a reasonable price as determined by the Secretary of War (shall have its plant sequestered and operated by the United States Army).

E. PRICES OF STEEL WERE FIXED BY THE PRESIDENT AND THE WAR INDUSTRIES BOARD, SEPTEMBER 24, 1917, AND OCTOBER 11, 1917

Food Control Act (40 Stat. 276, 12): That whenever the President shall find it necessary to secure an adequate supply of necessaries for the support of the Army or the maintenance of the Navy, or for any other public use connected with the common defense he is authorized to requisition and take over, for use or operation by the Government, any factory, packing house, oil pipe line, mine, or other plant, or any part thereof, in or through which any necessaries are or may be manufactured, produced, prepared, or mined, and to operate the same. The United States shall make just compensation, to be determined by the President * * * (Subject to suit if the amount is claimed unsatisfactory).

Food Control Act (No. 10): That the President is authorized * * * to requisition foods, feeds, fuels, and other supplies necessary to the support of the Army or the maintenance of the Navy, or any other public use connected with the common defense * * * and he shall ascertain

Steel:

(1) If prices in period of July 1913 to June 1914 equal 100, as index number, then—

	Index
1915	101
1916	168
1917	279
1918	218
July 1917	370

(2) United States Steel Co.:

(*a*) Average annual earnings of last 4 peace years: $105,331,000; average annual earnings during 4 war years: $239,653,000.

(*b*) In 1916, earned $70,000,000 more than its combined earnings in 1911–13; and in 1916–18 earned $633,000,000, more than three times as much as 1913–15.

PROVISIONS OF H. R. 5529, MCSWAIN BILL UNDER CONSIDERATION—Continued

CORRESPONDING WAR-TIME MEASURES—Continued

RESULTS UNDER SAID CORRESPONDING WAR-TIME MEASURES PROFITS—Continued

and pay a just compensation therefor. (Suit is authorized on a settlement felt unsatisfactory.) Cotton-goods prices were fixed by the War Industries Board on July 8, 1918.

But, as early as July 1917, prices were set for Government purchases by the General Munitions Board.

See nos. 10 and 12 of Food Control Act, supra, under "E." "The Government had ample legal authority to have commandeered all the copper it needed and to compel the operators to furnish it at a reasonable price" (Select Committee of the House on War Department Expenditures, 66th Cong., 3d sess., Rept. 1400).

G. Copper prices were fixed by the War Industries Board, September 21, 1917.

H. Food Control Act (40 Stat. 276), no. 25:

That the President of the United States shall be, and he is hereby, authorized and empowered, whenever and wherever, in his judgment, necessary for the efficient prosecution of the war to fix the price of coal and coke, wherever and whenever sold, either by producer or dealer * * * said authority and power may be exercised by him in each case through the agency of the Federal Trade Commission. (If the producer refuses to obey, the President may requisition the plant, or, at his discretion.) He is hereby authorized and empowered to require any or all producers of coal or coke * * * to sell their products only to the United States through an agency to be designated by the President, such agency to regulate the resale of such coal and coke, and the prices thereof. * * *

(*a*) On Sept. 6, 1917, the Fuel Administration fixed the prices of and for all grades of coal.

(*b*) On Dec. 24, 1917, the Fuel Administrator ordered that every sales contract contain clause giving Administrator or President power to fix the price of sale.

(*c*) War Industries Board, Aug. 21, 1917, set price for bituminous coal.

I. Wool prices: Fixed for 1918 by War Industries Board: "If it be found that their (dealer's) gross profits * * * are in excess of 5 percent on the season's business then such gross profits shall be disposed of as the Government decides."

J. Cotton goods: War Trade Board, "Government Control over Prices", 1920, page 295: "'The 'fair price' decision (of the General Munitions Board) did not entirely solve even the price problem of the United States Government."

Copper: (3) Profits of some copper companies:

	Year	Profits	Percent return on capital
Utah Copper Co	1917	$32,000,000	200
Do	1918	24,750,000	150
Calumet & Hecla Mining Co	1917	9,500,000	800
Do	1918	3,500,000	300
Inspiration Consolidated Copper	1917	12,260,000	55
Do	1918	9,250,000	40
Kennecott Copper Co	1917	11,826,000	70
Do	1918	9,390,185	60

(4) Conclusions of House of Representatives Select Committee on Expenditures of War Department, 66th Cong., 3d sess., Rept. 1400, 93: "The profits of the copper producers from negotiations with the Government during the war period were extravagant and excessive, despite the fact that the copper producers were at the mercy of the Government's power to requisition their mines under the powers conferred by the Food Control Act.

(5) The price level fixed on Sept. 21, 1917 actually raised the price of copper by 6.84 cents per pound; and on June 15, 1918, the price was again raised 2½ cents per pound.

K. Trading with the Enemy Act (40 Stat. 411, 10c), provides for the use of patents and copyrights owned or controlled by an enemy or ally of enemy during the existence of the state of war under a license from the President, who "may prescribe the conditions of this license, including the prices of the articles and produce necessary to the health of the military and naval forces of the United States or the successful prosecution of the war."

(3) Bethlemen Steel Co.:

(*a*) Average annual earnings in last 4 peace years, $6,840,000; average annual earnings in 4 war years, $49,427,000.

(*b*) Paid stock dividends of 200 percent in 1917, the year of controlled prices.

(4) Republic Iron & Steel Co.: Average annual profits in last 4 peace years, $4,177,000; average annual profits in 4 war years, $17,548,000.

(5) American Smelting & Refining Co.: Average annual profit in last 4 peace years, $11,566,000: average annual profit in 4 war years, $18,602,000.

Cotton goods:	*Index*
1913–14	100
1915	84
1916	119
1917	181
1918	255
September 1918 (still rising after price control)	267
Copper:	
(1) 1913–14	100

(2) Company	Last 4 peace years (average)	4 war years (average)
Anaconda Copper Co	10,649,000	34,549,000
Utah Copper Co	5,776,000	21,622,000

Coal:	*Index*
1913–14	100
1915	97
1916	106
1917	160
1918 (after a full year of price control)	207
November 1918	223
Wool:	
1913–14	100
1915	113
1916	139
1917	208
1918	274
October 1918	290

(1) Remington Arms Co. delivered to the British Government 700,000 Enfield rifles, a British patent.

L. Food Control Act (40 Stat. 276, 13): That whenever the President finds it essential to prevent undue enhancement, depression, or fluctuation of prices of, or in order to prevent injurious speculation in, or in order to prevent unjust market manipulation or unfair and misleading quotations of prices of necessaries (foods, feeds, fuel, including fuel oil and natural gas, and fertilizer and fertilizer ingredients, tools, utensils, implements, machinery, and equipment required for the actual production of foods, feeds, or fuel) * * * he is authorized to prescribe such regulations governing or may either wholly or partially prohibit, operations, practices, and transactions at, on, in, or under the rules of any exchange, board of trade, or similar institution or place of business.

M. Food Control Act (40 Stat. 276 (5): Whenever the President shall find that any storage charge, commission, profit, or practice, any licensee is unjust or unreasonable, or discriminatory, or unfair or wasteful * * * (he) he may, in its lieu * * * find what is a "just, reasonable, nondiscriminatory and fair storage charge, commission, profit, or practice, and in any proceeding brought in any court such order of the President shall be prima facie evidence."

(Under this statute, Executive Order 2765 (Nov. 27, 1917) authorized the Food Administrator to find that such "just, reasonable, and fair profit is the normal average profit which persons engaged in the same business prior to July 1, 1914, under free competitive conditions; to indicate * * * what margin over cost will return such * * * profit and to take such legal steps as are authorized by said act to prohibit the taking of any greater profit."

N. Food Control Act (40 Stat. 276): Nos. 4, 8, 9, and 26 attempt to prevent the price rises by barring destruction, hoarding, monopolization, and discrimination (no. 4); destruction (3); restriction of supply or distribution (no. 9); and destruction (no. 26).

O. Food Control Act (40 Stat. 276), as amended by 41 Stat. 297): That it is hereby made unlawful for any person wilfully * * * to make any unjust or unreasonable rate or charge in handling or dealing in or with any necessaries; to conspire, combine, agree, or arrange with any other person * * * (e) to exact excessive prices for any necessaries.

This section was held to be unconstitutional in 1921 in *United States* v. *Cohen Grocery Co.* (255 U. S. 81) as in contravention of the fifth and sixth amendments, for being too uncertain and for failing to set up an ascertainable standard for determination of when one was violating the statute. But, it is to be noted that this decision does not invalidate the fact shown herein that price setting is ineffective because the decision came down after the war was over, and long after all the price setting had been both attempted and done by all the governmental agencies involved therein, as shown in this chart. The only conclusion to be drawn from this case is that the most drastic price setting scheme (so drastic as to be unconstitutional) failed of its purpose to prevent profiteering.

"The distinguishing feature of price control in the food groups was the scheme of fixing 'margins, of profit' only" (War Industries Board Report, 1921, p. 75).

Foods:

Vegetable canners: Licensed Oct. 8, 1917, by President.

Tomato packers: Licensed Feb. 28, 1918, by President.

In both, limited profits to "reasonable advance over cost."

(1) Meat canning * * * this all under the regime of the Food Administration: The profits of the "Big Five" (Armour, Swift, Morris, Wilson, and Cudahy) rose 300 to 400 percent.

Average annual profit of "Big Five", 1912–14, $20,146,784; 1916–18, $58,644,468.

Armour: 200 percent increase.

Morris: 200 percent increase.

Wilson: 300 percent increase in 1918 over 1913.

Cudahy: 150 percent increase in 1918 over 1913.

Swift: 200 percent increase in 1918 over 1913.

One of the companies gave a 400-percent stock dividend one year.

(2) Mixed vegetable canners (based on Federal Trade Commission figures of 1919):

Return on capital:	*Percent*
1916	9
1917	32

(3) Tomato packers (same source as (2)):

Return on capital:	
1916	17
1917	60

(4) Pea canners (same as source) (under food control):

Return on capital:	
1916	8
1917	21

(5) Salmon canners (same as source):

Return on capital:	
1916	22
1917	52

(2) Many American companies made "promiscuous" use of German dye, and dyestuff patents during the war. The prices of dyestuffs, if 1913–14 is 100:

1915	582
1916	553
1917	331
1918	389
December 1915	758

Q. Millers: These were licensed by the President on Aug. 14, 1917. (War Trade Board), Government Control Over Prices, p. 66: "Under the license clause reasonable profits could be defined and unreasonable profits prohibited * * * This placed almost unlimited power over certain industries in the hands of the Government." And a specific "fair price" arrangement supplanting the earlier one was promulgated for millers on July 24, 1918, overriding earlier price control over millers.

(6) Millers (S. Doc. 259), under control of Food Board the millers made an average profit of 44.7 percent between July 1, 1917 and 1918. One Minneapolis miller made 5,000 percent profit on capital (and 1 cannery 4,244 percent) in 1 year.

(7) Sugar refiners (same source) under food control, threefold increase in profits. In 1917 beet-sugar producers made 45 percent on capital after taxes had been deducted, and the cane-sugar producers made 191 percent on capital.

PROVISIONS OF H. R. 5529, McSWAIN BILL UNDER CONSIDERATION—Continued	CORRESPONDING WAR-TIME MEASURES—Continued	RESULTS UNDER SAID CORRESPONDING WAR-TIME MEASURES PROFITS—Continued
	Food Control Act (40 Stat. 276), no. 14: (The President may guarantee wheat producers a certain price if such guarantee is necessary to the "stimulation of the production of wheat"), and in August-September 1917 the President set a price hereunder. Miscellaneous: 1. Livestock: Prices fixed Oct. 29, 1917. 2. Rubber: Prices fixed and industry licensed May 7, but license dated back to Nov. 28, 1917. 3. Sand and gravel: During war, July 10, 1918. 4. Cement: As of July 1917. 5. Hides: April 1918.	1913–14 100 1913 103 1914 112 1915 131 1916 161 1917 184 1918 191 December 1918 213 (8) Wheat: 1913–14 100 1913 101 1914 107 1915 130 1916 138 1917 216 1918 209 May 1917 267 (9) Miscellaneous: 1913–14 : 100.

	Live-stock	Rub-ber	Sand and gravel	Ce-ment	Hides
1915	95	85	102	90	108
1916	109	94	110	112	127
1917	152	112	132	146	168
1918	183	127	182	169	174
Maximum:					
September 1918	198				
August 1918		132			
November 1918			195		
Do				176	
Do					178

No. 3. During the period of any war or emergency declared by Congress hereunder the President is authorized to determine and by proclamation announce what classes of public service, or of dealers or manufacturers of any article or commodity, shall be required to operate under licenses, to fix the conditions of such licenses, and to grant licenses under such conditions. After such determination by the President it shall be unlawful for any public service, dealer, or manufacturer in such determined classes to engage in business without such license.

Food Control Act (40 Stat. 276) No. 5: That, from time to time, whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessaries, in order to carry into effect the purposes of this act, and shall publicly so announce, no person shall engage or carry on any such business * * * unless he shall secure and hold a license issued pursuant to this section. The President is authorized to issue such licenses and to prescribe regulations for the issuance of such licenses.

Under this no. 5, the following industries, among others, were required to be licensed, as of Jan. 31, 1918.
(1) Tobacco, as to export and import (a price scale of the War Industries Board was also valid):
1913–14 100
1915 101
1916 100
1917 125
1918 183
October 1918 203
(2) Sugar, sugar sirups and molasses. (See supra.)
(3) Wheat manufacturers and distributors. (See supra.)
(4) Barley:
1913–14 100
1913 100
1914 102
1915 112
1916 122
1917 158
1918 198
March 1918 227
(5) Corn and corn products:
1913–14 100
1913 94
1914 102
1915 105
1916 119
1917 209
1918 213
October 1917 258
(6) Poultry and eggs:
1913–14 100
1915 98
1916 108
1917 144
1918 179
December 1918 227
(7) Fresh or frozen fish:
(Fish and oysters), 1913–14 100
1915 99
1916 109
1917 153
1918 188
December 1918 217

No. 4. During the period of any war or emergency declared by Congress hereunder the President is authorized to determine the order of priority in which any manufacturer, dealer, or public service in the United States shall fill customer's orders or other orders, and after such determination it shall be unlawful for any such manufacturer, dealer, or public service to fill such orders in any other order or priority.

War Industries Board had in its functions the establishment of priorities and preferences. Its first priority order issued Sept. 25, 1917, and later these orders "became most effective." In all, 60 priority circulars were issued and its preference lists covered 73 industries and 7,000 separate plants.

Even a labor priorities division was established, using the United States Employment Service as instrumentality, in June 1918.

No. 5. That during the period of any war or emergency declared by Congress hereunder the President is empowered to set up such agencies boards, or commissions, or to designate such persons to exercise such portion of his powers as he may deem necessary and proper to accomplish the purpose of this act.

No. 6. That any person violating any of the provisions of this act or violating any publicly proclaimed order, rules, regulations made by the President for executing the powers contained in this act, is hereby declared to be guilty of a misdemeanor, and shall be liable to indictment and trial therefor and upon conviction thereof shall be sentenced to pay a fine, or to serve in prison, or both, at the discretion of the court, in such amount and for such time as the court shall see fit and proper, but in no single case shall the fine exceed $100,000, or the term of imprisonment 1 year.

Food Control Act, no. 2, is substantially the same as no. 5 of the McSwain proposal.

It is to be noted that the preceding pages indicate the complete collapse of the price-control scheme. All forms of price control were attempted, and all failed. "The distinguishing features of price control in the food groups was the scheme of fixing 'margins of profit' only. * * * The price-fixing committee (of the War Industries Board) found that the most satisfactory control could be accomplished by the fixing of the prices of basic materials * * * establishing price control from the raw stocks, right through the process of manufacture and trade, to the retail consumer" (American Industries in the War, Report of the War Industries Board, 1921, 75, 79).

Miscellaneous companies and their profits

Company	Average 4 last peace years	Average in 4 war years
American & British Manufacturing	$172,000	$325,000
Canadian Car & Foundry Co	1,335,000	2,201,000
Crocker Wheel Co	206,000	666,000
Niles-Bement Pond Co	656,000	6,146,000
Scovill Manufacturing Co	655,000	7,678,000
General Motors Corporation	6,954,000	21,700,000

(8) Feeds and grains (feed and forage): 1913–14: 100:

1913	93
1914	101
1915	104
1916	111
1917	184
1918	192
November 1917	239

(9) Baking.
(10) Arsenic: 1913–14, 100; September 1917, 431.
(11) Ammonium industry.
(12) Tomato.
(13) Green coffee.
(14) Fuel-oil industry:

1913–14	100
1915	77
1916	121
1917	148
1918	180
September 1918	186

POST-WAR PROFITS ON MUNITIONS

(1) Newport News Shipbuilding Co. made a profit of 35 percent on two cruisers for Navy.

(2) Pratt & Whitney Co. made a profit in 1932 of 1,143, 725 percent on invested capital. Between 1927–33, this company was forced to return $619,000 to the Government when it was found by Army auditors to have made profits of 81 percent and 38 percent, respectively, on two orders.

(3) Consolidated Aircraft Corporation made such high profits between 1927–33 on Army construction that it was ordered to build 50 planes for $1 each.

House of Representatives, Select Committee on Expenditures in War Department (66th Cong., 3d sess, Rept. 1307, of subcommittee, on leather): "Throughout the whole period of the war, agencies of the Council of National Defense and the War Industries Board, largely made up of representatives of the various industries interested, arranged the prices of leather materials sold to the Government." The board's conclusions: "The prices paid for such supplies were exorbitant and unnecessary."

Mr. McSWAIN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FADDIS], a member of the committee.

Mr. FADDIS. Mr. Chairman, in anticipating what opposition we might meet with this bill, we expected opposition from two classes, namely, those who are opposed to the bill, who would fall into the same class with Eugene Grace and Charles Schwab, who desire to profit enormously by manufacturing munitions of war, and those belonging to the pacifist element of this Nation, who are opposed to any bill which prepares the Nation for national defense in time of war. The opposition to this bill because it makes no attempt to tax war profits is certainly unjustified. The Committee on Military Affairs has no jurisdiction over revenue measures. That is the sole function of the Committee on Ways and Means. It is so stated in our report. We are, indeed, much indebted to the gentleman from New York [Mr. MARCANTONIO], who preceded me, because he has presented to the Committee of the Whole a great deal of testimony, and it is very much the same testimony that we listened to for days and weeks in the Committee on Military Affairs when we were preparing this piece of legislation. It is, however, an attempt to draw a red herring across the trail. It came along with the statements of how the attempts to fix prices during the World War had been a failure.

I desire to call the attention of the Members of the Committee to the fact that he told you only a part of the story. He went into bituminous coal and coke and commodities of that nature during the World War and the methods used in endeavoring to control prices at that time. He did not further tell you that coal in 1919 and in 1920 sold for a much higher price than it had ever sold for during the war. That was after governmental control had been removed. When did sugar reach its highest price? After the war, and after price control had ceased.

The gentleman from Ohio [Mr. TRUAX] called the attention of the Committee to a very significant point, as far as price control is concerned, in that the price of wheat was satisfactorily controlled. Of course, the farmer has a just complaint that his product was controlled at a lower price proportionately than the products of industrial plants, and we all regret that fact. Nevertheless, when the gentleman from Ohio advanced that point, he advanced a point in proof of the virtue of this piece of legislation. If a uniform system of price fixing is maintained prior to the date of an emergency, all prices can be controlled throughout the war. If we can do this, we can eliminate one of the most disastrous effects of war, namely, the aftermath of adjustment of prices, which has heretofore followed all wars.

We of the committee do not maintain that this legislation is perfect by any means, but we do maintain that it is an honest attempt on the part of this committee to bring out a piece of legislation, to rectify the evils of the last war, insofar as we are able to do so. We sat for weeks and weeks listening to testimony, testimony of the very ablest men of the Nation. We also listened to much testimony from the pacifist element of the United States who are opposed to any bill at all; and that is the reason I state we expected an attempt to draw a red herring across the trail to bring about confusion and befog the issue as much as possible. In drafting this piece of legislation we took into consideration all of the testimony of the kind that the gentleman from New York [Mr. MARCANTONIO] has placed before the committee. Such testimony was, in fact, our chief basis of information. We took into account that conditions at the date of our entry into the last war were exceedingly abnormal.

We took into consideration the fact that long before there had been any attempt at regulating prices throughout this Nation prices had risen beyond all bounds of reason; that there had been a tremendous demand for all commodities; that the prices of all commodities and the prices of rents, salaries, labor, and everything else that entered into the matter had gotten out of hand. After taking all that testimony into consideration we came to the conclusion that if, prior to the date of war, prior to the time there was an extraordinary demand for any of those commodities, we would establish a ceiling of prices beyond which none of those commodities might rise, we would have a system whereby we could at least attempt to control them.

Mr. WITHROW. Will the gentleman yield?

Mr. FADDIS. I yield for a question only.

Mr. WITHROW. Does the gentleman think that will prohibit profiteering—to fix a ceiling? Does not the gentleman realize that in time of war manufacturers do not have selling costs that even compare to those in times of peace, and the result is that even if you freeze that price——

Mr. FADDIS. Well, I yielded for a question, but not for the gentleman to make a speech. I decline to yield further.

Mr. WITHROW. Well, will the gentleman answer the question? It does not mean a thing to fix that price.

Mr. FADDIS. Mr. Chairman, I decline to yield further. We took into consideration the fact that if we established this ceiling of prices and got matters under control as of a date prior to the emergency, we would have a system whereby we could control it. We took into consideration this fact also: That it was not desirable to conscript labor; that it was not desirable to conscript industry, because we firmly believe that labor will cooperate willingly in the future as it has in the past, and because we took into consideration the fact that the best management for industry in time of war is its natural management. The object of warfare is to break down the hostile will to resist. To this end we will need the utmost cooperation of every element within the Nation, if unhappily we are ever forced into another war. If we reached in and conscripted industry, as some would have us do, we would disturb the industrial processes of this Nation until they could not function. Any man of sound reasoning is bound to know that in time of war as well as in time of peace the very best management for industry is its natural management. We wish to provide by this legislation that it will not be necessary to conscript either labor or industry in time of war. We believe that conscription of either labor or industry would be both unnecessary and undesirable. That is the thought upon which the piece of legislation was drafted. If ever we must go to war, we wish to do so under a system which will place the entire Nation and all of its resources in the very condition to successfully prosecute the war. After the war we wish this Nation to be in the very best position possible to reap the advantages for which we engaged in the war. We wish the internal affairs of the Nation to be just as undisturbed as possible by the prosecution of the war.

There have been remarks made on this floor regarding the attitude of the United States Senate in legislation of this kind. I am sure every conscientious Member of this House knows full well that if he does his duty as a Member of the House of Representatives he has his hands full, and that he cannot sit here in this House of Representatives and attempt to be a back-seat driver for what goes on in the United States Senate. So, therefore, as Members of the House of Representatives, it is our duty to draft our legislation according to our conception of the duties of a Member of the House of Representatives. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back 2 minutes.

Mr. ANDREWS of New York. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. McFARLANE. Mr. Chairman, I raise the point of order that there is not a quorum present.

The CHAIRMAN (Mr. STARNES). The Chair will count. [After counting.] One hundred and twenty-four Members are present, a quorum.

Mr. McFARLANE. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from New York [Mr. FISH] will proceed.

Mr. FISH. Mr. Chairman, I am not so very much concerned about the contents of this bill. I see no reason for any extended argument either for or against the bill as presented, because every Member of the House who has been

here 2 years or more must know what will happen to the bill. After it passes here it will go over to the other body, where it will be completely amended, and will come back an entirely different bill. So it is almost a waste of time to try to consider this proposition on its merits, or, let us say, on its demerits. Probably every Member of the House would like to offer some kind of amendment. Probably every Member of the House feels he could write a better bill or improve the bill.

Mr. McFARLANE. Will the gentleman yield?

Mr. FISH. Yes; I yield.

Mr. McFARLANE. But when the measure goes to the Senate, under the rules prevailing over there, the Senate, as I understand it, cannot put on this bill any tax provision, because it would not be germane. There being no tax features in this bill, under their rules it could not be placed there, so that we are doing a futile thing in offering such a bill, which cannot be adequately amended in the Senate.

Mr. FISH. From my experience in the Congress, I did not know there were any rules in the Senate that prevented them doing anything at all.

Mr. McFARLANE. Under the Constitution—and we yet have a Constitution—it provides that all revenue-producing measures or tax measures must originate in the House.

Mr. FISH. I am very glad to hear the gentleman defend the Constitution. It is about time someone else defended the Constitution. Unfortunately, it has been lost track of for a long time past.

Mr. MAVERICK. Will the gentleman yield?

Mr. FISH. Yes, I yield.

Mr. MAVERICK. What does the gentleman mean by agreeing with me on this thing?

Mr. FISH. I do not get the question. However, the first reason I rose was to try, if it is within my power, to correct the RECORD. No one admires the Chairman of the Committee on Military Affairs [Mr. McSWAIN] more than I do. I have served some 15 years with him in this House. There is no finer character or more able Member. Only a week or so ago I was in his State of South Carolina, and I found down there that even the Republicans spoke well of him. That is quite a boost in South Carolina.

Mr. SIROVICH. Are there any Republicans there?

Mr. COCHRAN. Where did the gentleman find any Republicans in South Carolina?

Mr. FISH. Yes; and militant ones, too, and increasing rapidly. But when the gentleman from Alabama [Mr. HILL] gets up and gives the gentleman from South Carolina [Mr. McSWAIN] all kinds of praise for initiating this legislation I have to differ with him; I have to take exception, because I believe the RECORD will show and prove that this type of legislation, involving the principle of restricting profiteering in war time, was intiated and introduced first by our former colleague, the gentleman from South Dakota, Mr. Royal Johnson.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. HILL of Alabama. The Johnson bill was an entirely different sort of bill. The Johnson bill provided for conscription of labor, conscription of industry, conscription of everything.

Mr. FISH. I cannot yield further, Mr. Chairman. That is true, the Royal Johnson bill went beyond the present proposal; it called for conscription of wealth, industry, and labor, but the same principle is involved. He was a Member of the House when war was declared and resigned from Congress to enlist, serving in the Seventy-ninth Division, and was wounded in the Meuse-Argonne offensive. When he came out of the war he returned to Congress, and as soon as he reentered Congress he introduced a bill to take the profits out of war. He went to the Legion convention at New Orleans in 1921 or 1922 with his proposal and had the American Legion endorse it. That was the origin of all legislation of this kind and no one has the right to take any part of it away from Royal Johnson, who first sponsored the bill which was endorsed by the Legion. This is a mere modification and, as far as I am concerned, I would like to support a bill that went further and that drafted all the wealth of the country, all the industry, all the man power, and all the soldiers in case of war. [Applause.]

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. KNUTSON. The gentleman is a member of the Committee on Foreign Affairs and may be able to give us some information. I find that in 1934 we spent $303,639,000 on our Navy, but that the estimated expenditures for 1936 will be $581,049,000. Has the gentleman any information as to whom we are arming against and as to the probabilities or possibilities of war in the near future?

Mr. FISH. The gentleman has injected a new issue. All I can say in answer to that is that I do not believe there is a man in the House who loathes and abhors war more than I or who will go further to support measures for peace and to avoid war, but I believe in a big Navy [Applause]; I believe in a Navy adequate at least for national defense, and I mean for defensive purposes only and not for any purposes of aggression. In further answer let me say, using the words of our former colleague, Burke Cockran, which he uttered in defending a Navy second to none, that a second-best Navy is like a second-best hand at poker, it is not worth a darn. This is my philosophy. I believe we ought to have a Navy equal to any navy in the world, as our first line of defense for purposes of peace, for purposes of defense and against aggression. I have been diverted a little bit from the bill, but I see no reason for the United States to become involved with any nation, and as for war it would be the height of folly and a crime against the American people. We want no war except in defense of our country. This is a step in the direction of peace, but it is just a small step. We should follow this with a bill to prevent the sale and shipment of munitions of war to belligerent nations. [Applause.] That is the thing that will do more to keep us out of war than all the world courts, leagues of nations, and foreign commitments put together; that is the only thing that will do it.

When the gentleman asked me what nation we are going to war against, I will answer the gentleman there is only one thing that will drag the United States into war, and that is the sale and shipment of munitions of war for the sake of profit to some belligerent nation. It would be insane folly for the United States to think of going to war with any nation, but we are bound to be dragged into war just as sure as we continue to sell munitions of war to belligerent nations for the sake of profit. If we are to have a war in the future it must be a war in defense of the United States of America and not in defense of the munitions makers and war profiteers. [Applause.]

Mr. KLOEB. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. KLOEB. What has the gentleman to say with reference to lending money and extending credit to warring nations?

Mr. FISH. I say exactly the same principle is involved. I am opposed to lending a single dollar to any foreign nation.

Mr. KLOEB. Then why does not the gentleman get behind my bill, H. R. 7125?

Mr. FISH. I am behind it now; the gentleman does not have to ask me, I have been behind this principle for a number of years.

Mr. KNUTSON. As I understand it, the State Department has made an adverse report on the gentleman's bill.

Mr. FISH. Mr. Chairman, there are many people in the United States who are sincere in advocating peace, who believe in the League of Nations, who believe in world courts, who believe in consultative pacts, foreign alliances, and so on. I believe in peace, but I believe any step to join the League of Nations or to enter foreign entanglements is more apt to be in the direction of war than in the direction of peace. It seems to me the policy of the United States must be to keep out of all foreign entanglements, all ancient blood feuds, all boundary disputes, cease passing moral judgments on foreign nations, refuse to pick the

chestnuts out of the fire for foreign nations, and above all, to mind our own business [applause], because we have plenty of economic difficulties to attend to in the United States of America at the present time [applause]; we have plenty of problems to solve right here, important domestic problems. If we leave these foreign nations alone and just keep out of their disputes we would have assured peace in the United States except for one thing, and that is war profiteering. If we permit these war profiteers to sell munitions of war to foreign nations—I do not like to predict, I know how dangerous it is for any politician to predict anything—but I am predicting that as long as we continue to sell munitions of war for the sake of the almighty dollar to people with whom we are at peace to kill each other in disputes with which we are not concerned, that eventually we shall be dragged into that war. We cannot sell munitions of war without arousing the enmity and the hatred of the nation against which those munitions are used.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. KVALE. Does the gentleman in using the word "munitions" intend to mean only munitions which are not used in peace time, or does it include cotton, wool, and other commodities which enter into munitions?

Mr. FISH. No; I limit it solely to munitions of war—arms and armament, possibly airplanes—but not cotton or copper, and not raw material or food or wheat or clothing. [Applause.]

Mr. McSWAIN. May I ask the gentleman, who is a distinguished member of the Committee on Foreign Affairs, if he does not recognize the fact that the Committee on Military Affairs has no jurisdiction over legislation affecting dealings with foreign nations? The gentleman's committee would have to deal with that matter.

Mr. FISH. It would. I do not expect its passage, but I propose to introduce a bill providing for a multilateral treaty among the nations of the world to prevent the sale and shipment of arms and munitions of war. My reason for introducing such a measure is that we are a party to the Kellogg Pact—as a matter of fact, we initiated it—to renounce war as an instrument of national policy except for defensive purposes.

Of course, it does not prevent war. Nothing prevents war. It is a deterrent only. Even when Japan and China were fighting they did not declare war on each other. It is a deterrent against war, and as we have renounced war except for defense, why is not the next logical step to enter into a multilateral treaty to prevent the sale and shipment of arms and munitions of war? Why should we not renounce the sale and shipment of arms and ammunition?

I agree with the gentleman that such a proposal should come from the Committee on Foreign Affairs, and I propose to introduce such a bill. I am afraid it will not get beyond the good wishes of the introducer. I have had no encouragement from the committee, nor have I had encouragement from the administration. But what has the administration to lose? We as a country can stand behind such a treaty because we stand for peace. We should give the other nations a chance to approve or to turn us down. They will probably refuse to agree. I am afraid Japan, Great Britain, France, and Germany, and the other nations, will refuse, but let us make them the offer in the name of world peace. [Applause.]

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 7 minutes to the gentleman from Ohio [Mr. KLOEB].

Mr. KLOEB. Mr. Chairman, first I desire to compliment the Chairman of the Military Affairs Committee, the gentleman from South Carolina [Mr. McSWAIN], the gentleman from Pennsylvania [Mr. RANSLEY], and the gentleman from Alabama [Mr. HILL] for the persistency with which they have followed this subject during the past 12 years. I desire also to correct the gentleman from New York [Mr. FISH] in his reference to the authorship of this particular bill. It is true that Royal C. Johnson, C. William Ramseyer, and other Members of the House now gone were active in legislation of this kind 12 or 14 years ago, but the legislation that they propounded was legislation that specified in detail the conduct of a war, and I think we have come rightly to the conclusion in arriving at this bill today that to specify in legislation of this kind means to limit the authority of the administrative agencies that are called upon in time of war.

Mr. Chairman, let us get back to this question of profiteering. Napoleon complained of it, Washington complained of it, and it was complained of at the time of the Civil War. I have examined carefully the records in the Globe containing the debates of 1862 on profiteering and the illegal contracts let in the Western Department under Fremont during that war. I have come on down and examined the records of the World War and the efforts that were made following the close of each of those wars to prevent profiteering in the event of another war.

Mr. Chairman, bear in mind the fact that the cause of all our troubles in these wars, the profiteering, the corrupt and illegal contracts, the inevitable depression that follows postwar deflation, may all be attributed to the unusual and unnatural inflation of prices and of money that comes immediately upon the declaration of a war. Immediately upon declaration of a major war, from one to four million men are taken from industry. This creates a scarcity of man power. There immediately comes a demand for certain industrial products necessary to the conduct of the war. The law of supply and demand, operating overtime, makes the prices go up, and speculators, anticipating this rise in price, immediately play upon the market. Overnight, as was the case in Italy just 2 or 3 weeks ago, following the anticipation of a very little war over there, a firecracker affair, we find the profiteers at work. They continued at work in Italy recently until Mussolini ordered that their backs be placed against a wall and they be shot. This is all due to the fact that hysteria, bringing about inflation, has come upon the nation.

Now how to cure this question. Before the opening of the World War we made no plans to control the inflation that was certain to come. After we had entered the war we established a price-fixing commission and we passed excess-profits tax laws in order to stop this inflation as much as we could. These two agencies playing together, with the coordination of buying on the part of the Allies with our own, brought down prices considerably, but the peak prices in this country arrived 4 months after we had declared and entered the war. We merely tried to control the price stampede that had come upon us.

Mr. Chairman, this bill does nothing more than this: It would, upon declaration of war, authorize the President to fix a date prior to the declaration of war, on which business was being transacted under the normal law of supply and demand, and freeze the prices as of that date in order to prevent the hysterical war-time inflation that comes upon us. A price-fixing commission would then be authorized to adjust inequalities in the price structure. That is all.

Now, I have heard much about this question of excess profits. Do not be led astray. This is not a new question. Immediately after the close of the World War men's minds turned toward this question in an effort to reach a solution. The best minds of the country, the minds that were busy in administrative groups during the World War trying to curb the prices, have been busy on this subject ever since.

In 1924 the Military Affairs Committee of this House held extensive hearings on the subject. William B. Colver, the Chairman of the Federal Trade Commission, that had in charge the furnishing of statistics to the Price Fixing Commission during the World War, testified before that committee. Unfortunately, he is no longer available.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. KLOEB. Robert S. Brookings, of the Brookings Institute of Economics, here in Washington, who headed the price-fixing commission during the World War, testified in 1924.

Herbert C. Hoover, then Secretary of Commerce, testified, and from his lips comes the first suggestion of the principles contained in this bill which we are discussing today.

In a letter written to the Chairman of the Military Affairs Committee, Mr. McKenzie, and read to that committee on April 9, 1924, he propounded these ideas:

I am in firm agreement with two principles which you have under consideration. First, to blot out any expectation or realization of a profit as the result of war; and, second, to be forehanded in organization. I would also suggest that from a legal point of view a general clause should be added to the bill giving a blanket authority to the President to fix prices, wages, etc. The right to fix prices instantly war is entered upon, and to requisition materials under the war power, would be a considerable shock to any pre-war speculator.

This is the first suggestion of this plan. In the years thereafter there occurred many hearings, culminating in the establishment of the War Policies Commission, through the McSwain resolution in 1930, adopted by this House in June of that year. The War Policies Commission was the final effort of this Congress to arrive at and solve this question. This Commission was made up of 6 members of the Cabinet, 4 Members of the House, and 4 Members of the Senate. It included Senator VANDENBERG and Senator ROBINSON now in the Senate.

These gentlemen met throughout the entire year of 1931. They had appearing before them all the administrative heads who operated during the World War and then made their recommendations to Congress. We are today seeking to convert into law their first recommendation to freeze prices. The excess-profits tax law will follow. Following are their recommendations. The Commission recommends, page 22, that—

In addition to adopting an effective method of stabilizing prices there should be drafted now a special war-tax law, to become effective simultaneously with the declaration of war.

The Commission recommended, page 34:

We recommend that no amendment to the Constitution be considered at this time. We recommend that bills be drawn and introduced in Congress as soon as practicable, conferring upon the President the specific right to freeze or fix prices at any date before or after the beginning of war, and the power to adjust such prices.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 1 more minute.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. KLOEB. I yield.

Mr. KVALE. I am sure the gentleman does not want to overlook the fact that substantially the same principle was embodied in a measure which the Chairman introduced in 1921, which was referred to the Judiciary Committee at that time and died a natural death in committee.

Mr. KLOEB. If that is true, I missed it, and I am sorry.

The War Policies Commission recommended, first, a law providing for the freezing of prices and the setting up of a price-fixing commission, and second, a war-profits tax to catch the low-cost producer. We are trying to comply with the first recommendation today.

If you hold your price level at the opening of war, and your low-cost producer slips through with some excess profits, then an excess-profits tax can go into operation to take from him any percent of the excess profits that he then makes and that you gentlemen may agree upon.

This is the plan of the War Policies Commission. This is the plan of the Chairman of the Military Affairs Committee. Do not be misled into voting against this measure, because its passage is vital in the consummation of the plan of the War Policies Commission. [Applause.]

Mr. SHORT. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, on Saturday of this week we shall observe the eighteenth anniversary of the entry of the United States into the World War. Saturday will be 18 years from the day that marked a sequence of torpedoings and exchanges of communiqués that finally culminated in a declaration of war that made the United States a party to the greatest war in all history.

Pursuant to that declaration in the language of that great President, Woodrow Wilson, we began to train not an army but a nation. Four million men were poured into olive drab and khaki uniforms, inspired by the zeal of youth, by the desire to do their little bit for democracy, by the desire for high adventure, and motivated by the spirit of patriotism.

They participated in a war that was none of our business. We got nothing out of it; we wanted nothing out of it. The only thing we got out of it was a headache, a lingering, nauseating headache, that pains us every time we think of the $11,000,000,000 that they still owe us.

I was one of the millions that went over to the other side of the ocean and spent 18 months there. I know something about "corn willie" and "monkey meat" and "slum gullion", I know something about prunes, which the Army boys better know in the service technique as "Army strawberry." I know something of "goldfish."

I know something about sleeping on a muddy field, in a pup tent, with your feet sticking out of one end and your head out of the other.

Mr. CONNERY. Do not forget the "cooties."

Mr. DIRKSEN. No; I shall not forget the "cooties" and trench lice and the delights of being periodically deloused. Incidentally, I know something about walking into the ghastly fire of machine guns behind a concrete emplacement, of 240-millimeter shells coming out of the air and bursting with ghastly effect. I have seen aviators come down, burnt to a crisp as they fell. Every soldier is familiar with these things as they happened over there.

We were chastened and sobered when we came back from the war, and what did we come back to? The day that I landed on the docks at Hoboken I saw stevedores there drawing $12 a day and wearing silk shirts. We came back to a new crop of millionaires. We came back to $1-a-year men, whose bonuses ranged from $100,000 to $1,000,000 in a single year; and when we sallied forth to get our old job back, it was not there, and we saw others who remained at home who had tasted of the immense and luxurious profits of war. It was a sobering and a chastening experience, to the extreme. Is it any wonder that the minds of the millions who came back from abroad, who saw that disparity of their proverty as against another's elegance, rich and abundant jobs as against no jobs—is it any wonder that they were fired with a zeal that somehow precipitated this thing we call the universal draft or conscription? Will Rogers, the great sage and necromancer of the plains, gave excellent expression to it years ago when he said, "When we invade the office of the millionaire and say to him, 'We will not only take your clerks and secretaries, but we will take your dough', that is the day we are going to get rid of war, because the rich will say that it is not practical, and the poor will never have a chance to find out whether it is or not." [Laughter.]

So we have been fired with a zeal for conscription—to conscript industry and to conscript man power in the next war, to put everybody on an equal footing. The veterans of the last war ask only for an equality of burdens and an equality of benefits in the next war. But this bill is something else.

I say to you very seriously, gentlemen of the Committee, that in my present state of mind I expect to vote against this bill. I understand that the American Legion supports this bill. Let us make the proper differentiation there and say that the national commander and my good friend Ray Kelley, who is on the executive and legislative committee, appeared before the Committee on Military Affairs to support this bill, but that does not bind the conscience and the independent thought of any member of that organization, and I venture to say that I could go out to a group of Legionnaires in Illinois and explain my interpretation of this bill, and that probably we would not get a single vote for it in any one of those meetings. If the bill should become law, and it should be interpreted by the Supreme

Court, they would follow the language of the bill, and that is the thing that concerns me most. We must get back to the bill itself, which is the original source. We are a great country. We read book reviews instead of books, because it saves time, and so we can discourse glibly at social functions on those books. I think it was Bruce Barton, that great advertising man and editor in New York, who said that we read everything about the Bible except the Bible itself, making commentary upon our thought processes. Similarly, we have all read much about taking the profit out of war but have given scant attention to the real substance of the bill itself. The practical presentation of an effort in that supposed direction we find in this bill, H. R. 5529, and let me point out some of the things in this bill which is now before us as I see them. If I understand the English language, section 1 says that—

Whenever Congress shall declare war or the existence of an emergency due to the imminence of war—

It recites war as one condition. It sets out "the imminence of war" as another. You will not find the words "imminence of war" recited in a single other section of that bill. Turn to section 3, and we find that it provides:

That in the event of war or of a national emergency declared by Congress to exist, which in the judgment of the President demands the immediate increase of the Military Establishment—

Get the import of that thought—a national emergency declared by Congress to exist. It calls for no special kind of emergency. It could be declared at any time on any matter without a single probability of war.

Look at the National Industrial Recovery Act, and when we passed it in the Seventy-third Congress we recited in the first line:

Because of wide-spread unemployment and disorganization of industry, it is declared that an emergency exists.

We passed the banking bill, and the first thing about the bill was a declaration that an emergency existed in the banking structure. We passed the Agricultural Adjustment Act, and we said there that an emergency existed, and subtitle 1 of title I of that bill, in large letters in the public edition of that act, proclaims the declaration of an emergency. These emergencies were declared by the Congress of the United States. Section 3 gives to the President of the United States the authority to draft the unorganized militia between the ages of 21 and 31. Who is the unorganized militia? It consists of every able-bodied male and female citizen between 21 years and 31 years of age who is not in the Organized Militia.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. O'MALLEY. I was under the impression that this is a bill to take the profits out of war, and that is why I cannot see why this conscription section is in the bill at all. It has nothing to do with profits.

Mr. DIRKSEN. I cannot see that it is going to take the profits out of war. It seems that is the least emphasized portion of the bill. This bill purports to confirm the profits in war. It does not remove them. It merely freezes prices as of a certain date. It does not state whether it is a day or 30 days or 6 months or 5 years prior to the war when the President shall establish the date, which shall be the date for such a price freeze.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SHORT. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. CONNERY. I call the gentleman's attention to the language to be found on page 1 of the bill, in line 7:

It shall be unlawful for any person to buy, sell, or otherwise contract for any article or thing at a higher rate, rent, price, commission, compensation, or reward.

And so forth.

Under that compensation, if a worker asks for 10 cents a week more on his wages and it is granted him, he could be fined $100,000 and serve a year in prison, or both, it being discretionary with the court.

Mr. DIRKSEN. Without doubt. The first section deals with the price freeze, and it covers everything in the country. Section 2 deals with the adjustment of prices. Now, who shall sit on those adjustment boards? Would they put me or the gentleman from Mississippi [Mr. RANKIN] on one of those boards? I doubt it very much. They would put on the same kind of folks who served on those boards during the war. Mr. Hoover served on the Relief Board; Mr. Garfield was on the Fuel Board; Mr. Bernard Baruch was on a board; Mr. Charles Schwab was on a board; Mr. Howard Coffin was on a board. Those are the men who would be selected to serve.

Mr. RANKIN. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. RANKIN. Those dollar-a-year men could not afford to serve in the next war, because they are already too rich now. They would have too much profits to look after. We would have to have some new boards.

Mr. DIRKSEN. There is no limit to human ambition in matters of that sort. Now, in making these adjustments under section 2 of the bill, those are the gentlemen, steeped in that very kind of existence, who would have to make the adjustment. Oh, do not blame them. Do not throw any rocks at them. I suppose you and I would take the same viewpoint if we had lived in that same kind of environment all of our lives. They, however, would make the adjustments. So what will happen? The iron-ore miners up in the Mesabe and Vermillion Ranges of Minnesota might strike for higher wages. The manager or the mine boss will say, "We can give it to them, and we will go down and get an adjustment." Then that reflected higher price has to be passed on in steel as it is fabricated in Youngstown and in Pittsburgh. It will be reflected in the high-explosive shell and in the shrapnel made of steel. Then you would have a constant series of adjustments, and as we so well know, they are invariably up instead of down.

Mr. McSWAIN. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. McSWAIN. The gentleman is very much interested in taking the profits out of war?

Mr. DIRKSEN. I am. I never was more interested in any subject.

Mr. McSWAIN. The gentleman says our scheme is not practical. The gentleman has been in Congress for two sessions. Has the gentleman ever introduced a bill that expressed his idea of how to accomplish that result?

Mr. DIRKSEN. No; largely because I knew this committee was dealing with the subject, and I was willing to wait until they had finished their task.

Mr. McSWAIN. But the gentleman did not treat the committee fair. The gentleman should have given it the benefit of all the knowledge he has on that subject.

Mr. DIRKSEN. The chairman of the committee will certainly not presume that because a person has not introduced a bill, that makes this bill a good bill or a bad bill?

Mr. McSWAIN. Oh, no; but the gentleman says he was never more serious about anything in his life than taking the profits out of war. He must have introduced some bill since he has been in Congress. Why did he neglect the one of all that he was most interested in?

Mr. DIRKSEN. I may say to the gentleman that, of course, he, too, would perhaps be interested in a banking situation. Did the gentleman ever introduce a bill before the Committee on Banking and Currency? I am a member of only three committees.

Mr. McSWAIN. If the gentleman will search the files of the Committee on Banking and Currency, he will find my ideas expressed there in the shape of a bill.

Mr. DIRKSEN. What about the other 47 standing committees of the House?

Mr. McSWAIN. Every proposition in which I am interested I have laid before the committee.

Mr. DIRKSEN. I am sorry, but it seems to me that is a sort of red herring and certainly ought not preclude anyone

of the right to fill this bill full of holes if it will not stand on its own merits, irrespective of whether I have introduced a bill or not. That begs the question entirely.

Mr. McSWAIN. It only affects the question of the ability of the gentleman in his capacity to criticize the bill, the fact that he has not offered some other bill.

Mr. DIRKSEN. Does that not apply to all of the other 434 Members of this House, and that therefore we ought not criticize the bill unless we have introduced a bill of our own?

Mr. McSWAIN. But the others have not criticized the bill yet.

Mr. DIRKSEN. We shall see about that; moreover I shall have some amendments to offer to this bill.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. GRAY of Pennsylvania. Does the gentleman think there is any necessity for a declaration of martial law so far in advance?

Mr. DIRKSEN. I can see none. Now, Mr. Chairman, let me get back to the bill for a moment. Whether the committee has entertained the point or not I cannot too strongly emphasize the important fact that this bill does not take the profit out of war. That idea obscures the larger and more important implications of this bill. Everybody is in favor of removing the profits from war. In fact, it appears to be the only effective way to erase war from the face of the earth. But this bill does not do it.

It, of course, establishes a so-called "price ceiling" and thereby actually confirms and places governmental sanction on profits.

Section 3, however, is the very heart of this bill. Before proceeding to it, let me again point out that section 1 uses the language, "That whenever Congress shall declare war or the existence of an emergency due to the imminence of war." Section 3 uses the language, "That in the event of war, or of a national emergency declared by Congress to exist." It says nothing about an emergency due to the imminence of war. It refers only to the ordinary garden variety of emergency. Section 4 does the same thing. Again, note the language, "During the period of any war or emergency declared by Congress." Section 5 uses identical language, as does section 6.

Remembering the vast amount of emergency legislation passed by the Seventy-third Congress, in which we definitely stated that an emergency existed, that very declaration empowers the President, under the language of this bill, in his judgment, to do many things. It empowers him, if in his judgment it becomes necessary, to draft the unorganized Militia, to commandeer and control industry, to license business of all kinds, to indicate priorities, to rearrange departments, set up bureaus and agencies, and then imposes a fine not to exceed $100,000 for a violation of this provision of this bill.

In other words, you can have peace-time emergencies as well as war-time emergencies, and if this body but declares an emergency it only remains for the President to exercise these powers. Why, this is the most drastic regimentation bill ever proposed on this floor, to be exercised when not a single war cloud floats on the horizon.

Let the Congress declare an unemployment emergency and under this bill the President could conscript everybody between the ages of 21 and 31 in this country, place them in the Military Establishment of this country, and have them assigned to P. W. A. work at $1 per day.

Without the slightest danger of war, the President can under this bill, after Congress has declared an emergency, commandeer every factory, every coal mine, every power house, every industry, every business in this country and man them with a conscript army.

Never in the history of the Republic has such a measure been proposed, and now it comes to us under the guise of a bill to take the profits out of war. It would confer peace-time powers in an emergency such as no Old World dictator ever possessed. And certainly, in view of the lengthy hearings that were held and the amount of time spent on this bill, it could have been no inadvertence that an emergency was tied up with the imminence of war in section 1 and then treated as any emergency in all the other sections of the bill.

Would labor be for this bill if they knew that in an emergency they could be conscripted into the Army and made to work at soldiers' pay in peace time? Would legionnaires be for this bill if they knew that those from 21 to 31, the same age as that of the legionnaires who served in the last war, could be conscripted in time of peace without the imminence of war? Would industry be for this bill if they knew that this measure confers drastic powers to commandeer and control and license all industry in time of peace just because Congress declared an emergency in the same swift, facile way that it declared emergencies in 1933? I think not.

Now, you might well say that the Congress would not so lightly declare an emergency. To that I say that the Congress has done it no later than 2 years ago. You say that the President would not exercise this power in such a manner. If not, then why confer this power. You and I know that when controversial legislation comes before the Supreme Court they divine the intention of Congress from the language of the bill, and will anyone make so bold as to declare, after reading this bill, that its present language does not confer these powers on the President in peace-time emergencies as well as in war-time emergencies? This bill carries possibilities of regimentation in time of peace so dangerous as to amount to an absolute dictatorship.

The tragedy of it is that it is styled "A bill to prevent profiteering in time of war", when it does not prevent profiteering. It is styled "A bill to equalize the burdens of war", when it inequalizes those burdens. It is styled "A bill to promote peace", and if anybody can find a single contribution toward peace in this measure he deserves a rich reward for ascertaining something which is in fact not in the bill.

I was not a little amused at the categorical way in which opponents of this bill were classified earlier in the day by one of the proponents of the bill. Roughly, those opponents were classed as generally opposed or as pacifists who were opposed. I know not how the term "pacifist" was intended. If the distinguished gentleman meant pacifists who, like Tolstoi, exemplify to the full the doctrine of nonresistance, I am not one of them. If he means those who believe in full and adequate national defense on land, sea, and in the air, but who also place such high store on the gospel of peace that they are willing to fight for it by insisting that a real bill be brought in here to take the profits out of war and not a sugar-coated bill which might regiment our entire Nation in time of peace, then, maybe, I might be a pacifist.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. McSWAIN. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I find myself in the same position as the gentleman from Illinois [Mr. DIRKSEN], rather opposed to the bill, but I must confess I have never introduced any legislation, nor have I appeared before the Committee on Military Affairs. I think we are close to the 10,000 mark in bills and resolutions introduced since January 3. It is a physical impossibility for a Member of Congress to read those bills, if he had nothing else to do.

I expect to vote for this bill, although I am going to criticize the measure, and I will probably offer some amendments to the bill, because I feel it is a step in the right direction and hope in the end we may get a real bill, with some teeth in it, that will take the profits out of war.

I concede to every man the right to an opinion upon legislation, and I have no fault to find with the gentleman from South Carolina, because I know he is honest in his views, but I have tried to analyze this bill, and my conclusion is it will not accomplish the desired result.

As I understand the bill, it proposes to clamp a ceiling down on all prices, beyond which they may not go. Yet you notice that another section of the bill proposes to permit the President to adjust the prices upward or downward. What

does this mean? It means that while we are in the midst of a war that this producer or that producer will claim that he cannot produce at the prices fixed. The President will then have to determine costs, prices, investment, and so forth. By the time he gets the answer conditions will again have changed and the findings will become stale.

The purpose is to fix the prices high enough to get out the needed production. This will mean that maximum prices will be fixed necessary to keep the high-cost producers in business. This will also mean that the low-cost producers—the big fellows—will then move most of the tonnage under these high prices and will therefore make excessive profits, which will be taken away by an excess-profits tax. This is the general nature of the plan, and on paper it looks good. But does it take the profits out of war or put in a guaranteed 5- or 6-percent return upon investment? A simple example will illustrate that it puts a profit in war that cannot be made in times of peace. For instance: When war is declared the Government becomes the largest purchaser of materials. A tremendous demand is created for goods of all kinds and raw materials.

Take the United States Steel Corporation as your example. War comes and a ceiling is clamped down high enough to permit the high-cost producers to make a fair profit. But the Steel Corporation is a low-cost producer and will move most of the tonnage under high rates. If war were declared tomorrow, it would have tremendous orders. It would then make a 5- or 6-percent return in war, due to the great demand and the high prices, which it cannot make in times of peace. Does this proposal take the profits out of war or put them in? Other objections to the plan are as follows, all shown before the Nye committee, which picked this plan to pieces:

First. There is grave doubt about the authority of Congress to fix prices or to delegate the power to fix prices in times of peace or war.

The Aluminum Co. now has a suit pending holding the Government did not have the power to fix prices during the last war.

If their contention is sustained where will this legislation get you? I answer, nowhere.

Second. Rumors of war always precede war, and thus the price rise will contain the element of profit even before the ceiling is clamped down.

Third. Who knows what a reasonable price is and what standards of reasonableness are to be followed? Who will determine this standard?

Fourth. Are prices going to be related to cost, and if Congress has authority to fix prices it ought to follow as a legal conclusion that it must also fix costs? How much is labor going to be paid? How much salary is going to be paid big business executives? Are bonuses going to be allowed? See testimony of Eugene Grace before Nye committee to effect that he received $2,800,000 in bonuses during World War. Who is going to determine the reasonableness of thousands of items of cost which will affect prices during a war? When is this going to be determined, during the excitement of war? It would take nearly as many accountants to find these costs as it would soldiers fighting at the front.

Fifth. Are the industrial leaders who are interested in supplying war materials going to fix prices on their own products as was done during the last war, and then use "dummy" contract officers to sign the contract in order that they may escape responsibility? See report of select committee investigating War Department, 1919—Graham report. See also Thomas report of Senate.

Sixth. How much of an army would it take to police and check this plan to determine whether products are being sold above or below the "ceiling prices."

Seventh. Under the plan as I understand it, munitions makers who use their plants for war materials will get a contract for materials which will permit them to make a 6-percent return upon so much of the plant as is being used for war materials. How is the value of the plant going to be divided between war materials and nonwar materials and who is going to make such a division? Furthermore, the high prices necessary to keep the high-cost producers in business will mean high and inflated values for such plants. The munitions makers will therefore see to it that they get as high a value as possible. Instead of cost-plus contracts then you will have 6 percent on highest value claimed which might be the same as cost plus 10. The greater the cost, the greater the plus.

Eighth. In determining prices and costs will access be given to the books of companies or will they tell Government auditors that they cannot be bothered during the war with bookkeeping.

Ninth. How is depreciation going to be determined? Is value or cost going to be the base and what percentage will be allowed. The Supreme Court has said that depreciation must be determined by a physical inspection of the property coupled with the use of mortality tables. Who is going to inspect the 30,000 or more munitions plants and when. How much will be allowed for amortization of the plants in order to return to the owners their honest investment. It took I. C. C. 20 years to find the values of one industry: the railroads.

Tenth. I challenge any Member of Congress today to give you the honest cost of making a pound of powder or a ton of steel. Who knows what a reasonable price for steel or powder would be today?

Now for the other side of the plan; to take away by an excess profits tax all excessive profits over say 5 or 6 percent.

First. We all know how difficult it is to ever recover any moneys on behalf of the Government when it has once parted with it. (Look at the Mellon case today. Government claims he owes $3,000,000; he claims the Government owes him $139,000.)

Second. Every dollar which is incorrectly charged to operating expenses will decrease by 100 cents the net return and hence the net amount of the tax. Therefore, it will be to the interest of the munitions makers to charge nearly everything to operating expenses just like the old cost-plus contracts.

How much limitation is going to be placed on cost items such as salaries, bonuses, depreciation, amortization, buying from affiliated concerns, and so forth. This plan really looks to me like the old cost plus 10 in disguise except that instead of cost plus 10 it will be investment or value plus 6.

Third. Will not the munitions makers make such large claims for amortization and depreciation as to wipe out the net income for tax purposes? Think of the prolonged litigation over values, expenses, claims, and so forth. Bethlehem Steel Co. is still litigating over certain war claims, and war has been over now nearly 17 years.

Fourth. Congress just finished experimenting with a similar plan. In section 15a of the Transportation Act, uniform freight rates were fixed similar to uniform prices under this plan. A freight rate is nothing but a price paid for transportation. Congress realized that under uniform rates some will earn more and some less than a fair return, and so it sought to recapture—similar to excess-profits tax—from the strong or more fortunate roads all moneys over one-half of a 6-percent return on the fair value of the property. What happened? The I. C. C. working on the scheme for 13 years, and the low-cost producers, that is, the coal roads, the steel roads, and the roads connected with "big business" made all the money and kept it. The Government did not collect anything, although when the act was repealed these rich roads owed $450,000,000 excess profit.

The railroads got the benefit of a 40-percent increase in rates, the highest in history, to make the act effective. This would compare with this plan to keep prices high enough to help the weak. The railroads got the benefits of this increase, but the Government got no excess-profits tax. The weak roads had to come in and borrow this amount of money from the R. F. C. How is Congress going to regulate munitions companies which are not engaged in interstate commerce? A recent court decision has said that "emergency" does not justify changing the Constitution.

If this bill goes over, the munitions makers can say to the public, "You have nothing to be alarmed about. We

have taken the profits out of war." But nobody knows what they mean by "taken." They will then be all set to go to war at a guaranteed profit, which they cannot and are not making today. This plan will not work to take the profits out of war.

It is my thought that the place to start is with a constitutional amendment which will give the Congress the power to take the profits out of war, and then we shall not be in trouble if a war is declared.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. CULKIN. Does the gentleman remember the Lever Act which was passed during the last war?

Mr. COCHRAN. I think I remember it; yes. Although there were several Lever Acts during the war.

Mr. CULKIN. The Supreme Court held it unconstitutional on five distinct grounds.

Mr. COCHRAN. What did that act deal with? Agriculture?

Mr. CULKIN. The general price of merchandise in the country.

Mr. COCHRAN. I do not remember the details of the Lever Act; I remember the gentleman himself; he was a Chairman of the Committee on Agriculture and a very able legislator.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. O'MALLEY. If the gentleman is in favor of a constitutional amendment, during 1933 I introduced a bill providing for just such an amendment to the Constitution as the gentleman suggests.

Mr. COCHRAN. I am not on the Judiciary Committee; I cannot get the gentleman's bill out of the committee. See the Chairman of the Judiciary Committee, probably you can induce him to report your resolution which I understand you have reintroduced. I know the gentleman has urged the consideration of his resolution.

I feel exactly as does the gentleman from Illinois, and I think every Member of this House, man or woman, without exception, wants to take the profits out of war; and I am willing to go just as far as any man or woman in this House to do it. I repeat I expect to vote for this bill solely because it is the best we can get, and it is a start in the right direction. I am in hopes that when this bill comes back to us in the form of a conference report some provision will be included that will assure us that the profits will be taken out of war. [Applause.]

Mr. ANDREWS of New York. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, when this legislation first came into the House I confess I regarded it with suspicion. I had watched the course of the Nye investigating committee, and in common with all Americans was astounded at the revelation that followed that investigation. For a time I thought this bill was in the nature of a red herring drawn across the trail of necessary legislation, but after I heard the distinguished and able Chairman of the Military Affairs Committee of the House speak yesterday I changed my mind. Today I stand here content and willing to support the legislation, because, with him, I am for necessary preparedness and an adequate Army and Navy. He and his committee are the technicians which this House has placed in charge of this matter, and after his declaration on the floor during the debate on the rule I am content to follow his lead.

Like him, I am for a vigorous nationalism and an adequate Army and Navy. With the world in arms it is no time to Chinafy America. I am likewise in favor of any measure which will prevent profiteering in time of war. Munitions makers, like morticians, play a necessary and important part in our scheme of things, but the revelations of the Nye committee show that while men were dying the munitions profiteers were draining the Treasury.

That has been the history of every war in which we have participated. It is a fact that during the Civil War the beginnings of many of our great fortunes were established through the medium of fraud and theft. This was done at a time when the Nation's life trembled in the balance and millions of men were shedding their life's blood for the preservation of the Union. During that epic struggle, and even during the Revolutionary War, these gentry bribed corrupt Government officials to accept as Army and Navy supplies shoddy clothing, worthless tents and blankets, good-for-nothing shoes, adulterated, deleterious food, and guns which were frequently more dangerous to the men using them than to the enemy.

The story was recently told how one of these groups during the World War made a profit of $3,000,000 out of an investment of $5,000. The story is now told that these munition groups not only roll up vast profits while the Nation is in an emergency but actually foment war in times of peace. This hellish procedure of fomenting war should be stopped by appropriate legislation which defines such conduct as treason and punishes it with death.

This bill, however, lays down the fundamental proposition that property is no more sacred than human life, as it empowers the President of the United States to take over all the material resources of America. It empowers him to create such agencies as are necessary for this purpose. Supplemental taxing legislation, as has been stated here repeatedly, is essential for the perfection of this pending bill. The distinguished chairman of the committee says that such legislation will be supported by him and his committee. This provision is already in the pending Nye bill, and I understand the chairman of the committee will meet that bill sympathetically. I am sure of that. Such taxing legislation will be promoted and safeguarded by the able leadership of the chairman of the committee in whose patriotism and ability I have great faith. The gentleman has assured the House of that procedure, and I am content and happy to follow his leadership and to urge the passage of the pending bill. [Applause.]

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. How does the time stand?

The CHAIRMAN. The gentleman from New York has 45 minutes remaining, and the gentleman from South Carolina has 71 minutes remaining.

Mr. RANKIN. May I ask the gentleman from South Carolina if it is expected to take this bill up under the 5-minute rule this afternoon?

Mr. McSWAIN. My best judgment is that we will just about conclude the general debate this afternoon.

Mr. RANKIN. I wonder if we could have an understanding to that effect?

Mr. McSWAIN. What does the minority leader and the gentleman representing the minority say?

Mr. SNELL. If we finish the general debate and read the first section of the bill this afternoon, that will be agreeable to this side.

Mr. RANKIN. And allow it to go over until tomorrow for amendment?

Mr. McSWAIN. Yes.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. DORSEY].

Mr. DORSEY. Mr. Chairman, it is often a fortunate trait of human nature that we forget unpleasant experiences. Men who heaved a sigh of great relief when they tossed off the uniform in 1919 now don that same khaki with relish on Memorial Day. Around the fireplace in any veteran post you will find men who, with smile and jest, relate incidents which were packed with annoyance when they happened in 1918.

It is typical of veterandom that its members can extract the laugh out of trying and unfortunate happenings in service. And it is characteristic of the human race that time breeds indifference to mistakes that once exercised us greatly. Let me take you back in memory to the immediate post-war period, and you will recall how our citizenry was aroused by the inordinate war profits and excessive wages which obtained in many industries. Our people were sufficiently agitated about the matter that we find President

Harding making these comments in his inaugural address, delivered March 4, 1921:

If * * * war is again forced upon us, I earnestly hope that a way may be found which will unify our individual and collective strength and consecrate all America, materially and spiritually, body and soul, to national defense. I can vision the ideal republic, where every man and woman is called under the flag for assignment to duty for whatever service, military or civic, the individual is best fitted; where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country, and not one penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all above the normal shall flow into the defense chest of the Nation. There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activity to private gain amid defensive war while another is fighting or dying for national preservation.

Because this quotation comes from the inaugural address of our first post-war President, we can take it that our people felt deeply about this subject in the years immediately following the World War. But, let me repeat, human kind is prone to forget unpleasant things.

Bernard Baruch, because of his experiences as Chairman of the War Industries Board, was called before the War Policies Commission and outlined his suggestions for a system to take these huge gains out of war. Among other phases of the question, he showed the inflationary results that followed in the trail of the cost-plus contracts, and how the American taxpayer was saddled with a debt far in excess of the amount that would have to be paid if there had been some machinery, such as the McSwain bill proposes, which would have held down these inordinate profits. Said Mr. Baruch:

Inflation enormously increases the cost of war and multiplies burdens on the backs of generations yet to come. The war debt of the Nation is necessarily incurred in terms of debased dollar values. In the inevitable post-war deflation the debt, of course, remains at the inflated figure. Thus the bonds that our Government sold in the World War for 50-cent dollars must be paid through the years by taxes levied in 100-cent dollars. For example, our total war expenditure was $39,000,000,000 incurred in terms of 1917, 1918, 1919, and 1920 dollars. In terms of the purchasing power of 1913 dollars it would have been only $13,000,000,000, or in terms of 1930 dollars probably not more than $15,000,000,000. Such a grotesque result would be almost unbelievable were the figures not living facts. If anything can be done to avoid this practical doubling of the economic burden of the war, certainly we should spare no effort to accomplish it.

It is often a fortunate trait that we forget unpleasant experiences, but when we are paying $25,000,000,000 in excess cost, some of which will be paid by our children; when we live in a distrought day and can ascribe some of the distress to the war profits Mr. Baruch describes, it is time we took it on ourselves to prevent a recurrence of the way we handled World War contracts. It is fortunate that we forget unpleasant experiences, but we who were adults in July 1914 are not alarmists when we point to present-day Europe and Asia and say that these continents need but another Sarajevo to flame them into hostilities. We have learned not to lean too heavily upon the alleged security which our ocean boundaries afford.

The condition we seek to remedy was caused by the urgent need for prompt delivery of war material and equipment and in many instances there was little knowledge of actual requirements. No sensible contractor would take a contract on a definite price basis, with costs of labor, materials, and overhead continually skyrocketing. It was absolutely necessary under such conditions to award contracts on a bonus or cost-plus basis, resulting in the expenditure of millions of dollars more than we would have spent had prices been controlled through some price-fixing agency.

Now, here is the story of what resulted from inflation which attended the cost-plus contracts: The higher the prices soared, the greater were the profits to the contractor. Let me cite an example of this. In the testimony given before the War Policies Commission in March 1931 the records show that the average profits of certain steel companies in 1912 was 4.7 percent; for 1913, 5.7 percent; for 1914, 2.8 percent; and for 1915, 5.2 percent. These same companies showed a profit in 1917 ranging from 30 to 159 percent. And that does not include the tremendous bonuses which were given to officers and key men in industry for the purpose, apparently, of augmenting war profits. Let me cite some of the war profits of munition companies, 1917–19, as listed in the records of the Senate Munitions Committee:

Bethlehem Steel, $61,800,000, or 43 percent, in 1917.

Atlas Powder, 27 percent in 1917.

Colt's Patent Firearms Co., $5,797,000, or 60 percent, in 1917; $5,693,000, or 64 percent, in 1918; and 51 percent in 1919.

Savage Arms Corporation, $6,577,000, or 65 percent in 1917; and $6,917,000, or 43 percent, in 1918.

Bethlehem Loading Co., $151,000, or 362 percent, in 1918.

Nagel Steel Co., 319 percent in 1917.

Winchester Arms Co., 40 percent in 1918 and 63 percent in 1919.

Newport News Shipbuilding & Drydock Co., $3,298,000, or 86 percent, in 1917, and $3,990,000, or 72 percent, in 1918.

New York Shipbuilding Co., 41 percent in 1918.

Midvale Steel & Ordnance Co., 43 percent in 1917.

Jones & Laughlin Steel Co., $48,869,000, or 47 percent, in 1917.

The outline I have given is familiar to every one of you gentlemen, because we lived through this condition; many of us participated in the World War and all of us are helping to pay the bill. If the general public may have lost a little of its enthusiasm for the control of profits in war, it is only because it has been saddled with immediate problems that are closer to the home and fireside. But the veteran has never forgotten, because he was grossly victimized by the condition. In my own city of Philadelphia, which is but typical, some manufacturers were paying "fur-coat bonuses", so called because they were large enough to permit filing clerks to buy expensive sealskins and other choice examples of the furrier's art. I was happy to see these young ladies were made warm and attractive, but at that very time our soldiers were returning with nothing in their pockets but an honorable discharge and the $60 Army bonus that would buy a suit, but no overcoat, at the then prevailing prices. We might well have asked why the manufacturer and all his workers were worth so much more than a combatant in the economic scheme.

There are all kinds of people in this world, and I would be the last to cite this case as average, but I know of two manufacturers who, in a burst of frankness, bewailed Armistice Day and the end of the World War. They were working toward some definite amount of wealth, say, a quarter million or million, and the capitulation of the Kaiser's forces interrupted their accumulations before the financial goal was reached. After they had made their enormous profits, the returning soldier came back to double rents and, possibly, a demanding landlord who had fallen under the spell of the acquisitive lust which was in the air during and immediately following the war period.

I have told you that veterandom has never forgotten this was profiteering and you will see that the American Legion and the Veterans of Foreign Wars have gone on record with their universal draft resolutions in every annual national convention since 1921. There are people who think that the Legion and the Veterans of Foreign Wars are hungry for war just because they show a concern about adequate defense of the Nation. It can be said in all accuracy that war was never more abhorred than in present-day America by all the elements of our population. The stage and screen, those delineators of popular thought, have given us war as a deglorified thing. Previous war plays had depicted the hero dying in center stage, wrapped in a flag and with some utterance about God and country upon his lips. What Price Glory was written by a man who lost an arm on a French battlefield, and while Laurence Stallings captured some of the camaraderie of combatants, he also pictured nerve tension to the breaking point, the muck, mire, and lousiness of war, and even the moral losses of men who may stop their bullet on the morrow. All Quiet on the Western Front came from the pen of an erstwhile enemy. It, too, was graphic in its exposition of the horrors of war.

These moving pictures were seen by millions of our people, young and old alike. They have not diminished the reverence of our rising generation for the military heroes of our

Nation who made America possible and helped to preserve it. But these young men and women have no misgivings about war itself. They are informed by the screen and current literature, and they ask, with the oldsters, why soldiers worked at this dirty business for a dollar a day, while manufacturers of war materials waxed rich on cost-plus contracts. They agree with Sherman that "war is hell"; and this depression has impressed them with enough economics that they will not lightly treat the creation of a new batch of millionaires in the next conflict.

Let us not be blinded with the thought that another war is impossible. Knowing that war is possible with nations still so far apart in their desires or actions to eliminate it, we must realize that now is the time to correct the conditions which undoubtedly burden us in its aftermath. These conditions are inevitable unless we pass such legislation as is now proposed in this McSwain bill. Let me cite the following statement, which was contained in the Government's brief in the recent suit brought by the Government against the Bethlehem Shipbuilding Co.:

> No one can say that this country is done with war or how soon a national emergency will again exist calling for the maximum production of every shipyard throughout the United States. * * * At such a time there will undoubtedly again be those who will look upon the national emergency as an opportunity to make enormous profits for their respective companies and themselves at the expense of the Government, and their patriotism and sense of propriety will not, in themselves, be sufficient to restrain them from taking full advantage of such opportunity.

In war the entire social structure is involved. In the absence of the control of profits, such as was experienced during the World War, its aftermath brings a weakening of the whole financial structure and even the weakening of the morale of society. The next war—and God forbid that there will be a next war—conducted on the basis of the last one will be so destructive of the important elements of our civilization that we will shudder to think of the consequences.

Quite aside from the money saving effected by this bill and the downright democracy expressed in its spirit, is the important fact that we will have an immediate coordination in an emergency between industry and the men who wear the uniform.

In our past conflicts we have entered war much as the volunteer fireman who hears the fire siren while taking a bath. All has been hurry and there has been no well-knitted plan that anticipated industry and the military forces playing on the same team. In our haste to get the materials that must back up the forces in the field we have paid outlandish prices that have saddled the Nation with enormous bond issues.

Of course, there can never be complete democracy in warfare, for the soldier puts all in jeopardy when he stakes his life. Is it, then, too much to ask that industry be restricted to but a fair profit? You Congressmen who decry the adjusted-compensation issue as a perennial question can hereby obliterate the need for any future adjustment or so-called "bonuses" by establishing this equality between the people who produce the materials of war and the men who use them in defense of the Nation.

Again, speaking of veterans, they are the essential leavening when we discuss this entire problem of national defense. Never call them jingoistic, they who know what a putrid game war really is. Remember, too, that your average World War "vet" is now at that point of life where he has a son of military age or at least in close proximity thereto. This veteran has tasted war and liked it none too well, and he will never rush his callow offspring into the game of Mars without provocation. Recall, also, that veterandom named only one holiday out of the World War. Was it Chateau Thierry anniversary to commemorate our victory over the vaunted Prussian guard? No. It set aside Armistice Day, the day that marked the end of hostilities. So your veteran is not militaristic, but that is not to imply that he is indifferent about national defense. He may not be willing to go as far as the most enthusiastic subaltern in what constitutes adequate defense, but he sees no virtue or common sense in disarming our Nation to the point where we invite war. Many of the Christian sects see eye to eye with the veterans in the intent of this bill, all the way. With other sects we are as one in our zeal for peace, but we cannot agree that dangerously curtailed armaments will accomplish our common purpose in the light of the present situation in Europe and Asia.

So, I repeat, that American veterandom is the essential leavening when we discuss this question of adequate armaments and how we are to line up our men and our industries if war should again overtake us. What they offer us is seasoned with experienced, a sort of middle-ground counsel that we can all follow. They ask that we control men and industry alike in the next emergency. Let both be placed at the disposal and directions of the Commander in Chief of our armed forces, the President of the United States.

Where other bills have died in committee because they were controversial in the provisions they prescribed, this McSwain proposal lays down the broad, general principle that munition and material providers must work on even terms with those who man the ships and the regiments when emergency strikes. The details are left to the President and his advisors to be worked out in the light of the then existing conditions.

This is no partisan measure. In voting for this bill, men on both sides of the aisle will be doing the popular thing and will receive commendation from the people who sent them here.

People forget unpleasant experiences, but the depression and the struggle to meet taxes has brought home to many how profligate were the cost-plus contracts of the World War. The article Arms and the Men which appeared in Fortune Magazine did much to bring about the Senate investigation which has focused the public eye on war profits. This inquisitorial body has developed much information, including the million-dollar bonus of a large industrialist.

Thanks to the new airing of war-time profiteering, we now have an America ready to take this step forward to democracy in war. Religious freedom, abolition of debtors' prisons, emancipation proclamation, public schools, general conscription of soldiers, income tax, and now, with your concurrence, we can take, we must take the forward step to control of property and industry in time of war. In supporting the McSwain bill you are asking the whole Nation for patriotic cooperation in emergency, not just the man who leaves his plow or loom or desk for the battlefield. Democracy marches on if you decree it. The American Legion and brother organizations, out of their ripe experience, ask parity between the man who makes war equipment and he who uses it in your defense. They claim that the sovereign government which conscripts one can exercise a like sovereignty over the other. Our people are ready for this plan. Do not disappoint them. [Applause.]

Mr. McSWAIN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, in speaking on a subject like this I am sure that we should eliminate, as far as possible, personalities and, as far as possible, emotions. As I think about this subject today I think about old Jeff: McLemore, of Texas. I hope the reporter gets that colon. Jeff: would turn in his grave if it is left out. He presented a resolution here which might have kept us out of war, the resolution providing that American citizens should stay off of armed merchantmen. What happened to Jeff: McLemore? He was hounded right into his grave because he did not want us to go into that war. He was intelligent enough to know that British propaganda was more effective than German propaganda, and, therefore, we were liable to get in on the side of the Allies. He did not want us to get in on either side.

Mr. Chairman, that is the way I feel about all future wars—let us stay out of them. One of the things that impressed me about this Jeff: McLemore resolution was that Congress itself began to get into a hysterical state. I hope we do not get into a hysterical state. I know the Nation at that time got into a hysterical state and people were writing to their Congressmen about as follows: "I see you

think more of the Kaiser than you do about the United States of America." They began to put pressure on their Congressmen. I hope we will take the attitude that we are the leaders of our people, that we are not going to join in any hysteria of the people, but we are going to lead them in the right direction.

Mr. Chairman, let us get down to a consideration of the McSwain bill. I am not going into a detailed discussion of it, because most of the points have been covered. However, I make two points against this bill, and I make them just for the RECORD. According to the way the bill is written, I believe that it does conscript labor. I believe it does not conscript capital or, at least, does not effectually conscript capital. Therefore the bill should be defeated. Those are the two views I have in reference to this bill.

Now, Mr. Chairman, I may have made a mistake myself. I once stated that this is a "step in the right direction", and I have heard one man after another get up here and say this is a step in the right direction; but in making this step, let us be careful that we do not go back two or three steps and do a lot of things which we ought not to do.

The question came up about the attitude of various members of the committee in reference to the question of salaries. On page 116 of the hearings in reference to taking profits out of war, I asked Gen. Hugh Johnson about limiting salaries.

I asked General Johnson about limiting salaries, and he said:

Well, I personally think it should be done in time of war; yes.

And such provisions are not in the McSwain bill, and neither are there any tax provisions.

Then, when Secretary of War Dern appeared before the committee, he said:

Price fixing alone cannot accomplish the desired result. It must be supplemented by reasonable and effective procedure in letting contracts and also by excess-profits laws.

This is what the Secretary of War said. There was a great deal said about industrial mobilization, and we have 100 pages of this House report on industrial mobilization; but no proper set-up is made in the McSwain bill for that purpose, while it is effectually covered in the bill which will be proposed in the Senate.

Lt. Col. Bennett A. Molten, national secretary of the Reserve Officers' Association of the United States, stated that this bill should contain a profit tax as high as 95 percent levied against the net profit sustained.

Another one of our witnesses, G. K. Brobeck, national legislative representative of the Veterans of Foreign Wars, speaking for that organization, said:

As we have considered the bill introduced by your distinguished chairman, we submit it does not remove the profit motive from business or from war.

Now, this testimony came from the House side. Since this time various testimony has come up from the Senate, and although it may be a little tiresome, I want to read it.

James A. Drain, past national commander of the American Legion, and G. K. Brobeck, legislative representative of the Veterans of Foreign Wars, before the United States Senate Munitions Committee, Thursday, March 14, 1935, pages 9198 to 9201 of transcript:

Senator VANDENBERG. Have you studied the McSwain bill?

Mr. DRAIN. No.

Senator VANDENBERG. Many posts of the Legion are endorsing the McSwain bill, and I was wondering why, because, it seems to me, that it falls far short of the objectives which you defined in your memorandum.

Mr. DRAIN. That is my impression, sir, but, as I tell you, I have not studied the bill, and I do not feel competent to express an official opinion upon it.

Senator VANDENBERG. It is your impression that the McSwain bill falls far short of the objectives which you outlined?

Mr. DRAIN. That is my impression; yes, sir. It is a step in the right direction, but I think it does not go far enough.

Senator VANDENBERG. Have you read the McSwain bill, Mr. Van Zandt?

Mr. VAN ZANDT. No; I have not, but my legislative representative has.

Senator VANDENBERG. Give your name for the record.

Mr. BROBECK. G. K. Brobeck. I have read and, I believe, analyzed the McSwain bill, and in testifying before Mr. McSWAIN'S committee we suggested that it was a step in the right direction, but also called definitely to the mind of the committee that we thought, even though we thought it might be a step in the right direction, it was an act which really guaranteed profits in time of war.

Senator CLARK. More of a toddle than a step?

Mr. BROBECK. It is a kind of toddling step, by setting a yield at a date picked prior to the declaration of war, which merely is a guaranty of property during the time of war.

Senator VANDENBERG. I take it that you are not endorsing the McSwain bill?

Mr. BROBECK. Not very heartily. We feel that it is a sort of left-handed gesture.

Senator BONE. What would be the effect—and either one of you gentlemen may answer—if a concern, proceeding under normal conditions, could produce something for $1, which they were selling the Government, and in war time, under a war tempo of production, mass production, they could step up the production of that article to a point where they could produce it for 50 cents, and we froze prices at $1? Mass production would simply mean that that firm would make more profits, would it not? The more consumption of the article the more profit the firm would make, and freezing prices would be the best thing on earth for a firm.

Mr. BROBECK. If I may answer, I think there is no question about it, and our attitude on the McSwain bill was very definitely stated. It fundamentally guarantees a profit, and we are unalterably opposed to profits in time of war. It will increase profits.

Senator CLARK. Not only that, but, as Senator BONE has pointed out, if the article comes into mass production, it would simply mean that much more velvet under the terms of the McSwain bill.

Mr. SISSON. Mr. Chairman, will the gentleman yield for a question?

Mr. MAVERICK. Yes.

Mr. SISSON. The statement was made by at least one member of the committee, in substance, that no one appeared at the committee hearings in opposition to this bill. The gentleman is a member of the committee, and I desire to ask if it is not a fact that at the time Mr. Hushing appeared, representing the American Federation of Labor, that this provision providing for conscription of the unorganized militia was not in the bill.

Mr. MAVERICK. I am not certain about that. May I ask the gentleman from South Carolina if he knows?

Mr. McSWAIN. No; I am sorry, but I do not remember the date he appeared or the date the amendment was offered, but let us assume that the statement is true.

Mr. MAVERICK. I will say to the gentleman there were several witnesses who appeared against the bill.

Mr. McSWAIN. There were other people who appeared; for instance, Miss Rankin, formerly a Member of this House, and Professor Libby, and one or two others who appeared in opposition to the bill.

Mr. MAVERICK. Does the gentleman mean that as any reflection upon them?

Mr. McSWAIN. No; I just want to tell the whole truth about who appeared.

Mr. MAVERICK. Now, I want to say something about Miss Jeannette Rankin since that has come up. She has a right to be against war. She voted against the World War in 1917; God bless her for it.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. KVALE. If a complete picture of the matter were understood, and if the hearings in full were read, would it not appear that the American Legion, the Veterans of Foreign Wars, the American Federation of Labor, the Railroad Brotherhoods, and the National Council for the Prevention of War, all five organizations, appeared in favor of the elimination of profits and not a reduction of profits; and the only ones that argued for limited profits were the War Department and the Coalition of One Hundred and One Percent Patriots?

Mr. MAVERICK. Yes; the so-called "American Coalition of Patriotic Societies." The gentleman's statement is correct. In other words, various organizations appeared and said they were for the principle of taking the profits out of war, of course, but they did not specifically endorse any particular kind of legislation. I think this is well understood by everybody.

The point I wish to make about this bill is the one that I originally made. and that is it has no revenue provisions in it, and I know what the Constitution says. Nobody need ask me, "Does not the gentleman from Texas know that the Constitution says so and so", because I know it; but I know it could be brought out on this floor with a rule which would make it entirely proper for a bill that covered all subjects to be discussed and passed on at one time.

Here is the reason I am opposed to this bill, and I am not reflecting on Mr. McSWAIN's or anybody's intentions. I am opposed to it because if we pass this bill now it will be worse than nothing, because whenever war hysteria rages or whenever war raises its bloody head they will mob everybody who wants to take out war profits, just like they tried to do to old Bob La Follette when he got up on the floor of the Senate and made the same statements at various times. They will mob Congressmen and Senators and people all over the country with such hysteria and propaganda whenever the question of war profits comes up.

This is the reason I think the matter ought to be settled now, and we ought to settle it completely; and in this way we can protect ourselves, I hope, against the hysteria of war.

Mr. DUNN of Mississippi. Mr. Chairman, will the gentleman yield for a question?

Mr. MAVERICK. I yield.

Mr. DUNN of Mississippi. The gentleman said a few moments ago that this bill seemed to include the proposition of conscripting labor.

Mr. MAVERICK. Yes.

Mr. DUNN of Mississippi. Will the gentleman show me in this bill where there is any such inclusion, as a matter of information?

Mr. MAVERICK. It is in section 3, because "the unorganized militia", according to the bill, covers all those between the ages of 21 and 31; in fact, it covers the whole male population.

Mr. DUNN of Mississippi. Then it is the intention of the committee, as a matter of fact, that the so-called "unorganized militia" shall include labor and the conscription of labor?

Mr. MAVERICK. I do not know for sure about that. It does include it, I think, and I think when the matter comes up the chairman may be willing to amend it.

Mr. HILL of Alabama. If the gentleman will permit, of course, the unorganized militia includes everybody, whether he is a laborer, doctor, preacher, lawyer, or what not. The unorganized militia is the manhood or the man power of the Nation.

Mr. RANKIN. Why limit it to those ages?

Mr. MAVERICK. I see. Then it does conscript labor, and the bill should be defeated.

Mr. SMITH of Connecticut. Does not that refer to the increase of the Military Establishment?

Mr. MAVERICK. No; it does not; it applies to everybody. [Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman and Members, the intent of the bill which we are now discussing is generally satisfactory. However, the bill contains several weaknesses which I propose to discuss and one of which I shall endeavor to correct when the bill is read for amendment.

I do not wish to disparage the sincere intent of the chairman and members of the committee, and I hope they will pardon me when I refer to this measure as akin to other legislation which we have enacted since the new deal became effective. The people are becoming conscious of the fact that the promises and hopes in the new deal, to which they pinned their faith, as yet are far from realization; in fact, if we are honest with ourselves, we must confess that we have actually retrograded rather than progressed in our efforts toward recovery.

This bill, and the most of the new-deal legislation, reminds me of a story which was told to me in my early days as a soldier. The incident occurred at the target range where a group of officers were firing for record. Those of us who had this experience know that our percentage was signalled to us by the markers or readers of the target which, in the days before the use of the telephone, was done with a flag. While one of the officers was between a series of shots at the target, the officer paused for a moment and had his attention directed to some ducks which were flying across the line of vision. Instead of firing at the target, he fired at the ducks, when lo and behold, the marker in the distant pits raised the flag and registered a bullseye! In the opinion of the enlisted man who was marking, the officer was entitled to a perfect score.

We in the new deal have made a few shots at the target, but the most of our shots have been directed in the air at the elusive ideals of theorists, with the result that our score thus far has resulted in an increase in unemployment, an abnormal increase in the national debt, and inordinate criticism of many of the new-deal policies.

The bill under discussion to eliminate profiteering in war falls wide of the mark, if our target is actually the outlawing of war itself. In legislating to eliminate the profits of the next—apparently anticipated—war, it appears to me that we are putting the cart before the horse. In my opinion, we should legislate to insure our neutrality, under possible distress, and we should subscribe unequivocally to the principle of protection against future war through the elimination of the provocation to war.

In this connection, we must recognize the dangers inherent in our present situation, in which the favored few cling to their special privileges, continuing to increase their tax-exempt bond holdings and exacting their profits from the misery of the masses. Such a condition is the hotbed of discontent, suspicion, and distrust, which are the seeds for internal and external conflict. As a part of our program for a permanent peace, why not enact legislation to eliminate the profiteer in peace as well as in war? Why should we not tax the overprivileged and apply the funds thus obtained toward putting the unemployed back to work? If we did something of this kind, it would be effective, not only to bring relief to our people now, but as a means of promoting national harmony and international amity.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. HOEPPEL. I yield to the gentleman.

Mr. DUNN of Pennsylvania. If we took the profits out of war and every nation did the same thing, there would not be any war, would there?

Mr. HOEPPEL. If all nations took the profits out of war, it would do a great deal toward destroying the incentive to war. In addition, however, we should enact laws which would more adequately define our neutrality and thus prevent us from being inveigled into a war with which we have no concern.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. CHRISTIANSON. I was much interested in what the gentleman said about taking the profits out of peace as well as out of war. It occurs to me that we could very well do our bit to prevent the likelihood of future wars by making peace profitable and war unprofitable.

Mr. HOEPPEL. Certainly.

Mr. CHRISTIANSON. I would like to have the gentleman's opinion and an explanation of how he makes his answer coincide with the view which he expressed a moment ago that peace also should have the profits taken out of it.

Mr. HOEPPEL. In urging the elimination of the profits of peace I refer to those enjoyed by a privileged few only, for there are peace profiteers as well as war profiteers. I agree with the gentleman that peace must be made profitable, but its profits must be distributed among all the people.

We are in a more serious condition today than we were in 1917, and there is growing resentment against an economic system which permits concentrated privilege and profit to exist side by side with the most tragic conditions of distress and unemployment. That is the reason I am suggesting drastic steps to correct this paradoxical situation.

Mr. CHRISTIANSON. But the gentleman concedes that much of our present trouble is due to things which happened during 1917 and 1918, and that it is an aftermath of the war?

Mr. HOEPPEL. The gentleman is correct and not only because of world conditions and international relationships, but because of the situation existing within our own country, we have reason to be apprehensive of the outbreak of another war. I am absolutely opposed to sacrificing the sons of America to Mars, the god of war, under the stimulus of the international banker and the munition maker, both of whom will profit unduly in the event of war, regardless of any legislative enactment. I am unalterably opposed to forcing the young men of America into the Army or Navy and to sending them to foreign shores to settle the quarrels of the internationalists.

In my opinion, the United States should make a positive declaration now to the effect that Americans who sail on vessels of belligerent countries, or even in American vessels, in the zone of hostile operations, will not be accorded the protection which we have held to be the Government's responsibility to an American citizen abroad. There is no reason, in my opinion, why the lives of my children or the children of others should be sacrificed to maintain the principle that American citizens may with impunity enter areas of hostilities.

Furthermore, as I recall from my own experience in 1914, our soldiers and sailors were sent into Mexico supposedly to protect American property and American lives. At that time I met an alleged American in a hotel in San Antonio, who had lived in Chihuahua for 30 years. He had raised a family of children there, yet this individual was clamoring for American troops to be sent into Mexico to protect his investments. How puerile and unreasonable it appears that we should accord the protection of citizenship to individuals who have expatriated themselves from our country for long periods of years. In my opinion, if Americans wish to invest or live in foreign countries they should accept the risks and responsibilities which accrue to them through such habitation and investment.

The Mexican Government now has a law which provides that the ownership of property in Mexico automatically grants Mexican citizenship. Americans who wish to live in foreign countries and who remain there beyond a stipulated period, should, in my opinion, be considered as expatriates; at least, they should not be accorded the protection given to a citizen permanently domiciled in the United States. If, as we honestly believe, we are arming for defense purposes only, common sense would dictate that we enunciate principles in accordance with modern life which would prevent the loss of hundreds of thousands of American lives and the expenditure of billions of dollars in support of an archaic theory of the rights of citizenship.

A clear-cut definition on questions of neutrality, in respect to the furnishing of munitions and the extension of loans, would lessen the possibilities of foreign entanglements, but, in my opinion, the coveted world peace will be attainable only when men recognize and accept their responsibilities to their fellow men and to the Deity.

We fought the last war to make the world safe for democracy, yet the fact is that there is less democracy in the world today then ever before. Since the World War we have signed various pacts to outlaw war, and yet there has been more war in that period than there was prior to the consummation of these pacts. The fact is that these international pacts, while they are steps in the right direction and much to be sought after, will never be effective until the greed and avarice, naturally inherent in men, are removed, or at least materially reduced in the chancelleries of nations.

The mad race for gold and a preferred status in trade must give way to mutual understanding among the people of the nations and the spirit of cooperation and the attitude of "live and let live" must manifest itself more positively. At the present time the currencies of the world and the tariff barriers are in a state of chaos. The financial and trade wars which are now taking place in the world, unless outlawed through a stabilized international currency or some other medium equally as effective, will, I fear, coupled with the growing unrest among the peoples of the world, lead ultimately to break-downs in government and to physical warfare.

The adage "to the victor belong the spoils", which has been subscribed to by the modern politician despite our civil-service laws, apparently had its inception in the practices which prevailed in ancient warfare. Even as late as the Boxer Rebellion the so-called "civilized nations of the world", including our own, were guilty of looting. This bill which we have under discussion seeks to eliminate the prewar and war loot of the munitions profiteer and his spokesman, the international banker, that cursed individual who recognizes no nationality and who worships at the altar of gold, regardless of the suffering which his machinations bring to the victorious as well as to the vanquished nations.

Certainly the inordinate profiteering incident to the last war is not to be condoned under any circumstances in any future conflicts which may harass us, and it is a heartening sign that there should be a wide-spread determination to prevent a repetition of such unholy practices. But the fact remains that if we are honest in our alleged desire to outlaw war, we are considering the wrong method of approach in this bill. It will not be necessary for us to expend additional billions for war, as we are now doing, nor to legislate to prevent profiteering in war—apparently anticipated—if we will destroy the bridge which leads to war through the enactment of legislation abolishing special privilege and more adequately defining our neutral attitude in the event of war between other nations, and if, in addition, we will renounce the principle of government protection to our citizens when they enter the zone of hostilities or otherwise aline themselves, directly or indirectly, with any belligerent.

The warning, given to us by our first President, to avoid foreign entanglements, and the further admonition of President Lincoln that in our conduct toward other nations we should exercise charity toward all and malice toward none, are, in my opinion, our anchor of hope and the principles of justice to which we, as a Nation, should commit ourselves in order to avoid the curse of war.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McSWAIN. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Chairman, no Member of either House of Congress has advocated more consistently the passage of legislation to take the profits out of war than have I. No other Member of this body has been more persistent in advocating the elimination of the possibility of war profits in case this Government should ever be dragged into another armed conflict.

The first speech I made in Congress on this subject was in 1928, in connection with the Capper-Johnson bill, which proposed to conscript everything in case of war, mentioned this afternoon by the gentleman from New York [Mr. FISH] in discussing this bill. In that speech I said:

> I am not a recent convert to the soundness of the pending measure. Many years ago, as a member of the State Senate of Oklahoma, I sponsored a resolution urging the Congress to pass the universal draft act, a resolution which was adopted by a unanimous vote by our legislature. I have advocated this measure in my campaigns, believing it to be of great, vital importance to the peace and security of mankind.

Mr. Chairman, I have read the pending bill carefully, and have listened to all of the debate thus far on the measure. I have also read the voluminous committee report of some 37 pages. I wish that I might in good conscience say that this bill, if and when passed, would forever end war profiteering. But no one, not even the sponsors of this measure, pretend to say it will do that. The report of the committee begins by saying that—

> This bill is a statement of broad policies, and is deliberately intended to avoid the mistake of seeking to legislate as to details so far in advance of the possible outbreak of war.

Aside from stating broad policies, there is not very much to this bill, but it is evidently a gesture in the right direction. The committee in the very first paragraph of its report cautions Members of this House in no uncertain terms against permitting any amendments that may be proposed to the pending bill. Personally, I think it ought to be amended to put teeth in it and shall not hesitate to offer and support amendments for that purpose. Merely to state "broad policies" of the Government in case of war will not be any guaranty of peace.

Personally, I should like to see the Nye bill or some similar measure substituted for the pending McSwain bill. If you will examine the Nye bill, you will immediately discover that it contains many important provisions that are conspicuous by their absence in the pending measure.

This bill contains no provision to tax war profiteers in case of war, although the report discusses that subject and recommends that those who profit in times of war be taxed 100 percent of their excess profits. Unfortunately, however, we are called upon to vote on the pending bill rather than this splendid committee report.

The Nye bill is a comprehensive, far-reaching measure. It does contain these all-important provisions to tax all excess profits by individuals, corporations, or others who might scheme to make their millions from the misfortunes of war.

Mr. Chairman, as I stand here on the floor of this House and speak from the same spot where I stood 7 years ago when I made my first speech in favor of legislation to outlaw war profiteering, I am more deeply convinced than ever before of the absolute necessity for Congress to draft capital as well as men in case of war. In fact, I would go further and draft capital first. I would draft every available resource. I would say to Wall Street, the international bankers, the professional jingoists, and all others who advocate war that when they start a war, that by the eternals they will pay for that war. [Applause.]

If proper legislation is passed that will really put teeth into the law—and by that I mean if the Government will tax all excess profits of the munitions makers, raincoat makers, sugar kings, coal barons, international bankers, and other jingoists who profit most out of military murder politely called war—there just will not be any war. [Applause.]

If Congress would do its full duty millions of mothers holding their offsprings to their breasts will not have to shudder in the future at the thought that their sons, who are dearer to them than their heartstrings, will ever be called upon to offer their lives to the gods of war, perhaps on foreign soil.

Legislation to outlaw war has been pending in Congress since 1922. The people are growing tired of so much talk and so little action. Generations yet unborn will be called upon to help pay the staggering cost of the last war. If you have read the committee report in connection with the pending bill you will note it points out, and rightly so, that profiteering doubled the cost of the World War. That debt is saddled upon the backs of our children and our children's children, so if for no other reason than the tremendous tax burden that always follows in its wake, that is abundant reason for the outlawry of war. No civilized man or woman could possibly want to see our country again thrust into the throes of war, but war profiteers should not be classed among normal civilized human beings. They are vultures who feast off the misfortunes of war-ridden humanity.

Someone has intimated that some war veterans are opposed to this legislation, but I am glad to say that every war veteran, so far as I know, in this Congress favors the complete elimination of war profiteering. They may disagree concerning the pending bill, but there is no disagreement as to the necessity of legislation to outlaw war. That is only natural. Many men on the floor of this House have first-hand information about war. These men who have stood in the jaws of death know too well that war is a horrible nightmare. Before the war many of us thought of an armed conflict in connection with the waving of flags, the beating of drums, the blowing of bugles, and the parading of well-groomed soldiers with flashing swords, shining helmets, and neat uniforms.

Today, however, these same men think of war in all of its horrors. They know that war is gruesome and seldom settles anything. Men who have faced machine guns, who have suffered the privations and hardships of war, who have stood in the mud, slime, and filthy, cootie-infested trenches of Flanders Field, Chateau-Thierry, and the Argonne Forest, abhor the thought of another armed conflict.

As I stand here today my memory carries me back to those never-to-be-forgotten days of 1917 and 1918. I can see the Thirty-sixth Division, a Texas and Oklahoma division, in which I served in the humble capacity of a buck private, just 17 years ago this spring, as we were loaded into troop trains like so many cattle and started on our way to France.

We can see our comrades as they were loaded and packed into the old *George Washington* liner and other ships, where the enemy greyhounds of the deep lay in wait to drag them down to death. We see them landing on foreign soil and listening to tongues they do not understand. We see them on those long, weary hikes to the front lines, drenched with rain and walking in mud to their shoe tops. We see our boys dying by the hundreds from exposure, fatigue, and lack of proper nourishment and medical care.

We see these raw recruits hurled into the front lines against seasoned enemy soldiers and we sometimes boast of the fine record that our particular division made for themselves. We were over there to help make the world safe for democracy, but it seems that we are just now beginning to realize that we made the world safe for nothing except the millionaire munitions makers, the unconscionable raincoat profiteers, the heartless sugar kings, and other damnable, unscrupulous, and unpatriotic plunderers who profiteered to the tune of millions during that war.

As we consider this bill today, I am constantly thinking of that buddie of mine who walked by my side through the rain, slime, and mud to the front lines. Late one afternoon his fever rose and he became so weak he could not carry his pack. That night he lay down with me under the same pup tent and before morning came, he had paid "quick pneumonia."

the supreme sacrifice from the effects of what they called

I resolved then, as no doubt hundreds of others did in similar cases during that dark period of war, that if I returned again to my homeland that I would dedicate my life to the task of trying to outlaw future wars. I am convinced that the greatest guarantee to the young men of today and to future generations of remaining in peace with our neighbors is to say to the world in no uncertain terms that no one will be permitted in the future to amass fortunes or make profits at the expense of human blood.

Let me say, as I have said before on the floor of this House, that I am convinced the American people want an abiding peace. There is no question but that they also are convinced that, if a real lasting peace is to be maintained for this and future generations, that Congress must pass adequate legislation to eliminate any possibility of future war profiteering. It is the province of Congress to say, by appropriate legislation, that the wealth of the land is no more sacred than are the lives of human beings. We must say to the Du Ponts, the Morgans, the Mitchells, and the Mellons, and all of the other so-called "respectable millionaires", many of whom doubled their fortunes during the last war, that their fortunes shall be treated with no more respect than the poorest farm boy who may be drafted to wear the uniform. [Applause.]

This Government ought to go still further in order to protect the people against the exploitations of the munition makers and war racketeers. It ought to place a contraband on munitions of war. I trust this bill will be amended to do that. Never again should it be possible for the heartless munition makers, who have their emissaries in Washington, as well as the capitals of other countries, secretly trying to foment war here and abroad, to ship munitions to belligerent

countries. This Government ought to take over the munition factories, so that our citizens might have the assurance that, while they are being taxed to the limit to provide the sinews of war, that the damnable munitions makers of America will not be furnishing powder and bullets and shells of every description to shoot down the youth of this land.

Assuming that the McSwain bill is going to be amended to eliminate some objectionable features and other amendments incorporated to actually draft the financial resources of the country, I shall support the pending measure as a gesture in the right direction. I believe it will at least have a moral effect against war. But there is no occasion for anyone on this floor to "kid" themselves into believing that it is going to guarantee the elimination of war profiteering in its present form. It is my suggestion that Congress should follow up the passage of this measure with a real constructive and comprehensive measure like the Nye bill, or else substitute it for this measure. A long-suffering public is growing weary of peace talks. It is time that Congress assert its authority and enact legislation that will really take the profits out of war.

Mr. McSWAIN. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I hope at this session of Congress we may be able to pass legislation which will take the profits out of war. It would be a great honor for the United States to be the first country in the world to do that; and I know if the United States would take the profits out of war, the people in every other country in the world would demand that their rulers do likewise. If that is done, there would not be any more wars. [Applause.]

Mr. McSWAIN. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. LEE].

Mr. LEE of Oklahoma. Mr. Chairman, I am sure the chairman of this committee and the members of the committee are sincerely working toward the same thing that all of us who have spoken today are working toward. We simply think in different terms. I should like to vote for this bill and support it, but I fear if it should pass as it is it would keep us from getting a real piece of legislation now, at a time when we are nearer to it than ever before. I am going to offer some amendments to the bill tomorrow. The way it stands today it is a sort of "Mother Hubbard" bill; it covers everything and touches nothing. The war cost the United States $29,000,000,000. Do you know how much of that went to the pay of the soldiers? Five percent. The rest of it went to the war profiteers, and then those same profiteers tried to keep this Congress from passing adjusted compensation to pay the soldiers something equivalent to unskilled labor, though it would not have been equal to that at that time.

One of the first amendments that I intend to offer is one that will fix the rate of pay of soldiers equivalent to that of unskilled labor in that particular period. I think it would be a good thing if a price ceiling could be fixed, but if we do that and no more, we will not have accomplished a thing. There is not a thing in this bill giving a bit of authority that did not exist during the last war. It is true that the War Board had to take their authority from a letter written by President Wilson, but at the same time the same power existed and in almost every case was exercised as that which is granted in this bill.

I wish we could vote on the report. There is some good stuff in the report, and if we could adopt that instead of the bill we would have something. But it is not in the bill.

The next amendment I shall offer is one to conscript the management of industry. No one has yet convinced me that you cannot conscript industry with a blanket conscription that will force industry to obey, and if it does not obey, then I say mete out to it the same treatment that is meted out to a soldier when he refuses to obey. You cannot make me believe that the Government of the United States cannot lay its hands on the material resources of this country and use them for the prosecution of war. You cannot make me believe that the Government cannot lay its hand on money to finance the war. I know you had all of that in your committee hearings and I read every word of it, but I am still unconvinced that the majesty of the flag can command men and yet must get down on its knees and beg for enough money at 4 percent interest to pay for the food that the men eat. Abraham Lincoln said:

> I can take the widow's only son from between the plow handles and put him at the battle front where his life won't be good for 6 minutes, but I cannot lay my hand on enough money to pay for the food that he eats.

Mr. Chairman, that was just as true in the World War as it was in the Civil War and that condition is not changed in this bill. If we will put it in there tomorrow so that the Government will conscript the material resources of this country, and the management of industry, as well as the man power, then I shall vote to support the bill.

Mr. McSWAIN. May I ask the gentleman what he means by "conscripting industry"?

Mr. LEE of Oklahoma. Management.

Mr. McSWAIN. Does the gentleman mean to bring the superintendent of a mill or the president of a mill into military service? Is that the gentleman's idea?

Mr. LEE of Oklahoma. That is a question that I will not have time to answer fully, but by a blanket power stating that at the beginning of war every manager of industry is thereby and thereafter at the immediate disposal of the Government and subject to military order and command would automatically conscript him, and that they should hold themselves in readiness awaiting orders, just like we were told to hold ourselves in readiness awaiting orders to move.

Mr. McSWAIN. If the gentleman will read section 4 he will find that under the priority power and the licensing power you can make a factory do what you want it to do or you will put it out of business.

Mr. LEE of Oklahoma. Is that any power we did not have before?

Mr. McSWAIN. Certainly that power did not exist before in law. It was exercised as a matter of concession.

Mr. LEE of Oklahoma. But the power was there. What is the difference?

Mr. McSWAIN. No; the power is not there.

Mr. MARCANTONIO. But the power was exercised just the same.

Mr. McSWAIN. The people thought it was there and they did not question it. Is the gentleman opposed to the conscription of labor?

Mr. LEE of Oklahoma. I shall not inject the question of the conscription of labor into the debate as an argument against your bill, but, personally, I do not see why every man in the country and every dime of resource should not be at the call of the Government in case of war. That is my personal opinion. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. LEE] has expired.

Mr. McSWAIN. I yield the gentleman 1 additional minute.

Will the gentleman yield further?

Mr. LEE of Oklahoma. I yield.

Mr. McSWAIN. I do not see how the gentleman can consistently ask to bring into the military service of the country the president or the superintendent of an industry, and not agree to go all down the line, because the trouble might occur down the line just as much as it might occur at the top. Through the priority and through the licensing system we can make the fellow at the top obey, because if he does not we will shut his plant down.

Mr. LEE of Oklahoma. You had that power but it was not written into law. For 3 months the Du Ponts stood off the Government at the crisis of the war, refusing to manufacture powder at Old Hickory because their margin of profit was not large enough, while our boys were facing death over there. Is that not so?

Mr. McSWAIN. We did not have the power. That was the trouble.

Mr. LEE of Oklahoma. You did not have the power.

Mr. McSWAIN. No.

Mr. LEE of Oklahoma. Did not Mr. Baruch, in his testimony before the gentleman's committee, say that he had the power to commandeer any plant in the country?

Mr. McSWAIN. He had the power to commandeer, but he did not have the power to conscript the superintendent or the principal and put them into military service.

Mr. LEE of Oklahoma. That is what I want to put into this bill.

Mr. McSWAIN. All right. That is good. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. LEE] has again expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 7 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, when the gentleman from Texas [Mr. MAVERICK] spoke, he referred to a page in Wisconsin history with which I am thoroughly familiar; that is, the persecution of Senator La Follette because of his stand against the World War. Now, we had other people who voted against the World War, but who, after war was declared, voted for all measures desired by the profiteers. They were not persecuted. On the other hand, we had Members who voted for the war but declined to vote for the profiteering measures, and they were persecuted just as vigorously as was the senior Senator from Wisconsin. I mention that for this reason: That we are trying now to legislate for a time that will come when we will be in war. We will not be in war unless we first create a state of war hysteria that makes a declaration of war possible. After that is possible, we all know the country is going to have only one object, and that is the winning of the war, and woe to any man who stands in the way of winning the war.

Now, we are not going to take the profits out of war. This bill is not going to take the profits out of war. I think that is perfectly clear from the testimony taken before the many committees that have held hearings on this subject during the past 12 years or more.

I want to refer briefly to the war plan of the War College. It is called the "mobilization plan", put out by the War Planning Division of the Army and the Navy. It has been approved by the Secretary of War and the Secretary of the Navy. These plans were for sale in the document room for 15 cents.

These plans contemplate, in the event of another war, the imposition of a military dictatorship on the United States, just as effective as anything that now prevails in Germany or Italy. A short time ago Senator CLARK, of Missouri, introduced in the United States Senate seven measures which were copied from the mobilization plan of the Army and Navy. Those measures are S. 1716 to S. 1722, both inclusive. For your information, those bills would give the President complete control over the issuance of securities in any form and full and complete control over the financial structure of the country. It would give to the President, that is, the military dictatorship, complete control over all production, foodstuffs, materials, commodities, rights or services essential in the prosecution of war; the power to fix prices, compensation, and profits; to limit or prohibit the purchase, sale, use, manufacture, or distribution of any foodstuff, material, commodities, rights, or service whatsoever. The third bill would give the President the right to take over the use and ownership of any and all personal and real property. The fourth bill would give the military dictatorship, that is, the President, the right to set up machinery for the complete insurance of foreign commerce against the risk of war.

The fifth bill gives the President—the military dictatorship—complete control over all imports and exports, and control over all persons engaged in such trade. This bill also contemplates setting up machinery for trading with the enemy.

CHILD LABOR IS AUTHORIZED

The sixth bill provides for the drafting of all male citizens above the age of 18. It contemplates drafting laborers as well as soldiers, and creates a War Labor Administration to deal with this phase of the plan. The use of child labor is apparently contemplated, because the bill states:

> While the employment of children under the age of 16 years in industry and agriculture will be avoided wherever possible, it must be recognized from the beginning that the nature of the emergency may require such employment in its later stages.

It will be noted that these seven bills give the military forces full authority over the entire man power of the Nation. The draft bill provides for trial by court martial of any person eligible for the draft who fails to respond.

The bills also give the military dictatorship complete control over personal property by permitting the President to confiscate private property at his own price and dispose of it on such terms as he may make. If the owner objects to the price fixed, he is to be paid 75 percent of that figure, and the bill jestingly provides that he may sue for the balance.

Under these bills complete censorship of the press would be accomplished as well as of the radio and everything else. The bills, if enacted, would practically result in suspension of the right of habeas corpus proceedings and civil liberties generally.

It should be noted that these bills are merely a part of the War College plan and are not to be ascribed to the President who happens to be in the White House at the moment.

All we need at any time to give us a military dictatorship comparable to what now obtains in Italy and Germany is merely the development of war hysteria and a declaration of war or a declaration by Congress that a national emergency exists.

These bills were introduced by Senator CLARK against the opposition of the War and Navy Departments. He introduced those bills because he wanted the people to have an opportunity to consider the plans of the War College, which would be imposed upon the country in time of war hysteria, if we ever had war again.

He introduced these so they might be considered at a time when there still existed the possibility of calm and dispassionate consideration. Obviously, the War Department was opposed to the consideration of measures of that kind today, for these measures could be introduced successfully and passed only during a period of war hysteria.

The War College realizes that it could not pass through its real program for a complete military dictatorship in the absence of hysteria.

They have, however, decided to put through the nearest thing to it that stands a chance of passage under the circumstances. This is the McSwain bill. That is why it is before us and when you analyze it you will readily see that this bill puts across the principal elements of the War College plan.

In the first place, the President—the military dictatorship—is given the power to conscript not only men for the military service, but, in fact, all men between certain ages. This has been admitted by the sponsors of the bill. This would permit the conscription of labor. This would permit the complete regimentation of the American people in the same way and to the same extent that it has been accomplished by Hitler in Germany and Mussolini in Italy.

Having given the President this far-reaching power over labor the bill then provides not only that these powers may be made available to the military dictatorship in case of war with a foreign power but also in case of domestic difficulties.

Already labor after 6 years of depression has undergone unbearable pressure. The 21,000,000 people on relief indicate this. The 12,000,000 unemployed is evidence of this fact, and at the same time we have a situation where 1 percent of the people own 60 percent of the Nation's wealth and where one-tenth of 1 percent of the people on the one hand have an income as great as that of 47,000,000 people on the other. The rulers of the land realize there is a limit to what the American working people will stand for. They anticipate that the people in sheer desperation may resort to the weapon of the general strike. That is why they seek the enactment of the McSwain bill.

The military forces of the Nation will then be able and ready to deal with a desperate and outraged citizenry. Congress need only declare that a national emergency exists and the President, through the instrumentality of the mili-

tary forces, will be able to do in this country what Hitler has done in Germany and Mussolini in Italy.

I object to the McSwain bill because it is a dishonest and misleading piece of legislation. For this reason it is dangerous. It creates the impression erroneously that profits are to be taken out of war. That has been brought out by several of the gentlemen on the Democratic side of the House who have asked questions and made speeches. It is evident that they believe that this measure will take the profits out of war. They have indicated that they will vote for the measure because they believe that it would serve to take the profits out of war.

If this measure is passed we shall immediately see the patriotic organizations referred to by the gentleman from Minnesota [Mr. KVALE] as belonging to "the coalition of patriotic societies" proceed to spread the good tidings to all the American people that profits have been taken out of war.

Why should we create this false impression in the minds of the people? It seems to me that this is being done deliberately. It is one of the purposes of the bill. It is being done so that there will be created in the minds of the people the belief that profits have been taken out of war. If the people are led to this erroneous belief, it will make it easier to lead them into war. It will make it easier to bring pressure on Congress at some future date to declare that a national emergency exists. It will make it easier to push through further legislation for the conscription of labor, further suppression of civil liberties, and for the complete control of the people by a military dictatorship.

The people who have sponsored this bill as a means of taking the profits out of war know it would not have this effect. During the time that remains I want to read briefly some of the testimony given by past commanders of the American Legion. I refer first to statements made by Mr. Spafford, who was commander of the Legion in 1928. On May 21, 1928, he gave this testimony:

Mr. JAMES. How are you going to draft capital under your bill, under section 22?
Mr. SPAFFORD. You cannot draft capital; you know that, sir.
Mr. GARRETT. Why?
Mr. SPAFFORD. The Constitution of the United States says that you cannot take a man's property without just compensation.

Mr. Ralph T. O'Neil, former National Commander of the American Legion, appearing before the War Policies Commission in 1931, testified as follows—page 13:

Now, you will recall, I stated a few moment ago that it is our theory when you take money, material, or supplies, that the owners of those materials or supplies or money should be paid a fair profit.

Page 22 and following:

Mr. COLLINS. In other words, you favor about the same agencies to handle the fields, the factories, and the mines, and the railroads that we had during the last war?
Mr. O'NEIL. Along that general line as we had at the close of the last war.
Mr. COLLINS. That is what I say; you would bring into existence again those same agencies through some sort of legal enactment.
Mr. O'NEIL. Yes; generally speaking.
Mr. COLLINS. Now, how would you deal with labor * * *?
Mr. O'NEIL. * * * I think there should be some regulation of labor; that is my own personal opinion. It is a question of how far you can go under this resolution, perhaps. * * * I assume that if you cannot conscript labor you, perhaps, cannot force them to serve at any particular price.

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Mr. COLLINS. In your statement that you made previously, that would give them a reasonable return on their investment.
Mr. O'NEIL. Oh, yes.
Mr. COLLINS. Well, that is the same as the cost-plus plan.
Mr. O'NEIL. It is not far off in principle, of course.
Mr. COLLINS. That is what I thought.

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Mr. COLLINS. In other words, your idea is that instead of taking the profits out of war you ought to yield to industry in time of war a certain return on their investment. That is your idea, boiled down, as I see it?
Mr. O'NEIL. Yes. If we do not want to change this constitutional provision, you have to do that.
Mr. COLLINS. And you are not proposing an amendment to the Constitution?
Mr. O'NEIL. No.
Mr. COLLINS. And in event of war you think they ought to be paid up to 7 percent?
Mr. O'NEIL. That is a fair return; yes.

Mr. SHORT. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. McSWAIN. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I shall touch just one phase of this very large question. With the general purposes of the bill to take the profit out of war, I am in sympathy, but like many other Members of the House, I am considerably disturbed and worried by the labor-conscription feature of the pending bill. My good and honest friend from South Carolina, the Chairman of the Committee on Military Affairs, says there is no labor-conscription feature, but that is not the way we read the bill. It is not the way the leaders of organized labor read the bill, and they have equal rights with other individuals and groups to be heard in a discussion of this measure.

In replying on yesterday to the gentleman from Texas [Mr. MAVERICK], Chairman McSWAIN said:

If the gentleman will carefully read the language of the measure, the purpose is to draft into the military service of the United States and not to draft for the purpose of laboring at all.

But let us analyze the bill. Section 3 gives the President the power to draft into the service of the United States such members of the unorganized militia as he may deem necessary. Mark the language. It does not say that the President shall have power to draft into the military service of the United States persons of the ages described, but it does say he shall have power to draft them into the service of the United States. It does say that he shall have this authority whenever in his judgment an emergency demands the immediate increase of the Military Establishment, but it then goes further, as just stated, and gives him authority to draft them into the service of the United States, nonmilitary as well as military.

This, in my opinion, gives the President sweeping power to conscript labor for industrial employment whenever, according to his interpretation, that sort of conscripted service is necessary to the Military Establishment or to carry on the military needs of the Government. There is even a question as to whether it would not authorize the conscription of women for industrial employment and some very good authorities believe that it does. I am not entirely satisfied on that point, although I know we are accustomed to believe that the term "unorganized militia" refers to all male citizens of the United States between the ages of 18 and 45 who are not enrolled in any of the military establishments.

Now let us look further into section 3. In line 21 the President is given authority in time of a national emergency to commandeer "public services" for use of the Government. That certainly calls for an explanation. What are public services? Would not the services of workmen and working women in their working capacities be public services to the Nation in time of a national emergency? And what is a "national emergency?" A national emergency need not be war. In some of our acts of Congress we have declared that the depression is a national emergency.

I sent today to the document room of the House and asked them to send me all of the acts under the new deal that declared a national emergency to exist. I have them here; there are 12 of them. Look at them. We have at the present time 12 times a national emergency. If that is the case, should the pending bill pass, the President of the United States could proceed at once under a national emergency to draft people into the service.

A great strike that paralyzes transportation and a shortage of food supplies with threatened starvation to millions might be a national emergency. In this section of the bill we make the President of the United States as powerful a dictator as Hitler or Mussolini, and we give him authority to conscript men and women for public services in any national emergency that may not be a war at all. We give him authority which conceivably might be exercised in the case of a great

strike to compel employees to render public services by returning to work or by going elsewhere to work according to Executive direction.

My apprehensions in regard to this legislation are shared by leaders of organized labor, for whom I have the highest respect. Edward Keating, a former distinguished Member of this body and now editor of Labor, the official organ of the railroad brotherhoods, opposes this bill as one that might make possible the conscription of both men and women for industrial as well as for military service. There is no more able exponent of labor in America than Mr. Keating, or one with a broader humanitarian vision.

Daniel J. Tobin, of Indianapolis, a great leader of organized labor, whom President Roosevelt for a long time had under consideration for appointment as Secretary of Labor in his Cabinet, writes to me from Indianapolis that he has carefully examined the bill now before the House, and he adds:

It is my opinion, after 30 years of experience in the labor movement and having an active part from a civil standpoint in keeping the wheel rolling during the World War, I repeat, there is no need for the conscription of men in industrial employments. The Government had quite an unpleasant experience in running the railroads during the last great war, although at that time I believed, with many others, that it was an absolute necessity for the Government to take over the transportation lines. But, even then, there was not any conscription of employment and with everyone working as before except those under Government regulation and operation we got results.

When the Government begins to conscript, or take over, slaughterhouses and civil employments, it will have more on its hands than it can successfully carry on. Our Government in time of war has an enormous job on its hands to look after the military and naval end of the conflict and to see that industries are properly managed so that we may have the proper output and to prevent strikes and lockouts from the standpoint of conciliation and not from the point of view of forcing everything under military control. The McSwain bill, as you so thoroughly analyze, as at present written would mean the conscription of human beings for employment as well as in defense of our country.

In expressing this opinion, I have no hesitancy in saying that it is the opinion of the legitimate, bona fide organized labor movement of America.

I want to support the bill of the gentleman from South Carolina, but I cannot do so unless it is amended in clear and specific terms so as to exempt the conscription of labor for industrial employment. I am sure that many other Members of the House feel exactly as I do about this matter. I think the gentleman from South Carolina, for whose sterling character I have the greatest admiration, has been eminently fair in bringing in his bill wide open for amendments. I know he is sincere in believing that the measure as it stands does not authorize the conscription of labor for industrial employment, but in respect to the opinions of those who differ with him, I believe he will agree that his bill needs clarification. I have prepared for that purpose a simple, direct amendment, the adoption of which I believe will satisfy all persons who are opposed to the bill on the grounds of conscription. At the proper time I shall offer this amendment as a provision at the end of section 3 of the bill. My amendment is as follows:

Provided, That nothing in this act shall be so construed as to authorize the President to conscript human beings for service in industry.

I ask my lovable friend from South Carolina, who has already stated that the purpose of the bill is not to conscript labor, whether in the interest of clarifying the measure and composing differences he will not be willing to accept my amendment?

Mr. FADDIS. Mr. Chairman, if the gentleman will permit, I may state that the purpose of the bill is not to conscript labor. For the purpose of clarifying the measure and also that the Members of the House may know that this point will be cleared up, I will state that the committee intended, when this legislation was drawn up, that there should be no attempt to conscript labor, and at the proper time some member of the committee will offer an amendment that will amply take care of the objections made in this respect.

Mr. LUDLOW. That is very encouraging; I thank the gentleman; but I wonder if the gentleman from South Carolina would express himself on this particular amendment I have offered, or does he feel that he cannot go so far at this time?

Mr. McSWAIN. Mr. Chairman, of course the gentleman recognizes that the amendment of a member of the committee would have priority over amendments offered by those not members of the committee; and before the gentleman from Indiana spoke, the gentleman from Pennsylvania told me that he desired to clarify the bill in this respect. We want to say that we are in entire accord with the views of the gentleman from Indiana, and we thank him for his contribution. [Applause.]

Mr. LUDLOW. That being the case I should like to say that I am immensely pleased, because I think that will meet the objections of many Members of the House. I recognize, of course, that a member of the committee would have precedence over me to offer the amendment. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. McSWAIN. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I had expected to conclude the debate on the part of the proponents of the bill, but inasmuch as two members of the committee handling the bill, who desire to address the Committee of the Whole House on the state of the Union are not on the floor, I shall go forward at least briefly at this time.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. BELL. I am very much interested in this bill. If I understood correctly the statement of the chairman of the committee yesterday, it was to the effect that upon the passage of the bill now under consideration he would introduce another bill, which would come from the Committee on Ways and Means, to put some taxing features into this bill, so it actually will take the profits out of war; that this bill is preliminary to the other. Did I understand the gentleman correctly?

Mr. McSWAIN. Yes; it may be necessary to supplement this bill, the only one the Committee on Military Affairs had jurisdiction to consider, with legislation from the Committee on Ways and Means; from the Committee on Foreign Affairs, as was discussed by the gentleman from New York [Mr. FISH]; from the Committee on Banking and Currency; and perhaps from the Committee on Labor and other committees having jurisdiction of various factors in this whole problem.

Mr. BELL. Was it the plan of the committee to cooperate later on with the Committee on Ways and Means for the purpose of bringing in a bill to supplement this one?

Mr. McSWAIN. I am quite sure it is. The report of the committee itself states that a bill should go before the Committee on Ways and Means directing the taxing at 100 percent of excess war profits. I cannot pledge the whole committee, but I can pledge myself as I did yesterday on that proposition. I want to say also that the only way any composite bill could be brought in by any one committee would be for the House to create, under a special rule, a committee and at the same time giving it jurisdiction of such composite bill. For instance, we see in the RECORD this morning what purports to be the tentative draft of a bill that is being considered by a special committee in another branch of Congress. If that bill were introduced into this body, and I am sympathetic with the general idea of the bill, and the purposes of the various provisions in it, may I ask to which committee the bill would be referred? What committee would have the predominant interest in that legislation? The Speaker, under the rules of the House, would have to cut that bill up into five or six different sections.

Mr. BELL. Does not the gentleman think that such a committee ought to be appointed and authorized to deal with this subject as a whole, so that when the bill does come before the House we will have a bill that will satisfy the minds of all those who want to take the profits out of war?

Mr. McSWAIN. May I say to the gentleman that I think one step at a time by committees having experience and training in the different classes of legislation will finally re-

sult in building up a more workable and practical system of legislation to meet the situation which we expect to meet. May I say to the gentleman that the idea which the gentleman has in mind was in my mind throughout all of these years when I was seeking to set up the War Policies Commission. I endeavored to have that Commission frame a composite piece of legislation to cover the whole field, bring it in here and ask Congress to enact that legislation as a whole. However, I could not get that resolution through. The Congress at that time said: "No; we will not give a special commission like the War Policies Commission, which has personnel on it not Members of Congress, the power to bring in a bill." I wanted them to have the power to bring in a bill. That was in my original resolution, but that feature was cut out.

Mr. Chairman, we have been in this fight for 11 or 12 years, and when we get in sight of the first step do not say, because we cannot go all the way in one bound, "We will not go at all." Let us take it as we find it. When you go out bird hunting you do not wait until you see a whole covey of birds fly up. You take a shot at the first bird that flies up.

Mr. McCORMACK. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. This bill states that—

Whenever Congress shall declare war or the existence of an emergency due to the imminence of war.

What is the necessity for the words "or the existence of an emergency due to the imminence of war"?

Mr. McSWAIN. That will be up to the Congress. It will have to be declared by the Congress.

Mr. McCORMACK. If Congress declares an imminent situation to exist, that is an actual declaration of war?

Mr. McSWAIN. It might or might not be.

Mr. McCORMACK. Well, what is the necessity for that language?

Mr. McSWAIN. I will explain it.

Mr. McCORMACK. All right.

Mr. McSWAIN. Suppose it was almost certain for some months in advance that we would be embroiled in a war, but prices commenced to rise far in advance of the actual declaration of war. This Congress could say that an emergency now exists; "We are not going to declare war, but to keep this run-away condition in prices from stifling and choking the power of this Nation to make war we will now declare an emergency and authorize the President to put a ceiling upon prices." That is all this measure does.

Mr. McCORMACK. I have not a lack of harmony with the gentleman; however, it seems to me if, for example, there was an imminence of war at the present time with some other country, and we will assume that the Congress was to declare that fact, so far as the other country was concerned, that would be tantamount to an actual declaration of war, and whatever chance we might have to avert the war would be seriously interfered with. That is why I think it should be confined to an actual declaration of war.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 7 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, as I understand this pending measure it is merely a declaration of policy in advance of war. In other words, it is carrying out the adage "In time of peace prepare for war", and it carries with it ample authority for the President of the United States to carry into effect the policy that is here authorized or adopted if and when the Congress declares an emergency to exist or makes an outright declaration of war.

Some of the gentlemen who have spoken in opposition to this measure do not seem to get the general idea. The difference between the present situation and the situation in which we found ourselves during the late war is this: We are taking steps now at a time when there is no pyramiding of prices to declare a policy under which the President of the United States, as the Commander in Chief of the Army and Navy, may establish a ceiling or freeze prices. That is quite a different situation from that in which we found ourselves in 1917 and 1918 after the European nations had for 2 years or more been in active preparation for war and actually engaged in war, and when as a result of the demand for our products to meet the needs of European governments, prices at that time reached the sky in some instances.

As stated by the distinguished Chairman of the Military Affairs Committee, if it is found that even during times of peace and in anticipation of a condition that might provoke war, prices are too high, this authority may be exercised, and I am not yet persuaded that there ought not to be some means in this country of even freezing prices in times of peace. Of course, this bill merely declares a policy and provides the method by which the policy may be made effective. It is known by all men in this House who are well informed, and, of course, all of them are, that the Military Affairs Committee is not a committee that can legislate upon the subject of taxation; therefore, it could not bring in a bill providing for the levying of taxes, and especially the levying of taxes that would meet war conditions.

I doubt if there is a Member of this House who would say he would vote for a tax measure that would levy taxes in times of peace that he would not vote for in time of war. Therefore, it is just preparing the way so that it might have this effect. I have heard the arguments upon the floor of this House ever since I have been in Congress that there were profiteers in the country. I have heard some of the best men in this country denounce the profiteers, and they may have been guilty of profiteering. It is said here, and reliably so, that there were billions of dollars made in excess profits during the World War. I am persuaded if this country's business men, if this country's factory owners, if the financiers and owners of the great steel plants and munition manufacturers of this country know 10 years or 20 years in advance of a war that the policy of the Government is that they are not going to be permitted to make great, gigantic profits when a war does come, they will not build their plants as war plants and for war needs but will build them for the needs of industry in this country as it develops.

Industry in a land of peace and plenty like this will always develop to the point where it will be capable any day, any hour, any night of meeting the demands of war, and when this bill goes into effect it is notice to industry, it is notice to the multimillionaire, it is notice to the president of the great Bethlehem Steel Co. and to the president of the United States Steel Corporation and to the Du Ponts, and all other war munitions makers in this country, that the United States Government has adopted a policy that says you cannot have 200-percent or 1,000-percent profit upon your production.

This means that peace has been declared already, and I think the record of the Military Affairs Committee will show that when the title of this bill came out in its original form it was merely a bill, as recited, "to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense", and upon my suggestion the words "and promote peace" were added to the title of the bill.

I did this because I believe that as the United States has been the great, shining example to the nations of the earth——

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. DUNN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. DUNN of Mississippi. I notice on page 2, and I am asking this as a matter of information and as an ex-service man who gave 2 years to his country in the World War——

Mr. MAY. I congratulate you, sir. It is to you and your comrades that the world shall forever be indebted for your heroic and sacrificial service.

Mr. DUNN of Mississippi. What is meant by the words "unorganized militia"?

Mr. McSWAIN. Mr. Chairman, will the gentleman yield for a statement?

Mr. MAY. Yes; I yield to my distinguished chairman.

Mr. McSWAIN. It has been the language of the common law for hundreds of years that the "unorganized militia" means all male persons capable of bearing arms who were not already in the organized militia, such as the National Guard.

Mr. DUNN of Mississippi. Do we not have today, separate and apart from the laity, what is commonly known as the "State militia"?

Mr. McSWAIN. We have that; yes.

Mr. DUNN of Mississippi. And they are not a part of the armed forces?

Mr. McSWAIN. The National Guard is now a part of the armed forces.

Mr. DUNN of Mississippi. And is not this a direct implication that you are driving home the fact it applies only to the State militias and not to the laity proper? I know from personal knowledge how my comrades of the World War fought so valiantly, and I do not think there should be any sort of chance for discrimination against them. My Nation is in war; we must all bear the burden.

Mr. McSWAIN. If I may answer that, no; because, under the National Guard Act passed by this House and by the Congress on June 15, 1933, the National Guard can be immediately ordered by the President of the United States into the national service. So when they go out there is nobody to draft except the unorganized militia.

Mr. DUNN of Mississippi. I have made the observation for the reason that I remember well the President's proclamation after our Congress declared war in 1917, that the word "citizen" would suffice in the common, ordinary parlance, as we understand it, and as for me, I shall always answer my country's call whenever and wherever I am needed, and I am sure all good Americans will do likewise. [Applause.]

Mr. McSWAIN. If the gentleman was in the National Guard in 1917, he will recall that they were drafted into the Federal service.

Mr. DUNN of Mississippi. No; I was not in it. I was a volunteer, as I shall be again if the time ever comes that our country is so unfortunate as to be plunged into war.

Mr. McSWAIN. But under the terms of the new National Guard Act, which was supported by the National Guard Association, the National Guard can now be ordered into the Federal service at any time.

Mr. MAY. That is it, exactly, but I am glad to say that my colleague [Mr. DUNN] from Mississippi was not only a good soldier, but he is a great American also.

Mr. SMITH of Connecticut. If the gentleman will yield, the National Defense Act, section 57, provides that the militia is divided into three classes—the National Guard, the Naval Militia, and the unorganized militia.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield, although I have only a few minutes.

Mr. LUDLOW. The unorganized militia, I may add, is composed of persons between 18 and 45 years of age.

Mr. McSWAIN. The unorganized militia.

Mr. LUDLOW. Yes.

Mr. McSWAIN. There is no limitation in the Federal law upon that subject. Under the common law it includes all persons capable of bearing arms.

Mr. LUDLOW. The Library of Congress so informed me the other day.

Mr. McSWAIN. If they say so, I am wrong, and I stand corrected.

Mr. MAY. Now, Mr. Chairman, may I make just one further brief statement, and that is, as I have repeatedly stated upon the floor of this House, that I am bitterly opposed to war and strongly in favor of world peace, but my disagreement with many good people equally as sincere as I arises out of our difference in judgment and not to any difference in our ultimate objective. There are those who believe in peace at any price and they, I think mistakenly, believe that we should leave this vast, growing, powerful Nation of ours with its hands tied, wholly unprepared to defend itself if attacked, while I believe that if there ever comes a time when any nation on earth chooses to attack us, if they know that we are adequately prepared to defend ourselves, they will be less likely to attack us. I ask you, my colleagues, is our country, whose footsteps have always led toward the paths of peace, and whose policy is not one of aggression, but one of defense and tolerance, to be rendered helpless in the hour of great peril by those who would have peace at any price? As for me, Mr. Chairman, I repeat I want peace. I love peace, I covet peace, and I will go so far as to repeat that I so greatly desire peace that, if need be, I am willing to fight for it, but I want to be prepared to fight, if fight I must. Did you ever realize that our war establishment is not in fact a war department, but is in reality a peace establishment because it has never really provoked or brought on a war while, on the other hand, it has successfully concluded and settled in glorious victory every conflict in which this Nation, as such, has engaged. Finally, Mr. Chairman, in the language of Stephen Decatur, "My country—may she always be right, but right or wrong, my country." That is my sentiment. [Applause.]

Mr. ANDREWS of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman and Members of the Committee, I do not believe that this legislation will actually and effectively take the profit out of war. There is not a Member of this Committee who has made an intensive study of the matter who will venture to say that this measure will stop profiteering in time of war—not one Member of the Committee. On the other hand, they all do say and contend that it will have to be followed by other legislation, which will undoubtedly have to originate in the Ways and Means Committee of this House.

Mr. McSWAIN. We think that if they are clamped down by this bill, there will be no chance to make any profits except through an increase of industry.

Mr. WITHROW. I do not agree with you. I have great respect for the chairman of the committee, and if it was within his power to complete this legislation I would be for it, but the remaining legislation which is necessary on this subject is not under the control of the gentleman's committee.

Even if this half of the legislation necessary on this subject were effective, it would still be necessary to secure action on an income taxation provision by the Ways and Means Committee, and we have no assurance whatever that such action will be taken by the Ways and Means Committee. Why should we do only half of the job when there is no assurance that the remaining and most important half will be completed? Why not enact complete and adequate legislation on this subject without further delay?

I wish to call especial attention to several sections of this bill. For example, the section which the chairman of the committee mentioned, which freezes the price ceiling. Anyone who has had anything to do with manufacturing, who has had any contact with manufacturing, realizes that during time of peace the cost of selling an article ranges from 20 to 90 percent of the selling price of that article. During time of war, however, the selling cost is greatly reduced or entirely eliminated, so that if we merely freeze the price, we are in effect increasing the manufacturers' profits from 20 to 90 percent, which is certainly excessive.

Section 2 of this bill says that the President may have the right to regulate prices in time of war. He would no doubt appoint a commission and hold hearings to establish prices. Such action must of necessity be slow, so that by the time it was possible to adjust prices the war would probably be over. Certainly the horse would be stolen before the barn door could be locked.

In addition, this bill provides the authority to conscript labor and to conscript industry in time of war. We have had experience with Government war-time operation of industry. During the World War the Government took over the railroads. The result was that the railroads continued to be operated by the same men who were operating them before

the war, and those gentlemen proceeded to make a farce of Government control. The only difference was that all the railroads proceeded to rebuild their establishments at the expense of the taxpayer.

This measure would make it possible for all industries to rebuild their plants during war time at the expense of the taxpayer.

Sections 4 to 6 of this measure are just repetitions in which it is provided that all the war profiteers may be treated fairly and liberally, and section 7 provides a penalty if they do not treat one another fairly. [Laughter.]

Our Nation demands that this Congress enact legislation which will actually and effectively take the profit out of war. This half-way measure which is now being considered will not do that. If we pass this bill, I and all of you know that no supplementary legislation on this subject will be passed by this Congress.

I also want to say that this is not a case in which the Senate can pull our chestnuts out of the fire by substituting the Nye taxation features, which we all know would adequately meet this problem. This is due to the fact that all taxation legislation must arise in the House and cannot be instigated in the Senate.

It is perhaps unnecessary to remind you that the legislation which has been suggested by Senator NYE, and which I have tried to substitute for this half-way measure, makes possible the use of every helpful device which is included in this bill, and in addition provides for the confiscation by the Government of all profits over 6 percent in the form of an income tax during time of war. That, in my opinion, is a real and effective means of taking the profit out of war.

No more fitting monument could be erected to the memory of those brave men who have given their lives in the service of their country than the enactment of legislation which will actually and effectively outlaw all private profit in the event of future war. Such legislation should, and I am sure will, serve as a guaranty that this Nation will not be drawn into any foreign conflict for the profit of any individual or group of individuals.

I feel that such legislation, more than all of the peace conferences which have been or will be held, will serve to insure that the United States will not be guilty of aggression in any war. It will serve as a challenge to the saber-rattling nations of Europe and Asia to follow our example in maintaining peace with their neighbors and with the world.

It is almost beyond belief that there are those who would profit from the blood shed by the youth of our Nation and from the suffering of their widows and orphans.

In the name of humanity and for the preservation of our Nation we must here and now enact legislation which will actually and effectively eliminate private profit in time of war. [Applause.]

(The time of Mr. WITHROW having expired, he was given 5 minutes more.)

Mr. AMLIE. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. Yes.

Mr. AMLIE. Can these powers be invoked only in case of war with a foreign power?

Mr. WITHROW. No. As I understand it, they could be invoked in case of any national emergency. I imagine if there were a strike it might be possible to invoke these powers.

Mr. McFARLANE. And I should like to hear some discussion on this point. If we needed a little help to enforce some of the alphabetical program would it not be possible to declare an emergency and call out the militia for that purpose?

Mr. WITHROW. Mr. Chairman, I want to stop profiteering in time of war. I believe in reasonable profits, but will the chairman of this committee submit to having this bill sent to the Ways and Means Committee in order that they may put in the bill those taxing provisions which are necessary to make it effective?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. McSWAIN. Mr. Chairman, I yield myself 1 minute in order to answer the question asked by the gentleman from Wisconsin. When he asked that question he ought to know that no chairman of the committee will subordinate the jurisdiction of his committee. I respected the jurisdiction of the Committee on Ways and Means by not invading its province. I certainly will not surrender the jurisdiction of this committee on any matter. We have brought in legislation here that we believe will be effective, and as far as our committee can go. I am willing as a Member of Congress to go before any other committee and fight for legislation that will supplement this in the interest of national defense.

Mr. ANDREWS of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. EKWALL].

Mr. EKWALL. Mr. Chairman, it seems to me that we are splitting hairs on this bill. We are going into the minutia of detail. I am in favor of this bill, because I am in favor of taking the profits out of war, and I believe that this committee has done a pretty good job. I do not believe that they would claim it is 100 percent perfect, but I have not yet seen a bill emanate from this House that is 100 percent perfect. All they are doing, and I reiterate I think they have done a good job, is to take a step in the right direction. It has been said this afternoon that for many years we have been trying to get a bill through this House somewhat along this line, with its objective the taking of profits out of war, and we have not yet gotten a bill through this House along that line. Some gentlemen say we do not need this bill, because during the World War the President issued an order along this line and had the authority at that time. By the same token you might just as well take all of your statutes and throw them in the fire and run this country by Presidential edicts. We want this bill passed, because it is a start in the right direction. It is a statement of policy, it is something that will give us some idea of what we may expect in case we are unfortunately drawn into war in the future. I am a veteran of the World War. It is true that I did not spend many months in it, but those I did spend were as a private in the Infantry, and I know a little about war. In my home city, Portland, Oreg., we have a veterans' hospital. There are many men and some women in that hospital for whom the armistice has not yet been signed and to whom the war will never be over, because they are suffering the tortures of the damned on account of that terrible war that was fought, we were told, to protect democracy.

Practically every war is started because of selfishness, greed, and avarice, because profits can be made. One would think from the arguments of some of the gentlemen here that if this bill is passed we will not get another chance to improve upon this bill at any time in the future. Let them come on with their amendments, if they are legitimate, and offer them, and let us consider them.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. EKWALL. Yes.

Mr. ANDREWS of New York. There is one thing that does not seem to me to have been brought out as yet, and that is the fact that the conferees that may be appointed on this bill might agree to accept an amendment of the Senate imposing taxes, and I would be very much interested in having an expression of opinion from the gentleman from South Carolina [Mr. McSWAIN] upon that point.

Mr. EKWALL. I think there is no question but that if the bill goes to the other end of the Capitol and is sent to conference that the conferees of the House will be glad to accept a reasonable amendment of the Senate.

Mr. McFARLANE. But a tax amendment offered in the Senate would not be germane under the Constitution, which provides that all tax matters must originate in the House. How are we going to get a tax amendment on this bill which will really take the profits out of war?

Mr. EKWALL. Possibly that is true.

Mr. MARCANTONIO. Furthermore, any such effort on the part of the Senate would not be within the differences

that would exist between the House and the Senate and would not be proper.

Mr. McSWAIN. The point has been made often when conferees went beyond the scope of the legislation proposed by the respective Houses that a special rule could be adopted to make the additional matter in order.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. EKWALL. I cannot yield further.

Many encomiums have been directed to our genial friend who is chairman of this committee. They say they are willing to trust him, but, by implication, are not willing to trust other great committees of this House to whom other features of this legislation would go. I am willing to trust any committee of this House [applause], because I know that every man and every woman on those committees is just as patriotic as I am.

[Here the gavel fell.]

Mr. ANDREWS of New York. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. EKWALL. I know they are imbued with the same ideas that I am. I do not think there is a man or woman in this House or in the Senate who will not subscribe to the proposition that we should take the profit out of war, because the moment the word goes out that we have taken the profit out of war in this country it will reduce to an irreducible minimum the chance of our getting into war. I say this bill is a bill in the right direction and in the interest of insuring, in the future, that profits shall not be coined from the tears of the mothers of this country, and from the suffering and misery which always attends war. I think we ought not quibble and become too technical about it. [Applause.]

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. EDMISTON], a member of the committee.

Mr. EDMISTON. Mr. Chairman, I agree with my colleague from Oregon [Mr. EKWALL]. I am in favor of this legislation. The heading of the bill, "To prevent profiteering in time of war and to equalize the burdens of war", states just what this bill does, in my opinion.

I have listened to the Members who are opposing the measure. Probably this bill does not go as far as some of us would like it to go to prevent war, but certainly this bill is an improvement over existing conditions, and I believe will tend to prevent future wars. I do not think any of the other leading nations of the world can resist following with legislation similar to this, because, to my mind, it is a tremendous advantage to the United States of America to have this sort of legislation to enable us to keep out of war; but if we are forced into a war of defense this measure will aid our country in conducting that war rapidly to a successful conclusion. I do not believe the other nations of the world can afford to let us have that advantage and not follow our example by enacting similar legislation in their countries. If all of the leading nations of the world will enact similar legislation, it would certainly have a tendency to make the world stop, look, and listen before declaring war.

The gentleman from Illinois [Mr. DIRKSEN], I believe, criticized the bill because of the language in section 3, "that in the event of war or a national emergency declared by Congress to exist", the powers of this bill might be exercised. The gentleman did not object to it in the event of war, but he objected to the language "or national emergency declared by Congress to exist." I cannot see why that is any reason to oppose the legislation because of the language that the powers of this bill may be exercised when Congress thinks a national emergency exists, even though we are not at that time in a state of war. If the emergency of our country is that serious, it seems to me that the powers of this bill to prevent a serious condition in the country should be exercised.

The report on this bill came out of the Committee on Military Affairs after hours of hearings. The Chief of Staff of the Army, General MacArthur, is in favor of this bill. Representatives from the American Federation of Labor appeared and had no objection to the legislation.

[Here the gavel fell.]

Mr. EDMISTON. Gen. Hugh Johnson, who had a leading part in the administration of the Draft Act in the World War, appeared before our committee and heartily endorsed this bill. Mr. Bernard M. Baruch, whose activities to aid President Wilson speed up and control war-time industries are well known, appeared before our committee and heartily endorsed this very bill. I value the opinion of these gentlemen, because they had the experience of trying to do the things this bill provides during the last war this country was engaged in. They know what they were up against, and all of them stated to us that had they had a bill like this during the World War they could have done their jobs more rapidly and much better, and the aftermath of the war would have been much better for the whole country.

Mr. ANDREWS of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, there is before the House, bill 5529, laudable enough in its adherence to the principle of removing the profits from war but utterly inadequate for the maximal accomplishment of that aim. Its greatest fault is that no provision is made for removing the profits from the preparation for war. It is not sufficient that profit be removed from the actual conduct of war. It is absolutely essential that economic gain be eliminated from the preparation for war.

The plan of the Senate committee investigating the munitions industry proposes a limit to the profit which may be made by a munitions company in time of peace. An income tax of 50 percent would be levied on all individual and corporate incomes under 6 percent and a tax of 100 percent would be levied on all individual and corporate incomes over 6 percent. The adoption of that suggestion would be effective.

A measure properly to promote peace should adopt a pay-as-you-go policy in case of unavoidable war. The adoption of this procedure would result, not only in curbing actual war activities and terminating a war sooner than could be expected under an elastic credit system, but it would abolish for future generations the economic distress and the burdening taxation which inevitably follows war, and hold economically enchained generations whose sole connection with the war for which they are paying consists of their historical studies while in school.

The Senate munitions investigation has shown us all too clearly the connection between war and extra dividends. Here are a few figures taken from Moody's Analysis of Investments, 1912–19, as presented by the chairman of the Senate committee investigating the munitions traffic: The average profit in the 4 years preceding the war for the United States Steel Corporation amounted to $105,331,000 a year. In the 4 years during the war this sum averaged $239,653,000 per year. In the case of Du Pont Corporation, the profit ran from more than $6,000,000 a year to over $58,000,000 a year. In the case of Bethlehem Steel, from $6,840,000 annually to $49,427,000 a year. These are but two of the many examples that might be cited of the profit that comes from war and the preparation for war.

We have seen during the last few months how the Electric Boat Co., of Groton, Conn., brought suit to recover moneys from Germany for royalties on submarines which it claimed Germany had built upon patents, plans, and designs owned exclusively by the Electric Boat Co. We have seen how American cruisers went to Turkey and there demonstrated the latest products of the Driggs Armament Corporation. While 100,000 American boys lost their lives in 1917 and 1918—during the 4 years of the World War—22,000 new millionaires were created over here. These are but few of the many facts that have been ferreted out in recent months. They form part of the reason why the American people insist that never again shall any person make money out of war or the preparation for war.

I cannot support the McSwain bill because should this measure pass it would prevent the passage of an efficacious measure, which would contain provisions potent enough to really carry out the will of the American people, who want peace in no uncertain terms.

The McSwain bill overlooks the all-important fact that money can be made in the preparation for war. It is a comparatively easy thing to date contracts made during the war to the period prior to the declaration of war. I repeat that to pass the McSwain bill would be to defeat our purpose.

I suggest instead that we delay action on this measure until we have had an opportunity to confer with the Senate leaders who are engaged on this legislation and assimilate with the proposal which emanates from the House, those provisions of the Senate bill which are freely acknowledged to be vital to a measure which sincerely and honestly seeks to promote peace by taking profit out of war. The Senate committee has been at work many months, and is equipped to furnish us with concrete suggestions to accomplish our aim to maintain peace.

I was in hopes yesterday that the vote of the House would send this bill back to the committee for further deliberations, from which would result a bill lacking none of the provisions needed to carry out the desire of the American people for peace. The report on the McSwain bill anticipates that the American people will censure the omission of a provision for the levying of an excess-profits tax. The Committee on Military Affairs explains that it has no jurisdiction in raising revenues by any form of taxation. The committee expresses its "deliberate conviction that 100 percent of all profits shown to be due to war-time business conditions shall be taxed out of the person, firm, or corporation earning such excess profits." I am glad the committee has announced its favor of the proposal, but that does not alter the unfortunate fact that the necessary provision is not contained in this measure.

I would be in favor of reporting this measure to the Ways and Means Committee, so that there would arise no question about incorporating in a measure to take profits out of war the right to tax profits. Without such a provision a bill to take profit out of war is only a delusion and a snare.

I believe that any bill that is really to accomplish its purpose must adopt the following principles:

First. There should be a prohibitive tax of at least 50 percent on all corporate profits above 6 percent.

Second. There should be a strict limit on individual incomes during the war. No person should be allowed to make more than $10,000 while other persons are fighting for a dollar a day, risking their very lives.

Third. All commodity and probably all stock exchanges should be closed, so that there can be no speculation in commodities and securities during the war period.

Fourth. The Government should have the power to draft leaders of industry at salaries paid to officers of the Army.

Section 3, in that it applies to a condition of war or to a national emergency, is deserving of the righteous indignation of labor. In a word, it unfairly drafts labor. Similarly, this section is antagonistic to the farmers of our country.

We can fight nationalism and false patriotism on their own grounds; we cannot fight the insidious pressure of men desirous of reaping fortunes out of human lives. The man who makes money out of the conduct of a war, or the preparation for war, is as low as the ghoul who stalks battlefields, taking rings off dead bodies.

In Arlington Cemetery there stands the majestic Tomb of the Unknown Soldier. Throughout the year soldiers stand guard. On this tomb are inscribed these simple words: "Here lies in honored glory a soldier known but to God." For the sake of this soldier and for the hundred thousand comrades he represents, for the sake of the bereaved parents, wives, and children, who are the acutest sufferers of war, we must take the profit out of the preparation for war and out of the ghastly business of war itself before we can sincerely demonstrate an honest desire to prevent war. No man who loves America dare be satisfied with anything less. [Applause.]

Mr. ANDREWS of New York. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, in 8 minutes I am going to try to cover briefly ground that I should like to have had 30 minutes to cover, because I think I could paint a picture that would interest the Members of this body, and which the country should have. Mr. Chairman, at the outset I am going to ask unanimous consent to include in my remarks certain excerpts from the hearings before the committee.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KVALE. We have heard much about a step in the right direction. I am willing to agree to that, yet I cannot escape the abhorrence and shame that I feel every time I offer that as a reason for voting for a measure in this body. It is an apology. It is an alibi. It is an expression of disappointment. To a certain extent it is an insincere reason for supporting a measure in which I have no faith. Even then, I may eventually vote "aye" on this bill for that very reason.

With that prelude, I wish to say also, as I said yesterday, that I have a warm regard and a high esteem for the chairman of my committee. I am going to be impertinent enough—and I hope he will not regard it as such—to offer certain pages in the hearings to which I want to refer the Membership of this body.

I am talking to the empty benches this afternoon, and not to those who are loyal enough to sit through a tedious debate, because I hope that some of the absentees may read these remarks in tomorrow morning's RECORD. If they doubt the undaunted spirit of the chairman of our committee in this cause, if they doubt his sincerity of purpose, if they doubt the zeal with which he has devoted himself to this fight, they may find, among many others, his quotations on pages 70, 192, 317, 486, and 490 of the hearings which will dispel that doubt most speedily. So I dismiss that phase of this debate without offering the quotations to which I refer, for they are well surrounded by others almost equally worth quotation, at least in my estimation. I shall be for JOHN MCSWAIN until I lose faith in human nature. That is a big mouthful and I state it with deliberation.

Furthermore, I am willing to admit that this bill will do some good and that it is a step in the right direction. In that regard let me refer you to a few sentences from page 6 of the hearings, a colloquy between the gentleman from New York [Mr. FITZPATRICK], then a member of the committee, whom we have since regretfully lost through promotion, and the chairman with reference to the prices paid during the last war, and with reference to the situation this bill is designed to correct. No longer will there be profits of 600 to 1,000 percent, or more, it is true. But profits will continue, I again assert, and it is that particular feature of guaranteed profits to which I wish to address myself for these few minutes.

I may do one unkind thing—I hope not—in referring you to page 491 of the hearings, to a statement made by the chairman of my committee before the Industrial Mobilization Board, in which he enunciated certain criticisms directed against the Johnson bill at that time. The chairman then said he regarded the Johnson bill as rather immature. He said further:

> I am for its principle absolutely, but I think its danger consists in its brevity.

That is my identical position today, my dear chairman of my committee, whose name the present measure bears—

> I think that we have got to be sufficiently specific to insure that this procedure of drafting both man power and material resources shall not only conform to the Constitution, but that it shall also conform to the sentiments and the righteous public opinion of the people of this Nation; and it will be the cheapest form of preparedness that has ever been invoked for us to write, if necessary, this legislation into a hundred or five hundred or a thousand pages of statute books, so that this law in all its details, so far as they may be anticipated reasonably now, based upon past experience, shall stand there as a sort of warning to jingoists and

militarists and all who hope to profit by war, and certainly hope not to suffer by war, that they must not rush this Nation heedlessly into war.

And again, Chairman McSWAIN, I say those splendid words of yours, uttered 11 years ago on another occasion, are applicable in this debate and well worth the consideration of this body and of thinking citizens all through this land.

Yesterday a few good friends and colleagues of mine upon the committee sought to administer to the gentleman from Texas [Mr. MAVERICK] and to myself a friendly spanking because they honestly differed with us as to what this measure ultimately would do and possibly might permit. That does not disturb me at all, and I am not going to be resentful of that; nor am I going to be hurt about it. I only say to those gentlemen that I respect their sincerity and I ask them to respect mine. I am tempted to wonder, though, if they read the hearings, in the course of which I questioned witnesses during times they may have been absent necessarily from the committee room. Certainly I had thought the attitude of Mr. MAVERICK and of myself, and our convictions as well, were well understood by even casual friends on the committee roster.

And if we chose, out of regard for our committee chairman, to subdue our objections in committee to the point where we failed to shout "no" on the critical vote or failed to avail ourselves of the right to file a minority report—and I may say that more than one whose name has not yet been brought into this discussion indicated to me grave doubts as to approval of the bill—and air our misgivings on the floor, that is our responsibility. For that I, at least, am not answerable to any colleague, on the committee or in the House, save for myself. At least I may say that I do not regard myself as inferior to or subject to anyone among them. I consider them my equals, at least in rights and privileges.

Furthermore, I may add that some time ago I personally gave notice informally to my committee chairman that I must oppose the measure on the floor, and he will certainly be glad to corroborate my statement, if I know him, that he directed me unhesitatingly to do exactly what my heart told me to do, and that he would harbor not the slightest bit of hurt or ill will, and that he would not permit it to change our personal relationships.

For the sake of those who are interested, the following citations and quotations will save much thumbing of pages and needless searching through the volume of testimony.

Read first this extract from the testimony of National Commander Belgrano, of the American Legion, on page 12 of the volume. He there states, in reply to a well-directed question by Representative FITZPATRICK, a colleague whom we since have regretfully lost through promotion to another major committee:

Mr. FITZPATRICK. Do you believe that if the Government can conscript human life, they ought to be in a position to conscript properties or the profits to be taken out entirely?

Mr. BELGRANO. Yes, Mr. Congressman; we believe that unqualifiedly.

Mr. FITZPATRICK. If a law providing for that had been in effect in 1917, as you have stated, there would not have been the millionaires who were created in this country during the war?

Mr. BELGRANO. Yes, sir.

Mr. FITZPATRICK. And of the $19,000,000,000 that was spent by the Government during 1918, no doubt about $14,000,000,000 of that was profit?

Mr. BELGRANO. Yes, sir.

Mr. FITZPATRICK. According to the figures given here, of 400- and 500-percent profit?

Mr. BELGRANO. Yes, sir.

Mr. FITZPATRICK. And, as you referred to the bonus, in 5 years there were refunded to this same group from the Treasury of the United States 4 billion dollars, which would have paid off the bonus?

Mr. BELGRANO. Yes, sir.

Mr. FITZPATRICK. And those 4 billion dollars were refunded to the same groups that are now members of the Economy League?

Mr. BELGRANO. Yes, Mr. FITZPATRICK; I agree thoroughly with your remarks. The Legion claims that not only should the Government have proceeded to point its finger to the man power of this country and conscript it but the Government should also have drafted capital and industry and all the material resources of the country, for the protection of all the people, on an equal basis.

Mr. FITZPATRICK. If it were so provided that that would happen, I doubt if we would ever have another war.

Again, on page 30, Vilas Whaley, chairman of the Legion's national legislative committee, of Racine, Wis., states:

I want to suggest that any legislation for universal service the Legion believes should contain a provision for the taxing of excess profits even up to 95 percent. That was the recommendation of the War Policies Commission.

The Legion believes that no one in time of war should expect to make profit and no one should seriously oppose the enactment of this legislation, because it becomes noneffective except in case of war.

We believe, men of this committee, that after all of these years of conflict, and in view of what has transpired in the countries outside our border, that the time is here and now, in this session of the National Congress, to make this bill the law of the land to outlaw war and to take the profit out of war.

Note, Mr. Chairman, the phrase—

To outlaw war and to take the profit out of war.

Next appears the authorized spokesman for the Veterans of Foreign Wars, on page 201, and I quote:

As we have considered the bill introduced by your distinguished chairman, H. R. 3, we submit that it does not remove the profit motive from the business of war. The Veterans of Foreign Wars have expressed through their national conventions the definite thought that the way to make those who spend so much of their time spreading a gospel of hate for the man who has served this Nation in the armed forces, is to urge the adoption of a plan which will have the purpose of forcing these same individuals to suffer at least some of the economic stringencies of war.

* * * * * * *

We are all seeking the same ultimate objective. We all want peace with honor. It is the opinion of our organization that the surest way to have peace with honor is to attack the cause of war in a definitely vital spot. The Veterans of Foreign Wars are convinced that the point of attack is "the wartime profit system." We know well that many will hold what we propose is idealistic and not practical. We followed the so-called "practical" people in 1917 and 1918. We plunged into the last war without any attempt, at least no attempt which made itself apparent, to really develop the economic side of preparedness. Yes; we suffered the economic prostitution of American ideals to make the world safe for the "money changers." Now, we want to set up the new plan. The Veterans of Foreign Wars feel that the new plan should be so wrought that the Government has a positive power of control over capital and industry as well as man power. We should be as cold-blooded with our industrial and banking barons as they were with us in 1917 and 1918.

It is the sincere hope of the Veterans of Foreign Wars of the United States that your committee, using H. R. 3 as a starting point, will develop a program of legislation which will force the capital and industry of our Nation to do their duty without profit during the next war.

* * * * * * *

Mr. KVALE. Did you hear my questions yesterday with reference to the plausibility of setting up a system that would guarantee profits instead of eliminating them?

Mr. BROBECK. I think that is the reason our national legislative committee, in a recent meeting, was somewhat concerned over this bill. We believe that the idea is fine, but we do not think anything should be set up which guarantees a profit because of war.

Mr. Chairman, that was George Brobeck, of Minnesota, their national legislative representative, talking. That does not sound to me like blanket approval of this particular bill, even though it does express complete sympathy with the broad purposes of the author of the measure, Mr. McSWAIN.

The American Federation of Labor next appears before the committee through its authorized legislative representative, our friend Mr. Hushing, and he says in decisive language, on page 205, that—

Mr. HUSHING. The announced purpose of the bill directly under consideration, of course, is "to prevent profiteering in time of war and to equalize the burdens of war and thus to promote the national defense", but with the immense power this committee has, and with the different suggestions that have been laid before it, it is hard to know how far the committee might go. In our opinion, the entire matter is open and subject to any action this committee sees fit to take.

The CHAIRMAN. That is true, the whole subject is opened by it. The bill is only the groundwork upon which to build.

Mr. HUSHING. That is my understanding, exactly.

Now, one of the principal purposes set forth is to prevent profiteering in time of war. Of course, any decent citizen is opposed to profiteering, and we are very much opposed to it. There is more than one method to prevent it, in our opinion. It might be done by putting a limitation on profits, or it might be done by taxation.

Again, it might be done, as has been proposed, by conscription of wealth or labor, or both. In our opinion, and if my memory serves me correctly, others have testified that it is not constitutional to conscript either labor or capital. If the proposal is to

conscript labor, we certainly will oppose it. I think Commander Spafford agreed, in the hearings held several years ago, that capital could not be conscripted, and if the proposal they were then making—and by "them" I refer to the American Legion—was to conscript wealth and capital, and if his statement was true that capital could not be conscripted, that would leave only labor to be conscripted.

Then, Mr. Chairman, he follows that with a hundred pages of extracts from former testimony and from previous resolutions and actions of the federation that should prove of profit to Members to read carefully.

After that comes many pages of interesting and courageous testimony from the lips of a former Member of this body, the Honorable Jeanette Rankin, in this hearing representing the National Council for Prevention of War, together with its executive secretary, Mr. Frederick J. Libby. Interested persons may read for themselves, but one gem is here reproduced from Miss Rankin's testimony, for it bears directly upon the vague catch phrases which are responsible in large part for the stampede we are witnessing in this body. In reply to an interrogation by Representative MAVERICK she stated:

Miss RANKIN. Thank you. I wanted to say this one word. I really think you ought to take out of the bill that effrontery which says that we will equalize the burdens of war. There is no possible way to equalize the burden for the man who made the supreme sacrifice. There is no possible way to equalize the burden for the man who lost his eyes or the mother who lost a son, and to put the sacrifices of war on the basis of money, it seems to me, is appealing to something very low in the American people.

Then follows the report of Mr. Lovell for the railroad brotherhoods, and while he is more cautious in his admonitions to the committee he does in most respectful but in most positive terms stress the magnitude of the task of the committee and urge full deliberation. Instead, the records disclose that but 5 days were given to open hearings, and I refrain from comment on the executive hearings that followed.

But I beg the membership of this House to note from these quotations and from the verifications that they can most easily make for themselves that in every instance these organizations which have been paraded before you as favoring this bill have unalterably expressed themselves as in favor of eliminating profits from war—I said "eliminating"—not of guaranteeing those profits. Not only guaranteeing them, but guaranteeing them, as I said in my scattered remarks yesterday, to the high-cost producer, so that the low-cost producer, the large unit, mind you, the men who control the raw resources of the land, will have a heaven they never could hope for in the wildest kind of boom times during peace days. This is fact, not my opinion. Consult the record. Please, I say it again, secure a copy of the hearings before the measure comes to the reading stage and before the final vote is reached.

Who favors limited profits? At least the War Department, according to the testimony, page 45 of the hearings, page 127, page 131, and then pages 147 to 173, inclusive. Those pages contain the tentative contracts that have been drawn up on which industrial people have been consulted, with reference to which all the interested business executives have been frequently interrogated, and upon which there is agreement between the War Department and industry, guaranteeing them a profit of 6 percent, after negotiations have arrived at the costs of the various operations, deductions, exemptions, and the incidentals that inevitably must accompany every contract.

Read them and you will learn something; you will find that the only ones who acquiesce in the opinion of the War Department, that we must not do anything that will curb unlimited and speedy production. The only ones who agree and acquiesce are the coalition, that group of all these patriotic societies most of which ascribe to themselves 100 percent of all the patriotism that exists in the country and criticizes everybody who disagrees with them.

So, Mr. Chairman, in view of the permission to extend my remarks, let me only add that neither I nor any colleagues of mine seek to have this body digest the program of any committee nor that of any committee that may disagree with them.

[Here the gavel fell.]

Mr. ANDREWS of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, ever since the close of the World War each and every administration and practically every outstanding leader in both Houses of Congress, regardless of politics, has favored the principle that is involved in this legislation. There is no Member of either House of Congress who has been more faithful, more industrious, more courageous, more untiring in his efforts to secure the enactment of laws which would take excessive profits out of war, which would prevent profiteering in time of war, than our very genial and able Chairman of the Committee on Military Affairs of the House, the gentleman from South Carolina [Mr. MCSWAIN], whom we all greatly admire because of his ability as a statesman and whom we all love because of his qualities and character as a man. [Applause.]

We have heard a great deal of loose talk, really, concerning the provisions of this bill. We have been talking about taking the profits out of war, but this bill is really to prevent profiteering in time of war; and I want to point out to the membership of the House that there is a vast difference between taking all profit out of war and preventing profiteering, which means excessive profits, in time of war.

If you will turn to page 306 of the hearings had by our committee, you will find that I asked Mr. William C. Hushing, national legislative representative and general organizer of the American Federation of Labor, this question:

Would you be willing for both industry and labor to make a legitimate, reasonable profit?

His answer was, "Yes."

I then asked him this question:

Even in time of war?

And again his answer was in the affirmative.

Then I queried:

They would have to make some profits in order to exist, would they not?

And, of course, he answered "Yes" to that question.

To those who are afraid that this particular bill will conscript labor, may I state that there appeared before our committee not only Mr. Bernard Baruch and Gen. Hugh Johnson but also the Chief of Staff and other Army witnesses, including the Secretary of War and The Assistant Secretary of War, as well as the national commander and other representatives of the American Legion, and not a single witness favored the conscription of labor. No member of the committee insisted upon conscription of labor. On page 194 I stated to Mr. Woodring, Assistant Secretary of War:

Furthermore, if you conscript labor, you will need an army at home to run industry instead of having it in France to fight the battles?

Mr. Woodring answered:

You certainly will.

I said,

You will need a policeman in every industry. I do not want to inject politics here, but during this noble experiment, the colossal failure of the N. R. A., it has been shown that we cannot even take care of it in time of peace, let alone in time of war.

To that query I think the Secretary of War agreed.

Now, Mr. Chairman, no one will claim that this bill is perfect and the gentleman from South Carolina [Mr. MCSWAIN] would be the last gentleman of all to make such claim.

[Here the gavel fell.]

Mr. ANDREWS of New York. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. SHORT. I do say, however, I think the gentleman from Illinois [Mr. DIRKSEN], with a penetrating insight and with a logic which is unexcelled I think by any other Member of this House, pointed out a serious defect in the bill on page 2, lines 9 and 10. The gentleman objected to the

clause "or of a national emergency declared by Congress to exist."

I am sorry I cannot agree with my esteemed colleague on the committee from West Virginia [Mr. EDMISTON]. I think that amendment should be offered to strike out the above clause, as well as an amendment striking out the clause suggested by the discerning gentleman from Massachusetts [Mr. MCCORMACK] on the first page.

The words objected to by the gentleman from Massachusetts appear in lines 3 and 4 on page 1 and are as follows:

Or the existence of an emergency due to the imminence of war.

If those two clauses and other similar clauses are retained in the bill as written, it seems to me that the national emergency which we are living under at the present time and which the Congress has declared, would permit the President of the United States to exercise these extraordinary powers now. Heaven knows, he has too much power already!

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. McCORMACK. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I would state to the gentleman that my objection lies to those same words wherever they may appear in the bill.

Mr. SHORT. The bill should be amended by having the language as it is in lines 3 and 4, page 1, and in lines 9 and 10 on page 2 of the bill stricken out.

Mr. McCORMACK. I think the gentleman and I are in harmony. In other words, my inquiry goes to striking out the language which relates to the existence of an emergency due to the imminence of war wherever such language appears in the bill, because that amounts to an actual declaration of war.

Mr. SHORT. The gentleman is absolutely correct, and as a member of the committee, I intend to offer amendments which will accomplish this end. I believe such amendments will be acceptable to the committee because they will remove the most objectionable feature of the bill. I agree with the gentleman from Massachusetts and with the gentleman from Illinois that these extraordinary powers granted to the President of the United States should not be exercised except and until war is actually declared by the Congress of the United States.

[Here the gavel fell.]

Mr. ANDREWS of New York. Mr. Chairman, the time remaining is so short that I will limit myself to one or two observations on the general subject of this bill.

As a result of the country's situation we find ourselves today living in an era of great hysteria, and along with it we must admit that as Americans we are strongly inclined to be extremists. I do not believe there is a Member of this House who does not realize that some of the disclosures in reference to profiteering during the last war are a very sad page in the history of that war. Such disclosures have made sensational headlines and public opinion has been crystallized. I do not believe there is a Member of the House who would want to see a repetition of that page if it can be avoided.

May I also suggest to the House that while this bill is designed to assist in the prevention of profiteering in war, when war comes again—and I hope not in our day—someone and some Congress must prosecute that war. That is one of the great arguments, in my opinion, in favor of the bill which our chairman, the gentleman from South Carolina [Mr. McSWAIN], has proposed. We want the Government at that time not to be hamstrung. To complete the prevention of all profiteering excess-profits taxes to prevail in war time must be imposed. But the imposition of such taxes under the rules of the Congress is not within the jurisdiction or province of your Committee on Military Affairs. I do not believe there is a member of the Military Affairs Committee who is not in favor of the imposition of heavy excess-profit taxes during war. A simple scheme in the form of a constitutional program for the prosecution of war is what this measure offers in a manner which will limit profits and freeze prices. For the benefit of labor there must be fair profit, and by adding taxes profiteering can be wiped out. With the passage of this bill and another bill with the same motive in the Senate it will go to conference and the conferees can ask for a rule under which to refer the desired tax provisions to the House.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 8 minutes to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Chairman, a good deal has been said about section 3 of the bill. It occurs to me that an amendment ought to be made perhaps to section 3, line 13, by putting in front of the word "service" the word "military" so that the language will be "military service."

Mr. McCORMACK. Would not "armed service" be better?

Mr. HILL of Alabama. Well, armed service, or any word that will make it absolutely clear, so that there can be no doubt about the fact that so far as section 3 is concerned, it means only drafting men into the armed service, as the gentleman suggests, namely, the Army, Navy, or the Marine Corps, and that it has no application whatsoever so far as drafting or conscripting anybody in industry is concerned.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. MAY. As the gentleman will recall, it was thoroughly discussed in the committee and unanimously agreed that there was no intention on the part of anybody on the committee to conscript labor, and the hearings will show this.

Mr. HILL of Alabama. The gentleman is correct in his statement and I tried to make it clear in my remarks earlier in the day. If there is anything in this bill that would in any way lead anyone to believe that it is the intention of the committee that labor should be conscripted or drafted, it was certainly not the intention of the committee to put such language in the bill.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. JOHNSON of Oklahoma. Then the gentleman would not object to any clarifying amendment to express that intention in the bill?

Mr. HILL of Alabama. Certainly, so far as I am concerned and so far as I am authorized to speak for the committee, I am sure the committee wants the wording of the bill just as clear as possible to the effect that labor is not to be conscripted.

Mr. JOHNSON of Oklahoma. I think such clarification should be made.

Mr. HILL of Alabama. The question has arisen here from time to time as to the meaning of the words "unorganized militia." If we turn to the National Defense Act we find that section 57 of that act defines what the unorganized militia is.

This section states that—

The militia of the United States shall consist of all able-bodied male citizens of the United States and all other able-bodied males who have or who shall have declared their intention to become citizens of the United States who shall be not less than 18 years of age and except as hereinafter provided, not more than 45 years of age, and said militia shall be divided into three classes, the National Guard, the Naval Militia, and the unorganized militia.

As the chairman of the committee has tried to make clear, the reason the words "unorganized militia" are used in the bill is because under the law as it stands today the President of the United States can call into service the Organized Militia whenever the Congress declares war. So there is no need of providing in the bill for a call into the service of the Organized Militia. What section 3 does is simply what we did during the World War—give to the President the power to call into the service the unorganized militia of the land, that we may have soldiers and sailors with which to fight the war.

Some gentlemen have raised the question of the conscription of industry. The committee, after extensive hearings and after much thought on the matter, reached the conclusion that so far as the welfare of our country is concerned, and so far as a successful prosecution of a war is

concerned, the less we upset industry the more normal we keep conditions in industry, the better off we will be, and what we have sought to do is to put an end to profiteering and yet not disorganize or upset American industry, having in mind success in winning the war and having in mind a return to normal conditions with as little upset as possible and with as little aftermath as possible at the conclusion of the war. We simply provided, as has been said here time and again, that the President should have the power to clamp a ceiling down on prices as those prices existed in a free market on a given date selected by the President.

Mr. HULL. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. HULL. May I ask the gentleman why you did not carry your bill further and provide the same sort of protection for agriculture that you have attempted to provide for industry in this bill?

Mr. HILL of Alabama. So far as agriculture and everything else are concerned, we handle all of those matters on exactly the same basis. The ceiling that goes down on the prices of manufactured products, of course, would go down on the prices of farm products and would apply to all prices in the country.

Mr. HULL. Suppose you were to have war tomorrow, would you have agricultural products at a standard of about 40 percent below industrial prices, as they are today, continued and then tell the farmers still to carry on?

Mr. HILL of Alabama. No; I call the gentleman's attention to section 2 of the bill which gives the President so much power that even if, after he has put this ceiling down, there should be injustices or inequities, he has the power to change and to vary that ceiling. If the President found that agricultural products as of the given date were being discriminated against, then he could raise the ceiling so as to remove any inequity or any injustice so far as the farmer is concerned.

Mr. HULL. May I not ask if we have not in a very recent act passed by this Congress placed powers in the hands of the President to stop the importation of agricultural products into this country, while at the same time we are continuing to have millions of dollars' worth of importations while our farmers are down and out?

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 2 more minutes.

Mr. HILL of Alabama. The question has been raised here that certain organizations throughout the country have been cited as being in favor of this bill, when the truth of the business is they are in favor of taking profits out of war but did not know much about the bill itself, and in this connection I want to read the letter of the national commander of the American Legion, written to the Chairman of the Committee on Military Affairs. It is under date of February 5 last, and, among other things, it states:

> I am delighted to know of the progress being made in connection with legislation to eliminate the profits from war, and you may be assured that the organization which I have the honor to lead will bend all of its efforts in support of the bill which will shortly be presented to the floor by the House Military Affairs Committee, of which you are the chairman.
>
> With personal regards.
>
> Sincerely yours,
>
> FRANK N. BELGRANO, Jr.,
> *National Commander.*

[Applause.]

[Here the gavel fell.]

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. McSWAIN. I will yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Was this bill we are now considering before your committee when the national commander of the Legion wrote the letter read by the gentleman from Alabama?

Mr. McSWAIN. Oh, yes; the bill was amended at his suggestion. Section 3 contains the heart and nerve of the old Capper-Johnson bill in substance without authorizing the conscription of labor which that bill did.

Mr. ZIONCHECK. But your bill guarantees the draft of labor.

Mr. McSWAIN. That may be the opinion of my friend from Washington, but it is not the opinion of those who have been thinking about this for a long time. We are satisfied that it will reduce profits to a minimum. We are also satisfied that if there should be any profit to escape through the meshes of the system which we propose to set up, we will lead the fight in Congress for the purpose of bringing out any legislation from the proper committee to take away the last mite of war profits or profits due to the existence of war.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. HILL of Alabama. The prices in this country went up 268 percent at the time of the World War. If we clamp the ceiling down, we will stop prices from going up. If they once go up, we cannot get them down. So far as taxes are concerned, the Government can reach out its strong arm and take that measure any time during the war.

Mr. KVALE. Will the gentleman yield?

Mr. McSWAIN. I yield to my friend.

Mr. KVALE. It occurs to me that the chairman would place himself in a peculiar and invulnerable position if he would withhold his bill until the Ways and Means Committee had favorably reported a rule for the consideration of a tax bill.

Mr. McSWAIN. The gentleman cannot say that that bill should come ahead of this bill.

Mr. KVALE. No.

Mr. McSWAIN. Let me say to my good friend from Minnesota that we will help pass that bill. We will do all we can in any way to take the profits out of war.

And let me say to my friends who say that the bill does not go far enough, that it ought to do the whole job, that I assume that I will be a member of the conference committee. You have heard from other Members who will be on the conference committee. I want to say that as far as I am concerned, and I can only speak for myself, that if it is necessary for the legislation to comprehend other features entering into profiteering in time of war, if it is necessary to bring in some new matter, what will we do? We will go to the Rules Committee and ask the Rules Committee to make that new matter in order. Can gentlemen not trust us to do that? You will be in control of that situation. Trust your House and trust your committee to try as far as it can, while respecting the jurisdiction of all committees, to solve this matter.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. THURSTON. I am in deep sympathy with the object and purpose of this legislation and expect to vote for the bill, but I am concerned about this. If the President or the Congress in a great national emergency can lay aside the Constitution and the laws in time of peace, will not the President or the Congress in time of war be in a position to nullify this very act that we are discussing?

Mr. McSWAIN. I am satisfied this legislation is within the power of the Congress to exercise as a war power in time of war. I submit that there is ample authority for saying that this is an exercise of the war power. Some of it is referred to in the report. It is within the provisions and four corners of the Constitution, and not in excess of it.

The CHAIRMAN. The time of the gentleman from South Carolina has expired. All time has expired.

The Clerk will read.

The Clerk read the first section of the bill.

Mr. McSWAIN. Mr. Chairman, due to an agreement made on both sides that we would read only the first section of the bill and leave it open for amendment tomorrow, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee

of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 5529 and had come to no resolution thereon.

Mr. McSWAIN. Mr. Speaker, in view of the great interest in this matter, and several gentlemen who desire to speak have not had that opportunity, I ask unanimous consent that all Members may have 3 legislative days in which to extend their own remarks in the RECORD upon this pending legislation.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, being advised by the gentleman from Maryland [Mr. GOLDSBOROUGH] that he will move to strike all of section 3 from the pending bill, "to take the profits out of war", beginning with the first word in said section down through the word "proclaim", with the amendments attached to said language by the Committee of the Whole House on the state of the Union, I feel it my duty both to my colleagues and to the numerous patriotic organizations and societies which for the last 12 or 14 years have been endorsing the Capper-Johnson bill, to state that section 3 is the heart and nerve of the said Capper-Johnson bill with the power which was contained in said bill to draft labor and human forces generally eliminated from said bill. The said Capper-Johnson bill certainly must have had many millions of people to endorse it. I respectfully and humbly endorse it with the exception of the provision contemplating the drafting of human services for other than service in the armed forces for the defense of our Nation.

PRESENT STATUS OF SECTION 3

Mr. Speaker, said motion to recommit, if it should prevail, would strike from the bill the language contained in the amendment known as the "Faddis amendment", as amended by the "Boileau amendment", as in turn amended by the "Truax amendment." The effect of these amendments is to provide that no person shall be drafted into the armed forces for service upon foreign soil, except to prevent or repel actual invasion of the United States.

PAY OF SOLDIERS

Mr. Speaker, said motion to recommit, if it should prevail, would also strike out an amendment by the gentleman from Oklahoma [Mr. LEE], providing that soldiers drafted into the armed forces for defense should receive wages equal to the average daily wage of unskilled labor at a date to be fixed by the President.

PROVISION FOR DEFENSE

Mr. Speaker, since the section 3 as now amended means that Congress must first declare war, and then if an immediate increase in the armed forces be necessary in order to defend the country, the President may exercise the power of drafting soldiers. These soldiers can be used only to defend the United States, and they cannot be used in any industrial capacity, and they must receive the wages of ordinary unskilled labor. Since this is the present situation, it seems to me perfectly fair to ask the Members of the House to vote down the motion to recommit, which would have the effect of striking out this part of the Capper-Johnson bill. The power to draft cannot be exercised until war is declared by Congress. If Congress declares war, then we ought to be ready to start vigorously to fighting and resisting the enemy without delay. If we must wait until Congress either passes a draft law to provide for selective service after the declaration of war, or if we must wait for a sufficient number of persons to volunteer, then our defense may be too feeble at the very beginning. If we must fight in defense, then we should be prepared to strike a quick and heavy blow at the very beginning. Furthermore, the presence of the power to draft does not mean that the President would of necessity exercise it. The presence of the draft provision would doubtless greatly hasten and encourage volunteering.

HOW PROPER PREPAREDNESS PROMOTES PEACE

Mr. Speaker, the time to be careful is before getting into war. We cannot get into war until Congress declares it. But every man who believes in proper preparedness ought to vote to have the country ready to fight quickly and vigorously in defense of our country, if war is forced upon us and if Congress so declares it. I think that section 3, which provides for not only the drafting of human service, but also provides for the commandeering of material resources and financial resources and industrial organizations and public services, such as railroads, telegraph companies, telephone companies, power companies, pipe-line companies, radio communications, and so forth, and so forth, is vital to a proper defense program. We know that our Regular Army and our National Guard and Organized Reserves, all put together, are hardly a handful of all those necessary if we should be forced into a war. If, therefore, the people who own these great material and financial resources know that they can be commandeered in time of war they will be very slow to encourage much war propaganda.

On the other hand, if any possible enemy nation knows that we have great resources, and that we have this legal machinery to make these material and financial resources immediately available, and that we have this legal machinery to make our vast man-power resources immediately available, then any potential enemy nation will be very slow to force war upon us. This is a fact of history and a fact of human nature that all truly wise men admit. Since America will not under any circumstances engage in an aggressive and unprovoked war, and since men cannot be drafted to fight upon foreign soil under the Boileau amendment, and since Congress would not think of declaring such aggressive war, then there will be no war, unless another nation thinks that it can either defeat us or force us to peace on terms favorable to it. If we are prepared to defend ourselves by the legal machinery set up in this section 3, then any other nation will realize that it cannot defeat us nor force us to harsh terms of peace, and, therefore, there will be no war, and, therefore, the peace will be preserved. It takes two to make a war. If we do not start any war against any other nation and if any other nation is afraid to start a war against us, then there will be peace.

WHY SECTION 3 IN BILL?

Furthermore, Mr. Speaker, I am seeking to explain how section 3 is in substance the Capper-Johnson bill, and why so many patriotic organizations have approved of the Capper-Johnson bill heretofore, and why I think it does occupy an appropriate place in this bill, "To equalize the burdens of war and to promote peace." It is true that this particular feature does not of itself stop profiteering in time of war. But if it tends to discourage and deter war itself, then it will render legislation to prevent war-time profiteering unnecessary. Of course, if the motion to recommit, amending the bill as contemplated, should by any possibility prevail, the other provisions of the bill are so vital that I would urge every Member of the House to vote for it, and to send it to the Senate with a well-nigh unanimous support, in the belief that when the Senate amends the bill in such form and manner as shall appear to the Senate wise and proper, it will still be possible for us in conference to work out a bill that will stop profiteering, tend to discourage war, thus promote peace, and greatly assist in equalizing the burdens of war. With this brief statement, I must leave the issue to my colleagues, having the same confidence in their patriotism and devotion to the welfare of the Nation that I claim for myself.

Mr. SABATH. Mr. Speaker, militarism has been distasteful to me since my childhood. History tells us that it inevitably leads to oppression, and I have personally seen its practical results.

Having had such convictions it was not an easy matter for me, 18 years ago, to vote to report from the Committee on Foreign Affairs the resolution for the declaration of war. For nearly 2 days and nights the committee had considered and seriously debated whether the conditions actually warranted such a grave and momentous step. Not until President Woodrow Wilson and State Department had furnished the committee with undisputable and convincing evidence of overt acts and of willful disregard of American rights by Germany, her connivance with other nations, and her un-

disguised boasts and threats of what she was going to do to America after the defeat of the Allies, was the resolution reported by the committee and passed by the House.

It is interesting to note that I am the only present Member of the House who was then a member of the powerful Committee on Foreign Affairs. There are, I believe, only 36 Members of this House who were here when war was declared.

I hope that I shall never again be placed in a position to shoulder such a responsibility nor be forced into an awesome and trying situation of casting a vote which results in the sacrificing of tens of thousands of lives and brings lasting suffering and heartaches to millions of mothers, fathers, sisters, brothers, wives, and children.

For these reasons I have unremittingly advocated since the end of that appalling world conflict peaceful adjustment of all international differences. I still have a strong faith that the laudable instruments created for that purpose by the efforts of our late great and beloved President, Woodrow Wilson, will effect this most desirable humane aim.

I believe now as I always have that, instead of composing and settling international differences by the arbitration of sword and gun unnecessarily resulting in the tremendous loss of lives and in the untold sufferings and hardships to millions of peoples, grievances should be dissolved by peaceful negotiations with enlightened consideration. Every honest historian recognizes that practically all wars without exception were due to selfish interests of those who desired to retain the power and to profit unduly therefrom, and were not caused by uncompromising international misunderstandings. I will, therefore, welcome and am anxiously awaiting the hour when this Congress will take a real step and actually set an example to the rest of the world by positive action, so far as possible, and not only vocally, to abolish war as an instrument of settlement of international disputes.

We ought to show in no uncertain terms that it is the decided intent of the Congress not to encourage but to discourage wars. I really think that our legislation should brand and punish as traitors any person and any organization which may directly or indirectly advocate or encourage wars.

I strongly believe that legislation enacted to eliminate the possibility and the opportunity for the accumulation of wealth by industries profiting through wars would have a great tendency to discourage jingoism and war danger it creates. These facts have been clearly demonstrated by the evidence adduced at the recently conducted hearings. By such legislation the incentive would be removed from the avaricious, racketeering element of the militaristic group and other malevolent beneficiaries of war.

Each year for the past 28 years I have observed that when the Army and the Navy appropriation bills are to be considered these nefarious elements begin a crusade of shameful propaganda to bring about increases in appropriations for the combatant departments of our Government.

After reading the bill allegedly proposing to take the profits out of war, I am forced to admit my great disappointment, because there is really nothing in the measure that entitled it to such a term. Instead of being a bill to prevent wars by denying the profit making, it tends, on the contrary, to impose a conscription of man power upon the Nation but not the conscription of wealth.

I greatly regret to state a disgraceful fact that in the past the most influential citizens of the United States—men in high positions in the world of commerce and finance rather than of politics—have used all their power and influence to prevent the drafting of their sons into the armed forces of our country. Every possible escape was devised by them and every influence utilized so that their sons might dodge the draft or, at least, to receive bullet-proof assignments to the noncombatant units such as the Quartermaster Corps stationed in this country. These advantageous positions were used by them to aid their fathers' corporations in acquiring the greatest possible share of profitable contracts. Cooperating with the great number of dollar-a-year gentlemen, who were authorized purchasing agents, these sons took the advantage of their positions and improperly fostered the interests of their relatives, who became great beneficiaries of war. Such circumstances were the cause for the creation of 5,000 new millionaires in the United States within 3 years, not mentioning the multimillionaires who were advanced to this status from the pre-war millionaire class.

Having witnessed the grief and anguish of the war mothers of our Nation and the hardships and sufferings of millions of our citizens, hardships and sufferings born of war, I repeat my disappointment with the provisions of the pending bill and I would have opposed it were it not for the amendments adopted providing for the taxation of all war profits together with the other amendments which will completely revise section 3. I hope that this section, which provides for conscription, will be entirely eliminated or, at least, the first part of it. If this is done, I feel that I can consistently support the bill and will do everything possible to bring about its enactment. Not until then will this bill have my vote and support.

Mr. BEITER. Mr. Speaker, the intent of the bill which we are now discussing is generally satisfactory. However, I believe that our best contribution toward world peace ought to consist in making it most difficult for us to become involved in war, and with public opinion consulted in advance and with plans already worked out and well understood for effectually controlling both labor and capital and thereby eliminating the element of sordid self-interest by putting profiteering out of everybody's reach, the possibility of the United States engaging in another war should attain the irreducible minimum consistent with national honor.

If anything is to be done along this line, we should amend the Constitution of the United States now so as to require that before war can be declared or participated in—except only in the event of attack or invasion—there must be a referendum, and that if a majority of the votes cast are for peace, there the matter ends, and if the majority be for war, every able-bodied citizen between the ages of 18 and 50 shall be drafted for service, either military or industrial, wherever he or she can be of the most use, and that all profits in excess of 5 percent received by any person, firm, or corporation from the day war is declared until peace is finally concluded shall be turned over to the Government.

There is a celebrated painting entitled "They shall beat their swords into plowshares" that gives a vision of that coming time in the history of the world which was predicted by the poet Tennyson:

When the war-drums throb no longer, and the battle-flags are furled,
In the Parliament of Man, the Federation of the World.

Is such a time possible in the evolution of nations, and is it more desirable than the present state of armed watchfulness, when the god of war seems continually ready to shake his iron dice and plunge the peoples of earth into another frightful struggle such as the one from which we have just emerged?

Let us look at the question first from the standpoint of expense—the most practical phase of the subject. The latest estimates of the total cost of the World War to all nations involved place the cost at approximately $235,000,000,000, which is considerably more than the entire estimated wealth of the United States.

The United States was in the war 18 months, during which brief period, according to official data made public on July 1, 1921, the cost to us was $50,168,625,707. The Civil War debt on July 1, 1865, was, in round numbers, $2,500,000,000. From July 1, 1865, to July 1, 1935, is 70 years—nearly a century—and $600,000 of the original war debt still remains unpaid. If it has taken the country nearly a century to pay only $2,000,000,000 of its Civil War debt of two and one-half billions of dollars, how long will it take us to pay the present war debt of $50,000,000,000? At the same rate of progress, 1,675 years.

If Great Britain made the payment due us on the war debt, it would cost her 4.1 percent of her budget. She says she cannot pay us, but she is spending 13 percent of her budget on armaments.

If France paid, it would cost her 2 percent of her budget. She says she cannot pay us, but she is spending 27.4 percent of her budget on armaments. After the armistice was signed we loaned France more than a billion of dollars and during the same period of time she loaned other European countries $700,000,000.

If Italy paid us, it would cost her 1.4 percent of her budget. She says she cannot pay, but she is spending 33.1 percent on armaments.

We conscripted 4,000,000 men for their war. We shipped 2,000,000 across the sea. We shipped almost all in British bottoms, and paid Great Britain $140 to $180 for the transportation of every boy. We paid them to transport our boys to their war.

A hundred and twenty-five thousand of these boys never came back.

We are paying $800,000,000 a year interest on these debts that we contracted for them and that they now refuse to pay.

Quite a burden this for 18 months of participating in a European war. It is quite certain that the great-grandchildren of the men who participated in the World War will still be paying heavy taxes in the effort to reduce its crushing costs.

We have come out of the war with victorious arms, but not in common with the other nations of the world; we realize that the cost was staggering. When Pyrrhus, King of Epirus, was congratulated on his victory over the Romans at Asculum, he replied, "Another such victory and we are ruined." The doom of war is written in the frightful burdens which it imposes upon the present and future generations. It is now admitted that the bulk of the $10,000,000,000 which the American Government loaned to the allied nations during the war is practically lost.

The railroads of our country are staggering under the effect of the strain of war time and neglect of upkeep. Increased freight rates have paralyzed the building trades and imposed high prices upon every consumer of the commodities of life. What is the teaching of these sobering facts and figures—in what direction lies the path of structure of our civilization, which even now seems threatening to engulf all of Europe? Evidently it is a return to the arts of peace, and the enactment of such legislation as will make war impossible.

Ours is a popular form of government—of the people, by the people, for the people—and the majority is supposed to rule.

If the Nation be at any time in actual danger, its citizens can safely be trusted to rally to its defense, but equally surely may they be relied on not to be suddenly stampeded by ill-considered war enthusiasm.

By amending its own Constitution as outlined and thus setting a practical example which every other nation could—and many, if not all, might—follow, the United States would be taking its place and doing its share toward preserving world peace.

Mr. YOUNG. Mr. Speaker, profiteering in war by the sale of munitions and arms is the vilest business practice known to mankind.

The McSwain bill, H. R. 5529, aims to prevent profiteering in time of war and to equalize the burdens of war. In doing this it will promote the cause of peace and at the same time provide for national defense in event of war.

The American Legion, of which I am a member, has for more than 15 years advocated that, in event of war, wealth and industry should be conscripted the same as men. The American Legion, out of the experience of the World War, has decreed as one of its great fundamental policies there should be a "universal draft." Young men—the flower of our American manhood—left homes and loved ones in response to a grave national duty. They offered their lives as sacrifices for their country. They were paid $30 per month. Mechanics and shipbuilders, 3,000 miles from the dangers of war, who furnished the munitions of war and the ships to convey the munitions received $300 and more per month. Industrialists, who came up like mushrooms, made thousands of dollars per month under contracts to furnish munitions and supplies. This must never occur again.

It is indefensible to compel one man to endure the hardships of war, to offer his life as a sacrifice, while another is earning profits from war.

It is proper and I am happy to support seizure by our Government of 100 percent of all excess profits. During the war period our Government should seize the entire income of every industry in excess of the amount of income during a year or so preceding that war. Let us legislate to make war unprofitable and we shall make peace profitable. Let us make all bear the burden of war. If our country is compelled again to enter a conflict, both industry and man power should be mobilized. When we do this we make it more probable that our country will remain at peace with all the nations of the world.

In every war waged heretofore by our country profiteers and vermin of that ilk have thrived. Gen. George Washington complained of the profiteers of that period. He wrote, "No punishment is too great for the man who can build his greatness upon his country's ruin." I personally know families whose fortunes were created by war contractors. We all know the scandals of the Spanish War and the staggering cost of treasure and human life because we tolerated human vultures who sold "embalmed beef" for our soldiers' use. We know too well of the many fortunes made almost overnight during the World War. This bill provides that the Executive may fix prices as of a date before the declaration of war. After this bill becomes a law there can be no inflation, no profiteering—the prices must remain at the level fixed or below that level. Speculation on the threat of war would be fruitless.

The McSwain bill, which we are debating, is important to every man, woman, and child in America. Ex-service men generally will hail its enactment as a step in the right direction—toward making it less probable that our country will engage in war.

Nations frequently war for purposes of national aggrandizement. Greed breeds war—the desire for more territory, plunder, loot. This bill has been strengthened by amendments in the course of the debate. It is evident that the majority here earnestly desire to take the profit out of war, and in event of war to conscript wealth, industry, and men. There are some here who oppose conscription. Let me say we might as well manfully face the facts. If and when war comes there will be conscription of our man power, and there should be conscription. Let us look ahead and legislate now deliberately and intelligently. We should not wait until possible war hysteria assails our people. Let us plan ahead to conscript industry and the managers of industry, wealth, and the holders of capital. There will then be less likelihood of our ever again entering any war.

We should provide that no person drafted into the armed forces of our country in time of war may be compelled to serve upon foreign soil, except to prevent or repel actual invasion of the United States. We should also provide that soldiers drafted into the armed forces for the defense of our country must receive wages equal to the average daily wage of unskilled labor. During the World War there was no real objection, among thoughtful people, to the selective-service draft. Soldiers did not object to conscription. They did object, and the mothers of this land object with equal force, to civilians profiteering while soldiers serve in the trenches at a dollar a day.

My conclusion after careful study of this bill as amended is to support it and hope earnestly for its enactment. We thereby lay a solid foundation for legislation to make peace more profitable and make war unprofitable to all.

THREE AMENDMENTS KILLED IF MOTION TO RECOMMIT PASSES

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEE of Oklahoma. Mr. Speaker, if the motion made by the gentleman from Maryland [Mr. GOLDSBOROUGH] to re-

commit the bill, with instructions that the first sentence in section 3 be stricken out, passes, it will kill three worthy amendments already approved by a vote of the Committee of the Whole House.

It will kill my amendment providing for the conscription of "* * * all persons responsible for the management, direction, and control of industry, commerce, transportation, and communication."

It would kill the Boileau amendment providing that "such members of the unorganized militia drafted into the service of the United States shall not serve on foreign soils, except to prevent, repell, or quell actual invasion of the United States of America."

It would kill another one of my amendments providing that "the per diem pay of such members of the unorganized militia so drafted shall be a sum not less than the daily wage of unskilled labor * * *."

The ex-service men have asked for a universal-service law ever since the war. The third section of this bill, as amended, drafts practically everything and everybody.

The ex-service man's only objection to the last draft was that it did not go far enough. This bill as it is amended drafts all leaders of industry, commerce, transportation, and communication.

As amended it gives power to commandeer the material and financial resources of the Nation.

It was not the conscription that the soldiers complained about before; it was the inequality, the injustice between a soldier's pay and that of a civilian laborer. The man who used the gun received a dollar a day, while the man who made it got $15 a day. But this bill, as amended, would give the soldier at least an even break so far as wages is concerned. Whereas if we kill this amendment, what guaranty have we that a war Congress will so equalize the financial burdens of war?

Those who oppose this bill do so no doubt in the belief that they are furthering peace, but by making a plan now that would automatically draft everything and everybody in the event of war. Does not that further peace even more by removing all incentive for war by announcing ahead of time that the burdens of the next war must be borne by all?

To refuse to pass a draft law just because you do not want war is just like refusing to take a first-aid kit with you on a trip because you do not want to have an accident.

This bill will be a preventive measure. If we fail to announce our plan of draft in advance it is possible some people will not be averse to war, hoping that they might once more force the soldier to serve for a dollar a day while they make millions as before.

But if we pass this bill, it will be notice to the world that a war will cost everybody in service and money; therefore, nobody will want war.

Some who have opposed this law have spoken as though the draft would begin on the day that this bill becomes law, but everything in this bill is distinctly based upon the contingency of war. No war, no draft. But if war, then a universal draft of everybody and everything.

This bill does not become active except in the case of war, and in that case there would be a draft anyhow. Now, the question is whether or not we in our cool deliberation will plan a fair and just draft, including the captains of industry, financial resources, regulations as to pay and foreign service, or whether we will wait until the war hysteria seizes the country and then have an ill-advised, hastily planned draft driven through Congress under lash and spur.

Once more allow me to emphasize this is not a draft unless there is war; and if there is war, there will be a draft anyway. In other words, no war, no draft. If war, then some kind of draft anyway. You cannot prevent war by refusing to announce to the world that in case of war everybody and everything will be subject to call.

Refusal to carry a spare never prevented a war.

What does this bill contain as it now stands?

First. It would fix a ceiling to prices to prevent skyrocketing.

Second. It gives the President power to adjust prices up and down.

Third. It gives the President power to close the stock and commodity exchanges in order to curb speculation.

Fourth. It provides for conscription of all able-bodied men from 21 to 45.

Fifth. It drafts all the leaders of industry, commerce, transportation, and communication.

Sixth. It fixes a floor to the soldiers' pay "* * * not less than that of unskilled labor."

Seventh. It limits foreign service to that necessary in order to repel an invasion.

Eighth. It gives the President power to commandeer all material and financial resources, organizations, and services.

Ninth. It gives the President power to control all business and manufacturing activities by means of licenses.

Tenth. It gives the President power to determine all priorities.

Eleventh. It authorizes the President to set up all boards and commissions necessary for prosecution of the war.

Twelfth. Finally, it taxes 100 percent of the excess war profits.

I believe this bill represents a great gain toward our goal to equalize the burdens of war. Therefore, I hope it passes as amended.

ARMY DAY

Mr. CHANDLER. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Concurrent Resolution 13, which I send to the desk and ask to have read.

The Clerk read as follows:

Senate Concurrent Resolution 13

Resolved by the Senate (the House of Representatives concurring), That Saturday, April 6, 1935, be recognized by the Senate and House of Representatives of the United States of America as Army Day, and that the President of the United States be requested, as Commander in Chief, to order military units throughout the United States to assist civic bodies in appropriate celebration to such extent as he may deem advisable.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Has this resolution passed the Senate?

Mr. CHANDLER. It has.

Mr. SNELL. April 6 is Saturday of this week. Does the gentleman think he can get any results from a resolution of this kind when the date is so imminent?

Mr. CHANDLER. If we do not pass it today, we certainly cannot; but if we pass it today, we think we can. The plan is under way. This is simply an official recognition of the day.

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

APPROPRIATIONS FOR RELIEF—CONFERENCE REPORT

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the conference committee on House Joint Resolution 117 have until 12 o'clock tonight to file a report.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, does the gentleman expect to have a meeting of the conference committee this evening?

Mr. BUCHANAN. Yes; and if we can get that meeting together we have every reason to believe that we will get a report.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

Mr. McSWAIN. Mr. Speaker, I am requested to ask permission of the House that the gentleman from Pennsylvania [Mr. DORSEY] have leave of absence for 3 days, on account of death in his family.

The SPEAKER. Is there objection?

There was no objection.

THE CRUCIFICATION OF TOM MOONEY

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, I have long entertained the highest respect and admiration for that fine, courageous woman, our associate in this legislative body, Representative CAROLINE O'DAY.

Today, however, I respect and admire her more than ever because of her brave and worthy action in appealing to President Roosevelt in behalf of the release of labor's persecuted and imprisoned leader, Thomas Mooney. By making this request to the Chief Executive, Mrs. O'DAY has won the esteem and gratitude of millions of workers in every part of our country and in other lands as well, for organized labor in every land regards the cause of Tom Mooney as its own cause and his incarceration as a direct blow at the working class.

There is no blacker page in the annals of history than that of the jailing of Tom Mooney for a crime that it is practically a certainty he never committed. That he was put behind walls and bars, not because he had broken any law but because he was a fearless, fighting, persistent champion of the rights of the California toilers is today conceded by the great majority of people. That the testimony on which he was convicted was false and perjured is proven almost beyond question. That he has been kept in prison so long after his innocence has been so clearly established can be attributed to nothing else than the vicious determination of a brutal and conscienceless plutocracy to crucify the man whose militant leadership threatened their ill-gotten gains.

The wrong done Tom Mooney, whose best years have been spent in San Quentin Prison, can never be undone. It could not be undone if he were paid a million dollars in damages. There is no way on earth of righting such a wrong.

Yet the organized workers of the world and myriads of others who look upon Mooney's confinement as an unspeakable outrage will welcome his belated liberation—if it should come now. Mrs. O'DAY, by adding her voice to the voices of 27 United States Senators, various Congressmen, and so many others, has made a fine contribution to the cause of the oppressed—her finest contribution among many fine acts in her commendable career of public service. Her warm friendship for the President and Mrs. Roosevelt will, of course, give added weight to her recommendation.

About a year ago our former colleague, George Foulkes, then Representative from the Fourth District of Michigan, at the request of a Washington newspaper correspondent, Linn A. E. Gale, who is also president of the Washington Open Forum, wrote the President, asking him to recommend to the Governor of California the pardoning of Mooney. No results came at that time. Now that Mrs. O'DAY has come to Mooney's defense, and just following the admirable decision of the United States Supreme Court in reversing the Scottsboro case conviction, perhaps the hour is ripe for Mooney's liberation.

I have for years believed in Tom Mooney's innocence and advocated his release. I fervently hope that it is now to be granted and that the dark and dismal words of the poet, "Right forever on the scaffold; wrong forever on the throne", may be proven untrue.

POLITICAL AND ECONOMIC TENDENCIES

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting in the RECORD a speech delivered by the gentleman from Minnesota [Mr. KVALE], in Madison Square Garden, New York City, April 3, 1935.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

Mr. Chairman, previous speakers each have offered constructive comment on some phase of the general subject which focuses this evening's forum on the question of the necessity for defending here and tonight our liberties as citizens of the United States of America.

The depression, and the violent economic readjustment which ensued, has not exactly encouraged sane and sensible thought or action. Contemporary happenings in foreign lands have further plunged us with disturbing rapidity into our present hysterical, panicky, illogical, and fragmentary reasonings. It is a time for tragedy and chaos unless we mass ourselves and frankly and constructively try to preserve the principles that have been the foundation stone of this Government.

Our breath of life through all our years of entity has been the liberty of thought and speech and action. That is distinct from unbridled license, it should be unnecessary to add, but nevertheless it has meant liberty to write or voice our thoughts and convictions upon religious, political, or economic questions as we might be inspired to do. Liberty to meet and mingle as we desired. Liberty to hold our own independent views, and likewise to respect our neighbor who might emphatically disagree with us.

What do we see today? Candidly, we see a national administration—to which I still look hopefully for helpful action and proper leadership—we see that administration increasingly subjected to pressure and propaganda, and with at least some degree of success. That propaganda and that pressure comes from short-sighted industrial and financial leaders in the category generally described by the broad phrase "big business." They would perpetuate capitalism's privileges and advantages under a democratic government without meeting the responsibilities which the new deal has assumed. They would fail to join the march toward the performance of the most necessary task of relieving the distress and misery attendant to the wide-spread unemployment. Capital continues on a defiant and sullen strike. But labor and unemployed have no rights, for them these powerful men would deny any responsibility.

What is more, they appear to believe that they can subdue the desperate complaints and protests, instead of acting to cure the fundamental economic ills. That, it appears to me, is the reason for this mass protest tonight. Unorganized, scattered individual complaints are of pitifully little value when directed against the fat ones who have their fingers on the economic and political nerve centers of the Nation.

Hence the drive to reenact sedition laws. Hence the effort to remove the Communist from under the protective blanket of our rights to free speech. I confess that personally I see something a little absurd in granting full rights of free speech to an individual who, if he were given full power to carry his teachings into effect, would destroy those rights among his first acts. And yet, Mr. Chairman, I do know that we live in a democracy, under a republican form of government, and I do know that one of the first purposes of that form of government, if utterances of our leading thinkers since colonial days mean anything, is to guarantee beyond any question that liberty of thought and action in speech, press, religious worship. A careful reading of the Bill of Rights even demonstrates that the right of revolution is enunciated clearly if other methods of reform or progress fail.

Those who now are responsible for this propaganda deny any intent to disfranchise citizens who offend them. But it is the next logical step. In some States, you know, there have been determined and partly successful efforts to remove the voting privilege from those forced upon relief rolls. No matter to them that the destitute were driven to their state by a bitter economic development for which they had not the slightest responsibility. We are familiar with racial discrimination in more than a few polling places. Through neglect and inaction there arises the possibility that what has happened in other nations in our time may happen here. Then it will be too late to lift voices in protest, whether in news or editorial column, from pulpit or platform, or over the air. Surely it must be impossible, we tell ourselves, that we shall see our elections corrupted until only those who unreservedly favor the group in power will dare to exercise that right. Exactly that picture is in the minds of some men.

To be more specific, I might refer to the people I know the best, my own northwestern farmers. Fighting grimly since the war days against a cruel series of reversals, they have shown a courage and patience and resourcefulness difficult to believe. For 15 years they have seen their civil rights melt away, not in one dramatic overt act such as publication of an edict, show of force, an act of God, but with the soul-torturing and inexorable progress of a glacier or the march of a sand dune.

Oh, they can still exercise their rights to speak, assemble, petition their elected and appointed public servants, and otherwise carry out their functions as citizens. And they do. They are literate, vitally interested; and now, out of the chronic aches of 15 years, has come a grim determination. Disillusion came simultaneously with the drought, which, on top of all the rest, brought desperation.

Now the pity of it. Unorganized, dispersing their efforts, betrayed sometimes by false or incapable leadership, victimized by untimely appeals to what was represented to be their duties as loyal and unselfish citizens, they have permitted the selfish groups of industrialists, financiers, and food processors to bring this once independently wealthy and economically content area to a state of virtually complete impoverishment. A dissipation of wealth and of sources has been wreaked which cannot be remedied in a generation. The despoilers have planned their methods with devilish cunning. They contrived their purpose under full protection of law and Government; they diverted protests into blind alleys; they scattered the opposition; they confused the minds of their victims with protestations of sympathy and help, until tonight I am tempted to make the rather rash statement that my farmer is so dejected and depressed over his situation that he may

well wonder if free speech is any concern of his. The things which civil liberties were designed to conserve and protect have vanished.

And yet when we regard the awful evidence which comes in from every part of the cotton country regarding the status today of the share-cropper, we cannot but be stirred to deepest indignation and frantic preparation for concerted action. My farm owners are dismal when they are evicted from a home that holds memories and thrills of several generations of continuous occupancy. The farm itself in all likelihood was wrested from the wilderness. Its permanent values have steadily been enhanced by construction and improvement of dwellings and buildings. Farmers in addition fertilized the soil, they rotated their crops judiciously, killed off the noxious weeds, improved the quality of their livestock herds, and otherwise contributed to the permanent wealth of their own holdings as well as of their community and Nation. Family members were assured modest advantages as to recreation, health, education, and small luxuries. To such people reversion to poverty is almost unthinkable.

But behold your share-cropper. Accustomed only to fulfillment of the simplest and barest wants, living in Spartan discomfort, persistently and systematically robbed by his landlord in the great majority of cases, working from dawn till dark during the entire season, and what is more, putting his whole family—little children and all—into the fields, that was his almost universal lot. For his reward, he learned at the time of the annual accounting that he had practically nothing to show in dollars and cents for his drudgery and drab existence.

Then a wise Congress decides to curtail cotton production. I shall not quarrel here or now with that decision. I want briefly to discuss its effect. Without wanting to be self-laudatory, I do want this record to show that at the time the House of Representatives passed the measure I expressed grave concern over the effect of the act upon the modest and inarticulate share cropper, only to have my misgivings impatiently thrust aside.

I once traveled through those areas. I visited with the farmers. I have walked through their pitifully inadequate hovels. I have seen their stark poverty. So now, when I find incontrovertible evidence that they are thrown into helpless unemployment in droves, are too abjectly impoverished to move their families or handfuls of possessions in search of work, have no social or civil rights or liberties, are denied by drastic action on part of authorities the right to collective action, are unable to educate their children, are callously ignored by the planter, who was meant to have his full and fair responsibility for their welfare, and who was supposed to share A. A. A. benefits with them in some reasonable proportion, I need see no more to show me my only course.

Perhaps somewhere in this hall tonight there is opportunity to purchase an inexpensive little pamphlet published by the League for Industrial Democracy, entitled "The Plight of the Share-Cropper." It represents the findings of Norman Thomas as set down after a personal and thorough survey, and also embodies the Amberson report, a factual summary of conditions among these unfortunate and friendless people. Think, that in these free and democratic United States of ours, should be an entire area where a whole economic group can be caught in a press, not of their own making. Disenfranchised, subject to every ravage of starvation, illiteracy, lack of medical facilities resulting in alarming spread of epidemics, they face the future with utter despair. When they endeavor to reach those in authority or an unenlightened public with a statement of their condition and an appeal for help, the reply to them is repression, abuse, force, and threats of violence, without a constructive act to aid them in their distress.

To conclude, then, in summary, and at the risk of painful repetition, may I submit to this gathering that, in my opinion, the new deal has no more important task immediately before it, while this form of government obtains, than to preserve for the farmer and worker, black or white, radical or reactionary, Republican or Communist, his right to free speech and assembly, to an unfettered press, to the inalienable rights of any citizen of this land to his life, his bit of property (if he be that fortunate), and to his perhaps hopeless pursuit of happiness and economic security.

Those are the reasons why I have been glad to have the opportunity of adding my bit to the united protest that goes out from this hall tonight. May this meeting and its influence warn thinking citizens that we neglect our duties as citizens in a critical time in this Nation's history unless we do what we can to counteract the insidious and invidious attacks of those selfish and shortsighted groups who are plunging this country into hysteria today. We are verging toward a rekindling of virtual war psychology.

Remember, and remember well, the oft-quoted admonition which still holds true—"Patriotism is the last refuge of a scoundrel."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINSON of Georgia, indefinitely, on account of illness in family.

To Mr. GREGORY, for 5 legislative days, on account of illness in family.

To Mr. DARDEN, indefinitely, on account of illness of father.

ADJOURNMENT

Mr. McSWAIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Friday, April 5, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Friday, Apr. 5, 10:30 a. m.)

Committee will hold hearings on various bills.

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Friday, Apr. 5, 10:30 a. m.)

Subcommittee on Public Health, Hospitals, and Charities will hold hearings in the caucus room of the old House Office Building on bills H. R. 6232 and H. R. 7204, relating to smoke-control regulations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 3003. A bill to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes; without amendment (Rept. No. 584). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 4459. A bill to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; without amendment (Rept. No. 585). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 6594. A bill to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; without amendment (Rept. No. 586). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 7160. A bill to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges; without amendment (Rept. No. 587). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. Senate Concurrent Resolution 13. Concurrent resolution to recognize April 6, 1935, as Army Day; without amendment (Rept. No. 607). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DELANEY: Committee on Naval Affairs. H. R. 780. A bill for the relief of Raymond C. Bogart; without amendment (Rept. No. 588). Referred to the Committee of the Whole House.

Mr. CHURCH: Committee on Naval Affairs. H. R. 845. A bill for the relief of Herbert L. Stafford; without amendment (Rept. No. 589). Referred to the Committee of the Whole House.

Mr. MILLARD: Committee on Naval Affairs. H. R. 855. A bill for the relief of David Schwartz; without amendment (Rept. No. 590). Referred to the Committee of the Whole House.

Mr. YOUNG: Committee on Naval Affairs. H. R. 1070. A bill for the relief of Thomas T. Gessler; without amendment (Rept. No. 591). Referred to the Committee of the Whole House.

Mr. SCHUETZ: Committee on Naval Affairs. H. R. 1470. A bill for the relief of Carl A. Butler; without amendment

(Rept. No. 592). Referred to the Committee of the Whole House.

Mr. DARROW: Committee on Naval Affairs. H. R. 1714. A bill for the relief of Russell H. Lindsay; without amendment (Rept. 593). Referred to the Committee of the Whole House.

Mr. BURNHAM: Committee on Naval Affairs. H. R. 2118. A bill for the relief of John P. Seabrook; without amendment (Rept. No. 594). Referred to the Committee of the Whole House.

Mr. O'CONNELL: Committee on Naval Affairs. H. R. 2315. A bill for the relief of Anthony Peter De Young; without amendment (Rept. No. 595). Referred to the Committee of the Whole House.

Mr. McGRATH: Committee on Naval Affairs. H. R. 2555. A bill to extend to Sgt. Maj. Edmund S. Sayer, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men; without amendment (Rept. No. 596). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 2611. A bill for the relief of John E. Fondahl; without amendment (Rept. No. 597). Referred to the Committee of the Whole House.

Mr. KNIFFIN: Committee on Naval Affairs. H. R. 2710. A bill for the relief of George Francis Grundy; without amendment (Rept. No. 598). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 3216. A bill for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps; without amendment (Rept. No. 599). Referred to the Committee of the Whole House.

Mr. SEARS: Committee on Naval Affairs. H. R. 3366. A bill for the relief of Victor Oscar Gokey; without amendment (Rept. No. 600). Referred to the Committee of the Whole House.

Mr. SUTPHIN: Committee on Naval Affairs. H. R. 3604. A bill to place William H. Clinton on the retired list of the Navy; without amendment (Rept. No. 601). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H. R. 3760. A bill for the relief of Capt. Arthur L. Bristol, United States Navy; without amendment (Rept. No. 602). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Naval Affairs. H. R. 4274. A bill correcting date of enlistment of Elza Bennett in the United States Navy; without amendment (Rept. No. 603). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 4623. A bill for the relief of George Brackett Cargill, deceased; without amendment (Rept. No. 604). Referred to the Committee of the Whole House.

Mr. ANDREW of Massachusetts: Committee on Naval Affairs. H. R. 5100. A bill for the relief of Michael F. Calnan; with amendment (Rept. No. 605). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 5782. A bill providing for the advancement in rank of Frederick L. Caudle on the retired list of the United States Navy; without amendment (Rept. No. 606). Referred to the Committee of the Whole House.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 4708. A bill for the relief of E. F. Droop & Sons Co.; without amendment (Rept. No. 608). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3950) granting an increase of pension to Nellie Murray; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2995) granting an annuity to John O. Jones; Committee on the Civil Service discharged, and referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON: A bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes; to the Committee on Ways and Means.

By Mr. CARTER: A bill (H. R. 7261) to authorize the erection of an addition to the existing United States Veterans' Administration facility, Livermore, Calif.; to the Committee on World War Veterans' Administration.

By Mr. KENNEY: A bill (H. R. 7262) to provide for the establishment of the Camp Merritt National Military Park in Bergen County, N. J.; to the Committee on Military Affairs.

By Mr. McGROARTY: A bill (H. R. 7263) to amend an act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933; to the Committee on Expenditures in the Executive Departments.

By Mr. O'LEARY: A bill (H. R. 7264) authorizing the Richmond-Brooklyn Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across New York Bay between Brooklyn and Staten Island; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 7265) to authorize the Secretary of the Interior to create a townsite on the former Fort Spokane Military Reserve in the State of Washington, and for other purposes; to the Committee on the Public Lands.

By Mr. WHITE: A bill (H. R. 7266) to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho; to the Committee on Indian Affairs.

By Mr. BOYLAN: A bill (H. R. 7267) to reclassify salaries of employees in the custodial service of the Treasury and Post Office Departments of the United States, including assistant custodian, engineman, fireman, watchman, laborer, charman, charwoman, elevator and telephone operator, cleaner, and janitor; to the Committee on the Civil Service.

By Mr. MEAD: A bill (H. R. 7268) to amend the Railway Labor Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MAY: Resolution (H. Res. 193) for an investigation of the plan for national defense looking to the production of munitions and materials of war and the adequacy of the power supply available therefor, and for other purposes; to the Committee on Rules.

By Mr. DUNN of Pennsylvania: Joint resolution (H. J. Res. 238) proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada, regarding an increase in the personnel of the National Guard of the State of Nevada; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARENDS: A bill (H. R. 7269) granting a pension to Frank B. Oatman; to the Committee on Invalid Pensions.

By Mr. BACHARACH: A bill (H. R. 7270) for the relief of Clara Imbesi and Domenick Imbesi; to the Committee on Claims.

By Mr. CALDWELL: A bill (H. R. 7271) for the relief of the estate of Eula Lee Sunday; to the Committee on Claims.

By Mr. CARTER: A bill (H. R. 7272) for the relief of John S. Turner; to the Committee on Claims.

By Mr. GAMBRILL: A bill (H. R. 7273) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Washington Parker, a former employee of the United States Naval Academy dairy farm, Gambrills, Md.; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 7274) granting a pension to James R. Gibbs; to the Committee on Invalid Pensions.

By Mr. LEA of California: A bill (H. R. 7275) for the relief of the State of California; to the Committee on War Claims.

By Mr. McGROARTY: A bill (H. R. 7276) for the relief of James J. Powers; to the Committee on Naval Affairs.

By Mr. McKEOUGH: A bill (H. R. 7277) to authorize settlement, allowance, and payment of a certain claim; to the Committee on Claims.

Also, a bill (H. R. 7278) for the relief of Rex Eugene Bloss; to the Committee on Naval Affairs.

By Mr. REED of Illinois: A bill (H. R. 7279) for the relief of Clement Ildrum Shackley; to the Committee on Naval Affairs.

Also, a bill (H. R. 7280) for the relief of Oscar Avery Bates; to the Committee on Naval Affairs.

By Mr. SCHNEIDER: A bill (H. R. 7281) for the relief of Emma F. Winsey; to the Committee on Claims.

By Mr. SHANLEY: A bill (H. R. 7282) for the relief of certain claimants; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 7283) granting an increase of pension to Louise E. Van Norden; to the Committee on Pensions.

By Mr. TOLAN: A bill (H. R. 7284) for the relief of Arthur C. Pinson and Pearl Pinson; to the Committee on Claims.

By Mr. WELCH: A bill (H. R. 7285) granting a pension to Joseph J. Carroll; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6324. By Mr. ROGERS of Oklahoma: Petition headed by G. Cross, of Renfroes, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6325. Also, petition headed by R. Spacy, of Hoopeston, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6326. Also, petition headed by B. G. Mims, of Fryeburg, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6327. Also, petition headed by J. Thomas, of Gibsland, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6228. Also, petition headed by W. L. King, of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6329. Also, petition headed by M. A. Skipper, of Ringgold, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6330. Also, petition headed by A. R. McGinty, of Ringgold, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6331. Also, petition headed by T. J. Walke, of Plain Dealing, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6332. Also, petition headed by E. Wade, of Athens, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6333. Also, petition headed by W. E. Lay, of Quitman, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6334. Also, petition headed by William Henry Howe, of Plain Dealing, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6335. Also, petition headed by M. L. Garner, of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6336. Also, petition headed by J. J. Harvill, of Athens, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6337. Also, petition headed by Huey Young, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6338. Also, petition headed by R. E. Martin, of Vivian, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6339. Also, petition headed by John R. Watson, Sr., of Ida, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6340. Also, petition headed by J. A. Stewart, of Rodessa, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6341. Also, petition headed by M. Brooks, of Gibsland, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6342. Also, petition headed by L. Booker, of Gibsland, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6343. Also, petition headed by Raymond Sortor, of Mira, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6344. Also, petition headed by Dan Hines, of Mansfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6345. Also, petition headed by A. Reese, of Belcher, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6346. Also, petition headed by S. S. Brown, of Frierson, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6347. Also, petition headed by John L. Jones, of Minden, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6348. Also, petition headed by William Sanders, of Doyline, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6349. Also, petition headed by Tom Lott, of Doyline, La., favoring House bill 2856, by Congressman WILL ROGERS, the

Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6350. Also, petition headed by J. D. Penton, of Muscogee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6351. Also, petition headed by George Lee Jacob, of Benson, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6352. Also, petition headed by H. B. Howell, of Mansfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6353. Also, petition headed by Ausby Bell, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6354. Also, petition headed by Simon Jones, of Belcher, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6355. Also, petition headed by Austin Wess, of Homer, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6356. Also, petition headed by J. N. Mathews, of Castor, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6357. Also, petition headed by Troy Carter, of Liverpool, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6358. Also, petition headed by S. E. Hornsby, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6359. Also, petition headed by N. Barber, of Mansfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6360. Also, petition headed by D. Antoine, of Caspiana, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6361. Also, petition headed by John Frazier, of Mount Lebanon, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6362. Also, petition headed by Herbert Blazer, of Gilliam, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6363. Also, petition headed by M. Jackson, of Arcadia, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6364. Also, petition headed by S. Blount, of Ringgold, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6365. Also, petition headed by C. Brown, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6366. Also, petition headed by K. Thomas, of Gibsland, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6367. Also, petition headed by E. Willoughby, of Minden, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6368. Also, petition headed by E. T. Wright, of Cedar Grove, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6369. Also, petition headed by Will Wright, of Samantha, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6370. Also, petition headed by Rosevelt Mell, of Grapeland, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6371. Also, petition headed by R. Smith, of Watson, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6372. Also, petition headed by L. Mathews, of Kansas City, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6373. Also, petition headed by Charles Hutchison, of Golconda, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6374. Also, petition headed by Joseph M. Barnhardt, of Concord, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6375. Also, petition headed by Noah G. Sloan, of Statesville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6376. Also, petition headed by C. M. Mull, of Granite Falls, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6377. Also, petition headed by J. M. Hodges, of Blowing Rock, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6378. Also, petition headed by M. L. Moore, of China Grove, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6379. Also, petition headed by Richard Oxentine, of Blowing Rock, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6380. Also, petition headed by G. Turner, of Hanna, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6381. Also, petition headed by John Samuel, of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6382. Also, petition headed by Isaiah Yount, of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6383. Also, petition headed by M. H. Bolden, of Robson, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6384. Also, petition headed by S. C. Robinson, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6385. Also, petition headed by Frank Hurdle, of Vivian, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6386. Also, petition headed by J. M. Mason, of Vivian, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6387. Also, petition headed by A. Henderson, of Houston, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6388. Also, petition headed by F. Hollifield, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6389. Also, petition headed by Michael McMillan, of Keatchie, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6390. Also, petition headed by Chester Woods, of Mansfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6391. Also, petition headed by D. Douglass, of Bethany, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6392. Also, petition headed by P. Washington, of Minden, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6393. Also, petition headed by George B. Lamon, of Benton, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6394. Also, petition headed by Thomas J. Crugan, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6395. Also, petition headed by Joseph Sims, of Rodessa, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6396. Also, petition headed by N. P. Murray, of Vivian, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6397. Also, petition headed by S. S. Wyman, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6398. Also, petition headed by M. Sikes, of Grove, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6399. Also, petition headed by J. T. Butler, of Plain Dealing, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6400. Also, petition headed by H. Hughes, of Homer, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6401. Also, petition headed by N. Thompson, of Athens, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6402. Also, petition headed by Joseph Wright, of Athens, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6403. Also, petition headed by Allen F. Thomas, of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6404. Also, petition headed by L. Hatton, of Taylorsville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6405. Also, petition headed by R. R. Moore, of Mooresville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6406. Also, petition headed by W. W. Gadd, of Concord, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6407. Also, petition headed by F. V. Tucker, of Statesville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6408. Also, petition headed by J. A. Wood, of Grassy Creek, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6409. Also, petition headed by Moore Marsh, of Statesville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6410. Also, petition headed by Richard Loracy, of Statesville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6411. Also, petition headed by C. B. Matheson, of Hiddenite, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6412. Also, petition headed by Walter Chambers, of Statesville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6413. Also, petition headed by E. W. Hurt, of Drummond, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6414. Also, petition headed by M. A. Prince, of Wilsonville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6415. Also, petition headed by W. D. York, of Morley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6416. Also, petition headed by E. R. Smith, of Fayetteville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6417. Also, petition headed by M. Sherrill, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6418. Also, petition headed by Edward Henderson, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6419. Also, petition headed by J. F. Bobo, of Obion, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6420. Also, petition headed by William K. Hause, of Trimble, Tenn., favoring House bill 2856, by Congressman WILL

ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6421. Also, petition headed by R. S. Mingle, of Dyer, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6422. Also, petition headed by J. A. Hopper, of Kenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6423. Also, petition headed by J. E. Dew, of Hallsboro, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6424. Also, petition headed by A. Jankins, of Leesville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6425. Also, petition headed by I. S. Carmack, of Union City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6426. Also, petition headed by Eldridge Reeves, of Stanton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6427. Also, petition headed by Judson Taylor, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6428. Also, petition headed by N. Tarry, of Obion, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6429. Also, petition headed by Lee Jackson, of Union City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6430. Also, petition headed by M. Pratt, of Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6431. Also, petition headed by D. Lacy, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6432. Also, petition headed by L. Jones, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6433. Also, petition headed by L. Reece, of Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6434. Also, petition headed by S. L. Smith, of Rutherford, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6435. Also, petition headed by O. Mayfield, of Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6436. Also, petition headed by A. Moore, of Trimble, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6437. Also, petition headed by E. Adams, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6438. Also, petition headed by M. Word, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6439. Also, petition headed by M. E. Rhodes, of Mason, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6440. Also, petition headed by G. M. Vass, of Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6441. Also, petition headed by E. Howell, of Henning, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6442. Also, petition headed by T. N. Eddelman, of Kenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6443. Also, petition headed by P. E. Cook, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6444. Also, petition headed by Pete Shaw, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6445. Also, petition headed by Andrew Waterfield, of Union City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6446. Also, petition headed by M. Bryant, of Milan, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6447. Also, petition headed by E. Eanel, of Tipton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6448. Also, petition headed by S. Wiggins, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6449. Also, petition headed by W. T. Mitchell, of Martin, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6450. Also, petition headed by C. P. Majors, of Henning, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6451. Also, petition headed by Frank Tatum, of Prattville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6452. Also, petition headed by G. W. Broome, of Jacksonville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6453. Also, petition headed by Charles G. Glenn, of Fayetteville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6454. Also, petition headed by M. S. Johnson, of Jones, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6455. Also, petition headed by S. Houser, of Booth, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6456. Also, petition headed by M. Pruett, of Jacksonville, Ala., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6457. Also, petition headed by Lee Jones, of Alberta, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6458. Also, petition headed by S. Smith, of Alberta, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6459. Also, petition headed by C. Lindsey, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6460. Also, petition headed by S. P. Phipps, of Ashland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6461. Also, petition headed by J. S. Mitchell, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6462. Also, petition headed by P. Burns, of Ashville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6463. Also, petition headed by George Kitchens, of Ragland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6464. Also, petition headed by James Atkinson, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6465. Also, petition headed by W. J. Brannon, of Ragland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6466. Also, petition headed by W. P. Rowland, of Cropwell, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6467. Also, petition headed by P. Jackson, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6468. Also, petition headed by E. V. Gafford, of Billingsley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6469. Also, petition headed by M. Wilkins, of Billingsley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6470. Also, petition headed by A. J. Thomas, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6471. Also, petition headed by C. F. Forsyth, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6472. Also, petition headed by A. Green, of Berlin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6473. Also, petition headed by W. G. Garrett, of Alpine, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6474. Also, petition headed by M. James, of Talladega, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6475. Also, petition headed by W. Smiley, of Berlin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6476. Also, petition headed by J. D. Griffin, of Ashland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6477. Also, petition headed by S. H. Cashatt, of Edin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6478. Also, petition headed by W. D. Turner, of Billingsley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6479. Also, petition headed by M. L. Thompson, of Billingsley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6480. Also, petition headed by T. M. Newman, of Alpine, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6481. Also, petition headed by Thomas Jones, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6482. Also, petition headed by G. F. Bishop, of Travellers Rest, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6483. Also, petition headed by M. T. Powell, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6484. Also, petition headed by T. J. McDowell, of Campobello, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6485. Also, petition headed by A. Knox, of Pacolet Mills, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6486. Also, petition headed by J. P. Ewington, of Greer, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6487. Also, petition headed by O. L. Jennings, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6488. Also, petition headed by William Fowler, of Spartanburg, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6489. Also, petition headed by B. Jones, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6490. Also, petition headed by S. Lawrence, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6491. Also, petition headed by W. A. Barrett, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6492. Also, petition headed by J. F. Anderson, of Finley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6493. Also, petition headed by L. Harber, of Friendship, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6494. Also, petition headed by Jim Asbridge, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6495. Also, petition headed by Walter Shepard, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6496. Also, petition headed by W. B. Sutton, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6497. Also, petition headed by E. O. Garrett, of Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6498. Also, petition headed by D. Miller, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6499. Also, petition headed by David J. Bowling, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6500. Also, petition headed by J. H. Austin, of Greer, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6501. Also, petition headed by James D. Blackwell, of Laurens, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6502. Also, petition headed by Henry Davis, of Jonesville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6503. Also, petition headed by A. Broadwaters, of Jonesville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6504. Also, petition headed by R. Alexander, of Lyman, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6505. Also, petition headed by R. Gilliam, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6506. Also, petition headed by O. T. Ross, of Whitney, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6507. Also, petition headed by Allen Foster, of Jonesville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6508. Also, petition headed by M. L. Satterfield, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6509. Also, petition headed by J. R. Sanders, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6510. Also, petition headed by M. C. Greene, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6511. Also, petition headed by A. Orr, of Norris Chapel, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6512. Also, petition headed by Robert Avery, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6513. Also, petition headed by Joseph Thomas, of Tiptonville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6514. Also, petition headed by C. N. Stafford, of McKenzie, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6515. Also, petition headed by Cecil Puckett, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month, to the Committee on Ways and Means.

6516. Also, petition headed by C. McClain, of Tiptonville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6517. Also, petition headed by J. W. Russon, of Booths Point, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6518. Also, petition headed by Thomas Craig, of Miston, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6519. Also, petition headed by L. B. Runion, of Miston, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6520. Also, petition headed by J. W. Rogers, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6521. Also, petition headed by J. McKinney, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6522. Also, petition headed by J. O. Davis, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6523. Also, petition headed by L. Gurley, of Milan, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6524. Also, petition headed by Dave Mattock, of Trimble, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6525. Also, petition headed by P. H. Moon, of Martin, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6526. Also, petition headed by M. J. Tucker, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6527. Also, petition headed by E. W. Reeves, of Burgin, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6528. Also, petition headed by V. Richardson, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6529. Also, petition headed by Arthur Jones, of Norfolk, Va., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6530. Also, petition headed by H. Mays, of Movico, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6531. Also, petition headed by C. S. Timpson, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6532. Also, petition headed by George T. Millican, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6533. Also, petition headed by J. Blakenship, of Vincent, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6534. Also, petition headed by L. C. Machen, of Hollins, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6535. Also, petition headed by D. A. Smith, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6536. Also, petition headed by W. B. Robertson, of Eden, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6537. Also, petition headed by S. S. Shropshire, of Alpine, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6538. Also, petition headed by Sam Knights, of Deatsville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6539. Also, petition headed by E. A. Osbourn, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6540. Also, petition headed by L. Jones, of Safford, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6541. Also, petition headed by W. H. Campbell, of Central Mill, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6542. Also, petition headed by J. Colman, of Safford, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6543. Also, petition headed by Mr. Sealy, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6544. Also, petition headed by P. E. Bryant, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6545. Also, petition headed by A. H. Allen, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6546. Also, petition headed by D. Black, of Jacksonville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6547. Also, petition headed by S. Weaver, of Jacksonville, Ala., favoring House bill 2356, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6548. Also, petition headed by Phillip Fowler, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6549. Also, petition headed by S. C. Montgomery, of Safford, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6550. Also, petition headed by Tom Wilkerson, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6551. Also, petition headed by S. Bittle, of Lincoln, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6552. Also, petition headed by W. M. Canada, of Talladega, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6553. Also, petition headed by H. M. Adkins, of Trussville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6554. Also petition headed by Albert Ware, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6555. Also, petition headed by W. M. Deramus, of Haynes, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6556. Also, petition headed by J. L. Kilgore, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6557. Also, petition headed by L. V. Beal, of Ragland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6558. Also, petition headed by Harper Bledsoe, of Talladega, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6559. Also, petition headed by Willie Matthews, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6560. Also, petition headed by L. G. Bozeman, of Wetumpka, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6561. Also, petition headed by M. Wright, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6562. Also, petition headed by M. Meade, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6563. Also, petition headed by D. P. Robertson, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6564. Also, petition headed by A. Daily, of Berlin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6565. Also, petition headed by G. Williams, of Prattville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6566. Also, petition headed by H. Williams, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6567. Also, petition headed by G. W. Bradberry, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6568. Also, petition headed by J. E. Parrish, of Como, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6569. Also, petition headed by E. H. Clark, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6570. Also, petition headed by J. Ward, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6571. Also, petition headed by L. Fuzzell, of McKenzie, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6572. Also, petition headed by Carl Kelley, of Rutherford, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6573. Also, petition headed by B. Klyce, of Alamo, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6574. Also, petition headed by Joe Radford, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6575. Also, petition headed by L. Tyson, of Henning, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6576. Also, petition headed by W. I. Stone, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6577. Also, petition headed by Gist Wright, of Campobello, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6578. Also, petition headed by S. Guyton, of Pacolet, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6579. Also, petition headed by M. Humphris, of Union, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6580. Also, petition headed by A. L. Roland, of Clinton, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6581. Also, petition headed by I. Wright, of Kinards, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6582. Also, petition headed by J. A. Hall, of Spartanburg, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6583. Also, petition headed by H. Armhess, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6584. Also, petition headed by E. Allen, of Conestee, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6585. Also, petition headed by A. Allen, of Conestee, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6586. Also, petition headed by A. Smith, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6587. Also, petition headed by R. S. Jones, of Chesnee, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6588. Also, petition headed by H. W. Whitt, of Piedmont, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6589. Also, petition headed by T. B. Tarkington, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6590. Also, petition headed by G. G. Lewis, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6591. Also, petition headed by D. B. Eller, of Skiatook, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6592. Also, petition headed by N. Brandon, of Trenton, Tenn., favoring House bill 2856, by Congresman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6593. Also, petition headed by R. H. Kuykendall, of Hornbeak, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6594. Also, petition headed by M. C. Ball, of Ridgely, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6595. Also, petition headed by M. C. Corkram, of Glass, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6596. Also, petition headed by H. S. Eddeemen, of Kenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6597. Also, petition headed by S. A. Forbess, of Atoka, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6598. Also, petition headed by J. Clifton, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6599. Also, petition headed by E. A. Alston, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6600. Also, petition headed by T. E. Taylor, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6601. Also, petition headed by Jim Hathcock, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6602. Also, petition headed by L. Currie, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6603. Also, petition headed by P. Maclin, of Keeling, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the

Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6604. Also, petition headed by J. C. Sanders, of Troy, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6605. Also, petition headed by L. R. Wood, of Ridgely, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6606. Also, petition headed by R. Halford, of Bradford, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6607. Also, petition headed by B. Fletcher, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6608. Also, petition headed by E. M. Hood, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6609. Also, petition headed by E. F. Adkison, of Atoka, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6610. Also, petition headed by Walter Arnold, of Greenfield, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6611. Also, petition headed by Lee Sanders, of Gold Dust, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6612. Also, petition headed by J. F. Jernigan, of Cherry, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6613. Also, petition headed by E. J. Hutchison, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6614. Also, petition headed by M. Evans, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6615. Also, petition headed by Juliane Spiney, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6616. Also, petition headed by E. Scott, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6617. Also, petition headed by R. Hughue, of Ridgely, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6618. Also, petition headed by E. Griffey, of Tiptonville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6619. Also, petition headed by R. Barber, of Ridgely, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6620. Also, petition headed by E. Barber, of Ridgely, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6621. Also, petition headed by S. E. Simpson, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6622. Also, petition headed by Russell Bradford, of Gates, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6623. Also, petition headed by B. Maclin, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6624. Also, petition headed by John White, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6625. Also, petition headed by M. Danols, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6626. Also, petition headed by C. L. Lacomb, of Atoka, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6627. Also, petition headed by Charles Strange, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6628. Also, petition headed by Odus McDaniel, of Union City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6629. Also, petition headed by Lon Johnson, of Piedmont, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6630. Also, petition headed by O. W. Caine, of Marion Junction, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6631. Also, petition headed by M. Decicle, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6632. Also, petition headed by J. Bert Roper, of Wellington, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6633. Also, petition headed by William Farrow, of Elmore, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6634. Also, petition headed by R. F. Chandler, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6635. Also, petition headed by L. A. Ehod, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6636. Also, petition headed by L. O. Leach, of Fayetteville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6637. By Mr. COFFEE: Memorial of the Nebraska House of Representatives, urging early enactment of House bill 2024; to the Committee on War Claims.

6638. By Mr. COLDEN: Petition of Annie Harris, Charley Jackson, and others (containing 50 names), favoring the Pope plan for old-age pensions; to the Committee on Ways and Means.

6639. By Mr. CRAWFORD: Petition of George Dodge and approximately 200 residents of Saginaw, Mich., urging the passage of the McGroarty bill; to the Committee on Labor.

6640. By Mr. CULKIN: Petition of the Senate of the State of New York, resolving that the Congress of the United States be memorialized to enact with all convenient speed legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6641. Also, petition of the Senate of the State of New York, asking Congress to pass and the President to approve, if passed, the General Pulaski Memorial Day resolution; to the Committee on the Judiciary.

6642. Also, petition of 11 citizens of Fulton, N. Y., favoring the Townsend old-age plan; to the Committee on Ways and Means.

6643. Also, petition of the Hibbing Woman's Christian Temperance Union (30 members), endorsing the Culkin bills (H. R. 2999 and 4757) to abolish block-booking, and to establish standards of production; to the Committee on Interstate and Foreign Commerce.

6644. Also, petition of the Frances Willard Woman's Christian Temperance Union (66 members) and the Central Union, both of Duluth, Minn., endorsing the Culkin bills (H. R. 2999 and 4757) to abolish block-booking and to establish standards of production; to the Committee on Interstate and Foreign Commerce.

6645. Also, memorial of the State Assembly of New Jersey, memorializing the President and Congress to pass immediately a bill to provide relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks; to the Committee on Banking and Currency.

6646. By Mr. FOCHT: Petition of William P. Moyer and other residents of Allentown, Pa., opposing the Wheeler-Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

6647. By Mr. HULL: Resolution of the Farmer-Labor and Progressive League of Outagamie County, Wis., protesting against the administration's proposal to limit monthly income to $50 per individual in connection with pending work-relief legislation; to the Committee on Appropriations.

6648. Also, resolution of the Farmer-Labor and Progressive League of Outagamie County, Wis., opposing the use of work-relief funds for Army and Navy projects; to the Committee on Appropriations.

6649. By Mr. KENNEDY of New York: Petition of the Senate of the State of New York, requesting the Congress of the United States to enact legislation repairing damage done by nature to Niagara Falls; to the Committee on Foreign Affairs.

6650. Also, petition of the Senate of the State of New York, requesting that Secretary of the Interior Ickes be memoralized to appropriate funds for slum clearance and better housing in the State of New York; to the Committee on Appropriations.

6651. Also, petition of the Assembly of the State of New York, requesting the Congress of the United States to enact the necessary laws to extend to the people of Puerto Rico complete and full local self-government; to the Committee on Insular Affairs.

6652. By Mr. KRAMER: Resolution of Maj. William H. Cook Camp, No. 97, United States War Veterans, West Los Angeles, relating to immediate consideration of House bill 100, etc.; to the Committee on Expenditures in the Executive Departments.

6653. Also, resolution of the State of New Jersey, relating to a bill to provide relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks, etc.; to the Committee on Banking and Currency.

6654. Also, resolution of the Department of State of the State of California, adopted in assembly March 11, 1935, relating to memorializing Congress to incorporate in a national old-age-pension plan the principles and objectives of the Townsend plan, etc.; to the Committee on Ways and Means.

6655. By Mr. O'CONNELL: Resolution urging the Congress of the United States to secure the immediate repeal of the cotton-processing tax; to the Committee on Agriculture.

6656. By Mr. O'MALLEY: Memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to enact legislation providing for an adequate old-age-pension law to be financed by the Federal Government and administered uniformly in each State of the United States of America; to the Committee on Ways and Means.

6657. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to enact an adequate protective tariff pertaining to the products of American farmers and protecting said products against foreign competition in order to preserve the home market for the American farmer to whom it rightfully belongs; and protesting against any reciprocal tariff or trade agreements by which the interests of the American farmer are sacrificed; to the Committee on Ways and Means.

6658. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to promptly ratify any treaty which may be submitted for the purpose of making possible the Great Lakes-St. Lawrence seaway and to enact such legislation as may be deemed necessary to enable the beginning of actual construction of such project immediately; to the Committee on Foreign Affairs.

6659. Also, memorial of Council No. 115 of the Polish National Alliance of America, of Milwaukee, Wis., urging the enactment of a resolution pending before the Congress of the United States designating October 11 of each year as General Pulaski Memorial Day; to the Committee on the Judiciary.

6660. Also, memorial of Group No. 2100 of the Polish National Alliance of America, of Milwaukee, Wis., urging the enactment of a resolution pending before the Congress of the United States designating October 11 of each year as General Pulaski Memorial Day; to the Committee on the Judiciary.

6661. Also, resolution of the Property Owners Association of Milwaukee, Wis., urging that an equity capital tax be enacted and enforced to apply to all equity in capital in the title in which such equity may lie, such a tax to be in force in the entire United States and its political subdivisions; to the Committee on Ways and Means.

6662. Also, memorial of the farmers' joint legislative committee, composed of the Farmers' National Holiday Association, the Farmers Equity Union, and the Wisconsin Cooperative Milk Pool representing 100,000 Wisconsin dairy farmers, urging Members of Congress from Wisconsin and all dairy States to protest against the inconsistent administrative policy which on one hand advocates a production-control program and on the other hand opens wide the gates for the foreign producer and encourages him to increase his production in all lines of agricultural endeavor; to the Committee on Agriculture.

6663. Also, memorial of the City Council of Two Rivers, Wis., urging the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski Memorial Day resolution now pending before the Congress; to the Committee on the Judiciary.

6664. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to provide an adequate protective tariff to insure against the competition of foreign trade in barley and other farm products and requesting the administration to desist from entering into further reciprocal tariff or trade agreements which endanger the interests of, and discriminate against the American farmer; to the Committee on Ways and Means.

6665. Also, resolution of the Property Owners Association of Milwaukee, Wis., urging that the British land and property tax system be discarded at once in the United States of America and that such discard be effected in all of its several States, counties, townships, villages, and cities; to the Committee on Ways and Means.

6666. By Mr. Pfeifer: Telegram from the Romulus Social Club, Brooklyn, N. Y., concerning the Rayburn-Wheeler bill; to the Committee on Interstate and Foreign Commerce.

6667. By Mr. RICH: Petition of citizens of Renovo, Pa., favoring House bill 5262 and Senate bill 1629; to the Committee on Interstate and Foreign Commerce.

6668. By Mr. RUDD: Petition of the Romulus Social Club, Brooklyn, N. Y., concerning the Rayburn-Wheeler public utility holding companies bill; to the Committee on Interstate and Foreign Commerce.

6669. Also, petition of the Tension Envelope Co., Brooklyn, N. Y., concerning the continuance of the National Industrial Recovery Act; to the Committee on Appropriations.

6670. By Mr. SNELL: Resolution adopted by the Board of Supervisors of Franklin County, Malone, N. Y., on March 21, 1935; to the Committee on Ways and Means.

6671. By Mr. STEFAN: Resolution adopted by the Nebraska House of Representatives, memorializing the Congress of the United States to enact the Philippine travel pay bill; to the Committee on War Claims.

6672. By Mr. TRUAX: Petition of the International Association of Machinists, Lodge No. 463, Newark, Ohio, by their recording secretary, Clarence R. Young, urging support of the Frazier-Lemke farm-relief bill; to the Committee on Agriculture.

6673. Also, petition of International Association of Machinists, Lodge No. 463, Newark, Ohio, by their recording secretary, Clarence R. Young, urging support of the Wheeler-Rayburn bill for wiping out holding companies; to the Committee on Interstate and Foreign Commerce.

6674. Also, petition of International Association of Machinists, Lodge No. 463, Newark, Ohio, by their recording secretary, Clarence R. Young, urging support of the Wagner-Connery labor-disputes bill and the Black 30-hour work-week bill; to the Committee on Labor.

6675. Also, petition of the Toledo Central Labor Union, Toledo, Ohio, by their secretary, Otto W. Brach, urging support of the national labor relations bill, introduced by Senator WAGNER, of New York, which creates a new board to supersede the present board as they believe that section 7a can only be enforced if company unions are outlawed, or union discrimination by employers prevented through the enactment of the Wagner and Connery labor-disputes bill; to the Committee on Labor.

6676. Also, petition of John Gerl and 30 other citizens of Toledo, Ohio, urging the Congress of the United States to pass a bill obligating the Government to pay every citizen of said Government whose record is free of habitual criminality and who has attained the age of 60 years, a monthly pension of $200 until the end of his or her life upon the sole conditions that he or she retires from all further business or profession for gain, and agrees, under oath, to spend the entire amount of the pension within the confines of the United States during the current month in which it is received; to the Committee on Ways and Means.

6677. Also, petition of Charles E. Ausman Camp, No. 98, U. S. W. V., Paulding, Ohio, by their commander, John DeWitt, urging that their Congressmen do all in their power to have House bill 6995 speedily reported out of committee and cause it to be passed by the House without any detractions or eliminations therefrom; to the Committee on Pensions.

6678. Also, petition of Painters, Decorators, and Paperhangers of America, Local No. 7, Toledo, Ohio, by their recording secretary, C. E. Thomas, urging support to retain the National Recovery Act, and retain therein, code provisions, hours, wages, and section 7a, as they believe this will mean increased employment and better living conditions for the working class; to the Committee on Labor.

6679. Also, petition of Painters, Decorators, and Paperhangers of America, Local No. 7, Toledo, Ohio, by their recording secretary, C. E. Thomas, urging support of the Wagner-Connery labor-disputes bill; to the Committee on Labor.

6680. Also, petition of M. F. Lee and numerous citizens of Chillicothe and Waverly, Ohio, urging support of the immediate cash payment of adjusted-compensation certificates issued to World War veterans; to the Committee on Ways and Means.

6681. Also, petition of Young Men's Democratic Club of East Liverpool, Ohio, numbering some 400 members, by their secretary, Louis Lapin, voting a complete support of the administration public-works bill without the proposed McCarran amendment; to the Committee on Appropriations.

6682. Also, petition of Local Union No. 787, R. C. I. P. A., Crooksville, Ohio, by their secretary, Chester Leasure, requesting support of continuance of Approved Code No. 60, Retail Trade, as this code is much to their benefit; to the Committee on Ways and Means.

6683. Also, petition of public library of Arcanum, Ohio, by Miriam Rosser, president, going on record as favoring the petition of the General Edward Sigerfoos Post No. 156, of the American Legion of Arcanum and the ladies auxiliary, to have appropriated by Congress the sum of $25,000 for the purpose of the erection of a building to the memory of Gen. Edward Sigerfoos, and further resolving that if such a building be erected that said building should become the home of the General Edward Sigerfoos Post No. 156, the ladies auxiliary of the post, and the Arcanum Public Library; to the Committee on Appropriations.

6684. Also, petition of the Marion Civic Club, Marion, Ohio, by J. W. Jacoby, favoring the proposed legislation in Congress looking to the elimination of utility-holding companies; to the Committee on Interstate and Foreign Commerce.

6685. By Mr. WELSH: Petition from a group of citizens of California, headed by Albert G. Burns, of Oakland, Calif., praying for the establishment of an inventors' loan fund; to the Committee on Banking and Currency.

6686. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, relating to a protective tariff on barley and barley malt; to the Committee on Ways and Means.

6687. By the SPEAKER: Petition of the city of Barberton, Ohio; to the Committee on the Judiciary.

6688. Also, petition of the Women's Sick and Death Benefit Fund, Brooklyn, N. Y.; to the Committee on Labor.

6689. By Mr. PETERSON of Georgia: Petition of the House of Representatives of the General Assembly of the State of Georgia, urging the immediate development of the Chattahoochee River, and for other purposes; to the Committee on Flood Control.

6690. Also, petition of the House of Representatives of the General Assembly of the State of Georgia, requesting the Congress of the United States to look with favor upon establishing of a fish hatchery in McIntosh County, Ga.; to the Committee on Merchant Marine and Fisheries.

6691. Also, petition of the Senate of the General Assembly of the State of Georgia, memorializing Congress to rigidly enforce immigration laws; to the Committee on Immigration and Naturalization.

6692. Also, petition of the House of Representatives of the General Assembly of the State of Georgia, favoring an increase in the use of cotton in the State of Georgia, and for other purposes; to the Committee on Agriculture.

SENATE

FRIDAY, APRIL 5, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

JOHN H. OVERTON, a Senator from the State of Louisiana, appeared in his seat today.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 4, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had concurred in the concurrent resolution (S. Con. Res. 13), as follows:

Resolved by the Senate (the House of Representatives concurring), That Saturday, April 6, 1935, be recognized by the Senate and House of Representatives of the United States of America as Army Day, and that the President of the United States be requested, as Commander in Chief, to order military units throughout the United States to assist civic bodies in appropriate celebration to such extent as he may deem advisable.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	La Follette	Pope
Ashurst	Cutting	Lewis	Radcliffe
Austin	Dickinson	Logan	Reynolds
Bachman	Dieterich	Lonergan	Robinson
Bailey	Donahey	Long	Russell
Bankhead	Duffy	McAdoo	Schall
Barbour	Fletcher	McCarran	Schwellenbach
Barkley	Frazier	McGill	Sheppard
Bilbo	George	McKellar	Smith
Black	Gerry	McNary	Steiwer
Bone	Gibson	Maloney	Thomas, Okla.
Borah	Glass	Metcalf	Thomas, Utah
Brown	Gore	Minton	Townsend
Bulkley	Guffey	Moore	Trammell
Bulow	Hale	Murphy	Truman
Burke	Harrison	Murray	Tydings
Byrd	Hastings	Neely	Vandenberg
Capper	Hatch	Norris	Van Nuys
Clark	Hayden	Nye	Wagner
Connally	Johnson	O'Mahoney	Wheeler
Copeland	Keyes	Overton	White
Costigan	King	Pittman	

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] is absent because of illness, and that the Senator from South Carolina [Mr. BYRNES], the junior Senator from Massachusetts [Mr. COOLIDGE], and the senior Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness; that the Senator from Wyoming [Mr. CAREY] and the Senator from Minnesota [Mr. SHIPSTEAD] are absent on official business; and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

REPORT ON MILK AND MILK PRODUCTS

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, pursuant to House Concurrent Resolution No. 32 (73d Cong., 2d sess.), a report with respect to the sale and distribution of milk and milk products, covering the Connecticut and Philadelphia milk sheds, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

EMPLOYMENT FOR GRADUATES OF EDUCATIONAL INSTITUTIONS (S. DOC. NO. 45)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Labor, transmitting, in response to section 1 of Senate Resolution 67 (agreed to on February 4, 1935), a report relative to aiding graduates of educational institutions in the matter of securing employment based on information supplied by various bureaus of the Department of Labor, the Office of Education, the Federal Emergency Relief Administration, the Director of Emergency Conservation Work, and other Federal agencies concerned with youth problems, and also outlining plans suggested for consideration based on studies made by the Children's Bureau in cooperation with other Federal agencies, which, with the accompanying report, was referred to the Committee on Education and Labor, and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Agriculture and Forestry:

Senate Joint Memorial 6

Whereas during the present depression the original cost of livestock and grain products is greatly in excess of the price now realized by the sale of the same, and that by reason thereof farmers are unable to pay their bills and debts and each year find themselves further behind with their debts and obligations; and if the above situation continues for any additional length of time, the farmers will lose their homes and all; and

Whereas during the time farmers are operating at a loss they cannot be purchasers of other manufactured products, and such industries will in turn fail for lack of business, and that all business of every kind and nature will be affected by this injustice to agriculture; and

Whereas it follows that every kind of business located in the agricultural communities must rise or fall with the farmers, and that the important and absolutely essential industry of agriculture cannot be stricken down without causing disaster to the country as a whole; and

Whereas the placing of an embargo on the products mentioned would stabilize the prices thereof and bring such prices more in harmony with the production costs, together with a fair margin of profit, and bring the farmers out of the dire and distressing depression which now affects them: Now, therefore, be it

Resolved by the Thirtieth General Assembly of the State of Colorado, That we respectfully petition the Congress of the United States to pass laws and provide rules and regulations to place an embargo on flax, wheat, hogs, cattle, and sheep, and upon pork, beef, and mutton products, until such time as the prices of said grains, livestock, and meat products shall cover the cost of production; and we further petition that the law now permitting wheat to be milled in bond be repealed; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, to both Houses of the Congress of the United States, and to each Member thereof from this State, to the Secretary of Agriculture, and to each house of the legislative assembly of those States whose legislatures are now in session.

The VICE PRESIDENT also laid before the Senate the following memorial of the Legislature of the State of Maine, which was referred to the Committee on Commerce:

Memorial to the honorable Senate and House of Representatives of the United States of America in Congress assembled

We, your memorialists, the Senate and House of Representatives of the State of Maine in the eighty-seventh legislative session assembled, most respectfully present and petition your honorable body as follows:

Whereas the deposit of sawdust from mills with alluvial deposits has made it impossible for large barges to navigate the Chandler River; and

Whereas it is not possible to economically transport the products of the district unless the products are moved in large quantities: Now, therefore, be it

Resolved, That we, your memorialists, the Senate and House of Representatives of the State of Maine in legislature assembled, do hereby respectfully petition and urge that necessary action shall be taken by the Congress, so that Chandler River in the State of Maine will be dredged so that the channel will be clear from obstruction as far as it is navigable; and be it further

Resolved, That a copy of this memorial, duly authenticated by the secretary of state, be immediately transmitted by the secretary of state to the proper officers and committees of the United States Senate and House of Representatives, and to each of the Representatives and Senators representing the State of Maine in the United States Congress.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Nevada, favoring the enactment of legislation increasing National Guard units within the State of Nevada and the making of appropriation for the building of suitable armories for the housing of such Guard, which was referred to the Committee on Military Affairs.

(See joint resolution printed in full when presented by Mr. MCCARRAN on the 3d instant, p. 4898, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Twelfth Ward Democratic Club, of Camden, N. J., favoring the enactment of legislation providing for immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Rugby Branch, American League against War and Fascism, Brooklyn, N. Y., protesting against the enactment of pro-

posed alien and sedition legislation, which was referred to the Committee on Immigration.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted by the Common Council of the City of New Albany, Ind., favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

Mr. CAPPER presented memorials of sundry citizens of Galatia and Lebanon, in the State of Kansas, remonstrating against the enactment of legislation amending the Agricultural Adjustment Act and also the enactment of the so-called "commodities exchange bill", which were referred to the Committee on Agriculture and Forestry.

Mr. COPELAND presented a resolution adopted by Burns-McCauliffe Post, No. 465, the American Legion, of Homer, N. Y., favoring the enactment of the bill (S. 1629) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the So-Cul Club, of Brooklyn, N. Y., protesting against the enactment of proposed alien and sedition legislation, which was referred to the Committee on Immigration.

He also presented a resolution adopted by American Council, No. 61, Junior Order United American Mechanics, of Tompkinsville, Staten Island, N. Y., favoring the enactment of House Joint Resolution 69, proposing to create in the Department of Justice a bureau of alien deportation, etc., which was referred to the Committee on Immigration.

He also presented a resolution adopted by American Council, No. 61, Junior Order United American Mechanics, of Tompkinsville, Staten Island, N. Y., favoring the enactment of legislation to eradicate the activities of subversive groups in the United States, which was referred to the Committee on Immigration.

He also presented a resolution adopted by Joe McKelvey Council, A. A. R. I. R., of Yonkers, N. Y., favoring the enactment of pending legislation providing a special postage stamp to commemorate the one hundred and fiftieth anniversary of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

Mr. POPE presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Agriculture and Forestry:

House Joint Memorial 1

To the honorable Senate and House of Representatives of the United States in Congress assembled:

We, your memorialists, the Legislature of the State of Idaho, respectfully represent:

Whereas we feel that in no case can we have a return of prosperity unless and until the American farmer receives for his commodities a price which will enable him to absorb the products of industry, meet his obligations, continue his operations, and live in a manner becoming to sovereign citizens; and

Whereas we feel that in the utilization of farm products, rather than in a reduction of same, lies the permanent solution of our problem; and

Whereas the annual consumption of gasoline as a motor fuel has increased to an enormous figure; and

Whereas it has been demonstrated that a blended motor fuel will give utmost satisfaction, and such blend would create new possibilities for the utilization of farm products: Therefore be it

Resolved, That the house of representatives (the Senate of the State of Idaho concurring) respectfully request and petition the Senate and House of Representatives of the United States in Congress assembled to enact into law a bill known as the "alcohol-gasoline bill", which bill provides for the manufacture of a blended motor fuel consisting of about 90 percent gasoline and 10 percent grain and/or potato alcohol, to be gained through the process of distilling wheat, corn, and potatoes grown on American farms; and be it further

Resolved, That copies of this resolution be by the secretary of state of Idaho transmitted to the President of the United States, to the Secretary of Agriculture, to the Senate and House of Representatives of the United States, and to the Senators and Representatives from Idaho in Congress.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

Mr. FLETCHER presented telegrams and a letter in the nature of petitions, which were ordered to lie on the table and to be printed in the RECORD, as follows:

TAMPA, FLA., *April 3, 1935.*

Hon. DUNCAN U. FLETCHER,
United States Senate:

Earnestly request your support Senate bill 5, as approved by Senate committee. This bill as it now stands approved by the Florida Grapefruit Canners Association, representing 90 percent of the industry.

CALIFORNIA PACKING CORPORATION.

WEST PALM BEACH, FLA., *April 4, 1935.*

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.:

Representing the Florida State Nurses Association, numbering 936, we are vitally interested in the Senate committee print no. 5. As consumers, we want adequate protection; therefore we want this measure passed.

ELIZABETH MISCALLY, *Secretary.*

NEW YORK, N. Y., *April 3, 1935.*

Hon. DUNCAN U. FLETCHER,
United States Senate,
Senate Office Building, Washington, D. C.:

This association, including leading and representative food manufacturers of country, earnestly urge you to vote for Senate 5, revising Federal Food and Drugs Act, as amended by Senate Commerce Committee, because its enactment will greatly benefit consuming public.

PAUL S. WILLIS,
President Associated Grocery Manufacturers of America.

WASHINGTON, D. C., *April 3, 1935.*

To Members United States Senate:

As consumers and buyers of foods, drugs, and cosmetics, the members of the 12 undersigned national organizations have much at stake in the bill S. 5, which is now before the Senate.

These organizations are all on record as recognizing the need for and endorsing legislation which will afford essential protection to the users of foods, drugs, and cosmetics.

We strongly urge that no amendments be added to S. 5 which will weaken its provisions for the protection of the consumer and that the bill be speedily approved by the Senate.

Respectfully submitted.

Mrs. Emma T. Surggett, American Association of University Women; May Lindsey, American Dietetic Association; Mrs. Harriet R. Howe, American Home Economics Association; Susan C. Francis, American Nurses Association; Margaret C. Maule, Girls' Friendly Society of the U. S. A.; Dr. Helen Gladys Kain, Medical Women's National Association; Elizabeth Eastman, National Board of the Y. W. C. A. of the U. S. A.; Mrs. Mary T. Bannerman, National Congress of Parents and Teachers; Mrs. Mark Lansburg, National Council of Jewish Women; Mrs. Louise G. Baldwin, National League of Women Voters; Elizabeth Christnor, National Women's Trade Union League; Dr. Julia M. Green, Women's Homeopathic Medical Fraternity.

REPORTS OF COMMITTEES

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5599) to regulate the strength and distribution of the line of the Navy, and for other purposes, reported it without amendment and submitted a report (No. 425) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 2287) to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935, reported it without amendment and submitted a report (No. 426) thereon.

Mr. GERRY, from the Committee on Naval Affairs, to which was referred the bill (S. 1208) authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award, reported it without amendment and submitted a report (No. 427) thereon.

Mr. SCHALL, from the Committee on Indian Affairs, to which was referred the bill (S. 1492) to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State

of Minnesota under the Swamp Land Act, reported it without amendment and submitted a report (No. 428) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1535. A bill to provide funds for cooperation with White Swan School District, No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation (Rept. No. 429); and

S. 1536. A bill to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif. (Rept. No. 430).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHEELER:

A bill (S. 2514) granting a pension to Crooked Face Child; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 2515) to create a commission to make recommendations to the Congress with respect to the use of the bequest to the United States by the late Oliver Wendell Holmes; to the Committee on the Judiciary.

A bill (S. 2516) for the relief of Anthony J. Constantino; to the Committee on Military Affairs.

A bill (S. 2517) to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired; to the Committee on Naval Affairs.

A bill (S. 2518) granting double pensions to widows and dependents of officers and enlisted men who died in the airships *Shenandoah, Akron, J-3,* and *Macon* disasters; to the Committee on Pensions.

By Mr. MALONEY:

A bill (S. 2519) directing the Court of Claims to adjudicate the claims of the F. Mansfield & Sons Co. and others, for compensation for injuries to oyster beds; to the Committee on Claims.

By Mr. LEWIS:

A bill (S. 2520) for the relief of T. D. Randall & Co.; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

A bill (S. 2521) amending section 5 of Public, No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy; to the Committee on Naval Affairs.

By Mr. NYE:

A bill (S. 2522) for the relief of Erick Keck; to the Committee on Finance.

By Mr. HAYDEN:

A bill (S. 2523) authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896; to the Committee on Indian Affairs.

By Mr. TYDINGS:

A bill (S. 2524) amending section 112 of the United States Code, Annotated (title 28, subtitle "Civil suits; where to be brought"); to the Committee on the Judiciary.

By Mr. BARKLEY:

A bill (S. 2525) to amend the act approved June 16, 1934, entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes"; to the Committee on the Judiciary.

RELIEF OF WATER USERS ON IRRIGATION PROJECTS—AMENDMENTS

Mr. HAYDEN submitted amendments intended to be proposed by him to the bill (S. 1305) to further extend the operation of the act entitled "An act to further extend the operation of the act entitled 'An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law', approved April 1, 1932", approved March 27, 1934, which were ordered to lie on the table and to be printed.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS—AMENDMENT

Mr. CONNALLY submitted an amendment intended to be proposed by him to the bill (S. 5) to prevent manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF SILVER PURCHASE ACT

Mr. McCARRAN. Mr. President, yesterday I introduced a bill, being Senate bill 2507, to amend the national Silver Purchase Act by repealing two sections thereof. Yesterday afternoon the New York News Bureau ticker came out with the statement that:

Senator McCARRAN charged that only effect of sections of the Silver Act which he would repeal has been to abolish the free American market in silver—

And so forth.

In order that the RECORD may clarify the situation, I ask to have inserted in the RECORD a letter addressed by me to the Honorable Henry Morgenthau, Secretary of the Treasury, together with the report of the New York News Bureau Ticker.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

APRIL 4, 1935.

Hon. HENRY MORGENTHAU,
Secretary of the Treasury, Washington, D. C.

HONORABLE AND DEAR SECRETARY: I am this day introducing a bill amending Public Act No. 438, passed by the Seventy-third Congress, and commonly known as the "Silver Purchase Act."

My bill simply strikes out sections 6, 7, and 8 of the act. I want to assure myself that we are heartily in accord with certain somewhat obscure corollaries which seemingly must have escaped Congress in the hasty passage of this legislation.

May I ask you if you do not think me right in judging that section 6 is somewhat superfluous in providing authorization for you, with the approval of the President, "to investigate, regulate, or prohibit, by means of licenses or otherwise, the acquisition, importation, exportation, or transportation of silver and of contracts", etc., when the very act, though permitting the Government to trade, so penalizes persons who trade in silver as to make regulation unnecessary?

With respect to section 6, is it not possible that Congress, after having provided for the regulation of the security exchanges by a commission, did not carry the theory a step too far by selecting one commodity and burden you with the responsibility for its regulation while it destroyed trading in that commodity?

With respect to section 7, is it not your thought, as well as mine, that the nationalizing of silver by Presidential proclamation August 9, 1934, has already accomplished the purposes for which it was designed and that the freeing of silver may have the effect of encouraging an advance in its price which is bound to increase the production costs of goods competitive to our own and produced in the so-called "silver countries"?

Respecting section 8, I have given this no little attention, and I am seeking information from you as to whether the 50-percent profit tax has yielded to the Treasury any revenue of consequence.

I am wholly at a loss to know precisely how our Government operates under the provisions of the present act in acquiring silver.

If I read the language correctly, am I to assume that any party selling to the Government is subject to the tax of 50 percent of the profit such party makes on the transfer? Seemingly the law, which we enacted with the aim of raising the world price of silver, placed a burden upon your Department of collecting from the vendors of bullion a 50-percent tax on any profit they may have made on their transaction. Whether the Treasury commission a Federal Reserve bank, for example, as its agent, or whether it purchase directly in the foreign market, the vendor seemingly is subject to a 50-percent profit tax which the purchaser must assume. May I assume, if this is so, a vendor would seek out any other market but that of the United States to escape the penalties of the tax?

Or, in the efficient administration of your office, has it been necessary to use an intermediary between our Government, or an agency of our Government, as a secondary agency or instrumentality who may purchase abroad at the market price and resell to the Treasury or its agent silver at the same price paid in the market and certify the absence of any profit to avoid the imposition of the tax?

I ask this question, for I have been until recently unaware that section 8 levies this tax of 50 percent on silver profits on all transfers and thereby must practically preclude the purchase and sale of this commodity within our jurisdiction.

To my amazement the act levies the tax on all transfers outside the United States if either party be a resident of the United States.

Will you not agree with me that Congress has prevented the Treasury from using any agency within the United States as its source of silver purchase without the penalty of the 50-percent tax?

Frankly, has not Congress literally excluded silver trading on the part of United States citizens unless they actually take up residence abroad for a period of 3 months? Has not Congress gone even further and told its citizens that even if they go abroad and take up foreign residence they have not the privilege of dealing in silver, if the silver or interest in which they deal be situated in the United States?

It seems to me that section 8 literally imposes all the tax provisions on vendors to the Government of the United States. I wonder if you have found that this provision in practice as retarded, as it would seemingly do in theory, the acquisition of silver by your Department unless perchance you were literally forced to avoid such retardation by the introduction of "wash sales."

I must be permitted to assume that the avoidance of all the provisions of the act by our own Government by means of "wash sales" would be as repugnant to you as it is to me.

I ask if there is anything in my bill that in any wise interferes with your operations, for I must assure you that it is entirely in a spirit of cooperation with the true purpose of the legislation, which is to raise the world price of silver, and with the administration of it under your jurisdiction that I introduce my bill.

In the midst of a depression I am extremely anxious to conserve all business that rightfully belongs to America, and I cannot overlook our past ownership of a commodity market simply because it concerns perhaps a relatively small group of principals and employees. Their life work must be considered as legitimate as any form of trade and subject to the protection of this Government.

My study of this legislation has resulted in the conclusion that this Government has unconsciously destroyed an American market in silver and thereby has built up a foreign market in this commodity. Silver, among the commodities, has received singular attention from the standpoint of governmental acquisition.

I think we have perhaps gone too far when we permitted ourselves and Congress to penalize citizenship and American residence and placed a premium on foreign citizenship or American residence abroad to assure individuals the right to trade in silver.

I feel we both are equally opposed to wholesale speculation in silver as in any other commodity or in any security which affects the public interest; but however similar our ideas may be on this point, I trust you are in full accord with me in my belief that, by our regulation of this single commodity, we have simply thrown into the lap of London the entire control of the world's silver market, prohibiting our nationals to participate even on an equal footing with foreigners. Thus in both the foreign exchange situation and in the bullion market America establishes her monetary policies, which dominate the financial world, and then seemingly permits the execution of these policies to be at the mercy of the London bullion and foreign exchange markets.

I assume it is now necessary for the purchasing agent of the Treasury to protect himself, in dutifully executing orders, against the automatic assumption of full liability for the tax on profits realized by the actual seller.

May I assume that that necessary protection is made available by instituting a three-cornered transaction by introducing an intermediary who can truthfully certify that no profit has been made on his transfer to the Government?

If this is the practical method of purchase, is not this, then, a case of evasion to which our Government has unconsciously become a party?

I frankly solicit your reactions to these possibilities, for I am as anxious to know the facts as are you.

We may both be helpful in removing any possibility of the charge of tax evasion which would certainly, if proven, degrade the majesty of the State and act as a pernicious example to the potential taxpayers of the Nation. We must impress men with the solemn fact that tax evasion is not alone contrary to public policy but a violation of the ethics of good citizenship.

I welcome your comments on these thoughts, your correction of any false assumptions, and your valuable assistance in the proposed legislation.

Sincerely yours, PAT MCCARRAN.

[New York News Bureau Ticker, 2:30 p. m., Apr. 4]

STORY ON M'CARRAN SILVER AMENDMENT REPEALING PARTS OF SILVER-PURCHASE ACT

Senator MCCARRAN charged that only effect of sections of the Silver Act which he would repeal has been to abolish the free American market in silver as a commodity and to transfer that market to London. He added that no benefits had resulted from the enactment of the measure, but only further decline in opportunities of employment in silver-producing States and no increase in agricultural products. Foreign countries only, he said, had benefited from the act. At the same time the Senator charged that the Treasury Department was violating the law through effecting wash sales in silver contracts in order to avoid payment of the tax imposed by the bill.

RECORD OF UNITED STATES DISTRICT ATTORNEY LESLIE C. GARNETT

Mr. BYRD. Mr. President, I ask leave to have printed in the RECORD an article from the Washington Sunday Star of March 31, 1935, giving the record of prosecutions under United States District Attorney Leslie C. Garnett.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GARNETT'S OFFICE ESTABLISHES RECORD FOR CASES PROSECUTED—COURT DOCUMENTS SHOW MORE CRIMINALS TRIED AND CONVICTED LAST YEAR THAN AT ANY TIME SINCE 1931

Official records of the District Supreme Court show the office of United States Attorney Leslie C. Garnett, charged with laxity in prosecutions by witnesses testifying before the House Crime Committee, tried and convicted more criminals last year than in any corresponding period since 1931.

Some of the witnesses before the committee stressed the supposed failure of the prosecutor to proceed against gamblers—a field of crime in which more offenders were convicted last year than in the entire preceding 4-year period.

The prosecutor's office also established something of a record for this jurisdiction last week in the prosecution of murderers. Four men were brought to trial in three cases on first-degree murder charges. Three of them were found guilty in the first degree, while the fourth, at one time adjudged insane, was convicted of second-degree murder.

PRESSES 60 GAMBLING CASES

During the 14-month period since January 22, 1934, Garnett commenced prosecutions in 60 gambling cases involving more than 100 defendants charged with felonies. Twenty-six of these defendants have been convicted, 3 were acquitted, and 7 cases were nolle prossed. Of these 7, 2 have been reindicted, and in the other 5 cases the court refused to permit the introduction of the evidence on the ground it was procured without a warrant.

The remaining defendants, many of them indicted recently, are awaiting trial. Included among these are Sam Beard and 13 associates, scheduled for trial in April.

During the entire preceding 4-year period there were 22 gambling prosecutions started, resulting in 11 convictions, 10 nolle prossed, and 1 verdict of not guilty.

Garnett has also been responsible for the removal of 276 telephones used by gamblers and the refusal on the part of the telephone company to install 58 other phones where it was possible to show they would be used by gamblers.

CASES BROUGHT TO TRIAL

Another criticism before the committee was that law enforcement has broken down because of long delays in the prosecution of criminals. The records show that from last January 1 to March 27 a total of 51 cases were brought to trial within 2 weeks after arraignment, 31 of these cases being tried within 1 week after the defendants entered their pleas.

During this period, representing 61 court days, a total of 151 trials were held in the 2 criminal courts, an average of nearly 3 a day. During the same period, 334 indictments were returned and 212 defendants pleaded guilty.

On March 27 there were only 223 cases pending in which indictments have been returned but no action taken. These cases cover a period of several years and in more than 200 of them the defendants are fugitives from justice and cannot be brought to trial.

ONE THOUSAND TWO HUNDRED AND FORTY-TWO CRIMINAL CASES

The records at the close of the last fiscal year showed that 1,244 criminal cases were started during that period. Of these cases, 1,166 were terminated, 755 by pleas of guilty, 166 by verdicts of guilty, and 49 by acquittal. The percentage of convictions in trials by jury for the past 5 fiscal years follows: 1930, 61.7 percent; 1931, 67.2 percent; 1932, 75.2 percent; 1933, 70.5 percent; and 1934, 77.2 percent. When the courts recessed last June there were only 10 criminal cases in which the defendants were in jail awaiting trial, and 57 bond cases awaiting trial out of a total of 1,454 indictments handled by the prosecutor's office during the year.

It is also disclosed by the records that comparatively few cases were nolle prossed last year, the figures being: 1930, 379; 1931, 172; 1932, 207; 1933, 270; and 1934, 192.

The records also show that the United States attorney's office has won 189 civil cases for the Government since January 22, 1934, and lost 46. These 46 include 38 consent judgments in war-risk cases approved by the Department of Justice. In other than war-risk cases the Government only lost three suits.

Garnett and his assistants have also been successful in the Court of Appeals during the same period, winning 23 cases and losing 4. Among the cases lost was the Sigma Chi Fraternity trial, in which the attorney general filed a confession of error, and the McCracken case, which Garnett finally won in the United States Supreme Court.

THE N. R. A.—CHICAGO DAILY NEWS EDITORIAL

Mr. HASTINGS. Mr. President, I ask unanimous consent to have published in the RECORD an editorial entitled "Preservation, or Evasion—Which? Mr. President", which appeared in the Chicago Daily News on April 2, 1935.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

[From the Chicago Daily News, Apr. 2, 1935]

PRESERVATION OR EVASION—WHICH? MR. PRESIDENT

"I, Franklin Delano Roosevelt, do solemnly swear that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States."

This was the oath taken by the President on March 4, 1933.

On January 7, 1935, the Supreme Court of the United States held that the grant to the President of congressional authority contained in the National Industrial Recovery Act was "untenable under the Constitution." In at least 17 other instances Federal courts have ruled that varying provisions of the N. R. A. were unconstitutional. Many of these cases are now on the way to the Supreme Court for final adjudication, and one of them, at least, that of the Belcher Lumber Co., of Alabama, had reached the Supreme Court and was about to be decided when the Government itself withdrew the case, palpably declining to face the issue.

At the same time the President of the United States formally and officially demanded that the Department of Justice, acting through district attorneys throughout the country, take prompt and vigorous action to prevent, or punish, violations of the codes under the N. R. A.

In the curious and unprecedented situation thus created, honest business men, seeking to carry on their legitimate affairs, are threatened by the executive power of the Government with punishment if they violate N. R. A. codes, and at the same time are told by the judicial power, represented by the Federal courts—which are equal in authority to the executive power—that the codes are unconstitutional. Every possible consideration for just and impartial execution of the law and fair treatment to the business interests of the country requires that there be as swift and final a decision upon the constitutionality of the N. R. A. as it is possible to secure. Indeed, such a policy is demanded by the very terms of the oath the President took upon his inauguration. It is his solemn duty to "preserve the Constitution." The obligation is inescapable.

Yet it is under these circumstances that the President has directed the withdrawal of the case pending in the Supreme Court, which would determine the constitutionality of the N. R. A. swiftly and promptly and finally, and has caused to be introduced in the Congress a new N. R. A. bill which contains practically all the debatable, questionable features of the old N. R. A.

These two momentous steps—the withdrawal of the suit in the Supreme Court and the introduction of the new N. R. A. bill—were taken, it is announced, upon the advice of Felix Frankfurter and Donald R. Richberg. It was stated at the time, and has not been contradicted, that the purpose of this policy was to avoid a Supreme Court test of the N. R. A.'s constitutionality until the code structure under the new law had become a well-functioning machine with a tremendous vested interest which the Supreme Court might well hesitate to disturb.

This is precisely the type of policy which, in the past, has been pursued by certain unscrupulous, but powerful, business interests which, under the guidance of highly paid and skillful legal advisers, sought to escape the plain provisions of the law by devious and unscrupulous methods of evasion and indirection. If the President of the United States and the executive authority of the Government itself openly and palpably seek to evade the terms of the Constitution, or to sidestep a test of constitutionality in the court of final resort, what becomes of the hope, vital to our future welfare, that a higher code of ethics will rule in private business?

The people of the United States rely upon Franklin Delano Roosevelt to remember that the first promise he made as President of the United States to the people of the United States, with his hand resting upon an open Bible, was a promise to preserve the Constitution. Consequently, when any executive act is challenged upon constitutional grounds, it becomes his duty to have such questions determined by the court of final resort, as swiftly as possible, to the end that the Constitution shall be preserved. To attempt to exercise a dubious constitutional right, and at the same time deliberately and palpably to evade a prompt judicial determination of the question, challenges the fitness for public office of the individual who so acts, and is utterly destructive of the confidence which should attach to the man who exercises such great responsibility under a constitutional form of government.

COURT DECISION ON FARM BANKRUPTCY ACT

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD an opinion by the Circuit Court of Appeals of the Fourth Circuit, written by Mr. Justice Parker, in which the constitutionality of the Farm Bankruptcy Act, as amended by the Seventy-third Congress, was at stake. I have complied with the rules of the Printing Committee and have gotten an estimate of the cost of printing.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

United States Circuit Court of Appeals, Fourth Circuit

No. 3778. *William W. Bradford, Jr., bankrupt, appellant,* v. *Michael W. Fahey, assignee, John D. Worthington, Annie McC. Worthington, and the Potomac Joint Stock Land Bank of Alexandria, appellees.* On appeal to superintend and revise, in matter of law, proceedings of the District Court of the United States for the District of Maryland, at Baltimore.

No. 3797. *William W. Bradford, Jr., bankrupt, appellant,* v. *Michael W. Fahey, assignee, and John D. Worthington and Annie McC. Worthington, his wife, appellees.* Appeal from the District Court of the United States for the District of Maryland, at Baltimore.

(Argued Jan. 8, 1935. Decided Apr. 2, 1935.)

Before Parker, Northcott, and Soper, circuit judges.

Parker, circuit judge:

This is an appeal in bankruptcy proceedings from an order denying the prayer of a petition, which was filed under subsection (s) of section 75 of the Bankruptcy Act, and which asked that the court enjoin further prosecution of proceedings which had been commenced in the Circuit Court of Harford County, Md., to foreclose a mortgage on the farm of petitioner. The mortgagee resisted the petition on two grounds: (1) That the court of bankruptcy could not interfere with the State court's jurisdiction, which had attached in the proceedings to foreclose the mortgage; and (2) that subsection (s) (7) of section 75 of the Bankruptcy Act was unconstitutional and therefore furnished no basis upon which the ultimate relief sought might be granted. The district judge held against the mortgagee on the first ground, but sustained the second and denied the petition because in his opinion the subsection of the Bankruptcy Act under which the petition was filed was violative of the "due process" clause of the fifth amendment. The petitioner has appealed.

There is no dispute as to the facts, which may be briefly stated as follows: On February 6, 1926, the petitioner, William W. Bradford, Jr., a farmer of Harford County, Md., executed a mortgage on 145 acres of land to the Potomac Joint Stock Land Bank of Alexandria to secure a debt of $20,000. On April 16, 1934, there was due on the mortgage debt a balance of amortization payments in excess of $1,000 and certain insurance premiums which the mortgagee had advanced; and on that date the mortgagee, acting under the terms of the mortgage, declared the whole debt, amounting to $19,497.23, to be due, and assigned the mortgage to Michael W. Fahey for the purpose of foreclosure. Fahey proceeded to advertise and sell the mortgaged property under the power contained in the mortgage, docketing the foreclosure proceedings in the circuit court of Harford County, Md., in accordance with the provisions of the Maryland law. The sale was held on June 18, 1934, when John D. Worthington and wife became the last and highest bidders for the property at the price of $21,500 and deposited $2,150 with the assignee to be applied on the purchase price. On June 19 Fahey reported the sale to the clerk of the court, and the usual order nisi was entered requiring notice to be given that the sale would be confirmed unless cause to the contrary should be shown on or before the 19th day of July. Exceptions to the sale were filed by the petitioner, Bradford, but these have not been passed on because of the proceedings taken in this cause.

On July 17, 2 days before the order nisi was returnable, Bradford filed his petition in the court below under section 75 of the Bankruptcy Act, alleging that he was a farmer, that he was unable to meet his debts as they matured, and that he desired to effect a composition or extension of his debts as provided by that section. The proceedings in the State court were stayed pursuant to the prayer of the petition, and the case was set for hearing on September 6. In the meantime answers were filed by Fahey and the Worthingtons and the land bank was made a party. Letters were sent to the various creditors offering a composition, but on the morning of the hearing petitioner was notified that his offer would be refused by the land bank, and, as the debt owing to it was more than the other indebtedness of petitioner, there resulted a failure to obtain such an acceptance of the offer of composition as was required by the section. Petitioner thereupon amended his petition and asked to be adjudicated a bankrupt and granted relief pursuant to subsection (s) of the section and that the foreclosure proceedings in the State court be permanently enjoined. At this time it was formally and definitely stated by counsel for petitioner that he would elect to purchase the property embraced in the land bank's mortgage pursuant to the terms prescribed in subsection (s) and by counsel for the mortgagee that it did and would object thereto. The court approved the petition as properly filed and passed an order adjudicating Bradford a bankrupt, but, being of opinion that paragraph 7 of subsection (s) was unconstitutional, refused to stay proceedings in the State court. The matter complained of on this appeal is this refusal to stay proceedings.

A preliminary question which arises is whether the appeal is not premature, as the right of petitioner to relief under paragraph 7 of subsection (s) of the act would arise only after there had been an appraisal of the property, an offer to purchase at the appraised price, and a refusal on the part of the lienholder to accept this offer. But the answer to this is that the appeal is from the refusal to stay proceedings in the State court, and under the provisions of the act, if valid, these proceedings should be stayed while the appraisal and other proceedings preliminary to the right to relief under paragraph 7 are going forward, if the court has jurisdiction to stay such proceedings. Subsection (s) is not an independent statute but an amendment to section 75 as enacted by the act of March 3, 1933. Under subsections (n) and (o) of that section, the

property of the farmer, wherever situate, is subjected to the exclusive jurisdiction of the court of bankruptcy, and it is forbidden that proceedings for foreclosure of a mortgage thereon be instituted or maintained in any other court without the permission of the court of bankruptcy. Proceedings under subsection (s) are but a continuation of proceedings theretofore instituted under other provisions of the section; and the provisions for staying foreclosure in a State court are clearly applicable for the purpose of protecting the court's jurisdiction while such proceedings are going forward. A denial of the stay on the ground that paragraph 7 of subsection (s) was unconstitutional, after a petition had been filed asking relief under that subsection, was clearly appealable, therefore, irrespective of whether or not the proceedings had gone forward to the point where petitioner was entitled to the relief provided by that paragraph.

With this preliminary question out of the way, three questions are raised for our consideration by the appeal, viz: (1) Whether subsection (s) of section 75 of the Bankruptcy Act, and particularly paragraph 7 thereof, is a constitutional exercise of the bankruptcy power of Congress; (2) whether a court of bankruptcy has jurisdiction under section 75 of the Bankruptcy Act to stay proceedings for foreclosure of a mortgage already pending in a State court where relief is asked under subsection (s) of the section; and (3) whether this jurisdiction may be exercised with respect to a foreclosure suit in Maryland, where there has been a sale of the mortgaged property under order of court but the sale has not been confirmed. We think that all of these questions must be answered in the affirmative.

The bankruptcy power of Congress is conferred by article I, section 8, clause 4, of the Constitution, which provides that Congress shall have power "to establish * * * uniform laws on the subject of bankruptcies throughout the United States." It is correlative to the clause of article I, section 10, which provides that "no State shall * * * pass any * * * law impairing the obligation of contracts." It was realized at the time of the adoption of the Constitution that uniform laws on the subject of bankruptcies were important in the development of interstate and foreign commerce, over which Congress was given control; and not only was Congress vested with the power to establish such uniform laws but the States were expressly forbidden to exercise the power usually involved in bankruptcy laws, i. e., the power of impairing the obligation of contracts. The subject is dealt with in one sentence in that great commentary on the Constitution, the Federalist Papers (XLI), where it is said: "The power of establishing uniform laws of bankruptcy is so intimately connected with the regulation of commerce, and will prevent so many frauds where the parties or their property may lie, or be removed into different States, that the expediency of it seems not likely to be drawn in question."

What is a law on the subject of bankruptcies within the meaning of the Constitution has never received exact definition at the hands of the Supreme Court, but there can be no question, we think, but that the constitutional grant vests in Congress full power to deal with the relationship existing between debtors unable or unwilling to pay their debts and their creditors, and that we may safely say, without attempting to delimit the power, that any law must be held to be a law on the subject of bankruptcies which provides for the surrender of the property of a debtor to a court, its control and administration by the court with the eventual application of the property or its value to the claims of creditors, and the discharge of the debtor from the remainder of his debts. As we said in the recent case of *Campbell* v. *Alleghany Corporation* (C. C. A. 4th), — Fed. (2d) —, which dealt with the validity of the corporate-reorganization section of the Bankruptcy Act, "all phases of the relationship between a debtor financially embarrassed and his creditors are brought under the control of Congress by the constitutional grant of power; and the fact that a particular mode has hitherto been employed in dealing with this relationship is not to be taken as a measure of the power over it. (*Hanover Nat. Bank* v. *Moyses*, 186 U. S. 181; *Sturges* v. *Crowninshield*, 4 Wheat. 122; *In re Landquist* (C. C. A. 7th), 70 Fed. (2d) 929; *In re Klein*, Fed. Cas. No. 7865, reported as note to *Nelson* v. *Carland*, 1 How. 265, 277; *In re Reiman*, 7 Ben. 455, Fed. Cas. No. 11673; *Kunzler* v. *Kohaus*, 5 Hill 317.)"

In Story on the Constitution, section 1113, quoted with approval by Judge (later Mr. Justice) Blatchford, in *In re Reiman*, supra, it is said: "Perhaps as satisfactory a description of a bankrupt law can be framed is that it is a law for the benefit and relief of creditors and their debtors in cases in which the latter are unable or unwilling to pay their debts. And a law on the subject of bankruptcies, in the sense of the Constitution, is a law making provisions for cases of persons failing to pay their debts."

And Judge Blatchford in his opinion in the case cited defines the "subject of bankruptcies" as used in the constitutional grant of power as follows: "What is 'the subject of bankruptcies?' It is not, properly, anything less than the subject of the relations between an insolvent or nonpaying or fraudulent debtor, and his creditors, extending to his and their relief. It comprises the satisfaction of the debt for a sum less than its amount, with the relief of the debtor from liability for the unpaid balance, and the right of the creditor to require that the amount paid in satisfaction shall be substantially as great a pro rata share of the property possessed by the debtor as it can pay, or can reasonably be expected to pay."

It is clear that the power of Congress over bankruptcies is not limited by the terms of the British and colonial statutes as they existed at the time of the adoption of the Constitution. As was well said by Mr. Justice Hunt in affirming the decree of Judge Blatchford in the *Reiman case* (Fed. Cas. 11675): "The argument that the subject of bankruptcies is to be interpreted and limited by the British and colonial statutes as they existed at the time of the separation of this country from Great Britain is quite too narrow. No country can afford to be thus cut off from all possible improvement in its legislation. Whatever relates to the subject of bankruptcy is within the jurisdiction of Congress; and to say that the law as existing at the time of the Revolution or the adoption of the Constitution shall furnish the rule and limitation of legislation would take a large part of the subject out of their jurisdiction. While it is true that all proper bankrupt laws and insolvent laws are based upon the theory of a surrender of the bankrupt's property, none of them require such surrender to be entire and absolute." See also opinion of the Supreme Court in *Hanover Nat. Bank* v. *Moyses*, supra, and opinion of this Court in *Campbell* v. *Alleghany Corporation*, supra.

Nor are the limits of the bankruptcy power to be sought in the exercise which Congress has made of that power. Congress made no exercise of the bankruptcy power whatever until 1800, when an act along the line of the English bankruptcy acts relating to traders was passed, which was repealed, however, in 1803. The power was again exercised by the passage of an act in 1841, but this act was repealed in 1843. In 1867 the third bankruptcy act was passed, and it remained in force for only 11 years, being repealed in 1878. In 1898 the present bankruptcy act was passed. It has been well described (1 Remington on Bankruptcy, p. 18) as: "A system of laws for the taking possession of the assets of an insolvent, either upon his own initiative or, in case he has done certain acts called acts of bankruptcy, considered to demonstrate his unworthiness or incapacity properly to continue his business upon the initiative of his creditors; for recovering such of his assets as have been transferred fraudulently to third parties or unfairly to particular preferred creditors or have been seized by creditors while the debtor was insolvent; for selling the assets and distributing the proceeds equitably amongst his creditors; and finally for granting to him, in case he has surrendered all his assets and disclosed to his creditors in bankruptcy the truth about his business, a discharge from the unpaid deficit of his debts." But not even the act of 1898 fully covered the subject of bankruptcy. It made no adequate provision for extension of time to insolvents, for corporate reorganization, for relief of embarrassed railroad corporations, or for relief of agricultural debtors. It was designed primarily for the relief of those whose debts had been incurred in mercantile and manufacturing pursuits and their creditors; and only in this field did it afford relief which could be said to be adequate.

In 1933, however, a much wider exercise of the bankruptcy power on the part of Congress became imperative. The period of industrial expansion which followed the World War witnessed an unprecedented expansion of credit throughout the country. Bonds were issued by both public and private corporations in amounts far beyond any ability on their part to pay in normal times, and private individuals borrowed on real-estate mortgages to an extent that had never before been thought possible. This period of prosperity and expansion of credit had been followed by an economic depression world-wide in scope, property values had dwindled to a mere fraction of what they had been, and the national income had shrunk to the extent that the payment even of the interest on this vast volume of indebtedness was out of the question. Relief was needed in the form of bankruptcy laws, which would enable the people to face reality with respect to the altered condition of their debt structure and would enable business to go forward unhampered by obligations which were impossible of fulfillment. Congress accordingly passed the amendment of March 3, 1933, to the Bankruptcy Act (47 Stat. 1467). This amendment added four sections to the act: Section 74, which provided for compositions and extensions by distressed debtors without an adjudication of bankruptcy; section 75, which provided a special plan for the relief of agricultural debtors; section 76, which granted relief to persons secondary liable on obligations of distressed debtors; and section 77, which provided for the reorganization of insolvent railroads. Sections 74 and 77, as thus enacted, have been sustained, as a valid exercise of the bankruptcy power (*In re Landquist* (C. C. A. 7), 70 Federal (2d) 929; *In re Chicago R. I. & P. R. Co.* (C. C. A. 7) 72 Federal (2d) 443).

It was soon apparent, however, that the amendments of 1933 did not adequately meet the situation. Something was needed which would enable insolvent corporations and farmers to obtain relief from their debt burdens without forcing a sale of their property, and in the case of farmers, without putting them off of the land which they had been cultivating to join the army of the destitute and unemployed. Congress accordingly, on June 7, 1934, passed the Corporate Reorganization Act, as section 77 (b) of the Bankruptcy Act, and on June 28, 1934, passed the Frazier-Lemke Act, adding subsection (s) to section 75 of the Bankruptcy Act. Both of these acts provide relief in bankruptcy for embarrassed debtors and their creditors under the supervision of the court without requiring a sale of the property of the debtor. We have recently passed upon the Corporate Reorganization Act and have held it valid (*Campbell* v. *Alleghany Corporation*, supra).

Both section 75 as originally enacted and the the Frazier-Lemke Act, adding subsection (s) thereto, are emergency legislation, enacted to meet the conditions brought about by the economic depression. Subsection (c) of section 75 limits the time within which petitions may be filed thereunder to 5 years, and the provisions of subsection (s), the Frazier-Lemke Act, are applicable only to debts existing at the time of its passage. As originally enacted the section provided merely for extensions and compositions for agricultural debtors, when accepted by a majority in number and amount of the claims against them, and when

approved by the court as for the best interest of all creditors and as including an equitable and feasible method of liquidation for secured creditors and of financial rehabilitation for the farmer. See subsections (g) and (i). Compositions and extensions thereunder did not "reduce the amount of nor impair the lien of any secured creditors" but affected "only the time and method of its liquidation." Subsection (k). There can be no question but that under the principles discussed by us in *Campbell* v. *Alleghany Corporation*, supra, the section as originally enacted was valid.

Subsection (s), added by the Frazier-Lemke Act, provides for cases where a farmer who has filed a petition under section 75 has failed to obtain the acceptance by creditors of an extension or composition proposal offered, or who may feel aggrieved by the composition or extension as finally approved. Such farmer is authorized to amend his petition or answer so as to ask that he be adjudged a bankrupt. Provision is then made, under paragraphs (1) to (6) of the subsection, for the valuation of his property by appraisers, subject to review by the court, and for the purchase by him of all or any part of the property at the valuations so fixed, upon making payments which are spread over a period of 6 years. As the right of the farmer to purchase the property under these sections is dependent upon the consent of lien holders, and as the lien holder here has not given such consent, the validity of these purchase provisions is not before us. Upon the principles hereafter discussed, however, we see no reason to doubt their validity. Where a secured creditor objects to the sale to the farmer in accordance with these provisions, however, provision is made under paragraph (7) that proceedings be stayed, that the farmer have the right to retain possession of the property for 5 years upon paying a reasonable annual rental to be fixed by the court, and that he have the right to purchase the property at any time within the 5 years upon paying the appraised price of the property, with the right on the part of the lien holder to demand a reappraisal of the property and payment of the amount thereof in lieu of the amount of the original appraisal, if it is acceptable to him. Paragraph (1) of the subsection relating to appraisal of the property of the bankrupt and paragraph (7), upon which the rights of the petitioner here depend are as follows:

"(1) Upon such a request being made in the petition or answer, at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall appraise all the property of the debtor at its then fair and reasonable value, not necessarily the market value at the time of such appraisal. The appraisals shall be made in all other respects, with right of objections, exceptions, and appeal, in accordance with this act: *Provided*, That in case of real estate either party may file objections, exceptions, and appeals within 1 year from date of order approving the appraisal."

"(7) If any secured creditor of the debtor, affected thereby, shall file written objections to the manner of payments and distribution of debtor's property as herein provided for, then the court, after having set aside the debtor's exemptions as prescribed by the State law, shall stay all proceedings for a period of 5 years, during which 5 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retains possession; the first payment of such rental to be made within 6 months of the date of the order staying proceedings, such rental to be distributed among the secured and unsecured creditors, as their interests may appear, under the provisions of this act. At the end of 5 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession: *Provided*, That upon request of any lien holder on real estate the court shall cause a reappraisal of such real estate and the debtor may then pay the reappraised price, if acceptable to the lien holder, into the court, otherwise the original appraisal price shall be paid into court and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he may apply for his discharge as provided for by this act: *Provided, however*, That the provisions of this act shall apply only to debts existing at the time this act becomes effective."

As the paragraphs which we have quoted are amendments of the general bankruptcy law, it is clear that the appraisals for which provision is made are to be conducted as are other appraisals in bankruptcy under the supervision and approval of the court, with the added safeguard that, in the case of real estate, objections, exceptions, and appeals may be filed within 1 year of the order approving the appraisal. The price at which the farmer may purchase the property, therefore, is not some arbitrary figure arrived at by friendly appraisers, as has been argued, but the fair and reasonable value of the property as determined by the court in a judicial proceeding after notice and hearing. The appraisal is to be made of the property "at its then fair and reasonable value, not necessarily the market value at the time of such appraisal." Congress doubtless realized that, as a result of the economic depression, much valuable farm property had little or no market value at the time, and that it would be unfair to creditors to value the property on the basis of its then market value. In arriving at its fair and reasonable value, the appraisers and the court were authorized to take into consideration all the circumstances bearing upon value, not merely the market value at the time of the appraisal, just as a public-service commission may consider such circumstances in valuing property for rate-making purposes. The cost of the property, the cost of improvements made upon it, its depreciation, its productive capacity, reproduction cost, or the cost of acquiring like property, the history of values in the immediate locality—all of these and other like matters, as well as market value, would be proper subjects of consideration in determining fair and reasonable value. The rule prescribed is eminently fair to creditors, as it is hardly conceivable that a court would approve an appraisal as a fair and reasonable value which was less than market value. And the danger that the farmer might avail himself of the provisions of the act to speculate upon the chances of a rise in the value of the property without obligating himself to purchase it, is obviated by the provision which allows the lien holder to demand a reappraisal. If the farmer elects to purchase, he must pay either the original appraisal or this reappraisal, whichever is higher.

It is, of course, no ground of constitutional objection that the section here in question relates only to farmers; for it is well settled that the uniformity prescribed by the Constitution is "geographical and not personal" and that bankruptcy legislation need not apply to all classes of persons in the same way (*Hanover National Bank* v. *Moyses*, supra, 186 U. S. 181, 188; *Stellwagen* v. *Clum*, 245 U. S. 605, 613; *Leidigh Carriage Co.* v. *Stengel* (C. C. A. 6th), 95 Fed. 637; *In re California Pac. Ry. Co.*, 3 Sawyer 240, Fed. Cas. No. 2,315; *Campbell* v. *Alleghany Corporation*, supra). And it does not furnish ground of objection that secured debts are affected, or that property which has been mortgaged by the bankrupt is to be administered by the bankruptcy court. Under the bankruptcy law as it existed prior to the recent amendments the court in ordering the sale of the bankrupt's property free of liens administers his encumbered property, as well as that which is unencumbered. (See *Van Huffel* v. *Harkelrode*, 284 U. S. 225, 227; *Federal Land Bank of Baltimore* v. *Kurtz* (C. C. A. 4th), 70 Fed. (2d) 46; *Allebach* v. *Thomas* (C. C. A. 4th, 16 Fed. (2d) 853.) "A secured debt or lien is, so far as the Constitution of the United States is concerned, a no more sacred kind of property than an unsecured debt, * * * and the Constitution expressly permits and grants to Congress the power to affect such property, whether it be an unsecured debt or whether it be a lien, by laws relating to the subject of bankruptcies" (*In re Burgh*, 7 Fed. Supp. 184, 185; *Campbell* v. *Alleghany Corporation*, supra).

The case, then, comes to this: Whether the act is to be condemned as not being in fact a law on the subject of bankruptcies or as denying the due process guaranteed by the fifth amendment, either because it permits the farmer to purchase the encumbered property at the valuation fixed by the court instead of requiring that it be sold at public auction, with right on the part of the lienholder to bid at the sale, or because it permits a delay of 5 years, during which the property is to be rented to the farmer, before requiring that the value as determined by the court be collected and distributed to lienholders and other creditors.

There can be little doubt as to the law being a law on the subject of bankruptcies within the meaning of those words as used in the Constitution. It applies only to farmers who are unable to pay their debts and ask to be adjudged bankrupt. It requires the surrender of their property into the control of the court of bankruptcy. It provides for the valuation of this property and that such valuation be paid to creditors. It grants to the bankrupt a discharge from his debts. That the property of the bankrupt is to be operated under the direction of the court until such time as it can be disposed of to advantage, is, of course, not inconsistent with the purposes of a bankruptcy act; and there is nothing in the nature of bankruptcy which requires that the debtor's property be actually sold and the proceeds thereof distributed among creditors. If the creditors receive the value of the property, they have received all to which they are reasonably entitled. The corporate reorganization act rests on this basis; and there is no reason why Congress should not apply the same principles to the relief of insolvent farmers. See discussion of this question as applied to corporate reorganization in *Campbell* v. *Alleghany Corporation*, supra.

Of course, a bankruptcy law must not offend against the due-process clause of the fifth amendment, which is a limitation upon all of the powers conferred by the people upon the Federal Government (*Hanover Nat. Bank* v. *Moyses*, supra). But as any exercise of the bankruptcy power impairs the obligation of contracts, such impairment is not to be taken as in itself a denial of due process. For the provisions of the act to violate the amendment, they must be so grossly arbitrary and unreasonable as to be "incompatible with fundamental law"; and, when consideration is given to the situation which confronted Congress at the time of the passage of the act, and we do not think that its provisions can be said to violate this rule. The situation, which still continues in large measure, was that agriculture throughout the United States was prostrate and dispairing. A huge volume of debt, estimated at between eight and nine billions of dollars, had been piled up by the farmers in the period of expansion, and this was represented in large part by mortgages on land. As a result of the decline in the prices of agricultural products, the farmers were without means to pay even the interest on this huge volume of debt, and there was default throughout the country on agricultural mortgages. Foreclosures on an unprecedented scale were imminent; but such foreclosures, while fraught with ruin to the farmer debtors, would not have resulted in payment of the debts, as land had so declined in value that only in rare instances could it be sold for anything like the amount of the debt against it. To have permitted these foreclosures to proceed would have meant the purchasing of the land by the lienholders, the eviction of owners who were settled on the land, and a great increase in tenant farming. It was in the public interest that the farmer be kept on his farm; that, if possible, his interest as an owner of the farm be maintained; and that its value as a going concern be preserved.

It was to meet this emergency situation that the statute in question was enacted. The interests of the creditor were protected by having the property valued under the direction and subject to the approval of the court, and by providing that the creditor should ultimately receive this valuation. The farmer was kept on the farm and its value as a going concern was preserved by providing that it should be rented to the owner at a rental to be fixed by the court, and that he should have the right to purchase it at the fair and reasonable value which the court should determine.

The operation of mortgaged property under the control of the court, is, of course, nothing new. It is a common thing for foreclosure proceedings to be delayed while the court operates the property of debtor corporations for the purpose of preserving its going-concern value in the interest of stockholders as well as creditors until a sale can be advantageously made; and it should not be held "so grossly arbitrary and unreasonable as to be incompatible with fundamental law" that Congress, when faced with a great economic emergency, has prescribed for the relief of agricultural debtors and their creditors, a procedure which involves the operation of agricultural property under the supervision of the court to the end that its value may be preserved in the interest of all parties concerned. The fact that the court is to rent the property, instead of operating it through a receiver, is a difference of detail in management and not a difference in principle.

And the right accorded the farmer to purchase at the valuation fixed by the court is no more than the right accorded the debtor under the corporate reorganization act which we have upheld. If the creditor receives the value of the property, it is no concern of his who the purchaser may be; and as we have seen, the act provides for the determination of value by the court in a judicial proceeding in which the creditor is given full opportunity to be heard.

As a matter of fact, no property in any real sense is taken from the lien holder by reason of the provisions of the act. The mortgaged property has already shrunk in value before the proceedings under the act are instituted; and the proceedings merely scale down the secured portion of the debt to the value of the encumbered property and transfer the lien of the encumbrance to the proceeds of that property when paid into court. While the lien holder is delayed in getting his money, the delay is probably not for so long a time, or the loss so great, as would result to him if the act were not passed and wholesale foreclosures of real-estate mortgages should result. While generally regarded as a measure for the relief of farmer debtors, it is clear that the act is at the same time one in the interest of their creditors also; for creditors of farmers would have nothing to gain, even with respect to the collection of their debts, from the financial debacle which would result from the wholesale foreclosure of farm mortgages, in which their collateral would be rendered practically worthless. In this connection, it may not be amiss to consider the closing paragraphs of the report of the Senate Judiciary Committee, reporting on the act (Rept. No. 1215, 73d Cong., 2d sess.). They are as follows:

"In short, all that this amendment does is to carry out the purpose of section 75 and adjust and scale down existing farm indebtedness to the present value of his property, and it gives the debtor farmer an opportunity to save his home and maintain his property by paying for it on the installment plan, while the property remains under the control of the court. Section 75 itself is an emergency act and has only about 3½ years to run. Therefore this amendment will cease to exist when the time limit of section 75 expires.

"This amendment will make it possible for the Federal Farm Credit Administration, through the Federal land banks, to function by adjusting and scaling down the indebtedness to somewhere within the reasonable value of the property. This amendment in no way affects existing liens or emcumbrances, except that it scales them down to the present value of the encumbered property and then transfers the lien or liens to the proceeds of that property when paid into court.

"On the average, under its provisions, the lienholders and creditors of the debtor farmer, on a whole, will receive unquestionably larger returns than under the present system, where the property is thrown upon the market and sold at public auction. It gives a reasonable time and gives the original owner an opportunity to protect his property, and therefore his home."

If the States, as has been held in *Home Building & Loan Association* v. *Blaisdell* (290 U. S. 398), may in times of emergency exercise their police power to grant a moratorium against the foreclosure of mortgages, notwithstanding the limitations of the contract clause of the Constitution, then certainly Congress, which has been given express power upon the subject of bankruptcies, may exercise that power in the enactment of bankruptcy laws designed to meet the emergency, even though the exercise may delay the collection of the debts due by the bankrupt. As has been often said, the bankruptcy power, like the other powers granted to the Federal Government, is plenary. It is to be used, as are the other granted powers, to "promote the general welfare." And in times of emergency it should be exercised, reasonably of course and in the spirit of the Constitution, but in a way, if possible, to meet the problems of the emergency. As said by the Chief Justice in the Blaisdell case: "While emergency does not create power, emergency may furnish the occasion for the exercise of power. 'Although an emergency may not call into life a power which has never lived, nevertheless emergency may afford a reason for the exertion of a living power already enjoyed' (*Wilson* v. *New*, 243 U. S. 332, 348). The constitutional question presented in the light of an emergency is whether the power possessed embraces the particular exercise of it in response to particular conditions."

The most serious question presented is as to the 5-year delay which the statute interposes to the rights of the creditor. It may be conceded that under ordinary conditions this provision would be so arbitrary and unreasonable as to offend against the provisions of the fifth amendment; but we are not prepared to say that it may be so condemned when viewed in the light of the emergency which confronted Congress. Whether after the economic depression shall have passed and conditions shall have returned to normal the act can be sustained is a question which is not before us; but the law is well settled that "it is always open to judicial inquiry whether the exigency still exists upon which the continued operation of the law depends" (*Home Building & Loan Association* v. *Blaisdell, supra*, 290 U. S. 398, 442; *Chastleton Corp.* v. *Sinclair*, 264 U. S. 543, 547, 548).

The act in question has been upheld as constitutional by the Circuit Court of Appeals of the Sixth Circuit in *Louisville Joint Stock Land Bank* v. *Radford* (C. C. A. 6th), — Fed. (2d), —; by Judge Dawson in the same case in the district court (8 Fed. Supp. 489); by Judge Symes in *In re Cope* (8 Fed. Supp. 778); and by Judge Atwell in *Paine* v. *Capitol Freehold Land Co.* (8 Fed. Supp 500).

We come then to the question as to whether the court of bankruptcy had jurisdiction to stay proceedings for foreclosure of a mortgage already pending in a State court; and it is clear that prior to the enactment of the amendment of March 3, 1933, it had no such power (*Straton* v. *New*, 283 U. S. 318; *In re Hurlock*, 23 Fed. (2d) 500). This was because the jurisdiction of the State court and the bankruptcy court in matters of foreclosure was concurrent, and on principles of comity the bankruptcy court would not attempt to interfere with the jurisdiction of the State court. Under subsection (n) of section 75, however, the bankruptcy court was given exclusive jurisdiction over the property of the farmer debtor; and under subsection (o) it was expressly provided that proceedings for the foreclosure of mortgages should not be instituted, or, if instituted prior to the filing of the petition, should not be maintained. Under such circumstances there can be no question but that the jurisdiction of the bankruptcy court over the property was paramount and exclusive, and that it was the duty of the court to protect this jurisdiction by injunction or other appropriate process. In such case the power of the court is analogous to that which it possesses where the property of the bankrupt is in possession of the receiver of a State court appointed within 4 months of the filing of the petition in bankruptcy. See *In re Watts* (190 U. S. 1); *Bailey* v. *Blackmon* (C. C. A. 4th), 14 Fed. (2d) 16, 19, 20); *Gamble* v. *Daniel* (C. C. A. 8th), 39 Fed. (2d) 447); *Miller* v. *Potts* (C. C. A. 6th), 26 Fed. (2d) 851).

It is argued that the power of the court of bankruptcy to stay proceedings ended with the rejection of the proposition for composition or extension submitted under section 75 as originally enacted. This, however, fails to take account of the fact that subsection (s), the Frazier-Lemke Act, is a mere addition to section 75 of the Bankruptcy Act, and that the procedure provided for thereunder is merely a continuation of the procedure which must be begun under other subsections of section 75. For the court to afford the relief which the section, as amended, contemplates, it is necessary that the exclusive and paramount jurisdiction of the court over the property of the bankrupt be maintained; and there can be no question but that the provisions of subsections (n) and (o) apply as well to proceedings continued under subsection (s) as to proceedings under the other provisions of section 75.

And we do not think that the right to stay proceedings in the State court is precluded because a sale has taken place in foreclosure proceedings if there has been no confirmation of the sale. Of course, where the property of the bankrupt has finally passed from him under a foreclosure proceeding, the bankruptcy court has no power over it; for the bankruptcy court is given jurisdiction only over property of the bankrupt, and when he has ceased to have an interest in the property as the result of foreclosure, no basis exists for a stay of proceedings under the act. *In re Arend* (8 Fed. Supp. 211, 212); *In re Klein* (9 Fed. Supp. 57, 59); *In re Stacy* (9 Fed. Supp. 61); *In re Smith* (7 Fed. Supp. 863). Under the law of Maryland, however, the defendant in foreclosure does not lose his interest in the property sold at foreclosure sale until the same is confirmed and the purchase money paid. It is provided by the Maryland Code (art. 66, sec. 11) that "all such sales, when confirmed by the court and the purchase money is paid, shall pass all the title which the mortgagor had in the said mortgaged premises at the time of the recording of the mortgage." Until confirmation and payment of the purchase money, the property is still in the mortgagor and the only interest acquired by the purchaser is the right to receive a conveyance upon complying with the terms of sale if the sale be confirmed. In the latest case dealing with the subject, *Mizen* v. *Thomas* (156 Md. 313, —, Atl. —), the Court of Appeals of Maryland said:

"It is true that where in such a case as this the trustee reports a sale, which in due course is finally ratified, the transaction is spoken of as a sale, and for many purposes it may be treated as a sale, and no mischief is occasioned by that use of the word. (Miller's Equity Proc., sec. 512.) But strictly speaking it is not a sale, for a sale of real estate is not complete or consummate until the property has been actually conveyed, or at least until the purchaser has so far complied with the terms of sale as to entitle him to a conveyance. The bid of the purchaser, its acceptance, the report of the trustee, and its final ratification by the court, are all successive steps in the formation and completion of

a perfect and binding contract of sale, but do not amount in themselves to an actual sale. Nor can the property be treated as actually sold until the terms of sale have been met or waived and the purchaser has received or is entitled to receive a conveyance thereof. For until then the title to the property is still in the mortgagor, and the only interest acquired by the purchaser is the right to receive a conveyance of the property upon complying with the terms of sale."

While there are some expressions to the contrary in the opinion in *Union Trust Co.* v. *Biggs* (153 Md. 50, 137 Atl. 509), that case merely decided that a judgment against the defendant in foreclosure, rendered after the sale but before its confirmation, did not constitute a lien upon the property sold; and it is to be interpreted, in our opinion, as relating the effect of the confirmation to the date of the sale, rather than as changing the well-settled rule as to the effect of judicial sales on the rights of the parties prior to confirmation. See *Whiteley* v. *Whiteley* (117 Md. 538, 544); *Loft, Inc.,* v. *Seymore* (148 Md. 638, 645). But at all events, the decision in *Mizen* v. *Thomas,* supra, is the latest expression of the Maryland court and we accept it as laying down the rule now in force in that State.

"As the bankrupt had not lost his rights in the mortgaged property as a result of the unconfirmed foreclosure sale, we think that the foreclosure proceedings should have been stayed. The statute is highly remedial in character and should be liberally construed. The evident purpose of Congress was to grant to farmer debtors the relief which it prescribes in all cases where an interest in their property remained in them at the time of the filing of petitions under the act." (See *Paine* v. *Capitol Freehold & Land Co.* (8 Fed. Supp. 500); *In re Lawmon* (8 Fed. Supp. 886); *In re Cope* (8 Fed. Supp. 961); *In re Mines* (9 Fed. Supp. 1); *In re Duffy* (9 Fed. Supp. 166).) As said by Judge Lindley in the case last cited:

"Viewing the bankruptcy amendment in connection with the remaining sections of the Bankruptcy Act and the recent amendments thereto, it seems to me evident that Congress intended to reach every kind of property interest or property right which the bankrupt then had, including rights to redeem; that Congress intended that the bankrupt should have an opportunity to preserve the then existing status of foreclosure or other insolvency proceedings until it can be determined whether any rehabilitation is impossible. This does not mean that Congress has said that mortgages shall not be enforced. It does not mean that liberty of contracts shall be interfered with or property confiscated, but it does mean that the court, within its jurisdiction and within the limits announced by the Supreme Court in the recent case of *Home Building & Loan Association* v. *Blaisdell* (290 U. S. 398, 54 S. Ct. 231, 78 L. Ed. 413, 88 A. L. R. 1481) will preserve the existing status of property rights of the bankrupt until convinced that no good purpose is being served by so doing."

For the reason stated, we think the learned judge below erred in denying the prayer of the petition for stay of proceedings in the State court. The order appealed from will accordingly be reversed and the case will be remanded for further proceedings not inconsistent with this opinion. As appeal to superintend and revise under section 24 (b) of the Bankruptcy Act is the proper method of review, the order appealed from will be reversed in no. 3778 and the appeal in no. 3797 will be dismissed.

In no. 3778 reversed.

In no. 3797 appeal dismissed.

REGULATION OF TRAFFIC IN FOODS, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein, to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes.

The VICE PRESIDENT. The question is on what are known as the "Bailey amendments" to the pending bill.

Mr. METCALF. Mr. President——

The VICE PRESIDENT. The Senator from Rhode Island is recognized.

CONDITION OF COTTON-TEXTILE INDUSTRY

Mr. METCALF. Mr. President, in the Providence Journal of yesterday I notice a list of the cases on relief in the cotton-textile mill towns in my State. The list shows a total increase over those on relief last year of 4,896. I ask unanimous consent the article from the Providence Journal, to which I have referred, may be printed in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, the article will be printed in the RECORD.

(See exhibit A.)

Mr. METCALF. Mr. President, the closing within the week of four additional mills in Rhode Island and Massachusetts, affecting as it does the employment of several thousand workers, impels me at this time again to call the attention of the Senate to the general situation affecting the textile industry of the eastern and southern Atlantic States.

Unable to enlist the sympathies of the executive branch of the Government, upon which is the responsibility for effecting recovery of the great industries of the country, we, who are conversant with the existing conditions, are receiving the pleas of employers and employees to secure a change of attitude.

Far from draining the resources of the farmers, the textile industries of the country are their best customers. Secretary of Agriculture Wallace, however, has a psychology that cannot be either understood or interpreted by industry. For instance, in order to reduce the carry-over of cotton, he would starve industry into paying a high price for its raw material. A natural price for cotton is not objected to, as it would be reflected not only in our own product but that of the whole world, for the world would be paying on the same basis.

However, what really is happening is that Secretary Wallace is killing off the domestic customer of the cotton farmer without providing new customers for him. He cannot sell more cotton abroad than can be absorbed, a fact that has been made patent to, but has failed to influence the Government officials.

When a merchant finds himself overstocked, his first thought is to divest himself of whatever may be his excess merchandise. Sometimes he has to sacrifice even more than his profits to dispose of that for which at normal prices there is little or no demand. I do not contend that the cotton farmer must sell his excess at a loss or below a normal figure, but I do insist that it is poor psychology artificially to raise the price so high that we get into that vicious circle which results in the closing of the mills and the placing of more thousands upon the relief rolls.

It must be realized that "price", as I refer to that factor, means what the mills have to pay for cotton before it can be processed. We have to give consideration to many things in this regard. There is the influence of the Government's loan policy, whereby an advance of 12 cents is provided as a basis for the farmers upon which to realize on their cotton. Then there is the processing tax, which, in my State, amounts to about 40 percent of our pay-roll outlay. We have code wages to pay, although there is no opposition to that, except as it may affect the whole picture.

But while the mills are being subjected to these harassing matters the administration stands by idly and, despite section 3 (e) of the National Industrial Recovery Act, permits Japan to flood our markets with textiles, the product of cheap oriental labor.

Foreign trade is the strange fetish of the administration. It would sell cotton abroad and permit the return of the finished goods in competition with our mills, which cannot face it. At the same time, the administration calls upon us to provide $4,800,000,000 of work-relief money.

It has been whispered about that persons in high places believe the present agitation for relief in the cotton and cotton-textile industries to have been fomented by cotton speculators.

Closed mills and workers walking the streets in the mill towns attest to the futility of holding speculators in cotton responsible for the putting of men and women on relief.

The administration's tariff policies are being repudiated, at least privately, by the very followers of the Democratic Party who brought about the adoption of the present reciprocal trade agreement law. They thought, it appears, that it would lead to the narrowing of what they were pleased to call "the disparity between agricultural and industrial prices", never dreaming for a moment that there was more than tariff involved, or that farm products would be affected both directly and indirectly, as will be found to be the case.

The trouble is, as I see it, the unwillingness of the administration to admit a mistake. It fears loss of prestige. That already is becoming a fact because of administration acts of commission and omission.

No loss of prestige can come from putting men and women back to work, taking them off the relief rolls, and restoring their self-respect. It is the protest of the unemployed and the hungry that will bring about disrespect for the administration.

During the past month delegation after delegation of representatives of cotton growers and cotton textile manufacturers have come to Washington praying for relief from the burdens which are crushing their industries. One of these delegations, from the State of Georgia, was composed of men who have spent their lives in the business of manufacturing cotton textiles. If there is any group of men who know every angle of the cotton-textile business, it is these men.

Representatives of the textile industry are almost unanimous in their belief that the cotton-processing tax is building up consumer resistance in this country and is throwing the price of cotton textiles completely out of line. They believe that the increased cost of manufacturing as a result of numerous codes, taxes, and regulations, has invited an overwhelming influx of goods from foreign countries. In pleading for relief they have only one thing in mind, and that is an attempt to salvage the cotton-textile industry and bring natural prosperity to the cotton growers, manufacturers, and workers.

There is no longer either patriotism or wisdom in remaining silent when one of our major industries is being straitjacketed and suffocated by the application of theories of a Secretary of Agriculture whose activities are reaching beyond the farm and stopping the wheels of industry.

The Senator from Georgia [Mr. GEORGE] has rendered a noble service by his effort to save the domestic market for his southern textile mills and for his southern cotton growers. On this issue we of New England stand on common ground with the people of the South. Everybody seems to be agreed—that is, everybody but the Secretary of Agriculture—that the cotton-processing tax is partially responsible for desolation in the cotton-textile industry.

Now we witness an order to curtail cotton manufacturing by 25 percent. Mr. President, before long cotton-textile production will be curtailed 100 percent. Twenty-three large mills in the State of Rhode Island alone have already closed. The decline in the price of raw cotton, the failure of mill after mill, the tremendous influx of cheap cotton textiles from abroad, and the pitiful fact that 50,000 trained textile workers are facing the relief roll, may be charged to our shameful mistake in intrusting a large part of our national affairs to an impulsive theorist, who, so far as I know, has never been inside a cotton-textile mill.

The importation of cotton textiles is a more serious problem than most people believe. At the same time we are agreeing to curtail production in our cotton mills in this country we are witnessing a tremendous increase in importations from abroad. From December to February importations have increased by leaps and bounds. I am informed that during the first 3 weeks of March importations will run well over 6,000,000 square yards—more than the total importations during the whole of the year 1934.

Mr. McKELLAR. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Rhode Island yield to the Senator from Tennessee?

Mr. METCALF. I yield.

Mr. McKELLAR. Whence do those importations come principally?

Mr. METCALF. The cheaper goods come mostly from Japan.

Mr. McKELLAR. What proportion comes from Japan?

Mr. METCALF. I cannot tell the Senator.

From press comments it would appear that the State Department's reciprocal-treaty policy forms an almost impenetrable wall over which our domestic textile manufacturers cannot hope to climb. It is too bad, Mr. President, that we are forced to stand by and witness the desolation in the cotton industry and receive nothing from our Government officials but the blind assertions that they intend to go on with their present policies in spite of the dark facts we have before us.

Senators from cotton States bear witness:

During the 28 days of February 1,367,000 pounds of cotton staple under 1⅛ inch arrived in this country from British India, and 180,000 pounds from China.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Rhode Island yield to the Senator from Oklahoma?

Mr. METCALF. I yield.

Mr. THOMAS of Oklahoma. I understand the Senator is complaining about cheap goods coming to the United States from Japan. Is that correct?

Mr. METCALF. That is correct; from Japan as well as from some other countries.

Mr. THOMAS of Oklahoma. I understand also the Senator is complaining about the processing tax and opposing a processing tax. Is that correct?

Mr. METCALF. That is correct.

Mr. THOMAS of Oklahoma. If the Senator could be convinced that through a wide issue of silver we might ameliorate the condition of which he complains so far as imports from Japan are concerned, would the Senator be inclined to cooperate with us to obtain some desirable results?

Mr. METCALF. I would cooperate in an effort which I thought sensible and which would tend to put the cotton workers back to work.

I should like to digress for a moment to point out some very interesting facts concerning the results of the program of our professorial theorist, the Secretary of Agriculture. I am told that the best butter in the world is made in Wisconsin. With that in mind the people of Wisconsin should be interested to know that during the 4 weeks of February we imported 3,056,000 pounds of butter. Possibly the Secretary of Agriculture would like to purchase this as a surplus.

The people of Texas should be interested in the fact that 6,773,000 pounds of meat came into the United States from foreign countries during February.

Senators from the wheat area should stand at attention before the fact that 1,055,000 bushels of wheat grown by Canadian farmers came into the United States for consumption by the American people.

The city of Peoria, Ill., is in the very heart of the Corn Belt. It is faced on one side by the Illinois River and surrounded on other sides by millions of acres of fine cornfields. A few days ago there was unloaded in Peoria 32,000 bushels of corn from Mexico. During the last few weeks of February 1,815,000 bushels of corn were imported into the United States, some of which came all the way from Rumania.

This situation, Mr. President, certainly justifies our hope that Mr. Roosevelt, on his return to Washington from his Florida vacation, will give it the careful attention it merits.

This morning I received a letter from Bushnell, Nebr., reading as follows:

BUSHNELL, NEBR., *April 1, 1935.*

To Senator METCALF.

DEAR SENATOR: I see you are after Secretary Wallace in regard to cotton farmers, and I write you to not forget the wheat and corn farmer. We are about in the same fix as cotton farmers are. The farmers here think Mr. Wallace's wings must be clipped or he will have us all busted and on relief. Now, we cannot borrow seed loan unless we agree to sign a wheat-reduction contract, and we do not know what the contract is to be now. The most of the wheat farmers here have lost our winter wheat by dry and dust storms, and we sure need the seed loan in order to keep trying to keep going. We need the seed loan without any string on it. The farmers here are with you in your fight for a fair deal. There has been more wheat coming in from other countries now than our overproduction was.

Yours respectfully for a fair deal.

I do not give the name of the writer of this letter, because I did not ask his permission to do so.

I thank the Senate.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. METCALF. Certainly.

Mr. TYDINGS. The philosophy of scarcity which was debated here during the past few days has been in reference to agriculture. Suppose the same principle were applied to industry. Suppose we should tax all the people, and pay the United States Steel Corporation, for example, a bonus on the steel they did not produce, or pay the railroads a bonus on the tons of freight they did not haul. Suppose the policy now applied to agriculture were applied to industry.

I think that is a complete answer to whether or not such a policy is justified as a permanent venture, although it might be justified on some grounds as a temporary expedient.

Mr. METCALF. I think the Senator is right again.

Mr. THOMAS of Oklahoma. Mr. President, may I ask the Senator another question?

Mr. METCALF. Certainly.

Mr. THOMAS of Oklahoma. Yesterday I introduced a bill providing for the repeal of section 5 of title I of the Agricultural Adjustment Act, which provides for the processing tax. I trust I may have the support of the Senator from Rhode Island in getting consideration for that bill.

Mr. METCALF. We will study it carefully.

EXHIBIT A

[From the Providence Journal, Apr. 4, 1935]

PROCESSING TAX BRINGS JUMP IN RELIEF ROLLS OF STATE—COTTON TEXTILE MILL TOWNS CONTRIBUTE 4,310 CASES OF TOTAL INCREASE OF 4,896 IN RHODE ISLAND WELFARE LISTS SINCE LEVY BECAME EFFECTIVE AUGUST 1, 1933

Cotton textile mill towns contributed 4,310 cases to the total increase of 4,896 in the welfare rolls of Rhode Island between August 1, 1933, the date the cotton processing tax became effective, and March 1 of the present year.

Records at the office of the Federal Emergency Relief Administration headquarters here showed that a total of 13,085 persons were on Federal relief rolls in Rhode Island during the week that ended on August 5, 1933, while the number had increased to 17,981 during the week that ended February 28 last.

While the decreased activity in the cotton textile business cannot be laid solely to the processing tax, nor are all the additional welfare cases those of cotton-textile workers, the figures indicate the havoc that has been wrought in Rhode Island communities, partly or principally dependent upon cotton-textile manufactories, during the past 20 months.

WOONSOCKET LIST GAINS

In the city of Woonsocket, one of the textile centers of the East, the number of names on the welfare rolls increased 171 percent, jumping from 590 in August 1933 to 1,599 on the 1st of March this year.

Pawtucket, where the welfare rolls swelled from 1,272 in August 1933 to 1,916 on March 1, 1935, was affected by the closing of the Manville-Jenckes mill and curtailment of production in other manufactories.

West Warwick, dealt a severe blow by the closing of the B. B. and R. Knight mills, is staggering under a welfare burden that has increased 177 percent in the last 20 months.

The welfare figures of West Warwick form a parallel to the decline and ultimate passing of the Knight mills. During August 1933, while the mills were operating with the hope that some of the new Government regulations over the industry would aid the cotton-textile business, the town had but 184 persons receiving relief. A year later, by the time the processing tax, underselling by foreign competitors and other burdens, had made themselves felt, the welfare roll had grown to 330 persons. Early this year the Knight mills closed, and the number on relief promptly mounted to 511.

OTHER TOWNS HIT

There are numerous other towns that have seen their welfare rolls increased by 100 percent or more during the past 20 months; Smithfield, from 47 to 118, and little Richmond, with its growth of from 9 to 19.

Cumberland, with its numerous little communities largely dependent upon the pay rolls of the Lonsdale Co., had a welfare list of 236 on March 1 as compared to 148 in August 1933, but this does not complete the picture of the welfare situation in the town. Since March 1, the last date upon which figures were available, the Ashton mill of the Lonsdale Co. has closed and an additional 200 persons have been thrown out of work.

Only a few years ago the Lonsdale Co. was one of the most active cotton-textile manufactories in the country. Now, of its original five units, only two are operating and these at reduced capacity. Only the foundations of old No. 4 mill are visible, it having been torn down. Most of the machinery has been moved out of the Ann and Hope mill and the Ashton mill closed "for an indefinite period" on March 31. Now only the Berkeley mill and the bleachery across the river are being operated.

In Providence curtailment in the cotton-textile industry has made a definite contribution. In August 1933 there were 6,468 persons on welfare in Providence. A year later there were three fewer persons receiving aid, but on March 1 of this year the number had grown to 7,845, an increase of 1,380 in 7 months.

Within the city itself the Grant mill of the B. B. & R. Knight Co. closed and many Providence persons who were employed in textile mills in nearby cities and towns also are out of employment.

A similar situation holds in Cranston, where the number on relief advanced from 455 in August 1933 to 590 in August 1934, and then still further, to 748 on March 1 of this year.

The figures at the F. E. R. A. headquarters record that no one is receiving Federal relief in the towns of Foster, New Shoreham, and West Greenwich.

FIGURES BY TOWNS

A table showing the increases in the welfare rolls in the cities and towns of the State having cotton-textile mills follows:

	Aug. 5, 1933	Aug. 4, 1934	Mar. 1, 1935
Bristol	253	282	265
Coventry	65	82	101
Cranston	455	590	748
Cumberland	148	197	236
Johnston	153	219	274
Lincoln	65	94	83
Pawtucket	1,272	1,623	1,916
Providence	6,468	6,465	7,845
Smithfield	47	108	118
Warren	257	203	241
Warwick	478	469	687
Westerly	164	213	254
West Warwick	184	330	511
Woonsocket	590	1,912	1,599
Richmond	9	7	19
East Greenwich	54	58	75

The relief load in other Rhode Island cities and towns follows:

	Aug. 5, 1933	Aug. 5, 1934	Mar. 1, 1935
Barrington	76	41	68
Burrillville	38	143	114
Central Falls	418	437	371
Charlestown	7	15	23
East Providence	587	650	871
Foster	11	27	0
Glocester	25	12	13
Hopkinton	22	29	29
Jamestown	33	5	69
Little Compton	22	16	38
Middletown	51	26	56
Narragansett	19	0	50
Newport	632	386	638
North Kingstown	51	43	62
North Providence	169	168	215
North Smithfield	27	105	54
Portsmouth	43	19	44
Scituate	62	74	79
South Kingstown	72	48	141
Tiverton	47	59	70
West Greenwich	9	9	0
New Shoreham		0	0
Exeter			4

Mr. DICKINSON. Mr. President, following the discussion of yesterday on the processing tax, and the address of the Senator from Rhode Island [Mr. METCALF] this morning, I desire to present a few facts and figures which will show that the processing tax on hogs amounts to 38½ percent of all the processing taxes now being collected, and we are wondering how long we are going to be penalized by this process.

I noted in the Washington Herald a few days ago this statement:

So you'll eat pork? Have you millions? Pork chops, once the good old stand-by of the American family may soon be a luxury for millionaires only.

I think it is absolutely agreed on the part of every one that as prices rise 10 percent, consumption decreases 10 percent; and the pork producer is up against that very condition right now.

This comment in the press should be considered in connection with the announcement that on April 1, 850,000 contracts were signed up, agreeing to pay the American farmer $150,000,000 in 1935 for a reduction in acreage in corn and in the number of hogs to be raised. It has also been announced that there are now 37,000,000 hogs in the United States, the lowest number for more than 50 years, and that beef cattle and sheep are not only on the decline but also at a low-record mark.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. DICKINSON. I yield.

Mr. LONG. Was that before the last killing?

Mr. DICKINSON. No; this was after the last killing.

Mr. LONG. Oh! I beg the Senator's pardon.

Mr. DICKINSON. Apparently, this is carrying the economy of scarcity to the extreme. When the American consumer quits buying pork on account of a high price, and substitutes other meats therefor, it will take many years to regain the market.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. ROBINSON. Is the Senator complaining that pork products are too high?

Mr. DICKINSON. I am complaining of the entire program of reducing production, and I am complaining that pork products are too high in comparison with other products, because people are ceasing to eat pork.

Mr. ROBINSON. Is it the Senator's theory that all efforts to reduce production, or to restrict it, should be abandoned?

Mr. DICKINSON. I should like to see them abandoned instanter, and I shall so state before I close my remarks.

There is further interest in the amount of processing tax that is being paid.

Mr. LONG. Mr. President, will the Senator yield before he resumes his remarks?

Mr. DICKINSON. I yield.

Mr. LONG. In other words, the Senator from Iowa is willing for the whole program to be abandoned. If the Senator from Iowa pursues that policy he will be qualifying himself to be a Democrat, because all of us over here are for that policy.

Mr. DICKINSON. That is a new doctrine on the part of democracy. I have been thinking that the administration's policies were reflected by the legislation which has been passed, and which the administration has been attempting to continue in view of the fact that it could be terminated by Executive order of the President.

Mr. LONG. Oh, I beg the Senator's pardon, we have not passed any legislation at all. We have passed some laws which allowed the departments and bureaus to do these things, but if the Senator heard the other Senators on this side of the Chamber yesterday, he will recall that they were all complaining about the bureaus' having done them.

Mr. DICKINSON. I concur in that view.

Mr. ROBINSON. The contention of the Senator from Iowa is that all efforts on the part of the A. A. A. to increase and stabilize the price of pork products and of corn should be abandoned?

Mr. DICKINSON. It is my contention that they should be abandoned. I should like to see the corn and hog contracts of Iowa abandoned now, and I have said so in the press in Iowa.

Mr. ROBINSON. Does the Senator realize that might result in a reversion to the prices which prevailed when the prices of corn and of meat products were below the cost of production?

Mr. DICKINSON. It does not make much difference whether a man has a small crop and sells it at a high price, or whether he has a large crop and sells it at a low price.

Mr. ROBINSON. The Senator, then, would like to return to the conditions relating to these commodities—corn and meat—which prevailed during the Hoover administration?

Mr. DICKINSON. No; I want to return to conditions where the farmer will run his own business, and sell his products for what he can get for them in the economic equation as it will then exist.

Mr. ROBINSON. Was not that the condition which prevailed during the Hoover administration?

Mr. DICKINSON. Yes; there was none of this A. A. A.

Mr. ROBINSON. The Senator endorses that and would like to return to it?

Mr. DICKINSON. I want to return to the conditions which existed and the privileges which the farmer enjoyed before the present policy was inaugurated, because that policy is going to drive pork production out just as the policy with reference to cotton is driving cotton production out of the South, if it shall continue.

Mr. ROBINSON. If I understand the Senator correctly, he would like to abandon all efforts to increase and stabilize the prices of agricultural products.

Mr. DICKINSON. Oh, no; I did not say that. I said I would abandon the Agricultural Adjustment Act as passed during the present administration.

Mr. ROBINSON. What would the Senator substitute in place of it?

Mr. DICKINSON. If the Senator will give me the opportunity, I will go back and state the legislation which I think is sound.

Mr. ROBINSON. The Senator would go back to the Farm Board of the Hoover administration; would he?

Mr. DICKINSON. I would go back to the McNary-Haugen bill.

Mr. ROBINSON. Oh, the McNary-Haugen bill, which was vetoed by both President Coolidge and President Hoover?

Mr. DICKINSON. No; it was vetoed by President Coolidge.

Mr. ROBINSON. Twice.

Mr. DICKINSON. Twice.

Mr. ROBINSON. The Senator now is for the McNary-Haugen bill?

Mr. DICKINSON. As a matter of fact, the Senator from Arkansas is trying to inject a lot of politics in my remarks, and I should like to talk economics for a few moments. I am not questioning the record of former Republican Presidents; but I am willing to charge that the present administration is not only wrecking cotton, it is not only wrecking wheat, but it is wrecking the dairy industry, and it is going to wreck the hog industry and the corn industry if it is permitted to continue.

Mr. LONG. Mr. President, will the Senator allow me to say that Coolidge days were better than Roosevelt days or better than Hoover days, but that does not say Coolidge was right?

Mr. DICKINSON. No.

Mr. LONG. And some of the Hoover days may have been better than some of the Coolidge days, but that does not say Hoover was right.

Mr. DICKINSON. That is true.

Mr. ROBINSON. No; the effect of the suggestions of the Senator from Louisiana and the Senator from Iowa, as I understand, is that they are dissatisfied with present conditions. They would prefer that those conditions should be reverted to which brought the American farmer to a state of destitution during the Hoover and Coolidge administrations.

Mr. DICKINSON. We all want to go back to 1926; the members of the Democratic Party have suggested that they want to go back to 1926; and those were good Republican days.

Mr. ROBINSON. The Senator is wrong, Mr. President. There never were any good Republican days. [Laughter.]

Mr. DICKINSON. Then the history of this country of ours belies its own record.

Mr. ROBINSON. That is a remarkable statement.

Mr. LONG. Mr. President, if the Senator from Iowa will yield to me, I will not interrupt him again unless something is said that rather reflects on me. I cannot be put in two houses or either house; but the Senator from Arkansas says that the Senators from Iowa and Louisiana would go back to the Coolidge and Hoover days, or words to that effect. The facts are that when the Senator from Arkansas and the Senator from Iowa were both voting for what Hoover recommended, I was telling them both that they were wrong. Now I have convinced the Senator from Iowa that he is wrong, and if we have the Senator from Arkansas convinced we can have a protracted meeting.

Mr. ROBINSON. The Senator from Louisiana, as usual, is entirely incorrect in his statement.

Mr. LONG. Well, now, let me prove it.

Mr. DICKINSON. Mr. President, I prefer to present a few facts which I have in mind.

Mr. ROBINSON. Very well.

Mr. LONG. Did not the Senator from Iowa and the Senator from Arkansas both vote against higher income taxes and higher inheritance taxes, as proposed by the Senator from Michigan [Mr. COUZENS]? Did they not both pretty well sanction the program for recovery sent here by Mr. Hoover, which was more or less followed by Mr. Roosevelt's scheme?

I should like to check up the record. I think the Senator from Arkansas was a little bit more consistent in supporting Hoover's policies than was the Senator from Iowa, because, if I remember correctly, when we started to put a tariff on copper and on oil to keep the slave labor of Chile from depriving us of our copper market and to keep the slave labor of Venezuela from depriving us of our domestic oil market, we did manage to persuade the Senator from Iowa to go against his chief, Mr. Hoover, but the Senator from Arkansas never did come over.

Mr. ROBINSON. Mr. President, the Senator from Louisiana is wrong, and he seems to be anxious to maintain that attitude. He is entirely incorrect when he says the policies of the Roosevelt administration are those of the Hoover administration. In times of distress we all recognize necessity for a national leadership.

Mr. LONG. Right or wrong.

Mr. ROBINSON. No, not right or wrong; but we must recognize some kind of leadership, and the mistake of the Senator from Louisiana is in refusing to recognize the greatest leadership the United States has ever had in time of distress, the leadership of President Roosevelt.

Mr. LONG. Mr. President——

Mr. DICKINSON. Mr. President, I prefer to proceed with my own speech for a little while, and let the Senator from Arkansas and the Senator from Louisiana take their own time.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield, or not?

Mr. DICKINSON. I will yield once more.

Mr. LONG. Every time we have a President taking us on the road to destruction there has always been a loud proclaimer telling us that he is a great leader, but the trouble is that these blind guides have led us into the chasm, and I refuse to go along and commit suicide with them. I am going to stop somewhere back a little bit before I go into the chasm.

Mr. DICKINSON. Mr. President, I prefer not to yield again.

There is further interest in the amount of processing tax that is being paid:

	July 1, 1933–July 1, 1934	July 1, 1934–Mar. 1, 1935	Total
Hogs	$77,034,611.24	$132,987,938.07	$210,022,549.31
Cotton	144,767,232.64	65,507,924.37	210,275,157.01
Wheat	117,621,174.82	84,609,627.22	202,230,802.04
Field corn	4,495,193.74	4,693,312.48	9,189,506.22
Paper and jute	9,244,830.78	2,428,629.84	11,673,460.62
Peanuts		1,305,112.42	1,305,112.42
Sugar cane and sugar beets	170,416.37	43,052,552.43	43,222,968.80
Tobacco	18,088,426.05	21,641,096.16	39,729,522.21
Total	371,422,885.64	356,226,192.99	727,649,078.63

Upon summarizing these figures it is noted that on cotton a large amount of the tax was paid on goods on the shelf and cotton supplies on hand. The same is true with reference to wheat and flour on hand. For this reason, when we take the normal period from July 1, 1934, to March 1, 1935, we find that the processing tax paid on hogs and corn is 38½ percent of the total processing tax paid on all commodities. In other words, it would seem that hogs and sugar pro rata are paying a large percentage of the processing tax.

For the month of January we find that the processing tax on hogs amounted to $22,447,172.18; on cotton, $9,135,682.07; the total processing tax for the month on all commodities, $50,673,168.24. Therefore the processing tax on hogs amounted to 44½ percent of the total processing tax paid in January.

In addition to this an examination should be made of the benefits paid under the A. A. A. According to the Southern Agriculturist's April issue, we find that the benefit payments are as follows (accumulative total from May 12, 1933, to Mar. 7, 1935):

	Cotton	Tobacco	Corn-hog	Sugar
1933 program	$112,739,209	$2,056,618		
1934 program	110,536,103	17,094,004	$216,783,913	$5,323,911
Cotton options	12,224,694			
Cotton pool	48,712,775			
Cert. sales	9,999,164			
Total	294,211,945	19,150,622	216,783,913	5,323,911

In addition to this, attention should be given to the fact that already the adjustment program on rice has failed. The allotment acreage to the States has brought a surplus of rice rather than a scarcity, and we are now by legislation authorizing to be paid out of the Federal Treasury $2,250,000 as a subsidy to the rice producers.

The A. A. A. program has also failed as far as cotton is concerned. The George amendment authorizes the payment of allotment benefits on cotton, which last year amounted to $110,536,103, to be paid out of relief funds. This amendment is now in conference, but apparently agreed upon, and will remain in the bill. If all allotment benefits under the A. A. A. are to be paid out of relief funds, we probably should increase the amount. At the present time this appropriation of $4,880,000,000 is the largest appropriation ever made by a legislative body in history.

With reference to the wheat situation, the drought has brought about a condition wherein acreage reduction is to be ignored and the full acreage is to be planted, but the allotment benefits are to be paid to the wheat producer anyway. This is an indirect subsidy to the wheat producer out of the Public Treasury.

What I am suggesting is that this shows the condition into which we are gradually drifting in the case of every one of these items, and the only item that is still in line, paying every day, is the item of the hog products of this country.

The cotton men are going to be taken care of out of the relief funds. The wheat men are not going to be asked to reduce their acreage, but are going to receive benefits. The rice producer is already allowed a cent a pound as a subsidy out of the Federal Treasury. The hog producer is the only one who is still paying, with the price of hogs going up and with the consumption of his products going down.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. If we are to continue to expand the policy of substituting direct payments from the Treasury for processing taxes, is there any rule of American justice or equity which would permit processing taxes to be continuingly collected on any commodity?

Mr. DICKINSON. Absolutely none.

Mr. VANDENBERG. And if we are to turn to the Treasury in one aspect, do we not confront the ultimate necessity of turning to the Treasury for all these things?

Mr. DICKINSON. That is the conclusion I reach, and there is no other conclusion that can be reached, because if we draw on the Federal taxpayer for one item of benefit, we ought to draw on him for all items of benefit.

Mr. STEIWER. Mr. President——

The PRESIDING OFFICER (Mr. BILBO in the chair). Does the Senator from Iowa yield to the Senator from Oregon?

Mr. DICKINSON. I yield.

Mr. STEIWER. The Senator said, I believe, that the hog industry pays 38 percent of all the processing taxes paid.

Mr. DICKINSON. Thirty-eight and a half percent.

Mr. STEIWER. Does the Senator from Iowa propose to discuss the proportion of that tax which is paid ultimately by the consumer and the proportion paid by the industry?

Mr. DICKINSON. I have never been able to obtain any definite information along that line.

Mr. CONNALLY. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. Do Senators on the other side assume that we should not like to hear what is going on over there? We cannot hear what is being said in this private conference.

Mr. STEIWER. I was merely propounding a question, and I was hoping the Senators on the other side could hear the answer which the Senator from Iowa made.

Mr. CONNALLY. If it is a matter of sufficient importance to be printed in the CONGRESSIONAL RECORD, I think we ought to know something about what is being said.

The PRESIDING OFFICER. The point of order is well taken.

Mr. STEIWER. I was asking whether any information has been provided upon which Congress could reach a conclusion concerning the ultimate tax burden, and the proportion that is paid by the consumer and the proportion paid by the hog-growing industry.

Mr. DICKINSON. There are various estimates of the percentage. I think the sentiment that prevails among the hog producers is that between 75 and 80 percent of the processing tax is paid by the producers of hogs, and that probably from 25 to 30 percent is paid by the consumers.

Mr. STEIWER. I read in a newspaper this morning that food prices had advanced, as I recall the figures, 7½ percent since this time last year, and approximately 34 percent since a similar period 2 years ago. After talking with those who purchase the products I am quite sure they feel that they themselves are paying the greater share of this tax. I understand the Senator to say that the hog growers feel that they are paying about 75 percent of it. In the face of a great increase in the price of the commodity, is there justification for the belief that the grower pays this tax, or is it possible that both the grower and the consumer are contributing and that somebody else is taking the benefit?

Mr. DICKINSON. I think there is no question but that both are contributing to the processing tax. I do not believe there is any yardstick by which to measure accurately the relative proportions.

I think originally the producer paid more than he is now paying, because as this matter has gradually been adjusted more of the tax has been reflected in the price charged the consumer. I think for that reason we find both a decline in the price paid the producer, and a tremendous advance in the price paid by the consumer.

Mr. BANKHEAD. Mr. President, will the Senator yield to me?

Mr. DICKINSON. I yield.

Mr. BANKHEAD. I should like to ask the Senator what was the price of hogs before the processing tax was applied?

Mr. DICKINSON. I do not know just exactly when it was applied. Hogs went up in the spring of 1933, and the processing tax was applied late in the summer of 1933, I believe. Hogs did not increase in price materially until the fall of 1933, after the drought.

Mr. BANKHEAD. Is it not a fact that the price was about 2 cents a pound?

Mr. DICKINSON. The price was 2 cents a pound in 1932, and in the spring of 1933 it was low, but the price of hogs went up during the summer.

Mr. BANKHEAD. What is the price now?

Mr. DICKINSON. It is about 7, 8, or 9 cents a pound, depending on the location.

Mr. BANKHEAD. The Senator stated that a certain part of the processing tax was taken from the producer.

Mr. DICKINSON. Yes.

Mr. BANKHEAD. Is it not a fact that all the processing tax goes back to the producer by way of benefit payments?

Mr. DICKINSON. Oh, no. A great part of our hog benefits is going to the cotton men.

Mr. BANKHEAD. Oh, I deny that absolutely.

Mr. DICKINSON. I gave the Senator the figures to show it.

Mr. BANKHEAD. The Senator gave me no figures showing that any processing tax on hogs ever went to cotton producers.

Mr. DICKINSON. I showed the Senator that the hog industry is paying 38½ percent of the processing tax, and to date the cotton men have gotten $74,000,000 more than the hog producers have gotten.

Mr. BANKHEAD. Mr. President, the Senator knows that figures can be made to lie. The Senator ought to know, whether he does or not, that no tax goes to the cotton producer except the tax collected as processing tax on cotton, and that no part of any hog-processing tax or any other processing tax goes directly or indirectly to the cotton program. Does not the Senator know that to be true?

Mr. DICKINSON. No, Mr. President; it is not true.

Mr. BANKHEAD. Then, Mr. President, the Senator is ignorant of the conditions.

Mr. DICKINSON. Let me suggest that, if that statement is true, the whole law is unconstitutional, because a tax which goes into the Federal Treasury cannot be earmarked. Anyone who is a student of constitutional government knows that to be so.

Mr. BANKHEAD. It is not a question of constitutional government. It is a question of the use of funds in the judgment and the discretion of the administrative officer; and I suggest to the Senator from Iowa that if he will inquire he will find that no part of any processing tax on any commodity is used for application to the cotton program except the cotton-processing tax.

Mr. DICKINSON. Let me ask the Senator from Alabama a question. The cotton producers paid in $210,000,000 and they have received $294,000,000.

Mr. BANKHEAD. They have collected it.

Mr. DICKINSON. No; they have not collected it.

Mr. BANKHEAD. Yes; they have.

Mr. DICKINSON. They have already received the benefits. The benefits have been paid out to them, and they have not been collected, according to the figures of receipts up to the 1st of March. Now, if they get only the benefits paid on cotton, where did they get the other seventy-five or eighty-five million dollars?

Mr. BANKHEAD. I will ask the Senator from Iowa where the producers got the first $35,000,000 used in the payment on hogs?

Mr. DICKINSON. There was an advancement made.

Mr. BANKHEAD. Oh, yes. The other was an advancement also.

Mr. DICKINSON. There is no question about the fact that that was an advancement, but since that time that advancement has been taken care of and the hog producer has paid in about $20,000,000 more than he has received.

The Senator from Alabama had better get acquainted with the figures before he starts to argue the question.

Mr. BANKHEAD. I assert—and I challenge the Senator to follow up the assertion—that no part of any processing tax on hogs has been used, either in payment of benefits to cotton producers or for any other purpose.

Mr. DICKINSON. There is no segregation of the money in the Treasury so far as a commodity is concerned. All we have is an indirect and indefinite suggestion of the Administration that they are going to pay the benefits out only as they collect them; but they have paid them out in greater amounts than they have collected, and I want to suggest to the Senator that there has been a great deal of money collected by way of processing tax on sugar, some $43,000,000, and only a very limited percentage of it paid out.

I was just going to challenge the statement of Mr. Edward O'Neil, president of the American Farm Bureau Federation, in which he says:

> The processing feature of the Adjustment Act is a device to make the adjustment program on basic commodities self-supporting. Under the plan each commodity pays its own way.

But it does not pay its own way. It has not paid its own way. That is the reason why we are finding this effort on the part of various commodities to be relieved of the payment of the processing tax.

Let me suggest that in the Agricultural Adjustment Act, section 9, it is provided that—

> When the Secretary of Agriculture determines that rental or benefit payments are to be made with respect to any basic agricultural commodity, he shall proclaim such determination, and a processing tax shall be in effect with respect to such commodity

from the beginning of the marketing year therefor next following the date of such proclamation. * * *

Such rate shall be determined by the Secretary of Agriculture.

I suggest here is a blanket authority which has been written into this law without many people knowing what was in the law. First, subsection (a) of section 12 provides that there is to be appropriated $100,000,000. Subsection (b) provides—listen to this—

In addition to the foregoing, the proceeds derived from all taxes imposed under this title are hereby appropriated to be available to the Secretary of Agriculture for expansion of markets and removal of surplus agricultural products and the following purposes under part 2 of this title.

It does not segregate the tax. That is the very thing I am complaining about. There is no segregation of the tax under the law, but there is a blanket authority that these taxes are to be paid into a revolving fund, disbursed pretty nearly at the discretion of the Secretary of Agriculture, and there is no limitation as to the amount which he can disburse to any commodity.

I think the processing tax is responsible for a great deal of the distress which is now prevalent in agriculture. It is true that we have had higher prices in the case of one or two commodities, not brought about by a processing tax, but brought about by the drought in the Midwest, the most serious ever suffered by that section.

In order further to amplify what I am saying I ask to insert in the RECORD as part of my remarks an editorial from the Chicago Tribune entitled "Farm Relief, New Style."

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

[From the Chicago Tribune]

FARM RELIEF, NEW STYLE

The $5,000,000,000 slush fund is to be used in part to pay bounties to farmers. This use of the money by the President is intended to obviate the collection of processing taxes.

Students of political science may find in this authorization a lesson that is often neglected in the classrooms. The lesson is this: When a political solution is devised for an economic problem, the result is generally disappointing. New experiments are undertaken. Progress is from bad to worse. The process is one of economic and moral deterioration.

The Hoover administration produced the Farm Board with half a million dollars to spend. The money was used to peg agricultural prices above the market. The result was lessened consumption and increased production. Supply was stimulated and demand discouraged. The accumulation of huge surpluses, unsalable at the Government's price, weighed upon the markets. Under this weight the scheme collapsed.

At this point the Roosevelt tinkering began. The "new dealers" introduced the processing tax. It was to be collected from consumers and redistributed to those farmers who agreed to reduce their output, a reward for doing what in their hearts they knew to be wrong. The reduction in acreage was supposed to prevent the piling up of surpluses, but it hasn't worked out as expected. Cotton offers a clear illustration. The processing tax has served to reduce consumption, and this effect has been aggravated by the Government's cotton loans, which have pegged the price of spot cotton at 12 cents. Foreign and domestic consumption of American cotton has fallen off by several million bales. Once more a political solution of an economic problem is failing disastrously.

And once more, of course, the politicians are trying to patch up their perpetual-motion machine with string and hairpins. Taxing the consumers did not work. Congress now proposes to tax the unborn to provide the bounty. The Government will have to borrow every penny of the $5,000,000,000 slush fund, and that money will not be repaid for decades. It is to be distributed, however, in the form of a bounty to farmers, particularly to the wealthier landowning farmers.

Anyone with economic and political intelligence can confidently forecast that this scheme will not work either. The more successful it seems to be at the start, the more certain will be its eventual failure, because there will be continued pressure to extend the benefits to additional classes of producers and to increase the amount of the hand-out. What the new scheme promises is a steadily rising cost of living, a steady increase in taxation, the creation of privileged and unprivileged classes, and the wholesale degradation of the political life of the country.

Mr. DICKINSON. I desire to refer to one other matter, and that is with reference to the dairy industry. Mr. W. A. Wentworth, who is secretary of the dairy industry committee, made a statement which appeared a few days ago in the press, and one of the reasons for my remark is that I thought we ought to be in the position soon where we should have an Executive order, or an order of the Secretary, or of someone else to relieve the country of this whole legislative machinery. Secretary Wentworth said:

The members of this industry throughout the country would prefer to return to the old days of free competition than to have the present complicated and indefensible condition persist.

Of the conditions which have arisen he said:

Violations of the marketing agreements are wide-spread.

Chiseling and racketeering are common.

Producers of milk are selling their product at less than the prices fixed in the agreements. The same is true of distributors.

These licenses are supposed to have the effect and morality of law, but A. A. A. knows they are being violated on every hand and has made only sporadic and ineffectual attempts to enforce them.

Chiselers openly defy the A. A. A. A contract to supply milk to a veterans' hospital in Chicago was let only recently to a confessed violator of the Chicago license who openly admitted he was paying milk producers less than the fixed price. Of course, his bid was low, and the branch of the Government that gave him the contract abetted the violation of a law which another branch of the Government makes feeble attempts to enforce.

This is only one of thousands of cases which regularly occur to make the milk-license system a common joke, a source of law violation, a temptation to the repudiation of contract, and an invitation to disrespect of all law.

Further quoting Mr. Wentworth:

In view of all these complications, and in view of the unreasonableness of the law, so many violations of the law have come to the attention of A. A. A. that they would be helpless to prosecute them.

That shows the chaos into which we are drifting.

I desire to make reference to a statement which was made recently with respect to the imports of agricultural products which are now coming into the United States. I read from a letter, coming from the State of Kentucky, in which the writer says:

MY DEAR SENATOR: We are in touch with grain dealers, milling interests, farm organizations, and railroads in some nine Central and Southern States, and we will deeply appreciate it if you will bring to the attention of the Senate a few facts and opinions we have encountered everywhere throughout this territory.

Billions of invested capital have been set up in these States on the basis of certain usual and normal conditions, and when these conditions are allowed to be changed almost overnight, terrible hardships result to almost every line of business.

Imports of foreign grains and feedstuffs are literally flooding our eastern and southern ports. Argentina is the main offender, and as that country buys little or nothing from the United States in return, it is hard to see why she is allowed to come in over our low-tariff walls to the detriment of so many business organizations here.

One branch of the Government sets out by means of crop restrictions to raise prices to the farmer, while another branch allows them to be depressed by cheap foreign imports.

The normal course of events is for corn, oats, wheat, etc., to flow from our great grain belts down through the Southern and Eastern States. Normally, the railroads would be hauling thousands of tons of grain in this direction, but that traffic is almost entirely eliminated at present. The eastern and southern grain markets have been taken over by Argentine and others. Result, an enormous traffic loss to the railroads.

Take the case of our Indiana and Illinois farmers—the same for the farmers farther west—his normal market is eventually to the great centers of dense population in the East, and also down through the South; but the Argentine farmers are allowed to put their grain and feedstuffs into our ports at 10 cents per bushel less than our midwestern farmer can supply those markets at his present prices. Farm prices cannot hold up long under a situation like this. It does not do the farmer any good to raise his prices if you take away his markets.

Furthermore, imagine the stimulus this situation is to the South American farmer. With millions of acres of virgin soil and cheap labor at his disposal, and such profits to be had by exporting to the United States, will he not be encouraged to raise enormous surpluses in future years with which to further harass our farmers?

As for the grain dealers and milling interests in the Middle West and parts of the South, such a situation will spell utter ruin for them if it is allowed to continue long. Take our own case, for instance: Normally, at this time of the year, we should be turning over $150,000 to $200,000 per month, of which we would be paying the railroads between $25,000 and $50,000 for hauling our corn, oats, and wheat down through the South and East. Our actual turn-over for the month of February 1935 was 25 percent of normal. You will find other grain and milling interests throughout the Middle West working in about the same ratio. Result, billions of dollars of invested capital are facing utter annihilation.

There should be at least a 50-percent increase in the tariffs on grain and feedstuffs. Such a tariff would go a long way toward

restoring prosperity to the farmers all over the United States, and would greatly aid the railroads and the grain and milling interests.

I also submit a postal card from Long Beach, Calif., signed by Fred Lindley and written to a friend in Iowa. The card is dated March 11, 1935, and the writer says:

Since I have been here there have been 6,000,000 bushels of Argentine corn unloaded. Sure a lot of encouragement for an Iowa farmer to lay his land idle. I wish some of those Democrats could spend a few days on these docks. I believe they would walk off Republican and be forever more for a protective tariff. It's a crime.

FRED LINDLEY.

In addition, I desire to have inserted in the RECORD a quotation from the Logan Observer, dated March 28, 1935, entitled "Holding Iowa Down."

There being no objection, the quotation was ordered to be printed in the RECORD, as follows:

[From the Logan Observer of Mar. 28, 1935]

HOLDING IOWA DOWN

But, under regimentation, plow-under, and the tender supervision of the A. A. A., Iowa corn growers are permitted to grow but a certain amount of corn. There must be no overproduction. That would destroy the market for the Argentine corn grower, and it might put him and his help on relief rolls, which would not do. Iowa farmers must not grow and sell any 12,880,000 bushels of corn for $10,304,000 in competition with South American countries, and apparently A. A. A. "brain trusters" feel that Iowa farm hands and tenant farmers are better off in town, looking for jobs and being forced to accept relief.

Market reports of Monday, March 25, stated: "The Government reported the arrival of about 590,000 bushels of Argentine corn at Galveston, 415,000 bushels at San Francisco, and 183,000 bushels at Seattle during the past week." That, of course, is in addition to the 12,880,000 bushels previously reported.

WHEAT FROM CANADA

On the same date market reports said: "It is assumed that this addition to the stocks (of wheat) in Chicago is due to the unloading of a cargo of low-grade wheat from Canada, which cannot be used for human purposes, only for feeding to animals."

Switching over to hogs and their byproducts, a recent market comment stated: "Exports of lard from the Atlantic and Gulf ports for the period from November 1, 1934, to March 9, 1935, declined 90,866,343 pounds, compared to the same period of a year ago. Total for this year is 60,843,112 pounds against 151,709,455 pounds a year ago."

As we have previously stated, "It just don't make sense."

EXHIBIT A

[From the Baltimore Sun of April 2, 1935]

THE GREAT GAME OF POLITICS

By Frank R. Kent

THEY CAN'T LET GO

WASHINGTON, *April 1.*

But for the fact that its representatives "cover up" better and it has a more agile and aggressive publicity department, it would long ago have been discovered that the A. A. A., so far as confusion is concerned, is little better off than the N. R. A.

Solemnly grappling with problems far too big for human hands, its leadership is often uncertain, sometimes absurd. One way or another, it is in hot water most of the time, and the resentment against it is much more intense than generally grasped. At the moment it is under particularly severe fire from the South, where there is a deepening conviction that the new-deal economics are not so good for that section. Assailing Secretary Wallace and his cotton policy an angry demand is voiced through southern Senators for a remission of the processing tax on cotton, which, it is contended, increases the cost to the point where consumer demand declines, goods cannot be sold, profits vanish, and markets disappear.

It is no exaggeration to say that there is deep apprehension among the cotton Senators, some of whom are in an exceedingly hostile frame of mind toward the A. A. A. generally, and Mr. Wallace particularly. Continuation of the processing tax is the real issue. There are Senators who heatedly insist it must be removed and the bonuses paid the cotton farmer come either out of relief funds or from some other Treasury source. Mr. Wallace firmly contends that the processing tax on the manufactured goods is essential to the scheme and it cannot safely be lifted.

And, of course, Mr. Wallace is right—from his angle. Elimination of the processing tax would bring the whole A. A. A. structure trembling to the ground. Unless the entire scheme of giving subsidies to the farmers is to be abandoned it can't be dropped. Without the processing tax the whole business becomes a direct burden on the Treasury, increasing the deficit enormously. Perhaps it will come to that in the end. Certainly there is no prospect of stopping the bonuses. Mr. Wallace has begun to pay them now for not reducing crops, as well as reducing them. It is a question of how long he can hold on to his processing taxes. The drive has begun to put an end to that and pay the farmers directly out of the Treasury—in brief, put them on the dole. It has already started in the South. Should the processing tax be broken down there the whole A. A. A. becomes hopelessly lopsided and almost the last vestige of orderly financing within the new deal would disappear.

As it is, the processing taxes do not cover the total expenses of the A. A. A.—not by a long shot. That was the theory, but it has not worked out. The only way by which it can be maintained that the A. A. A. is a self-sustaining proposition is by using the same system of calculation used by the pious Mr. Farley in obtaining his post-office "surplus." Here are the Treasury figures: In the fiscal year from July 1, 1934, to March 19, 1935, the Government collected in processing taxes $496,729,206.66. In that time $496,220,773.57 was paid out in benefits to farmers, leaving a balance of $508,433.09. However, under the emergency budget, it appears that the A. A. A. has paid out $127,495,861.79 additional. This was the overhead cost of the organization.

Thus it is clear the A. A. A. has cost $126,987,428.70 so far this year more than the processing taxes have produced. Theoretically, the processing taxes take care of all the costs. Actually, they do nothing of the sort. However, if they were repealed, it is easy to realize how very much more Mr. Roosevelt's Budget would be thrown out of whack. It would make the pretense of keeping the running expenses of the Government under control much thinner than now. Hence, it is plain why Mr. Roosevelt and Mr. Wallace resist pressure from Southern Senators for a remission of the tax in that section.

The situation is full of unhappiness for everybody concerned. The cotton manufacturer and the cotton planter see the crop and the industry upon which the life of the South so largely depends in a most precarious condition. The A. A. A. knows its policy is not bringing results, but has no alternative but to go ahead. The Members of Congress from the cotton States are seething with feeling over what they allege is failure to understand the essentials of the situation. The administration has the bull by the tail and can't let go. And this was the experiment concerning which, when first launched 2 years ago, Mr. Roosevelt so winningly said to the people, "My friends, if after a fair trial satisfactory results are not achieved I shall be the first to inform you."

Mr. CONNALLY. Mr. President, I regret the political necessity which requires that the Senator from Iowa should delay the enactment of imperatively necessary legislation.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. DICKINSON. In addition to the matter I have asked to have printed in the RECORD, I ask unanimous consent that there may be printed in the RECORD, as a part of my remarks, an article by Frank R. Kent in the Baltimore Sun of April 2 under the heading "They Can't Let Go."

Mr. CONNALLY. What is the title?

Mr. DICKINSON. "They Can't Let Go." It has to do with the A. A. A.

Mr. CONNALLY. One difference between the article which the Senator is now asking to insert in the RECORD entitled "They Can't Let Go" and the Senator from Iowa is that the Senator and his administration could not "get to going", they never could start the industrial machinery again.

The PRESIDING OFFICER. Is there objection to the insertion of the article referred to by the Senator from Iowa? The Chair hears none, and it is so ordered.

(The article appears at the conclusion of Mr. DICKINSON's remarks as exhibit A.)

Mr. CONNALLY. Mr. President, I do not desire to consume much time of the Senate, because it is not necessary to do so. The Senator from Iowa was the keynote speaker at Chicago at the Republican National Convention in Chicago, if I remember correctly, in 1932. He begged America to reelect his regime.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. CONNALLY. Yes; I yield.

Mr. DICKINSON. I wish to suggest to the Senator that if we had elected that regime we would have been at least 2 years ahead of where we are now.

Mr. CONNALLY. Yes; that is true——

Mr. DICKINSON. Because we are getting deeper and deeper into debt, and the Senator and his party do not know where they are going.

Mr. CONNALLY. The Senator is absolutely correct; we would have been 2 years ahead of where we are now; but we would have been going in another direction—backward instead of forward.

Mr. DICKINSON. If the present administration can go into debt any faster or any deeper or any more promiscu-

ously than it is doing now, can adopt any more silly panaceas than they are attempting to carry out, and can affect any more businesses and ruin more individual investors in every line of endeavor, whether banking, public utilities, industry, farming, and what not, I do not know what they can do, and I should like to have an explanation from the Senator.

Mr. CONNALLY. Of course, the Senator does not know what to do. He did not know what to do in 1932, and his President did not know what to do, and his administration did not know what to do.

Mr. DICKINSON. Mr. President——

Mr. CONNALLY. Just a moment. The Senator made his speech, and I should like to say a few words before he interrupts me again.

Mr. DICKINSON. I wish to suggest that the Senator and his party do not know what to do, and they are doing the wrong thing.

Mr. CONNALLY. Of course I yield to the Senator; I am always glad to yield to the Senator, because he usually answers his own argument more effectively than can anybody else. The Senator wants to go back to the good old days; he wants to go back to the good old days of 2-cent hogs. He comes from a great hog-producing State, and under the administration of his party agriculturists in Iowa were enjoying the marvelous blessing of selling their hogs for 2 cents a pound. Today those same Iowa farmers, if they have any hogs——

Mr. DICKINSON. That is the trouble; they have not any.

Mr. CONNALLY. Then it is the fault of the Iowa farmers if they have not any hogs.

Mr. DICKINSON. No; the Government took their hogs away from them and killed them.

Mr. CONNALLY. If the Senator wants to be courteous, he will at least rise and ask that the Senator from Texas yield; but, with an arrogance for which his party is distinguished, an arrogance which he well illustrates, he remains in his seat, and, not in keeping with the traditions or the precedents of this body, in a contemptuous fashion, undertakes to interject his remarks into the remarks of the Senator from Texas.

Mr. President, the Senator from Iowa wants to go back to the good old days of 2-cent hogs, when today the farmers of Iowa, his constituents, for whom he speaks, are getting $8.40 a hundred on the farm for their hogs. Let us go back to the good old days, the good old days of his administration. Now, let us see.

How about corn? It is necessary to raise corn in order to feed hogs in Iowa, and Iowa is supposed to raise more corn than any other State. What were the farmers of Iowa getting for their corn under the old regime? They were getting 8 cents a bushel; and the statesman from Iowa wants to go back to the glorious old days of 8-cent corn. What are the farmers today getting for corn? They are getting, I understand, 90 cents on the farm. The Senator from Iowa shakes his head. The New York newspapers yesterday carried the quotation of corn at 90 cents. The Senator from Iowa shakes his head. I do not know why he shakes his head except that he will not admit anything that is not in harmony with his own prejudiced and preconceived political opinions.

Now let us see about the claims of the Senator as to present conditions. I hold in my hand a number of newspaper clippings of some weeks ago. Some of them are from newspapers supporting the Senator's own party. Here is one from the New York Herald Tribune, for instance. The Senator ought to accept that as his political bible. I believe he read from the Chicago Tribune a while ago with approval. I quote from the New York Herald Tribune of February 15:

> Twenty-first monthly increase made by collections. Percentage of gain shown by 20 key stores reveals continuous improvement.

Then it goes on in detail and sets out the figures.

I quote from the Philadelphia Inquirer:

> Trade barometer hits peak of year as gains continue. Business index climbs to 74.3, gain of 17.2 over same week last year.

Income-tax returns by the Government's own figures show that the income of the American people, not some of them, but all of them, not each individual but the whole of the American people, for 1934 was much larger than their income for 1933. The investigation before the Senate Finance Committee now in session has disclosed that the income of corporations and other business concerns all over the Nation has vastly increased during 1934 as compared to 1933. More men are working at better wages and under better conditions.

Mr. HASTINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Delaware?

Mr. CONNALLY. I yield to the recruit from Delaware.

Mr. HASTINGS. Does the Senator remember the testimony before the Finance Committee showing that under the code rubber hose has increased in price from 46 cents to 84 cents? I should like to inquire whether he thinks that has had any result upon the income of the corporations engaged in that line of activity.

Mr. CONNALLY. Of course it has. The Senator knows that to be so. He asks a question the answer to which is obvious. I do not approve any increase in price, under the N. R. A. or out of the N. R. A., if it is made in order to exploit the public; but I was not speaking of isolated cases, and I so stated. I said that the whole mass of American business has increased in 1934 over 1933, as shown by the Government's reports in the payments of dividends and income. Does the Senator deny that?

Mr. HASTINGS. No; but my supposition is that most of it comes out of the Federal Treasury; and I wonder if the Senator agrees with that?

Mr. CONNALLY. The Senator's supposition. That is what the Senator deals in. I am dealing in facts; I am dealing in figures; I am dealing in Government statistics; and the Senator from Delaware admits that he is dealing with his supposition.

Mr. HASTINGS. Oh, no; I also am dealing with Government figures; they are Treasury figures; and that is what worries me, the fact that they are Treasury figures, and the fact that the national debt has been increased in the neighborhood of from twelve to fourteen billion dollars during the last 2 years. I should think that vast sum of money being spent in this country ought to show some results somewhere to somebody.

Mr. CONNALLY. I was making some remarks in reply to the Senator from Iowa, and the Senator from Delaware, without knowing anything about what the controversy was, but, being like a charger every ready to bolt forward into the fray, rushes in and injects foreign matter.

Mr. HASTINGS. I am always glad to hear the Senator's remarks, as they cause me to inquire about some of the facts.

Mr. CONNALLY. It is usually very helpful to have the Senator from Delaware interrupt, because the Senator from Texas is always glad to impart information to those who are in need of it.

Mr. President, remaining in his seat, the Senator from Iowa a little while ago, when the Senator from Texas made a statement about the price of corn, shook his head. Let us see what the report is. The New York Herald Tribune, his own journal, of Friday, April 5, today, quotes corn, no. 2 yellow, New York, Thursday, $1.02 a bushel; Wednesday, 99.78 cents a bushel; a year ago, 63½ cents a bushel. Does the Senator from Iowa deny those figures?

The Senator from Iowa stated that in the case of cotton and other farm products the processing tax which was levied on hogs was used to pay benefits to the cotton farmer. The Senator from Alabama [Mr. BANKHEAD] challenged that statement, and I desire to reinforce that challenge. Since his own statement here on the floor, the Senator from Alabama has communicated with the Department of Agriculture, and has been advised that he was correct in his statement that the processing tax on cotton goes to pay the benefits to cotton growers, and that the processing tax on hogs goes to pay the benefits to the producers of hogs.

Mr. BANKHEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Alabama?

Mr. CONNALLY. I yield.

Mr. BANKHEAD. I have just been furnished by the Department of Agriculture the figures relating to hogs. I find that up to February 28 the tax collected was $219,212,000, while the benefit payments to farmers were $247,656,076.40. Those are the figures as to the amounts collected and paid out up to yesterday.

Mr. CONNALLY. I thank the Senator. The Senator from Alabama, with the information which he has secured, illustrates the accuracy with which the Senator from Iowa makes statements on the floor of the Senate.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. DICKINSON. The only difference is that the Senator is including the last hog payments sent out since March 1, and I gave the figures only up to March 1. I quoted them from the Southern Agriculturist.

Mr. CONNALLY. Did the Senator know that when he made the statement?

Mr. DICKINSON. I gave the date of the figures. I did not know what the last statement showed.

Mr. CONNALLY. The Senator knew, when he made the statement, that he was quoting figures only up to March 1. He knew that since that time additional benefits had been paid.

Mr. DICKINSON. No; I did not know the additional benefits which had been paid, but I do know they were paid and the Senator has the figures up to date.

Mr. CONNALLY. When did the Senator learn that?

Mr. DICKINSON. The press has stated that hog payments are being made. What the Senator from Texas desires to insinuate is that the Senator from Iowa is not honest.

Mr. CONNALLY. Oh, no; I do not think the Senator from Iowa is dishonest. Dishonesty involves conscious wrongdoing. Dishonesty involves a man willfully doing something. I think the Senator from Iowa either does not know or does not give a continental. That is what I think. [Laughter.]

Mr. DICKINSON. Does the Senator from Texas challenge the figures up to March 1?

Mr. CONNALLY. No; I am not talking about March 1. I am talking about today. If the Senator from Iowa wanted to be fair, he would speak as of today when he makes his speech. I am not dealing with ancient history. I am not going back to peruse the pages of Gibbons. I am talking about today.

The Senator from Iowa made the statement on the floor of the Senate that part of the money collected as the processing tax on hogs went to pay benefits to the producers of cotton. That is what he said. Let us see if that is correct. The figures show that the total amount collected on hogs was $219,212,000. The Senator from Iowa said part of that went to pay benefits to the producers of cotton. Did it? On the other hand, not only every dollar of the $219,000,000 was paid out to the hog producers but there was paid to them in addition about $18,000,000 which was secured somewhere else than through the processing tax on hogs. There was not one copper cent, not one dime, that went from the hog-processing tax to the producers of cotton.

Mr. DICKINSON. What was the amount of benefits paid to the cotton producers in excess of the amount collected from the processing tax on cotton?

Mr. CONNALLY. The Senator from Alabama quoted those figures a while ago in reply to the Senator from Iowa, and I shall get them again for him if he desires. But that is not the important thing. The important thing is that the Senator from Iowa was making a statement which is not justified by the record and the facts, making it purely for political effect.

Mr. President, there is nothing President Roosevelt could do that would satisfy the Senator from Iowa, and I thank God there is not. He could not satisfy the Senator from Iowa, and no Democratic administration could possibly do it.

I know there are many now in the land criticizing and assailing the present administration. The Senator from Illinois [Mr. LEWIS] on yesterday adverted to a slanderous and scurrilous statement issued by the Chamber of Commerce of New York. It is that particular type of statement to which I refer. Why is it, Mr. President? In the face of continuing improvement, in the face of high dividends to business and to corporations, in the face of increased incomes to individuals, in the face of corn rising in price from 8 cents a bushel to 90 cents a bushel, in the face of hogs rising in price from 2 cents a pound to 10 cents a pound, in the face of cotton and wheat, wheat coming from the State of Iowa, rising rapidly in price and enhancing in value, we have now this barrage of criticism and attack upon the present administration.

I am glad the Senator from Delaware [Mr. HASTINGS] has returned to the Chamber. I am glad he came back to listen. The Senator from Delaware a moment ago attacked the administration because we are spending money and increasing the public debt. Yes; we are. Those of us on this side of the Chamber regret the necessity that has required it, but let me ask the Senator from Delaware where he was in those 4 years preceding 1932 when the public debt was increased under Mr. Hoover by more than $5,000,000,000 with no recompense whatever? We spent that $5,000,000,000 deficit under Mr. Hoover, with no rise in prices for commodities as a result. Instead, we continued on the toboggan slide down toward ruin and disaster.

We increased the public debt under Mr. Hoover by $5,000,000,000. Did the financial and business interests of the State of the Senator from Delaware thereby secure increased profits or greater security or a larger measure of prosperity? Senators know that instead of that $5,000,000,000 bringing about any such improvement or return of prosperity, the business institutions and the banks of the country shrank and shriveled in their resources, whereas their liabilities increased.

"Back to the good old days!" says the Senator from Iowa [Mr. DICKINSON]. "Back to the good old days", when farm foreclosures in Iowa threatened the theretofore prosperous farmers of that great State with bankruptcy and with poverty! "Back to the good old days!" says the Senator from Delaware [Mr. HASTINGS], coming from a city which has within it great financial and great business enterprises. "Back to the good old days", when the doors of banking institutions all over the land were being slammed in the faces of their depositors and their customers, and when "just around the corner", instead of prosperity, waited the sinister figure of ruin and chaos. "Back to the good old days of free play of economic forces! Do not do anything; let the economic forces go on!"

Mr. President, on March 4, 1933, had we permitted those "good old days" to continue, had not the strong arm of government interfered, even the prophets who now sit on the other side of the Chamber and seek to affright our souls with stories of impending disaster, know in their hearts that liquidation and bankruptcy would have overwhelmed a large percentage of our people. I, too, believe in the free play of economic forces; but I believe in that play under normal and natural conditions and surroundings.

Those who sit on the other side of the aisle and their administrations through 12 long years had refused to permit economic forces to have their natural play. They had interfered with them by legislative processes, by the enactment of measures giving those particular interests privileges over and above those enjoyed by the great mass of the American people. Through their public policies they had fostered the loaning of many billions of dollars to foreign countries; and then, under the stimulation of a false security, we sold goods to Germany and to other European countries, and they paid for them with American money which they had borrowed.

Inevitably, that process could not go on. Then in 1929, 30, 31, 32 the economic crash came. It was artificially fostered; it was artificially generated; it was artificially modified; and if the Government had not interfered and artificially, if you please, sought to stay the ravages of the tidal wave of disaster which would have engulfed us, we should have been shattered and broken on the rocks of ruin; and Senators know it.

Now, however, the country is convalescent. The country is again feeling secure. Did you ever see a man who had been in the hospital, perhaps at the very point of death?

The flame of life was flickering feebly. For a long time he did not know whether he was going to pass on or was going to remain among us. Finally, the physician saves him. He begins to get strong. He knows he is going to recover; and then nothing on earth can please him. He complains of his doctor. He is mad at the nurse. He complains at his wife. Nothing suits him, because he knows he can make his own way out. He is safe. He is on solid ground.

That is the condition of Senators on the other side of the aisle today. Where were these strong voices in March 1933? Where was the Senator from Iowa? Of course, I know that nothing suited him, but we did not hear the Senator from Iowa denouncing Franklin D. Roosevelt and the Democratic administration in March or April 1933. If he spoke at all, it was with a wee small voice. He said nothing.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. CONNALLY. I shall be glad to yield.

Mr. DICKINSON. I voted against the Economy Act transferring power to the President, condemned the Democrats for lodging the power with him, and condemned him for asking for it, as will be shown by the RECORD of the Senate.

Mr. CONNALLY. Very well. Yes; the Senator voted against the Economy Act. He has been voting against economy acts ever since he has been in Congress, so far as I have ever heard; and that was one reason why there was a deficit of $5,000,000,000 under the Republican administration.

The Senator points out that he voted against the Economy Act. I did not talk about his votes. I am talking about that ringing oratorical voice of his. Where was it, denouncing the administration measures in behalf of agriculture? Where was this mighty champion who now dashes gallantly forth to assail the efforts of the administration in behalf of a suffering and dying country? He did not say anything about what was being undertaken. He was afraid to say anything about it; but now there is a lot of restlessness throughout the country, a lot of dissatisfaction because of this, that, and the other; and so the Senator from Iowa, encouraged by the disaffected, comes out to do battle.

Mr. President, there are those of us who are becoming somewhat impatient at these political tirades and gibes at the administration and the measures which Congress has enacted. I make no claim that all these measures are perfect. Of course they are not. The President of the United States is a big enough man and a sufficiently courageous man to admit that many of these measures were experimental. He has had the courage to say that when we find that they do not work, or that they are imperfect, we shall undertake to change or amend them, and we hope we shall succeed in doing so.

In a body so numerous as this, even on this side of the Chamber we are not always in agreement. I hope we never shall be, and I hope the other side will never agree with us, either, because, in the first place, if that were true it would prove that we were wrong, and, in the second place, it would prove that too much harmony, too much unity of thought, is always destructive of progress and development.

Mr. President, of course these measures are not all perfect; but where is the man or where is the woman, where is the Democrat, or where is the Republican anywhere in this land who will gainsay the fact that but for the leadership of the President, followed by the Congress, in March, 1933, we should have been plunged into horrors which even the imagination of the Senator from Iowa cannot adequately depict?

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I am always glad to yield to the Senator from Delaware.

Mr. HASTINGS. Will the Senator name the measures which have not been successful?

Mr. CONNALLY. The Senator from Delaware will do that for me. I do not want to take any time in doing that which I can have the Senator from Delaware do for me.

Mr. HASTINGS. The Senator has said that these were important measures, and that the President is a great leader, and that he has done these great things which have not all been successful. I should like the Senator, before he finishes his address, to tell the country which of them have not been successful.

Mr. CONNALLY. I will say to the Senator that I did not vote for all of them. The Senator from Texas, for instance, did not vote for the N. R. A.

Mr. HASTINGS. Does the Senator from Texas mean that he did not follow this great leader in all the things he recommended in his effort to pull the country out of the depression?

Mr. CONNALLY. No; not in all. As I said a moment ago, we on this side of the Chamber do not always agree 100 percent. It is only under the leadership of a little group on the other side of the Chamber that there is harmony and unity; and that is because when any one of that little group desires to make a hostile, insinuating attack on the President of the United States there is, among that certain group, loud acclaim and complete unity of purpose and agreement in mind. Over here, we are not always in agreement. I said we were not, and I hope we never shall be. I hope this side at least will continue to exercise a sense of intellectual integrity and intellectual freedom.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HASTINGS. The Senators on the other side do not all agree with the President, do they?

Mr. CONNALLY. Certainly not.

Mr. HASTINGS. The Senator constantly remarks about what is going on on this side of the Chamber in opposition to the administration's policies.

Mr. CONNALLY. There is not much going on over there, I admit.

Mr. HASTINGS. The other day I sat here for half a day and heard criticism over on the other side. I do not see why the Senator should complain about what this side has been saying.

Mr. CONNALLY. I am not complaining. There is nothing that pleases me more than to have complaint from some on the other side of the Chamber. It confirms me in the rectitude of my own course.

Of course, there is not unity over here on everything; but there is unity on this side in that, taken as a whole, we are trying to follow our leader, and are trying to support those measures which will bring the country out of the disaster into which the Senator from Delaware and others so successfully led us.

Mr. HASTINGS. Mr. President, may I inquire whether Senators on the other side are not doing that at times against their own judgment?

Mr. CONNALLY. The Senator from Texas cannot speak in that respect for anyone except himself. The Senator from Texas has not hesitated on several occasions to vote contrary to the way in which the majority on this side voted, and contrary to what the President of the United States advocated. As to this program as a whole, however, the Senator from Texas is glad to state that he has supported it, and expects to continue to support it until we approach normal conditions and can modify these measures to suit the conditions then existing.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CONNALLY. Yes; I yield.

Mr. LONG. I have been absent from the Chamber. Has someone been attacking the party in my absence? [Laughter.]

Mr. CONNALLY. The Senator from Louisiana, of course, is astonished to know that anything has transpired when he was not present. If the Senator had been here and had been listening, he would have known that the Senator from Iowa [Mr. DICKINSON] made an assault on a number of administration measures, in which he has the very enthusiastic cooperation of the Senator from Louisiana.

Mr. LONG. If the Senator will pardon me, I bore the brunt of the party's defense here as against the attacks made by the Democrats all day yesterday. I bore the burden of defending the party against the attacks made by about five

Senators; and I desire to compliment my able friend from Texas for taking up the cudgels for the party today.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HASTINGS. I should like to state, for the benefit of the Senator from Louisiana, that the Senator from Iowa was attacking certain administration measures. I have been trying to ascertain from the Senator from Texas whether or not he agrees with the Senator from Iowa.

Mr. CONNALLY. No; I do not. If it will afford any satisfaction to the Senator from Delaware, I will state categorically that I do not agree with the Senator from Iowa; and if it will add anything further to his satisfaction, I will say that I do not agree with the Senator from Delaware.

Mr. HASTINGS. I should like to know, at the same time, whether or not the Senator from Texas thinks that the measures which the Senator from Iowa criticized ought to remain on the statute books. That is what I am trying to ascertain.

Mr. CONNALLY. They ought to stay there for the present; yes.

Mr. HASTINGS. Including the N. R. A.?

Mr. CONNALLY. I have stated to the Senator very categorically that I voted against the N. R. A. I did not understand that the Senator from Iowa criticized that in his attack. The Senator from Delaware was not here, and, like most absentees, he knows more about what transpired, after he gets here, than one who was here.

Mr. HASTINGS. I wondered whether the Senator from Texas had changed his mind about the N. R. A.

Mr. CONNALLY. No; he has not changed his mind.

Mr. HASTINGS. He is still against it?

Mr. CONNALLY. Against what?

Mr. HASTINGS. The N. R. A.

Mr. CONNALLY. I voted against it, and I have not changed my mind. I hope that answers the Senator.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CONNALLY. In just a moment. I myself want a little time. [Laughter.] I will yield to the Senator from Louisiana in a moment. I want to answer the Senator from Delaware.

There is a high degree of cooperation between the Senator from Delaware, the Senator from Iowa, and the Senator from Louisiana. They are all engaged in a common purpose, and that is to besmear and besmut the administration of President Roosevelt whenever and however they can.

What impelled the Senator from Texas to take the floor was principally the statement of the Senator from Iowa that the hog-processing tax had gone to the cotton farmer in benefit payments. I have, I hope, successfully dispelled and dissipated that piece of misinformation, when I have said that hog producers had received $247,000,000 in benefits, and the processing tax has been only $219,000,000, showing that the hog producers not only got all of the processing tax but something out of the Treasury too, of which the Senator from Delaware is complaining. The hog producers got $247,000,000 in benefits, and there were collected on the hogs themselves $219,000,000.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Louisiana.

Mr. LONG. I just wanted to point out the very embarrassing position in which I am placed here as a party leader. The Senator from Delaware rises and strikes a note of harmony with the Senator from Texas in criticizing the N. R. A. That is where a faithful Democrat finds himself at a loss. There is a community of interest here by which constantly some of our prominent Democratic Senators are joining with the Senator from Delaware in attacking our party. That is why we cannot defend the party until we get wise and have a consistent understanding on this side.

Mr. CONNALLY. If my party ever gets to the point where it has to depend upon the Senator from Louisiana for its defense, God save it [laughter]; for I know from his conduct here that he has no sympathy with the present administration, and he gives aid and comfort to the Senator from Iowa and to the Senator from Delaware.

So far as the attitude of the Senator from Texas on the N. R. A. is concerned, it is nothing new. He voted against it when the proposed legislation was before us. It took more independence to vote against it then than it would now when there are so many who are attacking it. The Senator from Texas is not secretly pursuing one course and publicly trying to pursue another course.

Mr. NEELY. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. NEELY. The Senator has just stated that the Senator from Louisiana has been lending aid and comfort to the Senator from Iowa [Mr. DICKINSON] and the Senator from Delaware [Mr. HASTINGS]. Does the Senator not think that the keynoter of the last Republican National Convention and the manager of the last Republican Presidential campaign need aid and comfort?

Mr. CONNALLY. They do, indeed; and they seem willing to take it from whatever source it comes.

Mr. LONG. Well, Mr. President, who was the keynoter of the Democratic convention?

Mr. CONNALLY. The senior Senator from Kentucky [Mr. BARKLEY].

Mr. LONG. For the Senator's information, the first vote was taken over HUEY LONG.

Mr. CONNALLY. How is that?

Mr. LONG. For the Senator's information, the first vote was taken over the Louisiana delegation in that convention.

Mr. CONNALLY. So far as I know, that is correct.

Mr. LONG. And there were 20 more votes for us than our crowd got for Walsh for chairman.

Mr. CONNALLY. What that has to do with the question before us I cannot imagine.

Mr. LONG. The point I wish to make is simply that the Democrats will have to stand for it when they are reminded by Republicans that we are leaving the party principles. We have, as the Senator from Texas pointed out, made the chief cornerstone of the Democratic administration an offensive N. R. A., which has practically disrupted such a thing as democratic or constitutional government in the United States. The Senator from Texas says so.

Mr. CONNALLY. The Senator from Texas said what? [Laughter.]

Mr. LONG. I will repeat.

Mr. CONNALLY. I want to understand the Senator.

Mr. LONG. I stated that we have made as the cornerstone of the Democratic Party's so-called "recovery program" not the Democratic Party but the "new-deal party"—let us call it that so that we will be understood—the "new-deal party" has made as its program and its cornerstone an N. R. A. which practically sets aside direct democratic or constitutional government; and I take it that the Senator from Texas feels just as the Senator from Delaware feels in regard to that, and as the Senator from Iowa feels, and as the Senator from Louisiana feels about it. We are all in harmony on that. We ought to stand for the country first, and get rid of the N. R. A.

Mr. CONNALLY. Mr. President, I wish to advert to a little clipping which I hold in my hand. I tried to point out a little while ago that with business improving, according to Government statistics; with bank deposits higher than for years; with incomes increasing gradually and significantly; with practically every branch of American business and life and commerce on the upgrade—we are faced with this barrage of attack and insinuation.

I wish to quote an eminent American, Mr. Will Rogers, in one of his statements from New York:

> Here is New York City, where all the money in the world is, and where every guy with a dollar is doing better than he was a year ago. "Say, what's this country coming to? I tell you this income-tax is terrible." "My business is picking up every day, but I am scared." "I am doing better than I have since 1929, but when are we going to get back to the good old days?" Well, the good old days with most of us was when we didn't earn enough to pay an income tax.

Mr. President, of course, when many citizens were broke they did not pay any income tax at all, and it did not bother

them. Now, with their incomes increasing, they have to pay income taxes, not on paper, but on incomes, on profits—and, of course, they are complaining at the income tax. When the banks were about to fail and their doors were about to be slammed in their customers' faces, they were crying out, "Come and help us." Now that they have been rescued, they want the Government to take its hands off.

This reminds me of an occurrence some years ago in my State. An old fellow was out in the middle of the river about to drown. He had gone down for the third time, when he saw some persons standing on the bank, and he appealed to them, "Come save me! Come save me!" One of those on the bank swam out to the middle of the stream, grabbed the drowning man by the hair, and pulled him out to the bank. He did not wait until he got to shore but, when he got to the point near the shore where he could feel firm ground under his feet, he sort of said to himself, "I can make my own way out now." So he turned to his rescuer and said, "What in the name of common sense did you want to be so rough with me out in the middle of the stream for? You like to have pulled my hair out and you handled me rough. Take your hands off. Let me alone." Then he waded on out to the shore.

This illustrates what is the matter with the Senators on the other side of the Chamber, and what is the matter with most of those who are complaining in the United States now. In 1933, 1932, and 1931, those dark, those dreary, those heart-breaking days and years when we were in the midst of ruin and depression, they were willing to have anyone come and save them. They were willing to have anyone rescue them. In 1932 the American people cried out to Roosevelt to come and save them, to "Come and keep us from drowning", and he responded.

In March 1933, with chaos all about him, with ruin and wreckage scattered all over the landscape, with a picture as dark and forbidding and apparently as hopeless as any which ever faced a political leader, President Roosevelt had the courage, he had the ability, he had the daring, and he had the integrity of purpose to go forward with a program which he himself said might not be successful in every particular; but at least he had a program, he had a plan, he had a campaign mapped out for himself, and we have been following his leadership.

And now that the American people are close to the shore, now that they feel firm ground under their feet, now that they feel they can get back to prosperity without any Government help, now that the banks no longer need to have the Government come to their help, the discontented ones say, "Turn me loose, let me go." The insurance companies are no longer threatened with bankruptcy, so they are willing for the Government to take its hands off. The income taxpayer several years ago had no income tax to pay because he had no income. Now that he has an income he says, "Cut down the tax or take it off."

The people out in Iowa were getting 2 cents for their hogs. Now they are getting $8.40 a hundred. They were getting 8 cents a bushel for corn, and now they are getting nearly a dollar. So the farmers represented by the Senator from Iowa—I do not think the farmers do, but the Senator representing the farmers would say, "Why, we can get along all right now. We are getting 90 cents for corn and we are getting $8.40 a hundred for hogs. We do not need anyone to help us now. We are all right. Take your hands off of us. Let us alone. Give us back the good old days of freedom, the freedom to starve, the freedom to sell hogs which we are now selling for $8.40 a hundred for 2 cents. Give us back the good old freedom, the freedom to sell 90-cent corn for 8 cents a bushel, the freedom to be acquitted of an income tax through the sorry process of having no income."

The Senator from Iowa [Mr. DICKINSON] and the Senator from Delaware [Mr. HASTINGS], now that they feel secure, say, "O Mr. Government, you have saved us, you have done enough. You have rescued us from drowning, you have saved us from bankruptcy, you have put us on the high road. We can feel good old Mother Earth under our feet. We are free men. We want to be free. Turn us loose. You have rescued us. Now, to hell with you."

Mr. LONG. Mr. President, as an innocent bystander I am a little bit confused by the remarks which somewhat afflict those of us who are practically in neither camp. It must be realized that the Senate has three parties. It has the Republican Party, it has the Democratic Party, and it has the new-deal party. There is a fringe of us who are some times called "liberals", and sometimes are called "progressives", and sometimes are called other things not quite so complimentary, but in the main the Senate has three parties, the Democratic Party, the new-deal party, and the Republican Party.

The Senator from Texas [Mr. CONNALLY] does not qualify for the new-deal party.

Mr. CONNALLY. Mr. President, I thank the Senator from Louisiana very much.

Mr. LONG. And I thank the Senator from Texas very much.

Mr. CONNALLY. It is the third party, I assume, he is talking about.

Mr. LONG. The new-deal party.

Mr. CONNALLY. Is that a third party?

Mr. LONG. That is the Roosevelt party.

Mr. CONNALLY. Oh, then the Senator from Texas withdraws his remark.

Mr. LONG. The new-deal party.

Mr. CONNALLY. I thought the Senator was talking about the Johnson-Long-Coughlin party.

Mr. LONG. No, no. The Senator from Texas is showing himself to be far more ignorant than his people are in that respect. I am talking about the new-deal party.

Now, if we are going to wipe out that party over here we are making progress. I hope we do. But we have the new deal, the Roosevelt new-deal party. That is one party. The Senator from Texas says he does not know anything about the new deal. If he does not, we are making progress. If this side of the Chamber will begin now and wipe out the so-called "new deal" isms and schisms and sundry other things of those kinds, and affiliated things, then we are making substantial progress, but I must proceed on the assumption that there are others here who still know of the new deal.

We have the new deal and the Democrats and the Republicans. The others I will not mention. They do not amount to much anyway. They do not count so much. I want to justify eliminating them to begin with. I want the so-called "progressives" and "liberals" to understand why in the few moments during which I am going to discuss this question I eliminate them to start with.

Progressives, Mr. President, are men who make promises and come here and vote the same way they promise, and who go out and make the same promises and come back and vote the same way. They never are with the majority. They never will be. Until the Progressives become party-minded and substantial enough so they will learn to promise one way and come back and vote another, they will never amount to much as a party organization in the United States. So, therefore, I eliminate that party to start with.

So we have the new deal, we have the Republicans and we have the Democrats. The Senator from Iowa [Mr. DICKINSON] and the Senator from Arkansas [Mr. ROBINSON] were the most consistent supporters of what Hoover proposed here of any two men in the United States Senate when I first came here. I worked hard on them. I was kind of lining up with the Progressives until some of them got reactionary. I went with the Progressives until some of my leaders over there got to the point where I could hardly identify the party. The Senator from Nebraska [Mr. NORRIS] jumped us on the oil tariff, and I could not follow his leadership; and 2 or 3 weeks ago the Senator from Wisconsin [Mr. LA FOLLETTE] jumped us on the McCarran amendment and I could not follow him any longer. And it looked like the Republican Party was dipping into such dark circumstances that I went to see the two Senators and told them that the Progressives were likely to become like the French Government

once was and have to go to Corsica and get somebody to lead the army if they did not stay a little bit more consistent.

At any rate, I came along here and tried to follow the Progressive fringe, as we have been termed. There were issues galore. I had not taken the time to investigate, but it was called to my attention as I sat in the rear of the Senate when I first came here, that the Democratic leaders and the Republican leaders were voting the same way. They were voting the same way all the time.

We could have corrected the conditions under Hoover; do not fool yourselves about that; but we could not get the two parties nor enough of the two parties to stand together.

So we went to work to break up this coalition to get rid of some Hooverisms, and we worked on the Senator from Arkansas and his subleaders, and we worked on the Republican leader, Mr. Watson, of Indiana, and his subleaders. We managed, Mr. President, to pull the Republican leader, Mr. Watson, and the Republican subleader, the Senator from Oregon [Mr. McNARY], and the Republican Senator from Iowa [Mr. DICKINSON] away from Mr. Hoover for three or four votes, but we never were able to pull the Senator from Arkansas away from Mr. Hoover on any one of those votes. Now and then we could trade or we could persuade or we could beg, and we got the Senator from Iowa or the Senator from Indiana or the Senator from Oregon, but we never could get the Senator from Arkansas.

For example, let me be specific for fear someone will ask for a bill of particulars. There was a man by the name of Marcel Garsaud, who was a member of the Power Commission. He sat on the Power Commission and decided against the people so many times that nobody expected him to act any other way. I tried to get the Democratic leadership to help me in preventing Mr. Hoover from reappointing that man to the Power Board, but the Democratic leadership stood firm and adamant that Garsaud should be confirmed and go back on the Power Commission. Lo and behold, I finally managed to persuade the Republican leader, Mr. Watson, and other Republicans to stand against him. Finally, in the Garsaud case, I got the Republican leaders and the Progressive leaders to vote against him, and there were enough of us to prevent the confirmation of Garsaud on the Power Commission.

I am not going to have the Senator from Texas embroil the Democratic Party, because the Senator from Texas kindly came in by the back door of this particular new deal, which he now claims he does not know anything about. The Senator from Texas was at the Chicago convention, and while we considered him somewhat liberal in his views, we never did consider him quite liberal enough to let him come up and sing in the choir. He was one of the men who were made to sit on the back seat for awhile, very much like the Apostle Paul. When the scales fell from his eyes, he did not become a leader in the church immediately, but he was made to sit on the back seat for a time before he was allowed to come up and sit among the brethren. That was the class in which we put men like the Senator from Texas. I was one of those who did the grading in those days; I was going to pass on them for awhile around there. They might not have known it, but I was sitting right on the inside of the church in those days, and we never once thought that the Democratic Party was ever going to go back to the Congress of the United States and have it work upon the lines that Hoover had been following, or with the men who had been following Hoover as a leader.

I might illustrate that to the Senate now. We never once thought but that we would have practically a realinement in the Senate, with the men of liberal mind going one way on both sides of the aisle and the men of reactionary mind going the other way on the two sides of the aisle; but, lo and behold, we did have what we did not expect. What did we get? We did not get the philosophy of the Senator from South Carolina on farm relief; we did not adopt the philosophy on farm relief that had been spread abroad through the country by the Senator from South Carolina. We did not take the philosophy of the other side of the aisle among the Progressives on labor legislation; not at all. We did not get the system of banking control that we were led to believe we would have to have; not at all. On the contrary, what did we get? We started out, no. 1, with the banks; and they called back, under Roosevelt, Parker Gilbert from the House of Morgan, and various and sundry other men from the House of Rockefeller; they brought back identically the same men to draft the banking legislation that Hoover had to draft banking legislation in his administration. What did they do? They closed up the banks. Talk about the Democrats claiming any credit under the new deal! Do not give any credit for the guaranty of bank deposits to the new deal, please, until you go back and read the RECORD. We had to jam the guarantee of bank deposits down their throats, and we were not able to jam it down their throats until they had squeezed out about one-third of the banking resources of this country and spread panic throughout the land. So much for no. 1.

What did we do about the labor policy and the agricultural policy? We called in the United States Chamber of Commerce, I am informed on reliable authority, to draft something that they could use as a labor policy and something else they could use as a farm policy, and we finally swallowed them. Now that we are bragging about the result, let us see who gave us the scheme. Mr. Hoover gave us the cotton program. Some may think the Bankhead bill was the program of the Democrats, but it was not. Hoover is the man who proposed to plow up every fourth row of cotton. There is only one difference between the Roosevelt cotton plan and the Hoover cotton plan; Hoover proposed to plow up every fourth row of cotton, and Roosevelt proposed to plow up every third row of cotton; that is the only difference. The only difference was that we would not plow up every fourth row under Hoover, but we plowed up every third row under Roosevelt.

Now, let us get down to the N. R. A. I call upon any man on the floor who will say now that he thinks the N. R. A. is a good thing for this country to stand up and defend it. I call upon any man on the Democratic side or any man, I care not what position he occupies in the councils of his party, to stand up and say that he thinks the N. R. A. is a good thing for this country. Where is he to be found? The N. R. A. is about 75 percent of the Roosevelt administration. They had marches just as Hitler had in Germany and as Mussolini had in Italy; they had a parade down Broadway, I am told, that was about 7 miles long and about 16 feet wide, with an N. R. A. big blue eagle taking the place of the Stars and Stripes. They ran around with that blue eagle over the country until it got to look like a blue buzzard, and that is what it looks like now. [Laughter.] There is no one in the Senate today, I believe, who will defend the N. R. A., and yet it is still the law. I want to make a further statement. It is still the law, and for aught I know, there will be many a grumbling Senator on this floor who may vote to continue it a law. I know Senators cannot grumble much worse now than they did when they voted for it the last time, but we voted for it just the same; and if it were to come back and be voted on again with no one, not even my friend from the State of Texas, willing to raise his voice in its defense, imagine the further calamity that is going to happen to the American people.

Laws, codes, rules, bureaus, inspectors, secretaries, advisers, clerks, supervisors of the clerks, supervisors of the inspectors, secretaries of the supervisors, and secretaries of the clerks, with whom it is necessary to file reports. If one opens a shoe-shine stand in the morning he has to report in the evening how much money he took in, and then he has got to get permission to close up the shoe-shine shop when evening comes. Down in New Orleans a little Greek was running a shoe-shine stand. He was arrested so many times that he made a deal with a lawyer to come there once every hour to pass on the N. R. A. code. Right down there on little old Royal Street that little Greek got a lawyer who came down there once an hour in order to keep that shoe-shine stand open, in order that he could make a living; but

finally he had to give up, and he just made up his mind to go to the "pen" anyway, and be sure that the Government would feed him instead of trying to feed himself any longer.

In Pittsburgh a man had a profitable little machine shop out of which the owner and all his employees were making a living. The N. R. A. came along and closed him up. I have a telegram in my possession, which I should be glad to read to the Senators if the Senators want me to send to my office for it, in which it is said the N. R. A. wired a little grocery store, "Either comply with what we have done or it is going to mean the wreckage of your business"; and I suppose by this time that grocer is out of business.

In New Jersey, where they undertook to enforce one of the codes, a little man, pressing a pair of pants for 35 cents, was sent to jail for 60 days because the code prescribed a price of 40 cents. If a man did not have 40 cents with which to get his pants pressed and the tailor should credit him with 5 cents, he would have to go to jail. A man could not get credit from perhaps his best friend to have his pants pressed so that he could go out and see his girl on Saturday night.

Under that code it did not make any difference how well one stood in his community, he could not get credit from a tailor to press his trousers so that he could call on his best girl, because the code prevented. [Laughter in the galleries.] We still have that magnanimous system of government in operation.

The Senator says he voted for legislation. The Senator from Iowa, good lawyer that he may be—and I take it that he is a good lawyer—and the Senator from Texas, I take it that he is a good lawyer, although I think I could teach them both something about some of the so-called "laws" they have been voting for. [Laughter in the galleries.]

The VICE PRESIDENT. The Senator from Louisiana will suspend. The visitors in the galleries have been handed a slip, in which their attention has been called to the rules of the Senate prohibiting any demonstration of approval or disapproval. They are the guests of the Senate, and the Senate is glad to have them, but they must observe the rule of the Senate if they expect to continue in the galleries. The Senator from Louisiana will proceed.

Mr. LONG. Good lawyers, as both of these Senators are, nonetheless they think they have been voting for laws. The Senator from Arizona has better legislative judgment than to think any such thing as that; he knows better. He is a better lawyer than I am, so far as that is concerned, although he will not claim that.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. LONG. I yield.

Mr. ASHURST. The Senator from Louisiana is too modest.

Mr. LONG. The Senator from Arizona knows that we have not been passing legislation, and I know it. Why? We have not voted for any laws, Mr. President. Laws are not made in Congress. I repeat that statement: Laws are no longer made in Congress. We have authorized Mr. Wallace to make some laws, and we have authorized Mr. Wallace's assistant, Mr. Tugwell, to make some laws, and we have authorized Mr. Tugwell's assistant to make some laws, and we have authorized the assistant of Mr. Tugwell's assistant to make some laws, and then there have been set up some boards and regional district agencies, and we have authorized them to make some laws; but the Congress has yet to make one law that affects agriculture. That has all been done away with. I do not undertake to criticize the system, but I do criticize the lack of legal intellect in this learned Congress that would still think themselves a legislative agency when they are not.

My friend from Illinois [Mr. LEWIS] nods while I make that statement, Mr. President, and so I am convinced that it is correct.

Mr. LEWIS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LONG. I yield to the Senator from Illinois.

Mr. LEWIS. I may add, if I may be permitted to do so, that if, as the Senator from Louisiana assumes, I gave evidence by gesture, it was because I was recalling that if it be true that there is a legislative body that has been ignored, particularly in making laws, and commits itself wholly to the guidance of a dictating individual, my mind describing such condition reverted to Louisiana and the Napoleonic commander of its legislature, its officers, and its present fate.

Mr. LONG. That is very fine, Mr. President, but when laws are passed in Louisiana they say what the law is, but the laws that come out of the Congress do not say what the law is. In Louisiana the law reads, for instance, "Be it enacted by the Legislature of the State of Louisiana, That if one kills another, he will be hung for the crime"; in the Congress of the United States the law reads, "Be it enacted by the Congress of the United States, That if one kills another, and the President of the United States finds out about it and refers it to some other man, and he thinks it is wrong, he will have a right to have the criminal punished." That is the difference in the two kinds of lawmaking. We voted on the subject of agriculture, but we have yet to enact one law. Who knows what the agricultural laws are today? Where is the smart man who will tell me, if there be such a man here?

Mr. BONE. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield.

Mr. BONE. We know as much about what would happen as we would, for instance, with reference to what the regulatory body in the State of Louisiana is going to do with the power companies down there.

Mr. LONG. Yes, sir; we reduced the rates. The power company rates in Louisiana are being reduced very drastically and very quickly.

Mr. BONE. What I am getting at is that when the Senator says Louisiana is passing laws concerning them, everyone is fully advised that he overlooks the fact that some of those laws are rate regulatory laws, and nobody knows what they are, not even the power companies of Louisiana.

Mr. LONG. That shows the Senator from Washington does not know what is going on in Louisiana. It is true that in Louisiana there was for a while an anti-Long public-service commission, but that has all been corrected in the last few months. [Laughter.] Now we know what is taking place.

Where is the man who will tell me what are the agricultural laws of the United States? Nobody knows. Nobody can find them. There is not a volume published in the United States today containing those laws. No volumes are published containing them. Even though there should be as many volumes as the Encyclopedia Britannica, they would not contain the agricultural laws of the United States. We could not combine them all, including the rulings, in 45 volumes of 500 pages each; and even if we did, nobody would know what they were by the time they got through reading them. Nobody knows the law relating to agriculture.

Then we come to labor. What are the labor laws? Nobody knows what they are. It took me 48 hours to find out what the law was with reference to making uniforms for a school; and even then I did not find out all about it, after spending more than $250 for telephone calls, telephoning all over the country to find out what is the law and who is the law.

Who is there here that knows what the money law is today or what it will be tomorrow when we have vested in the Department the right to have $20,000,000,000 worth of money or $40,000,000,000 worth of money or $1,000,000,000 worth of money? Who knows what the law is as to money when gold would be of such value that a dollar may be worth $2.50 or worth one-half of 1 cent? Nobody knows what the law is today or who the law is or what the law is going to be tomorrow. We do not know what will be the legislation tomorrow, or what it will be at any time.

"Cowardly Congress", they think we are. I have heard it so stated. I do not know whether they are wrong or right.

I am not allowed to say about that. I might offend somebody either way I spoke about it, and I refuse to give offense. I refuse to give anyone cause for offense in the course of my public life.

Cowardly, they think we are—and why? Because we are sitting here and letting the departments come in and strip us of our authority. We sit here and let them untie the necktie which gave us a little control over farm production. We sat silent while they came here with their Wallaces and their Johnsons and their Tugwells and their Baruchs and every other bureaucrat they could wash up all the way from Cuba to Canada and let them strip the United States Congress of every legislative power it had, and we muttered and "bellyached", but did nothing about it, and finally let them take away from us everything we had.

Now we ask, What is the matter? I will tell you what is the matter. The matter is that this Congress is not a Congress. That is what is the matter. The matter is that the Congress is not even undertaking to legislate. Congress is not even trying to perform the duties which were imposed upon it by the Constitution of the United States. Congress is turning its authority over to the Wallaces, the Tugwells, the Moleys, the Johnsons, the Browns, and everybody else, and they come around with the T. U. G.'s, the A. B. C.'s, the A. A. A.'s, the C. C. C.'s, the X. Y. Z.'s, the P. D. Q.'s, and all the others. I procured a book in order to inform myself what all these alphabetical enumerations stood for. How many do Senators think there are? My recollection is there are 36 alphabetical agencies. Three of them have the title "C. C. C." They used up the alphabet and had to start over again. They did not even go to the trouble to designate them as "C. C. C. No. 1", "C. C. C. No. 2", and "C. C. C. No. 3." [Laughter.]

Mr. President, I am not going to take more time except to sound a note of warning. We are not going to let this great American country of ours, when it is wrecked by the new deal, go out of the frying pan into the fire. The old moss-back Republicans on the other side of the Chamber are sitting up with a "hee! hee! hee!" and a "ha! ha! ha!" They think when the Democratic Party has made a mess out of the situation, the only thing to be done is to turn around and put the Government back in their hands. All they want to do is to have the reactionary new deal blow the country up and blow it over into the hands of the Republican reactionaries, and then they will blow the country up a little worse and blow it back to the Democratic reactionaries.

We are faced today with a condition where the country is not going to allow itself to turn from the frying pan into the fire. We do not want a reactionary government under either one of them, and that is all we have had. We want constitutional government.

I do not blame Roosevelt for this condition entirely. When the Hoover crowd and the Coolidge crowd started out with the flexible tariff law—I think it was under Coolidge that the flexible tariff law was enacted—the President of the United States was empowered to say what the tariff should be within certain limits. It was a monstrous outrage on the country. It was absolutely a fraud upon the rights of the American people. If we had had the manhood in this country that existed in 1776 when our people rebelled against the English King before they would allow him to assert a tax-laying privilege against the consent of the people, probably the Congress never would have been allowed to enact such a law as that; but they did it.

Then the Democrats went out and told the people what an outrage it was. What did we do then? I am going to tell you what we did, and I defy anybody to say it is not so. I defy any Republican or any Democrat to say it is not so. The Democrats went out and said that empowering the President of the United States to fix the tariff rates was a monstrous outrage upon the people of the country, and upon that platform the Democrats won.

Then what did we do? We came back here and, instead of repealing that infamous law, we enacted one that was three times as broad and three times as bad as the one we had under the Republicans. Then the Republicans turned around and got religion and voted that what they had done 3 or 4 years before was all wrong and that what the Democrats were voting for then was all wrong. The Republicans for a little while stood for constitutional government.

If the Democrats should lose next year and the reactionary Republicans should win, then the next year the Republicans will vote a law that will be worse than the one the Democrats voted this year, unhorsing the Congress and depriving it of all of its legislative powers.

Let Congress legislate. Legislate on the money question; legislate on the farm question; legislate on the labor question; but, Mr. President, legislate mainly—mainly, I say—upon whether or not we are going to allow one man to have a billion dollars and another man to starve to death. Legislate mainly on whether or not we shall limit the size of fortunes in the United States so that none shall be too rich, thereby imposing poverty upon the masses. That is the main thing about which we must legislate—the redistribution of wealth. How long will the Congress continue to fail to act on it?

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 619. An act to amend section 27 of the Merchant Marine Act 1920;

S. 857. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes;

S. 1068. An act to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934; and

S. 1605. An act authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force.

CALL OF THE ROLL

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	La Follette	Radcliffe
Ashurst	Cutting	Lewis	Reynolds
Austin	Dickinson	Logan	Robinson
Bachman	Dieterich	Lonergan	Russell
Bailey	Donahey	Long	Schall
Bankhead	Duffy	McAdoo	Schwellenbach
Barbour	Fletcher	McCarran	Sheppard
Barkley	Frazier	McGill	Smith
Bilbo	George	McKellar	Steiwer
Black	Gerry	McNary	Thomas, Okla.
Bone	Gibson	Maloney	Thomas, Utah
Borah	Glass	Metcalf	Townsend
Brown	Gore	Minton	Trammell
Bulkley	Guffey	Moore	Truman
Bulow	Hale	Murphy	Tydings
Burke	Harrison	Murray	Vandenberg
Byrd	Hastings	Neely	Van Nuys
Capper	Hatch	Norris	Wagner
Clark	Hayden	Nye	Wheeler
Connally	Johnson	O'Mahoney	White
Copeland	Keyes	Pittman	
Costigan	King	Pope	

Mr. LEWIS. I announce the absence of the Senator from South Carolina [Mr. BYRNES], the senior Senator from Massachusetts [Mr. WALSH], and the junior Senator from Massachusetts [Mr. COOLIDGE], all detained on official business.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

WORK-RELIEF PROGRAM—CONFERENCE REPORT

Mr. GLASS. Mr. President, I present the conference report on House Joint Resolution 117, and move that the Senate proceed to its consideration.

The VICE PRESIDENT. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 11, 12, 16, 20, 25, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 6, 8, 9, 17, 21, 22, and 24, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "provide relief, work relief and to increase employment by providing for useful projects"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

": *Provided*, That except as to such part of the appropriation made herein as the President may deem necessary for continuing relief as authorized under the Federal Emergency Relief Act of 1933, as amended, or for restoring to the Federal Emergency Administration of Public Works any sums which after December 28, 1934, were, by order of the President impounded or transferred to the Federal Emergency Relief Administration from appropriations heretofore made available to such Federal Emergency Administration of Public Works (which restoration is hereby authorized), this appropriation shall be available for the following classes of projects, and the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amounts stated, namely: (a) Highways, roads, streets, and grade-crossing elimination, $800,000,000; (b) rural rehabilitation and relief in stricken agricultural areas, and water conservation, transmountain water diversion and irrigation and reclamation, $500,000,000; (c) rural electrification, $100,000,000; (d) housing, $450,000,000; (e) assistance for educational, professional and clerical persons, $300,000,000; (f) Civilian Conservation Corps, $600,000,000; (g) loans or grants, or both, for projects of States, Territories, possessions, including subdivisions and agencies thereof, municipalities, and the District of Columbia, and self-liquidating projects of public bodies thereof, where, in the determination of the President, not less than 25 percent of the loan or the grant, or the aggregate thereof, is to be expended for work under each particular project, $900,000,000; (h) sanitation, prevention of soil erosion, prevention of stream pollution, sea coast erosion, reforestation, forestation, flood control, rivers and harbors and miscellaneous projects, $350,000,000: *Provided further*, That not to exceed 20 percent of the amount herein appropriated may be used by the President to increase any one or more of the foregoing limitations if he finds it necessary to do so in order to effectuate the purpose of this joint resolution: *Provided further*, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for new buildings, reconstruction of buildings and other improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for projects for nonmilitary or nonnaval purposes in such places."

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter inserted by the said amendment insert the following:

"Except as hereinafter provided, all sums allocated from the appropriation made herein for the construction of public highways and other related projects (except within or adjacent to national forests, national parks, national parkways, or other Federal reservations) shall be apportioned by the Secretary of Agriculture in the manner provided by section 204 (b) of the National Industrial Recovery Act for expenditure by the State highway departments under the provisions of the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of the act of June 18, 1934 (48 Stat. 993): *Provided*, That any amounts allocated from the appropriation made herein for the elimination of existing hazards to life at railroad grade crossings, including the separation or protection of grades at crossings, the reconstruction of existing railroad grade-crossing structures, and the relocation of highways to eliminate grade crossings, shall be apportioned by the Secretary of Agriculture to the several States (including the Territory of Hawaii and the District of Columbia), one-half on population as shown by the latest decennial census, one-fourth on the mileage of the Federal-aid highway system as determined by the Secretary of Agriculture, and one-fourth on the railroad mileage as determined by the Interstate Commerce Commission, to be expended by the State highway departments under the provisions of the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of such act of June 18, 1934 (48 Stat. 993); but no part of the funds apportioned to any State or Territory under this joint resolution for public highways and grade crossings need be matched by the State or Territory: *And provided further*, That the President may also allot funds made available by this joint resolution for the construction, repair, and improvement of public highways in Alaska, Puerto Rico, and the Virgin Islands, and money allocated under this joint resolution to relief agencies may be expended by such agencies for the construction and improvement of roads and streets: *Provided, however*, That the expenditure of funds from the appropriation made herein for the construction of public highways and other related projects shall be subject to such rules and regulations as the President may prescribe for carrying out this paragraph and preference in the employment of labor shall be given (except in executive, administrative, supervisory, and highly skilled positions) to persons receiving relief, where they are qualified, and the President is hereby authorized to predetermine for each State the hours of work and the rates of wages to be paid to skilled, intermediate, and unskilled labor engaged in such construction therein: *Provided further*, That rivers and harbors projects, reclamation projects (except the drilling of wells, development of springs and subsurface waters), and public-buildings projects undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies now having jurisdiction of similar projects."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the last word in the matter inserted by said amendment insert the following: "joint resolution"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Any administrator or other officer, or the members of any central board, or other agency, named to have general supervision at the seat of government over the program and work contemplated under the appropriation made in section 1 of this joint resolution and receiving a salary of $5,000 or more per annum from such appropriation, and any State or regional administrator receiving a salary of $5,000 or more per annum from such appropriation (except persons now serving as such under other law), shall be appointed by the President, by and with the advice and consent of the Senate: *Provided*, That the provisions of section 1761 of the Revised Statutes shall not apply to any such appointee and the salary of any person so appointed shall not be increased for a period of 6 months after confirmation."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 4. In carrying out the provisions of this joint resolution the President is authorized to establish and prescribe the duties and functions of necessary agencies within the Government."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out "4" and insert "5"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 7. The President shall require to be paid such rates of pay for all persons engaged upon any project financed in whole or in part, through loans or otherwise, by funds appropriated by this joint resolution, as will in the discretion of the President accomplish the purposes of this joint resolution, and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

"The President may fix different rates of wages for various types of work on any project, which rates need not be uniform throughout the United States: *Provided, however*, That whenever permanent buildings for the use of any department of the Government of the United States, or the District of Columbia, are to be constructed by funds appropriated by this joint resolution, the provisions of the Act of March 3, 1931 (U. S. C., Supp. VII, title 40, sec. 276a), shall apply but the rates of wages shall be determined in advance of any bidding thereon."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out "7" and insert in lieu thereof "8"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In line 6 of the matter inserted by said amendment strike out the words "upon such department" and insert in lieu thereof the word "thereupon", and in line 7 of such matter, after the word "this", insert the word "joint"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out "14" and insert in lieu thereof "13"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 14. The authority of the President under the provisions of the act entitled 'An act for the relief of unemployment through the performance of useful public work, and for other purposes', approved March 31, 1933, as amended, is hereby continued to and including March 31, 1937."

And the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the number proposed insert "15"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the number proposed insert "16"; and the Senate agree to the same.

CARTER GLASS,
KENNETH MCKELLAR,
ROYAL S. COPELAND,
FREDERICK HALE,
HENRY W. KEYES,
Managers on the part of the Senate.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
WILLIAM W. ARNOLD,
W. B. OLIVER,
ROBERT L. BACON,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the conference report. [Putting the question.] The ayes have it, and the conference report is agreed to.

Mr. ROBINSON. Mr. President, I think we should have a vote on the conference report. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. COUZENS. Mr. President, if there is to be a roll call, I think the conference report should be explained. There has been no explanation of the report. It has just been laid on the desks of Senators. There is no information before the Senate as to what the report contains—no explanation of any kind.

The VICE PRESIDENT. The conference report is subject to debate.

Mr. COUZENS. I should like to have an explanation of the conference report.

Mr. GLASS. I thought the Chair had announced the conference report adopted.

The VICE PRESIDENT. The Chair is informed by the clerks at the desk that the Senator from Virginia moved to consider the conference report. The Chair thought the Senator from Virginia had moved the adoption of the conference report.

Mr. GLASS. I thought I did move its adoption, and the Chair put the question, and the Chair announced that it was adopted; but I am not technical.

Mr. President, the only alteration in the conference report as I have presented it from the conference report which was printed some days ago and has been on the desk of each Senator is in section 3, in the provision which appropriates $900,000,000—

For loans or grants, or both, for projects of States, Territories, possessions, including subdivisions and agencies thereof, municipalities, and the District of Columbia, and self-liquidating projects of public bodies thereof, where—

And this is new—

in the determination of the President, not less than 25 percent of the loan or grant, or the aggregate thereof, is to be expended for work under each particular project.

The deliberations of the conferees would furnish an interesting story; but I do not apprehend that the Senate wishes to be delayed with a statement of what occurred. I am not advised as to what statements may have been made in the other branch of Congress, and I assume that no statement has been made which is not accurate; but in the event that I should hereafter discover that any statement has been made which is inaccurate, I shall avail myself of the first opportunity to stand on the floor of the Senate and state to the Senate exactly what occurred in the conference.

The VICE PRESIDENT. The question is on agreeing to the conference report. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll, and Mr. ADAMS voted "yea."

Mr. THOMAS of Oklahoma. Mr. President——

The VICE PRESIDENT. Did the Senator from Colorado answer?

Mr. ADAMS. I did.

Mr. THOMAS of Oklahoma. Mr. President, I was on my feet addressing the Chair.

The VICE PRESIDENT. Without objection, the Senator from Oklahoma will be recognized for the purpose of making such statement as he desires.

Mr. THOMAS of Oklahoma. Mr. President, I should like to make an inquiry of the Chairman of the Committee on Appropriations and the chairman of the conference committee on behalf of the Senate.

Two weeks ago this afternoon I occupied some time of the Senate in discussing a proposition which I thought had merit. Two weeks ago tomorrow the proposal was further considered, and in a modified form was accepted by the chairman of the committee, with the understanding that the amendment should be referred to the Treasury Department and, if there should be any reason for its rejection, I would then take no further time and make no objection to the elimination of the amendment.

I now inquire of the chairman of the committee why the silver amendment was eliminated.

Mr. GLASS. Mr. President, I may say to the Senator from Oklahoma that I had not, and have not now, any recollection of the stipulation which he now mentions as to the amendment going to the Treasury Department. I accepted the amendment, and tried to indicate in as civil a way as possible that I accepted it merely in order that it might go to conference. I will say to the Senator that the conferees on the part of the other House objected to the inclusion of the amendment in the report, and the Senate receded.

Mr. THOMAS of Oklahoma. Mr. President, may I ask further whether any reason was given for the refusal of the conferees on the part of the House to accept the amendment, and, if so, what the reason was, if that be a proper question?

Mr. GLASS. Oh, I imagine it is an entirely proper question. No reason was given; but I assume that the House conferees and the Senate conferees—I know as to the Senate conferees—knew that the joint resolution would meet with a veto in the event the silver amendment should be embraced in the report; and therefore, in order to get through with the relief measure, and continue relief and project-work relief and increase employment, the matter was quickly determined.

Mr. THOMAS of Oklahoma. Mr. President, on the day the matter was presented, and after the chairman of the committee had signified his willingness to accept the amendment insofar as he could, an inquiry was propounded from across the aisle to this effect: "If the amendment should go into the joint resolution, what would be the attitude of the conferees upon the amendment?" If I remember correctly, the distinguished chairman of the committee made the statement that he was accepting the amendment for the purpose of taking it to conference, with the accent on the "conference."

Mr. GLASS. Yes.

Mr. THOMAS of Oklahoma. Of course, I knew what that meant. I was under no illusion.

Mr. GLASS. I assumed that the Senator would understand it. I wanted to be entirely courteous to him.

Mr. THOMAS of Oklahoma. And the Senator was. Perhaps I should have taken the time then to further discuss the amendment, but the Senate was in jitters on that afternoon. A report was current that a "colossus" from the South was taking wings and flying to the Capital, and the

Senator from Virginia apparently was happy to accept my amendment, to the end that the bill might be gotten out of the way before the "colossus" arrived.

Mr. GLASS. Now, Mr. President, if the Senator will permit me to intervene there——

Mr. THOMAS of Oklahoma. I yield.

Mr. GLASS. I want to say that the "colossus" had nothing whatsoever to do with my action, either as to the Senator's proposed amendment, or as to the bill itself. My whole purpose was to expedite the passage of the bill, and I was not bothered about the "colossus."

Mr. THOMAS of Oklahoma. The press on the following day purported to quote the distinguished Senator, reciting that he was in a happy mood and made the statement, "Well, I got the bill through before Huey got back to the Capital." [Laughter.]

Mr. GLASS. A member of the press suggested that I had done that, and I laughed and said that I had; and I had. [Laughter.]

Mr. THOMAS of Oklahoma. Mr. President, knowing of the desire of the Senate to complete the consideration of the bill on that particular afternoon, I did not care to take the time further to urge the consideration of the silver amendment. There was no good reason then for rejecting the amendment. There was no good reason in the conference for the committee's rejection of the amendment, and there is no good reason now, so far as I know, for the amendment being out of the bill.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. COPELAND. I think I ought to say, in justice to the committee, that there was a member from the House, one of the conferees, Mr. Taylor, who has, I assume, the same interest in the subject the Senate has. He was quite as ardent in his advocacy of the amendment as the Senator could have been. I would not have the Senator believe that the matter was not considered at all, or at least talked about by the conferees.

Mr. THOMAS of Oklahoma. Mr. President, the amendment is very simple. It contained four distinct proposals. The first one was that the Treasury Department should issue certificates based on the silver which it has acquired and which it may hereafter acquire, based on the monetary value of the silver, rather than upon the bullion value of the silver.

Heretofore, since we have been using silver certificates, these certificates have been based upon the monetary value of the silver and not upon the bullion value, so I could see no good reason why the Treasury should not continue to issue silver certificates on silver based on the monetary value, instead of on the bullion value.

The only purpose in view, so far as I can see, is that by issuing certificates at the bullion value they issue certificates at the rate of about 50 cents an ounce. Under the other plan, the certificates would have been issued at the value of $1.29 an ounce.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. Before we go any further with this discussion, may I ask the Chair what "colossus" means?

The PRESIDENT pro tempore. If the Senator from Louisiana does not know, the Chair cannot enlighten him.

Mr. LONG. I might want to take personal offense at the statement made.

Mr. THOMAS of Oklahoma. I suggest that a page be commissioned to procure a copy of the dictionary and deliver it to the desk of the distinguished Senator from Louisiana.

Mr. President, I have taken some time upon the Senate floor in past years in discussing the money question, but I will not take much time now. I shall take only such time as I think is necessary to justify the time I took on former occasions in the presentation of my views upon the money question.

A few days ago the New York Times carried a full-page story containing a wonderful likeness of the distinguished senior Senator from Virginia [Mr. GLASS], and I will say that although the picture is a first-class photograph, it does not do the Senator full justice.

In connection with this photograph I find more than one page which purports to contain an interview given by the distinguished Senator from Virginia. The story is under the following headline:

GLASS talks of the trend of the day.

This interview purports to have been given to Mr. Ray Tucker, and appeared in the New York Times magazine section on March 31, 1935. In the interview the distinguished Senator from Virginia is quoted as follows:

We do not need more currency. We have more now than we ever had before.

I should like to ask the distinguished Senator if that is a correct quotation.

Mr. GLASS. Mr. President, I will say to the Senator that when talking to this gentleman I was not aware that I was giving an interview. He asked to see me in my apartment at my hotel and I talked to him about a great many things and said a great many things which I would not like to have repeated in public. It was one occasion on which I did not do any "cussing", however.

Mr. THOMAS of Oklahoma. Mr. President, this alleged quotation brings up the very heart of the whole money question.

Mr. GLASS. Of course, I do not agree with the Senator as to that. In other words, the Senator agrees in the theory, from which I totally dissent, that the amount of currency controls business, and I do not think it does.

Mr. THOMAS of Oklahoma. I will read the quotation again.

Mr. GLASS. I will say this to the Senator—I do not know whether I said it to the gentleman who was talking to me or whether it appears in the article or not—that this country had twice as much gold when it went off the gold standard as it had when it sold its bonds.

Mr. THOMAS of Oklahoma. I will read the quotation again:

We have more now than we ever had before.

The Senator was presumed to be speaking about money, and he made the statement to this reporter, Mr. Ray Tucker. If this is a correct quotation, I cannot agree with the statement made by the distinguished Senator that we have more money now than we have ever had before.

Mr. GLASS. Mr. President, the Senator's definition of money and my definition of money radically differ. We certainly have a vast deal more gold than we have ever had before, and it is coming in every day. Based upon what formerly was a gold reserve—but, as the Senator knows, we now have no reserve—the currency facilities of the country are infinitely greater now than they ever were before in the history of the country.

Mr. THOMAS of Oklahoma. Mr. President, it is exactly because of the misinformation and the lack of information that I have sought to take the floor from time to time to give you my views in relation to the money question.

A few days ago the distinguished Senator said that gold had been demonetized. If that is the case, gold today is not money. We might have a billion dollars in gold in commodity value, we might have $10,000,000,000 of gold in commodity value, but gold not being money, we would have no money, even though we had $10,000,000,000 of gold as a commodity. It is true that the Treasury Department does not give a statement showing the amount of gold we have today as money.

I call the attention of the Senate to a statement which I have, a Treasury statement on form 1028. This states that the total amount of money of all kinds we have today is $14,480,000,000. But the Treasury statement includes in that sum eight billion and a half in gold. If we take the gold from the statement and take the money in circulation

from the statement, we find there is only $488,000,000 of money left in the Treasury which the people even have a chance to have issued into circulation.

There is less money in circulation now than there has been in the past generation. There is less money in the banks than there was in 1930. In 1930 there was sixty billions of money in the banks of the United States. On June 30, 1934, there was scarcely forty-six billions of money in all the banks of the Nation.

There is less bank money, there is less credit money, there is less actual money today than there has been in the past 10 years, save for one or two exceptions.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. Would the Senator give the figures as to what the bank checks amounted to last year, if he has them?

Mr. THOMAS of Oklahoma. I do not have such figures. The bank-check money was much less last year, because the money was not circulating. On the 30th day of last June the statement shows that the banks altogether had on deposit $46,000,000,000, which sum embraced actual cash and bank-deposit money. That was a decrease of something like $14,000,000,000 from what it was in 1930. So in 4 years' time the Nation and the people have lost $14,000,000,000 of their bank-deposit money. We have lost approximately one-quarter of a billion dollars of real money or currency money in the past year.

Had the article I referred to been in some obscure paper, perhaps I would not have paid any attention to it; but having been published in the New York Times, a paper which the people give credit for telling the truth, and then when the distinguished Senator from Virginia [Mr. GLASS] is quoted in that great paper the public is entitled to give it credence as if it were 100 percent correct.

That statement, Mr. President, is not correct, and I am not willing to let this bill, as to which I made some extended remarks on a former occasion, pass without calling attention to the fallacy of such statement.

The second statement in this interview is as follows:

> I am no believer in the quantitative theory of money.

Mr. President, answering this statement, I now place in the RECORD a few brief quotations from some of the great economists of the world. I call attention first to Sir James Graham, who said:

> The value of money is in the inverse ratio of its quantity, the supply of commodities remaining the same.

I next call attention to a quotation from Torrens, who said:

> If the value of all other commodities in relation to gold rises and falls as their quantities diminish or increase, the value of gold in relation to commodities must rise and fall as its quantity diminished or increased.

I quote from Jevon, who said:

> There is plenty of evidence to prove that an unconvertible paper money, if carefully limited in quantity, can retain its full value.

I quote from Ruffner in his Principles of Economics, wherein he said:

> Doubling the amount of money tends to double prices.

The Senator from Virginia does not agree with that statement.

Mr. GLASS. No; I do not.

Mr. THOMAS of Oklahoma. The Senator, in effect, says that these economists who have led the world during past centuries are in error; that doubling money has no effect upon the price of commodities.

Mr. President, why is it then that every time the President makes a mere intimation that he might give us some more money prices begin to rebound? Then every time when he comes out with a refutation of that statement prices begin to decline again.

Again says Mr. Ruffner:

> The price level in the country will tend to raise in proportion to the increase in the money supply.

The Senator from Virginia does not believe that theory. He can argue with these distinguished economists. Of course, some of the economists I have read from are now dead and gone, but there are some yet alive with whom he can probably engage in controversy.

Taussig, for example, makes this statement:

> Double the quantity of money and, other things being equal, prices will be twice as high as before and the value of money one-half. Halve the quantity of money and, other things being equal, prices will be one-half what they were before and the value of money double.

Mr. N. A. Nicholson, of Oxford, in his Science of Exchange, says:

> Whatever substance may be used as currency, an excessive quantity of it (more than is required by the wants of the community) necessarily causes a diminution of its purchasing power.

I have been trying to emphasize these statements upon the floor of the Senate, and to have Senators listen and believe them, but, of course, the Senator from Virginia does not believe such economic doctrine.

Long ago I despaired of making a convert out of him. David Hume once said:

> It is the proportion between circulating money and the commodities in the market that establishes prices.

Ricardo made this statement:

> The value of money is not dependent upon its substance, but upon its quantity.

If that statement is correct the Government can print any sort of paper. It can print linen, it can print sole leather, it can stamp pig iron, put it into circulation, and it is money, and the value of that money is not dependent upon gold or silver backing, but rather dependent upon the quantity of the units in circulation.

Mr. GLASS. But that frequently has been done in the history of the world and destroyed every country which did it.

Mr. THOMAS of Oklahoma. I desire to put several other quotations in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

The matter referred to is as follows:

> Ricardo: "Prices rise or fall in proportion to the increase or diminution of money."
>
> In other words, Ricardo said:
>
> "The value of money in any country is determined by the amount existing; that commodities would rise or fall in price in proportion to the increase or diminution of money I assume as a fact that is incontrovertible."
>
> John Locke: "The lessening of the quantity of money makes an equal quantity of it exchange for a greater quantity of any other commodity."
>
> John Stuart Mills: "That an increase of the quantity of money raises prices and a diminution lowers them is the most elementary proposition in the theory of currency."
>
> Again said Mills:
>
> "The value of money is inversely as general prices, falling as they rise and rising as they fall."
>
> Again he said:
>
> "The value of money, other things being the same, varies inversely as its quantity; every increase of quantity lowering the value and every dimunition raising it in a ratio exactly equivalent."

Mr. THOMAS of Oklahoma. Mr. President, before the Senator leaves—I am afraid he is going—I desire to call attention to the Democratic platform of 1932. The Democratic platform contains the following:

> We advocate a sound currency, to be preserved at all hazards.

I wish to ask the distinguished Senator if he thinks we have either an adequate or a sound currency at the present time?

Mr. GLASS. Oh, I think we have adequate facilities for issuing all the currency that business transactions would demand. We have no currency to hand out to people on street corners; but we have, I am assured by the Federal Reserve authorities, ample facilities, with what purports to be a gold reserve, to issue in excess of $20,000,000,000 of Federal Reserve notes and credits.

Mr. THOMAS of Oklahoma. Mr. President, this circulation statement shows that we have more than eight and a half billion dollars of gold. On the orthodox basis of 40 percent gold coverage, we have ample gold to be the basis of more than $20,000,000,000 of currency money.

Mr. GLASS. Yes; I said so.

Mr. THOMAS of Oklahoma. But the distinguished Senator holds to the opinion that to issue any considerable additional amount of money would make it unsound.

Mr. GLASS. Oh, I think it would make it unsound to give it away; but I think it would be all right to issue it if business—industrial, agricultural, commercial—would require that amount of money for its transaction.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. As I understand, it would not be what we call printed money for the United States now to issue $20,000,000,000, because we would have a 40-percent gold reserve back of it. Is that not about correct, may I ask?

Mr. GLASS. I do not want to get into a perfectly useless and unnecessary controversy here over a conference report. When the Eccles banking bill shall come up for consideration I hope I shall be prepared to present to the Senate my views about some of these matters.

Momentarily, if the Senator desires a direct answer, I think the so-called "gold reserve" is stolen property, if the Senator wants to know. I do not think the Government of the United States had any more right to take my gold, which I had earned by my thrift and by my intelligence, than to take my house and lot or the cattle in my barns. It had not a bit more right to do that.

Mr. LONG. I am not going to disagree with the Senator on that, but none the less they have got it; and they have eight and one-half billion dollars worth of gold, and according to the Supreme Court of the United States it is stolen, but you cannot go and get it.

Mr. GLASS. Well, that is true; yes.

Mr. CLARK. You go to jail if you try to.

Mr. THOMAS of Oklahoma. Yes; you go to jail if you try to get your property back. But none the less the Government has eight and one-half billion dollars worth of gold.

Mr. GLASS. Well, what is it worth as a reserve? What is a reserve for except to pay people to whom money is owed?

Mr. LONG. But it is worth two and one-half times its value.

Mr. GLASS. It is not worth a cent, because if you get a dollar of it they put you in jail and fine you for having it.

Mr. LONG. But nevertheless 40-percent gold reserve is——

Mr. GLASS. There is no such thing as a reserve any longer.

Mr. LONG. Well, I cannot get deep enough to argue with the Senator.

Mr. GLASS. Well, I do not want to get any deeper than we have already gotten on a mere conference report here.

Mr. THOMAS of Oklahoma. Mr. President, this joint resolution proposes to appropriate practically $5,000,000,000, and, save the little side-line discussion which has taken place during the past few days, there has been no discussion in this body or elsewhere, so far as I know, as to where such money is coming from. We know who is going to repay the money when and if it is ever repaid.

Mr. GLASS. I think I have already pointed out where it is coming from, and when it comes there is going to be the biggest howl in this country that you have ever heard! It is coming from the pockets of the taxpayers of the United States.

Mr. THOMAS of Oklahoma. Yes; that is the presumption, Mr. President. If the trend which we are now following continues this money will not come from the pockets of the taxpayers of the United States. It will first be manufactured by our banking system and——

Mr. GLASS. Of course it may be repudiated.

Mr. THOMAS of Oklahoma. Well, that is what I mean.

Mr. GLASS. Some things have been already repudiated.

Mr. THOMAS of Oklahoma. I hold in my hand a newspaper clipping from the New York Times, of Sunday, March 17, and I find this headline—

Eccles finds it cheaper for United States to borrow than bear the cost of issuing greenbacks.

Governor Eccles made the statement that it is cheaper to borrow money than it is to have the Bureau of Engraving and Printing print the currency. Mr. President, the bonds have to be printed. The argument is that the bonds will not wear out, but the money does wear our; therefore it is cheaper to print bonds and issue the bonds upon which to borrow $5,000,000,000 than it is to print the money and put the money in circulation.

Mr. LONG. The Senator does not believe any such thing as that, does he?

Mr. THOMAS of Oklahoma. Why, of course not. The Government can print a thousand-dollar bond and send it to a bank or order the bank to take it; the bank takes it and gives the Government credit and the bond is deposited in the bank's safe-deposit box. The bond is not worn out by use, but when the Government prints a bill and puts such a bill in circulation, in time, it wears out and has to be replaced. Of course, it costs something to print money; it costs about 75 cents per thousand dollars, on an average, to print the money which the people have today and which is the only kind of money they have, printing-press money, with here and there a little token money in the form of silver.

Mr. President, let me call the attention of the Senate to the fact that for months now we have heard the charge "inflation, uncontrolled inflation." I make the statement here and now that the Government has come to the point by issuing bonds, by the uncontrolled issuance of bonds, results in the inflation of credit, the uncontrolled inflation of credit. Can we stop borrowing money? Of course, we cannot. Can we stop issuing bonds to secure that credit in order to borrow the money? Of course, we cannot. And here we are proposing to appropriate $5,000,000,000, which, with the conditions confronting us, means inflation of credit and printing-press bonds uncontrolled and uncontrollable, the printing of bonds uncontrolled and uncontrollable, and yet when I propose to authorize the Treasury Department to issue certificates on the silver it now holds as it has been doing for generations past, that is called inflation; my amendment is tabled, and when a simple, modified amendment is pressed before the Senate and goes to conference it is thrown out by the conference committee. Uncontrolled credit inflation today! Uncontrolled issuance of bonds today! The printing press, Mr. President, today is running night and day, three shifts every 24 hours, printing bonds, getting ready to place the bonds in the banks—not to sell the bonds but to place them in the banks. The banks give the Government credit on their books for the amount of the bonds deposited. Whose credit is it that the banks are using to give the Government the right to write its checks? It is the public credit; it is the people's credit. Under this system the Government is using its own credit, the people's credit, based upon all the property of America, and has to pay interest upon this credit for its use. Uncontrolled and uncontrollable credit inflation!

I have tried to call the attention of the Senate to a plan whereby we might stop the issuance of bonds, whereby we might control the expansion of credit until we could get more money in circulation, until we could get the price level up to a point where the people could make some profit. There is no chance of the people ever to balance the Budget by taxes unless they can make some profit. It is costing us now $5,000,000,000 a year for the regular expenses of the Government and we are collecting $3,000,000,000. Spending $5,000,000,000 and collecting $3,000,000,000, we have to borrow this year $2,000,000,000 in order to provide for the regular expenses of the Government; and then we have to borrow $5,000,000,000 more, approximately, in order to pay for the unusual expenses in the form of relief, loans, and public works.

Mr. LONG. Mr. President, I should like to ask the Senator a question. Do I understand correctly—I have not

looked at the figures lately—that the ordinary running expenses of the Government are $2,000,000,000 in excess of the Government's income?

Mr. THOMAS of Oklahoma. They are.

Mr. LONG. And above that we have to pay this extra relief appropriation which we are piling up?

Mr. THOMAS of Oklahoma. We do.

Mr. LONG. The issuance of more money, which the Senator from Virginia admits not to be printing-press money, but really money, would tend to lower the debt structure of the country, would it not?

Mr. THOMAS of Oklahoma. It would.

Mr. LONG. Whereas issuing bonds tends to raise the debt structure?

Mr. THOMAS of Oklahoma. That is correct.

Mr. LONG. One of our greatest troubles today is the debt structure, is it not?

Mr. THOMAS of Oklahoma. That is correct.

Mr. LONG. We are making that structure worse as a result of issuing bonds by piling up $5,000,000,000 more on top of what we now have?

Mr. THOMAS of Oklahoma. What I complain of is that neither branch of Congress, so far as I know, has given a single moment's consideration to the problem of making it possible for the people to pay their taxes.

Mr. LONG. Or their debts.

Mr. THOMAS of Oklahoma. Their public debts are the result of public spending.

Mr. LONG. But taking all the debts, public and private, did not the Senator last year give us the figures—I have been quoting his figures—that we had around $252,000,000,000 of debts, public and private, in America?

Mr. THOMAS of Oklahoma. Mr. President, there is some disagreement as to the figure. A book published 2 years ago by the Twentieth Century Fund and edited by Evans Clark analyzes the public-debt structure and the private-debt structure. Mr. Clark in that book computes the total to be $238,000,000,000, but since that time the public debt has increased so that now, if these figures are correct, the private and public debt structure is in excess of $250,000,000,000.

There is a young economist in New York by the name of James P. Warburg—perhaps some Senators have heard of Mr. Warburg—who wrote a book not long ago called "The Money Muddle", in which he cataloged the debts, public and private, to be in the neighborhood of $281,000,000,000. He included the amount of insurance that the insurance companies owe their policyholders, but he failed to include the amount of notes and debts that the policyholders owe the insurance companies. Then Mr. Warburg cataloged the amount of deposits the banks owe the depositors, but he failed to estimate the notes the depositors owe the banks. But, be it so, he accounts for $281,000,000,000. I have been conservative; I have limited my figure all the time to the sum of $250,000,000,000 as the total massed debts, public and private.

Mr. President, on that sum the interest bill each year is more than $10,000,000,000. Here is the way it affects us: We have today a total tax bill annually of $15,000,000,000; we have, second, a total interest bill of $10,000,000,000.

Mr. LONG. That makes $25,000,000,000.

Mr. THOMAS of Oklahoma. That makes $25,000,000,000 which the people must earn and save and pay in order to liquidate their annual taxes and interest. The net annual income of the people is only $42,000,000,000. Deduct $25,000,000,000 for taxes and interest from $42,000,000,000 and how much money is left? There is left $17,000,000,000 with which to pay all the expenses of all the people of the United States. Then Senators complain and wonder why times are hard, why the depression lingers, and why money is scarce.

Mr. LONG. Mr. President, will the Senator let me ask him a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. If the plan contemplated by the conference report be adopted, it will mean that we will increase that annual interest charge and raise the debt structure and lower the supply of money?

Mr. THOMAS of Oklahoma. Obviously the Senator is correct. Mr. President, the Constitution enjoins upon the Congress the duty to coin money and to regulate its value. If the Congress has exercised that power and has coined the money, it should see to it that that money is placed in circulation. Whatever their condition may be, that condition is the direct result of either the activity of the Congress or the failure of the Congress to act. What we have is chargeable to this one body, the Congress, made up of the Senate and the House of Representatives. If we have too much money in circulation, the Congress cannot escape responsibility for that condition. If we do not have sufficient money in circulation, the Congress is responsible for that deficiency and that delinquency; and I contend that we do not have sufficient money in circulation.

Mr. President, when I made my remarks on a former occasion I exhibited what I choose to term an imitation gold dollar. I have changed somewhat the form of that gold dollar. If Senators will imagine this piece of cardboard [exhibiting] to be solid gold, originally weighing just 25.8 grains nine-tenths fine, I will call it a gold dollar. When we started to modify the weight of this gold dollar we did it for a reason. The reason was that the gold dollar, containing 25.8 grains of gold nine-tenths fine, had a buying power of a high degree, so high that the people could not get such dollars with which to pay their taxes, their interest, and their debts. Two years ago, when we started to modify our financial laws, this gold dollar had the same weight, the same gold content, but the dollar had excessive buying power. It had a buying power at that time not of a hundred cents but of 167 cents. I have explained on many occasions how we arrived at that explanation, and I ask permission at this time to place in the RECORD at this point in my speech a short paragraph explaining how the yardstick is computed for the measurement of value.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Without objection, it is so ordered.

We have several price indexes in this country. The main one, the wholesale commodity price index of the Bureau of Labor Statistics, has 784 articles. These articles are weighted, according to their importance in commerce, and their prices are obtained. Then, for your beginning period, you can take any year, and you can call it 100 for that year, and then, with that same weighting, take the price of another time, and you will see whether there has been a general rise or fall in prices. Individual commodities will, of course, fluctuate at a different rate; but if it shows that there has been a price rise or a price fall, you can state it another way by saying that the purchasing power or the value of the dollar has fallen or risen.

Mr. THOMAS of Oklahoma. As a result of the activities of 2 years ago, we proceeded to cheapen the dollar somewhat in terms of gold, but we have not as yet cheapened the dollar to the extent where it is back to 100 cents in buying power. Even today the dollar still contains a certain amount of a hump in excess buying power. The dollar today has a buying power of more than 126 cents, so that, after 2 years of trying to get the value down, the people of the United States, in order to get a dollar to pay their taxes or to pay their interest or to pay their debts, must give up of their goods and services 126 cents in value.

The Congress is responsible for having this large hump of excess value in the dollar. The Congress was responsible for reducing that hump down from 167 cents to some 126 cents. But the Congress is responsible today for the hump still upon the dollar; the hump represented by this symbol of 26 cents of excess buying power in the dollar.

That is nothing more nor less than a subsidy; a subsidy in the buying power of the dollar. It is there because the Congress refuses to remove it. It is a subsidy to everyone who has fixed investments. It is a subsidy to the bondholder. It is a subsidy to the salary receiver. It is a subsidy to the mortgage holder. It is a subsidy to each and all of the Members of this Senate and the House of Representatives.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. During the time my friend the Senator from Virginia [Mr. GLASS] was Secretary of the Treasury, as I remember it, this country got pretty nearly on a cash basis due to the fact that the purchasing power of the dollar went down to 75 cents or below that figure.

Mr. THOMAS of Oklahoma. In 1920 the value of the dollar was 64 cents.

Mr. LONG. As a matter of fact, people in my section of the country were pretty well out of debt at that time and on a cash basis. For the first time the farmers did not have to be carried for a year's supplies. Today our debt structure is far more than it ever was then, is it not?

Mr. THOMAS of Oklahoma. That is correct.

Mr. LONG. That is all the more reason why we ought to follow that policy now.

Mr. THOMAS of Oklahoma. Mr. President, I have a purpose in mind and my purpose is to get the hump of excess value off the dollar. That hump represents excess buying power. That hump represents excess value. As long as that hump stays on the dollar, Congress and Congress alone is responsible. Congress is keeping a subsidy in the buying power of the American dollar, and so long as that subsidy is in the dollar every man who owes taxes, every man who owes interest, every man who owes debts, must slave and sweat and produce goods and services to get a dollar with that hump on it in order to liquidate one dollar's worth of indebtedness.

A few days ago the dollar got down as cheap as 125.6 cents. It has been going up for 2 or 3 weeks. Instead of getting cheaper the dollar is getting more valuable. A day or two ago it was worth 126.9 cents. Instead of the dollar getting cheaper and prices getting higher, the dollar is getting higher and prices are going down, as we have seen in the last few days.

The papers stated in the last 24 hours that during March the stocks listed on the stock exchange of New York City lost over $3,000,000,000 of their value. Because the dollar is going up, stocks are going down. In the city of the distinguished senior Senator from New York [Mr. COPELAND], on the stock exchange of that great city there are listed great numbers of stocks, and the people own those stocks throughout the length and breadth of the Nation and the world. Because the dollar has been going up in value those stocks have gone down during the month of March, and the people who own those stocks throughout the world have lost more than $3,000,000,000 of value because of the thing about which I have been talking.

Mr. President, on a former occasion I served notice that I should discuss the question of silver, cotton, and the South. At this time I want to place in the RECORD a skeleton of what I intend to say at that time.

We can help the domestic situation in America by the issuance of paper money, but paper currency expansion will not do the cotton South the good that silver expansion will do. It is my contention that if we will use silver for the expansion of our currency we can help the South in two ways. We can make money more plentiful and prices higher. We can use silver more widely and raise the price of silver, and by raising the price of silver we will raise the value or buying power of every silver unit of money throughout the world.

The cotton South produces cotton in competition with other countries which are on a silver standard.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Maryland?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. The Senator just said something about which I do not want to take issue with him, but I should like him to explain. If we decrease the value in a gold dollar, according to his argument, we increase the value of commodities. Is that correct?

Mr. THOMAS of Oklahoma. Something more is needed than the act of decreasing of the weight of the gold dollar. We decreased the value of the gold dollar in 1934. That was under the order issued on January 31, 1934, whereby the President reduced the weight of the gold dollar from 25.8 grains of gold nine-tenths fine to $15^5/_{21}$ grains of gold nine-tenths fine.

Mr. TYDINGS. I understand, and if we decrease the value of the gold dollar according to the Senator's philosophy we increase the value of the commodity.

Mr. THOMAS of Oklahoma. Not necessarily. To raise domestic prices we must increase the amount of dollar units in circulation——

Mr. TYDINGS. I mean abroad, in international trade.

Mr. THOMAS of Oklahoma. Yes.

Mr. TYDINGS. On the other hand, if we increase the price of silver, do we not decrease the value of the products raised in silver countries in international exchange?

Mr. THOMAS of Oklahoma. I think the Senator is correct, but I have not gotten my viewpoint before him. I am proceeding upon the theory that the Congress is legislating for the people of the United States.

Mr. TYDINGS. I understand. The Senator just said, as I understood him, that if we increase the value of silver, we would increase the buying power of nations which are on a silver standard.

Mr. THOMAS of Oklahoma. I did not say that.

Mr. TYDINGS. Then I misunderstood the Senator.

Mr. THOMAS of Oklahoma. On that point let me say that India has some 4,500,000,000 ounces of silver. That, as a rule, is in the hands of the masses of India. They have it in the form of coin, they have it in the form of bullion, in the form of rings, bracelets, and ornaments. It is hoarded away. They place their wealth in the silver of that country to the extent that the silver is in the hands of the masses of India. By raising the price of silver, we raise the value of the silver in the possession of the Indians. If we raised the value of cotton in the same way, we would raise the value to the farmers who have cotton in their warehouses.

Mr. TYDINGS. I think the Senator's observation about silver in India is accurate. If we were to raise the value of silver in the international silver market, we would enrich those people who have silver in India. But the Senator likewise, I think, will be fair enough to concede—and I am only trying to adduce the facts and not to take issue with the Senator—that if we increase the value of silver in India, according to his argument, we decrease the value of products raised in India in international trade. Therefore, it would compel the Indians to raise twice as much to buy a bushel of American potatoes with the high price of silver as they would have to raise with a low price of silver. To that extent, if the Senator will bear with me, we would offset the gain in raising the price of silver. I only make this observation to keep the record straight, if the Senator agrees with me.

Mr. THOMAS of Oklahoma. I am looking at this problem from the viewpoint of 125,000,000 American citizens.

Mr. TYDINGS. I understand.

Mr. THOMAS of Oklahoma. It is my contention that silver has been too low in price throughout the world. It is my contention that gold has been too high in value throughout the world. My efforts are devoted to the one point, to raise silver and to lower gold, so the two metals on a rational ratio will meet.

Mr. TYDINGS. I understand what the Senator is endeavoring to accomplish, and I am not arguing it with him, but I think the natural inference from his remark was that in international trade that would increase the price of silver and increase the price of silver commodities at one and the same time.

Mr. THOMAS of Oklahoma. I did not mean that.

Mr. TYDINGS. I knew the Senator did not.

Mr. THOMAS of Oklahoma. The Senator from Maryland understands the money question as well as anybody on the floor and he is exactly correct. Here is what happened to the United States. In 1920 the gold dollar had a buying power of 64 cents. Because of heavy debts the people wanted money and had to sell things to get the money. That made a big demand for currency, and that created a

demand for gold. The demand coming for gold, gold went up from 64 cents in 1920 to 167 cents in February 1933.

Gold became too valuable. Because everybody wanted gold, gold went up in value and because, apparently, not so many wanted silver, silver went down. Silver went down to 24 cents an ounce along about the first of 1933. Silver was too low.

I am trying to get silver to a higher value, and I am trying to bring the value of gold down. I am trying to do it by having silver used a little more extensively in order that we may decrease the demand for gold. If we can do that, it will lessen the demand for gold, and gold will come down; and if we can use silver more widely, that will increase the demand for silver, and silver will go up.

I do not want to raise the price of silver to an unusual degree; but if the price of silver is advanced so that the silver bullion in a silver dollar is worth a dollar, that means that silver is worth $1.29 an ounce. That means that on the old gold valuation silver is worth only about 80 cents an ounce. During the war and just after the war silver was worth some $1.30 an ounce. The silver in a silver dollar at that time was worth more as bullion than it was as a stamped silver dollar.

I made the statement that by using silver more widely we would increase the price of silver. By increasing the price of silver we would increase the value or buying power of the silver units used in the cotton-producing countries. Mexico, a cotton-producing country, has a silver peso as its unit of currency. If we raise the value of silver through our policy, to help ourselves, it will raise the value of pesos in Mexico; and when the value of the unit of money in any country is raised, it raises the cost of production in that country. If the peso is made more valuable, the result will be that it will cost more in Mexico to produce cotton.

Farther south are Chile, and Peru, and Brazil, and Argentina. Each of those countries is on a silver standard. Across the ocean is India, having the silver rupee as its unit of currency. There is China, having the Chinese silver dollar, and there is Japan, with the yen. By using silver more extensively as money, we should raise the price of silver; and as we raised the price of silver we would make more valuable the monetary units of those countries using silver; and it so happens that every country which produces cotton in competition with America is, in the main, on a silver standard.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. I agree with what the Senator from Oklahoma said, and I also agree to a large extent with what the Senator from Maryland said with reference to the price of silver; but I desire to point out one thing which seems to me to be absolutely fundamental with reference to the silver situation, which most people do not seem to understand. It is this:

I think practically everybody concedes at least that there is a maldistribution of the gold of the world. I am of the opinion that not only is there a maldistribution of the gold of the world, but likewise there is a shortage of gold to carry on the commerce of the world.

Many people, particularly the New York banking crowd, the New York economists, and that group, tell us that there is more gold in the world at the present time than there ever has been before; and that is true. Likewise, however, I desire to call attention to the fact that human wants have increased tremendously since the war. As human wants increase, whether they are the wants of the African, or the Hindu, or the Chinese, the potential buyers of the world increase; and as the potential buyers of the world increase, commerce increases to that extent, providing there is a medium of exchange so that those wants can be translated into purchasing power.

The production of gold not only has not kept pace with the increase of population but likewise it has not kept pace with the increase of wants on the part of the people of the world; for as people throughout the world are educated their desires and their wants increase, and the production of gold has not kept pace either with human wants or with the increase of population. Consequently gold became very scarce; and as it became scarce people began to accumulate it and began to hoard it. The nations of the world hoarded gold after the World War. France and the United States got 70 percent of all the gold in the world and they sterilized that gold by putting it into their vaults. France dug a vault under the city of Paris and put its gold there. The United States sterilized gold in its banks and in its bank vaults and it is sterilized today in the United States.

What must happen in the United States and throughout the world, in my humble judgment, is that there must be a redistribution of the gold of the world. Not only must that be brought about but there must be a wider base in order to meet the demands of the population of the world for the products we produce. We shall not have any permanent prosperity in this country or throughout the world until that takes place.

When silver is remonetized, what happens? I am not interested in merely raising the price of silver and keeping it as a commodity. What I want to do, and what I have been fighting for, is to remonetize it and to make it a basic money—money of redemption.

Some people have suggested to me that paper money is primary money. Paper money today in the United States is primary money because it is not redeemable; but, in my judgment, that condition cannot last long. There must be a basic money or a primary money upon which to issue currency and upon which to have credit, and then the paper money should be redeemable in gold or silver.

Because of this maldistribution of gold, and because of this shortage of gold, gold became high. What happened? When the gold content of the American dollar was cut, and the price of gold was raised in this country, the price of gold in the world became higher; and that stimulated the desire of the people of the world to hoard gold. Gold hoarding is going on in Europe and in the world today more than ever before. That hoarding of gold must be stopped, and there is only one way in which it can be done; and that is to make silver basic money—to make it money of redemption. Until that is done, we shall have chaotic conditions; and I submit, Mr. President, that if we in the United States of America would do it, we can do it. The United States is powerful enough to do it. There is not any economist in the world or in the United States today who has given any thought to the subject but who will admit that the United States, independently and alone, can remonetize silver.

If the Senator from Oklahoma will pardon me just a moment longer, when the Senator from Virginia gets through talking to him——

Mr. GLASS. I was wondering when the Senator from Montana is going to get through talking. We are having two speeches in one right now.

Mr. WHEELER. As long as the Senator from Oklahoma is not objecting to it, I do not know that the Senator from Virginia will object.

Mr. GLASS. Oh, yes; I have charge of the conference report. The Senator from Oklahoma has not.

Mr. WHEELER. Would the Senator rather have me wait until the Senator from Oklahoma concludes?

Mr. GLASS. Oh, no; I would rather the Senator from Montana would go on now.

Mr. WHEELER. If the Senator would rather have me wait, I will take a little longer time.

Mr. GLASS. No; I would rather have the Senator go on now.

Mr. WHEELER. Very well. With the permission of the Senator from Oklahoma, I will conclude my statement.

What I was about to say was that because gold is being hoarded throughout the world, we have high-priced gold. If silver were remonetized, and the primary money of the world were doubled, it would bring down the purchasing power of gold; and that is the most important thing to be done—in my judgment more important than anything else—to bring down the purchasing power of gold so that the debtor class may pay back their indebtedness with money equal in purchasing power to the money they borrowed.

Then, to my mind, the next important thing is that the currencies of the world shall be stabilized upon a basic money composed of both gold and silver.

If that is done, and the tariff barriers that have been erected in the various countries are removed, I think prosperity will come back, and trade and commerce throughout the world will increase immensely, and prosperity will be brought back, not only in this country but throughout the world. As I view the matter, we shall continue to have chaotic conditions, we shall continue to have these high-tariff walls that are stopping the exchange of goods and the flow of commerce, and we shall continue to have depreciated currencies and likewise have these quotas continued throughout the world, until that is done.

I thank the Senator from Virginia for his courtesy in permitting me to interrupt the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the statement just made; and in support of the statement just made I desire at this point to call the attention of the Senate to some significant facts.

At the present time all the gold in the world, on the basis of revaluation, amounts to some $20,000,000,000. That is all the gold there is in the world that can be used for money—$20,000,000,000 worth—based upon the revaluation of 15 grains plus to the dollar.

Mr. President, of that $20,000,000,000 of gold, on yesterday at 4 o'clock the United States had $8,568,000,000. A few days ago France had, on that valuation, the sum of $5,470,000,000. Add those two figures, and we find that the United States and France together have a total sum of over $14,000,000,000 of gold. Out of the twenty billion, fourteen-twentieths, or seven-tenths, is held by two nations. Those two nations, the United States and France, have seven-tenths of all the monetary gold in the world.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. Seven-tenths of all the gold is now in these two countries.

Mr. THOMAS of Oklahoma. That is correct.

Mr. LONG. Two little countries, I will say. The two together have only about 175,000,000 people. That is only 10 percent of the population of the world. Suppose we get nine-tenths and the rest of the countries go off the gold basis.

Mr. THOMAS of Oklahoma. All but three are off the gold basis now.

Mr. LONG. Suppose they just say, "Gold is not money any longer."

Mr. THOMAS of Oklahoma. It is not now money in the sense that gold is in circulation.

Mr. LONG. Suppose they say, "We will leave you over here with your metal and your iron to use for fish sinkers, or whatever you want to use it for."

Mr. THOMAS of Oklahoma. All the countries are off gold today, save France, Switzerland, and the Netherlands.

Mr. GLASS. The United States is on the gold standard.

Mr. THOMAS of Oklahoma. That is another proposition which appears to be ridiculous, the United States on the gold standard abroad and on a commodity standard here in the United States. Abroad the dollar is worth 60 cents in gold under its old valuation. Here at home it is worth $1.26 under its present commodity valuation.

Mr. GLASS. How much gold did the United States Treasury have before it seized the gold which belonged to all of its citizens and its banks?

Mr. THOMAS of Oklahoma. On January 31, 1934, the day the President issued his order devaluing the dollar, we had $4,036,000,000 in gold. When the dollar was devalued in terms of gold we had over $7,000,000,000.

Mr. GLASS. I am not talking about the devaluation; I am talking about how much gold the United States Treasury had before the Government seized the gold of its citizens and its banks.

Mr. THOMAS of Oklahoma. The Government seized the gold before we had the order devaluing the dollar.

Mr. GLASS. I know it did.

Mr. THOMAS of Oklahoma. But the amount did not change very much.

Mr. GLASS. Oh, yes; it did change.

Mr. THOMAS of Oklahoma. If the Senator will indicate a date I will give him the information.

Mr. LONG. I can give the date.

Mr. GLASS. I want to know how much it had prior to the seizure of this gold.

Mr. LONG. How much did it have 60 days after March 4, 1933?

Mr. THOMAS of Oklahoma. On February 28, 4 days before March 4, 1933, we had gold coin and bullion in the sum of $4,379,000,000.

Mr. LONG. In the United States Treasury?

Mr. THOMAS of Oklahoma. In our monetary gold stock we had the sum of $4,379,000,000.

Mr. LONG. How much have we there now?

Mr. THOMAS of Oklahoma. Under the new valuation——

Mr. LONG. I mean under the old valuation. It was $4,379,000,000 on January 1, 1933?

Mr. THOMAS of Oklahoma. Yes; we had $4,379,000,000.

Mr. LONG. What is it today?

Mr. THOMAS of Oklahoma. Under the new valuation——

Mr. LONG. It is eight and a half billion.

Mr. THOMAS of Oklahoma. It is $8,568,000,000.

Mr. LONG. It will be necessary to cut the dollar down to 59 cents, and that would mean that we would take off 40 percent.

Mr. THOMAS of Oklahoma. We took 40 percent of gold out of each dollar, as is illustrated by this little device I have here. We cut out this much [indicating] of the gold dollar, and put it over in a pile, representing the profit, and after we clipped this much gold from each dollar and had our pile built up, we took the profit pile of gold and revalued it, and that made $2,812,000,000 as profit through the clipping of that much out of the dollar.

Mr. LONG. As I figure the amount out in my head, under the old valuation there was about $78,000,000. We seized only the difference between $4,378,000,000 and about $5,000,000,000, all based on the old valuation. That is the way I figure it out.

Mr. THOMAS of Oklahoma. The figures are before Senators, and they can make their own computation. I was trying to say that the United States and France have seven-tenths of all the monetary gold in the world, and that leaves three-tenths to be distributed among the other 50 nations of the earth. I contend that three-tenths of all the gold in the world is not enough gold to become the basis of the currency and the credit of 50 other nations of the world.

If that is true, then these nations must have something else as a basis for their money. What will they have? There is but one other metal they can have, and that is silver.

What is the situation about silver? There are only 10,000,000,000 ounces of silver in the world that can be used for money. Of that sum India has four and a half billion, China two and a half billion, the United States a billion. Of the 10,000,000,000 ounces 3 countries have 8,000,000,000, and 50 other nations divide only 2,000,000,000 ounces of silver among them.

All nations together, excepting the United States and France, have only three-tenths of the gold; and all nations, save India, China, and the United States, together have only two-tenths of all the silver in the world. Is it not evident that we must have a distribution of this monetary metal among the nations of the world? Is it not obvious that the nations must go to using silver for the very good reason that there is not enough gold to become the basis of the money of the world?

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. Is it not a fact that, outside of India and China, the United States has more silver than any other country on the face of the earth at the present time?

Mr. THOMAS of Oklahoma. That is correct; and under the terms of the policy we adopted last year we must get a billion two hundred million ounces more. We cannot get a billion two hundred million ounces more; it does not exist, unless we go to mining it in New Mexico and Arizona and Nevada and Utah and other places where silver may be found.

Mr. FLETCHER. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. FLETCHER. The Senator's argument it seems to me leads to placing emphasis on the danger of tying currency to any one metal, or perhaps to any metal at all. The Senator will remember that the experience in England was that just before she went off the gold standard she endeavored to purchase gold from the United States and from France. She did purchase millions of dollars worth of gold, and it finally developed, according to quite an authoritative statement I have seen, that 75 percent of all the monetary gold in the world was hoarded and taken out of circulation. Consequently, England had to go off the gold standard; she could not pay in gold. That is the danger if a nation ties its currency to any metal. That metal may be singled out and hoarded and taken out of circulation, and there is no basis for the circulation, if it is tied to that particular metal.

Mr. THOMAS of Oklahoma. I thank the Senator for his statement. I think it is obvious and admitted throughout the world that Great Britain has better and more intelligent and shrewder financiers than any other nation on earth.

Mr. FLETCHER. If the Senator will allow me, I was about to finish by saying that that leads us to the managed currency idea, which England had to adopt, and which we have adopted.

Mr. THOMAS of Oklahoma. I was about to make the observation just made by the distinguished Senator from Florida. Great Britain being a nation which must depend on trade for her existence, the British Isles being out in the ocean, and with dependencies scattered throughout the world, she must have a currency system that is all-embracing. Great Britain, heretofore the leader of the gold bloc of the world, has become the leader of the commodity currency policy of the world. Great Britain is not on the gold standard today, and, so far as we can tell from the public press and interviews, Great Britain has no intention of going back on the gold standard at any time in the near future. Great Britain is content to have a commodity dollar, purely a managed dollar, and in the economy of Great Britain, gold plays no more part than wheat; in the economy of Great Britain, gold plays no more part than cotton, plays no more part than silver. Gold is a commodity. Each day the pound is worth so much gold. Silver is a commodity, and each day the pound is worth so much silver. Cotton is a commodity, and each day the pound is worth so much cotton. Wheat is a commodity, and each day the pound is worth so much wheat.

Gold is no more important in the British financial system than is silver, or cotton, or wheat, or any article which has a world-wide use and a world-wide price each day.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. While what the Senator says about Great Britain is true, nevertheless, is not the value of the pound dependent on the market value of gold each day?

Mr. THOMAS of Oklahoma. Absolutely. Great Britain understands that if they want to take care of their monetary situation and increase their price structure, they must put a few more pounds in circulation. If they want prices to go down, they take a few pounds out of circulation. That is a simple proposition. Everybody agrees to it except the distinguished Senator from Virginia.

Mr. CONNALLY. What I meant was that the value of the pound each day depends on how many pounds of currency it takes to buy a stated quantity of gold.

Mr. THOMAS of Oklahoma. Exactly so. The Senator and I agree about that.

Mr. CONNALLY. What I meant was that in a sense, when we say Great Britain is off the gold standard, she is off the gold standard except as the value of gold regulates the value of the pound.

Mr. THOMAS of Oklahoma. If she has a balance of trade she could pay in any commodity the other nation would accept. We would accept gold because it has a universal value from day to day. If we owed Great Britain a balance, we could pay in gold, we could pay in silver, we could pay in wheat, we could pay in cotton, or in any commodity she would accept. One commodity would be just as good as another.

Great Britain has no desire or intention at the present time of going back on the gold standard, and I know of no good reason why she should go back on the gold standard. As I have said before, we made a mistake when we tied the dollar to 15 grains plus of gold on January 31, 1934, and that mistake will remain in existence until the dollar is untied from gold.

I made the statement a while ago that we can help the cotton South in two ways, by putting more money into circulation, making money more plentiful, thereby cheaper, and raising the price of cotton. Everybody would agree to that proposal save perhaps the distinguished Senator from Virginia; and he is not denying it.

Mr. GLASS. No; I am engaged in something more profitable here. [Laughter.]

Mr. THOMAS of Oklahoma. That is one way to help the cotton farmer of the South. It is not necessary to pile up the cotton in warehouses; it is not necessary to destroy the cotton of the South in order to raise the price. By making money plentiful, we make money cheaper, and as money becomes cheaper, prices rise. I hope that sometime the Senators from the South will have the same opinion on this money question that I have. We can help the cotton prices by putting money in circulation. That is one way. The second way is through a wider use of silver. By using silver we get more money into circulation, and it does exactly the same thing that paper currency would do, it would make money more plentiful, make money cheaper, and make prices higher.

As we use silver, we make a demand for silver, and in making a demand for silver, we increase the price of silver, and as silver goes up, the value of the monetary units in the competing cotton producing countries likewise increases. By raising the value of silver, we increase the value of the peso in Mexico, we increase the value of the milreis in Brazil, we increase the value of the rupee in India, we increase the value of the dollar in China, and we increase the value of the yen in Japan, and as those monetary units go up, their costs of production go up, and as their costs of production go up, the cotton planters of the South can better compete with the cotton planters of the nations now threatening the destruction of our all-important southern industry.

Mr. GLASS. Mr. President, at the risk of prolonging the discussion, which I hesitate mightily to do, I asked the Senator a while ago how much gold the United States had in the Treasury before the Government seized the gold belonging to its citizens and the banks of the country, and to my amazement he answered that it had $4,379,530,500. The Senator made a mistake by reading the total amount of money in circulation, and not the amount of gold held in the United States Treasury.

Mr. THOMAS of Oklahoma. Mr. President, I did not read from the column headed "In circulation." The column showing the money "In circulation" is on the right hand. I read from the left-hand column.

Mr. GLASS. No, Mr. President; the Treasury of the United States, before the Government seized the gold belonging to the people and to the banks, had but $125,679,175

in the Treasury of the United States. This other gold was held for the redemption of Federal Reserve bank notes and for other outstanding paper.

Mr. THOMAS of Oklahoma. Mr. President, I am going to leave the distinguished Senator from Virginia to argue with the Treasury Department. I exhibit to the Senate, form 1028 published by the Government.

Mr. GLASS. That is what I referred to.

Mr. THOMAS of Oklahoma. And I refer to the left-hand column, under the heading "Kind of money."

Mr. GLASS. The kind of money in circulation.

Mr. THOMAS of Oklahoma. I ask the Senator to wait a moment. The headings is "Kind of money, gold coin and bullion, $4,379,000,000." Under the heading on the right it tells where that money is, and I will read it to the Senate, not reading the thousands.

Money held in the Treasury, $3,292,000,000.

Amount held in trust against gold and silver certificates, $1,250,000,000.

Mr. GLASS. That does not belong to the Treasury.

Mr. THOMAS of Oklahoma. Reserve against United States notes, $156,000,000.

Mr. GLASS. That does not belong to the Treasury.

Mr. THOMAS of Oklahoma. Held for Federal Reserve banks and checks, $1,759,000,000.

Mr. GLASS. That does not belong to the United States Treasury.

Mr. THOMAS of Oklahoma. All other money, $125,000,000.

Mr. GLASS. Yes; and that does not belong to the Treasury, either.

Mr. LONG. Mr. President, to whom does it belong?

Mr. THOMAS of Oklahoma. I yield to the Senator from Virginia to answer that question.

Mr. GLASS. It is difficult to tell to whom it belongs. It has been seized from the citizens and from the banks of this country; $2,800,000,000 of it was seized from the Federal Reserve banks alone.

Mr. LONG. Then the figure showing what was in the Federal Treasury—$2,800,000,000—that was Federal Reserve money?

Mr. GLASS. Oh, all of it but $125,679,000 belonged to somebody else. It did not belong to the United States Treasury at all.

Mr. THOMAS of Oklahoma. Mr. President, the people of the United States have always thought that they owned the Federal Reserve System and the Federal Reserve banks. The people of the United States have no ownership in the Federal Reserve banks.

Mr. GLASS. They never have, and never were intended to have.

Mr. THOMAS of Oklahoma. But the people thought those banks belonged to them.

Mr. GLASS. No; they did not think so, either.

Mr. THOMAS of Oklahoma. I should like to know, if that is the case, why the distinguished Senator from Virginia attached the name of the United States to the Federal Reserve System. Why was the name "Federal" attached to the banks in the bill creating the System?

Mr. GLASS. Because it was a Federal Reserve System established, as the act states, to respond to the requirements of commerce, industry, and agriculture, with Government supervision; and that is where it got its name of Federal Reserve System.

Mr. THOMAS of Oklahoma. Under the terms of that bill, a private bill passed for private interests, creating a private corporation, having the word "Federal" attached to the name, the people thought this banking system was their system. Most people still think that the Federal Reserve System is a publicly owned banking system.

It is true that the Federal Reserve banks held this gold. They were private corporations. They held some $3,000,000,000 of this gold, and we gave the President the authority, when we passed the legislation in 1933, to call upon these private banks, as he called upon all citizens, to turn in their gold, and these private banks turned in their gold, but they received in return gold certificates.

Mr. GLASS. You had as much right to tell them to turn in their cattle, too, as to turn in their gold; every bit as much right.

Mr. THOMAS of Oklahoma. The Federal Reserve banks turned in their gold, but the Federal Reserve banks received, in return for their gold, gold certificates. A private corporation which turned in its gold did not get gold certificates.

Mr. GLASS. What is a gold certificate? If you present it to get the gold, they put you in jail and fine you. You call that a gold certificate? I do not. A gold certificate bears the words on its face that the Federal Government promises to pay the gold back upon presentation; and now if the certificate is presented and you get paid back in gold, they will grab you and put you in jail and fine you for it.

Mr. LONG. Mr. President——

Mr. THOMAS of Oklahoma. Permit me to make a reply to that statement.

Mr. GLASS. I am not going to prolong the discussion. It does not have anything in the world to do with this conference report.

Mr. THOMAS of Oklahoma. When we are talking about gold certificates, we are talking about antiques; we are talking about historical objects. I have not seen a gold certificate in so long I have forgotten what they look like.

Mr. LONG. This $20 bill which my friend from Virginia [Mr. GLASS] often refers to says on its face, "Redeemable in gold on demand." It is on the bill. It starts off by saying, "Redeemable in gold on demand", and they still print that bill. "Redeemable in gold on demand at the United States Treasury, or in gold or lawful money at any Federal Reserve bank."

Now, manifestly if you present this $20 bill and the Treasurer does what this piece of money says, then he goes to jail and the man getting the $20 goes to jail.

Mr. WHEELER. No, Mr. President, the Senator is wrong about that. It does not say gold only. It says gold or——

Mr. LONG. Or what?

Mr. WHEELER. "Gold or lawful money."

Mr. GLASS. Redeemable in gold.

Mr. WHEELER. No.

Mr. GLASS. Oh, yes, it does. The act of March 1908 made lawful money and silver certificates, too, for that matter, redeemable in gold; but now if a citizen goes and gets some of it they put him right in jail.

Mr. THOMAS of Oklahoma. Mr. President, I am trying to talk to some of the Senators from the South. I am trying to tell those Senators that there is a different way to raise the price of cotton besides not raising cotton. There is a different way to raise the price of cotton besides burning cotton and destroying cotton. We can raise the price of cotton by cheapening the dollar. The dollar can be cheapened by placing more dollars in circulation, and to the extent that we place new dollars in circulation, to that same extent money becomes more plentiful, to the extent that money becomes more plentiful money becomes cheaper, and to the extent that money becomes cheaper prices rise.

What is true of cotton is true of wheat. What is true of wheat is true of livestock. What is true of livestock is true of every commodity in America. Every commodity in America can be raised in price by the simple plan of placing a little more money in circulation.

You do not have to murder pigs to raise the price of pork. You do not have to plow up cotton to raise the price of cotton. You do not have to destroy the acreage of wheat to raise the price of wheat.

Now, by placing more money in circulation we can raise the price of cotton. By using silver we raise the price of silver. As silver goes up in value the monetary unit of all the competing cotton-producing countries will likewise go up in value. The silver peso of Mexico will be more valuable. The silver milreis of Brazil will be more valuable. The silver rupee of India will be more valuable.

Today in these silver-standard, cotton-producing countries the farmers are making money on the present price of

cotton. In Mexico the farmers are getting 45 cents a pound for their cotton. They used to get only 15 cents a pound. Of course, the 45 cents is in Mexican money but such money pays all Mexican bills. In other silver-standard countries, such as Brazil, Chile, Peru, India, and China, where cotton is produced, their money has gone down in value, hence prices likewise are higher.

But their cheap money pays their taxes, their interest, and their debts just like our cheaper money here today pays our taxes and our interest and our debts.

We have cheapened the dollar in America only 25 percent. We intend to cheapen the dollar 40 percent. The President took 40 percent of gold out of the dollar. He no doubt thought that that act would cheapen the dollar 40 percent. But such results have not been accomplished. The dollar has been cheapened the full 40 percent abroad. The moment the American dollar gets beyond the border it loses the full 40 percent of its former gold value. Not so in America. We have here the domestic dollar, and the domestic dollar is not comparable in value to the foreign dollar. The domestic dollar is a commodity dollar governed entirely by the number of dollars in circulation. The foreign dollar is a gold dollar equal in value to its fixed gold content. Thus it may be said that the foreign dollar is a 60-cent dollar and the domestic dollar is a 126-cent dollar. It is because of this condition that foreign gold is coming to the United States at the rate of some $100,000,000 per month. Sixty million in gold under the old valuation means one hundred million under the new valuation, so that foreigners may now purchase $100,000,000 worth of American merchandise with $60,000,000 worth of gold as measured by the former gold valuation.

Mr. President, I have been trying to show that our troubles are largely the inevitable results of our monetary policies. Also I am trying to suggest and demonstrate that cotton, cotton planters, and the South may be aided and helped by a wider use of silver.

However, no solution of the present problems will ever be reached until it is realized that since 1929 a transformation scene as complete as any in a theatrical pantomime has taken place.

The past rapid advance in prosperity was due to, first, the great and continuous growth of population, largely from immigration, which greatly increased home consumption of goods, and, second, the dependence of the more forward countries on the United States for a large part of their supplies.

As you know, both these influences are ended, and it is to the loss of this growing home custom and of the foreign custom that our huge unemployment is due, aggravated still more by the displacement of hand power in industry due to machinery.

If, therefore, the position prior to 1929 is to be restored, it can only be by substituting for the lost custom of the forward countries the custom of the backward countries, and you know this can only be done through silver—silver monetized, not simply raised in price.

But the importance of thus providing a great increase in foreign custom is by no means the only consideration which makes the monetization of silver a matter literally of life and death for the people of the United States. This to put an end to the rapidly growing menace of Asiatic and South American competition, which can only be done by greatly raising the costs of production in these countries by the monetization of silver at a high ratio.

As the representative of one of the greatest cotton-growing States, I cannot but be alive to the ruin facing Oklahoma and the South, which means their depopulation in the very near future.

Between August 1 and November 9, 1933, America's cotton exports amounted to 2,808,000 bales, and in the like period of this year they were only 1,574,000 bales, a loss of 1,334,000 bales. If this drift be permitted to continue throughout the season of 1934–35, the South will hang economic crepe on its doors in 1935–36. The high protective tariff policy of the New World creditor, United States; the 12-cent loans on unmarketed cotton; and the acreage control by law are in conjunction destroying the export market for United States produced cotton and vitally harming the economic and business life of Texas and of the entire South.

World consumption 1933–34:

United States growths	9,600,000
Foreign growths	14,000,000

There is nothing new to me in all this. I have realized for many months this terrible growing menace to America's greatest industry, and the coming doom of at least ten or twelve million people, including dependents, who must join the unemployed as soon as the present temporary assistance is discontinued.

Now, whatever arguments there may be in a general way for or against the monetization of silver, you have in the case of cotton a clear-cut case, because practically the entire foreign production is by countries whose costs are based either entirely or largely on the price of silver.

A few weeks ago the London Financial Times in a Washington dispatch gave the following estimate of cotton production in certain countries as below, in bales:

	1933–34	Increase on 1932–33
Chile	329,000	228,000
Brazil	969,000	521,000
Mexico	226,000	122,000
Egypt	1,819,000	791,000
India	4,159,000	263,000
China	2,726,000	465,000
Total	10,225,000	2,390,000

As René Léon said last February, Congress has the power to end in a day this menace, and I say without hesitation that if there were no other argument at all for silver monetization it would be imperative for the reason alone of saving the cotton industry from ruin.

In the above figures you will note that India and China represent nearly seven-tenths of the total, and their costs are ruled entirely by silver.

In conclusion let me say that the remonetization of silver will be as helpful to the North and East as such policy will be to the South.

The manufacturing East depends upon world trade—being helped by increased exports and injured by increased imports. The depression has not been the sole cause of the distress in the East. Japan has been and is now enjoying a real boom.

Let me call your attention to the following analysis of Japan's present domination of world trade:

The growth of Japanese trade during a world-wide depression is considered a remarkable phase of the period.

Her industrialists have enjoyed something verging on a boom. The nation has little unemployment. Expansion has been pushed vigorously in many directions.

Frequently the question is asked: What lies at the bottom of this development? Why should Japanese industry be capturing markets and expanding when industry in the remainder of the world is contracting?

Two reasons are given. One is the progressive depreciation in the value of the yen, which is the Japanese currency. The other is the remarkably low cost of production of Japanese goods.

The first deliberate depreciation took place late in 1931. Then, as the pound sterling fell, after its topple from the gold standard, the Japanese depreciated their currency further. Finally, when the United States went off the gold standard and reduced the gold value of the dollar, the Japanese again cut the value of the yen, holding it about 40 percent under the old relationship with the dollar.

Mr. President, Japan is not the only country enjoying better times.

From the United States News we see the following statement:

Why worry about foreign markets or foreign competition?

Because normally 60 percent of this country's cotton crop is sold abroad; only 40 percent consumed at home. A half billion dollar market is at stake.

Brazil is enjoying a cotton boom. Egypt is stepping up production. India is doing the same. Latest Russian reports tell of plans to export cotton. For the first time since the Civil War the United States in 1934 produced less than half of the world's cotton.

In order that the RECORD may contain the most reliable information possible to secure, I ask unanimous consent to

insert at this point a letter received from Mr. Oscar Johnston, manager of the United States Cotton Pool.

There being no objection, the letter and attached data were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
Washington, D. C., January 9, 1935.

Hon. ELMER THOMAS,
United States Senate.

MY DEAR SENATOR: Enclosed is a statement which I have compiled from data furnished me by the Bureau of Agricultural Economics and from sundry publications and statements issued by the New York Cotton Exchange. Some of the figures are, you will understand, estimates. Many of them are based upon reports from various countries where the systems of estimating crop acreage and production are inaccurate or crude. On the whole, I think the figures are fairly accurate. At least they are the figures that are accepted by the trade generally.

If I can give you any further estimates, do not hesitate to call on me.

With regards, I am, yours truly,

OSCAR JOHNSTON,
Manager Cotton Pool.

(Enclosure.)

MEMORANDA WITH RESPECT TO THE WORLD PRODUCTION OF COTTON DURING THE 5-YEAR PERIOD 1930–34, BOTH INCLUSIVE

TABLE 1.—*Cotton acreage and production in India*

Year	Acres	Bales produced
1930–31	23,812,000	4,585,000
1931–32	23,722,000	3,334,000
1932–33	22,483,000	4,109,000
1933–34	23,739,000	4,508,000
1934–35	(1)	[2] 4,600,000

[1] Am unable to get reliable figures for this acreage but the general idea is that it is lower than the acreage for the preceding year.
[2] This is a preliminary estimate, the crop has not yet been harvested. Present indications are that this estimate is probably a little high.

The figures above given with respect to the number of bales, are in 478-pound bales and represent what is known as the commercial crop, as distinguished from small quantities of cotton in some of the producing countries, which is used by the producer for mattress making, home weaving, spinning, et cetera.

TABLE 2.—*Cotton acreage and production in Egypt*

Year	Acres	Bales produced
1930–31	2,162,000	1,693,000
1931–32	1,747,000	1,303,000
1932–33	[1] 1,135,000	1,038,000
1933–34	1,873,000	1,725,000
1934–35	1,798,000	1,550,000

[1] In this year there was a drastic acreage cut enforced by law. This law was terminated the following year when the acreage went to an abnormally high figure. This was reduced the next year by natural causes.

TABLE 3.—*Foreign production of commercial cotton*

Country	Year	Bales produced
Brazil [1]	1930–31	392,000
	1931–32	464,000
	1932–33	373,000
	1933–34	807,000
	1934–35	1,100,000
Russia [1]	1930–31	1,589,000
	1931–32	1,851,000
	1932–33	1,778,000
	1933–34	1,889,000
	1934–35	[2] 1,700,000
China [1]	1930–31	1,603,000
	1931–32	1,106,000
	1932–33	1,871,000
	1933–34	2,051,000
	1934–35	2,200,000
Peru [1]	1930–31	223,000
	1931–32	223,000
	1932–33	260,000
	1933–34	265,000
	1934–35	275,000
Mexico [1]	1930–31	154,000
	1931–32	186,000
	1932–33	95,000
	1933–34	220,000
	1934–35	200,000
Sundry, other countries [1]	1930–31	1,078,000
	1931–32	1,187,000
	1932–33	1,100,000
	1933–34	1,150,000
	1934–35	1,300,000

[1] Acreage planted not obtainable.
[2] This is an estimate and is probably above the crop that will really be harvested.

The total production of the above countries together with the production of Egypt and India (tables 1 and 2) is:

1930–31	11,317,000
1931–32	9,658,000
1932–33	10,624,000
1933–34	12,615,000
1934–35	12,925,000

Total exports of American cotton were as follows:

1930–31	6,820,000
1931–32	8,754,000
1932–33	8,426,000
1933–34	7,552,000
1934–35 (from Aug. 1, 1934–Jan. 1, 1935, approximately)	2,600,000

American exports to Japan from the crop 1933–34, 1,856,000; and from August 1 to December 31, 1934, 910,000.

The export of American cotton to Germany has been cut by more than half, and will probably show a decline of 66 percent during the current year. Our exports to France during the first 5 months of the current crop year, as compared with the same months for last year, show a decline of 56½ percent, Germany 72 percent, Great Britain 51½ percent, Poland 21½ percent, Belgium 48 percent, China 61 percent.

OSCAR JOHNSTON,
Manager Cotton Pool.

Mr. THOMAS of Oklahoma. Mr. President, I have occupied more time than I intended. I have numerous clippings, letters, tables, and data which I desire to place in the RECORD in connection with my remarks. I ask unanimous consent that such data may be printed as a part of my remarks.

The PRESIDING OFFICER. Without objection, permission is granted.

The matters referred to are as follows:

President Roosevelt, on January 15, 1934, in his message to Congress, declared:

"Silver has been used since time immemorial as a metallic basis for currency and also as a currency in itself. It is used as such by probably half the population of the world. It constitutes a most important part of our own monetary structure. Silver is such a crucial factor in much of the international trade of the world that it cannot be neglected."

Lord Greenway (Lord Greenway is president and one of the founders of the Anglo-Persian Oil Co.; he is senior partner in the banking firm of Shaw, Wallace & Co., of India and Ceylon, and R. G. Shaw & Co., of London. He spent 23 years in the east and is a close student of financial and economic problems): "There can be no doubt that the present international monetary system has hopelessly broken down and that to this cause more than anything is to be attributed the economic and financial troubles which have beset the world for some years past. The cause is obvious; namely, that, owing to so vast an amount of the world's stock of gold being sterilized by the action of the principal governments in building up enormous reserves of that metal, there is insufficient gold in international circulation for the carrying on of normal trade.

"That being the cause, what is the remedy? What is called inflation, of one kind or another? Paper inflation in any single country is dangerous, and is impracticable as between nations. Therefore, it would appear that the readiest and safest (because limited by production) method of inflation would be the reintroduction of silver into international currencies at some fixed ratio of values between silver and gold. The United States are evidently ready to adopt this change, and with the two leading financial countries of the world agreed on this point, and the stabilization of exchange between them which would ensue, other countries would soon find it in their own interests to follow suit."

Edward Tuck (distinguished ex-banker and philanthropist; Grand Cross of the Legion of Honor; Citoyen d'Honneur de Paris; a close friend of Cernuschi and author of several monetary treatises): "To carry on commerce between the nations of the world there needs to be an international unit of value, and that unit must be a metallic one. At the present time, no nation on either side of the Atlantic having a currency redeemable in gold, all foreign commerce and exchange dealings are in the greatest confusion. No man knows from day to day what may be the market value of his merchandise or of his investments. At the recent economic conference in London President Roosevelt was severely criticized for refusing an attempt to stabilize the moneys of the United States and England; but he was right. To try to do it would be like an attempt to stabilize two balloons. Metallic moneys can be stabilized by their proportionate weight, but not so the unlimited product of the printing presses. It is only from the mines of gold and silver that there can be furnished automatically a needed yearly additional supply of metallic real money, which is estimated at from 1 to 2 percent of the existing monetary stock."

A. Chester Beatty (eminent mining authority; director of the Consolidated Diamond Mines, Southwest Africa, and various mining corporations; long resident in China): "It is universally recognized that there is today no greater detriment to trade than is caused by the fluctuation in the value of currencies. In the interests of commerce everyone is eagerly looking forward to a period at which stabilization may take place in the leading exchanges of

the world; and everyone appreciates the fact that, until this is done, the channels of international trade will be clogged, and that the commerce upon which the civilized world depends will be grievously checked.

"China is one of the great markets of the world. The future prosperity of many of the industries of the west must be greatly affected by conditions in China. The diminution in manufactured exports from Great Britain and the United States to China in recent years has been, among others, one of the causes of the decline in the available amount of employment in these two great countries. Anything which would tend to revive such exports would obviously be very beneficial to their economic position.

"It may truly be said that the innumerable millions in India think in terms of silver. The peoples of India and China, indeed, representing a half of the whole population of the world, are vitally affected by any depreciation in the value of silver. During the period to which I have referred they have seen what we may call their invested savings depreciated to a half, or even a quarter, of the value at which they stood when the investment took place. This circumstance has had an obvious and notable effect upon their purchasing power."

Walter Lippmann (American publicist, formerly associate editor of the New Republic and ex-editor of the New York World): "The silver movement is a movement to cheapen gold all over the world. If the world suddenly discovered new gold mines as it did in the nineties, gold would become cheaper, because there would be more of it. When gold began to be cheap about 1900, prices rose all over the world and brought prosperity. But there are no new gold mines in sight. So, say the silver people, let us use the other precious metal as an equivalent for gold. Make silver legal money, exchangeable for gold, and it will produce the same effect as if the world had discovered new gold. It will cheapen gold, raise world prices, make further paper inflation unnecessary, and restore solvency.

"It is hard to obtain agreement among the nations to restore silver as money. It is something of a gamble for one country to restore silver by itself. But there are few students of the question who would deny that if the practical difficulties can be overcome, if gold can be diluted with silver, prices will rise in the world at large."

J. B. A. Kessler (monetary authority, author of the striking articles, Forged Money, in the London Times, Sept. 5 and 6, 1934): "The fact that silver still is the accepted and trusted measure of value for about one-third of the world's population makes it imperative to maintain it as such and to insure that it takes, hand in hand with gold, its place in the homogeneous money and credit system. On this subject no end of confusion has been created by the two opposing camps. I think that, with the silver legislation passed in the United States, we shall see silver come into its own again, and quite logically so.

"Those who think that we can do without gold and silver for our monetary and credit system do not understand that, in order to allow the production process of the world to continue, we want an honest token to prove our economic right to consume or to give credits; that those tokens have been tampered with on an unprecedented scale; and thirdly, that that has caused the crisis. This is the very worst time to contemplate removing from our monetary and credit system the only tokens that cannot possibly be forged. Confidence in our money must be restored—not further undermined."

Sir Montagu De P. Webb (authority on Indian finance; late member of Indian Legislative Assembly; member of Indian Fiscal Commission): "There is only one way to raise world prices—apart from the deliberate destruction of goods, which, with 30,000,000 people in the world unemployed, is inhumane—and that is to increase the money in the hands of the masses for purchasing and consuming goods and services more rapidly than they can be brought to market. Government could do this to a limited extent by reducing taxation, and by paying its way by issues of State currency of the kind used during the war. The banks can do it to a limited extent by granting larger credits; but the individuals of the masses are mostly not classed as 'credit-worthy.' The empire's mints should be reopened to the free coinage of full legal tender silver money. This last would assuredly raise world prices.

* * * * * * * *

"It is not everywhere realized how popular silver money is today. Thus, silver money—including paper currency based thereon—is at present legal tender without limit in China, with a population of, say, 450,000,000; in India, with a population of 350,000,000; in the United States of America, with 125,000,000; and also in 15 or 16 British colonies, dependencies, and protectorates. Indeed, half the population of the world uses silver money today.

"What is happening at the present time is this: Western anti-silver legislation, while depressing the price of silver measured in gold, has not lessened the value pro tanto as measured in commodities. In other words, wages, fixed charges, and raw products in the east, especially in the Far East, are much as they were in years gone by. So that the east, while seriously handicapped in purchasing British manufactures, is powerfully stimulated to build up its own manufacturing industries, equipped, be it noted, with the most modern machinery which, aided by cheap labor and artificially cheapened silver money, means severe competition by the east in all the markets of the world.

"We are already experiencing a taste of what the Japanese can do. But when the Chinese in their hundreds of millions—keen, efficient, and willing workers—get properly at work—and they are advancing rapidly—we shall experience competition of a much more severe kind.

"My own experience in the east leads me to the belief that any further failure to set in motion an upward movement of world prices by incorporating silver in the world's supply of legal-tender money, thus, inter alia, improving the value of the precious metal, may jeopardize and possibly wreck our civilization in the not remote future. The struggle of the immediate future is going to be east versus west."

Jose Luis Requina, distinguished Mexican monetary authority and author of Crises in the Gold Standard, etc.: "We have only to read the daily newspapers, the declarations of governments, the proceedings of economic conferences, the avalanche of laws intended to safeguard national commerce and industry; the steel padlocks that bar frontiers, and, what is even worse, we may gaze upon the interminable lines of silent and hungry unemployed who daily tramp the street in search of work and whose only prospect is to return to their homes with empty hands and contemplate the heart-breaking spectacle of utter misery.

"Nations are subject to the same laws as individuals. We accuse those nations that introduced gold monometallism as responsible for all the evils that now afflict us. We accuse those who have followed their example like a flock of silly sheep. We accuse those who, while realizing the deadly evils caused by a scarcity and stringency of currency, yet keep open the sores on human welfare."

Sir Henri Deterding (chairman of the Anglo-Dutch Oil Corporation; financier and economist of world-wide repute): "Silver has during the last four centuries not been produced to a greater extent in respect of gold than in the old and true proportion as to its value—namely, about 15 times, which ratio has been maintained up to the time of the general silver demonetization (in 1873).

"At the present time the world's production of silver in relation to the production of gold has decreased from about 15 to 1 to about 12 to 1, but in spite of this the value of silver, instead of increasing in its relationship to the value of gold, has done just the reverse * * *.

"If all countries were to readopt the original 'honest' coin, silver stocks would soon be employed for the reestablishment of this entire coinage on an honest basis, and the old parity between gold and silver of 1 to 16 be restored.

"A great deal of harm is constantly done by the utterances of so-called 'economists' who try to make the public believe that on the old 'book' theoretic principle—namely, 'that imports are paid for by exports'—the value of a coin has nothing to do with trade. These people conveniently forget, of course, that on such principle an insufficiently developed country could never reach development, as new capital (sterling and/or gold) would have for many years to be imported to stimulate future exports. One of the city's leading bankers once told me that 'the Chancellor of the Exchequer of Great Britain by reducing at the time the fineness of the realm's coin from 925 to 500 fine committed the greatest financial crime', and I myself endorse this, as that action is more responsible for the world's crisis than anything else; the fact that it is one out of many does not lessen its seriousness.

"How is it that there are still so many people in high places who have not yet realized that the artificially arranged low price of silver was Japan's greatest chance of increasing its trade at the expense of the silver-depressed countries? If the United States are creating more 'honest' money by increasing the circulation of the sound silver dollar, and if Mexico and the whole of South America follow this sound example (while the United States will still keep a large stock of gold bullion to settle eventual foreign debit-trade balances), will these countries not then have a magnificently sound business and credit position? After all, even on a basis of 64-cent silver, the circulating dollar is covered by 50 percent of precious metal in itself, and there are very few gold countries which have a 50-percent cover for all their liabilities.

"Finance, since the war, has been in the hands of a few short-sighted theorists who are evidently ashamed to admit that they have been in the wrong. Their lack of moral courage is the chief cause of the present perplexities of the world. The gold affliction is based on absence of fairness by maintaining that debts which were contracted in gold some years ago should be repaid by twice the original quantity of goods. Thus gold protects the creditor but must ruin the debtor, involving both finally in a common catastrophe. The excessive tariffs of the last few years are due to the destruction of the value of silver and thus of the purchasing capacity of some 90,000,000 people.

"Far from China being the only country where silver is of vital importance, the accumulated wealth of British India is mainly composed of silver bars and silver ornaments. Surely, then, it is a matter of vital importance to this great part of the British Empire that her savings of centuries should be allowed to regain something like their original value—about double the price of silver today.

"But China suffers in yet another way. She has to buy and import about 1,250,000 tons of rice annually (see Hong Kong and Shanghai Corporation annual report) and to do this she must sell silver. China may therefore be deprived of the means of buying even rice. When the purchasing power of the world is destroyed, the world must suffer, and the world has suffered and is suffering."

Mr. LEWIS. Mr. President, the mayor of Chicago has lately, in the last few minutes, been in the Senate lobby paying his respects to the Vice President and Senators. He informed me that he had heard that the provision in the

work-relief joint resolution, which we had heretofore assumed would be used as a basis for borrowing funds to aid country schools, had been stricken in conference. He referred to the provision offered by me in line with that of the Senator from New Mexico [Mr. CUTTING] and also that of the Senator from Texas [Mr. CONNALLY]. May I ask the Chairman of the Committee on Appropriations, the estimable Senator from Virginia [Mr. GLASS], if it be not true that the provision remains for its purposes just as it was originally advanced and that it has not been stricken out of the joint resolution? I ask is it not true that the opportunity remains for the schools availing themselves of the provision previously adopted by the Senate, and is it not true that in the joint resolution the authority to borrow for education is fully provided for?

Mr. GLASS. Mr. President, we have inserted in the joint resolution, on page 3, a provision whereby $300,000,000 is appropriated, with the right to the President to add $800,000,000 to it, adding the words "projects for educational, professional, and clerical purposes."

Mr. LEWIS. I thank the Senator, because his statement demonstrates that the provision which will aid the schools still remains in the measure. I shall be glad to assure the mayor of Chicago that it has not been changed.

Mr. CUTTING. Mr. President, inasmuch as the Senator from Illinois has raised the point, I invite the attention of the Senate to the fact that the provision placed in the bill by the conferees is entirely different from the provision which was approved by the Senate by a vote of more than 2 to 1. The provision adopted by the Senate was one to aid the public schools and keep them open during the remainder of the current school year. The provision adopted by the conferees deals with "educational persons", whatever that term may mean. I confess I cannot attach any definite meaning to it. If it applies to school teachers and nothing else, it may be the administration of the relief will provide them as individuals, on the same basis as other needy individuals, with food and shelter and clothing. However, that is quite a different objective from the objective which I had in mind and the objective which was approved by the Senate by a large majority.

I do not know whether "educational persons" includes kindergartens, sectarian schools, R. O. T. C., or what it may be interpreted as meaning. Furthermore, I will say to the Senator from Illinois that it puts the burden on the administrative officials of allocating the $300,000,000 between professional, clerical, and educational persons, so that the burden will be upon the administrators of deciding the rivalry between those various classes. I do not desire to argue the matter at this time, but I do desire to point out that the meaning of the section adopted by the conferees is entirely different from the section as adopted by the Senate.

Mr. GLASS. Mr. President, I disagree with my friend from New Mexico that it is entirely different. It was the sense of the Senate conferees that it was not appreciably different except that the Senator from New Mexico proposed to appropriate only $40,000,000 for the relief of education, whereas the embodiment of this change appropriates $300,000,000, with the right of the President to transfer any part of $800,000,000 to that fund.

Mr. CUTTING. The Senator will admit, will he not, that the amendment adopted by the Senate provided $40,000,000 for keeping open the public schools during the remainder of the present school year?

Mr. GLASS. I cannot imagine how public schools could be kept open without paying the teachers. This is for "educational, professional, and clerical persons." Any person employed in keeping open a school will be an "educational person." That was the sense of the Senate conferees, and it was only because that was the sense of the conferees that we yielded on the $40,000,000 item.

Mr. CUTTING. It is quite true that teachers in public schools are "educational persons", but every "educational person" is not necessarily a teacher in the public schools.

Mr. GLASS. That is true.

Mr. CUTTING. The money of which the Senator speaks—and it has not been earmarked in any way—may be spent on any kind of "educational person" anywhere. There is no provision for the public schools except for the payment of the salaries of school teachers. There is no provision for textbooks or for transportation or any of the other items which would have been included under the original Senate amendment.

Mr. LEWIS. There was a basis of dispute, as I gather it, having participated in it myself, that without the word "educational", in a general sense, the term "public schools" might be construed to mean only the schools of incorporated cities serving under school boards, and it was felt that by using the word "educational" in this manner the country districts and smaller schools would be included.

Mr. GLASS. My own considered judgment is that we have made the aid to schools and school teachers very much more liberal than was covered in the other provision.

END OF ECONOMIC DICTATORSHIP?

Mr. SCHALL. Mr. President, after 2 years of economic dictatorship under the labels of N. R. A. and A. A. A. and under the pretext of "emergency", our economic dictators or alphabetical bureaucrats demand 2 years more of "emergency" power to crack down industry and agricultural production.

It is an illustration of the age-old story that dictators never willingly give up office. It is the history of dictatorship that, first temporary, it seeks to become permanent, and then demands absolute power over those who work and pay the taxes.

Not only the bureau chieftains, but the President himself, in his message to Congress in January 1934, a year ago, and after only 6 months of the N. R. A. and A. A. A., demanded that his emergency powers be made permanent. Indeed, during the months of October, November, and December 1933 and January 1934, he and his Cabinet and bureau heads were taking official steps both to make their temporary powers permanent and to expand those powers so as to include the whole program of socialistic ownership and operation by acts of incorporation in Delaware under charters which read, "This corporation shall have perpetual existence."

The present demand for a further 2-year extension of the N. R. A. and A. A. A., together with a lump-sum appropriation of $4,000,000,000 subject to the allocation of the Executive, constitute the second step in a plan to insure perpetual existence to an economic dictatorship in the United States as in Russia, Italy, and Germany. It is a demand that what we for 150 years have known as "Americanism", under a Constitution made by the people, shall cease in the United States.

Two years of it are to be extended to 4 years by acts of Congress. Then after delegations of legislative power which the Supreme Court has declared unconstitutional we in 1936 will ask the people by election to extend this dictatorial power 4 years longer; and we are asked to appropriate $4,000,000,000 to subsidize the electorate to that end.

The issue that confronts the 96 Members of the Senate and the 435 Members of the House today is, Shall we here vote and give the record of that vote to history to become particeps criminis to this betrayal of our trust, to this perjury of our oaths to support and uphold the Constitution?

Two years ago, in March 1933, when the first emergency had been created by the closing of all banks under the World War Act of 1917, we had a responsible ground for trying these experiments, the A. A. A. and the N. R. A. We accepted all statements of the Executive and his "brain trust" in good faith. These experiments were to be temporary in fact. They were to end in June 1935. They were to meet an emergency then existing in March 1933.

Today we are asked to vote an extra $4,000,000,000 subject to the allocation of the Executive. When? In the fiscal year 1937.

Then we are to follow this up by extending the dictatorial powers of the N. R. A. and the A. A. A. to 1937.

So today we are not providing for an existing emergency, but for a planned emergency that is to be extended to 1937.

As a political weather bureau, we are not satisfied with issuing reports and providing for an existing storm area, but as long-distance forecasters we assume the omniscience to forecast an emergency 2 years ahead. Our bureaucratic lords assume greater omniscience than the mythical gods of Greece, Rome, and Egypt, few or none of whom pretended to forecast over a year ahead.

Mr. President, I doubt if there are many cases in history where omniscient officeholders have ventured to extend their emergency forecasts 2 years ahead. Dictators of old did well to extend their tax extortions 1 year ahead.

Under the constitution of the early Roman Republic, a dictator was provided for in time of war or exigency, but his term was limited to 6 months. Consequently, his financial demands to meet his exigency were limited to 6 months. He did well to get an appropriation subject to his allocation for that 6 months.

When the dictatorship habit grew, during the times of Sulla, Pompey, and the Caesars, and a permanent office of dictator was demanded, the permanent dictator was known as "emperor."

The extension of the term of a dictatorship from 6 months to 4 years was recognized then, as it is in Europe today, as equivalent to the creation of the office of emperor and a permanent bureaucracy created by the emperor.

Extension of the N. R. A. and A. A. A. 2 years longer, or for 4 years beginning in June 1933—which is the proposal now before us—is entirely different from the proposal that confronted us 2 years ago. Then we believed that the proposal meant what it said—a 2-year temporary emergency. Today, the veil of hypocrisy is lifted; for, Mr. President, how many Members here will venture to lay claim to the possession of an omniscience that forecasts emergency 2 years ahead? He who votes for an emergency 2 years ahead, it is fair to presume, predicates his forecast on the assumption: (1) There is a planned emergency on foot; (2) those who make that plan have the power to force an emergency that will reach to 1937, or long enough to get, by reelection, 4 years more of dictatorial power reaching to March 4, 1941. Thus, the issues which confront the first session of the Seventy-fourth Congress simmer down to these:

First. Shall we, by unconstitutional delegation of legislative power, extend the N. R. A. and its legalized monopolies and robbery of consumers to 1937?

Second. Shall we, by similar unconstiutional delegation of legislative powers, extend the A. A. A., with its soviet control of agriculture and unlawful levies of processing taxes, to 1937?

Third. Shall we, by violation of the Bill of Rights, extend and expand the bureaucratic powers of the Federal Communications Commission over telegraphic, telephone, radio facilities, and the freedom of the press, and thereby control and becloud public opinion?

Fourth. Shall we, by expansion of public debt and deficits, doles and taxes, further depress the industrial enterprises that pay the taxes and employ American labor?

Fifth. Shall we add $4,000,000,000 of public debt to finance this program of socialistic expansion, and, having extended it to 1937, then subsidize America to make it permanent?

By our votes on the extension of the N. R. A. and A. A. A., the communications bill and the $4,000,000,000 allocation to the Executive, let us not deceive ourselves. We are no longer voting on the temporary emergencies of 1933 or even 1935. We are voting on the proposed new Federal policy—the substitution of Old World perils for the democracy of America.

The eventual policy for which we are voting no man knows—neither the President nor his "brain trust." It may be fascism, as in Rome. It may be nazi-ism, as in Berlin. It may be sovietism, as in Moscow.

Of one thing only we are certain: When we vote for the extension of the N. R. A. and the A. A. A., the extended powers of the Federal Communications Bureau, and extended debts and Treasury deficits, we are not voting for the Americanism of the fathers and the perpetuity of the Constitution of the United States.

TWO-YEAR DISASTER OF THE A. A. A. DICTATORSHIP

To illustrate the national danger of the economic dictatorship which now afflicts us, I wish to bring to the attention of the Senate a brief review of the economic ills of the A. A. A. The testimony to which I first call attention is that of star witnesses, Members of the present Senate, supporters of the present administration.

In particular, I desire to call attention to the speech of the distinguished Senator from Georgia [Mr. GEORGE], himself a cotton producer, and the Senator from Oklahoma [Mr. THOMAS] on March 28 recently, on the disaster to the American cotton grower, the cotton-textile industry, and the lost employment to wage earners, both in the field and mill, during the past year and nine months of the A. A. A. and N. R. A. as applied to the cotton industry.

I wish then to cite the similar disasters to the grain and livestock production and the farmers and manufacturers of the Middle West and Northwest under the like domination of the A. A. A. and N. R. A. by Federal bureaucrats assuming powers of omniscience and omnipotence to reap processing taxes where they had not sown.

It seems that the Senator from Georgia [Mr. GEORGE] had introduced a wise and wholesome limitation on the use of $100,000,000 to administer the Agricultural Adjustment Act and the Farm Credit Act. He had offered an amendment to the $4,000,000,000 appropriation which, to quote from the Senator's speech—

> Confined him [the President] by way of limitation to the use of that money within 12 months next after the effective date of the act.

The Senator likewise had expressed the general sentiment of Congress, which no one except possibly Wallace or Tugwell would question, that the time may soon come when processing taxes should cease, not only on cotton, but on grain and other necessaries of life consumed in the homes of the workers.

I now quote at length from the Senator from Georgia [Mr. GEORGE]:

> Mr. Wallace says that if that amendment shall become law, the farmers will "dip their hands into the United States Treasury."
>
> I do not wish to be understood as making an assault upon the administration, but I do wish to be understood as saying that any member of the Cabinet of the President of the United States who can say that amendment is an invitation to the farmers to "dip their hands into the Treasury of the United States" demonstrates to my mind his unfitness for a place in the Cabinet, when the joint resolution provides one of the most monumental funds in history, through which every class and any class the President desires to admit can dip their hands into the Treasury of the United States. The statement is an irresponsible statement, Mr. President.
>
> The article continues:
>
> "Asked what action the administration would take on demands * * * to remove the processing taxes on cotton"—
>
> Let me digress right now to say that I have never asked that the processing tax on cotton alone be removed. I have said that the time would come when we should be obliged to lift the processing tax on meat, on bread, and on clothing; but the Secretary of Agriculture says that if the present price of cotton continues, the processing tax is much more likely to be raised! He also says that the processing tax does not affect the consumption of cotton and is not responsible for the condition of cotton and all of its allied industries, the textile mills.
>
> The processing tax may not be the sole cause of the trouble which cotton is now experiencing, and hardly any well-informed man would so assert. It may not be the sole cause of the difficulties of the textile mills, which today are almost prostrate upon their backs; but it is a factor, and an important factor.
>
> The only fact I wish to cite in opposition to the Secretary's argument is simply this:
>
> At the present price of 10½ cents a pound for cotton, the raw material out of which all cotton textiles are made—and I use the figure "10½" cents because it is very near the actual price of cotton yesterday, perhaps at this moment—the processing tax of 4.2 cents a pound, or $21 a bale, is a sales tax of exactly 40 percent upon the raw material; and yet that does not affect the consuming power. The wage, when measured in terms of its purchasing power, is not on the increase in the United States; and that does not affect the consumptive demand, the power to consume, of the American public.
>
> The processing tax bears heaviest upon American labor, but the Secretary of Agriculture does not know it. Seventy percent of cotton textiles are worn by the men and women who do the physical work of this country; and yet the Secretary of Agriculture thinks it is of no consequence that a way may be found

to lift the processing tax upon one of the absolute necessities of life, a necessity felt, of course, most heavily by the men and women who work!

The Secretary goes further—and that is the remarkable feature of his statement—and says that if the present price of cotton continues, it is most likely that the tax will have to be raised!

I do not know how to answer that suggestion. Here is a man who is clothed with the power to raise, fix, manipulate taxes upon bread and meat and clothing, threatening to raise one of those taxes!

At this point, the Senator from Oklahoma [Mr. GORE] relevantly remarked:

Mr. GORE. That is a revenue bill, which does not originate in the House.

Gentlemen of the Senate, think of the sovereign revenue power, the highest power of the Nation, the chief power of Congress, being delegated to a department chief to raise or lower, to impose or withdraw—the power which Chief Justice John Marshall defined as the "power to destroy."

Furthermore, if Senators wish to see and realize the effect of delegating dictatorial powers to a bureau chief, note the press statement of Wallace in denouncing the limitation of 12 months suggested by the Senator from Georgia. The Secretary of Agriculture, instead of welcoming a 12-month limitation of his revenue power, tells the press that instead of removing the processing tax upon cotton—which, as the Senator from Georgia contends, "is a sales tax of 40 percent"—he, Wallace thinks—

There is much more likelihood the processing tax will be raised instead of lowered.

In other words, dictatorship grows by what it feeds on. Give it 6 months, and it wants 2 years. Give it 2 years, and it demands 2 years more, and then a Deleware charter for "perpetual existence."

In commenting upon this wielding of the taxing power by a bureau chief, the Senator from Georgia adds:

He is threatening to raise one of those taxes; and yet there are pending in this body, and in the body at the other end of the Capitol, amendments which propose to give to the Agricultural Administration, to the Secretary of Agriculture, the absolute power to strangle processors and force them and coerce them into compliance with his theory of economics and his theory of justice!

If I were ever inclined to extend the power given under the Agricultural Adjustment Act to those in charge of its administration, I should stop now, when, in the face of a prostrate industry—I am speaking of raw cotton—which, under the combined effect of recovery programs, has lost its foreign customers, has only one friend left, and that is the American cotton spinner, and when that spinner is prostrate upon his back, with mills closing in the East and in the South, with an enormous increase in the relief rolls in both sections of the country, with a daily increase in the relief rolls due to the lay-offs of men because the mills are compelled to close down, the official in charge of the administration of the act threatens to use the power which I am now convinced Congress ought never to have vested in the hands of any one man or group of men, the power of taxation on the very necessities of life, to raise yet higher the burdens of the workingmen of this country, who must use 70 percent of this product and pay 70 percent of this tax.

As to the depressing effect of the A. A. A., not only upon the industry but even upon the price of cotton, the Senator from Georgia, himself a cotton producer, has this to say:

I do not wish to make the statement that he (Wallace) wants to drive the price of cotton down. I merely content myself with the statement that the language he has used is the most effective language he could employ for that purpose if he had such purpose as that. It will be so interpreted all over the South, all over the cotton-growing sections of this country, and if Secretary Wallace, or Mr. Tugwell, or anybody else in the Administration believes that the American farmer is a fool, and that he wanted to submit to all of the restrictive measures that have been imposed upon him, they will have a sad awakening in the immediate future.

Before presenting the data which I have at hand showing the disaster to the grain and livestock industry of the West pursuant to Federal tactics, I desire, first, to quote from the Senator from Oklahoma [Mr. THOMAS], following the remarks of the Senator from Georgia, just quoted. The Senator from Oklahoma seemed likewise to question the acts of the Government as having the effect of breaking down not only the market but the prices of farm products. I quote as follows:

Mr. THOMAS of Oklahoma. Mr. President, this morning the Secretary of Agriculture made a statement which reacted upon the cotton market to the extent of a fall of something like a dollar a bale. The Government itself owns or has loans on several million bales of cotton, so the statement made by Mr. Wallace is alleged to have had the effect of decreasing the value of the Government's holdings of cotton to the extent of several million dollars. * * * The Department of Agriculture has jurisdiction of the farms and the farmers, embracing some six and a half million farms, and something like 30,000,000 residents upon such farms.

Mr. President, it has always occurred to me that the Secretary of Agriculture had under his special jurisdiction the assisting of the farmers of the country in their production, then assisting the farmers in the distribution of their commodities, and, with those two particular duties, the duty of trying to get for the farmers the highest possible prices for their products. Yet it has seemed, during the past 2 years, that every time farm commodity prices started to rise the Secretary of Agriculture, or someone in his Department, has released a statement which has served to check the rise in the prices of commodities produced by the farmers.

I think I am divulging no confidence when I say that many farmers have the opinion that the Department of Agriculture does not want to see prices rise. I know of numerous farmers who have the conviction that the Department of Agriculture believes that 90 cents a bushel for wheat is sufficient, and that 10 cents a pound for cotton is all that the cotton farmer should secure.

Mr. President, the farmers cannot live and exist on 90-cent wheat and 10-cent cotton.

Following an inquiry from the Senator from Idaho [Mr. BORAH], the Senator from Oklahoma [Mr. THOMAS] further commented on the attitude of the Federal Government toward agriculture, and especially the effect of Federal activities upon farm price levels:

The farmers of Oklahoma believe that they do not have the kind of a friend at the head of the Department of Agriculture they are entitled to have. They believe that Mr. Wallace takes practically every opportunity to keep the prices of their commodities down.

The farmers of Oklahoma have the conviction that the Department of Agriculture now has its heel upon their necks, and that the Department intends to keep its heel upon the necks of the farmers until such Department gets through the Congress legislation which will permit of regimentation and control of farm production and the farm population of the United States. Having this belief, they resent the practice and the policy of the Agricultural Department in releasing such statements as that given out today. Every time wheat begins to go up in price it seems that out comes a wheat statement which adversely affects the wheat market; and every time cotton starts to rise a few points here comes a statement from the Agricultural Department having the effect of not only checking the rise but causing an outright loss.

So far as my State is concerned, the farmers are not at all in accord with the practices, policies, and program of the Agricultural Department in keeping prices at the present low levels.

This brings me, Mr. President, to what I wish to say with regard to the consensus of rural sentiment in Minnesota and the Northwest on the effect of the A. A. A. and the N. R. A. Were a popular vote of Minnesota taken without Federal interference and domination, there is no question that the vote of Minnesota would be 10 to 1 against both the A. A. A. and the N. R. A. That is the sentiment of all political adherents—Republican, Farmer-Labor, and Democrat. I have even heard Democrats say that if primary elections were now held to select delegates to a national convention of the Democratic Party the Senator from Louisiana [Mr. LONG] would have a better chance to secure delegates in a Democratic primary than the present incumbent.

Minnesota and the Middle West have not forgotten what Wallace, General Johnson, and various Federal authorities are alleged to have done to break down the price of wheat and all other farm products in the third week of July 1933—before the A. A. A. checks and the Blue Eagle codes were effective—and when wheat soared to 30 cents above the present Government-controlled levels.

It is freely charged, both by farmers and by produce traders, that the Federal Government authorities, especially the Department of Agriculture and its A. A. A. group, deliberately crashed the grain market at Chicago and throughout the Middle West in July 1933 in order to get a pretext for setting up the A. A. A. and N. R. A.

The point made against the Government is that normal agricultural causes, notably the threatened crop failure in parts of the Northwest, including western Canada, were restoring agricultural prices to normal living standards and saving the farmers on their carry-over without Federal interference. Furthermore, that if the Government had stayed off, if it had not imposed its drastic hand at that time, in July 1933, there would have been no excuse for its domination later. There would have been no need for proc-

essing taxes, for crop reduction, for wheat checks, for corn-hog checks, or for any other of the Federal experiments and pretexts for subsidizing the rural sections and destroying their independent productive industries.

The grain price history of July 1933, before the A. A. A. and the N. R. A. appeared on the scene, one may read from the market pages of the press, in brief, as follows:

On July 15, 1933, the crop reporters of the Northwest, including Minnesota, the Dakotas, and Western Canada, reported an American wheat yield 300,000,000 bushels below normal. There had been former rumors of it, but by July 15 all grain authorities confirmed this general report.

From the low point in March, around 59 cents, when the Federal closing of banks crashed the business of the country, the price had been gradually climbing to over the $1 mark at the time of the adjournment of Congress on June 16.

Even that, by the way, is higher than the prevailing price of last week, after nearly 2 years of new-deal experiments with the currency, the N. R. A., and the A. A. A.

The peak came during the 5 days ending July 19, 1933. July and September delivery wheat rose to $1.17, December wheat to $1.20, and May delivery rose to $1.25. That was around 30 cents a bushel higher than the present Chicago prices, after nearly 2 years of Federal emergency experiments.

The normal effect of these price uplifts was to bring from the farms and the country warehouses greater wheat receipts during the single month of July than during the entire previous 6 months of 1933. Indeed, Chicago received more wheat in July 1933 than during the entire quarter—October, November, and December following. Freight car loadings and general trade were up to the level of the prosperous days of 1928.

The effect of the upward trend on wheat was extended to all farm commodities—corn, rye, barley, oats, feed, even hogs, cattle—and developed a demand for farm supplies.

All wheat grades and options rose above the $1 level, while May wheat topped $1.25, where it has never been since. It is now around 95 cents.

Corn, rye, and barley rose by like stages. On Saturday, July 17, July corn in Chicago was 64 cents, September delivery was 69 cents, December 72 cents.

Even cotton felt the market urge and rose to 12 cents, or nearly 2 cents a pound above the present level, and $10 a 500-pound bale higher than after 2 years of the A. A. A. racketeers in plowing under the crop, closing the cotton mills, and beggaring the cotton hands.

The market pages of the daily press read on July 16, 1933:

Farmers are selling their grain on every bulge. * * * Elevators and warehouses and rails are loaded with shipments to realize the good prices.

The financial page of the Chicago Tribune on July 17, 1933, carried the headline:

Grain markets recall the boom of the war days.

On July 18 the headline gave the following succession of economic recoveries:

Headline:

Grains soar to new peaks of public buying.

Headline:

Stocks leap up as good news whets trading.

Headline:

Roads report freight traffic continues rise.

Headline:

Stock boom recalled—prices soar as public jumps into market.

Other headlines contained such features as these:

Wheat yesterday crossed $1.25 line.
Equal to any day in 1928 or 1929.
Cotton up $1.25 a bale.
Corn gains up 4 cents to 10 cents.
Bonds set new highs.
Butter and eggs rise.
Hog prices up 10 cents to 20 cents.
Large trade in corn.
Heavy trade in stocks.
New York stock sales, 6,000,000 shares.

Those were the conditions before the Federal Government appeared upon the scene to crack down and crash the whole upward movement. These were the successive steps by which this crash was effected, by the cooperation, seemingly, of Washington and Wall Street.

Apparently, this boom, based on natural causes, was not in the "brain trust" program. They were not yet ready. Their federally concocted nostrums were not yet on the market. Their publicity advertising, their moving-picture films, and their canned hullabaloo, were not quite ready—and the Middle West was stealing their prospective show.

What made the offense worse was that factory employment had been jumped upward 500,000 before the N. R. A. codes were set.

July 19, 1933, was the day apparently when Washington and Wall Street collaborated to smash the Chicago produce, rail, mill, and stock boom, and the consequent employment gains.

On July 19, 1933, four activities were set loose in Washington and Wall Street:

First. Wallace, by direction of the President, went after the traders who had boosted the grain market following the news of crop shortage, and the Department of Justice took the field to prosecute the traders under the alleged provisions of the Grain Futures Act. The result was that the traders who had boosted the market for the farm carry-over were largely driven into bankruptcy and out of business.

Second. So-called "Brigadier General Johnson", Wall Street agent for putting over the draft law in 1917, and the Administrator of the new N. R. A. opened up with his crack-down speeches against the boom in grain and stocks. He, of course, had the able support of his patron, Barney Baruch. Speculation booms must stop.

Third. The President proclaimed a blanket code for all trade and industry—a wet blanket on all trade and industrial expansion. Sales were cut down, new orders ceased, industrial and financial expansion were cut down by the pall of general uncertainty.

Fourth. Supporting the Washington program, Wall Street started a heavy selling movement. In other words, Wall Street followed Government with a "bear raid."

Everyone knows the effect of this concerted drive. There was a general collapse. The morning press of July 20 carried such headlines as these:

Wheat crashes 10 cents to 13 cents.
Stocks crash—heaviest break in 3 years.
Prices break so fast even bears dazed.
Attack by Johnson, Baruch, and Wall Street.
Roosevelt set blanket code for all United States.
Alcohol pool, Kennedy and Kuhn-Loeb, busts.

Then followed the news of the Department of Agriculture and Department of Justice proceedings in breaking up the western grain boom, and the further news on July 21 that the Chicago, Minneapolis, and Kansas City Grain Exchanges were closed down for 2 days.

On July 21 the 50 leading stocks on the New York Stock Exchange, which averaged 96 on July 18, were down to 86, a drop of 10 points. On July 20 United States Steel was down 6 points, textiles the same, and cotton dropped $4 a bale.

Washington, D. C., news read that Wallace acted on the order of Roosevelt, and that Wallace had invoked the Grain Futures Act against the Chicago market. One news report carried the headline:

"Crack in prices" following the Washington order requiring report of all sales to Secretary Wallace.

On July 22 an editorial leader in Chicago carried the caption:

The paralyzing hand of Government.

A financial headline read:

Stocks plunge over 9,000,000 shares trade—anywhere from $2 to $37 a share below "shake-out bottoms"—bonds follow stocks down—butter and eggs drop in heavy trade—cotton drops $6 a bale.

On the same day the front pages of the daily press carried the first photographs of General Johnson and his lady, his fair secretary, whose salary was jumped thereafter from $25

a week as a temporary to $6,000 per annum. And the "blue eagle" and brass bands and the crack-downers rule the land.

We are asked to perpetuate this crack-down era by a 2-year extension of the N. R. A., by an indefinite extension of the A. A. A., and by voting $4,000,000,000 of extra debt and deficits, or an average of $100 per voter for each of the 40,000,000 voters of our electorate.

We are asked to extend this economic dictatorship over till the fiscal year 1937—by which time the authors of it hope to make their rule permanent. They have already filed their charters carrying the provision, "This corporation shall have perpetual existence", after the Wall Street pattern of holding companies incorporated in Delaware.

Who asks for this prolongation of the powers of the N. R. A. and A. A. A.?

Who asks for this $4,000,000,000 in one sum subject to the allocation of the Executive?

Not the people of the United States, who began the preamble of their Constitution with the words, "We the people of the United States."

No; the demand comes from that branch of the Federal Government which cracks down the people by the use of the N. R. A. and A. A. A. as bludgeons and tax-bleeding battle-axes.

The demand comes from the "allocator" who needs the use of the $4,000,000,000 to carry his "emergency of 1936", which takes place during the months of July to November in the fiscal year 1937.

Our answer on the roll call depends upon whether our fealty is to the people who wrote and live under the Constitution we are here sworn to uphold, or our allegiance to a Federal bureaucracy which is leading us to bankruptcy under a mountain of debt and deficits now piled up to billions above the World War peak.

Are we for the America of the Constitution or for the economic dictatorship that is rocking the Old World?

WORK-RELIEF PROGRAM—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

Mr. CUTTING. Mr. President, exactly 6 weeks ago today this joint resolution was recommitted to the Senate Committee on Appropriations. It is my belief that the joint resolution at that time came much nearer representing the wishes of the Senate of the United States than it now does after 6 weeks have expired. For that reason I feel that the consequences of delay are due to those who at that time recommitted the joint resolution.

Nevertheless, the people of the United States are in need of relief; and, regardless of the question to whom we should allocate the blame, I cannot justify any further delay at this time. For that reason I do not intend to discuss at any length the joint resolution as a whole, or the educational amendment which was adopted by the Senate by a majority of 2 to 1, and which has failed to come out of conference.

The Senator from Virginia [Mr. GLASS] just now stated that in his judgment the conference provision including educational persons among those to whom relief could be granted was a better and a more generous provision than the one adopted by the Senate which earmarked $40,000,000 for keeping the public schools open during the current year. That, of course, is a matter of opinion. I think anyone is privileged to argue that it is a better provision; I think anyone is privileged to argue that it is a more generous provision; but it is certainly not the same provision.

In the first place, the phrase "educational persons" seems to be one so vague that it is left entirely to the administrators to decide exactly how they are going to spend this money.

Who is an "educational person"? He may be a teacher in the public schools. He may be in any one of half a dozen other categories of persons who are engaged in one way or another in the business of education.

According to the conference report, educational persons are included with professional and clerical persons in one phrase of the joint resolution, and it is left to the administrators to decide just what proportion of the $300,000,000 is to be distributed among each of those three classes. I do not believe that is good legislative practice.

I concede freely, of course, Mr. President, that under the joint resolution the President of the United States and those administering the relief under him can do practically what they please with every clause in the joint resolution; and, as a matter of practice, the provision allocating $40,000,000 to the public schools was not mandatory except in form. It provided that not to exceed $40,000,000 should be spent for that purpose, and it allowed the President to spend as much less than $40,000,000 as he chose.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. McKELLAR. I call the Senator's attention to the fact that under his amendment not to exceed $40,000,000 of the amount appropriated by the joint resolution was to be available to the States on the basis of demonstrated needs to enable them to maintain their public schools for the remainder of the current school year.

Our committee was advised that a very small portion of that money could be used for the remainder of the current school year. The provision that the conferees made is very much more liberal, and allows them to use a very much larger sum than was provided in the Senator's amendment. I am sure the Senator wanted a larger sum used for educational persons; and, therefore, I think the provision reported by the conferees is infinitely better for the school teachers of the country than the amendment of the Senator from New Mexico.

Mr. CUTTING. May I ask the Senator from Tennessee who it was that gave the testimony that they could not spend $30,000,000 to keep the schools going for the remainder of the current year?

Mr. McKELLAR. I do not know. The question was brought up in the committee, and the committee was of the opinion that only a very small portion of the $40,000,000 could have been used during the current year.

Mr. CUTTING. Then let me quote to the Senator what the Commissioner of Education had to say to the House committee through Dr. Dawson, whom he sent to testify in this matter. Dr. Studebaker himself had previously testified that they would need at least $30,000,000. Mr. GWYNNE asked the question:

> Do you agree with Dr. Studebaker as to the amount? Do you think $30,000,000 would be sufficient?

Dr. Dawson replied:

> I am glad you asked me that. That would depend altogether on what we do. The Relief Administration, in granting aid to some States—for example, Oklahoma—this year, although it was not granted until nearly the 1st of March, agreed to make it retroactive to January 31. If by administrative ruling or consent of the President, or by law or otherwise, we were permitted to make the allocation of these funds retroactive to December 15 or January 1, the $30,000,000 would be hardly enough to do a decent job. If we have to take the money where we find it on April 1, I don't see how we could very well use $30,000,000.
>
> But I would like to direct your attention to this: Take the State of Tennessee, for instance. I spent a week down there making an investigation a short time ago. They had Federal funds assigned to them last year, and they expect to have them this year. They have in an application, although no action has been taken on it. There are people who have been teaching there since the 15th of January without any hope whatever of being paid, unless the Emergency Relief Administration does pay them. I understand that in the last week or two some of them have given up the ghost and quit. They could not get their board any longer in the communities in which they lived.

The Senator from Tennessee probably is just as familiar with that question as is Dr. Dawson.

Mr. McKELLAR. Mr. President, representing the State of Tennessee, I am very much more satisfied with the provision which is in the joint resolution than I would have been with the Senator's amendment. I think it is very much more favorable to the school teachers of my State.

Mr. CUTTING. I am sure the Senator from Tennessee thinks so because he voted against my provision when it was before the Senate, but he is in disagreement with the officials of the Bureau of Education on that question.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. COPELAND. I wonder if the Senator has seen a report of the Federal Office of Education which was put out yesterday or the day before?

Mr. CUTTING. Yes; I did see it, Mr. President; and I put a good deal of it in the RECORD.

Mr. COPELAND. I am in the fullest accord with the Senator in his desire to help the schools. I think nothing is more important. I will say for the conferees—I had the misfortune to be one of that group—that there was a considerable amount of discussion of this item, and it was felt by the majority of the conferees that by including "educational persons" in the clause providing $300,000,000 for professional and clerical persons, that something, at least, would be provided. But, of course, that would not help pay the janitors or the ordinary operating expenses of the school.

Mr. CUTTING. I quite agree with the Senator from New York that much has been gained compared to the provision in the joint resolution as it was originally proposed, but I do not think the conference report provides what the Senate wanted.

To answer further the statement of the Senator from Tennessee, I wish to read two more paragraphs from Dr. Dawson:

> If we made this proposition retroactive, to take care of the thousands of these teachers who in good faith have kept the schools open, believing, because of the announcement that was made last October, that the schools were going to be kept open, that the Federal Government would finally come across, we could come pretty near spending $30,000,000.
>
> Furthermore—

Said Dr. Dawson—and I want to emphasize these words—

> if this $30,000,000 is spent, not only for teachers' salaries but for transportation and for janitor hire, the schools will be much more adequately cared for than if only teachers' salaries are paid. In the State of Arkansas there are children in rural schools that have not had schoolbooks for 3 years. If you bought schoolbooks for some of these children and met other school needs, $30,000,000 would fall away short of what is needed. It depends altogether on what we do, if that is a proper answer to your question.

"It depends altogether on what we do." It depends on whether we want to keep the public schools of the country alive for the remainder of the current year or whether we want to let them fail.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Illinois?

Mr. CUTTING. Certainly.

Mr. LEWIS. Has the Senator a doubt that this provision, as it now exists, would not afford relief if the person who administers it is inclined to aid the schools?

Mr. CUTTING. I think it would afford some relief; but I also think it might provide entirely excessive relief to some people whom the Senate of the United States would not concede to have the same right to the aid of the Federal Government as has the public-school system of the country. I think it leaves it entirely to the administrative officer to decide which person shall receive relief and which shall not. To my mind it is a far more satisfactory way to legislate to have the Congress of the United States state in plain language exactly what it wants to have done. That is what we did in the amendment which was adopted by the Senate on March 20 by a vote of 55 to 25. That is what we are not doing under the present compromise.

Mr. President, I know perfectly well that it is unfair to blame conferees for not obtaining in conference everything the Senate has originally asked. I do think, however, that this particular amendment stands on a little different basis from the usual amendment. In the first place, according to my recollection, it was the only amendment which the Senate adopted on a roll call over the opposition of those who were in charge of the joint resolution. I think Senators will recognize that to secure the adoption of an amendment under such circumstances is not easy and that it cannot be done unless the amendment reflects a very substantial sentiment of this body and has unusual merit.

I am sorry the conferees accepted the substitute, though I am sure they did so in good faith. Nevertheless, I think it is fair to point out to the Senate that a majority of the conferees voted against the amendment on the floor of the Senate, just as a majority of the conferees voted against the relief measure as a whole.

In that connection, I desire to say nothing further except to quote from the remarks of the majority floor leader made on the first of April:

> The theory of a conference—

Said the Senator from Arkansas [Mr. ROBINSON]—

> according to general parliamentary law, is that when a measure has been put through the legislative assembly the friends of the legislation usually go on the conference.

Further he said:

> I say that it is not good parliamentary practice, after a measure has been fought out and passed, to entrust it to conferees who were against it.

I stand on that proposition. I think it is sound. I do not believe anyone can challenge the statement which the Senator from Arkansas made on that occasion.

This particular amendment would have taken care of 3,500,000 school children who would otherwise lose the opportunity to attend school for the remainder of this term. I do not mean for a moment that all of them would actually lose it under the compromise agreed to by the conferees. I think Mr. Hopkins and the F. E. R. A. administrators have been very wise and very generous with regard to the school teachers of the country, and a great deal of the money which they are authorized to spend under the compromise will be spent in a proper manner. But may I quote for a moment from what Mr. Hopkins himself said before the House Committee on Education:

> I feel that our office has no business handling this problem. The F. E. R. A. is not set up as an agency competent to deal with school problems. The Office of Education is set up and equipped to do this job.

The Office of Education and the Commissioner of Education and his subordinates have testified repeatedly, in accordance with the survey which they made, that the cost of keeping the schools open during the remainder of the present school year would be somewhere in the neighborhood of $36,000,000. It was to supply that need that I proposed the amendment which the Senate adopted by a vote of 55 to 25.

As matters stand, I wish to invite the attention of the Senate to the fact that, while we have voted vast sums for banks, for business, for industry, for railroads, and for other private interests, we have not spent one penny which has been appropriated directly by act of Congress for the public-school system. The taxpayers, the consumers of the States, who are ordinarily able to take care of their own schools, have suffered so terribly by the depression that they simply cannot handle the problem. It has been argued on the floor of the Senate that the public schools are purely a State question, and that it would establish a bad precedent to have the Federal Government placed in such a position that it would be in any way responsible for them. So we propose to deal with this matter by a form of substitute. By inserting the words "educational persons" we try to reconcile the theory of a relief bill with the practice of keeping the schools open indirectly as has been done throughout the past year.

I think the discussion as to the public-school system, and as to whether it is a Federal or a State responsibility, is entirely too theoretical to satisfy the needs of the coming generation of American citizens. I have not before me at the moment Dr. Studebaker's testimony before the House Committee on Education; but he said, in effect, something like this:

> There are two things that can no longer be argued: First, nobody can argue that the Federal Government should take complete control of the public-school system of the United States. Second, nobody should argue that the Federal Government has no responsibility for the public schools of the United States. The only ques-

tion from now on is just how much responsibility the Federal Government is going to take and just how much shall be left to the States. That is a serious enough problem for every American citizen to consider during the time which is coming.

So I say, Mr. President, that under this compromise we are not settling the question at all. Under ordinary circumstances I think the Senate would be thoroughly justified in sending the joint resolution back to conference and insisting on our amendment. From the temper shown by the members of the House Committee on Education, I have no doubt that if this subject were left to a separate vote of the House of Representatives they would accept the amendment of the Senate. I appreciate, however, the fact that the people of the country, the people of every State in the Union, are demanding the immediate passage of the relief joint resolution. I do not propose to be responsible for any further delay, much as I regret the action of the conferees on this particular question.

As I see it, the so-called "compromise" is not a compromise; it is a complete surrender on the part of the Senate conferees with regard to a matter which was voted on by the Senate and voted on favorably by a majority of 55 to 25.

It is the same old story, of course. We cannot possibly hope to have the views of the Senate successful in conference unless we do something, whether by way of a change in our rules or otherwise, to see to it that the Senate conferees are in sympathy with the position of the Senate. No personal blame attaches to the particular conferees concerned in this question. It is a bad system. It was so characterized by the majority floor leader, and I do not believe there is a single Member of the Senate who would really care to defend it.

I think that unless we are disposed to surrender the rights of the two Houses of Congress to legislate, unless we are disposed to allow a small meeting of conferees to write our legislation for us, we shall have to start in at once and try to revise our present system of getting legislative action. If we do not do so, the results in the case of every major piece of legislation are going to be exactly the same as we now find them.

The PRESIDENT pro tempore. The question is on agreeing to the conference report. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DICKINSON (when his name was called). On this question I have a pair with the senior Senator from California [Mr. JOHNSON]. If he were present and at liberty to vote, he would vote "yea." If I were at liberty to vote, I should vote "nay." I withhold my vote.

Mr. McKELLAR (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. TOWNSEND], who is absent. I transfer my pair with him to the junior Senator from South Carolina [Mr. BYRNES] and will vote. I vote "yea."

The roll call was concluded.

Mr. COPELAND (after having voted in the affirmative). Inadvertently, I voted a moment ago. I had forgotten that I had promised the Senator from Louisiana [Mr. LONG] that I would pair with him on this question. Therefore I withdraw my vote, but announce that I should vote for the joint resolution if at liberty to do so, and if the Senator from Louisiana were present and at liberty to vote he would vote against it.

Mr. COPELAND subsequently said: I find that I can transfer my pair with the Senator from Louisiana to the Senator from California [Mr. McADOO]. If the Senator from California were present he would vote "yea", and if the Senator from Louisiana were present he would vote "nay." I vote "yea."

Mr. LEWIS. I announce the absence of the Senator from North Carolina [Mr. BAILEY], caused by illness in his family; the necessary absence of the Senator from South Carolina [Mr. BYRNES], the senior Senator from Massachusetts [Mr. WALSH], the Senator from Florida [Mr. TRAMMELL], the junior Senator from Massachusetts [Mr. COOLIDGE], and the Senator from California [Mr. McADOO]. The latter Senator's vote has been explained. I am authorized to say that were the others of whom I have spoken present they would vote "yea."

As to the Senator from Arkansas [Mrs. CARAWAY], I also understand that were she present she would vote "yea."

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent. I am advised that if he were present he would vote against the conference report, and has been specially paired against it. That leaves me free to vote. I vote "nay."

Mr. LOGAN. I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent; but I am advised that if he were present he would vote as I intend to vote. I vote "yea."

Mr. AUSTIN. The Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness. The Senator from South Dakota [Mr. NORBECK] is necessarily absent. Both of these Senators, if present, would vote "yea."

The Senator from Wyoming [Mr. CAREY] has a special pair on this question with the Senator from Minnesota [Mr. SHIPSTEAD]. If present, the Senator from Minnesota would vote "yea" and the Senator from Wyoming would vote "nay."

The Senator from Delaware [Mr. TOWNSEND] has been called from the Senate on official business. If present, he would vote "nay."

Mr. ROBINSON. I wish to announce that the Senator from Louisiana [Mr. OVERTON] is detained on account of illness.

The result was announced—yeas 66, nays 13, as follows:

YEAS—66

Adams	Costigan	La Follette	Pittman
Ashurst	Couzens	Lewis	Pope
Austin	Cutting	Logan	Radcliffe
Bachman	Dieterich	Lonergan	Reynolds
Bankhead	Donahey	McCarran	Robinson
Barkley	Duffy	McGill	Russell
Bilbo	Fletcher	McKellar	Schwellenbach
Black	Frazier	McNary	Sheppard
Bone	George	Maloney	Smith
Borah	Gerry	Minton	Thomas, Okla.
Brown	Gibson	Moore	Thomas, Utah
Bulow	Glass	Murphy	Truman
Burke	Guffey	Murray	Van Nuys
Capper	Harrison	Neely	Wagner
Clark	Hatch	Norris	Wheeler
Connally	Hayden	Nye	
Copeland	King	O'Mahoney	

NAYS—13

Barbour	Hale	Metcalf	Tydings
Bulkley	Hastings	Schall	Vandenberg
Byrd	Keyes	Steiwer	White
Gore			

NOT VOTING—16

Bailey	Coolidge	Long	Shipstead
Byrnes	Davis	McAdoo	Townsend
Caraway	Dickinson	Norbeck	Trammell
Carey	Johnson	Overton	Walsh

So the conference report was agreed to.

Mr. ROBINSON. Mr. President, I ask unanimous consent that the Vice President be authorized to sign, after the recess or adjournment of the Senate today, the enrolled joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. GLASS. Mr. President, I did not care to prolong the discussion on the conference report by interrupting Senators who were speaking on the subject, except in one or two cases, but I feel, in view of what was said by the majority leader, and what was reiterated today by the Senator from New Mexico [Mr. CUTTING], that I ought to say that in naming the conferees on the part of the Senate on the joint resolution I followed what I understood to be the universal custom in the Senate. I did not for a moment pause to inquire how the senior members of the Committee on Appropriations voted on the passage of the joint resolution, and as to some of them I did not know, actually, how they voted.

I have the conception that a Senator who understands his duty in these matters, and who has a proper view of the proprieties, could be honest and straightforward in his deliberations on a conference committee when appointed to adjust

the disagreeing votes of the two Houses, and that was all that actuated me in naming the senior members of the Committee on Appropriations, both Democrats and Republicans, to confer with the House conferees.

I think perhaps the members of the conference committee, without any appeal from me, would attest the fact that during the entire proceedings I sought in every reasonable way to justify the action of the Senate on all matters committed to us, except as to one amendment; and the Senate was put upon notice, in a civil but not in an arbitrary way, that I personally expected to recede on that amendment. The author of the amendment understood that then, as he was good enough to indicate today he understood it. As to the amendment of the Senator from New Mexico [Mr. CUTTING], we undertook to justify the Senate's position, but finally receded.

The Senator from New Mexico [Mr. CUTTING] has suggested that the House would very readily accept his amendment. If that be so, I might inquire why the House did not make the provision in the joint resolution, as it had ample opportunity to do. It heard these various educators present their case. I had not the pleasure of hearing them on the Senate side. If the House was in favor of the amendment of the Senator from New Mexico, why did it object to accepting the amendment?

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. McKELLAR. I know a majority of the House Members favored the amendment, and, as I recall, but one objected to the amendment.

Mr. GLASS. One?

Mr. McKELLAR. One, as I remember, and that was Mr. OLIVER, if I may use his name.

Mr. CUTTING. I was not referring to the House conferees. I was referring to the Members of the House of Representatives, who, I think the Senator will admit, never had an opportunity to vote on this amendment.

Mr. GLASS. They never have an opportunity to vote on anything on which a vote is not desired.

So, standing on the floor here for 3 weeks, hardly able physically to endure the task, I defended every amendment that the Appropriations Committee of the Senate put on the joint resolution but one, and I put the committee on notice that I would not defend that amendment and would not vote for it, and if it were not modified, I would not vote for the joint resolution. It was not modified, and I did not vote for the joint resolution, and I have no apology to make to any human being on earth for having voted against it.

The joint resolution being committed to my charge as a conferee, however, and having striven for many days to maintain the position of the Senate and to maintain the position of the conferees with respect to what they regarded a vitally essential amendment, I presented the conference report, and today have voted for it, without the slightest alteration of my opinion as to the unwisdom of appropriating this great amount of money and thus, in my view, endangering the public credit.

If there are any Senators who think any impropriety was involved in my course, if there are any Senators who think I could not be honest and straightforward in the circumstances recited by me, of course, they are at liberty so to think; but I have no apologies to make for any vote I cast in committee, or for any attitude I assumed in conference, or for any vote, however inconsistent it may appear, which I have cast here in the Senate.

Mr. HAYDEN. Mr. President, I desire very sincerely to compliment the conferees for the way in which they have brought back amendment no. 5, the highway amendment, which I offered to the joint resolution. I am sure that the text of that legislation as finally agreed upon will be generally satisfactory to the State highway authorities throughout the Nation.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ROBINSON. Were there changes made in the amendment in conference?

Mr. HAYDEN. Changes were made in the amendment.

Mr. ROBINSON. What were the changes? Will the Senator state them?

Mr. HAYDEN. The amendment as adopted by the Senate provided that certain sums authorized to be appropriated by the act of June 18, 1934, should be made available out of the $4,000,000,000. That appropriation was eliminated from the joint resolution. The substance of my amendment, however, and the most important part of it, that all funds for highways and related projects shall be apportioned among the States in the usual manner and expended by the State highway departments, is retained in the amendment. That, being the essential provision, is retained, and all who are interested in road construction are entirely happy about it. The eliminated appropriations, I may say to the Senator, will all be carried in the Interior and Agriculture appropriation bills for the next fiscal year. So that every dollar now authorized by law for highway purposes will be made available.

In order that the Senate may be informed as to the apportionment of funds appropriated by the joint resolution, both for highways and grade-crossing elimination, I ask to have a tabulation printed in the CONGRESSIONAL RECORD which shows what each State will receive out of each $100,000,000 allotted to such purposes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Sample apportionments of $100,000,000

State	Basis of apportionment	
	Highways [1]	Grade crossings [2]
Alabama	$2,129,000	$2,073,000
Arizona	1,318,000	652,000
Arkansas	1,719,000	1,831,000
California	3,973,000	3,794,000
Colorado	1,742,000	1,362,000
Connecticut	728,000	874,000
Delaware	462,000	221,000
Florida	1,332,000	1,450,000
Georgia	2,559,000	2,522,000
Idaho	1,140,000	870,000
Illinois	4,458,000	5,260,000
Indiana	2,534,000	2,624,000
Iowa	2,560,000	2,865,000
Kansas	2,561,000	2,644,000
Kentucky	1,911,000	1,894,000
Louisiana	1,482,000	1,650,000
Maine	860,000	734,000
Maryland	898,000	1,070,000
Massachusetts	1,673,000	2,110,000
Michigan	3,232,000	3,382,000
Minnesota	2,706,000	2,760,000
Mississippi	1,773,000	1,675,000
Missouri	3,083,000	3,164,000
Montana	1,885,000	1,428,000
Nebraska	1,985,000	1,852,000
Nevada	1,150,000	457,000
New Hampshire	485,000	424,000
New Jersey	1,604,000	2,038,000
New Mexico	1,473,000	914,000
New York	5,665,000	6,930,000
North Carolina	2,421,000	2,490,000
North Dakota	1,470,000	1,702,000
Ohio	3,934,000	4,280,000
Oklahoma	2,349,000	2,383,000
Oregon	1,558,000	1,211,000
Pennsylvania	4,793,000	5,901,000
Rhode Island	507,000	359,000
South Carolina	1,386,000	1,510,000
South Dakota	1,526,000	1,464,000
Tennessee	2,150,000	1,943,000
Texas	6,148,000	5,591,000
Utah	1,061,000	641,000
Vermont	474,000	376,000
Virginia	1,873,000	1,939,000
Washington	1,552,000	1,569,000
West Virginia	1,144,000	1,375,000
Wisconsin	2,474,000	2,578,000
Wyoming	1,138,000	726,000
District of Columbia	487,000	201,000
Hawaii	475,000	237,000
Total	100,000,000	100,000,000

[1] Sec. 204 National Industrial Recovery Act; ⅓ Federal aid; ⅓ population.
[2] ⅓ population; ¼ mile Federal-aid highway system; ¼ mile railroad.

Mr. McKELLAR. Mr. President, I desire to say just a word in reference to the conference report.

Since I have been in the Senate I have served on a great many conferences. With respect to the conference which

has just closed I desire to say that I have never known any man to act more sincerely, more conscientiously, more honestly, and more vigorously than did the Senator from Virginia [Mr. GLASS]. If he had been one of the most earnest advocates of the joint resolution, if he had prepared every line and word in it, he could not have been more devoted to what the Senate directed him to do in making him a conferee.

I voted for the joint resolution, as everyone knows, and have supported it all the way through, as everyone also knows; and I take the greatest pleasure in testifying to the absolute fairness and correctness of the Chairman of the Appropriations Committee in every essential particular connected with it.

Mr. CUTTING. Mr. President, in view of what was just said by the Senator from Virginia [Mr. GLASS], I desire to assure him and other Senators that I have never had the remotest conception of implying in any way that his views on the joint resolution as a whole would influence him in the position he would as a conferee take about it.

I think I stated in the remarks I made a few moments ago that I was completely certain that the Senator from Virginia and other members of the conference committee had done as well as they thought possible with the situation as it arose. I am casting no blame either on the present conferees or any other conferees appointed by the Senate. I was calling attention to what I think, echoing the words of the Senator from Arkansas [Mr. ROBINSON], is a bad principle.

The Senator from Virginia has said quite correctly that it has become the custom of the Senate for the chairman of the committee in charge of a bill to suggest the members of his committee in the order of seniority on both sides. It is the custom I am assailing and not the personnel of the conferees nor the action taken by the conferees. The custom is one which is not authorized by the manual of the Senate relating to conferences. I invite the attention of the Senate to the wording of a part of section 17 of that manual, as follows:

> Statement of principles governing the selection of conferees on the part of the House, namely:
>
> (NOTE.—These principles and provisions are also applicable to the Senate and in harmony with its practice.)
>
> The House members of conference committees, called the managers on the part of the House, are appointed by the Speaker.
>
> (NOTE.—The Senate members of conference committees, called the managers on the part of the Senate, are appointed by the Presiding Officer, by unanimous consent, under the custom of the Senate. Rule XXIV, clause 1, provides that all committees of the Senate shall be appointed by ballot unless otherwise ordered.)

That is almost a verbatim statement of rule XXIV of the Senate. After speaking of Senate committees it provides:

> All other committees shall be appointed by ballot, unless otherwise ordered, and a plurality of votes shall appoint.

While the custom has grown up of allowing conferees to be appointed by the Senator in charge of a bill, it has no justification in the statement of the rule governing conferences which is provided for in the conference manual.

I shall read one more paragraph from the conference manual. Referring to the conferees, it provides:

> They are usually three in number, but on important measures the number is sometimes increased. In the selection of the managers the two large political parties are usually represented, and, also, care is taken that there shall be a representation of the two opinions which almost always exists on subjects of importance. Of course, the majority party and the prevailing opinion have the majority of the managers.

These words I should like to emphasize:

> Of course, the majority party and the prevailing opinion have the majority of the managers.
>
> It is also almost the invariable practice to select managers from the members of the committee which considered the bill. * * * But sometimes, in order to give representation to a strong or prevailing sentiment in the House, the Speaker goes outside the ranks of the committee.

It therefore becomes apparent that only two methods are suggested as to the selection of conferees. One is in accordance with the rules of the Senate that they shall be appointed by ballot, unless otherwise ordered. The other is that they shall be appointed by the Presiding Officer of the Senate.

The other day when a conference committee was appointed on another matter of legislation the senior Senator from Michigan [Mr. COUZENS] declined to serve on the ground that he was opposed to the action of the Senate. The Vice President then in the chair made the following statement:

> The Senator from Michigan and other Senators realize that ordinarily the Chair does not appoint conferees. The conferees are suggested by the Senator in charge of the bill, and the Chair formally appoints the Senators whose names are sent up by the Senator in charge of the bill. Otherwise the Chair might exercise his discretion with reference to those who are in sympathy with the bill and those who are opposed to it.

My only reason for referring to the matter at all, and I want to reiterate this for the benefit of the Senator from Virginia and other members of the conference committee, is not to cast blame for anything they have done but in an effort to call the attention of the Senate that the sooner we return to the principles originally laid down for conferences, the better it will be for the cause of legislation.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The Senate resumed consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes.

Mr. COPELAND. Mr. President, what is the pending amendment?

The PRESIDENT pro tempore. The pending amendment will be stated.

The CHIEF CLERK. The pending amendment is the amendment of Mr. BAILEY, as follows:

> In section 711 (a), on page 45, line 7, it is proposed to insert a semicolon after the word "found" and to add the following:
>
> "*Provided, however,* That not more than one seizure action shall be instituted in cases of alleged misbranding, except upon order to show cause, and then upon a showing by the Secretary that such article is misbranded in manner or degree as to render such article imminently dangerous to health, or that such alleged misbranding has been the basis of a prior judgment in favor of the United States in a criminal prosecution or libel for condemnation proceeding respecting such article under this act: *And provided further,* That said single seizure action shall, on motion, be removed for trial to a jurisdiction of reasonable proximity to the residence of the claimant of such article."
>
> In section 401 (a) (1), on page 13, it is proposed to strike out all of lines 19 and 20.
>
> In section 402, on page 16, it is proposed to insert a new subsection between lines 2 and 3, to be designated as (b), and to read as follows:
>
> "If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof."

The PRESIDENT pro tempore. Unanimous consent was granted to consider the three amendments as one.

Mr. MCKELLAR. Mr. President, I do not see the Senator from North Carolina [Mr. BAILEY] in the Chamber.

Mr. CLARK. Mr. President, I will say to the Senator from Tennessee that the Senator from North Carolina was very unexpectedly called to his home in North Carolina this afternoon by reason of a very serious heart attack suffered by a member of his family and therefore will be out of the city until Monday.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from North Carolina.

Mr. COPELAND. Mr. President, I am exceedingly sorry the Senator from North Carolina was called away because of illness in his family. If he were here, if he cared to speak further on the pending amendment, undoubtedly what he would say would accord with his statement of April 3. He said then at the end of his remarks that he had made his point. If Senators who wish to know what the Senator from North Carolina would say if he were present—though, of course, I am not authorized to speak for him—will turn to page 4914 of the RECORD of April 3, they will find incorporated in his speech the criticism the Senator had of the provision which he seeks to amend.

Mr. ROBINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. Certainly.

Mr. ROBINSON. It has been stated to me that a large number of amendments will be proposed to the pending bill; I do not know how many; but it seems apparent that consideration of the bill cannot be concluded this afternoon unless the Senate should choose to remain in session for an indefinite time. It has been my thought that the Senate should recess or adjourn over the week-end when it completed its labors today, though I had hoped that the pending bill might be disposed of.

I invite an expression of opinion from the Senator from New York as to whether he thinks it is possible to dispose of the measure this afternoon.

Mr. COPELAND. Mr. President, I desire to say—and then I shall reply directly to what the Senator from Arkansas has suggested—that certainly no one here is more anxious to get home than am I. I have been in the Senate about as steadily this week, I believe, as any Member of the Senate.

According to the current gossip there is an effort being made to recommit the bill. I wish to have Senators, especially the new Senators, know what that means.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. I should like to say to the Senator that it is not a matter of current gossip that a motion to recommit the bill is to be made. I stated to the Senator in the open Senate last night that it was my purpose today, if I should be afforded an opportunity to do so, to move to recommit the bill with instructions to report back a bill within 1 week. I have not had the opportunity today of doing that because other amendments have been pending; but at the first parliamentary opportunity that is my purpose. The Senator, therefore, does not need to rely on current gossip for that statement.

Mr. COPELAND. I am very glad to have the positive declaration of the Senator that he intends to ask that the bill be recommitted. I desire to make a statement for the benefit of new Senators here who perhaps have not become familiar with the rules. I think the Senator from Virginia [Mr. GLASS] and I never will become familiar with the rules, but I know enough about the rules to know that when a bill is recommitted to the committee it means that every amendment which has been made to the bill—in this case every amendment made through this week of effort—is wiped out. The bill goes back to the committees in the same form in which it came to the Senate from the committee.

Mr. CLARK. Mr. President, that would only make the twenty-first draft of the bill instead of the twentieth with the various amendments. The Senator from New York for some time has been in the habit of drafting new bills and asking to have them reported from the committee on the very morning on which they were first presented.

Mr. COPELAND. Mr. President, when I have a matter in which I wish to delay, to have it go on as long as a Federal Trade Commission "cease and desist" order would require where there are the possibilities of delay, I shall employ the Senator from Missouri.

Mr. CLARK. Mr. President, I have great respect for the medical ability of the Senator from New York, but not so much respect for the legal opinions which he so frequently expresses.

Mr. COPELAND. I have great respect for the legal ability of the Senator from Missouri, but I have little respect for his medical opinions or his views about foods and drugs. [Laughter.]

Mr. THOMAS of Oklahoma. Mr. President——

Mr. COPELAND. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. A parliamentary inquiry: Is there not now an amendment pending?

The PRESIDENT pro tempore. There is.

Mr. THOMAS of Oklahoma. A second parliamentary inquiry: If a motion were made to refer the amendment to the committee, would not that carry the bill along with the amendment?

The PRESIDENT pro tempore. It would not.

Mr. THOMAS of Oklahoma. I have been advised otherwise by very high authority.

Mr. COPELAND. Mr. President, Senators will see what the situation is. If the alert, astute, legalistic Senator from Missouri shall have his way, and the bill shall be recommitted, he will have accomplished his full purpose. All the amendments which we have striven to perfect and adopt will be destroyed if the bill shall be recommitted.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. And, of course, I assume, Mr. President, that that is what the Senator from Missouri desires, or he would not say that he is going to make the motion. I yield to the Senator from Missouri.

Mr. CLARK. I believe I desire to wait and claim the floor in my own right at the conclusion of the Senator's remarks.

Mr. COPELAND. Mr. President, I said yesterday, absolving Senators, that every slimy serpent of a vile manufacturer of patent medicine is right now working his wiggling way around this Capitol. I have heard heretofore about the effort dear old Dr. Wiley made to secure the passage of the original law 28 years ago. Historically I was familiar with it, but now from experience I am familiar with it. I know the devious ways of those who are seeking to defeat the effort of the Congress to give protection to the health and lives of our people.

Mr. President, if the Senator desires to recommit this bill, and in that way to destroy everything we have done and desire to do, I am willing to have him make the effort. Every amendment already adopted will be wiped out if we shall recommit the bill.

Now I will yield to the Senator from Missouri.

Mr. CLARK. I do not wish the Senator to yield to me. I wish the floor in my own right.

Mr. COPELAND. Very well; I yield the floor to the Senator.

Mr. CLARK obtained the floor.

Mr. CONNALLY. Mr. President——

Mr. CLARK. I yield to the Senator from Texas.

Mr. CONNALLY. A parliamentary inquiry. As I understand, there are several amendments pending, and amendments are still in order, are they not?

The PRESIDENT pro tempore. There is an amendment pending, offered by the Senator from North Carolina [Mr. BAILEY].

Mr. CONNALLY. I send to the desk an amendment, which I ask to have printed and lie on the table.

Mr. ROBINSON. Mr. President, will the Senator from Missouri yield?

Mr. CLARK. I yield to the Senator from Arkansas.

Mr. ROBINSON. It is approaching 6 o'clock. I am morally certain that there is no fair prospect of disposing of this bill today.

Mr. CLARK. I can assure the Senator that there is not.

Mr. ROBINSON. I agree with the Senator from New York that a motion to recommit the bill, if intended to be made, should have been made in the beginning. Senators who intended to make such a motion might very well have considered the advisability of spending so much time on amendments and then moving to recommit, with the result, if the motion should prevail, that all the work done by the Senate in the past several days would be lost.

Mr. CLARK. Let me say to the Senator from Arkansas that, of course, there has been some extraneous discussion by Senators who did not address themselves to the bill at all; but, so far as discussion of the bill itself is concerned, I venture to say that while the bill has been under consideration in the Senate, three times as much time has been taken up by the Senator from New York himself as by all other Senators combined. In other words, it seemed to me to be one of the most unusual cases I have ever seen—what amounted to a filibuster conducted by the Senator in charge of the bill, so far as the time of the Senate was concerned.

Mr. President, I have no desire whatever to delay the Senate on this matter. I do say that the debate, the amendments which have been taken up, and the provisions which have been examined, conclusively demonstrate that the bill should be recommitted for the purpose of having the Commerce Committee do what they ought to have done in the

first place, or in the second place, or in the third place, and what the Senator from New York, the chairman of the committee, never would permit them to do; namely, take up the bill paragraph by paragraph and perfect it. My proposal, when I have an opportunity to offer it, will not be for any delay in connection with the measure but to recommit the bill with instructions that it be perfected by the committee and reported back within 1 week.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator did not permit me to conclude what I rose to say.

Mr. CLARK. I beg the Senator's pardon. I had no idea of cutting him off.

Mr. ROBINSON. I understand that, and I am not complaining; but I wish to make clear to the Senator from Missouri and to the Senator from New York that if the bill is not to be proceeded with to a conclusion today—and I do not think that can be done—I see nothing to be gained by continuing the present session of the Senate. A number of Senators have already left to keep engagements, and others soon will leave. What I am seeking to do is to have the question determined now whether or not it is expected that we shall go on. If we are to wait until all the amendments shall have been disposed of, and then have a motion to recommit, all the amendments and the motion to recommit will be subject to debate, and, no doubt, will be debated; so I suggest the advisability of recessing now, if that is satisfactory to the Senator from New York.

Mr. COPELAND. Mr. President, the parliamentary situation is an unfortunate one. We have been here all the week. I have talked far more than I should, and I apologize to the Senator from Missouri for having offended him by using so much time.

Mr. CLARK. The Senator has not offended me. He may take as much time as he pleases.

Mr. COPELAND. I have talked because I have an interest in the welfare of the mothers and babies and the other citizens of the country. I want to have a law which will protect them. All the amendments now pending which I have read, however—and I know the Senator from Missouri has no such thought in his mind; I absolve him, of course—seek to weaken the bill beyond the standards already fixed by the present law.

Somebody might have thought I was bluffing yesterday when I said that if the amendment offered by the Senator from North Carolina and the amendment offered by the Senator from Missouri should be adopted I would have no further interest in the bill. I would not have. I repeat that.

If the amendment of the Senator from North Carolina were agreed to, and all the things were accomplished which he wishes to bring about by his amendment, he would breakdown the present law; the law would be made much weaker. The patent-medicine makers who exploit the public by the sale of valueless or outrageously improper drugs would, from my standpoint, be better off with that amendment in the bill than without it. They might well be gleeful.

I was not bluffing last night when I said what I repeat now: If that amendment should be adopted, and if the Clark amendment to send the law to the Federal Trade Commission should be adopted, I would have no further interest in the pending measure.

The Clark amendment proposes to send the advertising enforcement to the Federal Trade Commission. As an actual fact—and I have the material to show it when the time comes—it might be 13 years before an offender would get a cease-and-desist order.

The Senator from Missouri talked yesterday about jokers in the pending bill. The most sublime of jokers, the blue ribbon of all jokers ever attempted to be inserted in a legislative act, is to be found in the amendment offered by the Senator from Missouri. It lies in his proposal to transfer this matter of advertising control over false and misleading advertising to the Federal Trade Commission, to be dealt with there "in the same manner and by the same methods as provided for the prevention of the use of unfair methods of competition." Shades of all we have counted great! That is, indeed, the blue ribbon of all jokers!

If the amendment of the Senator from Missouri were to prevail, the American people would be exploited from now to kingdom come; if the law persisted, during the next 10 years millions of persons would die because of the failure of the law to protect the country. It would be an outrageous thing to permit the enactment of such an amendment.

I say again, Mr. President, that if the two amendments offered—one by the Senator from North Carolina and the other by the Senator from Missouri—should be adopted, I should want the bill recommitted and utterly destroyed. I would far rather have the American people go on under the present law than to have imposed upon it the weak, anemic, feeble procedure which would be followed under the law as it would be if amended in accordance with these two amendments.

The only reason in the world why I have detained the Senate even this long has been to call attention to the fact that this is Friday night; tonight, and tomorrow, and all day Sunday, and until noon on Monday, there will be sheaves of telegrams sent out all over this country to the makers of these vile medicinal products, and to a lot of newspapermen who are deceived into the thought that they are imposed upon by the bill. The only way the latter are imposed upon by the bill is that, if we enact the measure, such vile stuff as that I have exhibited privately because of its nature, could no longer be printed. To that extent, and to that extent only, can the pocketbooks of publishers be adversely affected by the enactment of the pending bill.

So far as clean newspapers are concerned, so far as those are concerned who desire not to exploit the public, so far as honest manufacturers of foods and drugs and cosmetics are concerned, there is not one thing in the bill they need fear.

Beginning now, at 6 o'clock, all night tonight and all day tomorrow and the next day, the wires will be hot. By the time we meet at noon on Monday those who desire the amendments offered by the Senator from North Carolina and the Senator from Missouri will be encouraged and reenforced by reason of the fact that on every senatorial desk will be a file of telegrams saying, "Do not vote for this bill. Vote to recommit it. Vote for the Bailey amendment. Vote for the Clark amendment."

Mr. President, that is what is going to happen. Senators will see that come to pass. Like the Senator from Louisiana, I am going to say next Monday, "I told you so."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. The Senator, of course, is familiar with the fact that the Department of Agriculture itself has spent something like a quarter of a million dollars of public funds for propaganda in support of this bill.

Mr. COPELAND. A quarter of a million dollars? I defy the Senator from Missouri to show that they expended a quarter of a million dollars in propaganda for the bill.

Mr. CLARK. Of course, it has been very adroitly covered up.

Mr. COPELAND. Undoubtedly!

Mr. CLARK. The Senator knows that it has been covered up by calling them inspection trips, men going around and addressing women's clubs, and that sort of thing.

Mr. COPELAND. It has been so adroitly covered up that no one has discovered it but the astute, alert, and able lawyer from Missouri.

Mr. CLARK. That is very far from being true.

Mr. ROBINSON. Mr. President, will whoever has the floor yield to me to move that we proceed to the consideration of executive business?

Mr. COPELAND. I have the floor, and I yield to the Senator for that purpose.

Mr. CLARK. Mr. President, when the Senator from New York has spoken for about an hour mainly abusing me, I

should like to have an opportunity to speak a few moments for myself.

Mr. ROBINSON. Then probably the Senator from New York would like to have an opportunity to speak more.

Mr. CLARK. That is all right.

Mr. ROBINSON. I had thought I would move for an executive session, if we were to take a recess, but if the Senator would like to proceed, I am willing that he shall do so.

Mr. CLARK. I am not anxious to go on, but I do object to the Senator from New York taking the floor and holding it, undertaking to attack me, and then have the Senate adjourn without an opportunity to reply.

Mr. CONNALLY. I understand the Senator from New York is not willing to yield to be abused. [Laughter.]

Mr. CLARK. When the Senator yields——

Mr. COPELAND. I have no objection. I will yield to the Senator from Missouri to abuse me or to do whatever he pleases.

Mr. CLARK. I do not want to abuse the Senator. As a matter of fact, I agree with every other Member of this body that it would be most calamitous if the Senator should stand out from under and let the universe go to smash.

Mr. President, if the Senator from New York would withdraw his interest in the pending bill he could possibly refer to draft no. 1 of his bill, which, he has stated frankly to the committee, appalled him when he read it. He stated he did not know who was the author of it, and he stated yesterday to the Senate that he was shocked when he read the bill of which he was the putative author.

He might go back to draft no. 2, he might go back to draft no. 3, he might go back to draft no. 4, he might go back to draft no. 19, he might go back to draft no. 20, all of which were changed in many essential particulars, without having the country suffer any great misfortune at the loss of his interest in support of draft no. 21, or draft no. 22.

The whole purpose of the motion to reconsider, as I have stated repeatedly, is to have the Committee on Commerce do what it ought to have done in the first place, consider this legislation, and fight out certain broad questions of policy which are involved. The broad questions of policy which are involved are, first, the question whether or not the present law should be strengthened and the loopholes closed; then whether the law should be extended to the field of cosmetics by proper amendment to the present law, and whether we should preserve the mass of decisions over a period of 30 years, and preserve the laws passed in 46 different States for the purpose of having the States cooperate with the Federal Government, or whether all that should be wiped out at the whim and caprice of the Bureau of Food and Drugs of the Department of Agriculture and the distinguished Senator from New York.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. ROBINSON. I suggest to the Senator from Missouri that if the bill is to be recommitted, the motion should be made now.

Mr. CLARK. Mr. President, as I understand, the motion is not in order now.

Mr. ROBINSON. The Senator can move to recommit the amendment.

Mr. CLARK. I make the motion, if that is in order. I say I do not desire to have it acted on tonight, because I desire as full an attendance of the Senate as may be obtained.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. COPELAND. There are enough Members present so a vote can be had tonight. Why not make the motion now?

Mr. CLARK. Many Senators are not here, Mr. President, or have left with the understanding that nothing so absurd and ridiculous would be attempted as to take up the bill for consideration at this hour of the evening after a very hard week in the Senate.

Mr. COPELAND. Perhaps we can begin to work in the committee tomorrow morning if the bill is recommitted. The Senator says he is anxious to do that. Why not make the motion now?

Mr. CLARK. I do not choose to make the motion now, Mr. President. I choose to make the motion when we can have adequate and full consideration of it.

The other more general policy which should be decided by the Commerce Committee in regular session and in customary manner is the question of whether or not the authority now vested in the Federal Trade Commission over advertising, which has been exercised over a period of many years without any criticism by anyone, in the highest possible manner of efficiency, should be withdrawn from them and transferred to the whim of a bureaucrat in the Agricultural Department, or whether that authority should be extended from its present narrow limits of unfair competition to include the subjects provided for in this bill.

In addition to that, Mr. President, it is very necessary, in my judgment, that the language of the bill should be considered in detail. The Senator from New York, confessedly not a lawyer, possibly is not aware of some of the crimes in language committed in this bill. We have discovered several of them here in the Senate. We have found, for instance, that electrical apparatus for conditioning rooms would, under the terms of the bill, if permitted to stand, be declared a drug. We have found that goods which are misbranded would be declared adulterated, and dealt with as such. We have discovered that in cases where the courts of the United States declare one of the regulations of the Secretary of Agriculture invalid upon any ground, the Secretary would be authorized and permitted under this bill to turn around and, without hearing, without notice, and without review, put into effect the very same regulation the next day as a temporary regulation for a period of 6 months.

Mr. President, I do not desire to detain the Senate for more than a moment more; but I do wish to say that my friend from New York finds it very much easier to talk about patent-medicine manufacturers, about some advertising page which he claims to have seen somewhere, about generalities and obscurities, than to defend the specific terms of his bill in any particular in which it is attacked.

No matter what joker may be found in the bill—and I assume that is the reason why the Senator so stoutly resisted any effort to give the bill real consideration in the committee—any objection to the language of the bill is met by the Senator from New York by producing a photostat copy of some unknown newspaper which he claims represents very bad advertising practice, and which probably would be as much outlawed before the Federal Trade Commission, if the authority were transferred to it, as by a bureaucrat in the Department of Agriculture. The Senator refers to patent-medicine propaganda, and absolutely refuses to discuss even for a moment the actual terms he has written into the bill.

The purpose of my motion to recommit, when I shall make it, will be to afford an opportunity to get the Senator from New York and his friends from the Food and Drug Administration into a committee room in order to sit down and go over the bill paragraph by paragraph.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the nominations of postmasters on the calendar are confirmed en bloc.

That completes the calendar.

RECESS TO MONDAY

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m.) the Senate, in legislative session, took a recess until Monday, April 8, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 5 (legislative day of Mar. 13), 1935

POSTMASTERS

CALIFORNIA

Alice McNamee, Castroville.
Wilkin B. Sheldon, San Martin.

MINNESOTA

Warren B. Lievan, Mapleton.

PUERTO RICO

Jenaro Vazquez, Central Aguirre.
Hortensia R. O'Neill, San German.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 5, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy Spirit, we praise Thee, for Thou dost exalt experience and character to the altitudes of blessedness and peace. Preserve us from being spiritually marred in just the ebb and flow of work. Heavenly Father, may we be one with Thee, in every conflict with the world, in every bitter wrestling with passion and appetite and with every strange struggle with the forces of darkness. O allure us by the vision of the Master's earthly grandeur; unseal the fountain of prayer and inspiration and lift us to the tablelands where we may serve and shape our destiny. Obeying our finer sense, reenforce our courage so that we maintain a conscience void of offense toward God and man. We pray that we may be anchored to the eternal verities and herein realize the ideal right. Here may every duty be wrought in the spirit of consecration to the basic institutions of our Republic. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 619. An act to amend section 27 of the Merchant Marine Act, 1920; and

S. 1068. An act to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934.

APPROPRIATIONS FOR RELIEF (H. J. RES. 117)

Mr. BUCHANAN. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 117) making appropriations for relief purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from Texas calls up the conference report on the joint resolution (H. J. Res. 117), and asks unanimous consent that the statement may be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 117) "making appropriations for relief purposes" having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 11, 12, 16, 20, 25, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 6, 8, 9, 17, 21, 22, and 24, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "provide relief, work relief and to increase employment by providing for useful projects"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: : *Provided*, That except as to such part of the appropriation made herein as the President may deem necessary for continuing relief as authorized under the Federal Emergency Relief Act of 1933, as amended, or for restoring to the Federal Emergency Administration of Public Works any sums which after December 28, 1934, were, by order of the President impounded or transferred to the Federal Emergency Relief Administration from appropriations heretofore made available to such Federal Emergency Administration of Public Works (which restoration is hereby authorized), this appropriation shall be available for the following classes of projects, and the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amounts stated, namely: (a) Highways, roads, streets, and grade-crossing elimination, $800,000,000; (b) rural rehabilitation and relief in stricken agricultural areas, and water conservation, trans-mountain water diversion and irrigation and reclamation, $500,000,000; (c) rural electrification, $100,000,000; (d) housing, $450,000,000; (e) assistance for educational, professional and clerical persons, $300,000,000; (f) Civilian Conservation Corps, $600,000,000; (g) loans or grants, or both, for projects of States, Territories, possessions, including subdivisions and agencies thereof, municipalities, and the District of Columbia, and self-liquidating projects of public bodies thereof, where, in the determination of the President, not less than twenty-five per centum of the loan or the grant, or the aggregate thereof, is to be expended for work under each particular project, $900,000,000; (h) sanitation, prevention of soil erosion, prevention of stream pollution, sea-coast erosion, reforestation, forestation, flood control, rivers and harbors and miscellaneous projects, $350,000,000: *Provided further*, That not to exceed 20 per centum of the amount herein appropriated may be used by the President to increase any one or more of the foregoing limitations if he finds it necessary to do so in order to effectuate the purpose of this joint resolution: *Provided further*, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for new buildings, reconstruction of buildings and other improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for projects for nonmilitary or nonnaval purposes in such places"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter inserted by the said amendment insert the following:

"Except as hereinafter provided, all sums allocated from the appropriation made herein for the construction of public highways and other related projects (except within or adjacent to national forests, national parks, national parkways, or other Federal reservations) shall be apportioned by the Secretary of Agriculture in the manner provided by section 204 (b) of the National Industrial Recovery Act for expenditure by the State highway departments under the provisions of the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of the act of June 18, 1934 (48 Stat. 993): *Provided*, That any amounts allocated from the appropriation made herein for the elimination of existing hazards to life at railroad grade crossings, including the separation or protection of grades at crossings, the reconstruction of existing railroad grade-crossing structures, and the relocation of highways to eliminate grade crossings, shall be apportioned by the Secretary of Agriculture to the several States (including the Territory of Hawaii and the District of Columbia), one-half on population as shown by the latest decennial census, one-fourth on the mileage of the Federal-aid highway system as determined by the Secretary of Agriculture, and one-fourth on the railroad mileage as determined by the Interstate Commerce Commission, to be expended by the State highway departments under the provisions of the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of such act of June 18, 1934 (48 Stat. 993); but no part of the funds apportioned to any State or Territory under this joint resolution for public highways and grade crossings need be matched by the State or Territory: *And provided further*, That the President may also allot funds made available by this joint resolution for the construction, repair, and improvement of public highways in Alaska, Puerto Rico, and the Virgin Islands, and money allocated under this joint resolution to relief agencies may be expended by such agencies for the construction and improvement of roads and streets: *Provided, however*, That the expenditure of funds from the appropriation made herein for the construction of public highways and other related projects shall be subject to such rules and regulations as the President may prescribe for carrying out this paragraph and preference in the employment of labor shall be given (except in executive, administrative, supervisory, and

highly skilled positions) to persons receiving relief, where they are qualified, and the President is hereby authorized to predetermine for each State the hours of work and the rates of wages to be paid to skilled, intermediate, and unskilled labor engaged in such construction therein: *Provided further*, That rivers and harbors projects, reclamation projects (except the drilling of wells, development of springs and subsurface waters), and public buildings projects undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies now having jurisdiction of similar projects."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the last word in the matter inserted by said amendment, insert the following: "joint resolution"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Any Administrator or other officer, or the members of any central board, or other agency, named to have general supervision at the seat of government over the program and work contemplated under the appropriation made in section 1 of this joint resolution and receiving a salary of $5,000 or more per annum from such appropriation, and any State or regional administrator receiving a salary of $5,000 or more per annum from such appropriation (except persons now serving as such under other law), shall be appointed by the President, by and with the advice and consent of the Senate: *Provided*, That the provisions of section 1761 of the Revised Statutes shall not apply to any such appointee and the salary of any person so appointed shall not be increased for a period of 6 months after confirmation."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 4. In carrying out the provisions of this joint resolution the President is authorized to establish and prescribe the duties and functions of necessary agencies within the Government."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In line 1 of the matter inserted by said amendment strike out "4" and insert "5"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"SEC. 7. The President shall require to be paid such rates of pay for all persons engaged upon any project financed in whole or in part, through loans or otherwise, by funds appropriated by this joint resolution, as will in the discretion of the President accomplish the purposes of this joint resolution, and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

"The President may fix different rates of wages for various types of work on any project, which rates need not be uniform throughout the United States: *Provided, however*, That whenever permanent buildings for the use of any department of the Government of the United States or the District of Columbia, are to be constructed by funds appropriated by this joint resolution, the provisions of the Act of March 3, 1931 (U. S. C., Supp. VII, title 40, sec. 276a), shall apply but the rates of wages shall be determined in advance of any bidding thereon."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In line 1 of the matter inserted by said amendment, strike out "7" and insert in lieu thereof "8"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In line 6 of the matter inserted by said amendment, strike out the words "upon such department" and insert in lieu thereof the word "thereupon", and in line 7 of such matter after the word "this", insert the word "joint"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In line 1 of the matter inserted by said amendment, strike out "14" and insert in lieu thereof "13"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"SEC. 14. The authority of the President under the provisions of the Act entitled 'An Act for the relief of unemployment through the performance of useful public work, and for other purposes', approved March 31, 1933, as amended, is hereby continued to and including March 31, 1937."

And the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the number proposed insert "15"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the number proposed insert "16"; and the Senate agree to the same.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
WILLIAM W. ARNOLD,
W. B. OLIVER,
ROBERT L. BACON,
Managers on the part of the House.
CARTER GLASS,
KENNETH MCKELLAR,
ROYAL S. COPELAND,
FREDERICK HALE,
HENRY W. KEYES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment no. 1: In lieu of the four general purposes of the House bill stricken out by the Senate and in lieu of the provision in the Senate bill "to provide relief and work relief" there is inserted the following: "To provide relief, work relief, and to increase employment by providing for useful projects."

On amendment no. 2: Strikes out, as proposed by the Senate, the provision in the House bill that the expenditure of the appropriation shall be made under the direction of the President "in such manner and for such purposes and/or such projects, Federal or non-Federal, as shall be adapted to the accomplishment of any one or more of the objectives specified in clause (1), (2), (3), or (4)."

On amendment no. 3: Provides for the allocations as set forth in the Senate amendment, modified as follows:

Makes clear that the restoration of certain amounts to the Public Works Administration is authorized.

Provides for "assistance for educational, professional, and clerical persons", with an allocation of $300,000,000, instead of "projects for professional and clerical persons", in the same amount.

Provides for "loans or grants, or both, for projects of States, Territories, possessions, including subdivisions and agencies thereof, municipalities, and the District of Columbia, and self-liquidating projects of public bodies thereof, where, in the determination of the President, not less than 25 percent of the loan or the grant, or the aggregate thereof, is to be expended for work under each particular project" in the sum of $900,000,000, in lieu of "loans or grants for public projects of States and Territories and the District of Columbia or political subdivisions or agencies thereof", in the same amount.

Makes provision for prevention of stream pollution.

In the final proviso prohibiting expenditures for munitions, warships, or military or naval matériel, makes clear that the appropriation may be used for new buildings, reconstruction of buildings and other improvements in military or naval reservations, etc.

On amendment no. 4: Strikes out of the House bill, as proposed by the Senate, the authority that "specific powers hereinafter vested in the President shall not be construed as limiting the general powers and discretion vested in him by this section."

On amendment no. 5: Retains in substance the Senate amendment, but strikes out of that part relating to highways and grade crossings all provision for the expenditure of sums authorized for the fiscal year 1936 under the Highway Act of June 18, 1934, and provides that the expenditure of funds in the joint resolution for highways and other related projects "shall be subject to such rules and regulations as the President may prescribe for carrying out this paragraph"; and in the final proviso relating to the carrying on of rivers and harbors projects, reclamation projects, and public buildings projects, inserts the Senate provision modified so as to make clear its intent.

On amendment no. 6; Inserts the amendment proposed by the Senate authorizing the use of funds made available by the joint resolution for the purpose of making loans to finance the purchase of farm lands and equipment by farmers, farm tenants, croppers, or farm laborers.

On amendment no. 7: Inserts the amendment proposed by the Senate authorizing the use of funds made available by the joint resolution, in the discretion of the President, for the administration of the Agricultural Adjustment Act during the period of 12 months after the enactment of the joint resolution.

On amendments nos. 8 and 9: Provides, as proposed by the Senate, that the appropriations made shall be available for use only in the United States and its Territories and possessions and excludes the Philippine Islands, which were included in the House bill.

On amendments nos. 10 and 11: Provides, as proposed by the House bill, that the services and supplies to be acquired under the joint resolution shall not be subject to competitive bidding and advertising when the aggregate amount involved is less than $300.

On amendment no. 12: Provides, as proposed by the House bill, that the Classification Act of 1923, as amended, shall not apply in the fixing of salaries under section 3.

On amendment no. 13: Inserts as a substitute for the Senate amendment providing for confirmation of certain persons to be appointed or designated by the President, the following:

Any administrator or other officer, or the members of any central board, or other agency, named to have general supervision at the seat of government over the program and work contemplated under the appropriation made in section 1 of this joint resolution and receiving a salary of $5,000 or more per annum from such appropriation, and any State or regional administrator receiving a salary of $5,000 or more per annum from such appropriation (except persons now serving as such under other law), shall be appointed by the President, by and with the advice and consent of the Senate: *Provided*, That the provisions of section 1761 of the Revised Statutes shall not apply to any such appointee and the salary of any person so appointed shall not be increased for a period of 6 months after confirmation.

On amendment no. 14: Strikes out, as proposed by the Senate, section 4 of the House bill relating to the establishment of new agencies, the utilization and prescribing of the duties and functions of Government agencies, the consolidation, redistribution, abolition, etc., of emergency agencies, and the delegation of powers conferred on the President, and inserts as a substitute a section which provides that in carrying out the provisions of this joint resolution the President is authorized to establish and prescribe the duties and functions of necessary agencies within the Government.

On amendment no. 15: Strikes out, as proposed by the Senate, section 5 of the House bill providing for the guaranty of loans to, or payments of, needy individuals, and the making of grants and/or loans and/or contracts, and the acquisition of real property, and inserts in lieu thereof the Senate amendment providing for the acquisition, etc., of real property, which is identical with the matter in the House section relative to real property with the exception of authority to "maintain" real property, which is omitted.

On amendments nos. 16 and 17: Corrects the section number, and provides a maximum penalty of $1,000, as proposed by the Senate, instead of $5,000, as proposed by the House, for any violation of any rule or regulation prescribed by the President.

On amendment no. 18: Inserts the new section proposed by the Senate providing that the President shall require to be paid such rates of pay for all persons engaged upon any project financed, in whole or in part, through loans or otherwise, by funds appropriated by the joint resolution as will, in his discretion, accomplish its purposes and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature; and also authorizes the President to fix different rates of wages for various types of work, which rates need not be uniform throughout the United States. The proviso of the second paragraph of the amendment, relating to wages upon construction of permanent buildings for use of any department of the Government, is modified so as to make applicable to such construction, in lieu of the requirement in the Senate amendment of "any law of the United States or any code", the provisions of the act of March 3, 1931 (the Davis-Bacon Act), with the further condition that the rates of wages shall be determined in advance of any bidding thereon.

On amendment no. 19: Inserts as proposed by the Senate a new section which provides that wherever practicable full advantage shall be taken of the facilities of private enterprise in carrying out the provisions of the joint resolution.

On amendment no. 20: Strikes out the section inserted by the Senate requiring sanitary plumbing work in connection with building construction under the resolution to be let separately by contract to the lowest qualified bidder.

On amendment no. 21: Inserts a new section proposed by the Senate providing for a fine of not more than $2,000 or imprisonment for not more than 1 year, or both, for any fraud or attempted fraud in connection with the operations under the joint resolution.

On amendment no. 22: Inserts a new section, as proposed by the Senate, continuing in full force and effect until June 30, 1936, or such earlier date as the President by proclamation may fix, the provisions of the Federal Emergency Relief Act of 1933, as amended.

On amendment no. 23: Inserts a new section, as proposed by the Senate, which prohibits the expenditure of any of the funds appropriated by the joint resolution for administrative expenses of any department, bureau, etc., if such administrative expenses are ordinarily financed from annual appropriations, unless additional work is imposed upon such department, bureau, etc., by reason of the joint resolution.

On amendment no. 24: Inserts a new section proposed by the Senate continuing until June 30, 1937, the Public Works Administration and authorizes the Administration to perform such of its functions under title II of the National Industrial Recovery Act and under this joint resolution as may be authorized by the President. The section also continues available until June 30, 1937, all sums appropriated to carry out the purposes of the National Industrial Recovery Act. The section also authorizes the President to sell securities acquired under that act and this joint resolution and to use the proceeds for making further loans under that act and this joint resolution.

On amendment no. 25: Strikes out the amendment inserted by the Senate making available not to exceed $40,000,000 to the States, on the basis of demonstrated need, to enable them to maintain their public schools for the remainder of the current school year. In connection with this action, attention is called to the provision in the modification of Senate amendment no. 3, in the allocation of $300,000,000, wherein provision is made for "assistance for educational, professional, and clerical persons."

On amendment no. 26: Retains the section inserted by the Senate providing for the application to the expenditure of funds directly by the United States and funds granted or distributed for expenditure otherwise of the Federal law providing for the acquisition of articles, materials, and supplies mined, produced, or manufactured in the United States ("Buy American" Act).

On amendment no. 27: Inserts a substitute for the section proposed by the Senate extending until March 31, 1937, the authority of the President under the act pursuant to which is maintained the Civilian Conservation Corps, the purpose of which substitute is to make clear the intent of the Senate amendment.

On amendment no. 28: Strikes out the amendment inserted by the Senate providing for expansion of the currency through the issuance of silver certificates and the acceptance of silver in settlement and adjustment of any balance due the United States.

On amendments nos. 29 and 30: Corrects section numbers.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
WILLIAM W. ARNOLD,
W. B. OLIVER,
ROBERT L. BACON,
Managers on the part of the House.

Mr. BUCHANAN. Mr. Speaker, no doubt every Member of the House understands the joint resolution in the form it passed the House and understands it as agreed to in the first conference report submitted to the House. I know of no better way to discuss the pending conference report with you than to discuss the high points, those that were in real controversy, and the agreements that we reached respecting them.

In the first place, this joint resolution was introduced in the House on January 21 and passed on January 24. It went to the Senate and passed March 23. It took 2 months to accomplish their supposed earmarking of appropriations, their supposed break-down of appropriations to be expended for certain classes of projects, their supposed limitation on the authority of the President to spend this money to bring about employment for three and a half million persons now on the dole.

They accomplished neither object on which they spent 60 days.

I want to call your attention to the alleged break-down or earmarking of the appropriation in this resolution. The Senate struck out the general purposes of the resolution as provided by the House and inserted the general purpose "to provide relief and work relief." The House bill provided that this money could be spent in order to relieve unemployment, alleviate distress, and improve living and working conditions. The Senate put in the broad words "for relief", unconnected and unrelated with unemployment in any respect.

Relief is as broad as the ocean. I looked up the definition of it in the dictionary. Ordinarily you would not suppose a Congressman would have to look up the definition of such a simple word, but I wanted to be sure. It means "the act of relieving; state of being relieved; succor; comfort; that which gives aid." You could go to the relief of a millionaire under that definition, if you wanted to; yet that is the limitation of this great earmarking act of the Senate.

What else? They broke it down. They earmarked it. Let us see what the earmarking says. It reads:

> This appropriation shall be available for the following classes of projects.

It does not say it "shall be available 'only' for the following classes of projects." They did not exclude any other classes of projects, but merely said that those specified came within the purview of this resolution. That is all. Is there any man within the sound of my voice, is there any intelligent man anywhere, whether he be judge, lawyer, or layman, who can justly claim they placed any limitation on the classes of projects which the President can adopt under this resolution? What does section 1 provide? It says that this appropriation shall be used in the discretion and under the direction of the President. Under the joint resolution as amended by the Senate, and under it as agreed upon in this conference report, the President can adopt any class of projects, whether specifically mentioned in the joint resolution or not, that will provide relief, work relief, or increase

employment; any project. That is what the great earmarking of the Senate accomplishes after 2 months' discussion.

On that point I do not ask you to take my opinion. I consulted the Comptroller General in writing on that subject, and I hold in my hand his reply, which I will make a part of the RECORD. He holds that the President can adopt any otherwise lawful Federal project meeting the test of relief, work relief, or increasing employment. I will insert the Comptroller General's letter at this point:

COMPTROLLER GENERAL OF THE UNITED STATES,
April 2, 1935.

Hon. JAMES P. BUCHANAN,
Chairman Committee on Appropriations,
House of Representatives.

MY DEAR MR. CHAIRMAN: I have your letter dated March 29, 1935, as follows:

"With reference to House Joint Resolution 117, as amended and passed by the Senate, and having in mind the purposes of the proposed appropriation under Senate amendment (1)—to 'provide relief and work relief'—please advise me whether the provisions of Senate amendment (3) enumerating classes of projects and fixing the amount of each class would have mandatory effect and require prosecution of the enumerated classes of projects to the extent so fixed, or whether the amount fixed for each stated class of projects would merely be a limitation on the uses of the appropriation for projects within such class. And if the latter, whether the President in the uses of the appropriation would be at liberty to adopt one or more otherwise lawful projects meeting the test of providing relief or work relief.

"Please answer same questions as directed to House Joint Resolution 117 as agreed to in conference. For this purpose I am enclosing to you the conference report."

The Senate amendment (3), referred to in your letter, making the funds provided for in the joint resolution available for the eight classes of projects listed therein, specifically provides that "the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amount stated, namely:". In view of this language and the appropriating language employed, not only in Senate amendment (1), but as said amendment was amended in conference, I have to advise that the respective amounts are limitations rather than specific appropriations for the classes of projects named, and neither these limitations nor any other provision in the joint resolution as passed by the Senate and agreed to in conference would preclude the President, in his discretion, from adopting one or more otherwise lawful Federal projects meeting the test imposed by the appropriating language; that is, under Senate amendment (1), of providing relief or work relief, and under said amendment as amended in conference, of providing relief, work relief, or increased employment by providing for useful projects.

Sincerely yours,

J. R. MCCARL,
Comptroller General of the United States.

There was one limitation the Senate put on. It said that there should not be expended on any class of the projects mentioned by the Senate a greater amount than the sum therein stated. Now, let us see what that is. We might just as well pass a law here that no citizen of the United States shall ever own a fortune in excess of a quintillion dollars in value, when we know there is not a quintillion dollars' worth of property in value in the whole world. We might just as well pass such a limitation as to pass a limitation on the amount that could be spent on any one of these projects.

Under the Senate amendment they made an allocation of not to exceed $800,000,000 for public roads. Then they said the President might have discretion to use 20 percent of the entire appropriation to add to any one of those allocations. That would make it possible for the President to allocate not only $800,000,000, but $976,000,000 more for public roads, making a total of $1,776,000,000 which he could allot for public roads. That is the limitation, when you know that he could not possibly expend that amount of money in the term fixed in this resolution on public roads. A limitation without limit.

Rural rehabilitation and agricultural relief in stricken areas, water conservation, transmountain water diversion, irrigation, reclamation, and so forth, $500,000,000. The Senate specifies a 20-percent leeway. This added would allocate to this class $1,476,000,000. A fine limitation, is it not? Yet throughout the United States the statement is emphasized that the Senate placed limitations upon the discretion of the President in carrying out the purposes of this bill, directing the manner, and fixing the amount which shall be spent for certain projects. Tommyrot! Moonshine! The President has practically the same discretion under the resolution as agreed upon as he had under the House provisions. I could go on down the list of the eight so-called "allocations" made by the Senate, but I shall content myself merely by putting them in the RECORD. I shall mention the totals, however.

He could exercise his choice within the total appropriation of $4,880,000,000 of some of the following maximum amounts: Rural electrification, $1,076,000,000; he could allow for housing, $1,426,000,000; for professional and clerical persons, $1,276,000,000; for the Civilian Conservation Corps, $1,576,000,000; for loans and grants to States and public bodies, $1,876,000,000; for sanitation, soil erosion, and so forth, $1,326,000,000—no breaking down, no limitations, so far as the practical application of the money and the practical agencies at his disposal for the expenditure of the money are concerned. The only practical limitation is that the expenditure is to be within the total of $4,880,000,000, and this limitation is in the resolution as it passed the House. As I have said, I wrote the Comptroller General about it, and he advised me that the President could adopt any otherwise lawful Federal projects he desired under the Senate bill; and he can adopt them under this conference report.

Oh, I hate to see going out to the country criticism of the House for passing a measure giving the President authority to spend this money to accomplish the great purposes contemplated by it; I hate to see the country told that the Senate is earmarking the bill, breaking it down, and curbing the discretion of our President in accomplishing the purposes of the act when the contrary is true.

Mr. Speaker, in just a minute I shall be through discussing the report. If any Member desires to ask any question on any amendment now, I shall be pleased to answer.

Mr. ROGERS of New Hampshire. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. ROGERS of New Hampshire. In drawing the amendment to Senate amendment no. 3, as set forth in this conference report on House Joint Resolution 117—House Report No. 609—was it the intent of the committee of conference that the language therein used should include funds for the construction, reconstruction, improvement, and rehabilitation of permanent stations, depots, and frontier air defense bases for the Army Air Corps?

Mr. BUCHANAN. The gentleman's question brings up a portion of Senate amendment no. 3 which never ought to have been put in the bill. The Senate amendment was aimed at warships, ammunition, and military and naval matériel. They found themselves in a dilemma and wanted to make exceptions, so they put limited exceptions to these restrictions on expenditure of the funds. Your conference committee, realizing the importance of the improvement, the renovation, the construction and reconstruction upon our naval and military reservations, made that expenditure just as broad as possible under the rules of the House. It is contemplated that out of this appropriation they can make all necessary repairs, improvements, and new construction on our military and naval reservations; and air bases, of course, fall within the classification of military or naval reservations. So if this conference report is adopted this money, in my judgment, will be available for construction and reconstruction, and such purposes.

Mr. ROGERS of New Hampshire. In other words, I understand the gentleman's answer, in simple language, is "yes."

Mr. BUCHANAN. Yes; of course.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CONNERY. Section (g) of Senate amendment 3 reads as follows:

(g) Loans or grants, or both, for projects of States, Territories, possessions, including subdivisions and agencies thereof, municipalities, and the District of Columbia, and self-liquidating projects of public bodies thereof, where, in the determination of the President, not less than 25 percent of the loan or the grant, or the aggregate thereof, is to be expended for work under each particular project, $900,000,000.

Does that mean in the opinion of the President, or is it mandatory upon the President to give that loan to the State only if 25 percent is to be expended for labor?

Mr. BUCHANAN. That provision, I will say to my friend and colleague, has a history.

Mr. CONNERY. A long history.

Mr. BUCHANAN. A long history. No provision before the conference committee caused so much contention or took so much time. The Senate conferees first demanded that 50 percent of direct labor should be required. We reluctantly agreed in the first conference report that at least 33⅓ percent of the loan or grant, or the total of both, should be for direct work.

There was objection to this requirement on the grounds that the percentage of direct work was too high—that many worth-while projects would be shut out under it. There is much indirect work on these projects. Some competent authorities put the ratio of indirect to direct at employment for 2½ men on indirect work for 1 men on direct work. A difference of opinion might also arise between the administrative officer and the Comptroller General as to whether the project certified by the administrative officer as having at least one-third direct work would, in the opinion of the Comptroller, have such a percentage.

When we went back into conference we had a long struggle with the Senate conferees on this point. In the conference report now before the House we succeeded in getting them into a position where they finally accepted 25 percent, to be determined by the President, so that the former requirement that one-third of the loan or grant must be expended for direct work has been taken out, and in its stead the conference report now recommends that loans and grants should be authorized " where, in the determination of the President, not less than 25 percent of the loan or the grant, or the aggregate thereof, is to be expended for work under each particular project."

The expression " work under each particular project " includes not only work done at the site of the project but work which may properly be called " indirect " work, for example, the work which is created by the manufacture and production of materials and in the transportation of such materials to the site of the project. The determination as to the amount of such direct and indirect work which will be employed upon the particular project is now definitely left with the President of the United States. It is he, and not the Comptroller General, who will determine the eligibility of a project within the standards laid down by Congress.

Finally, the percentage of the loan or grant or the aggregate thereof which the President must find will be expended for direct and indirect work has been reduced from one-third to one-fourth, so as to include a wider range of non-Federal public-works projects.

Mr. CONNERY. But it is not mandatory upon him to insist that 25 percent go to labor in each project.

Mr. BUCHANAN. It is mandatory upon him to determine that there will be at least 25 percent of work under the project.

Mr. CONNERY. One more question: Amendment 18 contains the following language:

> That whenever permanent buildings for the use of any department of the Government of the United States or the District of Columbia are to be constructed by funds appropriated by this joint resolution, the provisions of the act of March 3, 1931 (U. S. C., Supp. VII, title 40, sec. 276a), shall apply, but the rates of wages shall be determined in advance of any bidding thereon.

Do the provisions of the act of March 3 make the Davis-Bacon bill apply?

Mr. BUCHANAN. Yes. That is the prevailing wage rate for public governmental buildings.

Mr. CONNERY. It is; and the rates of wages are determined in advance.

Mr. BUCHANAN. The rates of wages are ascertained in advance for the purpose of bidding. I assume after construction work starts any fluctuation up or down will be taken care of under present law, with the Secretary of Labor acting as arbiter.

Mr. EATON. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. EATON. The following language appears at the end of amendment 3:

> This proviso shall not be construed to prevent the use of such appropriations for new buildings, reconstruction of buildings, and other improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for projects for nonmilitary or nonnaval purposes in such places.

Does that mean there is any guarantee in this bill that there will be no money for rehabilitation work in the arsenals of the country which is so badly needed?

Mr. BUCHANAN. There is not any guarantee in this bill. I may state to the gentleman that there is a great amount of direct labor that may be used in connection with the repair, renovation, and reconstruction in our Army and Navy reservations, which is needed as much as almost any other thing. I think the necessary money can and will be spent to put them in good shape.

Mr. DEEN. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Georgia.

Mr. DEEN. Will the gentleman explain to the House amendment 3, subsection (e), which says: "Assistance for educational, professional, and clerical persons," and tell us who those persons are, first, and secondly, whether or not the President is authorized to assist the more than 5,000,000 school children in 42,000 public schools who are out of school on account of lack of funds?

Mr. BUCHANAN. There was a Senate amendment in the bill authorizing the allotment of not to exceed $40,000,000 to the public schools for the balance of this year, which as you all know will expire in June. Your committee thought it proper to transfer that item to the $300,000,000 and insert the word " educational " in that item, so that as the bill now stands the President can allot for the relief of the personnel in educational work any sum out of that $300,000,000. The $40,000,000 limitation would have been a mere bagatelle and would be applicable only to the balance of this fiscal year. This resolution runs for over 2 years, and they are now spending over $30,000,000 a year.

Mr. DEEN. Then the gentleman's answer is that the President has authority, or will have authority if this conference report is adopted, to allocate to the teachers or to the schools of the several States needing $20,000,000 or more the necessary funds?

Mr. BUCHANAN. No. To the teachers, yes. To the schools and institutions; no.

Mr. DEEN. To the teachers?

Mr. BUCHANAN. May I say to the gentleman that I think the Federal Government should not set a precedent with reference to the question of financing the school systems of our sovereign States. [Applause.] Whenever we do that we will give the Federal Government the power ultimately to prescribe the curriculum in our State schools and in later years you will have a system under which the children recognize only the Federal Government as a great central power, which will rule with an iron hand throughout the country, and I am not in favor of that proposition. [Applause.]

Mr. HILL of Alabama. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Alabama.

Mr. HILL of Alabama. The language of the bill now is far better for the teachers and the schools than was the language in the Senate amendment?

Mr. BUCHANAN. Certainly it is; and it is based on personal relief.

Mr. KRAMER. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. KRAMER. Could the President, under the authority granted him here, appropriate money for the erection of a Federal building?

Mr. BUCHANAN. He could do it, but I am confident he will not, because I am going to offer in the House at a later

date a bill authorizing specific appropriations for Federal buildings. The President does not want to involve the Federal building program, which is a regular activity of the Government, with these emergency propositions. He wants those matters kept separate, and he wants the work connected with Federal buildings to be conducted under the regular prevailing-wage rate.

Mr. KRAMER. There is another bill that will come in here in which that might be provided for?

Mr. BUCHANAN. Yes.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I take it from the gentleman's speech so far that he is going to vote against the adoption of this conference report; but for fear he will not, may I ask him this question: Under this provision can the President allocate or change that 20 percent? In other words, can he take that 20 percent off one of these items, or must he take it off pro rata?

Mr. BUCHANAN. He may take it off any one item and allot it to any other item.

Mr. JENKINS of Ohio. Perhaps the gentleman does not get the point, and I would like a definite answer. For instance, there is $800,000,000 appropriated in here for roads. If the President should decide to shift the 20 percent, could he take the full 20 percent out of that $800,000,000?

Mr. BUCHANAN. He could take the full 20 percent out of that item, or 5 percent out of that item, 5 percent out of another item, and 5 percent out of another item, and so on.

Mr. JENKINS of Ohio. But could he take it all out of the one item?

Mr. BUCHANAN. Yes; or he does not have to allot a single cent to it or any other Senate allocation.

Mr. DINGELL. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Michigan.

Mr. DINGELL. The Senate majority leader, Mr. ROBINSON, presented an amendment which I assume had the approval of the administration—certainly it did not have the opposition of the administration—relative to sanitary plumbing work in connection with building construction which might be taken care of under this appropriation. In this connection, may I call the gentleman's attention to one outstanding fact. About 15 Members of this legislative body were stricken low with amoebic dysentery in Chicago several years ago as the result of a cross connection between the sewage disposal and drinking water. The Federal Government has flagrantly violated the sanitary laws all over this country. It was intended to make that really much needed correction. I understand that the House conferees demanded that this be stricken from the bill.

Mr. BUCHANAN. We saw no reason to single out this particular activity for special consideration.

Mr. DINGELL. I should like to know why such a very important matter as this, which had not the opposition of the administration, was taken out of the bill?

Mr. BUCHANAN. Well, the gentleman is assuming a great deal about the administration. As far as that is concerned, the Senate conferees were not very insistent.

Mr. DINGELL. The gentleman jumped at a conclusion himself when he said I assumed certain things. I presume when the Senate majority leader advances a thing it must have the approval of the administration.

Mr. BUCHANAN. The gentleman assumed an opposition, that is all. The Senate conferees did not insist on that amendment. I cannot engage in argument, Mr. Speaker, because I have not the time. This amendment recognizes the system of work being let under contract to the lowest bidder, and, of course, at the prevailing wage rate for one particular line of work. That contravenes the whole spirit and purpose of this bill. If we recognize the contract system for plumbers, we must recognize it for painters, builders, electricians, and for every class of work in the United States. When you recognize the contract system throughout this bill you destroy the very genius and purpose of the bill. Therefore, we could not agree to that amendment, however much we may sympathize with it. I have an abiding faith that the master plumbers will be taken care of by the President under this bill as all others will be taken care of.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CHRISTIANSON. There was considerable confusion in the Chamber and I may have misunderstood the gentleman. Did he say that in addition to this bill, which carries $4,880,000,000, there would be coming in later on another appropriation bill for public buildings?

Mr. BUCHANAN. For public Federal buildings; yes. The gentleman understood me correctly.

Mr. CHRISTIANSON. How much will that bill carry?

Mr. BUCHANAN. About $40,000,000 or $45,000,000.

Mr. CHRISTIANSON. Does not the committee recognize there is a limitation on the power of the American people to meet these huge sums that are being appropriated?

Mr. BUCHANAN. We are discussing this bill now and not the public-buildings bill.

Mr. CHRISTIANSON. I think this is a matter that is important in connection with the consideration of this bill.

Mr. BUCHANAN. If the gentleman had read the Budget which was submitted when the Congress first met he would know that this item was included in the President's Budget message.

Mr. CHRISTIANSON. I think it is very important that the Members of this House should know whether this $4,880,000,000 represents all the money for public works or only a part of the program.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. SHORT. On page 2, of the conference report, I notice $500,000,000 allocated for irrigation and reclamation, and other purposes.

Mr. BUCHANAN. Yes.

Mr. SHORT. I wonder if this is to continue and perpetuate our present silly, idiotic, and contradictory policy of allowing the Secretary of Agriculture to take millions of acres of productive land out of cultivation and then allow the Secretary of the Interior to spend millions of more dollars to open up new land that has never been in cultivation.

Mr. BUCHANAN. The gentleman ought to know that I am not going to be involved in a discussion of the merits or demerits of any other law now upon the statute books. We are discussing this conference report and this conference report alone and I am not going into any other legislation.

Mr. SHORT. The gentleman knows that in his own district much of the tillable land has been taken out of cultivation while we have opened up millions of acres of land in the West that has never been in cultivation before.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. RAMSPECK. In amendment no. 5, dealing with the question of public roads, the provision is that the money shall be expended by the State highway departments. There is also a provision enabling the President to make rules and regulations, and may I ask the gentleman if he thinks under this provision the President can require the State highway departments to expend this money where the unemployment exists and prevent them from spending it in rural sections where there is no unemployment.

Mr. BUCHANAN. My observation is that your public roads and your feeder roads—and this bill provides for feeder roads—run through the country as well as they city and the probabilities are there is more work on public roads and feeder roads in the country than in the cities, because the cities have already fixed their highways.

Mr. RAMSPECK. What about the matter of building bridges and eliminating grade crossings?

Mr. BUCHANAN. The same thing applies. Of course, the present rules and regulations go to the expenditure of this money alone. This provision enables the President to follow it up to see that people who are on the relief rolls are em-

ployed; and I want to impress upon my colleagues the fact that this is a relief measure, to put people to work who are now idle, and is not especially a road measure to boost any one project or any one class of projects. It is a relief measure.

Mr. RAMSPECK. I may say to the gentleman that is exactly my interest in the matter; but in my State, under the $3,300,000,000 public-works bill, the State highway department refused to spend the money allocated to my district, and I want to know if the President, under this bill, can make them spend it.

Mr. BUCHANAN. In my judgment, he can.

Mr. SHORT. I wish the gentleman would tell us who is to administer this measure.

Mr. KENNEDY of New York. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. KENNEDY of New York. On page 2 of the report, subdivision (e), there is provided $300,000,000 for assistance for educational, professional, and clerical persons. Will the gentleman tell us exactly how this sum of money is to be spent or give us some idea of the plan to be followed?

Mr. BUCHANAN. It will be spent as the necessity for relief is demonstrated to the President or to his board.

Mr. KENNEDY of New York. In my city they are spending relief money teaching people how to make belts out of old rope. They are also spending money teaching people how to dance the polka, and other equally useless things. When this was brought to the attention of Mr. Hopkins, his reply, as reported by the New York Times of today, was that his critics are "too damned dumb to appreciate the finer things of life." I am wondering whether or not we are going to continue to waste this $300,000,000 in the same fashion. I am in favor of the expenditure of funds to provide work for our people or where the conditions require the spending of money for direct aid, but not for such apparent waste.

Mr. BUCHANAN. I will say to my colleague I think none of this money will be wasted. I think all of it will be intelligently spent, and in spending it, the President and those under him who are to administer it will be guided by past experience, which is very valuable.

Mr. HOUSTON. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. HOUSTON. In the middle of amendment no. 13, it is stated:

> Any State or regional administrator receiving a salary of $5,000 or more per annum from such appropriation (except persons now serving as such under other law) shall be appointed by the President, by and with the advice and consent of the Senate.

Does any person holding such a position at the present time have to have the endorsement or confirmation of the Senate?

Mr. BUCHANAN. He does not. Any State administrator now holding such position does not have to be confirmed by the Senate. Anyone who has to be confirmed by the Senate must be paid out of this appropriation and receive $5,000 or more a year.

Mr. ROGERS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. ROGERS of Oklahoma. I would like to know if the chairman thinks that under the provision granting $300,000,000 for educational, professional, and clerical personnel it will be possible for the administration to keep the schools open for the remainder of this term.

Mr. BUCHANAN. Certainly it will if this bill goes into effect in time.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. RANDOLPH. The amendment providing $600,000,000 for the Civilian Conservation Corps in its important work will provide for about double the enrollees now in camp?

Mr. BUCHANAN. That is the estimate; yes.

Mr. BOLTON. Will the gentleman yield?

Mr. BUCHANAN. I will yield.

Mr. BOLTON. In amendment no. 3 there is $350,000,000 appropriated for sanitation, soil erosion, reforestation, flood control, rivers and harbors, and miscellaneous projects. Will the gentleman tell us why the limitation that the project had to be approved by the Chief of Engineers has been eliminated?

Mr. BUCHANAN. Because we expect to have a supervisory central control of this expenditure, and you cannot have that if you have one official to do this and another official to do that. We are going to have it efficiently and effectively administered.

Mr. BOLTON. Is not it admitted that the Corps of Engineers is best equipped to give that advice?

Mr. BUCHANAN. The President will have the benefit of the experience and expert knowledge of the Engineer Corps, and then he will decide the proper course.

Mr. RICH. Will the gentleman yield?

Mr. BUCHANAN. Yes; I will yield to the gentleman from Pennsylvania.

Mr. RICH. This being the greatest expenditure of all time and all history of the Nation, will the gentleman tell us where we are going to get the money to carry out these provisions?

Mr. BUCHANAN. No; I will not tell the gentleman. [Laughter.] Mr. Speaker, I reserve the balance of my time. [Applause.]

The SPEAKER. The gentleman from Texas has 27 minutes remaining.

Mr. BUCHANAN. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, when this bill passed the House it carried the delegation of authority from the House of Representatives to the President of the United States to spend practically $5,000,000,000 just as he pleased. Today it comes back here just that way, with just one limitation. It cannot be spent for warships or munitions; that is the only limitation in the whole bill.

It is just exactly that way, and these allocations in the language written in the bill do not mean a single thing. It was a bad bill then, it is a bad bill now. It is so bad that I would not even sign the conference report. [Applause.]

Money can be spent under it for relief. There is no work provided in this bill that amounts to anything that will take people off the relief rolls.

Let me show you. They claim that they intend to use $800,000,000 for highway grade-crossing eliminations. Nothing of that kind could get under way before January 1, and in the northern section of the country not before April next.

So no people can be taken off the relief rolls that way.

The next item under which they propose to allocate money is $500,000,000 for rural rehabilitation and reclamation. Everyone knows that of the fund allocated for reclamation in the bill we passed 2 years ago three-quarters is left and will not be spent in a long time.

For rural electrification not over 25,000 people can be put to work under that.

For housing, nothing can be spent for a year, and most of it cannot start for 15 months, and not over 150,000 people can be put to work by July 1, 1936.

For relief for education and clerical persons: That money can be used to pay school teachers. It probably can be distributed over the 2 years that are in prospect, and keep 150,000 school teachers at work.

Nine hundred million dollars for loans and grants to States and public bodies: Practically nothing can be expended for upwards of about a year. That has been the practice all the way through.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. TABER. I shall if I have time when I finish my statement.

Practically nothing can be expended for upward of a year because that is the practice with the funds appropriated 2 years ago, and they did the best they could then, and they cannot do any better now.

For miscellaneous projects, $350,000,000: I do not believe there is an item in that list that will provide immediate employment.

The real common sense of this bill is that they won't provide much work, but the object of the bill is to allocate these projects a year from next summer, when it can have an effect on the election. I have here in my hand a copy of the Window Seat, published by W. D. Jamieson, the spokesman of the Democratic National Committee. He says on March 6:

> Another thing. Do not forget that this tremendous expenditure will practically ensure President Roosevelt's reelection next year.

That is the object of this bill—raw, raw as it can be. It has been a difficult thing to make the people of this country realize what is being done to them. We are not only turning over all the power that this Congress has to the President of the United States, and throwing aside our constitutional duties, but we are giving to the President an almost unbelievable sum of money which he tells us he is going to create a board to administer, and that board is to be composed of four or five of those men who have proven their incompetence to administer anything in the past—Mr. Hopkins, Mr. Ickes, Mr. Tugwell, and there they are. We are going to be sure of an incompetent administration of this money.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. TABER. Because there has been no efficiency, no integrity, in connection with keeping faith with the House. When we appropriated money for relief only, they used it for the promotion of pet projects, which this Congress would not approve by a majority vote if any one of those projects were put up to it. They have used it for reclamation, to destroy the farmer, and for all sorts of projects which the Rivers and Harbors Committee of this House has turned down year after year, and they have used it to put the Government in business and throw those in private employment on relief.

But, Mr. Speaker, this bill has been handled with consummate political skill by the administration. I compliment the Chairman of the Committee on Appropriations upon the skill with which he has piloted the bill through the House. Such a compliment would not be necessary if it were a bill within the constitutional requirements of the Congress, but to pilot such a bill through requires real ability. I compliment him upon the ability with which he has carried out the sealed orders that were handed to the President of the United States by Mr. Ickes a week ago, and which were transmitted by the President of the United States from his seafaring fishing expedition to the Chairman of the Committee on Appropriations. The bill has been kept just as bad as it was when it left the House. It is a little worse than it was when the conference report was presented here a week ago. I do not think anyone who has regard for the preservation of American liberty or for the preservation of our form of Government can justify himself in voting for this bill. [Applause on the Republican side.]

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. RANDOLPH. In mentioning projects which could not be put under way until about 2 years, the gentleman missed the $600,000,000 for enlargement, expansion, and continuation of the Civilian Conservation Corps. I think it is significant that he does that, because I hope he is in agreement that here we have accomplished something that is really worthwhile. Mr. Fechner and his associates who are in charge of this work are ready now to place some 250,000 additional young men in the forests of our Nation on projects which will increase the wealth of our people and at the same time aid in the physical, moral, and spiritual development of the youth of our land, about 1,000,000 of them having already been benefited in this way. The opposition press has conceded that the expenditure of funds for the continuation of the C. C. C. is warranted because of the splendid results already achieved.

Mr. TABER. That is one of the worst things this country has to put up with. It has demoralized and destroyed the morale of millions of boys, and the money provided will add only 100,000 to the Conservation Corps.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. SHORT. Merely to say that I am very happy that the ranking minority member of the Committee on Appropriations did not allow himself to become polluted by signing the conference report of such a putrid measure. The Democratic Senators from the two States that are the mothers of Presidents, Ohio and Virginia, Senators GLASS and BYRD and BULKLEY and DONAHEY, also had the patriotism and the courage of their convictions to vote against this rotten, foul measure. This joint resolution is an illegitimate child deposited on our doorstep. No one admits its parenthood, but certainly it was born of trickery and deception. It is a wolf in sheep's clothing. It pretends to help but it will harm. In the name of relief it will perpetrate the most obnoxious and tyrannical bureaucracy the world has ever known. It robs us of our liberty and destroys parliamentary government. It violates the Constitution and makes us spineless puppets.

We have yet unexpended one billion and a half dollars of the $3,300,000,000 appropriation of the Public Works bill passed by the last Congress. Notwithstanding this fact, we are now asked to vote the President the stupendous and staggering sum of $4,880,000,000. Why? There is an election next year. Already we are on the brink of bankruptcy. Our credit is impaired. Our budgets are unbalanced. Our confidence is shaken and we are headed for more radical inflation.

Senator ADAMS, of Colorado, wanted to cut this huge appropriation in two; Senator BYRD, of Virginia, wanted to reduce it to $1,880,000,000. These distinguished gentlemen, fearless and able statesmen, realize the grave danger of this vile and vicious bill, but the appropriations they suggest are not enough to satisfy the inordinate greed of the tax-eating bureaucratic "brain trusters" or sufficient to complete their sovietization of America. I realize the futility of the efforts of opponents to this bill, for gentlemen across the aisle have received orders from the *Nourmahal*, but I predict those who vote for this nauseating measure will choke on their own vomit.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to my colleague from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, notwithstanding the fact that this bill has been before another body for about 8 weeks, I am in entire accord with the statement that I understood was made by the chairman of the committee, that the bill has not been improved in any respect. As far as I can see, these amendments really have no real restrictions or reservations in them. They might be characterized as face-saving amendments, if one wanted some excuse and not a reason for voting for this bill. As a matter of fact, the two really main objectionable provisions in this bill which I opposed here in the House are still in full force in the present bill.

Mr. MAY. Will the gentleman yield?

Mr. SNELL. Not now. I opposed the excessive extraordinary grant of power to the President of the United States that is carried in this measure. The power granted the Executive in this bill is greater and more far-reaching than was ever granted to any Executive in peace or war time under any democratic form of government in the history of this world. So far as I know, we have never been told by the proponents of this bill any real reason why it was necessary, and I do not believe there is any reason for it. In my judgment, no man ought ever to ask for such a grant of power as is conferred upon the President in this bill. Furthermore, if he did ask it, under a democratic form of government it never should be granted. [Applause.]

I am opposed to the excessive amount of appropriation that is carried in this bill, which has not been changed since it

left this House. That is more money than can possibly be judiciously spent during the time. And, furthermore, I am opposed to giving such a huge sum to a man like Mr. Hopkins, who is reported in the morning papers as saying the people who criticize his wasteful expenditure of taxpayers' money are simply "damned dumb." A man who displays that attitude toward the public should not be clothed with so far-reaching authority as is granted under this bill, and such a huge sum of money should not be placed in his hands for expenditure.

Mr. MAY. Will the gentleman yield?

Mr. SNELL. I cannot yield. If the gentleman will get me some more time, I will yield.

As a matter of fact, we are starting another public-works project. If you will remember, the President himself stated a short time ago in connection with the billion or billion and a half that has not been spent under the present P. W. A. authorization, "To be honest, it is mighty hard to find worth-while public-works projects." Notwithstanding that statement by the President himself, we are launching another proposition of four billion additional money, and that in face of the fact that every government in the civilized world which has ever tried this proposition of public works as a relief for unemployment has found it was a complete failure. Yet you insist on continuing this program in face of those facts.

I just want to call your attention to the excessive debt that we are creating, with no provision whatever of ever paying it. I cannot characterize the present situation any better, or give any better reason for not doing it, than to read a statement made by the President himself 2 years ago. This statement was made in Pittsburgh in October 1932:

I want to discuss this problem with you tonight fully. To do so sincerely I must tell the facts as they are and conceal nothing from you. It is not a pretty picture, but if we know it and face it we have nothing to fear.

This country is the richest and most resourceful nation in the world. It can and will meet successfully every problem which it faces, but it can do so only through intelligent leadership working unselfishly for the good of all people. That it has not had such leadership in the financial affairs will become obvious from the facts I shall relate to you tonight.

We all know that our own family credit depends in large part on the stability of the credit of the United States.

And here at least is one field in which all business—big business and little business and family business and the individual's business—is at the mercy of our big Government down in Washington.

Now, it is undoubtedly true that the mind of the average individual, man and woman, has been unable to keep pace in the past 10 or 12 years with the intricacies of Federal financing. In the first place, what used to be analogous to an old-fashioned account book that all the family could understand has become in Washington a maze of intricate double-entry bookkeeping which only a few highly trained technical expert accountants could possibly understand.

What I should like to do is to reduce, insofar as possible, the problem of our national finances to the terms of a family budget.

Now, the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation. If the Nation is living within its income, its credit is good.

If in some cases it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms.

But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy.

For over 2 years our Federal Government has experienced unprecedented deficits in spite of increased taxes.

The SPEAKER. The time of the gentleman from New York [Mr. SNELL] has expired.

Mr. SNELL. May I have 2 minutes more?

Mr. BUCHANAN. I yield the gentleman 2 additional minutes, Mr. Speaker, but no more.

Mr. SNELL. That will be sufficient. I thank the gentleman. If that statement was true at the time the President made it, then we are doing wrong in passing this bill today, and you are not following the advice of your own President when you do it. At the time the President made that statement he did it in criticism of about a $3,000,000,000 deficit in the previous 2 years. Since that statement was made, under the present President we have created a further deficit of ten or twelve billion dollars. Notwithstanding that, he is now asking us for five billion more. If he believed what he said in 1932, he is not consistent in asking for this huge sum of money now. Do you people really appreciate the huge public debt we are piling up every hour?—

PUBLIC DEFICIT GROWS $65,000 PER MINUTE

So far this fiscal year, the Treasury has spent $563,000,000 per month or $130,000,000 per week. Of these expenses, only 22 percent went into direct relief; 30 percent into public works and new-deal projects; and 48 percent for ordinary running expenses. To pay its average monthly bill of over half a billion, the Treasury receives about $213,000,000.

So, in spite of the highest taxes in our history, the Nation is going into the hole at the rate of $281,000,000 per month, or $66,000,000 per week. Even while you have been reading this article (2 minutes) the Government deficit has increased $130,000. Never before in the history of the world has any nation so deliberately unbalanced its budget as the United States is doing at the present time.

Mr. MAY. Will the gentleman yield now?

Mr. SNELL. No; I cannot yield.

Each time the President has asked for these new emergency appropriations he has said it was for the purpose of priming the economic pump, and that he would not come back for any more; but the result is that he has come back each time for more, and each appropriation has been larger than the previous one, until, in my judgment, I am forced to conclude that the economic pump he is priming is in a dry hole; and, furthermore, there is not money enough in this country to be spent in this way to make it a producing well. This legislation at this time is uncalled for, unnecessary, and un-American. It is so autocratic, drastic, and far-reaching that it will not help the employment situation, but rather destroy every effort of private industry to expand and take on more employees. [Applause.]

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that those who have spoken on this conference report may have permission to revise and extend their own remarks.

The SPEAKER. The gentleman from Texas asks unanimous consent that those who have spoken on the conference report may have permission to revise and extend their remarks. Is there objection?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, the time has been limited. Why does not the gentleman extend that to all the Members of the House? The gentleman took up more than half the time himself. Why does he not extend the privilege to every Member who wants to extend his remarks on the conference report?

Mr. BUCHANAN. Because I thought it ought to be those who made the remarks. That is all.

The SPEAKER. Is there objection?

Mr. MICHENER. I object, unless it is extended to everybody.

Mr. RICH. If remarks are to be extended by everybody, I am going to object, because it would take the House of Representatives months to describe why they should vote for this bill.

Mr. COCHRAN. Mr. Speaker, regular order.

The SPEAKER. Objection is heard.

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to my colleague on the committee [Mr. OLIVER], and at the close of his speech I shall move the previous question.

Mr. OLIVER. Mr. Speaker, a discussion of the merits of the original bill is not at this time, in my judgment, pertinent, because we had ample time to discuss that when the bill was before the House.

The President had made it clear in the message he delivered to the House in person soon after this session began that this appropriation would be asked for as an emergency relief measure and to provide employment. When a carefully prepared bill to carry out the high and humane purposes of the President was presented to the House it was passed by a vote of 329 to 78.

I hope that the gentleman from New York [Mr. TABER] is correct when he states that the long deliberations of the Senate in its consideration and passage of the bill and the language now in the bill, placed there by the Senate, in legal

effect, does not change, alter, or minimize the full and broad powers conferred on the President by the House in reference to this appropriation. If the gentleman from New York is correct in this interpretation, it is, indeed, fortunate, because unquestionably the bill as it passed the House did confer on the President full and adequate authority to carry out the splendid purposes outlined in his message in using the funds appropriated. If by chance it should later appear that there is now in the bill any kind of embarrassing legislation on the exercise of that broad power which the House by an overwhelming vote gave the President, the responsibility is not on the House.

I hope that the statement of the gentleman from New York, which is borne out in a sense by the written statement of the Comptroller, Mr. McCarl, is correct. It would be regrettable if a bill favored by a large majority of the House and Senate, to meet an urgent emergency to provide employment and relieve distress, should be so construed as to hamper the President in the exercise of the broad powers we sought to confer on him for such purposes. May I say in reply to the inquiry relative to including education as an emergency item, I believe the President has exercised wisely his right to aid the public schools on the basis of need, as he has done for the past 2 years, and is still doing. The Cuting amendment might have been misconstrued in that it limited the amount that could be expended for public schools and also the time which such aid could be extended by the President to the 1935 school year, which will close in a few months. So the House conferees, believing that the country has approved what the President has done in keeping open many schools in many States, have placed at his disposal $300,000,000 for this purpose, to continue during the life of this measure, thus broadening and extending the scope of what he has been doing heretofore.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. OLIVER. I yield.

Mr. CONNERY. The gentleman from New York [Mr. TABER] referred to Mr. Hopkins as incompetent. There has never been a Republican executive officer who put 4,000,000 men to work in 30 days at the prevailing rate of wage, as did Mr. Hopkins.

Mr. KNUTSON. With whose money?

Mr. OLIVER. I will say this for Mr. Hopkins, that although he may have made some mistakes—and who would not?—he has honestly and conscientiously tried to provide relief and work for millions in distress. If he made mistakes, they were honest mistakes in an earnest effort to relieve human suffering and want. He may, in response to pathetic appeals, have been too generous at times. Let us remember, my friends, when the call of distress comes it is difficult to turn it down and oftentimes we may make mistakes in answering the call of human suffering and distress. [Applause.]

Mr. BUCHANAN. Mr. Speaker, in order to keep the RECORD straight, and not to be misunderstood, let me say that never in my 23 years of service here have I objected to any Member extending his own remarks. The unanimous-consent request I submitted a while ago that those who spoke on this bill might have the privilege of revising and extending their remarks, was just the usual and ordinary request. If gentlemen on the other side want to ask that the privilege of extension be granted to every Member I will not object; but my request was merely that those who spoke on the resolution might have the privilege.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and there were—yeas 317, nays 70, not voting 45, as follows:

[Roll No. 48]

YEAS—317

Adair	Barden	Bland	Boylan
Amlie	Beam	Blanton	Brewster
Andrew, Mass.	Beiter	Bloom	Brown, Ga.
Arnold	Bell	Boehne	Brown, Mich.
Ashbrook	Biermann	Bolleau	Brunner
Ayers	Binderup	Boland	Buchanan
Buck	Fiesinger	Lucas	Russell
Buckler, Minn.	Fitzpatrick	Luckey	Ryan
Buckley, N. Y.	Flannagan	Ludlow	Sabath
Bulwinkle	Fletcher	Lundeen	Sanders, La.
Burch	Ford, Calif.	McClellan	Sanders, Tex.
Burdick	Ford, Miss.	McCormack	Sandlin
Burnham	Frey	McFarlane	Sauthoff
Caldwell	Fuller	McGehee	Schaefer
Cannon, Mo.	Gasque	McGrath	Schneider
Cannon, Wis.	Gassaway	McGroarty	Schuetz
Carden	Gavagan	McKeough	Schulte
Carlson	Gearhart	McLaughlin	Scott
Carmichael	Gehrmann	McLeod	Scrugham
Carpenter	Gilchrist	McMillan	Sears
Carter	Gildea	McReynolds	Secrest
Cartwright	Gillette	McSwain	Seger
Cary	Gingery	Mahon	Shanley
Chandler	Goldsborough	Maloney	Sirovich
Chapman	Granfield	Mansfield	Sisson
Citron	Gray, Pa.	Mapes	Smith, Conn.
Claiborne	Green	Marcantonio	Smith, Wash.
Clark, Idaho	Greenwood	Martin, Colo.	Smith, W. Va.
Clark, N. C.	Greever	Mason	Snyder
Cochran	Guyer	Massingale	South
Coffee	Gwynne	Maverick	Spence
Colden	Haines	May	Stack
Cole, Md.	Hamlin	Mead	Starnes
Collins	Hancock, N. C.	Merritt, N. Y.	Steagall
Colmer	Harlan	Miller	Stefan
Connery	Hart	Mitchell, Ill.	Stubbs
Cooley	Healey	Mitchell, Tenn.	Sullivan
Cooper, Tenn.	Hennings	Monaghan	Sumners, Tex.
Costello	Higgins, Mass.	Montet	Sutphin
Cravens	Hildebrandt	Moran	Sweeney
Crosby	Hill, Ala.	Moritz	Taylor, Colo.
Cross, Tex.	Hill, Knute	Mott	Terry
Crosser, Ohio	Hill, Samuel B.	Murdock	Thom
Crowe	Hobbs	Nelson	Thomason
Cullen	Hoeppel	Nichols	Thompson
Cummings	Holmes	O'Connell	Thurston
Daly	Hook	O'Connor	Tolan
Dear	Hope	O'Day	Tonry
Deen	Houston	O'Leary	Truax
Delaney	Huddleston	Oliver	Turner
Dempsey	Hull	O'Malley	Turpin
DeRouen	Igoe	O'Neal	Umstead
Dies	Johnson, Okla.	Owen	Underwood
Dietrich	Johnson, Tex.	Palmisano	Utterback
Dingell	Johnson, W. Va.	Parks	Vinson, Ky.
Dirksen	Jones	Parsons	Wallgren
Disney	Kahn	Patterson	Walter
Dobbins	Kee	Patton	Warren
Dockweiler	Keller	Pearson	Wearin
Doughton	Kelly	Peterson, Fla.	Weaver
Doxey	Kennedy, Md.	Pettengill	Welch
Drewry	Kennedy, N.Y.	Pfeifer	Werner
Driscoll	Kenney	Pierce	West
Driver	Kerr	Powers	Whelchel
Duffey, Ohio	Kloeb	Quinn	White
Duffy, N. Y.	Kniffin	Rabaut	Whittington
Duncan	Kocialkowski	Ramsay	Wilcox
Dunn, Miss.	Kopplemann	Randolph	Williams
Dunn, Pa.	Kramer	Rankin	Wilson, La.
Eagle	Kvale	Rayburn	Withrow
Eckert	Lambertson	Reece	Wolverton
Edmiston	Lambeth	Reilly	Wood
Eicher	Larrabee	Richards	Woodrum
Ekwall	Lea, Calif.	Richardson	Young
Ellenbogen	Lee, Okla.	Robertson	Zimmerman
Englebright	Lemke	Robinson, Utah	Zioncheck
Evans	Lesinski	Rogers, N. H.	The Speaker
Faddis	Lewis, Colo.	Rogers, Okla.	
Ferguson	Lewis, Md.	Romjue	
Fernandez	Lloyd	Rudd	

NAYS—70

Andresen	Dondero	Knutson	Robsion, Ky.
Andrews, N. Y.	Doutrich	Lehlbach	Rogers, Mass.
Arends	Eaton	McLean	Short
Bacharach	Engel	Maas	Smith, Va.
Bacon	Fenerty	Marshall	Snell
Blackney	Fish	Martin, Mass.	Stewart
Bolton	Focht	Merritt, Conn.	Taber
Buckbee	Gifford	Michener	Tarver
Castellow	Goodwin	Millard	Tinkham
Christianson	Gray, Ind.	Perkins	Treadway
Church	Halleck	Peterson, Ga.	Wadsworth
Cole, N. Y.	Hancock, N. Y.	Pittenger	Wigglesworth
Cooper, Ohio	Hess	Plumley	Wilson, Pa.
Cox	Higgins, Conn.	Ramspeck	Wolcott
Crawford	Hollister	Ransley	Wolfenden
Crowther	Jenkins, Ohio	Reed, Ill.	Woodruff
Culkin	Kimball	Reed, N. Y.	
Darrow	Kinzer	Rich	

NOT VOTING—45

Allen	Darden	Griswold	Lanham
Bankhead	Dickstein	Harter	Lord
Berlin	Ditter	Hartley	McAndrews
Brennan	Dorsey	Hoffman	Meeks
Brooks	Farley	Imhoff	Montague
Casey	Fulmer	Jacobsen	Norton
Cavicchia	Gambrill	Jenckes, Ind.	O'Brien
Celler	Greenway	Kleberg	Patman
Corning	Gregory	Lamneck	Peyser

Polk	Somers, N. Y.	Taylor, Tenn.	Tobey
Sadowski	Taylor, S. C.	Thomas	Vinson, Ga.
Shannon			

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Patman (for) with Mr. Ditter (against).
Mr. O'Brien (for) with Mr. Montague (against).
Mr. Dickstein (for) with Mr. Cavicchia (against).
Mr. Gregory (for) with Mr. Thomas (against).
Mr. Celler (for) with Mr. Hartley (against).
Mr. Taylor of Tennessee (for) with Mr. Lord (against).

Until further notice:

Mr. Vinson of Georgia with Mr. Allen.
Mr. Bankhead with Mr. Tobey.
Mr. Lanham with Mr. Polk.
Mr. Fulmer with Mrs. Greenway.
Mr. Taylor of South Carolina with Mr. Griswold.
Mr. Darden with Mr. Lamneck.
Mr. Kleberg with Mr. Imhoff.
Mr. Gambrill with Mr. Sadowski.
Mr. Harter with Mr. Shannon.
Mr. Somers of New York with Mr. Farley.
Mr. Brennan with Mr. Casey.
Mr. Jacobsen with Mr. Peyser.

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he answered "yea."

Mr. KEE. Mr. Speaker, my colleague the gentleman from Ohio, Mr. IMHOFF, was called away on a matter of grave importance. He asked me to announce that had he been present he would have voted "yea."

Mr. KENNEY. My colleague the gentlewoman from New Jersey, Mrs. NORTON, is unavoidably detained from the Chamber. Were she present, she would vote "yea."

Mr. MORITZ. My colleague the gentleman from Pennsylvania, Mr. BROOKS, is unavoidably absent. Were he present, he would vote "yea."

Mr. DALY. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. DORSEY, is unavoidably absent. Were he present, he would have voted "yea."

Mr. DOBBINS. Mr. Speaker, my colleague the gentleman from Illinois, Mr. MEEKS, is unavoidably detained from the Chamber. Were he present, he would vote "yea."

Mr. BOEHNE. Mr. Speaker, my colleague the gentlewoman from Indiana, Mrs. JENCKES, is unavoidably absent. Were she here, she would vote "yea."

Mr. EATON. Mr. Speaker, my colleague the gentleman from New Jersey, Mr. CAVICCHIA, is unavoidably absent. If he were here, he would vote "nay."

Mr. BOLAND. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. BERLIN, is unavoidably absent. Were he present, he would vote "yea."

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that all Members of the House be given 5 legislative days within which to extend their own remarks upon this bill.

Mr. TABER. Mr. Speaker, will not the gentleman modify his request so that Members who have spoken on the bill may have the added privilege of revising their remarks as well as extending them?

Mr. TAYLOR of Colorado. I shall be pleased to modify my request as the gentleman suggests.

The SPEAKER. The gentleman from Colorado asks unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report. Is there objection?

There was no objection.

EXTENSION OF REMARKS—HOUSE JOINT RESOLUTION 117—PUBLIC WORKS RELIEF BILL CONFERENCE REPORT

Mr. SMITH of Washington. Mr. Speaker, I am glad to vote "aye" in favor of adopting the conference report on this most important bill to appropriate $4,880,000,000 for public-work relief, for the very same reasons which impelled me to vote for adoption of the rule and passage of the bill when the same originally came before the House 2 months ago. It is my opinion that the sooner these funds are rendered available and the huge program gets under way the better it will be for the people of the United States. I hope that a start may be made soon, and that actual work on the various projects will be commenced and employment provided thereon as speedily as is consistent with sound business policy and a wise, judicious expenditure of the public money.

ADMINISTRATORS OF THE FUND

Mr. Speaker, it is gratifying to the country to know that President Roosevelt himself will supervise the program, but it is equally gratifying that he will have the able assistance of officials who have already proven their ability and integrity. I refer to Secretary Harold L. Ickes, who has made a record for efficiency and fearlessness in the discharge of his duties which have gained for him the confidence and esteem of the country and the hearty approval of the great majority of the Members of Congress. He has built up an organization which is competent and capable of contributing much to the success of the new work-relief program.

I also refer to Administrator Harry L. Hopkins, who has filled a most difficult and trying position with credit to himself and vast benefit to many millions of our fellow citizens, and whose splendid organization will be of inestimable service and value in the future as it has been in the past.

Admiral Christian J. Peoples, Director Procurement Division, United States Treasury Department, has demonstrated in his present station a capability and devotion to the public interest which should by all means be utilized in the prosecuting of public-works projects.

In Robert Fechner, Director Emergency Conservation Corps, we are assured of the continued success upon an enlarged scale of what most citizens consider to be one of the most outstanding achievements of this administration.

RIVER AND HARBOR PROJECTS

Mr. Speaker, to those of us who are familiar with the nature of river and harbor projects, and understand and realize the specialized and technical requirements thereof, it is highly pleasing to know that the same will be carried out under the direction of the Corps of United States Army Engineers, headed by Maj. Gen. Edward M. Markham and Brig. Gen. George B. Pillsbury, who are by training and experience qualified to do so to a greater degree than anybody else could possibly be.

Mr. Speaker, with these men in charge we know that these funds will be wisely administered and that a maximum of employment and public improvements of permanent value will be obtained thereby.

Mr. CULKIN. Mr. Speaker, I am opposed to the adoption of the conference report. It means the surrender of the Congress to the Executive and the lasting humiliation of this body. In the last Congress you gave $3,000,000,000 to the Executive, with the result that at least $2,000,000,000 of it was wasted. Through the instrumentality of "Honest Harold" Ickes, Fort Peck Reservoir and the Grand Coulee were put in work. These two monstrosities will cost the Federal Treasury $500,000,000 before they are completed. This Congress unlawfully and in violation of the Constitution again proposes to abdicate and turn over to the Executive more billions of the people's money. You of the majority have the votes to do this, and the minority is powerless to prevent it.

Through the press we are informed that Professor Tugwell will have the disposal of $900,000,000 of this fund to be used for the relief of agriculture. Mr. Tugwell is a charming theorist with a Russian tinge but knows no more about farming than Mrs. Astor's billy goat. How do you from the West, whose people are so hard pressed, like this set-up? In any event, you are going into the situation with your eyes wide open.

I wish to emphasize with all the earnestness that I possess that these billions are not the President's and title to these funds does not go to the Democratic Party. It is not a fund to be used to continue his party in power. These moneys are a sacred trust. This vast sum and the national credit on which it is based was created by the past and present generation of toilers out of their blood and sweat.

Theoretically at least, it is dedicated to the cause of humanity. For the Executive to turn these billions over to the spoilsmen or to personal or political favorites would be the crime of the ages.

Rumors are rife and will not down that General Farley will resign and direct the expenditure of these moneys for partisan purposes. If that is to be the procedure America is indeed lost. The situation calls for the best brains, the largest experience, and the highest idealism possible. The preservation of this Republic is more important than the election of either a Republican or Democratic President, but if politics are to dictate the disposal of this fund and chaos ensues, the blood is properly on the head of this Congress, which in an hour fraught with evil destiny ignores and basely surrenders to the Executive its manifest constitutional power.

Mr. CARTWRIGHT. Mr. Speaker, the Committee on Roads in the House, composed of LINDSAY C. WARREN, WILLIAM M. WHITTINGTON, WRIGHT PATMAN, THOMAS O'MALLEY, MONRAD C. WALLGREN, J. WILL ROBINSON, A. H. CARMICHAEL, JENNINGS RANDOLPH, ROBERT T. SECREST, SCOTT W. LUCAS, HUGH PETERSON, JR., JOHN L. MCCLELLAN, NAT PATTON, ORVILLE ZIMMERMAN, BERNARD J. GEHRMANN, C. MURRAY TURPIN, JESSE P. WOLCOTT, JAMES W. MOTT, JOHN W. GWYNNE, BERT LORD, and myself, as chairman, together with Senator CARL HAYDEN, of Arizona, have worked faithfully to secure proper road legislation and a goodly portion of road funds from the famous $4,880,000,000 work-relief bill.

The House committee had hearings on H. R. 4301, which I introduced about the time the work-relief bill was rushed through the House without amendments. During the delay of the work-relief bill in the Senate, Senator HAYDEN took the House road bill and succeeded during the breakdown in attaching it as an amendment, with little modification, to the work-relief bill. It is therefore called the Hayden-Cartwright amendment. This amendment provides the method of expenditure of highway funds which shall be made under section 5, Emergency Relief Appropriation Act (H. J. Res. 117), and follows the Hayden-Cartwright Act of 1934.

This provision means that funds appropriated under the Emergency Relief Appropriation Act for primary and secondary roads and within municipalities will be apportioned among the States in the customary way and all new highway construction will be supervised by the State highway departments and carried on in the manner now provided by law. These funds are to be expended by the State highway departments under the Federal Highway Act of 1921. No portion of the funds so appropriated need be matched by the States. The Hayden-Cartwright amendment also provides for the highways of Alaska, Puerto Rico, the Canal Zone, and the Virgin Islands. Since Federal aid is not regularly apportioned to these Territories it is necessary to specifically authorize highway construction therein.

The amendment also provides for the method of expenditure of funds for the elimination of existing hazards at railroad grade crossings, including the separation or protection of grades at crossings, the reconstruction of structures, and relocation of highways to eliminate grade crossings. Recognizing that the established rule of apportionment based on population, area, and mileage of roads does not fit the grade-crossing situation, the amendment adopts a new method. The factor of area is eliminated and railway mileage substituted therefor. The factor of population is increased to one-half. Careful comparison with the work capable of being accomplished shows that this change in the basis of apportionment will fairly and equitably distribute the Federal funds to be used in grade-crossing elimination. The amendment specifies that the fund for elimination of hazards shall be apportioned by the Secretary of Agriculture—one-half on population, one-fourth on mileage of Federal-aid highway systems, and one-fourth on railroad mileage system.

The amendment gives preference in the employment of labor to persons receiving relief, except those in executive, administrative, or highly skilled positions, and also authorizes the President to predetermine for each State the hours of work and the rates of wages to be paid labor.

In order to relieve the situation of any controversy and in order to have the program fit in with the relief program, the President is authorized to adjust the scales of wages which have been predetermined by the State highway departments. This proviso gives authority to the President and provides for preference to those on relief. The hours and wages fixed by the President will apply to all State highway work paid for with Federal funds and thus avoid different rates of pay for the same kind of work done within the same State.

Below is the apportionment by States of the $800,000,000 set aside for highways and grade-crossing elimination in the Emergency Relief Appropriation Act. This is based on an appropriation of $500,000,000 for roads, streets, and highways, and $300,000,000 for grade-crossing elimination. Of the $500,000,000 appropriation, $100,000,000 of the fund will be used for the appropriation under authorization of the Hayden-Cartwright Act of 1934.

Basis of apportionment

State	Highway, roads, streets [1]	Grade crossing elimination [2]	Total
Alabama	$10,645,000	$6,219,000	$16,864,000
Arizona	6,590,000	1,956,000	8,546,000
Arkansas	8,595,000	5,493,000	14,088,000
California	19,865,000	11,382,000	31,247,000
Colorado	8,710,000	4,086,000	12,796,000
Connecticut	3,640,000	2,622,000	6,262,000
Delaware	2,310,000	663,000	2,973,000
Florida	6,660,000	4,350,000	11,010,000
Georgia	12,795,000	7,566,000	20,361,000
Idaho	5,700,000	2,610,000	8,310,000
Illinois	22,290,000	15,780,000	38,070,000
Indiana	12,670,000	7,872,000	20,542,000
Iowa	12,800,000	8,595,000	21,395,000
Kansas	12,805,000	7,932,000	20,737,000
Kentucky	9,555,000	5,682,000	15,237,000
Louisiana	7,410,000	4,950,000	12,360,000
Maine	4,300,000	2,202,000	6,502,000
Maryland	4,490,000	3,210,000	7,700,000
Massachusetts	8,365,000	6,330,000	14,695,000
Michigan	16,160,000	10,146,000	26,303,000
Minnesota	13,530,000	8,280,000	21,810,000
Mississippi	8,865,000	5,025,000	13,890,000
Missouri	15,415,000	9,492,000	24,907,000
Montana	9,425,000	4,284,000	13,709,000
Nebraska	9,925,000	5,556,000	15,481,000
Nevada	5,750,000	1,371,000	7,121,000
New Hampshire	2,425,000	1,272,000	3,697,000
New Jersey	8,020,000	6,114,000	14,134,000
New Mexico	7,365,000	2,742,000	10,107,000
New York	28,325,000	20,790,000	49,115,000
North Carolina	12,105,000	7,470,000	19,575,000
North Dakota	7,350,000	5,106,000	12,456,000
Ohio	19,670,000	12,840,000	32,510,000
Oklahoma	11,745,000	7,149,000	18,894,000
Oregon	7,790,000	3,633,000	11,423,000
Pennsylvania	23,965,000	17,703,000	41,668,000
Rhode Island	2,535,000	1,077,000	3,612,000
South Carolina	6,930,000	4,530,000	11,460,000
South Dakota	7,630,000	4,392,000	12,022,000
Tennessee	10,750,000	5,829,000	16,579,000
Texas	30,740,000	16,773,000	47,513,000
Utah	5,305,000	1,923,000	7,228,000
Vermont	2,370,000	1,128,000	3,498,000
Virginia	9,365,000	5,817,000	15,182,000
Washington	7,760,000	4,707,000	12,467,000
West Virginia	5,720,000	4,125,000	9,845,000
Wisconsin	12,370,000	7,734,000	20,104,000
Wyoming	5,690,000	2,178,000	7,868,000
District of Columbia	2,435,000	603,000	3,038,000
Hawaii	2,375,000	711,000	3,086,000
Total	500,000,000	300,000,000	800,000,000

[1] Sec. 204 National Industrial Recovery Act; ⅜ Federal aid, ⅛ population.
[2] ½ population; ¼ mile Federal-aid highway system; ¼ mile railroad.

Mr. TAYLOR of Colorado. Mr. Speaker, I have been asked by a great many Members whether or not the House expects to adjourn over tomorrow. In reply I will say that I hope to submit that request, provided we finish the war-profits bill. If we do not finish the pending bill, I feel that we should come back tomorrow and finish it. If we finish the bill today, I will ask that the House adjourn over tomorrow.

TO PREVENT PROFITEERING IN WAR

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes on the subject of the McSwain bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield to me for the purpose of submitting a unanimous-consent request?

Mr. ANDREWS of New York. Mr. Speaker, I yield to the gentleman from New York.

WHERE ARE WE GOING?—THE CONSTANT QUESTION

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a radio speech delivered by me on March 29.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by me over the network of the National Broadcasting Co., Thursday, March 29:

WHERE ARE WE GOING?

Whenever I leave Washington and go to my home in western New York, or visit some other community, I encounter many people who put this question to me, "Where are we going?" When they use the pronoun "we" they mean the Government and the Nation. They are deeply concerned as they attempt to estimate present-day tendencies, and to cast their thoughts toward the future. They want to believe all is well, but they are puzzled and full of doubt. The answering of such inquiries involves what may be called a large order. I hesitate to attempt it, but I suppose I must.

The broad issue which the country is facing today differs not at all from the one which it faced a year ago. It is fundamental in character and, in the last analysis, involves our whole philosophy of government under the Constitution. Commencing in 1933 the administration embarked upon a vast program designed to establish what the President was pleased to call a planned economy applied to all forms of business and agriculture. To carry this out tremendous powers were voted to the President and by him delegated to the bureaucracy. The organization built up here at Washington and spreading out over the country is really gigantic—so much so that no one person can comprehend it all. It has stretched its arm out over the farms, down into the mines, through the factories, into the stores, and into nearly every place in which men and women seek to earn their living. Most of these measures have been enacted under the pressure of the emergency and some with the assurance that they were to be temporary.

Some of us took occasion back in the summer of 1933 to point out that the administration adhered to a school which teaches that the human race would be happier and more prosperous if it marched along the highway of life guided and controlled by superior wisdom lodged in government, and that these so-called "temporary measures" would turn out to be but the beginning of a vast program to be carried on through the years and to become permanent if the country should consent to such a thing.

PROSPERITY THROUGH SCARCITY

Among the more unique and experimental measures aimed at this general objective is the Agricultural Adjustment Act, generally known as "triple A." It has been administered on the extraordinary theory that the people may be made prosperous by the deliberate and planned creation of a scarcity of food. As you all know, farmers are receiving money from the Government, amounting to scores of millions of dollars, for refraining, in part, from producing food. The money which they receive—and most of them receive it with their tongues in their cheeks—is raised by the imposition of taxes upon all those persons and concerns engaged in the processing of the controlled crops.

It is the consumer who pays the tax when he makes his purchases. This tax is imposed by the Secretary of Agriculture, not by the Congress of the United States, which, if we are faithful to the Constitution, we must regard as the only governmental agency authorized to levy taxes. In this case the Constitution is openly flouted, and to the extent of hundreds of millions of dollars we are being taxed without representation, the very thing against which our forefathers protested when they rebelled against the mother country back in 1776. It is a curious situation, but I suppose it may be accounted for by the fact that in 1933, and throughout 1934, the people were willing to try anything, to grasp at any straw, and, furthermore, were willing to forget, or did forget, the fundamental principles upon which our whole governmental structure has rested for a century and a half.

The administration is preparing to continue "triple A", and actually to expand its powers over an indefinite number of years. At this very moment it is urging upon the Congress an amendment to the act of 1933 granting to the Secretary of Agriculture the ultimate power to put under license every person and firm engaged and dealing in, or handling, or processing agricultural products. The condition upon which a license may be issued is to be fixed by the Secretary.

THE FARMER SCHEDULED FOR REGULATION

The administration does not dare to urge the licensing of farmers themselves, but it knows full well that if it can regulate, through a license system, every person engaged in buying or selling or processing farm products, the farmer himself will be regulated. That is the objective. There can be no question about it. I shall not spend much time in commenting upon the achievements of "triple A" up to date. When it reduced the cotton crop by paying the planters not to raise cotton and followed this by pegging the price of cotton at 12 cents a pound through loans extended to the planter, it not only greatly increased the cost of cotton textiles but opened wide the door for foreign countries to start in planting cotton themselves and to undersell American cotton in the great foreign markets.

Remember that something like two-thirds of our cotton has been normally exported to other countries. Already our exports have decreased very materially, and foreign production is increasing by leaps and bounds. Thus we are threatened with the loss of a tremendously important part of our export trade. I am wondering how long the South will continue to dig its own grave by supporting this scarcity-of-cotton program. The Secretary of State may work for years and years at his task of increasing our foreign trade, but he can never expand it sufficiently to make up for the staggering loss we shall suffer if our cotton no longer goes abroad. A curiously interesting announcement appeared in the papers day before yesterday. It comes from the headquarters of N. R. A., and it is directed to the cotton-textile industry. The announcement is to the effect that, due to the inability of the mills to sell their fabrics to the consumer, these same mills may reduce their production by 25 percent, which means, of course, that they must reduce the working hours of their employees proportionately. N. R. A. explains that this discouraging state of affairs is due to the processing tax imposed upon all cotton textiles by "triple A" and by the program of the Government in making cotton scarce and high in price.

NEW DEAL VERSUS NEW DEAL

Thus we see one great arm of the new deal tugging and pulling against another great arm of the new deal. Is it any wonder that people ask, "Where are we going?" Referring more specifically to N. R. A. we have a most extraordinary and unheard of situation. When the Congress passed that act in the spring of 1933 it turned over to the President the power to proclaim so-called "codes of fair competition" to be imposed upon any industries. When a code is finally prepared it is submitted to the President. He may change it if he pleases; he may reject it entirely; or he may write a new one himself and impose it upon the industry involved. Whichever way it happens, the code, when once proclaimed by the President, assumes automatically the force of Federal law. Those who disobey its provisions may be prosecuted in Federal courts as under a criminal statute.

In other words, the Congress, charged under the Constitution with the duty of making the laws for the Nation, has presumed to turn this function over to the Chief Executive, and has actually authorized him to make law by proclamation. Would anyone have guessed 3 years ago that such a state of affairs could exist in America? To be sure, N. R. A. expires by its own limitations on June 16 next, but it will be noted that the President is urging the Congress to continue it. Legislation to continue it in effect is now pending in the Congress, and if the administration has its way it will go through, with the result that for another period of time we shall have a single lawmaker presiding over industry, unless, indeed, the courts hold, as some of them are beginning to hold, that the Congress has no right under the Constitution to delegate its law-making power.

THE IMPERIAL GOVERNMENT OBJECTIVE

I say this is an extraordinary situation, but we must remember that this administration has an extraordinary objective in view, namely, the complete transforming of the Government of the United States—a transformation which will involve whittling away of the powers of the States, the building up of a gigantic imperial government clothed with power to regulate the life of the citizen as he attempts to earn his bread. This is "planned economy." To hasten the program we find the Government going into the business of generating and distributing electricity in direct competition with its own citizens. We find the whole utilities industry under attack by the agents of the Government, who have ready access to the press and the radio for their propaganda. No better example of this attack can be cited than the bill now pending before the Congress which declares specifically in its first section that it is the policy of the Congress to abolish all holding companies in the utilities field. Undoubtedly some holding companies have sinned, but many of them have achieved great things in the way of extending the use of electricity and steadily reducing the rates. To force them to dissolve, or even to put them under a sentence of death to be carried out later on, would strike a calamitous blow at a great industry in which a million people have invested their savings in perfectly good faith. Why not regulate instead of destroy?

Are we traveling in the direction of the nationalization of utilities and the putting into a strait-jacket all forms of business and farming? The steps taken thus far and the steps we are being urged to take are logical steps in that direction. And when we turn to governmental finances we encounter a situation which should cause the gravest concern to every thoughtful person. Instead of balancing the ordinary Budget of the Government, the

Budget submitted to this Congress calls for an expenditure for the coming fiscal year $1,000,000,000 in excess of the amount appropriated by the last Congress for the present fiscal year. This, mind you, is just for the ordinary running expenses of the Government. The famous Economy Act of 1933 has not resulted in the balancing of the ordinary Budget.

And then when we come to the so-called "extraordinary expenditures" which are considered in a separate budget, we find billions of dollars being borrowed and spent and more billions called for. The famous bill putting into the hands of the President the gigantic sum of $4,800,000,000, containing the very mildest of restraints, is now on its way through the Congress. Every cent of it must be borrowed and added to the national debt, already mounting to unheard-of figures. Scarcely any plans for this vast expenditure have been made. It is claimed that 3,500,000 persons will be usefully employed on public works. I fear it is an idle dream. I doubt if any government on earth could invent enough public work to employ any such vast army of people. I have mentioned these things, and could mention others, which account for that almost universal inquiry, "Where are we going?"

WHO PAYS WHAT WE BORROW?

Can we borrow and spend our way out of the depression? And how long can Government go on with these borrowings and these expenditures? Today it is seeking to extend its ability in this respect by taking firmer control of the credit facilities of the Federal Reserve System, in order to compel the assistance of the banks in financing its huge borrowings. Thus the whole credit structure may become subject to political control. Who is to pay for all this? Not this generation. Such a thing is impossible. No; our children and our grandchildren will stagger under a burden of taxes which will make life hard and dreary for them. Is it not time to call a halt? Is it not time for the American people to stop, look, and listen?

If Government is to serve us in these difficult times, should it not save our money to the best of its ability? Should it not abandon these experiments, many of which fly directly in the face of the law of supply and demand—a law which no government on earth has ever succeeded in repealing? Should we not encourage the thrifty rather than the spendthrift? Should we not implant confidence instead of doubt and fear? But, fundamentally and far more important to the generations yet to come, should we not see to it that those great principles of liberty set forth so simply and eloquently in the Constitution are defended against all attacks, planned or unplanned?

TO PREVENT PROFITEERING IN WAR

Mr. ANDREWS of New York. Mr. Speaker, I had very little opportunity yesterday to say anything about this bill, and may I impose upon you for a few moments with some further observations as one of the minority members of the Military Affairs Committee? I will be very brief.

I think it is safe to say, at least from my parliamentary understanding, that on the entire subject of legislating to prevent profiteering in war, the Senate can pass no bill which will impose taxation. Obviously, this bill which the Military Affairs Committee reported unanimously, could not include provisions for taxation. It is safe to say that by far the great majority of those who are opposed to this bill are opposed to it on the ground no opportunity is given Members in opposition to vote for the inclusion of taxes in the McSwain bill.

I may add further that, according to the minutes of the Military Affairs Committee, I am the only member of the committee who reserved the right to oppose this bill on the floor. I want to say to the gentleman from South Carolina [Mr. McSWAIN] that I have no intention of opposing the bill on the floor of the House. I am in accord with the gentleman, and I have great admiration for the remarkable work which he has done in the preparation of the bill. However, I have heard the gentleman from South Carolina [Mr. McSWAIN] state that if this bill is passed, he himself would introduce a companion bill, to be referred to the Ways and Means Committee, which would include provisions for the imposition of excess-profits taxes during war time.

It seems to me there is a way out of the dispute on this measure today. I am going to offer an open proposition on the floor on my own responsibility as one of the minority members of the Military Affairs Committee. It is a dual proposal. First, to those who are opposed to this bill, may I say that if the bill can be read today and no amendments offered—the gentleman from South Carolina [Mr. McSWAIN] agreeing, because I have no desire to go against his wishes—I will be very glad to offer a motion to recommit the bill to the Committee on Ways and Means with instruction to add to its provisions a new paragraph to include the imposition of excess-profits taxes during a period of war.

Mr. LEE of Oklahoma. Will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Oklahoma.

Mr. LEE of Oklahoma. Has the gentleman any proof that a bill will be reported out for the House to act on?

Mr. ANDREWS of New York. I have no proof of that. I am merely making the statement on my own initiative as a member of the Military Affairs Committee, provided those who are in opposition to the bill will agree to consider the bill as having been read today without amendments, the gentleman from South Carolina [Mr. McSWAIN] agreeing, I will offer a motion to recommit the bill to the Ways and Means Committee. This leaves a way out. It means that we could get a bill back here for consideration, if the Ways and Means Committee sees fit, which will go to the Senate, and we can get something which will be whole hog without going just half way.

Mr. McCORMACK. Will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I call the gentleman's attention to the fact that the Ways and Means Committee has occupied several weeks in the consideration of the social securities bill? We also have the N. R. A. and other important legislation. I am for this bill, and my own suggestion would be to let the bill go along and then allow the Ways and Means Committee to act independently. I would think that would be the most effective course.

Mr. COCHRAN. Will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Missouri.

Mr. COCHRAN. Does not the gentleman think that his motion to recommit would be subject to a point of order?

Mr. ANDREWS of New York. It would be.

Mr. COCHRAN. I would suggest that the gentleman appeal to the Members of the House not to make a point of order against his amendments or motion to recommit. I should like to see the bill amended as the gentleman suggests. If it is a good amendment for the future, it should be good now.

Mr. ANDREWS of New York. I am not going to offer the motion to recommit unless the bill is read today and no amendments are offered to the bill, and also the gentleman from South Carolina will agree that this is a fair proposition. This will protect our committee's bill and still give to those who wish to amend the bill that opportunity when it comes back to the floor of the House for further consideration.

Mr. CONNERY. Will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Massachusetts.

Mr. CONNERY. Suppose the gentleman from South Carolina [Mr. McSWAIN] did agree to that proposition, and suppose the bill passed today without amendment, and we came to the point where the gentleman would offer his motion to recommit to the Ways and Means Committee. There are some of us who want to take care of the labor provisions. Suppose the Ways and Means Committee brought in a bill under a gag rule, where would we be then?

Mr. ANDREWS of New York. I can take no responsibility for what may happen in the future.

Mr. LEE of Oklahoma. I am in sympathy with the gentleman's idea.

[Here the gavel fell.]

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS of New York. Mr. Speaker, I yield my time to the gentleman from South Carolina [Mr. McSWAIN].

Mr. McSWAIN. Mr. Speaker, the gentleman from New York [Mr. ANDREWS] has imposed upon me by this proposal a very serious responsibility. If it could be arranged by unanimous consent, because it would have to be by unanimous consent, that the Members waived their right to offer amendments to this bill, if it could then be brought back, and those

Members would then have the privilege to offer the amendments that they are conscientious about offering, of course, I would be agreeable to that proposal. But, Mr. Speaker, for me to take the responsibility of assuring a course of conduct for the future is too great. May I say if my distinguished colleague, the gentleman from New York, who makes the proposal, will share that responsibility with me in the House, I am perfectly willing to go along with the arrangement.

SOCIAL SECURITY

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes. And that any Member desiring to file individual or minority views may have the same time within which to file the same.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TO PREVENT PROFITEERING IN WAR

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

Mr. FADDIS. Mr. Speaker, reserving the right to object, I think we ought to settle the matter as to what we are going to do with this bill. The members of the committee may have something to say on that proposition.

Mr. McFARLANE. Also the Members of the House.

Mr. FADDIS. Mr. Speaker, I will not object to the gentleman speaking for 2 minutes, but I shall object to any further requests.

Mr. LEE of Oklahoma. Mr. Speaker, the members of the Ways and Means Committee have worked almost day and night since this session began. They have heavy legislation in front of them. If we are going to get a chance to act on this piece of legislation this year, my guess is we had better act on it now. With all respect to the members of the Ways and Means Committee, if we put this extra load on them and expect them to report the measure out, I doubt if we get it out this year.

I believe we should go ahead and try to amend this bill and report it and then allow a tax bill to come from the Ways and Means Committee.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. LEE of Oklahoma. Yes.

Mr. MARCANTONIO. Any amendment that the gentleman adds to this bill at this time would not remove the objections that we are urging against this bill. We are interested in getting a tax feature in this bill, and such a tax feature is more important than any amendment that any gentleman can propose. We cannot add a tax on profits here because of our rules.

Mr. LEE of Oklahoma. I think so, too.

Mr. MARCANTONIO. I think the proposition made by the gentleman from New York [Mr. ANDREWS] should be agreed to.

Mr. LEE of Oklahoma. I must refuse to yield further.

I contend that a bill with a tax in it can come out and be a sister bill to this measure and can go through in the usual way.

Mr. MAVERICK. I am afraid "sister" is never coming. That is the trouble.

Mr. LEE of Oklahoma. Then we would not have either.

[Here the gavel fell.]

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent that the bill H. R. 5529, be considered as having been read for amendment.

Mr. McFARLANE. Reserving the right to object, and the bill be printed in the RECORD as it now exists.

Mr. ANDREWS of New York. And that the bill be printed in the RECORD.

Mr. BOILEAU. Mr. Speaker, I would like to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. In the event the reading of this bill is dispensed with and in the event that permission should be obtained to have the bill committed to the Ways and Means Committee for the purpose of writing real tax provisions in the bill, when the bill then came back, would the provisions of the present McSwain bill again be read and be subject to amendment, or if we dispensed with the reading of the bill today, would that close all opportunity for amending its provisions?

The SPEAKER. Of course, if it were reported by the committee to which it was recommitted, it would be subject to amendment.

Mr. BOILEAU. The point I want to be certain about, Mr. Speaker, is this: In view of the fact that the Ways and Means Committee would have jurisdiction only of that phase of the bill that dealt with taxation, and the Military Affairs Committee has jurisdiction of the provisions that are now in the bill, if we were to permit the reading of the bill to be dispensed with today without offering these particular amendments, I want to be sure that we would not be deprived of the opportunity later on of amending the provisions of the present bill. This matter has never been considered since I have been a Member of the House and I am not familiar with the precedents and the rules in this respect and I wish to be sure we are not foreclosed from the right to offer amendments to the bill.

The SPEAKER. If the bill is recommitted, when reported back by the committee it would be taken up under the general rules of the House, subject, of course, to amendment and to such consideration as the House may care to give it.

Mr. BOILEAU. And all sections of the bill would then be read?

The SPEAKER. The Chair thinks so.

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from New York [Mr. ANDREWS] if his unanimous-consent request is made in contemplation of the fact that the motion to recommit will be agreed to?

Mr. ANDREWS of New York. If this unanimous-consent request is granted, I shall offer a motion to recommit the bill to the Ways and Means Committee with instructions.

Mr. McSWAIN. That will bind everybody, because the chairman is present.

Mr. HILL of Alabama. Reserving the right to object, what are the instructions?

Mr. ANDREWS of New York. The motion, as I have written it, would be to recommit H. R. 5529 to the Committee on Ways and Means with instructions to add to its provisions a new paragraph to include the imposition of excess-profits taxes during the period of war.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I am going to object to any committal of this bill to the Ways and Means Committee, limiting that committee. If an agreement exists to send it to the Ways and Means Committee the committee should take complete jurisdiction. I am going to object to any committal to the Ways and Means Committee of a bill coming from another committee, a rare procedure, if ever adopted before, if the committee is limited in what we may do or what we may report from the committee.

Mr. O'MALLEY. This is not coming from another committee, but from the House to the Ways and Means Committee.

Mr. McCORMACK. If I am sitting on the committee and the bill is referred to it, the committee should not be limited in reporting it to the House. You can recommit it to the Committee on Military Affairs with instructions to report it back forthwith, which is a different proposition; but I am going to object to it being committed to the Ways and Means Committee unless it is referred to the committee in the usual way. You may use the word "recommit", but it is tantamount to a reference for all purposes, including the

tax angle. There are certain features of this bill I am opposed to. I am in favor of the purpose of the bill, but I am opposed to that part which permits Congress to declare, prior to a declaration of war, that an emergency exists, which would be tantamount to an actual declaration of war.

Mr. O'MALLEY. I agree with the gentleman.

Mr. ANDREWS of New York. If the gentleman from Massachusetts will permit, as a member of the Ways and Means Committee, he would have ample opportunity to offer any amendment to the provisions of the bill from the Military Affairs Committee when the bill comes back to the House. The provisions of the McSwain bill are purely within the province and jurisdiction of the Military Affairs Committee and not the Ways and Means Committee.

Mr. McCORMACK. If my friend has an agreement I am not going to interfere with it. However, I am prepared to vote for this bill, I am prepared to support the committee, and I shall offer some amendments and support certain other amendments if they are offered today; and yet if there is an agreement between the members of the committee, I am not going to interfere with it; but if you are going to send it to the Ways and Means Committee, I shall object to sending it to the Ways and Means Committee with instructions. If you simply want to commit it to the Ways and Means Committee, that is all right.

Mr. HILL of Alabama. Mr. Speaker, if the gentleman will permit, I think I understand his position. It is my understanding the committee will offer an amendment to take out the provision with reference to an emergency due to the imminence of war.

Mr. DOUGHTON. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. DOUGHTON. I came into the Hall while this matter was under discussion. I do not understand its purport or purpose. Unless there is a full explanation of what is intended, I shall object. I understand a motion has been made to refer the bill to the Ways and Means Committee with instructions, and I thank the gentleman from Massachusetts for interposing an objection, and unless there is full explanation I shall be impelled to object.

Mr. McCORMACK. Apparently there is some kind of an understanding—or that is the inference I have drawn.

Mr. McSWAIN. The only understanding is what has been arrived at openly on the floor. There is nothing behind it.

Mr. McCORMACK. I am not impugning the motives of gentlemen, but I thought there was some kind of a tentative understanding that the bill be submitted to the Ways and Means Committee with instructions to incorporate a tax feature. I shall not object if they want to send the bill to the committee without instructions.

Mr. DOUGHTON. I would like to understand whether any member of the Ways and Means Committee has been authorized to make an agreement. [Cries of "Regular order!" "Regular order!"]

Mr. SHORT. Mr. Speaker, I object.

Mr. McSWAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5529) to prevent profiteering in time of war, and to equalize the burdens of war, and thus provide for the national defense and promote peace.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday the first section of the bill had been read and it is now open to amendment.

Mr. SHORT. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 1, lines 3 and 4, after the word "war", strike out the words "or the existence of an emergency due to the imminence of war."

Mr. SHORT. Mr. Chairman, I think the amendment I have offered is acceptable to the committee. It will remove the most objectionable feature of the bill, which was pointed out by the gentleman from Illinois [Mr. DIRKSEN] and the gentleman from Massachusetts [Mr. McCORMACK].

I might say for the benefit of the members of the committee that there are several similar provisions, containing similar language, which will be eliminated later, and which will make it certain that these extraordinary powers granted to the President shall be exercised only when a state of war actually exists.

Mr. McSWAIN. Mr. Chairman, I rise in opposition to the amendment merely to take time not to oppose the proposed amendment upon its merits but to say to the Committee of the Whole that what we have just witnessed illustrates to the Committee just what we were trying to impress upon it yesterday, that committees are properly jealous of their jurisdiction, just as our committee is jealous of its jurisdiction when it was proposed by one of our colleagues yesterday that we consent to commit this bill to the Committee on Ways and Means. We did agree to submit it to the Committee on Ways and Means with instructions, and yet we find this difficulty in our way. It will be seen, therefore, that this committee, when it reported this bill without a tax provision, was respecting, as was its duty, the jurisdiction of the Ways and Means Committee. We respect their attitude today, because they could not in such a brief space of time understand fully all of the situations and implications involved, and, therefore, they have protected themselves and their jurisdiction in this way.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word. In support of the amendment offered by the gentleman from Missouri [Mr. SHORT] I hope the committee will adopt it. Unless that language is stricken out, if the Congress of the United States were to declare an emergency to exist where war was imminent, for all practical purposes that is a declaration of war, and would be so considered by some other nation, and in fact by all other nations of the world.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. TABER. The effect of that language would be, if we were to declare such an emergency, that the nation against whom it was directed would commence hostilities immediately.

Mr. McCORMACK. There is no question about that. It would also interfere with other nations who might be exercising their good offices to avoid a conflict. Also, it might be used for internal purposes, because in time of war we must have what amounts to a unanimous opinion on the part of the people of the country to obtain success for all purposes of dictatorship. We do not want any twilight zone between the conditions of peace time and war time. With the actual declaration of war, then our state of mind changes, and we realize that the conditions confronting the country are entirely different than in times of peace. This amendment would eliminate that twilight zone, and at the same time would prevent, prior to the actual declaration of war—the time when we are actually compelled to declare war—the Congress taking a position which, for all practical purposes, constitutes a declaration of war. I might also say that I have no objection to the bill being referred to the Committee on Ways and Means. I will not interfere with any agreement or understanding that exists. However, if it is committed to the Ways and Means Committee, I feel that that committee should have all of the powers of original jurisdiction. Furthermore, I cannot see any reason for this going to another committee. The Committee on Military Affairs has done a remarkable job and has worked on this for weeks and weeks. I can see no reason why we should not pass this bill. Let us pass this bill now, and, as a member of the Committee on Ways and Means, I shall urge as early consideration as possible of such tax legislation as will supplement this legislation. For years and years we have been trying to get through legislation of this character. Let those who oppose it because it is not drastic enough realize that if you do not get this bill through you are liable to get nothing. This is the starting point. Other legisla-

tion will have to follow. I favor drastic legislation. We should have had proper legislation years ago, and unless we get this bill through now the probability of its passage may be remote this year. This is simply my personal opinion, although I hope otherwise.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. O'MALLEY. What does the gentleman think of the real value of the conscription clause of the bill? That has nothing to do with profiteering. Does not the gentleman think that no conscription clause should be in the bill? What is the value of that, if this is a bill to take the profits out of war?

Mr. McCORMACK. This bill, as I understand it, is not one to take the profits out of war. It is my understanding it is more of a regulatory nature. The tax legislation to follow will carry out the purpose of the bill to make this completely operative along the lines desired for taking the profits out of war.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. McSWAIN. I thank the distinguished gentleman from Massachusetts, a member of the Ways and Means Committee, for his assurance that he will assist us in getting a bill from his committee. We know he will and we think every member of his committee will. I have already begun preparation of a bill to be introduced, and as soon as it is in shape it will be in the hopper and before the gentleman's committee.

Mr. McCORMACK. I am glad to hear what my friend states.

Mr. CONNERY. With reference to the question of the gentleman from Wisconsin [Mr. O'MALLEY] about conscription, the gentleman referred to conscription as meant for the Army, did he not? It simply means conscription of men for the Army. The brother of the gentleman from Massachusetts had to serve in the front-line trenches during the World War while somebody else stayed at home.

Mr. McCORMACK. This bill recognizes the fact that in time of war it is the patriotic duty of everyone to respond to the common purpose, in order that we may obtain the common objective of victory and success.

I believe that profits should be taken out of war. I believe, however, it can be more effectively done and will be done through tax legislation supplementing this bill. I hope this bill will pass, as it is the opening step, which might delay any kind of action this year.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. CONNERY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am in favor of the amendment offered by the gentleman from Missouri. I want to take time to say that at the end of the bill, after line 16, on page 4, I will offer the following amendment:

SEC. 8. Nothing in this act shall be construed to authorize the conscription of any individual for any purpose other than as a member of the military or naval forces of the United States, nor shall any member of the enlisted personnel of such military or naval forces be required to perform any industrial, agricultural, or commercial activity not directly connected with military or naval operations.

Mr. LEE of Oklahoma. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LEE of Oklahoma. The gentleman, then, would object to the conscription of the management of industry?

Mr. CONNERY. No, no.

Mr. LEE of Oklahoma. That is the way the amendment reads.

Mr. CONNERY. No. This provides that you cannot put a man in the Army and then say, "Go back to your mill or your workshop and work for a dollar a day."

Mr. LEE of Oklahoma. But the gentleman says they cannot conscript them except for naval or military purposes?

Mr. CONNERY. Yes; that is true.

Mr. LEE of Oklahoma. Then, they could not conscript a man at the head of a mill?

Mr. CONNERY. Yes; that is true. They could conscript him for military service, but not conscript him in industry.

Mr. LEE of Oklahoma. Then, I shall oppose the amendment, because we must conscript the management of industry.

Mr. CONNERY. I want to protect labor.

Mr. LEE of Oklahoma. That is all right. So do I.

Mr. CONNERY. Labor will not be protected unless some such amendment is adopted.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. FITZPATRICK. Could you not conscript the head of a firm to go into the Army?

Mr. CONNERY. Yes.

Mr. LEE of Oklahoma. Will the gentleman yield further?

Mr. CONNERY. I yield.

Mr. LEE of Oklahoma. I hope the gentleman will change that so that I can support his amendment. I favor the gentleman's idea, but I want it left so that the Government can say to the head of a factory, "The Government will take this factory over and you will be the man in charge of it; the commanding general of it."

Mr. CONNERY. That is the intention of the bill now.

Mr. LEE of Oklahoma. In such a way that it cannot be found.

Mr. CONNERY. It is in section 4.

Mr. LEE of Oklahoma. Then the gentleman's amendment conflicts with it.

Mr. CONNERY. No; I do not think so. Section 4 takes care of this by licensing.

Mr. SISSON. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. SISSON. Does not the gentleman realize that it will be impossible so to amend this section as to still render it beyond power to conscript labor, put labor into the Army, and use labor to break a strike?

Mr. CONNERY. There are other amendments which I intend to offer to cover that situation.

Mr. SISSON. And does not the gentleman know that that proposition under a law almost exactly the same as this was done in France in 1924?

Mr. CONNERY. Not in the United States.

Mr. SISSON. The railroad employees were called to the colors and then put in charge of running the railroads.

Mr. CONNERY. That is why I have offered this amendment, so that that cannot be done in the United States.

Mr. COCHRAN. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. COCHRAN. The gentleman's amendment seeks to take care of a case of this character: A man is conscripted. It happens that this particular man is an expert in the manufacture of munitions; the Government takes that man, who is a member of the military forces, out of the line and assigns him to duty in a factory as an inspector. Is that what the gentleman is trying to prevent?

Mr. CONNERY. No. I am trying to prevent them from taking the employees of a whole shoe factory or a mill and saying, "You are in the Army now and you will get a dollar a day."

Mr. COCHRAN. I cannot conceive that anyone wants to do that.

Mr. CONNERY. Oh, they do a great many things in time of war.

Mr. KENNEY. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. KENNEY. If the gentleman's amendment is carried, as I understand the real purport of it, we will be legislating for a lottery with human lives?

Mr. CONNERY. I do not understand the gentleman.

Mr. KENNEY. I mean that by having troops raised by draft, we raise our armies by lottery. The names are put in a capsule and drawn out. Some have to go to war and the others stay home.

Mr. CONNERY. All right. But that is far more preferable than the volunteer system, which, as I said a moment ago, put Mr. McCORMACK's brother, who volunteered, as did all the men in our regiment, in the trenches with me and then left others at home who did not want to go at all.

Mr. KENNEY. Does not the gentleman first think we ought to have a national lottery to raise money to pay for the last war? [Laughter.]

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONNERY] has expired. All time on the pending amendment has expired.

Mr. LEE of Oklahoma. Mr. Chairman, I rise in support of the amendment.

Mr. FADDIS. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. Does the gentleman from Massachusetts [Mr. McCORMACK] withdraw his pro forma amendment?

Mr. McCORMACK. I withdraw the pro forma amendment.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. FADDIS], a member of the committee, is recognized for 5 minutes.

Mr. FADDIS. Mr. Chairman, in the debate yesterday on one side or the other of this legislation a very important point, to my mind, was overlooked. That point is the effect upon the Nation of the ceiling of prices which it is proposed to establish. There has been a great deal said upon the proposition of taxing profits, but I simply want to explain to the members of the committee one of the things that we in the Committee on Military Affairs considered very carefully; that is, the establishment of this ceiling of prices. The reason we believed the argument on this ceiling of prices was so important was because we believed it would prevent the disastrous aftermath that follows all wars, because of the inflation of credit, inflation of currency, because of the enormous rise in prices that is inevitable during war.

Therefore, after much consideration and after listening to much testimony upon this subject, we decided that the establishment of the ceiling of prices was highly important because by it we believed we could prevent the disastrous aftermath which has followed every war in which this Nation has engaged. If we freeze these prices, the currency, the credit, and everything necessary along that line will be established and will not need to be expanded. Therefore, after the period of emergency has passed, we shall not have to go through a period of readjustment.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. COCHRAN. That is price fixing, is it not?

Mr. FADDIS. Yes.

Mr. COCHRAN. Does the gentleman know there is a suit pending right now growing out of the last war, a suit brought by the Aluminum Co. of America, in which they contend the Government had no right to fix the price of aluminum? Does not the gentleman think it would be well if we had a constitutional amendment giving Congress the power to take the profits out of war by limiting profits by fixing prices?

Mr. FADDIS. I believe the gentleman is right in that respect, but there is nothing in the bill to prevent a constitutional amendment along the lines the gentleman suggests.

Mr. LEE of Oklahoma. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am going to offer an amendment soon to raise the pay of the soldier so it is equivalent to that of unskilled labor. The gentleman who just spoke in behalf of labor said he did not introduce an amendment to prevent the conscription of labor on the ground that it was not right to force labor to serve at $1 a day. My amendment will insure all drafted men being paid more than $1 a day. I hope the gentleman will change his amendment so that I can support it, change it so it will not prevent the conscription of the industrial, commercial, and transportation leaders of this country.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. CONNERY. It is not the purpose of my amendment that the Government shall say to the man who runs a plant, "We are going to draft your plant, your business, but we are not going to draft labor." I do not think that is fair. That man has got to go into the armed forces when called, he can be drafted as a soldier, under my amendment, yes, but not his establishment.

Mr. LEE of Oklahoma. If the gentleman's amendment reads that way and will be so interpreted, I will support it. I hope we can put some effective amendments in this bill. I have the greatest respect for this committee. For days and months they have been sweating and toiling, and they have submitted printed hearings so voluminous that it would put anybody's eyes out to read them. For over 16 years the chairman of this committee has been working on this problem, and I do not want to see his work fall short, but I am afraid the bill will fall short if it is not amended in certain particulars.

As to referring the bill back to the Committee on Ways and Means, I suggested that they are overworked already. We should not refer this bill to that committee, for they have said they would not take instructions from this committee. If you do refer it to that committee without instructions, it will not come out during this session of Congress.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. McFARLANE. It is not for the Ways and Means Committee to tell the House whether or not they will do certain things. This bill has been brought on the floor and can be amended any way the House sees fit. If the House should choose to refer this measure to the Ways and Means Committee and order them to report it back with the tax measure, it is not for them to say they will not take instructions from this House.

Mr. DIES. Mr. Speaker, will not the gentleman describe his amendment?

Mr. LEE of Oklahoma. Yes; but I want to say first that the mere fact that this bill may pass is no reason why we should not pass another bill with taxation features coming from the Ways and Means Committee.

My second amendment is one that would give to the President power to close the stock and commodity exchanges as a means of curbing speculation, thereby holding down prices.

My third amendment is one that provides for a blanket draft of all management of industry, commerce, and transportation. I think it is necessary in time of war to give full power to the Government over the management of all industry, commerce, and transportation.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. MONAGHAN. If the gentleman's amendment would send them to the front line trenches, I would vote for it.

Mr. LEE of Oklahoma. It would if they did not carry on where they were.

Another amendment would change the bill from a wartime licensing of business to an immediate licensing of all munitions industries in order that the Government may control the munitions makers in peace time to prevent them from putting out propaganda that leads to war. There should be an effective embargo on arms. I think that should be provided for immediately, so the Government could control the activities of the munitions makers, who, at the present time, can generate a war and manufacture munitions for both sides. They evaded the embargo of the President by selling munitions to third parties who resell them to the countries in South America who are at war.

My sixth amendment provides for the establishment of a war industries board in peace time so they can have a planned program and keep up to date on the program and keep up to date on the civilian, industrial, and military needs in case of war.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

Mr. SISSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in common with a number of other Members of this House who have spoken on this bill, I am heart and soul in favor of the purposes which the bill declares it is designed to accomplish, but I do not believe it will accomplish any of those purposes.

I have great respect for the Chairman of the Committee on Military Affairs [Mr. McSWAIN], an honest gentleman and one of the ablest and most useful Members of this House; but in this bill he and his committee, in attempting to prevent profiteering in time of war, or even to limit the profits of war profiteers by the methods—or lack of them—set forth in this bill, are attempting something as impossible of accomplishment as it would be for a man to try to pull himself up into the air by his own bootstraps.

Not only is the bill useless, but if enacted into law it would be a potent means of helping to promote and bring on war, and it would, in the event of war, be a serious handicap to our Government.

I have read the hearings of the committee on this bill, and I tell you that it is a significant thing that none of the armament makers, steel manufacturers, or the munition makers, or their representatives, appeared at any time in opposition to this bill.

My good friend from Kentucky [Mr. MAY] said, in substance in debate yesterday, that this bill would serve notice upon Mr. Schwab and Mr. Grace and men like them that in future wars their profits would be cut down to the bone.

I do not think they are much disturbed about this bill. They are in favor of it because it will guarantee their profits. They are laughing now about this bill. They were not here opposing it. But in 1933, when we were trying to pass the arms embargo in this House, they were here—the Remingtons and the Colts, the manufacturers of steel, and all the rest who are continually trying to incite war and the rumors of war and who profit by the blood of our sons and the impoverishment of millions of our people. They were here then opposing the arms-embargo bill. And they were here last year, in 1934, when you passed the so-called "naval parity bill", and they were trying to insure the passage of that bill because it meant putting millions and millions into their pockets. And William B. Shearer, the paid provocator—the hireling of the munition makers and the armament makers—was here last year when we were passing the naval-parity bill; the man who came back and sued some of these same munition makers and armament makers for his services at the 1927 Disarmament Conference in trying to break up and prevent any agreement between the nations for the reduction of armament. No; none of these appeared here this year against this bill. They know it will not harm them; they know it will help them.

My good friend from Texas, Mr. THOMASON, another member of the Military Affairs Committee, said, in substance, in debate on Wednesday that, as he recalled, no one appeared who did not approve of the principle of this bill. He forgot that among others who appeared before his committee against this bill there was a noble, courageous woman, the Honorable Jeannette Rankin, a former Member of this House, who at the expense of such ridicule and abuse and persecution as few women, or men either, have the moral strength to endure, voted in 1917 in this House against the declaration of war. I am glad to see that there is at least one man who is still a Member of this House—there may be others—my good friend, Mr. LUNDEEN, still in the House, I am glad to say, who voted against the declaration of war in 1917. I cite this also to show how easy it is to be carried away by mental hysteria in time of war or in the imminence of approaching war, because that scanty number of men and one woman who had the courage to vote against the declaration of war in 1917 were placed, as it were, upon a roll of dishonor then. Thank God, a roll of honor now.

If I had been in this Congress in 1917 I should unquestionably have voted for the declaration of war because I was carried away by that same hysteria which propagandists like Hearst and the paid agents of the profiteers inject into us in order to get us to vote $900,000,000 in a single year, as we are doing this year, in preparation for war. But I would not do it now. I have learned that it is a contest in which no country can win, a game to make a few rich and millions poor. But it will never be necessary for any Member of this House to vote for a declaration of war unless we continue in this mad armament race which we are now urging on and unless we pass measures like this which are only provocative of war.

In reading the committee hearings on this bill I noted that someone asked Miss Rankin and someone else, "Who won the World War, anyway?" implying, I suppose, that we and the Allies won it, and she very aptly replied, "Who won the San Francisco earthquake?" If that question did not involve such tragic thoughts and memories it would be comic enough to ask the end man at a minstrel show, "Who did win the World War, anyway, Brother Bones?" Why, the war profiteers are the only ones who won the World War, because they added to their swollen fortunes; they increased the wealth and power of a few men at the cost of millions of heartaches and a hell of suffering beyond the power of my tongue to describe.

I wish I had the time to analyze this bill, dissect it, and use facts, figures, and arguments to tell you what it is, but in the space of time under the control of time as it is I could not get time to do it. I can only strike a blow at it where I would like to destroy it.

I thought at first glance at this bill that it was a harmless bill, an innocuous bill, as harmless as a dove. It seemed to me at first only like the resolution of a high-school debating society; but upon examination I find that it is a vicious bill, a dangerous bill. Clothed with a fair exterior, it is, underneath, a sepulcher of hypocrisy and iniquity. It is merely another of the means of preparing for war instead of securing peace.

The Nye committee has spent several months in investigating the munitions makers and the causes of war. They have prepared a bill to help remove the causes of war. That bill, as one of its vital provisions, confers the power to tax the excess profits of war profiteers out of existence. That bill is already encountering the active opposition of those who profit by war. The Nye bill should be passed. This bill will hinder its passage.

The high-sounding purposes declared in this bill as a declaration of policy—as they have been termed—will have some hope of accomplishment by the passage of the Nye bill.

The Nye committee is opposed to the passage of this bill.

This bill is bad because it provides that whenever Congress shall either declare war or the existence of an emergency due to the imminence of war, such a declaration, namely, of an emergency due to the imminence of war, would in itself be one of the most potent means of bringing on a war. It is bad because it guarantees profits through its price-fixing provisions. It is bad because the length of time that would be required for the President to determine at what level or ceiling, or whatever other delightfully vague term may be used, prices shall be frozen, the profiteering would have gone on; and even then the prices must necessarily be fixed so as to furnish some profit, as has been so ably pointed out. That would mean a multiplying of profits many times over due to the increased demand not merely of so-called "war munitions" but of all commodities—food and other commodities—in time of war.

And let me say this to those of you who believe that until we tax all of the war profits out of existence we have no right to conscript labor, that this bill cannot be so amended as not directly or indirectly to confer the power to conscript labor unless you take section 3 out of the bill entirely.

I noticed some vagueness and hesitation when the committee was asked the meaning of the term "unorganized militia", and I looked it up in section I of the National Defense Act, where it is defined. It is not limited to those capable of bearing arms. It consists of all able-bodied male citizens of the United States and all other able-bodied males who have, or shall have, declared their intention to become citizens of the United States between the ages of 18 years and 45. The bill limits it to the years between 21 and 31.

And even if you insert the word "military" before the word "service", you cannot cure it. Let me point out to you that in the French railway strike in 1924 the strike was broken because France had a law somewhat similar to this, and they conscripted all of the railroad workers into the army, and then put the army in charge of running the railroads.

Since under this rule we cannot so amend this bill as to tax war profits, let us not make the serious mistake of guaranteeing and freezing war profits.

There is no way to cure the defects in this bill and leave anything that would be one particle of use to us, either to secure peace, to prevent war, to equalize the burdens of war, or to increase our efficiency in time of war. The only way to cure this bill is to defeat it.

Mr. McFARLANE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we had quite a colloquy here awhile ago about trying to make a good bill out of this measure by trying to get an agreement to send this bill to the Ways and Means Committee, so that this committee that has exclusive jurisdiction of all tax matters could attach to it certain tax amendments, but no agreement was reached. I am not critical, and I am sure the others who oppose this bill are not critical, of the limited jurisdiction of the committee that brought out this legislation; however, it is unfortunate that some one particular committee does not have sufficient jurisdiction to handle the different phases of the subject matter of taking the profits out of war. We could have cured that situation had we had a rule submitted which would have given authority to consider tax amendments. This was not done for reasons stated here yesterday and today.

Since the rule has been adopted, as I understand the parliamentary situation now existing, the only way by which we can consider tax amendments in connection with this piece of legislation at this time, that will make this measure the kind of a bill it ought to be, is after we have considered the bill and the various amendments to move to commit the bill to the Ways and Means Committee, which does have the authority to place in this measure the necessary tax provisions. We can perfect this bill with the other different amendments that may be offered during its course through the House.

Mr. McCORMACK. May I say to the gentleman that I have no objection to that feature. I do not want the gentleman to get a misunderstanding as to my position. I have no objection to this bill being submitted or referred to the Ways and Means Committee. My objection was to the "with instructions."

Mr. McFARLANE. May I say to the gentleman, as I understand it from the parliamentarian, it is impossible for the House under the rules to refer a bill to the Ways and Means Committee with instructions to report back a tax measure; but we can refer the bill to the committee and have that committee give it the consideration that the bill ought to have. If that committee does not bring it back here for consideration, then we can take such steps as we deem necessary to bring the legislation before the House.

Mr. McCORMACK. That was not the unanimous-consent request.

Mr. McFARLANE. I am not critical of the gentleman. I am trying to put before the House the parliamentary situation as clearly as I can showing how we can at this time in connection with this bill get proper legislation before the House without considering the matter piecemeal.

Here is what I am fearful of and others are fearful of: If we pass this measure without any tax provision and without amendments that will make it really an effective bill, because this measure just guarantees profits, and that is all it does; and there is no use beating the devil around the bush about it. It conscripts labor, but it does not conscript capital, as it is written; but, of course, those provisions will be amended. It conscripts the man and makes cannon fodder of him, but it does not affect, except in a limited way, any profits. So let us not send a bill over to the Senate that the Senate cannot place tax amendments on or that they cannot place amendments on that are not germane to the subject matter as it comes from the House. Let us amend this bill and do a complete job of it at one time while this subject is before the House so that when we send the bill to the Senate the Senate will have a bill to work on and one that they can amend by placing proper amendments in the bill should they decide our amendments inadequate. If the House will commit this bill to Ways and Means so that we can add the tax provisions we can in conference take care of this whole situation in one piece of legislation and not do it piecemeal.

What I am afraid of if we now pass this bill is that we will not be able to later get a tax bill out of the Ways and Means Committee, and that is why I think we ought to follow the course that has been suggested. [Applause.]

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: On page 1, line 8, after the word "article", strike out the words "or thing."

Mr. CONNERY. Mr. Chairman, this may seem a small amendment, but nevertheless, in consulting with the legislative counsel, he said there was a great possibility that the word "thing", in the hysteria of war, could easily be considered to mean labor, and I want to protect labor where in this bill it provides that it "shall be unlawful for any person to buy, sell, or otherwise contract for any article or thing." In other words, if they were contracting for their labor and this word "thing" were in the bill and was considered to include labor—which we refuse to concede because we say labor is not a commodity—nevertheless, the whole matter could become so involved that for the safety of labor in this regard I desire to strike out these two words which do not interfere with any other matter in the sentence.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. KOPPLEMANN. I am in agreement with the gentleman about labor being protected, but I rise to ask the gentleman, even with this provision in the bill, will there be any difference, so far as this entire measure is concerned, due to the fact that it is not a bill which will accomplish or do that which it purports to do, namely, take profits out of war and take profits out of preparation for war?

Mr. CONNERY. I am in entire agreement, of course, with respect to taxes and taking the profits out of war. I am the last one who would not want to do that, and I have every good reason. While we were over in France the profiteers were home, making millions. So I do not have to offer any defense on that proposition, but I was afraid to see this bill recommitted to the Ways and Means Committee without labor being protected before it went to the Ways and Means Committee, for fear it might come back with the tax that the gentleman wishes, but with no protection for labor.

Mr. KOPPLEMANN. Does the gentleman then propose that this bill be referred to the Ways and Means Committee so that in this bill we may have the solution of the problem which every one of us desires to settle through this measure?

Mr. CONNERY. So far as I am concerned, if we can go along with this bill and agree upon amendments which will protect labor and then send it to the Ways and Means Committee and that committee takes care of the taxation and brings back the same bill with protection for labor, of course I would favor this.

I think I have explained very clearly to the Committee what I am after with respect to striking out these words "or thing", and I shall not take any further time of the Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 30, noes 57.

Mr. CONNERY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. CONNERY and Mr. MCSWAIN.

The Committee again divided; and the tellers reported that there were—51 ayes, 78 noes.

So the amendment was rejected.

Mr. DONDERO. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 1, line 7, after the word "person", insert a comma and the following: "firm, partnership, or corporation."

Mr. McSWAIN. Mr. Chairman, while I think it is unnecessary, the committee will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was adopted.

Mr. WADSWORTH. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 1, line 8, after the word "thing", at the end of the line, insert "the use or consumption of which is essential in the judgment of the President for the prosecution of the war."

Mr. WADSWORTH. Mr. Chairman, I do not mean to reflect, of course, on the intelligence or motives of any Member of the House; but as I read this first section and endeavor to analyze its implications and ramifications, I am wondering if we are not about as hysterical today as it is charged we were when we entered the war back in 1917.

The bill issues a mandate that a so-called "ceiling of prices" be imposed upon every article or thing produced in the United States. Every article or thing produced in the country is to have a price fixed at the maximum level reflected on a day selected by the President.

Mind you, the President has no discretion except the selection of the day governing the maximum price. I ask you to visualize the effect of any such attempt. It will apply not only to munitions of war, it will apply not only to the shoes the soldier must wear, the clothing, and the food that he must eat. It will apply to pins, dress, lipsticks, all articles of women's clothing, every sort of thing you can think of. It would apply to tens and tens and tens of thousands of different articles which will have nothing to do with the conduct of the war. Under the mandatory statute a ceiling price shall be put upon them all.

Visualize, if you can, the immense problem that is going to follow this mandate.

We are a people of 125,000,000 or more, millions scattered all over a continent, and all of a sudden, by proclamation, it is decreed that no one in the entire country shall sell any article whatsoever at a price higher than existed on a certain date, that date to be selected by the President. It would take the Army you raise to police this job. The danger is that you will clutter up your Government to such an extent with insoluble domestic problems that it will not have a chance to fight the enemy, or will be greatly handicapped in it. When this country gets into war, and none of us wants that, the first thing to be certain of is that it wins the war. Let us not saddle upon the President, the Commander in Chief of the Army and Navy, a task as utterly impossible as this. My amendment proposes simply to apply this section to all those articles which, in the judgment of the President, are necessary for the successful prosecution of the war. Then he can select the articles which fall under the term or title of munitions.

Mr. DINGELL. Will bread come in under that definition?

Mr. WADSWORTH. Certainly. You cannot fight a war without bread, but you can fight a war without silk stockings.

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. LEE of Oklahoma. Why should anybody profit during the war?

Mr. WADSWORTH. I would not say that a person profits by reason of a war or during a war because he makes a profit on selling a pair of silk stockings or an ash tray or a lip stick or any one of the thousands of things that one can think of. What I want to do is to simplify the prosecution of the war at the hands of the Commander in Chief. You are putting on him in this situation a burden which no human being or set of human beings can carry through.

Mr. LEE of Oklahoma. Does not the gentleman think the possibilities of war will be much less if no one could profit during the war?

Mr. WADSWORTH. Possibly.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. McSWAIN. Mr. Chairman, I rise in opposition to the amendment. The distinguished gentleman from New York [Mr. WADSWORTH] has put his finger on the nerve of this proposition, and he has put it just where I submit the profiteers would like to have it, and why? I do not, of course, intend to reflect in any respect upon the distinguished gentleman, but this matter was argued out before the War Policies Commission and this committee. If you do not clamp down a maximum price beyond which prices cannot rise on everything, then all these other commodities which the President may not proclaim as essential to war will begin to rise, and they will be factors in the price of essential commodities themselves, and an effort will then be brought to bear upon the President, through section 2, which gives him the right as it must to raise or lower prices according to the proof that may be made to appear at the time, to raise the price of munitions. The President or his agents will be importuned, and they will be told, "You must raise the price of munitions, you must raise the price of steel, you must raise the price of nitrogen and of shoes and bread and all these things that go into munitions of war, because all these other things down underneath have gone up." For instance, they will say that the girls who work in the factories putting the fuzes on shells are wearing silk stockings, and they must have higher wages with which to pay for them. No, Mr. Chairman, that has been thrashed out to the complete satisfaction of the War Policies Commission. Who made up that War Policies Commission? Four Members of this House, 2 Democrats and 2 Republicans; 4 Members of the Senate, 2 Democrats and 2 Republicans; and 6 members of the President's Cabinet, everyone a Republican. And all of that entire War Policies Commission agreed that the only means of solving this problem was to clamp down this ceiling of prices upon every commodity.

That does not mean there shall be no competition underneath, beneath the ceiling. If anybody can sell pins more cheaply than they were selling at 60 days before we entered the war, if that be the date fixed by the President, let him sell them more cheaply. This does not say that there shall be no competition downward, but it does say there shall be no competition upward. If we should adopt this amendment, we will strike at the vitals of the thing we are seeking here, to prevent the rise of any prices on anything whatsoever, so that there can be no excuse for the President or anybody representing him to raise prices.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. WADSWORTH. I hope that I can express myself in the form of a question, because I know the gentleman's time is limited. The gentleman has stated, has he not, that in his opinion the price of these nonessential goods will rise to unheard-of levels if my amendment should be adopted, and that that price in turn would encourage a price rise in the essential goods? Prices do not rise without demand, and if you restrict the prices of the essential goods you will stop the war profits as such, which cannot thereafter be spent to pay great big prices for nonessential goods. Where can there be any greater demand in time of war for pins than in time of peace?

Mr. McSWAIN. Oh, but silk stockings constituted the gentleman's question. Pins are not a fair test. Yes, the demand will depend upon the ability to buy, and since all the people will be employed making munitions preparing for war, since millions will be going out to fight, and those who labor will be in demand, they will have money to buy luxuries. They will have the result of the wages of everybody with which to buy, and that will raise the price of these nonessential commodities, and the first thing you know they will begin to mount and mount and mount, and we will have just the condition we had the last time. That has been fought over, and we ask you to vote down the amendment.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. McSWAIN] has expired. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The amendment was rejected.

Mr. SAUTHOFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF: Page 1, line 10, after the word "determined" change the period to a comma, and add the following: "except that all agricultural products shall first be guaranteed cost of production to the producer. Such cost of production shall include the cost of seed, labor, depreciation of machinery, and all buildings used in producing such agricultural products, reasonable rental value of the land used in producing the same, pro rata share of taxes, fire and windstorm insurance, and any and all other costs necessary and essential to the production of such agricultural products, plus a reasonable profit."

Mr. HILL of Alabama. Mr. Chairman, I make a point of order against the amendment. The amendment, on the face of it, is not germane to this section nor to the bill. There is nothing in this section about guaranteeing any costs or the fixing of any costs of any product.

The CHAIRMAN. Does the gentleman from Wisconsin [Mr. SAUTHOFF] care to be heard on the point of order?

Mr. SAUTHOFF. I should like to be heard briefly.

The CHAIRMAN. The Chair will hear the gentleman from Wisconsin.

Mr. SAUTHOFF. Mr. Chairman, I believe this amendment is germane to the bill for this reason: The President, as the chairman has said, is authorized and empowered to fix a ceiling, beyond which nothing that is produced shall go in time of war. What my amendment seeks to do, as far as agricultural products are concerned, is to be sure that that ceiling is not fixed below the cost of production, because we all know that in at least the last 5 years the farmer has not been getting the cost of production for his goods. If there should be a date fixed at any time within the last 5 years, then the farmer, as usual, and as during the World War, will once more be getting "gypped." I offered this amendment in the hope that he will be protected.

The CHAIRMAN (Mr. WARREN). This is a bill which seeks to take the profit out of war. There is nothing in it that would guarantee profits. The Chair thinks the amendment is clearly not germane and, therefore, sustains the point of order.

Mr. LEE of Oklahoma. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LEE of Oklahoma: At the end of section 1, page 1, the following subsection shall be inserted, to read as follows: "(b) Beginning from the date of the declaration of war the per diem pay of soldiers shall be a sum equal to the daily wage of unskilled labor as of the date proclaimed by the President for price determination, and the President is hereby authorized and directed to determine and proclaim the amount of that wage."

Mr. HILL of Alabama. Mr. Chairman, I make a point of order against the amendment. It is clearly out of order. There is nothing in the bill about fixing any wage for any soldier or for any other group or for any other class.

Mr. LEE of Oklahoma. I ask the gentleman not to press the point of order, but to hear me on it.

Mr. HILL of Alabama. The gentleman can be heard on the point of order, of course.

The CHAIRMAN. Does the gentleman from Alabama reserve the point of order?

Mr. HILL of Alabama. I will withhold the point of order temporarily.

The CHAIRMAN. The gentleman from Oklahoma [Mr. LEE] is recognized for 5 minutes.

Mr. LEE of Oklahoma. Mr. Chairman, first, I want to say that the very purpose of this bill is to equalize the burdens of war. That is what it says. This would equalize the burdens of war. Then, again, this amendment is based upon the rate of pay of labor, which would be fixed by this section, and I cannot see why it is not in order.

Now, as to the amendment itself, if we had something like this, we would not have an argument 15 years afterward on adjusting the pay of the soldiers. Why is it right for a soldier to go to war for a dollar a day and a chance to die and labor to draw $7 a day at the same time? Taking as an average period of service 16 months, the difference between what a soldier draws and what a worker draws is $2,800. Now, that is a terrible penalty to place on patriotism. Of course, it is said we should be glad to serve because of patriotism. We are guaranteed nice clean wounds and we will be applauded when we march down the streets. Are we to be penalized for being patriotic? If we remained out of the service, we could have earned more in almost any business that we turned our hands to. I see nothing wrong about setting the rate of pay of a soldier at least equivalent to that of unskilled labor. In most businesses the greater the hazard the greater the pay. Here is the most hazardous occupation in the world, with the lowest pay—75 cents a day and a chance to die. You thought we got a dollar a day. We did, but we paid $8.50 a month back to the Government, and out of that fund, $408,000,000, we paid the death claims of our dead buddies. That is the first nucleus that paid the death claims of our dead buddies.

Mr. Chairman, I think this is germane. I think it is in point. It equalizes the burden. You ask the soldier to bear all the physical dangers and at the same time take the greatest economic loss of anyone. Gentlemen, I ask you to support this amendment. I hope the Chair will rule that the amendment is germane, because it is in point on this question. You are fixing the price of everything else. Then why not fix the rate of the soldier's pay at least equal to that of the day laborer?

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. CONNERY. If only it could be declared germane, and I hope it will be, it will be the first break that the man who does the fighting has ever had.

Mr. LEE of Oklahoma. I thank the gentleman; he is right.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. DUNN of Pennsylvania. May I say to the gentleman from Oklahoma that when these men who do the fighting come back incapacitated to the extent they cannot work, the pension paid them by the Federal Government is such a small insignificant amount of money that it does not pay for food and rent, $35 a month, and $50 a month to those who lost their sight; yet these men were willing to go further, even to the extent of sacrificing their lives for their country.

Mr. LEE of Oklahoma. The gentleman is right. I thank the gentleman for his contribution.

[Here the gavel fell.]

Mr. HILL of Alabama. Mr. Chairman, this bill is not the proper bill in which to fix the pay of soldiers. That proposition ought to come up in a separate bill; and, of course, in the event of another war it will come up in a separate bill for general military purposes.

The gentleman proceeds on the theory that because some unskilled labor in this country received $7 a day in the last war that unskilled labor will receive that much if we have another war. The truth is that if this bill we have before

us becomes law and operates as we expect it to operate there will be no such wages paid during the next war. I do not think that here and now in legislation that really does not deal with the subject of pay of soldiers we ought to try to fix the pay of soldiers for the next war if there should be one. The amendment certainly is not germane, and I insist upon the point of order.

The CHAIRMAN. The Chair is ready to rule on the point of order.

Mr. BOILEAU. Mr. Chairman, may I be heard?

Mr. CONNERY. Mr. Chairman, will the Chair hear me on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Wisconsin on the point of order.

Mr. BOILEAU. Mr. Chairman, the gentleman from Alabama stated that this bill does not fix the wages of soldiers during any war that may come in the future and based his point of order on the ground that the amendment was not germane to the bill. As I understand it the gentleman did not make any point of order that the amendment was not germane to the section.

I call the Chair's attention to the language in section 3 of the bill, beginning in line 12, that—

> The President be, and he hereby is, authorized to draft into the service of the United States such members of the unorganized militia between the ages of 21 and 31 as he may deem necessary subject to such conditions, exemptions, rules, and regulations as the President may subscribe and publicly proclaim.

It seems to me that under the provisions of that language the President could fix the salary, wages, or compensation paid those members of the unorganized militia who should be drafted in the service; and in view of the fact that he is authorized and directed to fix that compensation, it seems to me the amendment is germane to the bill. The amendment provides that the compensation paid to soldiers shall not be less than that paid to civilian laborers who are not in the military forces.

The CHAIRMAN. The Chair is ready to rule. The Chair holds that the amendment offered by the gentleman from Oklahoma is not germane to section 1 of the bill and, therefore, sustains the point of order.

Mr. McSWAIN. Mr. Chairman, we have been considering this section now for about an hour. It is the desire of the management that this bill be concluded today in order that we may have the week-end in which to get some rest we badly need.

Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. HULL. Mr. Chairman, I shall object unless I can be heard on paragraph 1. I want to find out what this really means to the agricultural sections of the country. If the chairman of the committee intends to foreclose on us, I can only acquiesce, but I do want to be heard.

Mr. McSWAIN. The gentleman must not misunderstand me; it is not my desire to cut off anyone, not at all; and that has been very manifest. If the gentleman desires 5 minutes, I will modify my request and put it in the form of a motion.

Mr. Chairman, I move that all debate upon this section and all amendments thereto conclude in 15 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from South Carolina.

The motion was agreed to.

Mr. DUNN of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Mr. DUNN of Pennsylvania offers the following amendment: Page 1, line 2, strike out all of the remaining language after the word "assembled" and insert in lieu thereof the following:
> "That in the event of war no American citizens shall be sent out of the United States or any of its possessions for military service."

Mr. HILL of Alabama. Mr. Chairman, I make the point of order against the amendment that clearly it is not germane to the section.

Mr. DUNN of Pennsylvania. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair is ready to rule, but the Chair will hear the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. Mr. Chairman, I shall consume but a moment of time. My amendment, if it could be adopted, undoubtedly would prevent war. This is the reason I think it ought to be held to be germane: If it is not germane, at least it is very humane, and, therefore, ought to be germane. [Applause.]

The CHAIRMAN. The Chair does not pass on the humaneness of the amendment; but so far as the germaneness of the amendment is concerned, the Chair sustains the point of order.

Mr. HULL. Mr. Chairman, I move to strike out the last word of the first section.

Mr. Chairman, I raised the question yesterday as to what effect this bill would have upon the agricultural sections of the country, if passed as it reads at present.

I have no doubt about the zeal and sincerity of the chairman of this committee. The compliments paid the gentleman yesterday were fully deserved. I have not his acquaintance, but I realize his desire is to present a proper bill to take the profits out of war; a general proposition to which 90 percent of the Membership will agree. But here is a bill which provides that automatically on a date to be determined upon by the President all prices are going to be fixed as of that date.

Mr. Chairman, we have been here for 5 years from the Middle West trying to get a parity of prices on farm products as compared with industry. We have not succeeded, and today we are worse off than we were when we started, 5 years ago. At the present the index of prices on agricultural products is about 21 to 22 percent below 100, while the prices on manufactured products are from 16 to 18 points above. If you are going to put through a law of this kind, which is going to freeze agricultural prices down to a point where the farmer will be struggling along, almost on the border of bankruptcy, for an existence, and fix the prices of industrial products at higher levels, which, under the N. R. A., must have a 10-percent profit, allow the price of things the farmer buys to remain where they are, or higher, then you are going to have more trouble in time of war than these gentlemen may anticipate.

Mr. McSWAIN. Will the gentleman yield?

Mr. HULL. I yield to the gentleman from South Carolina.

Mr. McSWAIN. Of course, the gentleman must understand that war, we hope, is a long ways ahead and that the agricultural situation will have been corrected and that the parity which is so desirable will have been established long before we have another war. But in the event the situation should not be straightened out, under section 2, all of us who are vitally interested in that agricultural proposition may go to the President, make a showing, and get relief against the ceiling that shall be established by the proclamation. Surely we must trust somebody, and we must put the power in time of war in the hands of the President.

Mr. HULL. I appreciate the gentleman's statement, but the fact remains that we have had a situation here for 5 years. It would seem just now that war is more imminent than is obtaining parity prices for our agricultural products.

Mr. LUCKEY. Will the gentleman yield?

Mr. HULL. I yield to the gentleman from Nebraska.

Mr. LUCKEY. Does the gentleman recall that during the World War the farmers' price for wheat was fixed at $2.50 while the steel companies made a profit of over 1,000 percent?

Mr. HULL. I will mention that in just a moment.

Mr. Chairman, we have had some experience out in the Middle West in reference to the fixing for farm product prices in time of war. The Food Administration fixed our prices during the World War. As the gentleman stated, they fixed the price of wheat, and also many other farm products. Here is another thing they did. To make sure that the dairy section of the Northwest might become acquainted with "coconut-cow" butter, called "oleomargarine", they

passed a regulation which compelled us to buy a pound of that filthy stuff every time we bought a pound of butter, and when we declined to eat it we were called unpatriotic.

Mr. Chairman, we have had experience. Now they ask that the President be given power to fix prices. The President will not have the opportunity in time of war to even consider our complaints. He has not even the time to consider them in time of peace. Furthermore, may I say that we have tried for years to get some action here which would permit us to live as a part of this great country, out there in the Middle West, pay our taxes, pay our debts, and provide for our families. Even now in time of peace we are not able to obtain that.

May I say further that we are at this time suffering out there in the Middle West because of a policy that permits millions of dollars of agricultural products to be brought from abroad to this country to compete with our products and drive down the prices. As an illustration, only recently 8,000,000 bushels of rye came in from Poland to compete with and drive down the price of our domestic rye, and there was back of it a bonus of 30 cents a bushel paid by Poland. Our western farmers have been to the White House. We have been to the State Department and to the A. A. A. The only answer we get in this situation is that because our country sells more goods to Poland than we buy back it must not be interfered with.

[Here the gavel fell.]

Mr. WADSWORTH. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: On page 1, line 10, after the word "determined", at the end of the line add the following: "*Provided*, That the President may, by appropriate Executive order, exempt from the provisions of this section such articles and things imported from foreign countries which in his judgment should, in the interest of the United States, be exempt."

Mr. WADSWORTH. Mr. Chairman, we are dealing with the fixing of the ceiling of prices. In the matter of importations we cannot control the ceiling. We may declare it, but we cannot control it, because the foreigner puts the price on his goods. We have to have certain articles from outside this country when we go to war. For example, 90 percent of the manganese used in the United States is mined abroad. Manganese is a necessity in connection with the hardening and clarifying of steel. An equally large percentage of tin we must get from abroad, war or no war.

The amendment which I offer merely authorizes the President to exempt from the provisions of the first section those articles imported from abroad which in his judgment are necessary for the interest of the United States. It has nothing to do with the control of profits, it will not disturb the domestic ceiling at all, and it may prove vitally important.

Mr. McSWAIN. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from South Carolina.

Mr. McSWAIN. Is not the purpose of the gentleman's amendment that on what the Government must import for its use the President may pay a higher price, if necessary, than what prevails domestically at a time prior to the war?

Mr. WADSWORTH. The Government and private industry both. Suppose the Government makes a contract with private industry for the manufacture of armor plate or guns and you have placed a ceiling on the price of manganese. The President has not any right to change the ceiling except on the day fixed for all the articles. Now, that private manufacturer has got to have manganese.

The seller abroad fixes the price, whatever the ceiling is in this country, and all my amendment does is to permit the President to exempt from these ceiling provisions things we must have from abroad regardless of price.

Mr. McSWAIN. Would it not be entirely possible, though, in the event that the Government had to place contracts with steel concerns for the manufacture of steel for war purposes, for the Government to furnish the manganese and the tin and let that be taken into consideration in the price? I am afraid to leave this open to private concerns. If the Government is going to handle it, all well and good.

Mr. WADSWORTH. It would be only in those cases where the President himself decides it is necessary for the interests of the United States. If you do not trust your President, what are you going to do? I tell you, you are putting your country in jeopardy when you interfere with imports coming into this country in time of war.

Mr. McSWAIN. We do not put the country in jeopardy, and I am suggesting to the gentleman an amendment to his proposal limiting it to importations by the Government for war purposes; and, if the gentleman will modify his proposal in this respect, so far as I am concerned, as I see it, I think it is proper to let the Government supply the material.

Mr. WADSWORTH. Then that puts the Government into the business.

Mr. McSWAIN. Yes; into the business of importing.

[Here the gavel fell.]

Mr. FOCHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, according to the language of this bill, it is somewhat different from the previous declaration of war by this House, yet to me it seems we are just naturally and logically approaching war without an enemy in sight, as we did in 1917.

You have all read Woodward on General Grant, as well as on George Washington, and you will recall how he described the approach of General Grant on Richmond. He said it was difficult for him to find language properly to describe that momentous event, and it was rather homely at that when he said he moved upon Richmond in a kind of "sidling way." This is what I see here. We are approaching war in a kind of sidling, indirect way, but nevertheless approaching it, if this bill means anything.

While you are on the subject, and I have just a few minutes—I do not like to say "caution you", because I hear so many people warning men about things when I know the men they warn have just as much sense as they have, but you are thinking people and I know that you are informed on this question, but as one of those who has had experience in seeing the approach of war, I think we ought to exercise great caution in this respect.

We are now lamenting the fact that the farmer was outraged by the Food Commission, even though it was conducted by a former President of the United States. He may have had his limitations, too. We know they put a price of $2.22 on wheat, while the American people had to take the sweepings from the mills, if not almost the streets, while the wheat was sent to foreign countries.

I should like to have the chairman explain whether this ceiling, or this new designation for the top of things, is to be applied to our allies, if we have any, as we did the last time, and if we are going to strip and impoverish this Nation again when a similar opportunity exists. If you had given the farmer what he ought to have had, $5 a bushel for his wheat, he could have paid off his mortgages and you would never have heard anything about his coming here to borrow money. I beseech you not to walk into any such trap as that and put the power into the hands of any man to take the substance of this country and practically give it to Europe in the face of their defiance of every law of ethics in not paying their debts when the opportunity came instead of preparing for more war. I should like to ask my most delightful friend, who has gone so laboriously into this matter and made such a fine analysis of it, whether this thought has occurred to him, as he was here with me when the other war came on and saw us pay $2.22 for the wheat, when the farmers should have received $5, and when we paid $1 a pound for butter, and $1.10 a dozen for eggs. Are you going to give him the benefit of legitimate prices, or are you going to make a present of his product to some supposed ally?

You know that on the other occasion we were not going into war, and it was stated that we should "think in terms of neutrality", yes, "he kept us out of war," and believe that

there was no such thing approaching as war until we came down here one morning and were hurried into this Chamber and were asked to declare war. I say you are more nearly in war by the terms of this bill than you were in the war of 1917, until we actually came on the floor of this House and were asked by the President of the United States to sanction what he had practically already done and declare war.

Therefore I caution you, in the light of my experience, to be careful how you vote to delegate power, and think of what is liable to happen in view of the experience we have had in the past. Better outlaw war excepting for self-defense than now tamper with it and make the country again war minded. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The question was taken; and on a division (demanded by Mr. WADSWORTH) there were—ayes 30, noes 72.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Whenever in the sole discretion of the President he shall determine that any maximum price, rent, rate, commission, compensation, or reward shall be adjusted either upward or downward he is hereby authorized to make and publicly proclaim such adjustment, and such adjustment shall have the full force and effect under this statute of such price, rent, rate, commission, compensation, or reward before such adjustment.

Mr. SHORT. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 1, after the word "whenever", insert "during the period of any war."

Mr. MONAGHAN. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, ladies and gentlemen of the House, I believe this bill rightfully should have been given a different name. As I read its broad provisions, giving great power to a benevolent President, I cannot help conjuring up in my mind what a dangerous thing it would be in the hands of an autocratic ruler.

For that reason, and having reviewed the bill in its entirety, the dangerous provisions which give a draft power to the President, and a power which not only does not destroy profits but can even be so administered as to guarantee profits, I have renamed the bill "A bill to guarantee profiteering in time of war and to place the burdens of war on the common people and thus provide for the national defense and promote warfare."

This bill can have no other effect, as the gentleman who preceded me so well said, than to promote war. Analyze its provisions and you will find that it may guarantee profits. Section 1 provides:

That whenever Congress shall declare war or the existence of an emergency due to the imminence of war, then from and after a date prior to such declaration, which date the President is hereby authorized and directed to determine and publicly proclaim it shall be unlawful for any person to buy, sell, or otherwise contract for any article or thing at a higher rate, rent, price, commission, compensation, or reward than was in effect at the date so determined.

Assuming that a man should be elected President of the United States other than the great champion of the "forgotten man", Franklin D. Roosevelt, he could set the price of commodities at a date of high prices, for example, back in the 1929 level, and thereby guarantee to the munition manufacturers and others who promote war for their own selfish purposes a higher profit than they might otherwise make.

The other power to which I raise strenuous objection is that contained in section 3, which is an obnoxious and objectionable power given to the President of the United States in peace time when the drums of war are resounding on every international horizon. There is grave danger in such action at this hour, when our great leader, who believes in peace and speaks of peace, is the only leader on the international stage who is not engaged in sword rattling.

I believe the bill will promote and instigate war propaganda. I believe that there is no way to promote peace but to legislate for peace, to promote war, legislative for war. To bring about peace we must think peace, talk peace, act peace, and legislate peace.

I have always believed that the way to peace was threefold: Taking the profit out of the blood money of war, educating for peace, and submitting the question of war to the people for their direct consideration.

One need only consider the number of millionaires created during the World War to become convinced that conscription of profits and conscription of wealth in war time and, if possible, in peace time especially as to munition manufacturing, is necessary if we are to attain peace.

Mothers bear the sons who battle. Wives sacrifice their husbands to the Nation in such a crisis. The miners who dig the ore, the men who work on farms, produce the war materials. Is it not, therefore, reasonable to suggest that the question of war be submitted to those who bear the brunt of battle? Rather than provide that, this bill specifically declares for their conscription against their will and wish.

Our fathers thought that honor could not refuse the challenge to the duel. We do. Our fathers thought we could not hear around the world. We do. Our fathers thought that men of divers creeds in concord could not live. We do. And some there are who say that we cannot live without war. But we can and will, and the only way to do it is by taking in a real manner the profits out of war and not by passage of a measure that is, as I have termed it before, a sugar-coated draft measure.

This bill legislates war, not peace, and it does not take profits out of war. There is only one bill proposed to date that will take the profit out of war, and that is the bill that Senator NYE, who has so ably conducted the investigation into the munition manufacturers' profiteering, has presented. I hope this bill will be defeated, and that we will adopt no amendments that will place a greater sugar-coating on a bill that has been so misnamed as this. [Applause.]

Mr. HARLAN. Mr. Chairman, while we are discussing the control of profits in the time of war, it might be well to consider for a moment those forces that are operating in the United States at the present time, who are so intent upon grabbing their own profits just now that they are perfectly willing to make us industrially helpless, should war ever come.

I refer to those invidious forces who from the termination of President Wilson's term until the election of President Roosevelt deluged this country with false propaganda and used their power on three very weak Executives of the United States in such a way as to induce them to thwart the will of the Congress of the United States, by preventing the Government from operating its hydroelectric plant in the Tennessee Valley.

Now that they have been disappointed in their first attempt, they are endeavoring to stir up industry generally by disseminating propaganda throughout the Northern States to the effect that the Federal Government is sending agencies throughout the North to solicit factories and industry to leave the North and go to the Tennessee Valley. Through the South they are agitating opposition to the Government by telling industries down there that the T. V. A. activities ought to be stopped at once, because under private control solicitations of northern industries can take place, whereas under Federal control this cannot happen. They are trying to get the North to tie the hands of the Government in this activity, which is the very heart of our future military function, by telling them that the Federal Government is soliciting their industries to go south. They are urging the chambers of commerce in the South to embarrass the Government in every way, by telling them that the Federal Government cannot do this solicitation and that private industry alone can benefit them in this way.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I cannot yield.

Mr. MAY. Then I make the point of order that the gentleman is not speaking in order under the rule under which this bill is being considered.

Mr. HARLAN. Mr. Chairman, the last word is the word "adjustment" and I am talking on the general subject of adjustment.

The CHAIRMAN. The gentleman from Ohio will proceed in order.

Mr. HARLAN. Recently the Chamber of Commerce of Ohio circularized all of its members with a letter containing this propaganda, and not one word of evidence on which it could be based. In the meantime, Mr. Wilkie, president of the Commonwealth & Southern Corporation, of whom every Member of Congress is probably familiar, because he has taken an active part in all forms of lobbying against every action of this administration to control the securities market, to provide reasonable honesty in the sale of stocks, and to control stock gambling generally. Wherever the Government has attempted in any way to interfere with the old game of which Mr. Wilkie is so familiar, he has been on the firing line looking after the boys that get theirs out of the unsuspecting.

Mr. Wilkie, since he happened to be talking in Alabama, criticized the Federal Government very much because it could not go into the North and solicit business. Here is what he says:

I can tell you why we maintain an office in New York * * *. It is solely because of two reasons: First, to have a convenient and advantageous point from which we can work with the Alabama Power Co. and other companies to secure the removal of northern industry to this area. How successfully we have done this, perhaps you can judge by the fact that in the past decade the new industries division of the Alabama Power Co. aided directly or indirectly in the location of 245 new industries in 129 different communities in your State * * *.

After making an investigation of this northern propaganda, I wrote a letter to the secretary of the Ohio Chamber of Commerce, which under permission I shall read into the RECORD:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 22, 1935.

MR. GEORGE B. CHANDLER,
Secretary Ohio Chamber of Commerce,
Huntington Bank Building, Columbus, Ohio.

MY DEAR MR. CHANDLER: I have delayed answering yours of the 4th, as I wished to be absolutely certain of my facts. It might be well to review them.

On February 11, you issued, on the stationary of the Ohio Chamber of Commerce, a vitriolic canard against the administration, in which you state:

"Those chambers of commerce in the north which were recently shocked to find representatives of the Tennessee Valley Authority in their cities, calling upon their industries to urge them to move to southern cities to secure cheap power rates, cheap labor, etc., will now receive a second shock when they learn that David E. Lilienthal, Director of the Tennessee Valley Authority, is advocating a changed freight rate structure to give the Tennessee Valley additional advantages industrially. He is also advocating extension of credit by the Federal Government itself to prospective industry which may locate in the Tennessee Valley."

You then quote from a speech of Mr. Lilienthal which does not bear out a single statement made in your initial paragraph. All that Mr. Lilienthal stated in his address before the Birmingham Rotary Club was that more equitable freight rates and new capital were very desirable to develop the Birmingham area. I suppose that same speech has been made in Columbus before many luncheon clubs, and I doubt if it ever received the interpretation which you have placed upon the Lilienthal pep talk.

In your next paragraph you criticize the Government for approving codes that gave the southern districts some wage advantage. If these codes had been imposed by the Government there might be some little merit to this criticism, but inasmuch as they were drafted and approved by the industrial bodies themselves, the basis for comment is decidedly vague.

The rest of your document was taken up with charges that representatives of the Tennesse Valley Authority were touring the northern States to entice industries to the South. In my letter of February 21, I asked you to produce the facts. In reply you quote the remarks of a Mr. Harvey Campbell, of the Detroit Board of Commerce, who, apparently, had no more facts than you.

You then quote an editorial from the Cincinnati Enquirer, which refers to a list of industries that might be improved by going to the Tennessee Valley, but no facts at all about any solicitation. You also quote a letter from a Mr. Slack, who talks about a man 50 years of age, of dark complexion, 5 feet 10 inches tall, and weighing 190 pounds, who called on him and solicited him to go to the Tennessee Valley development. Of course, that is a perfect basis for you to make the additional statement that this man was connected with the Tennessee Valley Authority and in the employ of the Federal Government.

It is entirely a natural thing for chambers of commerce and real-estate development concerns to do things of this kind. But it is a decidedly unnatural thing, and an unfair thing, for you to send out, speaking with authority, a statement that these men are connected with the United States Government.

It is just such propaganda as this that is keeping business concerns constantly stirred up, for a most obviously political purpose. The same thing that you are trying to do is, of course, being done in the South, except that there the line of chatter is that the Federal Government ought to be stopped at once, because it is only private-power concerns that can go into the North and solicit business. Therefore, as long as the Federal Government is developing this territory, there is no chance of inducing other industry.

Mr. Wilkie, president of the Commonwealth & Southern Corporation, in an address in Birmingham, Ala., on November 7, 1934, referred to this in the following words:

"Dr. Morgan said it was against the policy of the T. V. A. to remove industries from other sections of the country to the Tennessee Valley. I understand why the T. V. A. must take this position. The Alabama Power Co. can remove industries from the North because it is a business concern, but the T. V. A. can't remove them because it is a part of our Government, and therefore has to think of the political effect on the community from which the industry is removed." * * *

I have before me a letter from Dr. Arthur E. Morgan, Chairman of the Board of the Tennessee Valley Authority, in which he expressly said that there is not one iota of fact to substantiate the statement that any representatives of the Tennessee Valley Authority have ever taken part in any of the activities such as you set forth in your letter.

Yours very truly,

BYRON B. HARLAN.

I feel that these matters ought to be carried in a public record, so that those who have just received one type of propaganda may be in a position to know what is going on in other sections of the country.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Without objection, the pro forma amendments are withdrawn. The question is on the adoption of the amendment offered by the gentleman from Missouri.

Mr. SWEENEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SWEENEY. Am I in order to move to strike out the enacting clause?

The CHAIRMAN. The gentleman would be in order.

Mr. SWEENEY. I move to strike out the enacting clause.

Mr. O'MALLEY. Mr. Chairman, a point of order. Does not such a motion have to be in writing?

The CHAIRMAN. The gentleman is correct. The motion must be in writing. The gentleman will send his motion to the desk.

The Clerk read as follows:

Mr. SWEENEY moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Ohio [Mr. SWEENEY] is recognized for 5 minutes.

Mr. SWEENEY. Mr. Chairman, I made this motion to strike out the enacting clause for the purpose of trying to bring to your attention my opinion at least that before we enact a law that will draft human beings I want to see brought into this House a tax measure to take excess profits out of war. The committee has spent considerable space in its hearings report, on page 8, paying tribute to Mr. Bernard Baruch for the splendid advice he gave them in telling them how to take profits out of war. The committee could find no better man than Mr. Baruch to discuss that subject. In all fairness to him and his colleagues who served on the War Industries Board and the War Finance Corporation, let me say they made possible 30,000 millionaires as a result of the last war. Men who had political influence could come to Washington and get a loan to build an airplane factory, to manufacture airplanes, and the planes never left the ground. They could come and get money to build munitions factories to make imperfect shells and to build boats that never left the rivers and harbors, all contracts on a cost-plus 10-percent basis.

I have heard men in this House get up here and apologize for their action on Good Friday, April 6, 1917, when they were carried away with the stress of emotion and the propaganda of Lord Northcliffe, the British newspaperman who subsidized the American press in an effort to drag us into war, and who made them believe that the Kaiser was about to invade America. I have heard men on this floor apologize for their action in voting for war and say they would never again, as long as they lived, if they were Members of Congress, vote for war except it should be a war of invasion by a foreign foe. They know now and you know that the last war was a bankers' war—67,000 American boys were murdered to save the bankers' investments—and the next war will be a bankers' war with more investments to save. You have set up in this proposed bill, in section 3, this language, that " in the event of war or of a national emergency declared by Congress "—what does that mean? It means this, in my opinion, that if a coal strike is imminent in this country, the miners who labor down in the bowels of the earth may strike for a living wage, a wage the good God intended they should have. You can then get a bill passed in this House under a gag rule declaring that strike to be a national emergency, and the President of the United States can then draft from the unorganized militia of the Nation human beings to fight human beings. It is just possible they intend to and they are going to do that very thing. This bill is loaded with dynamite. It destroys human rights. It protects property rights. The committee has labored sincerely, but they have been misguided. A measure of this kind, I submit in all sincerity, should be preceded by a tax measure to tax the excess profits of war.

Mr. CONNERY. Will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. CONNERY. Under the bill as it reads now, the President would not even have to bring out the militia. He would make those miners members of the United States Army.

Mr. SWEENEY. Draft them en masse; yes.

Mr. McCORMACK. Will the gentleman yield?

Mr. SWEENEY. I yield to my colleague.

Mr. McCORMACK. I think the gentleman's fears are justifiable—remote, but nevertheless justifiable. I think that that language will be stricken out, however, because we adopted an amendment to section 1 which goes right through the entire bill, that where any language gives authority outside of an actual war itself, it will and should be eliminated. I agree with the gentleman.

Mr. SWEENEY. That may be so, but until such time as this Congress adopts the Nye bill to tax the profits of war or some similar bill to destroy the private munition trust and give the Government absolute control over the manufacture of the munitions of war, I for one will not support this bill.

Mr. MONAGHAN. Will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. MONAGHAN. I read from a prominent newspaper in Washington, which states:

> It was said on good authority that the President has expressed preference for the Nye measure.

Does the gentleman know that that is correct?

Mr. SWEENEY. I do not know. I hope it is correct. I do know the Nye measure ought to precede this sort of legislation.

Mr. O'MALLEY. Will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. O'MALLEY. Would not a vote for this bill as it now stands, with section 3 in there, be a vote for human conscription and not for the conscription of wealth?

Mr. SWEENEY. Absolutely. The gentleman is right.

Mr. McFARLANE. Will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. McFARLANE. If this bill is sent back to the committee by adopting the amendment which the gentleman has offered, we could then bring in a bill from the committee and give it ample consideration?

Mr. SWEENEY. That is just the way to do it, and that is the reason why I made the motion.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. SWEENEY] has expired.

Mr. McSWAIN. Mr. Chairman, I think we might as well meet that issue right now, and let the American people know once and for all whether upon the first occasion this proposal came before Congress from the only committee which was authorized to bring it in, a bill dealing with all the subject matter over which that committee had jurisdiction—whether or not this Congress now proposes to turn the bill back and thus frustrate all the hopes and all the prayers of those who throughout these years have been demanding and insisting that this thing be done. So insistent was the demand that in 1924 both of the major political parties of this Nation put into their platforms the proposal that legislation of this sort should be enacted into law. Through all these years we have been struggling trying to get this matter up on the floor; and now because a very few do not like some of the provisions, even though all seem to agree that the object is good, and because it is impossible under the rules of this House that the entire subject matter be covered in this bill at this time, it is proposed to frustrate the hopes and the prayers of the American people. I submit that upon a record vote on the question it would be very difficult for any man to go home and ever explain to his people that he was not willing to let consideration of this measure continue before the House, that he was not willing to let the effort to perfect it continue, that he was not willing to vote down the motion to strike out the enacting clause, that he wanted to kill it before the House could perfect it.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield, although I have not interrupted anybody myself.

Mr. SWEENEY. I know the gentleman always wants to be fair. Does he not think the proper kind of bill to bring in here is one that drafts capital as well as labor?

Mr. McSWAIN. We have not reached that issue yet; the gentleman wished to kill the whole proposition.

Mr. SWEENEY. And bring in a good one.

Mr. McSWAIN. The gentleman has been in the House some time, and he has not offered any good bill on this subject, it seems.

Mr. MONAGHAN. Is the gentleman in favor of the Nye bill?

Mr. McSWAIN. I am in favor of its purposes; it is very comprehensive.

Mr. MONAGHAN. Will it not do more than this bill?

Mr. McSWAIN. The gentleman is entitled to his opinion about that.

Mr. MONAGHAN. Certainly it will accomplish more than this bill.

Mr. McSWAIN. Let us understand each other. Why get disturbed and distressed about this? This is an effort to do a right thing. We have asked this Congress to pass upon it; we are now adopting amendments that in the opinion of the majority of this House will assist in perfecting this bill. I have not opposed the amendment proposed by the gentleman from Missouri. Several perfecting amendments have been offered here that I have not opposed, and I will not oppose some others that I know will be offered.

I want the Members to stay here and fight this thing on its merits and let the majority of this House decide what ought to be done; that is the democratic way; that is the fair way; yet some want to render judgment here on newspaper reports about what is going on elsewhere.

[Here the gavel fell.]

Mr. MAVERICK. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The Chair cannot recognize the gentleman from Texas at this stage. This is a highly preferential motion.

The question is on the motion of the gentleman from Ohio that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The question was taken; and on a division (demanded by Mr. O'MALLEY and Mr. CONNERY) there were—ayes 42, noes 76.

So the motion was rejected.

Mr. SWEENEY. Mr. Chairman, I demand tellers.

Tellers were refused.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

Mr. KENNEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this measure has been heralded throughout the country as a bill to take profits out of war. There is grave difference of opinion as to whether the bill as written will do that. But, certainly there can be no dispute as to what else the bill will do. It most assuredly provides for a lottery—a lottery of human lives. The power is given in advance to the President to carry it out. Why this authority should be given now is beyond my understanding. Congress is better able to legislate with knowledge of what lies ahead and a blanket power to conscript troops should not now be granted. The provision has nothing to do with taking profits out of war. It is not a war preventative. It is unwise.

The learned gentleman from Alabama [Mr. HILL] yesterday in debate said that the intent and purpose of section 3 was to write into the law what Congress provided in the Selective Service Act of the World War. That law authorized the raising of troops by draft, subject to such rules and regulations as the President might prescribe. The drawing of the troops was by lottery. The method consisted in having a single set of numbers beginning at one and including the highest serial number reached in the largest local board area; in placing the small pieces of paper with these printed numbers inside a gelatin capsule; in putting the numbers in a huge glass bowl and afterward drawing them from the bowl at random by a person who was blindfolded. The drawing was held in the Senate Office Building. There were three of these drawings. Those who drew the first of the numbers included the President of the United States, the Secretary of War, and other prominent officials and men. If your number was pulled out you went to war; if not, you stayed home.

It seems a serious mistake for Congress at this time to consider any such kind of lottery. There is plenty of time to conscript our boys; that is the easiest thing we can do; far easier than taking the profits out of war. We have patriots in this country still; we have boys, plenty of them, who would volunteer, if need be, to defend our country; but if we are to draft, the time to draft troops for our Army is when real peril comes. If we must have a lottery, let us not now deal in terms of human lives. Rather let us look to a national lottery to relieve the distress caused by the last war. We have appropriated staggering sums of money of late and today authorized an additional expenditure of $5,000,000,000 for work relief. Should we not rather give consideration to a lottery of efficacy and through it raise funds to meet the gigantic obligations we have incurred and are incurring? How are we going to meet our bills? That question was asked yesterday in the Senate. The huge national debt is mounting and piling. Instead of providing for a lottery of human lives to be held in the future, I ask you of this body to be sensible and to establish something that will prove of real benefit to our country—something that is not new; something that is as old as our Government itself; something that is recognized as the aristocrat of emergency measures by practically every nation of the world, including every form of government—a governmental-authorized and governmental-operated lottery to raise not men but money, which is really needed. We had the lottery and used it in the Revolutionary War. We used it to pay the bill for the meeting of the First Congress. The Congress has heretofore authorized the lottery to provide moneys not available from ordinary sources. It is not new. It has been a lifesaver for us on many occasions. If we are to have a lottery, let it be a lottery for revenue.

Mr. Chairman, when we get to section 3 and the provisions of that section are read, it is urged that all Members who are in favor of a lottery get up and vote down the provision for the lottery of human lives, and by so doing you will register your conviction that if we are to provide for a lottery at this time it will not deal with precious lives but will be confined to wrestling with our economic money troubles. By our votes they shall know us!

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. LEE of Oklahoma. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LEE of Oklahoma: Following section 2, page 2, line 8, add the following: "Subsection (b): Furthermore, the President is authorized to close all stock and commodity exchanges in the United States of America if in his sole discretion it becomes desirable in order to curb speculation."

Mr. HILL of Alabama. Mr. Chairman, I reserve a point of order on the amendment.

Mr. LEE of Oklahoma. Mr. Chairman, the purpose of this amendment is to complete the job of controlling prices which has begun here. One of the things that contributed more than nearly any other thing to high prices was the skyrocketing of the stock market and the commodity market, creating high prices and making for uncontrolled speculation. Since we are controlling everything else in the first part of this bill, I see no reason why we should not go all the way and give the President, in his discretion, power to control these commodity and stock markets during the time of war. In other words, I have a feeling that everything in the United States ought to center toward one purpose, and that is to win the war.

In answer to the gentleman from Maryland [Mr. GOLDSBOROUGH] with reference to conscripting anyone, may I say the only way to have a democratic service in the Army is through conscription; otherwise your most patriotic youths will volunteer, and you penalize them by placing them in the greatest danger. The way to have the rich man's son serve with the poor man's son, the way to have the high and low serve alike, is by universal conscription. I will not vote to support this bill if it carries with it human conscription only and does not commandeer the financial resources of the Nation and also conscript the leaders of industry, transportation, and commerce.

Mr. Chairman, my purpose is to draft a law here that will control everything quickly. Certainly it will be a dictatorship, but you cannot have a war without a dictatorship. But it will make the law more effective, and therefore our enemies will be much slower to declare war against us. I am offering this particular amendment because I think it will go the rest of the way toward controlling prices.

Mr. TRUAX. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield to the gentleman from Ohio.

Mr. TRUAX. Does the gentleman not know that during the World War the exact procedure he refers to was followed with respect to the Chicago Grain Market? Wheat was selling for $3.21 a bushel on the Chicago Board of Trade and they fixed the price at $2.12. They fixed the price of corn at $1.28. They thereby robbed the American farmer of several billion dollars.

Mr. LEE of Oklahoma. I did not know that.

Mr. TRUAX. That is true.

Mr. LEE of Oklahoma. I know it would have been a better situation had the President been given this power and closed down the markets before that situation existed.

Mr. CROSSER of Ohio. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield to the gentleman from Ohio.

Mr. CROSSER of Ohio. Will the gentleman please inform the House upon what principles he determines what is

democratic and what is not democratic? What is the test as to whether a thing is democratic or not?

Mr. LEE of Oklahoma. That is a rather difficult question to answer.

Mr. CROSSER of Ohio. Well, the gentleman made the statement. If he does not know the distinction, why talk about it?

Mr. LEE of Oklahoma. Everybody knows what "democratic" means.

Mr. CROSSER of Ohio. No; everybody does not know and I doubt if the gentleman knows.

Mr. LEE of Oklahoma. Will the gentleman tell me?

Mr. CROSSER of Ohio. No. I am asking the gentleman.

Mr. LEE of Oklahoma. Then it is a draw.

Mr. CROSSER of Ohio. No; it is not a draw.

Mr. LEE of Oklahoma. Nearly everybody knows what "democratic" means.

Mr. CROSSER of Ohio. I should like to know what the gentleman means.

Mr. LEE of Oklahoma. It means that every person shall take their fair share and shoulder their burden alike in time of war.

Mr. HOEPPEL. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield to the gentleman from California.

Mr. HOEPPEL. "Democratic" means to promise the people you will keep them out of war, then when elected you put them in a foreign war.

[Here the gavel fell.]

Mr. HILL of Alabama. Mr. Chairman, I have conferred with the chairman of the committee, the gentleman from South Carolina [Mr. McSWAIN], with reference to the amendment offered by the gentleman from Oklahoma [Mr. LEE]. The purpose of the amendment seems good and seems to be in line with the objects of the bill. Therefore, Mr. Chairman, I shall not insist on the point of order, and may I say that the committee has no objection to the amendment. I withdraw my point of order.

The CHAIRMAN. The gentleman from Alabama withdraws his point of order. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That in the event of war, or of a national emergency declared by Congress to exist, which in the judgment of the President demands the immediate increase of the Military Establishment, the President be, and he hereby is, authorized to draft into the service of the United States such members of the unorganized militia between the ages of 21 and 31 as he may deem necessary, subject to such conditions, exemptions, rules, and regulations as the President may prescribe and publicly proclaim. Likewise, during such time of war or national emergency declared by Congress, the President shall have power to determine and publicly proclaim from time to time the material resources, industrial organizations, and public services over which Government control shall then be necessary, and to commandeer same for use by the Government, and such control and commandeering shall be exercised by him through agencies then existing or which he may then create for such purposes.

Mr. FADDIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FADDIS: On page 2, line 14, after the word "States", insert "for the armed forces of the United States"; and on page 3, line 2, after the word "purposes", change the period to a colon and add "*Provided*, That nothing in this section shall be construed as conscription of those employed in industry."

Mr. FADDIS. Mr. Chairman, it was not the intention of the Committee on Military Affairs, in drafting this piece of legislation, that labor should ever be conscripted, because we realize that it is both unnecessary and undesirable. There was not a man upon the Committee on Military Affairs, when this legislation was being drafted, who had not a thorough understanding that there should be no attempt in this bill to conscript labor.

With respect to the words "the unorganized militia", this phrase has a well-understood meaning. The unorganized militia of the United States is composed of all its able-bodied male citizens, or all of those able-bodied men who have declared their intention to become citizens, between the ages of 18 and 45, and in drafting this legislation the committee limited the draft of the members of the unorganized militia to the ages of 21 and 31 in order to conform with the provisions of the Selective Draft Act of the World War.

There was no intention that labor should ever be conscripted for anything except for the armed forces of the United States, and in order to clarify the matter and satisfy those who have objected to this section upon this ground, as a member of the committee, I have offered this amendment, which I hope the committee will accept.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. ROBERTSON. Will the gentleman make it a little clearer as to the extent his amendment limits or restricts the right of the Government to conscript or draft for military services all able-bodied men between the ages of 21 and 31 as written in the bill?

Mr. FADDIS. Section 3 of the bill states that in the event of war or of a national emergency declared by Congress to exist, which in the judgment of the President demands the immediate increase of the Military Establishment, and so forth. Does this answer the gentleman's question?

Mr. ROBERTSON. No; I thought the gentleman had an amendment that restricted the draft to the Organized Militia.

Mr. FADDIS. The Organized Militia is organized today and does not have to be drafted.

Mr. ROBERTSON. Under the National Defense Act.

Mr. FADDIS. Yes.

Mr. ROBERTSON. Then will the gentleman answer this question? I assume that all Members of the House want to promote peace and want to take the profit out of war——

Mr. FADDIS. Very true.

Mr. ROBERTSON. To what extent does this new provision to draft the man power of the Nation for military service promote peace and to what extent is it a necessary part of this proposed legislation?

Mr. FADDIS. I will answer the gentleman in this way. Although opinions may be divided upon the question, it is generally accepted that a nation that is prepared for war is not as apt to get into war as a nation that is totally unprepared. Our history will bear this out. We have gone into many wars and we have been unprepared for all of them.

Mr. SISSON. Mr. Chairman, will the gentleman yield at that point?

Mr. FADDIS. Yes.

Mr. SISSON. Was not Germany pretty well prepared in 1914, and did that keep her out of war?

Mr. FADDIS. That is not comparable at all with our situation.

Mr. SISSON. The gentleman stated that history would bear out his statement, and I am giving an example where history does not bear out his statement.

Mr. FADDIS. We are not an imperialistic Nation looking to conquering the world, as was Germany in 1914.

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. LEE of Oklahoma. Would it not be better now, in peace time, when we can act deliberately and coolly, to prepare this program rather than to wait until we are actually in war and hysteria is upon us and then try to put through a draft bill under lash and spur?

Mr. FADDIS. That is exactly the opinion of the committee, and was the theory under which the committee was working all the time.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Texas.

Mr. MAVERICK. The gentleman's amendment is supposed to be for conscription only into the Military Establishment or the armed forces?

Mr. FADDIS. Exactly.

Mr. MAVERICK. If they were to conscript various and sundry persons and then tell them to do certain kinds of labor, like plastering or painting or carpentering or shipbuilding, could they disobey such an order?

Mr. FADDIS. The amendment states "for the armed forces of the United States."

Mr. MAVERICK. I understand that; but they have soldier labor right now in the Army.

Mr. FADDIS. We are not discussing that question.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am in sympathy with the purpose, but I wish my friend would change his amendment. The way it reads now the President is authorized to draft into the service of the United States, and so forth, and then after the word "States" you say "for the armed forces", but you are drafting him into the service of the United States, which does not mean the military service, but the "service." There is an ambiguity there, and I wish the gentleman would change his amendment by striking out the word "service" so that the amendment will read "authorized to draft into the armed forces of the United States." Under the gentleman's amendment he would be authorized to draft into the "service" of the United States "for the armed forces", which is a different proposition.

Transposition of these words is important, because the words "service of the United States" do not mean the armed forces, and I wish the gentleman would change his amendment so as to read "authorized to draft into the armed forces of the United States" such members, and so forth.

Mr. FADDIS. Very well; I shall accept that change.

Mr. CONNERY. With the rest of the amendment I am fully in accord, of course, because it forbids the conscription of labor in industry.

Mr. FADDIS. Mr. Chairman, I ask unanimous consent to modify my amendment to conform with the suggestion of the gentleman from Massachusetts [Mr. CONNERY].

The CHAIRMAN (Mr. HANCOCK of North Carolina). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SISSON. The gentleman's amendment will not accomplish what he seeks to do.

The CHAIRMAN. The Clerk will read the modified amendment.

The Clerk read as follows:

Page 2, line 13, strike out the word "service" and insert in lieu thereof the words "armed forces."

On page 3, line 2, after the word "purposes", change the period to a colon and add: "*Provided*, That nothing in this section shall be construed as conscription of those employed in industry."

Mr. SISSON. Mr. Chairman, I have great respect for the gentleman from Massachusetts and his interest in labor. The gentleman will find that if he amends the bill a hundred times the only way to do what he seeks to accomplish is just what you would do to a mad dog—kill it. [Laughter.]

Mr. LEE of Oklahoma. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LEE of Oklahoma. The gentleman's amendment says that nothing in this section shall be construed as conscription of those employed in industry. Would not the superintendent of a factory be employed in industry?

Mr. CONNERY. I suppose so.

Mr. LEE of Oklahoma. Then why should he be exempt?

Mr. CONNERY. I suppose you could conscript the employer or the superintendent, but they do not do that. The only one they conscript is the man at the bench.

Mr. LEE of Oklahoma. The amendment will keep us from conscripting the superintendent or the manager of a factory.

Mr. CONNERY. No; it acts just the other way. It will allow the conscription of the superintendent.

Mr. LEE of Oklahoma. Why should not labor be conscripted the same as other people?

Mr. CONNERY. Labor is always conscripted into the Army—99 percent of the conscripts are laboring men. This is to stop them from wholesale conscription in industry.

Mr. LEE of Oklahoma. They could go into the Army from industry the same as from anything else.

Mr. CONNERY. Yes.

Mr. McFARLANE. Mr. Chairman, we are coming now to the most important part of this legislation, and we may as well recognize it. If you adopt this amendment you might as well strike out the enacting clause of the bill as far as effectiveness in getting ready for war is concerned. If we are going to get ready for war we need every resource at our command to successfully carry on the war. If we are going to exempt labor you might as well exempt capital; if we are going to say to any particular group, "We will let you alone"; if we are going to take the young men of this country and pay them $1 a day and leave those not in a particular group or class at home to profiteer, then you are not shooting square, and you are not writing correct legislation, in my opinion. Why should anybody be exempted from the proposition? If we are going to have war we may as well get ready for war; and we need all of the resources of the country, labor as well as capital, at the disposal of the Commander in Chief.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. CONNERY. If the gentleman will offer an amendment that no man, woman, or child in the United States shall get more than a dollar a day during a war I shall go along with him.

Mr. McFARLANE. That or something similar is the kind of an amendment we are going to have to write. Let us put these amendments in there. This bill is not properly drawn. You cannot amend this bill under the way in which it is drawn and shoot square with all the people. This is a profiteers' bill, with all due respect. It limits the ceiling of prices; but, taken at a time when those prices are high, it will make the profit all the more, as I pointed out to you on yesterday. If you adopt this amendment you exempt labor, and that is not right. In the last war we had boys working in the shipyards and in the manufacturing plants at $10 and $20 a day, while we in the service were serving at $1 a day. In spite of the good wages paid during the war, we found thousands of strikes and labor difficulties, most of them affecting industries engaged in the manufacture of war materials. According to Mr. Burton J. Hendrick, in Collier's for January 12, 1918, in the last half of 1918 there were 33 strikes or labor difficulties among men who built our Army cantonments. Similar troubles delayed construction at our great aviation fields, at our Federal arsenals, at naval hospitals, and at our navy yards. Construction of submarines were delayed many months because of strikes; longshoremen quit work at New York and New Orleans while ships were being loaded for our soldiers in France. Strikes in shipyards kept idle more than 25,000 men in San Francisco, 25,000 in Seattle, 4,000 in Portland, Oreg., 35,000 in and around New York, 12,000 in Norfolk, and 9,500 in Washington, D. C. More than 4,000 lumbermen in Oregon and Washington, producing lumber for our wooden ships and airplanes, quit work. More than 25,000 copper miners in Arizona, California, and Montana went on strike; 128,000 coal miners in the Middle West struck; 7,000 workers making khaki for soldiers struck; 25,000 making soldiers' shoes struck. Over 10,000 packers in Omaha and Kansas City, preparing meat for the soldiers, struck. The laborers in Peoria, Ill., making military tanks and "caterpillars", struck, and so on throughout the complete line of industries.

Mr. Hendricks, further states:

Riveters and fitters who are earning $90 or $100 per week are scarcely the exceptions. With an enormous demand for labor and a great scarcity, these men have simply taken advantage of a business opportunity.

In England during the last war they passed a law declaring strikes illegal and punishing with life imprisonment anyone who incited strikes. The same law limited the

profits of manufacturers to one-fifth more than the average of the 2 years preceding the war.

I hope that under the brief discussion and consideration we have given here that we will not adopt an amendment that will weaken this piece of legislation. If we are going to have legislation on this subject, let us have it based on sound grounds and based on the proposition of being fair, and putting all the resources at the command of the Government. We do not want any exemptions.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. WOOD. Does not the gentleman know that during the war, in spite of all claims that labor had drawn fabulous wages, labor was not able to keep pace with the rise in the cost of living, and that labor did not profiteer during the war.

Mr. McFARLANE. I know, and we all know that labor profiteered as everybody else profiteered, and I am just as good a friend of labor as is the gentleman. They did not profiteer any more than they had a right to. They got by with it, as did the capitalist profiteers. But this bill is to see that everybody shoots square, both capital and labor. Let us adopt proper tax amendments along with other proper limitations, and that will do more to stop war than anything we can do. It is not right just because a man be left at home and just because he is over or under the draft age or through some kind of exemption or because he hides behind somebody's petticoat that he should be allowed to draw these unreasonable and fabulous wages.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. HEALEY. As I understand the gentleman, he is not satisfied with this bill because he cannot adopt within the four corners of the bill the so-called "Flynn plan" of taxing profits and paying for the war as you go.

Mr. McFARLANE. That is the proposition. You cannot write this bill as it now appears before us so that it will cover the subject. It just covers a part of the subject. It is a conscription bill for man power, but it does not touch the capitalists.

Mr. McSWAIN. Mr. Chairman, I rise to see if we cannot get some understanding about the time on this section. I move that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from South Carolina that debate on this section and all amendments thereto close in 20 minutes.

The motion was rejected.

Mr. WOOD. Mr. Chairman, I rise in favor of the pending amendment. I have heard much about profiteering during the war, and especially profiteering of labor. I have analyzed this bill as best I could for the past 2 or 3 weeks. I cannot see where the bill can be amended in any way so that it will eliminate the dangers lurking within it, but we will have to do the best we can in case it should pass. Labor and industry were not conscripted during the war by the enactment of law, but I well remember that during the World War the Government sent out so-called "mediators", clothed with the title of major, dressed in the uniform of the Army of the United States. They were sent out from the War Department to mediate disturbances and controversies between employer and employee. I know scores of cases where they came into a community where there was a labor controversy in progress. They did not come there to mediate but they came there to intimidate the workers through veiled threats to go back to work, and they did go back to work on many occasions by the thousands, because a uniformed major came into the community and the workers believed they were clothed with unlimited authority from the War Department.

There was no legislation upon the statute books to conscript labor, but they were in large degree conscripted during the World War. I fear any legislation that will in any way mention the word "conscription" with respect to those engaged in industry. I certainly am in favor of this amendment. We forget to realize that the young men who went to war had sisters and brothers and parents who were back in this country endeavoring to do their part to win the war and to gain a livelihood. The very brothers and sisters of those boys who went across were unable, even in the organized trades, to keep pace with the rise in the cost of living. They could not keep pace with the profiteers of industry. So when the war closed the only benefits that labor ever got out of it, both organized and unorganized, was the privilege of steady employment; and they have paid for that, not only during the war but a thousand times over since, and are yet paying for it. If it were not for the World War we would not have had the great depression which spread over this land since 1929. So we should be careful not to subscribe to a policy that will conscript the young men of this country to do the fighting, and then so surround their brothers and sisters and their parents, who are the wage earners back home, with restrictions and conscriptive laws that will render them unable to take care of themselves and look after their own interests.

This bill does not stop profiteering in industry. The only thing I can see that the bill really does mean is to guarantee profits to industry during the war and to conscript all others.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. WOOD] has expired.

Without objection, the pro forma amendment is withdrawn.

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FADDIS].

The amendment was agreed to.

Mr. SHORT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHORT: On page 2, lines 9 and 10, after the word "war", strike out "or of a national emergency declared by Congress to exist."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. SHORT].

Mr. CONNERY. Mr. Chairman, I rise in opposition to the amendment. I would like to ask the gentleman a question. I thought that all that was stricken out was the words "or of a national emergency." I believe that is all that should be stricken out at that point. If you strike out "declared by Congress to exist", you are doing something which I do not believe that you want to do—leaving Congress out of the picture. You and I want war to be declared by Congress and nobody else.

Mr. SHORT. Of course, that is stated in the first section of the bill.

Mr. CONNERY. But if the gentleman will strike out the words "or of a national emergency", that will make it positively clear.

Mr. SHORT. That will be satisfactory. I accept the modification.

Mr. Chairman, I ask unanimous consent to modify my amendment so as to read:

Strike out "or of a national emergency."

The Clerk read as follows:

Modified amendment offered by Mr. SHORT: On page 2, lines 9 and 10, after the word "war", strike out "or of a national emergency."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. SHORT].

The amendment was agreed to.

Mr. SHORT. Mr. Chairman, I offer a further amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. SHORT: On page 2, line 18, after the word "war", strike out "or national emergency."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

Mr. GOLDSBOROUGH. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. GOLDSBOROUGH: On page 2, strike out all of section 3, beginning in line 9, down to and including the word "proclaim" in line 17.

Mr. BOILEAU. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from Maryland.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU as a substitute for the amendment offered by Mr. GOLDSBOROUGH: After the word "proclaim" on page 2, line 17, strike out the period, insert a comma and the following: "*Provided*, That no member of the militia drafted into the armed forces of the United States under the provisions of this section shall while a member of such armed forces be permitted to serve on foreign soil."

Mr. HILL of Alabama. Mr. Chairman, I reserve a point of order on the amendment.

Mr. BOILEAU. Mr. Chairman, I have no objection to the drafting of the unorganized militia for the purpose of defending our frontiers, or for the purpose of defending our country or any of our possessions. I do have very strong convictions, however, against the conscription of our men to serve on foreign soil. If this bill really is intended as a bill to prevent war, as we have heard some gentleman state, then, it seems to me, it would be well for us here and now to write into this bill a provision that will make it known to the entire world that we have no intention whatsoever of conscripting our man power for the purpose of fighting foreign wars. [Applause.]

I believe the gentleman from Maryland [Mr. GOLDSBOROUGH] will agree with me that it is desirable that we retain provisions to draft the unorganized militia to defend our own country; and I agree with him that we should not conscript our man power to serve on foreign soil. I believe with all my heart that if this amendment were written into the fundamental, basic law of the land, it would do more than any other one thing to keep us out of war, because other countries then would know that we intend to defend ourselves but do not propose to enter into any war of aggression.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. CONNERY. Mr. Chairman, I am in sympathy with the thought expressed in the gentleman's amendment, except I can foresee something of this sort: Suppose a certain Pacific nation decided to go to war with the United States, it would be necessary to land American soldiers in the Philippines.

Mr. BOILEAU. My amendment states specifically "foreign soil." I do not consider the Philippines foreign soil. In my original draft of the amendment I had included also "hostile waters", but I realize that we must defend our Territories and possessions.

Mr. CONNERY. Suppose it became necessary to defend our Pacific coast, and I am using the word "defend" now in the sense that war actually has been declared against us, under the gentleman's amendment we could not take men over to a certain nation in the Pacific to attack them.

Mr. BOILEAU. I do not believe there is any justification whatsoever for our engaging in a war of aggression; and I cannot conceive of its being necessary to go to foreign soil in order to fight a defensive war.

Mr. CONNERY. Sometimes it is.

Mr. BOILEAU. I do not believe it is necessary under any circumstances.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. TRUAX. Would the gentleman be willing to accept an amendment to his substitute as follows, to add immediately following the word "soil": "only to prevent, repel, or quell actual invasion of the United States of America."

Mr. BOILEAU. The thought behind the gentleman's amendment appeals to me. I do not think it is necessary, however.

Mr. TRUAX. I think it is.

Mr. BOILEAU. I cannot see why it is necessary for us to go to any foreign country to stop them from attacking us.

Mr. TRUAX. It might be very necessary.

Mr. BOILEAU. Our frontier, it seems to me, is the place where defense takes place.

Mr. TRUAX. It may be too late.

Mr. BOILEAU. I cannot conceive any nation coming here and fighting a war in which we are on the defensive unless the fighting is on our frontiers. As I said before, the thought behind the gentleman's amendment appeals to me, but I do not think I can accept it in its present form.

Mrs. GREENWAY. Mr. Chairman, I desire to offer a substitute for the amendment just offered.

The CHAIRMAN. That would not be in order at this time.

Does the gentleman from Alabama care to press his point of order?

Mr. HILL of Alabama. Mr. Chairman, I do not insist on the point of order. It seems to me the gentleman's amendment is in order.

The CHAIRMAN. The Chair thinks the amendment clearly germane, not as a substitute but as a perfecting amendment, if the gentleman wishes to make it a perfecting amendment.

Mr. BOILEAU. Mr. Chairman, I offer my amendment as a perfecting amendment.

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONNERY. Is it in order at this time to move to strike out the last word?

The CHAIRMAN. It is not; there are two amendments pending.

Mr. TRUAX. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the amendment I just requested the gentleman from Wisconsin to accept to his amendment is positively vital. Conditions might arise whereby it would be necessary for the United States of America to send troops out of the country to prevent or suppress invasion.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. BOILEAU. I believe, perhaps, the gentleman's amendment would not be opposed absolutely to the spirit of my amendment.

Mr. Chairman, I ask unanimous consent to modify my amendment by including the provisions of the gentleman from Ohio [Mr. TRUAX's] amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Modified amendment proposed by Mr. BOILEAU: On page 2, line 17, after the word "proclaim", strike out the period and insert a comma and the following: "*Provided*, That no member of the militia drafted into the armed forces of the United States under the provisions of this section shall, while a member of such armed forces, be permitted to serve on foreign soil only to prevent, repel, or quell actual invasion of the United States of America."

Mr. TRUAX. Mr. Chairman, it will be noticed in this amendment I used the words "to prevent, repel, or quell", and I did that for a purpose. We might face certain conditions whereby it would be absolutely necessary for this country to go, for instance, to Mexico, Canada, Cuba, or other foreign soil to repel or prevent a threatened and possibly known invasion of our country. I think we are all agreed that none of us want to draft the young man power of this country to fight a foreign war on foreign soil for foreign interests.

The chairman of the committee has expressed the hope that war is a long ways ahead; yet to read this bill and to hear this debate you might well infer and imply that war is not a long ways ahead; that it may be imminent; that it may be upon us. When we read the press of the country and note that Germany has an air force today equal to that of Great Britain, and when we know of the preparations that

are being made by Japan, by Russia, and by France, are we then going to emulate that legendary figure of history, Rip Van Winkle, and peacefully snooze along for 20 years, because it is nearly 20 years since that devastating World War occurred. We go peacefully along like ostriches with their heads in the sand, unaware of what is going on, unmindful of what may happen in the future. I am not one who is willing to accept and swallow this bill whole simply because we cannot get the Ways and Means Committee to bring out a bill that we want.

The original amendment which I prepared to offer reads as follows:

Provided, That such members of the unorganized militia drafted into the service of the United States shall not serve on foreign soils, only to prevent, repel, or quell actual invasion of the United States of America.

This amendment is self-explanatory and has the same intent and purpose as the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU], and I am grateful to the gentleman from Wisconsin for his courtesy in agreeing to accept the latter portion of my amendment as an amendment to his amendment.

As has been said many times during the debate on H. R. 5529, a bill to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace, the mechanics by which the end sought is to be accomplished is somewhat vague, the title of the bill is somewhat misleading, and the ideals envisioned by the distinguished Chairman and members of the Committee on Military Affairs are not guaranteed by the provisions of the bill. There is, however, a positive guarantee of the conscription of the man power of the Nation not only in time of war but in "the existence of an emergency due to the imminence of war." Even in the existence "of a national emergency" declared by Congress to exist, which, in the judgment of the President, demands the immediate increase of the Military Establishment, this legislation authorizes the President to draft and conscript men. The bill as written not only has power to authorize, to conscript men, to defend our country but to press them into service on foreign soils for wars of conquest or aggression, for wars waged for the benefit of the rich, brought about by the rich, and for the further enrichment of the rich. This bill does not even exempt from this proposed draft young women, because the bill plainly states that "such members of the unorganized militia between the ages of 21 and 31 shall be drafted." Pass this bill as written and your President will have the authority to conscript women and send them into the Army, as is now done in Russia. My amendment will prevent all this.

This bill as originally written is grossly unfair and unjust, since it does not define in any such positive terms nor in such clear language the authority and powers of the President to conscript wealth. For years I have advocated and fought for the universal draft to protect our country from invasion by foreign foes. Those principles of the universal draft must always, to be fair and just, include the conscription of all resources, including not only the resources of man power but also the resources of materials and the unbounded resources of centralized and concentrated wealth.

Is anyone so optimistic as to believe that these huge financial resources of the money kings, the plutocratic war gods, and the tax-dodging millionaires of the Morgan and the Mellon type can be effectively conscripted by the ineffectual and equivocating provisions of the legislation we are now considering? Does anyone think that you can take the profits out of war and a series of Executive orders, notwithstanding the nobleness of purpose and humanitarian spirit of any President you may have in power, will be sufficient to counteract and halt the lust and greed of those piratical war gods, the du Ponts, the Schwabs, and the Fords? If anyone so believes, he has more faith and confidence in the changeability of human nature than have I. It has been well said that the only manner in which profits can be taken out is to tax them out. Do not pass this bill in the fond, and perhaps mistaken, hope that following its enactment you will be given an opportunity to vote for a bill that possesses teeth, claws, hooks, and fangs—namely, a bill that will levy a surtax of 95 percent on all net incomes of $10,000 and over in times of war. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired on the pending section.

Mr. SMITH of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Virginia. Is it in order to offer a substitute for the amendment as perfected by the amendment offered by the gentleman from Wisconsin?

The CHAIRMAN. There are two amendments now pending. Do I understand the gentleman wishes to offer a substitute for the amendment offered by the gentleman from Wisconsin?

Mr. SMITH of Virginia. No. I want to offer a substitute to the amendment offered by the gentleman from Maryland as perfected by the amendment offered by the gentleman from Wisconsin.

The CHAIRMAN. The amendment of the gentleman from Wisconsin was not to perfect the amendment offered by the gentleman from Maryland. The Chair will state to the gentleman from Virginia that the amendment offered by the gentleman from Maryland was to strike out, while the amendment offered by the gentleman from Wisconsin was to add a provision to the section sought to be stricken out by the amendment offered by the gentleman from Maryland.

Mr. SMITH of Virginia. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Virginia. When the pending amendments are disposed of, will it then be in order to offer a substitute amendment?

The CHAIRMAN. Yes.

The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was agreed to.

Mr. McSWAIN and Mr. GOLDSBOROUGH rose.

Mr. McSWAIN. Mr. Chairman, it is now 5 o'clock. I am satisfied that the Members are very tired. I therefore move that the Committee do now rise.

Mr. GOLDSBOROUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GOLDSBOROUGH. Has the amendment been disposed of?

The CHAIRMAN. The amendment offered by the gentleman from Maryland is pending and will be the unfinished business tomorrow.

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONNERY. Was the amendment offered by the gentleman from Wisconsin agreed to?

The CHAIRMAN. The amendment was agreed to.

Mr. GOLDSBOROUGH. Mr. Chairman, I was asking for a division on that question before the Chair announced the vote.

The CHAIRMAN. The gentleman from South Carolina moved that the Committee rise, which is a preferential motion.

The question is upon the motion of the gentleman from South Carolina that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 5529 and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DORSEY (at the request of Mr. DALY), on account of death in family.

To Mr. LANHAM (at the request of Mr. JONES), for 2 days, on account of illness.

To Mrs. NORTON (at the request of Mr. KENNEY), for 10 days, on account of illness.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 619. An act to amend section 27 of the Merchant Marine Act, 1920;

S. 857. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes;

S. 1068. An act to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934; and

S. 1605. An act authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Saturday, April 6, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

295. Under clause 2 of rule XXIV, a letter from the Chairman of the Federal Trade Commission, transmitting a report of the Commission, including as an appendix 24 volumes of testimony, with respect to the sale and distribution of milk and milk products, covering the Connecticut and Philadelphia milksheds, as prepared in pursuance of House Concurrent Resolution No. 32, Seventy-third Congress, second session, adopted June 15, 1934 (H. Doc. No. 152), was taken from the Speaker's table, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DOUGHTON: Committee on Ways and Means. H. R. 7260. A bill to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes; without amendment (Rept. No. 615). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SHANNON: Committee on Naval Affairs. H. R. 966. A bill for the relief of Sylvester T. Moriarty; without amendment (Rept. No. 610). Referred to the Committee of the Whole House.

Mr. CASEY: Committee on Naval Affairs. H. R. 778. A bill for the relief of Burton Bowen; without amendment (Rept. No. 611). Referred to the Committee of the Whole House.

Mr. BURNHAM: Committee on Naval Affairs. H. R. 2130. A bill for the relief of John M. McNulty; without amendment (Rept. No. 612). Referred to the Committee of the Whole House.

Mr. HIGGINS of Connecticut: Committee on Naval Affairs. H. R. 2333. A bill to correct the naval record of Joseph Horace Albion Normandin; with amendment (Rept. No. 613). Referred to the Committee of the Whole House.

Mr. SEARS: Committee on Naval Affairs. H. R. 3390. A bill for the relief of Austin F. Tierney; without amendment (Rept. No. 614). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 1583. A bill for the relief of Albert D. Castleberry; without amendment (Rept. No. 616). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3394) granting a pension to Charles H. Workman; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7188) for the relief of Douglas Aron Copley; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONNERY: A bill (H. R. 7286) to transfer to the Department of Labor the unlicensed personnel of the marine workers; to the Committee on Merchant Marine and Fisheries.

By Mr. JENKINS of Ohio: A bill (H. R. 7287) to reenact provisions of law relating to pensions for Spanish-American War veterans, and for other purposes; to the Committee on Pensions.

By Mr. RAMSAY: A bill (H. R. 7288) to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia; to the Committee on the Judiciary.

By Mr. SWEENEY: A bill (H. R. 7289) to restore salaries of certain post-office clerks; to the Committee on the Post Office and Post Roads.

By Mr. WELCH: A bill (H. R. 7290) to amend certain laws relating to American seamen, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WEST: A bill (H. R. 7291) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.; to the Committee on Interstate and Foreign Commerce.

By Mr. WOOD: A bill (H. R. 7292) to amend the act entitled "An act to regulate steam engineering in the District of Columbia", approved February 28, 1887, as amended, and to provide for the licensing of firemen operating steam boilers in the District of Columbia; to the Committee on the District of Columbia.

By Mr. CITRON (by request): A bill (H. R. 7293) to amend the act approved June 16, 1934, entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes"; to the Committee on the Judiciary.

By Mr. MICHENER: A bill (H. R. 7294) to amend the postal laws relating to the appointment of acting postmasters; to the Committee on the Post Office and Post Roads.

By Mr. QUINN: A bill (H. R. 7295) to prohibit experiments upon living dogs in the District of Columbia, and providing a penalty for violation thereof; to the Committee on the District of Columbia.

By Mr. CONNERY: A bill (H. R. 7296) prohibiting the transportation or importation of prison-made goods, wares, or merchandise into any State or Territory which prohibits the sale of prison-made goods, wares, or merchandise; to the Committee on Labor.

By Mr. SUMNERS of Texas: A bill (H. R. 7297) to prohibit the interstate transportation of prison-made products in certain cases; to the Committee on Labor.

By Mr. BOYLAN: Resolution (H. Res. 194) directing the House Committee on Foreign Affairs to investigate the state of religious toleration in Mexico, and its effect upon the rights of American citizens; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Colorado, re an embargo on certain agricultural commodities; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Maine, re the dredging of Chandler River in the State of Maine; to the Committee on Rivers and Harbors.

Also, memorial of the Legislature of the State of Oregon, re the registration of all aliens within the United States; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLDEN: A bill (H. R. 7298) for the relief of Lt. Comdr. Allen H. Guthrie, United States Navy (retired); to the Committee on Naval Affairs.

By Mr. DALY: A bill (H. R. 7299) for the relief of Charles Hill; to the Committee on Military Affairs.

By Mr. DELANEY: A bill (H. R. 7300) for the relief of Mrs. Hugh J. Finn; to the Committee on Naval Affairs.

By Mr. DORSEY: A bill (H. R. 7301) for the relief of William H. Verity; to the Committee on Military Affairs.

Also, a bill (H. R. 7302) for the relief of John G. Stevenson; to the Committee on Military Affairs.

Also, a bill (H. R. 7303) granting a pension to Sophia Cosgrove; to the Committee on Pensions.

By Mr. GINGERY: A bill (H. R. 7304) granting a pension to William L. Shaffer; to the Committee on Invalid Pensions.

By Mr. LEHLBACH: A bill (H. R. 7305) for the relief of William Howes Collins; to the Committee on Claims.

By Mr. LUDLOW: A bill (H. R. 7306) granting an extension of Patent No. 1345660; to the Committee on Patents.

By Mr. MASON: A bill (H. R. 7307) granting a pension to Susan Coker; to the Committee on Pensions.

By Mr. MEEKS: A bill (H. R. 7308) for the relief of Albert Dillinger; to the Committee on Military Affairs.

By Mr. MILLER: A bill (H. R. 7309) granting an increase of pension to Howell E. Waits; to the Committee on Invalid Pensions.

By Mr. NELSON: A bill (H. R. 7310) granting a pension to Anna L. Bell; to the Committee on Invalid Pensions.

By Mr. RAMSAY: A bill (H. R. 7311) for the relief of Raymond H. Leu, M. D.; to the Committee on Military Affairs.

By Mr. SCHAEFER: A bill (H. R. 7312) for the relief of Jerome Scalione; to the Committee on Claims.

By Mr. TERRY: A bill (H. R. 7313) authorizing a preliminary examination of Gafford Creek, Ark.; to the Committee on Flood Control.

Also, a bill (H. R. 7314) authorizing a preliminary examination of Point Remove Creek, Ark., a tributary of the Arkansas River; to the Committee on Flood Control.

By Mr. VINSON of Kentucky: A bill (H. R. 7315) granting an increase of pension to Brittie Ann Gault; to the Committee on Invalid Pensions.

By Mr. WARREN: A bill (H. R. 7316) granting an increase of pension to Clara Prentis Billard; to the Committee on Pensions.

By Mr. WOOD: A bill (H. R. 7317) for the relief of James Alexander Summers; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6693. By Mr. ANDREW of Massachusetts: Memorial of the General Court of Massachusetts, favoring the passage of national unemployment insurance legislation; to the Committee on Ways and Means.

6694. By Mr. BLAND: Petition of 17 citizens of Caroline County, Va., favoring a uniform Federal old-age-pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

6695. By Mr. BLOOM: Petition of residents of the city of New York, protesting against the passage of Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

6696. Also, petition of the New York State Society of Professional Engineers, favoring the creation of a Cabinet Office of Public Works to be presided over by a professional engineer; to the Committee on Appropriations.

6697. Also, memorial of Gmina No. 112 of the Polish National Alliance of the United States of America, urging the enactment of House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

6698. Also, petition of the Senate of the State of New York, urging the enactment of legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry, and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6699. Also, petition of the Senate of the State of New York, favoring the passage of the General Pulaski Memorial Day resolution; to the Committee on the Judiciary.

6700. By Mr. EKWALL: Senate Joint Memorial No. 19, of the Thirty-eighth Legislative Assembly of the State of Oregon, petitioning Congress to enact legislation requiring the registration of aliens; to the Committee on Immigration and Naturalization.

6701. By Mr. FOCHT: Petition of John Beers, Orbisonia, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, opposing the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

6702. Also, petition of J. C. Bowmaster, Orbisonia, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, opposing the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

6703. Also, petition of E. C. Shiley, Mount Union, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, opposing the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

6704. Also, petition of H. Blair Wagner, of Mount Union, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, opposing the Wheeler-Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

6705. Also, petition of B. O. Shope, Saltillo, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, opposing the Wheeler-Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

6706. Also, petition of N. P. Bernhardt, of Orbisonia, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, opposing the Wheeler-Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

6707. Also, petition of E. J. Madden, Three Springs, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, opposing the Wheeler-Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

6708. By Mr. GOODWIN: Petition of the New York State Legislature, memorializing Congress to pass, and the President of the United States to approve if passed, the General Pulaski Memorial Day resolution now pending in the United States Congress; to the Committee on the Judiciary.

6709. Also, petition of the New York State Legislature, memorializing Congress to enact legislation establishing a sea-food distributing and marketing bureau for the purposes of protecting and encouraging the fisheries of the Atlantic coast; to the Committee on Merchant Marine and Fisheries.

6710. By Mr. HIGGINS of Massachusetts: Resolutions by the Great and General Court of Massachusetts, memorializing Congress in favor of the passage of national unemploy-

ment-insurance legislation; to the Committee on Ways and Means.

6711. Also, resolution by Gov. James M. Curley and Governor's Council of Massachusetts, on adoption of such tariff schedules to exclude fish products of other countries where health, wage, and other standards are disregarded, and which render it impossible for Americans to compete; to the Committee on Merchant Marine and Fisheries.

6712. By Mr. KENNEDY of New York: Petition of the Legislature of the State of New York, urging that the Congress of the United States enact with all convenient speed legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast subsidizing the sea-food industry and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6713. Also, petition of the Legislature of the State of New York, urging that the Congress of the United States pass and the President of the United States approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress; to the Committee on the Judiciary.

6714. By Mr. KENNEY: Petition of the New Jersey District Lodge, No. 2, of the International Order of Good Templars, petitioning the honorable Senators and Congressmen from their State to do everything in their power to eliminate an armament race between nations, and to do everything possible for world disarmament and world peace; to the Committee on Foreign Affairs.

6715. Also, petition of citizens of East Orange, N. J., appealing to our illustrious President and Chief Magistrate to champion the cause of the oppressed people of our sister Republic, the United States of Mexico, and to call upon the heads of the revolutionary party now in power to cease their persecution of religion and to restore to the church of the Mexican people freedom to function according to its constitution; to the Committee on Foreign Affairs.

6716. By Mr. KING: Concurrent resolution of the Legislature of the Territory of Hawaii, petitioning Congress to provide adequate funds for the establishment in Hawaii of a home for the Territory of Hawaii as a branch of the National Military Home; to the Committee on the Territories.

6717. Also, concurrent resolution of the Legislature of the Territory of Hawaii, petitioning for an additional breakwater for the harbor at Port Allen, Kauai Island, Territory of Hawaii; to the Committee on Rivers and Harbors.

6718. Also, petition from the citizens of the island of Molokai, Territory of Hawaii, requesting that two or more companies of the National Guard be recruited, organized, and established on the island of Molokai, Territory of Hawaii; to the Committee on Military Affairs.

6719. By Mr. LUNDEEN: Petition of the Minnesota State Legislature, urging Congress to enact a Federal antilynching law; to the Committee on the Judiciary.

6720. Also, petition of Commercial Relief Printers of Minneapolis, Minn., urging that the National Recovery Administration be continued for at least 1 year; to the Committee on Ways and Means.

6721. Also, petition of the Custom Millers Association of Minnesota, urging that the Agricultural Adjustment Act be amended so as to provide that the processing tax shall be levied on the amount of flour produced rather than on the amount of wheat processed; to the Committee on Agriculture.

6722. Also, petition of Uniformed Firemen's Association, No. 82, of Minneapolis, Minn., urging the passage of House Resolution 117, and Senator McCARRAN'S amendment to same; to the Committee on Appropriations.

6723. Also, petition of Lincoln County Board, Minnesota, protesting against the continuation of foreclosures on farms and homes; to the Committee on Agriculture.

6724. By Mr. MAPES: Petition of John VanderPloeg, of Grand Rapids, and other registered voters of Kent County, Mich., recommending the repeal of the Wheeler-Howard Act, and protesting against the continuance in office of the present Commissioner of Indian Affairs; to the Committee on Indian Affairs.

6725. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, favoring the passage of national unemployment-insurance legislation; to the Committee on Ways and Means.

6726. By Mr. MEAD: Petition of the Senate of the State of New York, urging that Congress enact, with all convenient speed, legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6727. Also, petition of the Senate of the State of New York, urging that Congress pass and the President of the United States sign, if passed, the resolution which tends to proclaim October 11 of each year a memorial day to General Pulaski; to the Committee on the Judiciary.

6728. By Mr. MORAN: Memorial of Legislature of the State of Maine, Senate and House of Representatives; to the Committee on Rivers and Harbors.

6729. By Mr. O'CONNELL: Resolution requesting the Senators and Representatives in Congress from the State of Rhode Island to use their best efforts to secure the defeat of House bill 3042 and Senate bill 1632 in their present form; to the Committee on Interstate and Foreign Commerce.

6730. Also, resolution urging Congress of the United States to pass legislation restricting the importation into this country of certain textile articles; to the Committee on Ways and Means.

6731. By Mr. PFEIFER: Petition of the Hickmeyer Bros., Inc., New York, urging the passage of an act to restrict the importation of textiles into this country; to the Committee on Ways and Means.

6732. Also, petition of Fairchild Sons, mortiçians, Brooklyn, N. Y., concerning the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

6733. Also, petition of the Howlett & Hockmeyer Co., Inc., New York, concerning importation of goods from Japan replacing cotton goods of American manufacture; to the Committee on Ways and Means.

6734. Also, petition of the Tension Envelope Co., Inc., Brooklyn, N. Y., urging continuation of the National Recovery Administration; to the Committee on Appropriations.

6735. By Mr. PLUMLEY: Petition of Agnes La Plante and some 10 others, favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6736. Also, petition of F. G. Persons and nine others, favoring legislation of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6737. By Mrs. ROGERS of Massachusetts: Petition of the Senate and House of Representatives of the State of Massachusetts, favoring immediate enactment by Congress of suitable legislation creating a national unemployment-insurance plan; to the Committee on Ways and Means.

6738. By Mr. RUDD: Petition of Manhattan Camp, No. 1, Department of New York Spanish War Veterans, favoring the passage of House bill 6995; to the Committee on Pensions.

6739. By Mr. SCHAEFER: Petition of city of Madison, Ill., calling on Congress to set aside each October 11 as General Pulaski Memorial Day; to the Committee on the Judiciary.

6740. By Mr. TRUAX: Petition of Adams Local No. 7, Farmers Union of Defiance County, Defiance, Ohio, by their secretary, John P. Coressel, urging support of the Thomas-Massingale cost-of-production bill; to the Committee on Agriculture.

6741. Also, petition of the United Rubber Workers Federal Labor Union, Goodrich Local, 18310, Akron, Ohio, by their recording secretary, H. C. Anthony, urging support of the Wagner-Connery labor disputes bill; to the Committee on Labor.

6742. Also, petition of India Rubber Workers Local No. 18346, Mogadore, Ohio, by their executive committee, urging full cooperation and support of the Wagner-Connery bills as they feel that this legislative measure is necessary for the maintenance of peace and welfare throughout the country; to the Committee on Labor.

6743. Also, petition of Local Union No. 48, of Bricklayers, Masons, and Plasterers, International Union of America, by their secretary, Guy Z. Born, New Philadelphia, Ohio, urging support of Wagner and Connery bills, containing provisions regarding labor disputes; to the Committee on Labor.

6744. Also, petition of Die Sinkers Lodge, No. 1010, Cleveland, Ohio, by their secretary, B. O. Moore, respectfully urging support of House bill 6288, known as the "Connery labor disputes bill" as the passage of this bill means a great deal to the workers affiliated in this union, which is 100 percent organized in this district; to the Committee on Labor.

6745. By the SPEAKER: Petition of Council No. 326, Knights of Columbus; to the Committee on Immigration and Nauralization.

6746. Also, petition of the city of Muskegon Heights, Mich.; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

SATURDAY, APRIL 6, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Remind us, Father of all mercies, that the supreme end of man is to realize the kingdom of righteousness in his breast and to glorify Thee forever. It yields the secret of blessedness, the poetry of life, the flower of the soul, and the music of heaven. With increasing zeal and faith may we build it into our characters, using the precious stones of spiritual truth, godly virtue, and manifold charity and sacrifice. As we wait, open our minds to the rule of conduct which is, "Do right"; it is universal and perpetual in its obligation. It is Thy unchanging law in a changing world; we pray that our hearts may breathe this word. Herein is the highest virtue, the sweetness of serene faith, the hope that triumphs over adversity, and the bow that spans the storm. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 117) entitled "Joint resolution making appropriations for relief purposes."

CLAIMANTS WHO SUFFERED LOSS FROM FIRES SET BY GOVERNMENT-OPERATED RAILROADS IN MINNESOTA IN 1918

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in connection with the bill H. R. 3662, and to include some testimony of a witness in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTENGER. Mr. Speaker, in the CONGRESSIONAL RECORD for April 3, on page 4969, I discussed with my colleagues H. R. 3662, which is a bill for the relief of the several thousand claimants who suffered loss in the 1918 Minnesota fire, which was caused by Government-operated railroads. I quoted in the brief discussion of April 3 the testimony of the Honorable H. A. Dancer, one of the trial judges, with reference to the so-called "liberality" of the settlements.

Today I want to present some testimony at the hearings in 1930 from another witness, Mr. Frank Yetka, of Cloquet, Minn. Mr. Yetka is at the present time the insurance commissioner for the State of Minnesota, having been recently appointed. For the past 3 or 4 years he has served as county attorney for Carlton County, Minn. Mr. Yetka is a World War veteran, and when Cloquet was burned up he was in the military service. He returned home shortly after the fire, upon his discharge from the Army.

Mr. Yetka has been in Washington, in the interest of the fire-claimants bill, and I mention this fact because last year there was a lot of reference to "lobbyists" and so forth, and I want to say, frankly, if Mr. Yetka's efforts to explain the fire-claimants bill to Members of Congress who want to do the right thing amounted to lobbying, then he was my "lobbyist" in 1930.

I want to quote some of Mr. Yetka's testimony before the Committee on Claims with reference to the question as to whether or not the Railroad Administration coerced people into signing releases, and with reference to the question of the so-called "liberality" of the Railroad Administration. I am doing this because I have no way of knowing what methods the opposition will use, and I earnestly appeal to my colleagues to read this brief but pointed extract from Mr. Yetka's testimony. He says, on pages 203 and 204 of the hearings:

I also want to call attention to some of the methods that were used at the time these settlements were made. Much has been said about why we accepted those offers. I will make the statement now, before all the attorneys and all the people here who are not attorneys, that in no instance did the attorneys agree to or accept any of these offers of settlement, in spite of what Mr. Davis has said. They did not dare. The situation had gone to the point where they had already told their people, "You will either get all or nothing upon adjudication", and no one dared to assume the authority to accept these settlements. These offers were made; they were negotiated as far as we could negotiate them; and we finally had to go to our people and say, "That is all we can do." I have talked to many, many of them after some of these offers had come out, and they said, "Well, what are you going to do?" And I would have to say, "I can't tell you to take it on that basis, on the stand the Government took previously, and yet I am not in a position to tell you not to take it, because I know your circumstances. You will have to use your own judgment; do what you please." It was so disgusting to the attorneys who had taken this position originally, relying on the Government's attitude, that they could not take any definite stand, either of acceptance or rejection; and the final result was that many times meetings were held where several hundred people got together, and when they found out the attitude that the Government was taking and that it had reversed itself and that they might never get a dollar, they would say, "For God's sake, let us take what we can get."

That is the actual picture of the actual situation that existed in those areas; and the Government was not misled at the time these settlements were made, because at the time of these negotiations there was talk of appealing to Congress. When I saw that the people had to take them I filed my own claim, so as not to delay the matter. I agreed with the rest of them, if you call it an agreement, when I saw what was going on. I knew what I was doing. I have no apologies to offer. I told the Government agents at that time, "Some day we are going to go before Congress", and they knew it. And when I made that statement I was accused of being unethical, for demanding our rights from the United States Government. I told them that if it was unethical to petition Congress for redress of our grievances, then I was going to be unethical. The last settlements that were made were completed in the year 1927, and the records of the Seventieth Congress in 1928 will show that a bill then appeared for the relief that we are asking now, but it never reached the committee.

Mr. CLARK of North Carolina. Right on that point I would like you to state just how you managed to get the people of Cloquet, who had recovered judgments on this understanding that you say was had with the Government, to be paid all if they got judgments—how you managed to get them to agree to take 50 percent.

Mr. YETKA. We did not get them to agree, Mr. CLARK. They agreed themselves. When they realized the situation, that here was a chance to get something; that if they waited they might never get a cent; that the Government positively refused to pay any of those judgments and took the stand, "You can either take what we offer you or take nothing, and, as far as the rest of them are concerned, you will have to litigate each individual case separately"; when the cost, in many instances, might be 10 times as much to try a case as the amount of the claim they had—what were those people going to do, when they had not a dollar to their name, practically, scarcely enough for their existence for a period of years? The first settlement took place 3 years after the fire, when they were still living in shacks, most of them, and they were in debt. Some of them had started building new homes, relying on the findings in the Cloquet case; they had put a part of their insurance money into their new homes. What would any man in those circumstances do? What would I do if I had a thousand dollars insurance and put it into this new home as a part payment, relying upon what had transpired previously, and then the Government came along and

said, "You will either take what we give you or go without; take it or leave it"? They stood the chance of losing even that last dollar received from the insurance company. Personally, I did not start to rebuild until 1922. With most of the claimants it was a case of life and death. Those people were desperate, and unless a person was there and lived with them they could not realize how desperate their condition was.

In connection with your question, I might say this: I might state my position briefly on this. I want to summarize this as follows, divided into 1, 2, 3, and 4 points.

For instance, first: The original attitude of the Government that you would have to litigate your case and that they would either pay all or nothing, depending upon the court's adjudication, whether or not the Government was liable.

Second. The absolute refusal on the part of the Railroad Administration to pay judgments that had been entered against it.

Third. The absolute insistence, and unqualified position of the Railroad Administration after defeat that each case would have to be litigated separately.

Fourth. The dictating of their own terms on the part of the Railroad Administration as to where areas of settlement should be established and what percentages should be paid and the methods of settlement.

Fifth. The inability of the litigants to enforce their judgments.

Sixth. The misrepresentation and coercion on the part of the representatives of the Railroad Administration.

In the connection this may need a little explanation. I have referred to our first experience, that we had at the beginning of our education, in fighting the Railroad Administration, and that was in negotiating the Cloquet settlement.

I think somebody touched upon it lightly yesterday, but there was at least one attorney, I remember, that had in mind that if he got a certified copy of the judgment and brought it down to the United States Treasury, they would pay it. Where he got that idea, I do not know, but he said something to that effect. He said, "Maybe we could find some way, if we figure long enough, how we could tap the Railroad Administration"; something like that. Mr. McLaughlin smiled and said: "If you think you have found out a way whereby you can collect that judgment, you had better start figuring all over again. If you think you can figure out a method of collecting these judgments, you had better start figuring all over again."

In other words, he tried to paint us a picture there that the Railroad Administration had a certain amount of money, lots of other claims, and that they were continuing to settle and pay, and that you would have to litigate these cases separately from now on, even if you got judgments by that time.

Well, maybe we will not have the funds and you will have to go to Congress, and you know what Congress will do if we do not recommend it.

That was the import of the statement that was made.

If we do not recommend an appropriation, you know what Congress will do.

I call that misrepresentation, because it was disclosed absolutely that the Railroad Administration had sufficient funds to pay all of these claims in full and never was short of funds, as I understand from things I have learned since.

It should be noted that the Mr. McLaughlin referred to in the above testimony was at one time Director General of the Railroads. It is submitted that Mr. Yetka has set forth clearly the unfair attitude of the Railroad Administration and uncontroverted facts that show the Railroad Administration met its obligations only halfway.

THE WORLD WAR

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER. Mr. Speaker, it was just 18 years ago this very hour that the Congress of the United States was about to vote on a declaration of war.

Today we have under discussion a measure designed to do away with the profits in case we have another war.

I am sure I voice the sentiments of every one of my colleagues when I say that neither the Government nor the citizens of the United States want another war. The destruction of property and the spending of billions of dollars in the World War conflict is still very fresh in our memories. The sacrifice of our boys upon the battlefield is constantly before the Members of Congress in petitions for pensions and hospitalization from those who made the sacrifice. With the improved mechanisms that would be used in case of another war, the destruction of human life would be so terrific and terrible that we could only look forward to the destruction of our civilization.

As a member of the subcommittee on war appropriations, I was in hearty sympathy with strengthening our national defense. Just so long as selfishness and greed are controlling elements in our social and economic adjustments—just so long we will have to maintain a national defense that is adequate for protection against those nations that apparently are ever equipping themselves for further war.

Mr. Speaker, this day is designated as "Army Day." As we listen this very minute, we hear the martial music of the Army Band as it heads down Pennsylvania Avenue, with the various units of war equipment following. This demonstration is not a preparation for war. It is merely the training of our young men for such emergencies as may be brought about by conditions which can only be controlled through such activities. In this line of march we find the sons of the Spanish War veterans, the American Legion drum corps made up of those who were enlisted in that great struggle, the war mothers that lost their sons on the battlefield, and other similar units. The speedy pursuit planes and the terrible bombers are now in Langley Field ready to take the air in demonstration of the efficiency of our national defense.

Mr. Speaker, the purpose of this Congress and the purpose of the people of this Nation is not to create a set-up that would provoke another war, but it has been demonstrated that this administration is constantly building a social and economic fabric that will dovetail into a world peace movement, a fabric that will bring about an adjustment in our industrial conditions that will make it possible for every man to have a position and earn an honest livelihood.

Last year we graduated from our high schools 1,017,000 young men and young women equipped to raise our institutions to a higher level of efficiency. This June we will graduate approximately 1,150,000 more young men and women from these institutions. It is not our purpose to prepare these young men and young women for war activities but to prepare them for citizenship-building and Nation-building activities.

In checking up the profits that men and companies made in creating and manufacturing war materials during the last war, it is self-evident that some measure should be adopted by which the profit could be eliminated in case of another war. If we divide the number of boys killed during the last war into the number of dollars spent to carry on the war, we find that it cost the Nation approximately $100,000 for each boy who was killed on the battlefield. That a great percent of this $100,000 that it cost to kill each boy was unearned profit seems to be apparent.

As a nation we can preserve our institutions; we can build a fabric that will make the Nation a better place in which to live; we can put our house in order by adjusting our economic and social institutions.

The passing of the $4,000,000,000 work-relief bill yesterday by the Congress of the United States is evidence of the faith we have in our institutions. It is a demonstration of the policies of the administration to put forth every effort to put men back to work. It is an example of Government procedure that the nations across the sea might well follow instead of the war expenditures that they are creating this very hour.

Mr. Speaker, we have kept faith with the better things in life; we have kept faith in our fellow men; we have kept faith in the social and spiritual institutions in our land. By so doing the United States heads all the nations of the earth in the march toward a purer, plainer, and fuller citizenship structure—a citizenship structure that we can hand down to our children and our children's children with pride.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

WAR PROFITS

Mr. McSWAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5529) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further

consideration of the bill H. R. 5529, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday there was pending the amendment offered by the gentleman from Maryland upon which all debate had been closed.

Mr. GOLDSBOROUGH rose.

The CHAIRMAN. For what purpose does the gentleman from Maryland rise?

Mr. GOLDSBOROUGH. To submit a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. GOLDSBOROUGH. Mr. Chairman, the amendment offered by me stated that all of section 3 should be stricken out down to and including the word "proclaim." After offering this amendment the language of the bill was perfected by the following language:

Provided, That no member of the militia drafted into the armed forces of the United States under the provisions of this section shall, while a member of such armed forces, be permitted to serve on foreign soil only to prevent, repel, or quell actual invasion of the United States of America.

The parliamentary inquiry is whether I am now entitled to recognition for the purpose of offering an amendment which will perfect the previous amendment offered by me.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent that he may be permitted to perfect his amendment, which the Clerk will report.

Mr. McSWAIN. Mr. Chairman, I reserve the right to object until we hear the proposal.

The Clerk read as follows:

Amendment offered by Mr. GOLDSBOROUGH: Page 2, line 9, strike out all of the first sentence of section 3.

Mr. BOILEAU. Mr. Chairman, reserving the right to object—and I have no disposition to object—I would like to have it understood, however, that I may submit a unanimous-consent request to perfect the amendment accepted yesterday by changing the word "only" to the word "except"; in other words, strike out the word "only" and insert the word "except", which is simply for the purpose of making the language a little clearer.

Mr. GOLDSBOROUGH. I have no objection.

Mr. HILL of Alabama. Reserving the right to object, Mr. Chairman, I think that ought to be done. The word "only" does not make the intent as clear as the word "except."

Mr. BOILEAU. If the gentleman from Maryland will withhold his request until I have asked unanimous consent to make this correction, I shall not object to his request.

Mr. GOLDSBOROUGH. I have no disposition to object to the gentleman's request.

The CHAIRMAN. Is there objection, first, to the request of the gentleman from Maryland?

Mr. HILL of Alabama. Mr. Chairman, I reserve the right to object to ask the purpose of the request of the gentleman from Maryland.

Mr. GOLDSBOROUGH. The proposed amendment simply perfects the previous amendment by striking out all of the first sentence of section 3, which would include the amendatory language.

Mr. HILL of Alabama. That is all right.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I now ask unanimous consent to strike out the word "only" in the amendment that was agreed to yesterday afternoon and insert in lieu thereof the word "except."

Mr. GOLDSBOROUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GOLDSBOROUGH. Mr. Chairman, am I entitled to recognition for 5 minutes?

The CHAIRMAN. As soon as this request is disposed of the Chair will recognize the gentleman from Maryland.

Is there objection to the request of the gentleman from Wisconsin?

Mr. RANKIN. Mr. Chairman, reserving the right to object, what difference would this make?

Mr. BOILEAU. This is simply to clarify the language. It is rather cumbersome to use the word "only." This change makes no difference in the intent of the committee as expressed yesterday afternoon.

Mr. RANKIN. There is a great deal of difference between the words "only" and "except."

Mr. BOILEAU. I appreciate that; but I offered the amendment first, and then the gentleman from Ohio [Mr. TRUAX] offered an amendment to my amendment, and the language of the two did not fit in very well. I am sure it was the intent of the committee yesterday to use the word "except."

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Chairman, all this amendment does is to strike out and eliminate that part of the bill providing for human conscription. Those of us who see no necessity whatever in time of peace for a provision providing for human conscription are in favor of the legislation with that sentence eliminated.

The bill without that sentence would have the same tendency to restrain the cupidity of those who make money out of a national emergency or national calamity, and therefore we favor it.

But our contention is, if the time ever comes, which God forbid, that it is necessary to consider the question of conscription, Congress can dispose of it then.

Mr. RANKIN. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. RANKIN. The bill exempts every man above 31 years of age until the young manhood of the country is exhausted?

Mr. GOLDSBOROUGH. That is correct.

Mr. RANKIN. The munition manufacturers and the international bankers, all being above 31 years old, will know that their time has not come until the young manhood of the country is exhausted.

Mr. GOLDSBOROUGH. I thank the gentleman for his contribution. The people of this country think that this Congress is considering legislation which will tend to prevent war, but when the mothers and the fathers of this country find out that the American Congress is writing into legislation a provision which will call into the military service every man in this country between the ages of 21 and 31, they will reach the inevitable and correct conclusion that this is not a bill to prevent war but a bill which invites war.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. RANKIN. Ninety-nine percent of the Members of Congress who vote for that war would be exempt under this law, even if they did not exempt themselves, until the young manhood of the country was exhausted and another draft law passed.

Mr. GOLDSBOROUGH. If there was only a sentence in this bill that would state that every man who made a speech in favor of war should be automatically drafted into the front lines it would be a good thing.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. McSWAIN Mr. Chairman, I rise in opposition to the amendment. As I stated the day before yesterday, section 3 under consideration is taken from the Capper-Johnson bill, which received more endorsements from patriotic organizations than would be possible to be printed on one page of the CONGRESSIONAL RECORD. All of the patriotic organizations that I remember were listed by Royal Johnson in connection with an address which he made on this floor in support of his measure, and I submit that that legislation would have become law, I believe, 10 or 12 years ago, except for the proposal, that permitted the drafting of labor and of human services other than for military service. As the amendment of the gentleman from Missouri [Mr. SHORT] and the amendment of the gentleman from Pennsylvania [Mr. FADDIS] have been adopted, what do we have? We

have only the proposal that when Congress declares war there may be drawn into the military service young men between the ages of 21 and 31 to fight to defend what? To defend the United States. How was the United States to be defended? We have a small Regular Army, and I am in favor of a small Regular Army.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I am sorry, but I cannot yield. Those of you who have served with me here for 14 years know that I have all of the time resisted the increase in our professional standing Army. I believe in a well-trained civilian reserve Army that represents a cross section of the sentiment of the American people, and I believe in keeping the Army forces of the country subject to the strict civil authorities of the Nation, and you gentlemen know that. How is the country to be defended? This small Regular Army is a volunteer army. The National Guard is a volunteer army. The Organized Reserves are volunteers, and all these put together make up something like 350,000 officers and men. Suppose war is declared, suppose we need, as the language of the bill says, an "immediate increase in the armed forces", and for what purpose under the Faddis amendment? To defend our own land. I would like to know where is the man who would not fight, who would not die to defend America. [Applause.] You cannot tell me that human nature has changed in a hundred years.

Mr. MONAGHAN. I thought the gentleman was trying to prevent war.

Mr. McSWAIN. I am talking now about letting everybody know that America is seeking only to defend her territory, but at the same time letting them know that she is prepared to defend her territory. [Applause.]

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I am sorry, but not now. Human nature has not changed in a hundred years. About a hundred years ago, a little more, this Capitol was ransacked and burned to the ground, and the White House and the young Federal City was destroyed. By whom? By those who were during the last war our allies. Those to whose rescue we went.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mr. SMITH of Virginia: Page 2, line 10, after the word "exist", strike out all of the language down to and including the word "Congress" in line 19.

Mr. SMITH of Virginia. Mr. Chairman, my amendment is designed to accomplish the same purpose as the amendment of the gentleman from Maryland [Mr. GOLDSBOROUGH]. It is merely a slight change in the language and is offered as a perfecting amendment. My reason for offering that amendment is that this bill which we are considering today has been heralded to the country as a bill to prevent war, a bill to take the profits out of war, and we find here, buried in its midst, a mere portion of a sentence which will do more, in my judgment, to promote war than anything that we could do here in this House today. [Applause.] The remainder of this bill is a beautiful gesture. I am willing to concede that it is a useful gesture, and I know that it is a sincere gesture on the part of the committee which has done so much work in its perfection.

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I have only 5 minutes.

Mr. LEE of Oklahoma. Please yield to me.

Mr. SMITH of Virginia. I cannot do it at this time. There may be provisions of the bill which I have described as a beautiful gesture which are all right, but when the time comes for its practical application, when you come to commandeer private property and private property rights, we all know that you run right smack into the Constitution of the United States.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I cannot yield at this time. Therefore, if you find that the rest of this bill is attacked on the ground of its unconstitutionality, all you are going to have left in the last analysis is what one sentence in the bill provides, namely, conscription for every boy in this country from the ages of 21 to 31.

Now, if that is what you want, as the gentleman said, if that is what you want, tell the people of this country that is what you want. Enact a conscription bill. Advertise in the newspapers that this Congress is conscripting in time of peace the boys of this country between the ages of 21 and 31, and if we are to exclude all over that age, tell that to the country also and then listen to the furor and the protests you will hear in this country from the Atlantic to the Pacific. [Applause.]

I do not expect to influence anybody by this statement. I simply wanted it to go into the RECORD. That is all I have to say about the bill.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. SMITH] has expired.

Mr. HILL of Alabama. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia [Mr. SMITH] and to the amendment offered by the gentleman from Maryland [Mr. GOLDSBOROUGH].

The provision in the bill which these amendments seek to strike therefrom is exactly the provision that this Congress wrote into the law after we went into the World War, that we might successfully wage and win the war. It provides the only democratic system, the one fair, equitable, and just system for raising an army necessary in the event of war, to protect our land, to prevent invasion of our soil.

Mr. O'MALLEY. Will the gentleman yield?

Mr. HILL of Alabama. I only have 5 minutes. I am sorry.

In every war in which the volunteer system has been used events have shown that system to have been wrong, to have been unfair and unjust to the citizenry of the country and dangerous, if not disastrous to the Nation that was waging the war. Gentlemen speak of the fact that this provision provides for the selective draft of young men. Of course, it provides for the selection of young men, because you cannot fight a war with old men. [Applause.] If you are going to repel invasion, if you are going to protect your homes and firesides, then you must call upon those in our land who are able to wage warfare, and they are the young, strong, virile men.

This measure is written so as to discourage any nation from making war upon us by letting that nation know that if we are forced into war we are prepared to defend ourselves and our land. It follows the advice given by George Washington when he said that our Nation should maintain a respectably defensive posture, not a posture of aggression, not a posture of offense, but such a posture of defense as would cause the nations of the world to respect us and to be fearful of engaging us in war. Had we in the past followed the wisdom of George Washington we would have been spared the humiliations and disgraces of the War of 1812. This very Capitol would never have been burned by British soldiers, to the shame of our country.

I think it is not too much to say that had we followed the wisdom of Washington we might never have been drawn into the World War, because we know that the German high staff in its careful and painstaking efforts, rated the military power of our country as negligible. Nations, like individuals, do not go to war to lose. As John Paul Jones so aptly said, "I do not count the cost of victory, but I do always count the chances of victory."

The gentleman from New York yesterday referred to the fact that Germany had been prepared to go into war. Yes; Germany was prepared, but Germany was prepared for a war of aggression. Germany put herself in no defensive posture. She prepared that she might be the aggressor and wage war for conquest. On the contrary, let us look at Switzerland.

Napoleon in his day made Switzerland a billet and a highway for his armies, and used her nationality as a pawn in

his ruthless politics. Prior to the World War, however, Switzerland assumed a respectably defensive posture by reasonable democratic military preparation, and because of her defensive posture Switzerland was able during the World War to maintain her neutrality and to preserve the inviolability of her soil. We of the United States covet no territory, we seek no conquest, we envy no nation on the face of the earth. All that we ask is to work out our own destiny on our own soil under God's approving eye in peace and in cooperation and friendship with all the other nations of the earth. Under the Constitution it is the duty of the Congress to insure this right for our Nation and our people, and the best and surest way to insure it is to follow the words of Washington and maintain for our country a respectably defensive posture. It was to this end that the provision was put in the bill.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HILL of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. O'MALLEY. Mr. Chairman, I object.

The CHAIRMAN. All time has expired on the pending amendment.

Mr. CROSSER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The Chair cannot recognize the gentleman at this stage. There are two amendments pending.

Mr. RANKIN. Mr. Chairman, I move to strike out the enacting clause.

Mr. HILL of Alabama. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from Mississippi will send to the Clerk's desk his motion.

Mr. HILL of Alabama. Mr. Chairman, I make the point of order that the motion is dilatory. That motion was voted down yesterday.

The CHAIRMAN. The Chair overrules the point of order. The gentleman will send forward his motion.

Mr. RANKIN. I make the motion to strike out the enacting clause.

The CHAIRMAN. The Clerk will report the motion.

The Clerk read as follows:

Mr. RANKIN moves to strike out the enacting clause.

Mr. HILL of Alabama. Mr. Chairman, I make the point of order that the motion is not in proper form and therefore not in order.

The CHAIRMAN. The Chair overrules the point of order, believing that there has been a substantial change made in the bill since the motion to strike was made. The gentleman from Mississippi moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The gentleman from Mississippi is recognized for 5 minutes.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that I may speak for 10 minutes.

Mr. McSWAIN. Mr. Chairman, I am sorry, but we must make progress——

Mr. MAY. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. RANKIN. Mr. Chairman, it is unfortunate that this bill should be brought before the House at this time, especially in its present form. It will leave the impression upon the American people and people throughout the world that we are preparing to plunge into another war.

Eighteen years ago today we took that terrible plunge into a conflict that cost the lives, all told, of 10,000,000 men, the picked flower of the world's best manhood. It left crepe on every doorknob of Europe; it wrecked the economic structure of every country under the sun; and left us burdened with a debt it will take 100 years of taxation to pay.

We are not looking for war; the American people are not expecting us to get ready to get into a war; they are expecting us to hold this country out of war. [Applause.] If you will strike out that provision that drafts the young manhood of this country but leave in the profiteer, manufacturer, the national banker, and those who got rich out of the last war and tax their profits, I will gladly vote for this bill.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. No; I cannot yield. The gentleman objected to my speaking 10 minutes, and I must decline to yield in the short time I have. [Applause.]

Mr. Chairman, if you want to tax the profits of war let us tax the profits of the last war [applause]; and then we will not have any next war in your day and mine. [Applause.]

I saw America plunged from the highest pedestal of moral and spiritual leadership any country has ever attained. Eighteen years ago today we went to war to make the world safe for democracy, and what has been the result; what is the result today? We drafted our young manhood, we burdened our people with debt. I saw those mothers you are fixing to punish today, the mothers of those young men from 21 to 31 years of age—I saw them turn their sorrow-stricken faces to the chairs made vacant by the old fireside and weep the tears of broken hearts. I saw those fathers who occupied the positions of those who are going to be punished under this bill, leaning on the staff of decrepitude, the emptiness of age in their faces and on their backs the burdens of the world, bowed down with grief for those sons you drafted into the service and sent across the seas to "make the world safe for democracy", democracy which now has virtually disappeared from the face of the earth. Why do you want to leave out men above 31 years of age? Oh, somebody says it takes young men to fight. I wonder if you ever read the history of the Battle of Shiloh, where men marched by the sides of their sons and some by the sides of their grandsons. Are you Congressmen too old to fight?

[Cries of "No!"]

Mr. RANKIN. This bill will exempt 99 percent of you. If you are too old to fight, you are too old to vote to send the other fellow to fight. [Applause.]

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. No; I cannot yield.

Mr. LEE of Oklahoma. Not for a friendly observation?

Mr. RANKIN. I am not going to yield for an observation, friendly or unfriendly; and I say this with all deference to the gentleman from Oklahoma.

This amendment ought to be adopted by all means. Let us not lead the world to believe that we are getting ready for another war. The next war may destroy civilization; it will wipe out men, women, and children. Let us serve notice on the munitions manufacturers and others who got rich out of the last war that they shall not get rich out of another war. Let us tax the profiteers who grew rich out of the last war and let them understand now that they will never again reap their millions at the expense of human suffering. But let us also serve notice on the world that America is leading the way to peace and avoiding the calamities of another war. [Applause.]

Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. SWEENEY. Mr. Chairman, I object.

Mr. McSWAIN. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, before proceeding to address myself to the motion, and as further evidence of my absolute good faith, I have in my hand an amendment in the form of a new section that I propose to offer to this bill, which amendment I hope and believe will be held to be garmane, to wit: This bill having for its purpose the taking of the profits out of war, I shall offer an amendment providing that in the event of war a tax of 100 percent shall be levied upon excess war profits.

I have done this after conference with the distinguished Senator from Michigan [Senator VANDENBERG], who is now in the Hall, who says that if there is just a word in this bill with regard to the problem of taxation that it can be made

the framework upon which he and his colleagues can build up the whole structure our friends argue is so important. I believe the amendment is germane.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. No; I am sorry; I have only 5 minutes.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. McSWAIN. No. I know the gentleman wants to ask a question, but if I yield to the gentleman I must yield to others, and that will use all my time.

Mr. O'MALLEY. What is the gentleman going to do about the sacrifice of young manhood?

Mr. McSWAIN. That is what I am going to answer. The motion before the committee is to strike out the enacting clause, because there is something in the bill somebody does not like. Let me remind you that 125,000,000 people are waiting to know first of all whether we are going to carry out the promise of the Republican Party and the Democratic Party made in 1924 to do something to take that first step toward taking the profits out of war.

I want you to believe that I am in this fight to the finish, and those of you who profess so innocently to desire this thing may trust me to lead, and I am inviting you to follow me. If I have not been working on this matter now for some 14 years, I have not been interested in anything. So, Mr. Chairman, when I am asked now to withdraw from this fight, I want to say, "No; I am going to keep my promise to my constituents. I am going to keep the promise that all Members have made to their constituents." You know and I know that no one piece of legislation is so complete and so perfect that standing alone at the very time of passage it does all the things that are desired.

I am asking you now to vote down the proposal to strike out the enacting clause. Let us go on with this proposition. Let us amend it, if you see fit, by a majority vote. I am enough of a Democrat to know that the majority must rule, but I am in favor of standing by the Capper-Johnson bill endorsed by dozens and dozens of patriotic societies and endorsed time and again by American Legion conventions.

The proposition comes down to the motion of the gentleman from Mississippi [Mr. RANKIN], although he asked unanimous consent to withdraw his motion. Now, are we going to say that all the people who endorsed the Capper-Johnson bill all these years did not know what they were talking about? It was, of course, a peace proposition, and it was endorsed by all these patriotic societies. It said this: "We do not want war, but if we do get into a war, we not only intend to take the profits out of it but we intend to see that the war is conducted to a successful conclusion."

Mr. Chairman, nobody wants war. Nobody will fight against it more than I, but I want to tell you that the time to talk against war is when we are talking about declaring war. If you are in a war, then every man, woman, and child in the Nation must rally to bring that war to a successful conclusion. Every man is bound in time of war to fight, if necessary, and die. All cannot fight. Who will fight? Everybody knows that the younger men are the ones best fitted to carry on the conflict, and this is the age limit that was prescribed by the first draft passed by this Congress in 1917.

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

Mr. RANKIN. Mr. Chairman, I demand a vote on my motion. The gentleman from South Carolina has convinced me that my motion should prevail.

The CHAIRMAN. The question is on the motion of the gentleman from Mississippi [Mr. RANKIN] that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The question was taken; and on a division (demanded by Mr. RANKIN, Mr. O'MALLEY, and Mr. SWEENEY) there were—ayes 54, noes 107.

So the motion was rejected.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Virginia.

Mr. RANKIN. Mr. Chairman, may we have the amendment reported again?

The Clerk reported the amendment of Mr. SMITH of Virginia.

The question was taken; and on a division (demanded by Mr. SMITH of Virginia, Mr. DUNN of Pennsylvania, and Mr. O'MALLEY) there were—ayes 68, noes 102.

Mr. SMITH of Virginia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the gentleman from South Carolina [Mr. McSWAIN] and the gentleman from Virginia [Mr. SMITH] were appointed tellers.

The question was taken; and the tellers reported there were—ayes 69, noes 108.

So the amendment was rejected.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Maryland.

The question was taken; and on a division (demanded by Mr. GOLDSBOROUGH and Mr. CROSSER of Ohio) there were—ayes 64, noes 84.

Mr. GOLDSBOROUGH. Mr. Chairman, I demand tellers.

Tellers were ordered, and the gentleman from South Carolina [Mr. McSWAIN] and the gentleman from Maryland [Mr. GOLDSBOROUGH] were appointed tellers.

The question was taken; and the tellers reported there were—ayes 79, noes 91.

So the amendment was rejected.

Mr. CROSSER of Ohio. Mr. Chairman, the gentleman from South Carolina needs no assurance from me as to my friendship and affection for him, but the proposition involved in the measure now before the House far transcends any personal consideration.

I remember well, 18 years ago, when this country entered the World War. I remember the assurances that were given and the maneuverings that were practiced to create the sentiment that was desired. I remember, too, that at that time, in 1917, we passed a conscription law. Those who say that in all wars in which this country has engaged the Government adopted and enforced laws for the conscription or draft of human beings are very much mistaken.

Mr. Chairman, the bill before us has been advertised from one end of the country to the other as a measure for the purpose, and the purpose only, of taking the profits out of war. What do you suppose would have happened if it had been advertised to the country that the main purpose, and I say the only purpose, of those outside of Congress, who constitute the main driving power behind this bill, is and has been to place on the statute books of the United States a law providing a permanent policy of conscription or draft of human beings and that is all about which they are concerned. [Applause.]

Mr. Chairman, let me tell you that if we strike out the first half of section 3 of this bill, those who chatter about taking the profit out of war will lose all interest in the measure and will be perfectly willing to have the bill thrown into the wastebasket and be done with it. [Applause.]

Mr. Chairman, this talk about conscripting property and this title at the head of the bill saying: "for the purpose of taking the profit out of war" are both for the purpose of making more palatable, more likable, to the people the autocratic drafting of human beings.

Just as I heard it argued for the draft 18 years ago so the gentleman from Oklahoma [Mr. LEE], yesterday proclaimed to us that this bill in its proposal to draft men is a democratic measure, that it sets forth the democratic plan of raising an army. My friends, the conscription of men is not democratic in the smallest degree. On the contrary, it is the very essence of autocracy.

We are told that the mechanics of democracy requires that all propositions be decided by a majority vote. There is, however, one right which, consistently with the principles of democracy, should not be submitted to the vote of the democracy and that is the right to continue as a unit of the democracy itself. To continue as a unit of the democracy one must continue to have the right to vote and of course in order to vote one must have his life. If the majority may take

away a person's life or his vote upon one excuse, they can take them away upon any excuse that may occur to them. The right to continue to vote is the very foundation of democracy and without it we have no democracy.

To illustrate, suppose we have 25 people landed on an island where there are no other persons and no government. The 25 people for convenience consider the desirability of having rules of order or conduct to be observed by all the 25 in order to promote the convenience and comfort of everybody. The 25 persons therefore agree in writing to be bound by whatever the majority approves by its vote. In other words, they proceed in accordance with what they regard the principles of true democracy. If, however, the right to vote is subject to control by the vote of the majority of the 25, you can see what would happen. The next day after signing the contract to be bound by a majority rule, 13 could arrange for an election at which 12, a minority of the 25, could be disfranchised. Likewise, 7 could hold an election to disfranchise 6 of the remaining 13 and so on until 2 persons would be left contending against each other in accordance with the old notion that brute force should prevail in society.

As already stated, the life of a member of a democracy is absolutely essential to his vote and if a majority can send the minority to a place where they are practically certain to be killed, it would be a very convenient way for the majority to secure complete control of the government for persons of their particular views. If the right to continue as a unit of the democracy is guaranteed to the minority as well as the majority, then what may have been the minority opinion at one time may become the majority sentiment as a result of discussion and education. To repeat, the right to continue as a unit of a democracy regardless of any pretext whatsoever is the very essence of democracy.

Mr. Chairman, the gentleman from Maryland [Mr. GOLDSBOROUGH] was emphatically right when he stressed the fact that this is no time to pass a draft law. If we are to pass a measure to take the profit out of war, let us confine the discussion frankly and fairly to that issue, and let us vote on that proposition alone, and I will guarantee that those who are opposing this measure today will vote for the bill, much as they doubt its efficacy. But, Mr. Chairman, let us make a straight-out issue before the American people on a single, separate bill involving the profit question if we are to raise that issue at all. [Applause.]

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, to begin with, I may state there is nobody in the House of Representatives that is more opposed to war than I am. I have risen for the purpose of calling attention to what seems to me to be the ridiculous attitude in which the Congress may get itself before the country.

During the present session of the Congress we have practically all voted for appropriating out of the pockets of the taxpayers of this country huge sums of money to build a great national defense organization in both the Army and the Navy. We have voted funds against the taxpayer aggregating almost three-quarters of a billion dollars for this purpose, and when the Committee on Military Affairs, after weeks of hearings, comes to the House of Representatives with a bill which proposes to take the profits out of war, we find it meeting all kinds of opposition on the floor of this House.

Suppose we defeat a bill that proposes to take the profits out of war and suppose it goes to the country that we have sat here and voted upon the taxpayers of this country a burden of three-quarters of a billion dollars in taxes to prepare for war, and then, in the same session of the Congress, we have refused to pass an act, whether perfect or imperfect, that has for its sole purpose the taking of the bloody profits out of the pockets of the profiteers in time of war. We then stand before the country convicted of taking a position in favor of war and letting the profiteers go free. This is the position in which we will stand in the event you defeat this bill.

Ah, they talk about drafting the young men between the ages of 21 and 31. I have two sons today that are well within these ages. I love them as dearly as I love my own life, and if the flag of my country was hoisted and Congress should declare war and they did not volunteer, I would disown both of them and never recognize them again. [Applause.]

I believe in peace, and I believe that the surest and safest guaranty of peace is to be adequately prepared for war; and when we give notice to the profiteers and the international bankers that my friend the gentleman from Mississippi [Mr. RANKIN] referred to this morning, that there are no more profits in war, then we will have served a great purpose and we shall have placed in the hands of the American people a weapon that will prevent war in season and out of season; but if, upon the other hand, we refuse to pass a bill to take the profits out of war, we will have said to the American people that we propose to allow the slaughter of men and the profits to go on with unrestrained activity.

Why, Mr. Chairman, I am persuaded that when we think once more about this question everybody in this House will be agreed upon one thing, and that is to take the profits out of war; and if the purpose of the bill is to do that one thing, in the nature of things it cannot be a perfect measure without fault, let us put through some kind of bill, and if it is imperfect a future Congress can correct it, if it needs correction.

We shall thus have laid the foundation and let the people know that we are working to have no more excess profits in war in this country; and if it becomes necessary to draft the young manhood, the flower of our country, they will be drafted and capital and wealth will be drafted also. [Applause.]

Mr. Chairman, I shall vote for the bill as the first great step toward the much-coveted objective of world peace. [Applause.]

Mr. BLANTON. Mr. Chairman, when this measure was called up, and we were told that we would get to vote on a bill that would take all of the profits out of war, I was one of those here who was delighted. I have been anxiously waiting to vote for such a measure.

But with the Faddis amendment in this bill, exempting organized labor from its provisions, which in case of another war would allow labor, through strikes, again to hold up this Government as was done during the World War, I cannot support it.

And with the additional amendment giving organized labor special rights and exemptions which my good friend from Masschusetts [Mr. CONNERY] seeks to put in it, and which is now on the Clerk's desk and will likely pass, no profits whatever will be taken out of war, so far as all work, all manufacture of munitions, and all war supplies, and all necessary war construction are concerned.

When the country enters a war it is not merely soldiers, and cannon, and shells, and horses, and motor power we need, it is not merely money we need; we need men to labor to do necessary work and everything else that goes to make possible a successful war. We need men to labor—men to do this and to do that, just the same as we need men to fight, and if we can draft men to fight and die, why cannot we draft men to work in safety at home?

I remember in the last war these 10-percent cost-plus contracts, and the unconscionable profits connected therewith, that took huge sums out of the Public Treasury wrongfully, but we had to pay, because organized labor forced it through strike after strike until skilled labor in certain sections forced the Government to pay as high as $30 per day, when men were fighting in trenches for $30 per month.

I will support this bill heartily if you will change it and make it provide that when this country is at war, all Government employees, from the highest to the lowest, who get to stay at home in places of perfect safety, who get to stay with their loved ones, who get to work in pleasant surroundings, who are never in any danger, who get to enjoy themselves nightly at theaters and other amusements, shall draw identically the same that our soldiers draw who do the fighting and do the dying.

I am perfectly willing, during periods of war, for Congressmen to draw the same pay fighting soldiers and sailors draw. Just as much patriotism should be demanded of Congressmen as is demanded of the men we call on to give their lives. If we cannot give big pay to fighting soldiers, who constantly face death in trenches, because it would not be patriotic for them to receive it, then it ought not to be patriotic for any other Government employees to receive big pay, and in war time they all ought to be treated exactly alike.

If we will change this bill, and provide that during war all Government employees, from the highest to the lowest, shall receive exactly the same pay that the fighting men in the death trenches receive, that would indeed be a start, and a real start, toward taking the profits out of war. And then, indeed, there would be no more war. You would hear no more jingo speeches from this floor. There would be plenty of men with the sagacity of Bryan, Champ Clark, and Claude Kitchin who would not be afraid to raise their voices to save our country from the curse that came upon us, when we entered the World War, that in every way has demoralized our Republic.

The records down here in the Department show that during the last war there were more than 6,000 strikes by organized labor against the Government during the war period. Six thousand strikes, and your President called Congress together and said that unless you gave him the "work or fight" amendment, which would make men fight when they refused to work, he could not conduct the war successfully.

The House passed it. Senator Thomas, of Colorado, led it in the Senate, and it passed; then when organized labor organized its march on the Capitol against it, it was defeated. I remember how Senator Thomas was crucified in Colorado in the next election and never came back to the Senate because he had dared to be patriotic and to obey the President's orders.

In the district represented by my colleague [Mr. SOUTH], which until January 3, 1935, was in my old district, there were two splendid boys who wanted to get into the service. One donned the uniform and went to France, fighting in dangerous trenches, for $30 a month. The other brother was put in the shipyard in New Jersey as a skilled mechanic, who, following strike after strike, finally drew $30 a day as a skilled mechanic. Why should that occur? One brother drew $30 per day to work in safety while the other brother got $30 per month for fighting and dying in foreign trenches. What is there about labor, I say to my beloved friend from Massachusetts, what is all this halo about its head that makes it so sacred and holy? Is a laborer more sacred than a soldier who dies for this country? Just why is labor of more consideration than the lives of human beings. With this Faddis amendment in this bill, I will not vote for it.

I want to say that if this is a bill to take profits out of war, let us take all the profits out of war and not leave any profits in it.

Mr. CONNERY. Will the gentleman yield?

Mr. BLANTON. Is the gentleman going to explain why we should place this great sacred halo around the head of the laboring man and give him greater consideration than the soldier, who is forced in trenches to die?

Mr. CONNERY. No; the laboring man wants no halo. The gentleman does not state who will take care of the wives and children of the men that work in the shipyards. The Government should do that in time of war.

Mr. BLANTON. Who is going to take care of the wives and children of the fighting soldier who dies? Let them all be treated alike. We will take care of all of them. We are going to do that by a bill that will be brought in next week. I am one of those who believe that when the next war comes—and God forbid that it shall ever come—that the country should have the things that it needs, the money that it needs, the manhood that it needs, and the workers that it needs. There is no particular sacredness about labor which makes it more important than the lives of the brave soldier boys who die. [Applause.]

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, we have debated this section 1 hour this morning. We debated it 1 hour yesterday afternoon. I think it is time for us to take a vote. I think the minds of all Members here are pretty well made up one way or the other. I think it is due to the House that we conclude debate at this time, and I move that all debate upon this section and all amendments thereto close in 20 minutes.

The question was taken; and on a division (demanded by Mr. SISSON and Mr. O'MALLEY) there were—ayes 87, noes 59.

So the motion was agreed to.

Mr. MAVERICK. Mr. Chairman, I dislike to say it, but I have heard more jingoism and more war talk in the last 2 days than in all the rest of my life. There is too much war talk. Do you not know, from an international viewpoint, that all of this talk about conscripting the youth of this land will resound around the world? The whole world will say that we are conscripting the youth of this land in order to prepare for war. That is the attitude going out to the world. What did they say when Hitler conscripted the youth of Germany? They said he was preparing for a bloody war. That is what the people of the country will think about this, and what the people everywhere else will think about it. Somebody has said, "How are you going to go back and face your people if you vote against this bill?" Mr. Chairman, I come from the greatest military district in North or South America. I am against this bill, and I shall face my people and tell them that I voted against this bill, if I so do. If the taxation features are not in the bill it does not take the profits out of war. Why write piecemeal legislation? Let us really take the profits out of war. [Applause.]

No soldier wants war. I think our differences here are conscientious, but this does not take the profits out of war. All this bill does is to conscript human beings. Why let the war profiteers go, and conscript the youth of our land to be shot, killed, and maimed? If the profiteers know they cannot get any money they will not want any war, so the only way to do is to let them know that we are going to tax them out of it.

Somebody talks about the ridiculous attitude of voting against this bill. Where is the machinery in the bill to take the profits out of war? There is none. The only machinery that exists is to draft human beings. That is all there is in this bill. There is nothing to the bill that will be really a defense measure either. It mobilizes youth but not industry and finance. I can tell you something about drafting people. When you fight a war which is in a foreign field, when you have to send men over to Germany or any other country to be slaughtered, a draft is probably necessary, but whenever you have a war where this country is defending its own soil, you will not have to draft anybody. [Applause.] All of the big industrialists are for this bill, at least they have not said anything against it, and many are for it. But there are plenty of people who are against it. The American people would vote against it 100 percent if they knew what it means. I have presented a resolution which you can read in the RECORD tomorrow, and I ask unanimous consent to put it into the RECORD.

This resolution sets out a matter of national policy in reference to this Nation fighting only defensive wars. It is something like the resolution that Jeff McLemore from Texas presented in 1917 to stay out of belligerent areas and stay out of war; it proclaims neutrality and peace; also it clamps down an embargo on arms. It drove old Jeff to his grave. He was hounded into his grave because he presented this resolution. I have been through enough war so that I feel sure they will not put me in any grave for introducing this. I shall like to see this thing go through this House, and I am not afraid to see it put me in my grave as it did Jeff McLemore.

The resolution offered by Mr. MAVERICK is as follows:

Joint resolution

Whereas the only possible excuse for the entry by the United States into any war should be for the purpose of defending American soil: Therefore be it

Resolved, etc., That—

First. The Congress of the United States, on behalf of the living generation and future generations of its citizens, condemns war,

and requests the President to inform all nations of this resolution, accompanying it with a message of his own writing.

Second, Should war occur anywhere in the world, this Nation shall remain neutral, maintaining an embargo on the export of the munitions of war and on any article or commodity used in the manufacture of the munitions of war, such embargo to be effective immediately upon the creation of the status of war, and to apply not only to belligerent nations but to those nations likely to reship any such munitions or articles or commodities used in the manufacture of war to any nation engaged in war or being in the status of war.

Third. The President is hereby granted the power, effective immediately, in time of war or peace, to place an embargo, or embargoes, on the munitions of war (including metals used in the manufacture of munitions) when, at his discretion, he shall determine such embargo is deemed desirable.

Fourth. That since history has taught us that commerce in hostile waters and territories during a war by a neutral nation is not only dangerous but may be a factor in leading the neutral nation entering into the conflict of war, the President is hereby requested immediately to warn, upon the declaration or the creation of the status of any war, that all Americans shall refrain from travel in hostile waters and through or in warring or belligerent nations; and to refrain from traveling on any and all ships of all powers at that time engaged in war, which ship or ships shall mount guns, whether such ship is called a merchant vessel or belligerent naval ship; warning further that if any American citizen or citizens shall travel in any of the ways here set out they shall do so at their own peril.

Fifth. That should this country ever enter into any war, it shall be only for defensive purposes, and no troops shall be transported to or upon any land which is not the soil of the United States of America.

Sixth. That the Senate and the House of Representatives of the United States of America do jointly resolve that it is the policy of the Nation to preserve the integrity of our national sovereignty and to uphold the rights of its citizens and to defend those purposes on American soil with the arms of war if necessary; that this body and all other governmental bodies, the officials thereof, and all citizens of the United States of America shall exercise care, consideration, wisdom, and patience in avoiding such actions in financial or diplomatic relations which may tend to involve this Nation in war.

Seventh. That the policy of this Nation is and shall be peace and good will to all nations.

SEC. 2. Whoever exports any munitions of war or other articles in violation of any embargo authorized by this joint resolution shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

Mr. MAVERICK. The thing that ought to be done if we really want to take the profits out of war and to defend ourselves in case there is one is to vote this bill down and get a real bill that will actually draft the profits of war.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. McFARLANE. I have offered Senator NYE's bill today, and I hope we will have speedy action upon it.

Mr. MAVERICK. And I offer this resolution here, and that is all I have to say, except that I hope we will vote against this bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SHORT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 2, line 20, after the word "material", insert the words "and financial."

Mr. SHORT. Mr. Chairman, the amendment which I have just offered is self-explanatory, and will be acceptable, I think, even to the bitterest opponents of the bill itself. If we add the words "and financial" following the word "material" in line 20, we guarantee that the President can commandeer and control the financial barons of the country as well as the material resources. Certainly if the Government has the power to seize a man's farm or factory or forest, it should likewise have equal power to commandeer and control financial resources.

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. SHORT. Yes.

Mr. LEE of Oklahoma. Is not that exactly one of the amendments that I placed in the gentleman's hands yesterday?

Mr. SHORT. I do not have the gentleman's amendment here.

Mr. LEE of Oklahoma. It is a good one, and we will put it through.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the chairman of the committee.

Mr. McSWAIN. The gentleman from Oklahoma [Mr. LEE] gave me a carbon of a proposed amendment to that effect, and I assured him that, as far as I understood it, we would not oppose the proposal. I do not think there is any difficulty about it.

Mr. SHORT. I think it is a most excellent amendment, and we should give all credit to the gentleman from Oklahoma [Mr. LEE].

Mr. FADDIS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me there has been a great deal of hysterical talk around here this afternoon about this one section, section 3 of the bill. I want to submit in all sincerity to the members of this Committee that we should take into consideration the fact that this piece of legislation is backed by men who saw service in France, by the American Legion and Veterans of Foreign Wars, men who know what war means to this Nation if it should ever come. I submit in all sincerity to the members of this Committee, Do you think men who have gone through the hellish horrors of war, men who bear upon their bodies the scars of conflict, when they ask that this country be adequately protected, that we have an adequate system of national defense, are doing this in order to perpetuate a system which will plunge this country into war? I ask the members of this Committee in all sincerity, Do you not believe that those men have seen enough of war for themselves? Do you think they ever want to see this Nation plunged into war unnecessarily, into a war that their sons shall have to fight? Those are the men who have seen the bitter experiences of war. They have seen another land laid waste by the horrors of war. They are the men who have seen ruined homes, they are the men who have seen one-seventh of the area of the fair land of France laid waste by an invading army. They are the men who are asking the American people today to provide that this Nation shall never be exposed to the horrors of war. I ask in all sincerity of the men who are fighting this piece of legislation if you are willing to disband the armed forces of this Nation, would you as willingly disband the police departments of your own cities? Would you as willingly disband the fire departments in your own cities as you would throw your Nation wide open to the invasion of a foreign foe? The day may come when the blood of thousands upon thousands of men, slaughtered because we are unprepared, will rest upon the heads of these fanatics who absolutely refuse to take into consideration the facts that are most pertinent to this legislation, who so far forget their duties as Members of Congress that they do not carry out the instructions given by the Constitution to provide for the common defense of this Nation.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FADDIS] has expired.

Mr. LUCKEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, H. R. 5529, now before us, purports to be a bill to take the profits out of war. We are told that this bill is the product of long and arduous study; that it has been formulated on the basis of prolonged and extensive hearings; that it is the best that can be had at this time; that it is a starter. Now, under debate, what do we find? Instead of preventing profiteering in war time, it guarantees profits. Instead of equalizing the burdens of war, it paves the way for gross injustices. Instead of promoting peace, it is loaded with dynamite. It gives big business a full bill of rights. This bill fixes the price ceiling, but it does not touch profits. We all know that when the demand for goods is high, as it is in war time, the volume and turn-over are tremendous, thus increasing profits enormously. But no provision is made in this bill to touch these profits. They are guaranteed. Not a word is said of taxing the profits or taking the profits out of war.

The parliamentary situation is such that no tax amendment can be offered. The Committee on Military Affairs,

under the rules of the House, has no jurisdiction to bring to the floor any bill that would carry or make provision for a proper taxation clause to be written into the law. We are told that this taxation provision must come through another bill. In plain words, we have here a bill that means nothing as far as taxing the profits out of war is concerned. It is a sham and a delusion. Are we so chain-bound by rules and precedents that this House cannot draft and enact a bill that means what it purports to be? Must we bow helplessly in the face of these rules and precedents when the Nation is demanding from us effective legislation to curb the scourge that is trying to destroy our civilization? Have we forgotten the lesson of the war?

We know that wars are based on greed. Their causes are commercial; and the motive for war is gain and loot. Take the profits out of war, and you remove the incentive for war. Propaganda and catch phrases should not fool us any longer. This bill is based on a catch phrase to fool us. We are offered a stone instead of a loaf of bread. What will our constituents say when we come back with this bill enacted into law? What will the mothers say when we return empty handed, or worse than that? What protection does the bill give the youth of the land?

For 16 years our people have demanded effective legislation along this line, and repeatedly we have promised such legislation. Catch phrases will not pass any longer. Our people remember how they were deceived by high-paid, organized propaganda into entering the World War—how we were told to make the world safe for democracy and how we were to go to war to end war. These words sound like hollow mockery today. We say we are a peace-loving nation, and this Congress is about to appropriate one and one-half billion dollars for preparedness in the greatest peace-time appropriation ever made. There is profit in war and we are preparing for it. The slimy hands of greed are concealed under this bill to guarantee these profits. Attempts are made to change this bill, but it is so muddled and involved that this is impossible.

Let us kill this bill and get a bill out that will be effective and carry out its intended purpose. If our rules and precedents hamstring us from doing so, let us use some common sense and change these rules so we can enact effective legislation on this matter. Let us enact a law that will pay for the future war out of the profits of that war. Let us enact a law that will equalize the burden of war. Why should the industrialist and the civilian who stay at home make any profit at all out of war when the soldier must risk his all?

I am opposed to this bill in its present form. I do not want to be a traitor to my constituents. I do not want to be a traitor to the mothers of America and the youth of our land by supporting a measure that does the opposite of what it purports to do. [Applause.]

Mr. LEE of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEE of Oklahoma: Insert at the beginning of line 16, section 3, page 2, following the word "necessary", the following: "and all persons responsible for the management, direction, and control of industry, commerce, and transportation"; and following the Boileau amendment, change the period to a colon and add: "*Provided, however*, That the per diem pay of such members of the unorganized militia so drafted shall be a sum not less than the daily wage of unskilled labor as of the date proclaimed for price determination, and the President is hereby authorized and directed to determine and proclaim the amount of that wage."

Mr. HILL of Alabama. Mr. Chairman, I reserve points of order on the amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. LEE] is recognized for 2 minutes.

Mr. LEE of Oklahoma. Mr. Chairman, this amendment would conscript the managers of industry, commerce, and transportation and place them under a blanket draft. Just like men were notified to hold themselves in readiness, they would go ahead until they were notified by the Government what to do. Simply because the salesmanship of those who oppose such conscription has sold some people on the idea that it cannot be done does not prove it. Permit me to say it actually was done in a hit-and-miss fashion before. This would give the Government control over these leaders from the beginning of a war and thereby substitute system for confusion.

The other part of the amendment simply places a bottom to the pay of the soldiers, like we attempted to place a ceiling to profits. That is what the two amendments amount to.

Now, as to the conscription part of it, there is no use for us to be foolish about this. When war comes there will be conscription. [Applause.] Which is the better—for us, in a cool and deliberate fashion, to outline conscription and attach to it as much as we can to make the burden rest equally upon all, or wait until a war hysteria attacks us and then draft it under lash and spur?

As for me not knowing what to do, the gentleman spoke about me not knowing. I wonder if the gentleman ever heard a buddy's life ebb away by the blood rattle in his throat. I wonder if he heard that death cough of those stricken by gas. I wonder if he ever stood, like I stood, with a rifle firing a salute over the flag-wrapped body of a dead buddy, a swarthy young man from Colorado. Then would he tell me that I am not against war? It is because I oppose war that I am for this conscription of the managers of industry, commerce, and transportation as a practical means of preventing war. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. All time has expired.

The question is on the amendment offered by the gentleman from Missouri [Mr. SHORT].

The question was taken; and on a division (demanded by Mr. SISSON) there were ayes 72 and noes none.

So the amendment was agreed to.

Mr. HILL of Alabama. Mr. Chairman, I reserved a point of order against the amendment offered by the gentleman from Oklahoma. I think the amendment is in order, and now withdraw my point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: On page 2, line 15, after the word "and", strike out "31" and insert in lieu thereof 60.

Mr. SISSON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SISSON. Mr. Chairman, I make the point of order that the amendment is not in order for the reason that it seeks to amend an existing statute, namely, section 1 of the National Defense Act, which defines the unorganized militia as males between the ages of 21 and 45.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to modify my amendment by striking out the word "sixty" and inserting in lieu thereof the word "forty-five."

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

Mr. CONNERY. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: On page 2, line 21, after the word "organizations", insert the following: "other than bona fide labor organizations."

Mr. HILL of Alabama. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane either to the section or to that part of the section to which it is offered. The language sought to be modified reads:

The President shall determine and publicly proclaim from time to time the material resources, industrial organizations.

The gentleman would exempt labor organizations. Industrial organizations have nothing to do with labor organizations.

Mr. CONNERY. Yes; they have; that is why I am putting that in, because, if the gentleman will yield, the phrase "industrial organizations" can be interpreted as meaning labor organizations; and under this language the President could commandeer every labor organization in the United States and say, "You will do exactly what I tell you to do and at whatever wage I specify"—in industry; not in the Army, of course.

The CHAIRMAN. The Chair thinks the amendment is a limitation on industrial organizations, and, therefore, holds the amendment to be germane and overrules the point of order.

The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 24, noes 79.

So the amendment was rejected.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 2, line 15, strike out the word "thirty-one" and insert in lieu thereof the word "sixty."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

Mr. SHORT. Mr. Chairman, I ask unanimous consent to modify the amendment offered by the gentleman from Oklahoma [Mr. LEE], beginning at line 16 on page 2. The gentleman's amendment reads in part as follows:

And all persons responsible for the management, direction, and control of industry, commerce, and transportation.

I would like to modify this by striking out the word "and" before the word "transportation", inserting a comma, and, following the word "transportation", add the words "and communications."

Mr. LEE of Oklahoma. Mr. Chairman, I agree to the modification.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. RANKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: Page 2, line 15, strike out the word "thirty-one" and insert in lieu thereof the word "fifty-five."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

The CHAIRMAN. Are there further amendments to section 3?

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: On page 2, line 15, strike out the word "thirty-one" and insert in lieu theerof the word "fifty-nine."

The CHAIRMAN. The Chair informs the gentleman from Massachusetts that the Committee already has adopted an amendment to strike out the word "thirty-one" and insert in lieu thereof the word "forty-five."

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will read.

Mr. SAUTHOFF. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SAUTHOFF. I wish to introduce an amendment which adds a new section at this point. Is it proper that I introduce the amendment before the Clerk reads the next section?

The CHAIRMAN. The gentleman may send his amendment to the desk.

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF: On page 3, line 2, after the word "purposes" and the period, add a new section to read as follows:

"SEC. 4. The President during such time of war declared by Congress shall draft into the military service of the United States all Members of the Congress of the United States who vote in favor of war."

Mr. HILL of Alabama. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The Chair sustains the point of order.

Mr. SAUTHOFF. Mr. Chairman, I would like to make just one observation.

Mr. GEARHART. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The Chair sustains the point of order.

Mr. SAUTHOFF. Mr. Chairman, I want to be heard on the point of order.

The CHAIRMAN. The Chair has already ruled on the point of order.

Mr. SAUTHOFF. Am I not entitled to be heard on the point of order?

The CHAIRMAN. Had the gentleman from Wisconsin asked to be heard on the point of order before the Chair ruled, the Chair would have heard the gentleman with great pleasure.

Mr. O'MALLEY. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin may be allowed to proceed for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. GEARHART. I object.

Mr. SAUTHOFF. Mr. Chairman, I want only 1 minute. That is all I ask.

Mr. McSWAIN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. SAUTHOFF. Mr. Chairman, the only observation I want to make is that a very distinguished Member of this House 18 years ago today, Mr. Claude Kitchin, said: "It does not take either moral or physical courage to vote for a declaration of war which somebody else will have to fight." [Applause.]

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONNERY. Does not the Chair think that the amendment offered by the gentleman from Wisconsin was the best amendment offered during this entire day?

The CHAIRMAN. The Chair has no right to express himself on that proposition.

The Clerk will read.

The Clerk read as follows:

SEC. 4. During the period of any war or emergency declared by Congress the President is authorized to determine, and by public proclamation announce, what classes of public service, or of dealers or of manufacturers of any article or commodity, shall be required to operate under licenses, to fix the conditions of such licenses, and to grant licenses under such conditions. After such determination and proclamation by the President it shall be unlawful for any public service, dealer, or manufacturer in such determined classes to engage in business without such license.

Mr. SHORT. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SHORT: On page 3, line 3, after the word "war", strike out the words "or emergency."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

Mr. MAVERICK. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MAVERICK: On page 3, line 9, after the word "conditions", strike out the period and insert a colon and the following: "*Provided*, That this shall not apply to any newspaper, press association, or news-gathering agency."

Mr. MAVERICK. Mr. Chairman, I offer this amendment so that the licensing system shall not apply to newspapers. In the last war I did not have much time to read newspapers, because I was not here. I understand that they did not print much of the truth. Some of them did print the truth and they were put in jail.

Mr. Chairman, I want to make it so that it will not be necessary for a newspaper to have a license, because that will amount to censorship of the press. I believe if we do have a war, and I do not think we are going to have one, we ought to have it so that they can tell the truth and so the freedom of the press will not be destroyed.

Mr. LEE of Oklahoma. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from Oklahoma.

Mr. LEE of Oklahoma. Would this, in the gentleman's opinion, prevent the Government from censoring newspapers during a period of war?

Mr. MAVERICK. I am afraid in war they will do anything. This is just a hope of mine, that is all.

Mr. O'MALLEY. Mr. Chairman, I rise in opposition to the amendment solely for the purpose of obtaining time to go on record as regards this bill.

Mr. Chairman, now that we have passed the vital section of this bill without changing or striking it out, I can vote against it with a clear conscience. This bill is nothing but a timid gesture made toward the American people, because they are strongly against war and war profiteering. One of the things that the lobbyists for the munition makers always do is to throw a sop to public opinion so that public opinion will quiet down and they can then continue to ply their nefarious trade and play their old game of fomenting war and making huge profits.

As has been stated before, the only purpose of this bill is to put a permanent conscription law on the statute books of the United States. That is why the war profiteers do not oppose it. I want to go home and look the mothers and fathers of my district in the face and tell them: "I will never vote for a bill conscripting your sons and sending them to death as long as the Congress does not, at one and the same time, include in that bill a provision to conscript every penny of private property and wealth in this country for service and use by the Government during war time without payment of profit."

There is only one way we can conscript the private property and wealth in this country for war use, and that is through a constitutional amendment. The courts have continually held that as the Constitution now reads you cannot take the property of individuals without due process of law, and the war profiteers know they are perfectly safe in their blood money, no matter what kind of a bill we may pass. We have the opportunity now to pass that kind of a constitutional amendment.

Mr. Chairman, 2 years ago I introduced House Joint Resolution 155, reintroducing it again this session as House Joint Resolution 13, now pending before the Judiciary Committee. It has been gathering dust up in that committee for many weeks. There has been no hearing given to it in spite of the fact that scores of American Legion, V. F. W., D. A. V. posts, and the American War Mothers, and other patriotic organizations have endorsed its principles and asked for its consideration.

Today I have placed a petition with the Clerk of the House to bring about a vote on this resolution of mine. We ought to let the people of the country pass upon this proposition of taking profits out of war. They will do it and do it quickly and effectively if we give them a chance to vote such a constitutional amendment into our American Constitution. Personally I am never going to vote, whether I am in this House a short time or a long time, to conscript human beings and send them to death in war if there is any possibility of anyone in America making one penny of profit out of the bloody sacrifice of men who serve their country in battle. I know we can go back home and look our people in the face without shame only if we vote down this bill, which conscripts young men and sends them to their death but does not do anything to conscript wealth. You will not have to worry about coming back if you defeat this bill, when it contains such a vicious betrayal of American youth as section 3, which provides the only purpose of the bill being brought up for passage. The rest of the bill is just a little sugar coating in order to put a permanent conscription law on the statute books of the United States.

Mr. LEE of Oklahoma. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Oklahoma.

Mr. LEE of Oklahoma. Does the gentleman know that one of the amendments just adopted and included in section 3 states "and the financial resources"?

Mr. O'MALLEY. The gentleman shows a good intention by his offering and successful passage of that amendment, and that is all this bill shows. The road to hades, however, is paved with those kinds of intentions. You cannot conscript financial resources, in the view of the best constitutional lawyers, without a constitutional amendment. I hope the bill, if passed, will accomplish what the gentleman is trying to do, but I do not think the courts will uphold it in the face of all their decisions relative to the last war.

Mr. LEE of Oklahoma. May I read an excerpt from the Supreme Court on that point?

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. McFARLANE. I have introduced a bill today which is the Nye bill introduced in the Senate, which will tax all profits and put a limit of $10,000 on the amount of salary that anyone may receive. This measure will really cover the situation.

Mr. O'MALLEY. May I ask the gentleman one question? Does he believe it is fair, democratic, or that it equalizes the burdens of war, as this bill has been advertised, to conscript men when we do not conscript wealth in the same bill? This bill does not conscript wealth at all.

Mr. McFARLANE. That is why I shall vote to commit this bill to the Ways and Means Committee so we can have a decent bill reported from that committee that will meet that situation.

Mr. O'MALLEY. And then we can go back to the people and say that we would not vote to send men to death until we had voted to conscript wealth and property during times of war if there was to be any conscription of the young men of the country. [Applause.]

[Here the gavel fell.]

Mr. SISSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very strongly in favor of doing everything possible to secure peace, and I presume this is the sincere desire of every Member of this House. I am also in favor, as a means of securing or helping to secure and preserve peace, of maintaining an efficient Army and an efficient Navy for defense purposes only.

Basing my opinion of this bill upon these premises, I say to you that if this bill were passed by the Congress and became law, it would be a most terrible handicap to the Government of the United States in the event we became involved in war, which God forbid.

The gentleman from New York, my distinguished colleague, Mr. WADSWORTH, engaged in the debate upon this bill yesterday. I may say that very frequently I do not agree with Mr. WADSWORTH, but I am always compelled to admire and respect the clarity of his thought and the integrity of his intellect, and I want to ask every Member now sitting within the range of my voice, upon his judgment, before he votes upon this bill, to read in the RECORD the speech made yesterday by JIM WADSWORTH, because he pointed out that the policing necessary to enforce the price-fixing provisions of this bill, in case we became involved in a war, would involve us in a domestic war within our own borders.

Mr. Chairman, I would not give a snap of my finger whether this bill were passed by this House today or not except for two reasons, which I shall speak of in a minute. Because it is doubtful if the bill, if and when it goes over to the Senate, will ever come back here; and if it does come back, I shall be surprised if it even bears the name

of the introducer. They will change the bill so that its own father would never know it.

However, I hope the House does not pass this bill, because there has been introduced and is now pending in the Senate a real bill, the Nye bill, which provides the only way of controlling profits, namely, to tax them, and the passage of this bill by the House might hinder or prevent the passage of the Nye bill. That is the first reason why I hope that the House will not pass this bill.

There is another reason why I am opposed to the passage of this bill by the House. Of course, I am opposed to the bill itself because it is a vicious and a bad bill, but it will never become a law, and you need not worry about that, because the Senate will take care of that, and so will the President. The Nye committee is opposed to the bill, and I know the President will be opposed to it, because he has said he favors the Nye bill. However, there is a greater reason why this bill should not be passed on this day, of all days, and that is because it is a rattling of the saber. It is notice to the other peoples of the world that we think there is going to be war and that we are getting ready for war. This will cause them to believe we are going into war.

I stood today in this Capitol before the busts of three great Americans, the Honorable Robert M. La Follette, the Honorable Claude Kitchin, and the Honorable Champ Clark, and I was pleased to note that a great organization, an organization not for war but for peace, had honored these men because of their stand against war. The National Council for the Prevention of War had placed at the base of the pedestal of Robert La Follette, Claude Kitchin, and Champ Clark a wreath of flowers dedicated to them because of their stand against war 18 years ago. I hope in justice to their memory that this House will defeat this swashbuckling jingoistic bill. [Applause.]

Mr. HEALEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, according to the title of this bill, there are four objectives to be accomplished by the passage of this legislation; namely, first, to prevent profiteering in time of war; second, to equalize the burdens of war, and thus to, third, provide for the national defense; fourth, promote peace; and it is apparent that those designing this legislation believe that the four must be insolubly joined.

All peace-loving Americans desire the accomplishment of these broad purposes; and especially do those veterans of the last war, who were summoned into the service of their country by the action of Congress just 18 years ago today, desire to effectually promote peace by discouraging unconscionable profits to the makers of munitions and war supplies. They believe that the winning of the war in which our country may be engaged is the business of all of its people and feel that its burdens should be shared as equitably as possible. They believe that the best means of preventing an attack by foreign powers is an adequate preparation. Having experienced the hardships and hazards of war, their burning desire is to promote peace and consequently believe that the accomplishment of the objectives enumerated in the title of this bill is the best way of insuring permanent peace.

Disclosures recently made in the hearings conducted by the Nye committee have shocked our people. The American people will never again countenance inequalities that existed during the last war to obtain in another war.

If it is admitted that the first objective is to prevent profiteering in time of war in order to justify the enactment of this legislation, then this bill falls far short of accomplishing that purpose.

This bill does not take the profit out of war, but merely freezes prices. It makes no pretense at removing profits, and it may possibly result in an increase rather than a decrease of profits. There is a strong belief among Members of Congress that the only effectual method to take profits out of war, and thus discourage the appetite for war, is to tax the profits of those corporations or individuals engaged in the production of supplies and matériel to such an extent that there will be no unconscionable and excessive profits made in any future wars.

It is the opinion of many Members that, while this bill does effectually conscript the youth of our country, it fails in its major and primary purpose. The Flynn plan, on the other hand, does constitute an effective way to accomplish this primary purpose. It also will provide revenue for paying for the next war and will avoid handing that burden on to unborn generations. Therefore, it would seem that, if it is the wish of Members of Congress, that such a plan should be included in any legislation of this nature, there should be some method in the parliamentary machinery of this body to include in this legislation the Flynn plan, or one of a similar nature. Certainly, if we cannot accomplish through this legislation the primary purpose, we should not be satisfied merely to legislate for other purposes outlined in the bill—if we are of the opinion that all of these objectives are integral parts of the whole, then if we have failed to accomplish the first, and in the opinion of many the most important purpose, this bill should not be enacted unless properly amended and amplified. [Applause.]

The pro forma amendment was withdrawn.

Mr. McSWAIN. Mr. Chairman, I want to see if we can come to some understanding about closing debate on this section. I move that all debate on this section and all amendments thereto close in 20 minutes.

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were—57 ayes, 16 noes.

Mr. O'MALLEY. Mr. Chairman, I object to the vote on the ground that there is no quorum present.

The CHAIRMAN (Mr. McCORMACK). The Chair will count. [After counting.] One hundred and twenty-one Members are present, a quorum.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

Several Members objected.

Mr. KENNEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KENNEY. What is the amendment before the House?

The CHAIRMAN. An amendment offered by the gentleman from Texas [Mr. MAVERICK].

The question was taken; and on a division (demanded by Mr. MAVERICK) there were—21 ayes, 53 noes.

So the amendment was rejected.

Mr. LEE of Oklahoma. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Following section 4, line 12, page 3, the following section shall be inserted:

"Ninety days after this bill becomes law all manufacturers of munitions of war, including vehicles of destruction for air, land, and water, shall be required to operate under licenses, and the President is hereby authorized and directed to fix the condition of such licenses so that he shall have control during peace or war of the manufacture, sales, and shipments of all war munitions."

Mr. HILL of Alabama. Mr. Chairman, I reserve a point of order on the amendment.

Mr. LEE of Oklahoma. Mr. Chairman, this amendment, instead of waiting until war was declared, would license the manufacturers of munitions 90 days after the bill becomes a law. It would license munition manufacturers in order to give to the Government control of the manufacture of munitions in peace time, which control seems to be necessary in order to make effective a Government embargo on the shipment of arms.

It would give the Government power to prevent propaganda coming from manufacturers of munitions. It has appeared in the investigation of the committee of the Senate that pernicious propaganda has originated with the manufacturers of munitions.

The purpose of this amendment is to give the Government, through a licensing power, immediate control of the munitions industry. The munitions industry cannot make profits unless there is war. Profits never flow until blood flows. It

is, therefore, highly desirable for the Government to have control of these manufacturers of munitions during peace time. I shall give you some examples of that. What was the last straw that broke the camel's back that plunged America into war? It was the sinking of the *Lusitania*, was it not? At the time she went down, Mrs. Bryan writes in her diary that she and Mr. Bryan, the Secretary of State at that time, were dining out. She said in her diary that Mr. Bryan was very much disturbed, and on the way home, speaking of the ship, wondered if she had munitions on board, and said that he would have Lansing investigate that. Mr. Lansing did investigate and reported the clearance papers showed that the *Lusitania* did have munitions on board, and yet the Du Ponts said before the committee if it had not been for the Du Ponts America would have been a German colony. That is your manufacturer of munitions. Perhaps if it had not been for that boatload of munitions, one more cargo of death, it might be that there would be 60,000 fewer crosses in France. We must control this in peace time if we are to keep out of war.

Mr. THOM. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. Not now. Those who have voted opposite to me here today cannot go stronger on this proposition than I. If it is a matter of medicine, we call in a doctor; if it is a matter of law, we call in a lawyer. Ask the ex-service men here if they do not know that when war comes there will be conscription, and it will be rushed through in a spirit of hysteria, because the turning of it down here is no proof that it will be turned down then. There will be conscription. We should make it now while we can make the kind that we want.

Further, on this munitions-business control, in the last war a bunch of Tommies were trying to take an objective in the war. They lost many men. There was a superior make of gun that was mowing them down. Finally they captured it and thought it would be a fitting tribute to take the gun back to England and put it in one of the parks. They mounted it, and it is there today. On one side of its barrel you will find engraved the names of the Englishmen who fell capturing it, while on the other side you will find the name of the makers of the gun—Vickers & Co., an English manufacturing company. That is the patriotism of your group that would keep us from being a German colony. They are not patriots, they are profiteers. We must control them through the licensing power in peace time. When the allied forces charged the Dardanelles they were fired upon by cannons manufactured in England and financed in France. There is your munition maker. I am submitting this amendment in order that we might control them in time of peace and prevent them from selling to our potential enemies, prevent them from evading an embargo on arms as the committee showed they have done in South America, selling to a third party and then transferring.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HILL of Alabama. Mr. Chairman, the gentleman's very forceful speech shows that there is merit perhaps in his amendment, but there are also, perhaps, implications and complications that we cannot know about in the brief time we have had this amendment before us. The bill before us is a bill to do things after war has been declared, while we are in a period of war. The gentleman's amendment proposes to provide for the licensing of certain businesses before any declaration of war, before any war has been declared by the Congress. I do not think the amendment is germane to the bill or to the section, and I insist on the point of order.

Mr. LEE of Oklahoma. Mr. Chairman, will the Chair hear me on the point of order?

The CHAIRMAN. The Chair is prepared to rule, but would be glad to receive any suggestions the gentleman may offer.

Mr. LEE of Oklahoma. Mr. Chairman, this is offered in the form of a new section. The three purposes of the bill will be carried out in this amendment. The amendment does connect back with a former section in which a licensing power is granted. The only difference between my amendment and the previous section is simply a matter of time, placing that power in 90 days rather than deferring it to the time of war. I think that should be taken into consideration.

The CHAIRMAN (Mr. MCCORMACK). The Chair is prepared to rule. The amendment offered by the gentleman from Oklahoma [Mr. LEE] applies not only to war-time conditions but to peace-time conditions. The bill clearly shows on its face that it does not become operative until after Congress has declared a state of war to exist. For that reason, the point of order is sustained.

Mr. MASSINGALE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. MASSINGALE: Amend section 4 of the bill by striking out the comma after the word "announce", line 5, and by striking out the word "what", line 5, and substituting instead the words "that all."

Mr. MASSINGALE. Mr. Chairman, this amendment just makes this law, if it is to be passed, operate as to every kind of business or industry. In the discussion of this bill, I want to give the House very briefly the things that have struck me with a great deal of force. I was led to vote against the first motion that was made here in an effort to kill this bill because the distinguished Chairman of the Committee on Military Affairs [Mr. MCSWAIN] told us he was going to show us what this bill meant and why it was necessary that it be enacted into law. He said he was going to convince the House that this bill was designed for the purpose of taking the profits out of war and prevent profiteering. I think the gentleman is sincere.

Now, another distinguished leader on this side of the House—and I speak of the gentleman from Massachusetts [Mr. MCCORMACK]—told us that this bill was never intended to prevent profiteering in time of war. Then we had this difficulty: One of these gentlemen, the chairman of the committee [Mr. MCSWAIN], said that he could not afford, as Chairman of the House Committee on Military Affairs, to surrender his jurisdiction to the Ways and Means Committee; that the Ways and Means Committee was the only committee authorized to make provision for expenditures. Then comes a member of the Ways and Means Committee and tells us that they will not accept the bill if we put any strings on it.

Now, I am a kind of a lawyer, but I believe it is a serious mistake, in the light of what is developing here, to have distinguished lawyers as heads of these committees, because they are jealous of jurisdiction. What do the people of the United States of America care about jurisdiction in procedure before Congress? They do not care whether the Military Affairs Committee or whether the Ways and Means Committee has jurisdiction of this. I will tell you what they are interested in. They are interested in seeing that the Congress of the United States gives them a piece of legislation that means something. They are not getting it. The people of this country expect this Congress to do something worth while. Here we have lawyers holding the positions of chairmen of these committees jealous of their jurisdiction. Darn the jurisdiction! The chairman of this committee says that he cannot do anything other than he has done. I agree with him. I think he is sincere in it. The gentleman says that those of us who figure on voting against this bill have to reckon with the righteous indignation of the people back home. I want them to know that I am going to vote against this piece of legislation.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MASSINGALE] has expired.

Mr. CITRON. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. CITRON: Page 3, line 12, after the period, insert "This section shall not apply to the publication or distribution of newspapers, periodicals, or books."

Mr. CITRON. Mr. Chairman, I am introducing this amendment because it is proper and necessary.

The bill itself does not do what the people of this country want. They want more than the prevention of profiteering;

they want profits to be taken out of war. No one wants war, but sometimes we are inevitably forced into it by the mad actions of humans. We have reached a state of civilization when we admit that wars are unnecessary and preventable. We would like to outlaw war.

This bill to a certain extent admits that war is a curse; its results are negative.

It is better that we discuss this subject dispassionately in the days of peace than to attempt to argue it in the heat of passion on the threshold of war. I believe the committee and its chairman when they say they will continue the work they have started to take financial profits out of war. This can best be done by taxation, and I hope to see such a tax measure introduced and passed. I for one will introduce such a measure also.

Now, this bill itself has its dangers, unless amended. My amendment proposes to exempt newspapers, periodicals, and books from the terms of section 4. This section provides that during war the President shall determine what classes of public service, of dealers, or manufacturers of any article or commodity shall be required to operate under license. It also states the President may fix the conditions of such license.

Are we going to permit the stifling of the press, one of our greatest public services? Could we prevent the capricious conduct upon the part of authority to reduce the freedom of the press to a nullity, under this bill, without my amendment? True, our Constitution says Congress shall not abridge its freedom. But under this system of licensing it could be stifled by indirection. The freedom of the press is something that free people have sacrificed for too long to surrender so easily. Upon it rests democracy itself. When a country takes away the rights of a free press, it has taken away one of the props upon which its liberties, its culture, its education rest. If we stifle it in war, we will stifle it in other emergencies. Once stifled, it cannot raise its head in freedom.

Hence, my amendment.

Mr. Chairman, it will be noticed that in section 4 the term "public service" is used. It further provides that the President may fix the conditions of such licensing of public service. That can be interpreted to include newspapers, periodicals, or books. That matter is so important that our Constitution provides that the freedom of the press shall be inviolate; but we know that under such a section as this one could so regulate this industry, either through the control of paper as a commodity or through the sale of type or otherwise, as to prohibit and prevent newspapers from being published. The day may come in this country that a newspaper, simply because someone in control of the Government may not like its politics, could be prohibited from publication. That is a serious matter.

This act could by indirection violate the spirit of our Constitution. So far as giving aid, comfort, news, and information to the enemy, the Espionage Act covers this. Sedition, unlawfully obtaining and disclosing information, conspiracies and violations of express law, disloyal conduct, inciting and obstructing the effective prosecution of a war, is criminal and punishable by well-defined laws. But this act, without my amendment, might endanger a free press. There is no harm or injury in accepting my amendment. It preserves one of our fundamental liberties for which men have struggled through the ages. Anglo-Saxon liberty without the right of the press to be free would be a thing of the past. Let us show the world that in our civilization and culture we are not abrogating this fundamental right even in war. For if we are right in entering war, a free press will so declare our cause to the world.

Mr. McSWAIN. Mr. Chairman, I will say that the gentleman consulted me about this proposal yesterday. We considered it, and as far as we are concerned we will not oppose it.

Mr. NICHOLS. Mr. Chairman, up to about 30 minutes ago I was prepared to vote against this bill. I believe, with a lot of you other Members, that this bill, to say the most, is only a short step in the right direction; but since the adoption of the amendment offered by the gentleman from Oklahoma [Mr. LEE], which provides for the conscription of wealth or the direction or control of industry, transportation, and communication, if there was no other thing before this House for consideration, if there was no other thing in this bill except that, and that alone, that should cause the Membership of this body to vote for the passage of this bill.

It has been said that probably that portion of the bill will be held unconstitutional. Perhaps it will be, but I submit to you that we have been told today that the Nye bill has been introduced by the gentleman from Texas [Mr. McFARLANE], and I am advised it has been referred to the Committee on Ways and Means. If it has, it has been referred to the committee which has jurisdiction to report out a bill which will accomplish the thing which, in my judgment, the majority of the Members of this House want to accomplish. Now, let us go on record and show the world that we do favor the very thing that the Nye bill provides for, by voting for this bill, having in it the amendment which at least attempts to do what they say the Nye bill will do without question. Then I want to plead with you Members that you join hands with the rest of us who so badly want to see the Nye bill or some such bill passed, in urging the Ways and Means Committee that that bill receive immediate consideration and be given immediate hearing, and that it be reported out to the floor of this House for the consideration of the Membership of this House. I say that the strongest argument you can make for that position is to vote for this bill in its present form.

I will say frankly to you that I am as unalterably opposed to the conscription of men without the conscription of wealth as any Member of this House can possibly be, but I submit further that if we turn down this bill now, then the Ways and Means Committee will have a perfect answer to make to you when you go to them and insist that they report out the Nye bill, because if it happens that they are against it—and I do not know that they are—but if they are, they would have a perfect argument to make to you in saying, "You had before you in a milder form even than the Nye bill, this proposition, and the House turned it down."

You will find yourself closing the door in your own face and unable to accomplish the thing in which I think the majority of the Members of this House are most interested. I plead with you that you now support this bill so you will be in position to demand in good faith the consideration and passage of the Nye bill when it comes before you on the floor of this House. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. MASSINGALE].

The question was taken; and on a division (demanded by Mr. McSWAIN) there were—ayes 46, noes 58.

So the amendment was rejected.

Mr. McFARLANE. Mr. Chairman, I demand tellers.

Tellers were refused.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. CITRON].

The amendment was agreed to.

The Clerk read as follows:

SEC. 5. During the period of any war or emergency declared by Congress the President is authorized to determine and publicly proclaim the order or priority in which any manufacturer, dealer, or public service in the United States shall fill orders, or transport anything, or furnish power, and after such determination and proclamation, it shall be unlawful for any such manufacturer, dealer, or public service to fill such orders in any other order of priority.

Mr. SHORT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHORT: On page 3, line 13, after the word "war", strike out the words "or emergency."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

Mr. RICHARDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the fierce and sometimes exciting discussion that has taken place upon this floor during the last few days I have at times been constrained to think that the honest, the persistent, the conscientious, and the serious work the members of the Committee on Military Affairs have done upon this bill has not been appreciated fully; but let me say to you here and now that this is the first constructive program or bill that has been presented to the Congress of the United States by any committee, under any rule of this House, since the World War, to prevent the recurrence of damnable profiteering by citizens of our own country at the expense of the misery of the world and the blood of our soldiers in the field.

While I do not think this bill goes far enough, I wish to congratulate the committee, and especially do I wish to congratulate the chairman of the committee [Mr. MCSWAIN], the bill's author, upon taking this first step in the right direction.

In this connection, Mr. Chairman, I do not think it would be proper for me to neglect during these few remarks to say a few words about the distinguished chairman of this committee, who has been a crusader in this cause for 16 years. Our suspicion sometimes is aroused by lobbyists and enthusiasts in this, that, or another cause. When we find among our colleagues here a sponsor of a great movement, a crusader, if you please, we sometimes wish to go back to the fountain from whence comes the enthusiasm for crusading in behalf of that cause, and often, as in the case of our colleague [Mr. MCSWAIN], I am glad to say we find only motives of the deepest patriotism. I want to say in behalf of the distinguished gentleman from South Carolina, the Chairman of the Military Affairs Committee of the House of Representatives—and I say this only because I know that in his modesty he would not say it himself—something which will show you the type of man who has been fighting this battle to cut the profiteering out of war for many years. A good deal of objection has been heard because of the conscription clause in the bill, which calls men between the ages of 21 and 31, but everyone knows that very thing must be done in case of another war, so why not say so now?

If war were declared tomorrow this section would not apply to the distinguished chairman of the committee; neither did the age limit fixed 18 years ago apply to him, for at that time he was over 42 years of age. He had a lucrative law practice, and wife, children, and other dependents. What did he do? He was not called upon to volunteer or to be conscripted, he did not ask for a dollar-a-year job and go into some sinecure, but he grabbed a rifle and went to the camps of this country at $1 a day. [Applause.] He would do that very thing again. Those who know this distinguished gentleman know also that there is no power which could be wielded by the profiteering and munition interests of this country that would cause him to vote for an unnecessary blood sacrifice by this country in war that they might profit, or that could cause him to knowingly sponsor any bill that would reflect discredit upon this Congress, upon the youth of this country, or upon the heads of those who bore arms with him under the flag of this country during the World War.

Mr. Chairman, many of the arguments that have been made here have astonished me. As I sat here and saw what sometimes amounted to hysteria in a minor degree, I wondered if it was anything like what took place in this Hall when war was declared against Germany many years ago. If this is an illustration of what can happen when a bill like this is considered in time of peace, what chance would there be of considering such legislation on its merits in time of war? Now is the time for us to legislate on this subject. This bill is the first constructive step that has been made by the Congress of the United States to deprive those leeches of the opportunity to profiteer while somebody else is fighting their battle. [Applause.]

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have been intensely interested for the past 2 days in the debate upon this important piece of legislation looking toward taking the profits out of any war in which this country might participate. As I sat here a moment ago, I thought of the man who lived on the border line, the Mason and Dixon's line, at the time of the War Between the States, who did not know whether to cast his fortunes with the North or with the South. Finally he hit upon this idea: He purchased for himself a blue coat and a gray pair of pants.

The result was that he did not gain favor with either side. The soldiers of the South shot him through the coat and the soldiers of the North shot him through the pants.

Mr. Chairman, as we consider this legislation today, we should realize that we have the opportunity afforded us this afternoon, because a vote will come upon this measure, of taking one step across an imaginary line which will place us very definitely upon the side of those who would take profits out of war at a time when the country is engaged in mortal conflict. We should not predicate our votes upon whether this legislation goes as far as we personally want it to go or whether we place our approval upon the suggestions of Senator NYE and the findings of that committee. We are confronted with the fact that while we are debating here this afternoon the paraders have marched in front of the Capitol in observance of Army Day. We are face to face with the fact that tomorrow or on any other day there may come upon this country another world war. Our opportunity is present here now to serve notice that no more in America shall profit come when humanity is at stake.

Mr. Chairman, let us go back for a moment prior to the World War. I recall that one of the leading newspapers of this country commissioned one of the finest journalists of this Nation to go to various parts of the world and interview individuals asking them in the interview this one question: Is there a possibility of a world war? This man went first to the Archbishop of Canterbury and asked the question, "Is there any possibility of a world conflict?" The Archbishop said to him: "There is no possibility of a world war. Christianity has stretched its beneficence into all sections of the world, and we cannot have fighting at this time." He went, secondly, to the president of the University of London, a great educator, and asked him the same question. The president of the university said to him: "Education has made it impossible for another war." He also went to a man who held the purse strings of finance, an international banker, and asked him the question and got the reply: "There is no possibility of a world war." This journalist then went to a military genius and put the question to him. He was a man who knew of the latest inventions and tactics used in time of war. That man said, "We cannot have a world conflict because we have death-dealing devices which today, if war were declared, would wipe out the countries of the world and the people of the various nations would not allow that."

Mr. Chairman, that was the situation back there in 1913 and 1914. Few persons connected with the forces that guided the destinies of the nations of the world thought we would have a world war, but the shooting of a count or "no count" in a small country lighted the fire which caused the World War, and we may be close to the same situation today. We should go on record now. Delay has been too evident and years have come and gone with nothing done.

May I say in behalf of the members and the chairman of the committee this afternoon that whether I personally agree with all the provisions contained in this bill or not, I shall cast my vote in favor thereof, because I believe it is the basis for later legislation which will help bring about everything that the Membership of this House wants brought about, and that is to have profits taken out of war when the United States is engaged in such a conflict.

Mr. O'MALLEY. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. I am in sympathy with the gentleman's position, but does the gentleman think that a bill which

brings about human conscription is one that takes the profit out of war? Why should such a section be in a bill that is supposed to take the profits out of war? I may say that the gentleman's vote in favor of the bill will make this human conscription possible.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I understand there is only one perfecting amendment to be offered to the pending section. It seems to me that 5 minutes in support of the amendment and 5 minutes in opposition should be sufficient. It is getting late. There are two more sections to be read and two additional sections to be offered.

Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. DONDERO. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: On page 3, line 20, after the word "service", insert the words "willfully and maliciously."

Mr. DONDERO. Mr. Chairman, I offer this amendment for the purpose of perfecting the language on page 1 of the bill, as well as the language appearing in sections 4 and 5.

The President has a right under the present wording of the bill to fix a date prior to the declaration of war, after which it shall be unlawful for a man to sell, deal in, or rent property, and so forth. Some day the people of this country, in case of a declaration of war under this bill, will wake up to the fact that 5 months after they have rented a house, sold a pair of shoes or a suit of clothes, they are the willful violators of a law which would punish them for doing those things by a fine of $100,000, 1 year in jail, or both.

Mr. Chairman, my purpose in offering this perfecting amendment is to have this bill apply only to any person who does that thing willfully or maliciously, and that innocent people will not come under the provisions of the act. I hope the Committee will adopt the amendment.

Mr. McSWAIN. Does not the gentleman think it would be more appropriate from a legal point of view to simply say "willfully"? "Maliciously" involves moral turpitude and other things.

Mr. DONDERO. Mr. Chairman, I am willing to accept the gentleman's suggestion, and I ask unanimous consent that the amendment be modified and that the word "maliciously" be stricken from the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. DONDERO. Mr. Chairman, I ask unanimous consent to return to section 4 in order to offer an amendment to line 12, in section 4.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to return to section 4 and to offer an amendment, which the Clerk will report.

The Clerk read as follows:

Page 3, line 12, after the word "classes", insert "willfully."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan?

The amendment was agreed to.

Mr. DONDERO. Mr. Chairman, I ask unanimous consent to return to page 1, section 1, for the purpose of inserting the word "willfully" following the word "to."

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to return to section 1 for the purpose of offering an amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: Page 1, line 8, after the word "to", insert the word "willfully."

The amendment was agreed to.

The Clerk read as follows:

SEC. 6. That during the period of any war or emergency declared by Congress the President is empowered to set up such agencies, boards, or commissions, or to designate such persons, to exercise such portion of his powers as he may deem necessary and proper to accomplish the purpose of this act. Likewise, at such time, he shall have power to make such rearrangements of departments, and of bureaus and divisions thereof, and to transfer such duties and powers as he may deem necessary for the proper conduct of war, or for the meeting of such national emergency.

Mr. DUNN of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is my candid opinion that one of the best ways to find out whether the people of the United States would want to go to war would be by a referendum. I have no doubt if it were to be decided by our citizens, they would vote "no"; in fact, I believe if the people of every country in the world had an opportunity to vote whether their country should go to war, in my opinion, they would decide against it.

Who is it that wants to have war? Those people who desire to accumulate big fortunes. I think it is abominable that we should have men in our country who want to make profits on munitions of war, because when they do this they know they are destroying human life.

Mr. Chairman, I hope that the resolution to amend the Constitution, which was introduced by the gentleman from Indiana [Mr. LUDLOW], will be reported by the committee and brought before the House. If the Members of the House vote for this amendment, it will give the citizens of the United States an opportunity to vote on whether their country shall go to war. [Applause.]

Mr. CONNERY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, before we come, later in the consideration of the bill, to the labor amendment which I shall offer, so that we may not get mixed up on the labor proposition, I wish to pay a tribute to my friend the Chairman of the Military Affairs Committee.

I regret I shall not be able to vote for this bill, due to the voting down of the previous labor amendments which I offered; nevertheless, I want to pay a deserved tribute to the Chairman of the Military Affairs Committee. No man was a better soldier, no man is a better chairman, no man in this House is a finer gentleman in every way than the gentleman from South Carolina [Mr. McSWAIN]. [Applause.]

I want at this time to pay this deserved tribute to him and, at the same time, to make my position clear with regard to the provision which was attempted to be stricken out in regard to the draft.

I had the honor of serving in a regiment which was a 100-percent-volunteer regiment. I am not saying this for any personal credit, or anything of that sort, but if in a war you left it to the volunteers of the United States to fight the war, whether it was for national defense or to go abroad, you would not be able to win your war, because you would not have enough soldiers. [Applause.] We who served in the front-line trenches in France and took the gaff that every man had to take there did not feel very kindly toward men who were able-bodied, who were not married, who had enough money to leave to their dependents, and who would not volunteer in the service of the United States.

Now, today is Army Day, and there is a parade going on now outside of the Capitol, and I believe that the men who are parading there now are the best of Americans, and I do not like to hear men stand up here today, with a plea that they want peace, and then try to stop, in time of war, the drafting of men into the military service of the United States. [Applause.]

No man is a greater advocate of peace than the man who served in the front-line trenches. We know the horrors of war, but we also know that with all these clouds gathering in Europe, with France sending army corps to the German

border, with all the nations jittery, the safety of the United States depends upon being ever ready, as Teddy Roosevelt said, being prepared in every way with respect to our national defense, and then saying to the world, "We do not want war; we want peace. We will do everything with honor to obtain peace, to keep peace; we will help you to keep peace, but we are ready; we have no chip on our shoulder; we are not jingoes, but we are strong and we are prepared. We tell you this frankly, so that you may know that the United States is ready to shake your hand in friendship; but if you attack us, we are ready and able to knock hell out of you." [Applause.]

Mr. SHORT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHORT: Page 3, lines 22 and 23, after the word "war", strike out the words "or emergency."

The amendment was agreed to.

Mr. SHORT. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 4, line 7, after the word "war", strike out the words "or for the meeting of such national emergency."

The amendment was agreed to.

Mr. LEE of Oklahoma. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Following section 6, line 7, page 4, the following section shall be inserted:

"The President is hereby authorized and directed immediately after this act becomes law to set up a war board. It shall be the duty of this board to formulate plans for the mobilization of industry and for the coordination of the civilian, industrial, and military needs in case of war. It shall be the duty of this board to revise and refresh this plan from time to time and keep it up-to-date and to keep the military and industrial leaders informed as to the plan."

Mr. HILL of Alabama. Mr. Chairman, I reserve a point of order on the amendment.

Mr. RANKIN. Mr. Chairman, I demand the regular order. Let us have the point of order disposed of now.

Mr. LEE of Oklahoma. Will the gentleman allow the point of order to be reserved?

Mr. RANKIN. I always like to accommodate my genial friend and I will withdraw the demand.

Mr. LEE of Oklahoma. Mr. Chairman, in brief, this amendment is simply to coordinate the plans now in time of peace for action in case of war and not to wait until we get into the war.

Mr. RANKIN. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. RANKIN. Does not the gentleman know that the War Department has just such a board?

Mr. LEE of Oklahoma. Yes; but the objection to that is that it is totally colored by the War Department. The hope here is to get one that will consider civilian and industrial needs as well.

I realize that a bill to take the profits out of war must come from the Ways and Means Committee. If and when you get such a bill I will support it. This bill, however, can and will help limit profiteering. If we get a chance to vote for the so-called "Nye bill", and it is as the newspapers report it, I shall support it.

This is the first chance we have had to give expression on this proposition. I ask you to go along with us, and if the amendment providing for conscripting or commandeering industry and transportation is not agreed to, I cannot support the bill.

In my opinion, that is the one redeeming provision in the bill. I shall not vote to conscript men unless the conscription of the leaders of industry, commerce, transportation, and communication is in the same bill, also the conscription of the financial resources. If these amendments remain in the bill, I hope it passes, but without them I cannot support it. But as it is amended we have gained much in our fight for universal service, and I hope you help us to put this over; then we can put over a tax bill later if we can get one reported out. To those people who are speaking against the general bill, I say that our purposes are the same. Let us not fight simply because we see it differently. We have made some gains in this. I ask you to come along with us and help us put the bill over. I know that you are well-meaning people, but take the word of men who have been in war. I am sure your intention is good, but it is misdirected. One time we got some Red Cross socks over there. They had been knitted by dear ladies who loved us so much that they yearned to do something to help us and to cheer us. Let me illustrate a point of good intentions gone wrong. One of the boys put on a pair of those socks and rolled up his leggins and started hiking. Something like a gravel in his shoe began to hurt his foot. After a little while he began to limp, and every step he took was more painful than the last. Finally he got orders to fall out. He unwrapped his leggins and took off his sock, and down in the heel of the sock was a little hard ball of paper. He unrolled it, and written on it were the words "God bless you, poor tired feet." It was a matter of good intentions gone wrong. You gentlemen who are opposing this, join with us. If you bring up a stronger bill I will support it. You cannot make it too strong for me; and I will join with you on the tax bill if we get that chance.

Mr. HILL of Alabama. Mr. Chairman, the purposes of the amendment are already written into the law in section 5 (a) of the National Defense Act. I think it is clear that the amendment is not germane either to the section or to the bill. The bill provides for the doing of certain things after war has been declared. The amendment would provide for doing certain things prior to any declaration of war, in time of peace, as well as in time of war. I insist upon the point of order.

The CHAIRMAN. The Chair is ready to rule. This is a bill to take the profit out of war. It becomes operative only after war has been declared. The amendment offered by the gentleman from Oklahoma attempts to set up a peace-time organization. The Chair thinks that the amendment is clearly not germane, and, therefore, sustains the point of order.

Mr. SWEENEY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. SWEENEY: Page 4, line 7, after the word "war", insert:

"On each anniversary of the declaration of war it shall be in order for the House of Representatives to remain in session for the purpose of the consideration of legislation to conscript man power and protect property rights in the event of war."

Mr. HILL of Alabama. Mr. Chairman, I make the point of order that the amendment is not germane to the section or to the bill.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

SEC. 7. That any person, firm, or corporation violating any of the provisions of this act, or violating any publicly proclaimed orders, rules, or regulations made by the President for executing the powers contained in this act, is hereby declared to be guilty of a misdemeanor and shall be liable to indictment and trial therefor, and upon conviction thereof shall be sentenced to pay a fine, not exceeding $100,000, or to serve in prison, not exceeding 1 year, or both, at the discretion of the court.

Mr. CONNERY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 4, after line 16, insert the following new section:

"SEC. 8. Nothing in this act shall be considered to authorize the conscription of any individual for any purpose other than as a member of the military or naval forces of the United States; nor shall any member of the enlisted personnel of such military or naval forces be required to perform any industrial, agricultural, or commercial activity not directly connected with military or naval operations."

Mr. HILL of Alabama. Mr. Chairman, I make a point of order on the amendment. The amendment might have been germane to section 3 of the bill. A similar amendment was adopted to section 3. I suggest that the amendment is not germane to this part of the bill.

The CHAIRMAN. The Chair calls the attention of the gentleman from Alabama to the fact that the amendment reads "nothing in this act shall be construed", and so forth. The Chair thinks it is germane to the section and overrules the point of order.

Mr. CONNERY. Mr. Chairman, this amendment was in the CONGRESSIONAL RECORD today, and the Membership knows what it means. I call the attention of my friend from New York, who asked me yesterday about the railroads in France, to the fact that this amendment is so drawn that in time of war you could not use your Regular Army, your National Guard, or your National Army to run the factories. I intended that. It also provides that you cannot take a mill or a factory or a farm and say, "Every one of you workers is now in the United States Army, and you are going to work for 40 cents a day or 50 cents a day because you are in the Army and you have nothing further to say about it." In other words, this is to stop the drafting of labor and the farmer in time of war, into their own work.

Succinctly, if a man was getting $1.50 a day in industry or on the farm, this is to prevent the United States Government saying to him, "You are in the Army now and you are going to work for 10 cents a day." It also stops them from using the Regular Army, the National Guard, or the National Army and saying to them, "You are going into Chicago and you are going to run the stockyards and throw men out of work", or "Now you are going to run the railroads."

Mr. McSWAIN. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. McSWAIN. Does not the gentleman think we have already protected labor, both organized and unorganized, in every reasonable and proper way?

Mr. CONNERY. If I thought that, of course I would vote for the gentleman's bill, but this bill as written now oppresses and conscripts labor.

Mr. McSWAIN. The gentleman is trying by two expressions here to do the same thing.

Mr. CONNERY. No. The first amendment which I offered yesterday, and which the House voted down, would prevent this situation to exist in time of war. If an employee should ask his employer to give him a dollar a week more on his wages and the employer granted him that privilege, under this bill as written now both of them could be fined $100,000 or serve a year in jail, or both. The second amendment which I offered, and which was voted down, would prevent the commandeering of every labor union in the United States by the President in war time. Under the bill as written now the President in war time could wipe out the entire American Federation of Labor by a single order and set as low wages as he wished for the working people. That is not American.

Mr. LEE of Oklahoma. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LEE of Oklahoma. I want to support that language, but it seems to me it flies in the face of the amendment we have already adopted, which would conscript the management of industry.

Mr. CONNERY. I agree with the gentleman. I do not want to take the superintendent or owner of a plant and put him into the United States Army and then say, "Run this plant", any more than I want that done to labor.

Mr. LEE of Oklahoma. If this amendment is agreed to, will the gentleman support the bill?

Mr. CONNERY. No. I made that clear. In the first place, the two labor amendments which were defeated, and which I just explained, have hamstrung labor. In addition, the bill does not take away any excess profits from the big interests. How can I consistently vote for the bill?

Mr. LEE of Oklahoma. Would the gentleman allow a strike during the war, if he had the power?

Mr. CONNERY. Now the gentleman is asking me what I would do if I were President of the United States. I do not know, and no other man knows until he would get into that position.

Mr. LEE of Oklahoma. Would the gentleman allow the railroads and transportation to be tied up when the soldiers are in France?

Mr. CONNERY. No; of course not. Labor does not do that in time of war. And the gentleman knows that the great majority of the men in France were the sons of laboring men.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONNERY] has expired.

Mr. FADDIS. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes.

The CHAIRMAN. Is there objection?

Mr. YOUNG. Mr. Chairman, I object.

Mr. STARNES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have listened with mingled feelings of emotion to a great deal of the argument throughout the days during which this bill has been under debate. We have heard this bill discussed from the standpoint of finance, industry, and business, and we have heard it discussed from the standpoint of labor. I submit that it was the intention of this committee to submit this bill, not for the benefit of any particular class or caste or creed, but for the benefit of 120,000,000 American citizens. I would like to see this House address itself wholly and solely to the question of supreme importance; that is, the perpetuity of this Republic in time of war and in time of peace. [Applause.] There is no time to talk about class legislation or religious legislation when this country faces an emergency. I say this applies in peace as well as in war. The supreme duty of every American citizen is to place, if necessary, his life, his liberty, and his all on the altar of sacrifice in the hour of trial in an emergency. [Applause.] I have the highest regard for the opinion of the gentleman from Massachusetts [Mr. CONNERY]. I know he means well. I have high regards for the right of labor, for industry, and for finance, but I have a higher regard for the welfare of the Republic. [Applause.]

Mr. CONNERY. Will the gentleman yield?

Mr. STARNES. I yield.

Mr. CONNERY. Who is going to take care of the wives and children of those men working in factories if you commandeer them and say, "You are going to work for a dollar a day?"

Mr. STARNES. Who takes care of the wives and children of the men who fought the war at a dollar a day? [Applause.]

Mr. CONNERY. Nobody did. Nobody took care of them. That is my answer to that. Nobody took care of my wife while I was over there.

Mr. STARNES. I want to say this, that I was one of those boys who went over there 18 years ago as a volunteer soldier. I have two boys who are dearer to me than my own life, but my life is still at the disposal of my country and the lives of those two boys are at the disposal of my country. Every dollar I have, every foot of property that I have belongs to my country in the hour of trial and emergency. [Applause.] I would not keep faith with those who sleep here and over there, whose forms are now resolving into their original elements, if I did not stand here today and plead for support for this bill for a united country. [Applause.]

I yield back the balance of my time.

Mr. ELLENBOGEN. Mr. Chairman, nearly 17 years ago ended a war which was to end all wars. During the past few days we have been discussing the McSwain bill to prevent profiteering in the next war.

That next war should never come. If all of us could look at the meaning of war and at the motives of those who bring about wars, I tell you it would never come again.

THE MOTIVES FOR WAR

A war breaks out. A nation mobilizes its resources and strength. And into a gigantic struggle are thrown millions of men, billions of dollars, and the productivity and energy of many nations.

Yet, if we could only see clearly behind all this fine display, two hideous words would stand out in gigantic letters before us. These words are "greed" and "hate." The greed for profit and the hate and jealousy of nations for each other cause war. Most of the other motives stem from these two.

THE VERSAILLES TREATY

Let us go back a few years to the aftermath of the World War, to the treaty of Versailles. Statesmen of almost every nation in the world were gathered there. One would suppose that their chief purpose would be to establish principles of justice and fairness in the dealings of nations with each other. One would suppose that this great conclave of nations, having one of the greatest opportunities in all the history of mankind, was going to present at last something permanent and lasting in the way of international peace and understanding and of well-being for the nations of the world.

Instead, what actually happened was this: On one side were grouped the victors and on the other side the vanquished. And the victors proceeded to claim the spoils of war. They squeezed from the vanquished every possible profit, without any thought whatever to the economic future and prosperity of those or other nations and without any consideration for peace and good will on earth.

NO ONE WINS A WAR

They refused to admit one important fact. And let me say, if only all of us could realize that fact, we would not have to talk about war again. For that fact is this: No one gains anything in a war. Neither the victors nor the vanquished profit from it. Even the nation who wins the war does not profit from it. You might as well talk of winning an earthquake or a tornado. War means disaster to everyone—no matter who wins it.

And today, because of those men at the Peace Conference of Versailles, who thought they could cut up the map of Europe and divide it among themselves, Europe faces another war. I should be the last one to say that that war must come. Neither I nor anyone else wants to see it come. But when we see one situation after another developing in Europe, any one of which might serve as the lighted fuse for a gigantic explosion, we must face the fact that war might easily come over there.

If another war comes in Europe, let the United States of America keep out of it. Let us keep our boys at home, and let us keep our money at home. Why should our people bleed and die to settle quarrels between traditional enemies in Europe? Let Europe take care of its own mess. We should have no business with it.

George Washington, in his Farewell Address, advised us to keep out of foreign entanglements. We should certainly keep out of foreign wars.

I have spoken of the hate of nations. And hand in hand with that hate of nations goes the other creator of war—the greed for profits, for money. We cannot destroy greed, regardless of any laws which we might pass.

THE GREED FOR WAR PROFITS

What we can do, and what we shall do is to make it as difficult as humanly possible for that greed to thrive on the misery and suffering of mankind. That is why we are finally coming around to see that once we take the profits out of war we will have taken the greatest step ever made to halt war itself. Just as maggots and worms feed on the filth of nature, so does the lust for the dollar and for the power and strength which it gives feed on the suffering and devastation which every war must bring—both to those who win and to those who lose.

THE COST OF THE LAST WAR

Today, as we see the other side of the world on war's edge, let us stop and make some simple computation of the cost of the last war, a war whose bill is not yet paid. Let us first put down a total of 7,583,000 dead and 17,930,000 injured. Beside that figure let us put down another one, $211,000,000,000. That was the cost of murdering those 7,000,000 young men and of wounding eighteen more million.

And what about the sorrow and the grief of the widows and orphans? What about the tears of the mothers and fathers? What about the ruined lives of young girls whose sweethearts were killed or maimed? What about the destruction of the fine and beautiful things which had been before?

Two hundred and eleven billion dollars were spent. Who got that money? Well, let us see what happened in this country. Today, as a result of the congressional investigations which have been carried on, we can trace the trail of that money until it reached various pocketbooks more closely than ever before. Of course, we know that the soldier—the man who did the fighting, who went through the unspeakable horror of actual conflict—he did not get it. He was paid $1 a day.

WAR PROFITS IN THE UNITED STATES

During the years 1917 and 1918 the United States Government spent more than $39,000,000,000 for war supplies. A major general of the United States Army testified that in his opinion more than half of that sum represented excess profits. Profits of 700 percent on these supplies, he said, were the rule rather than the exception.

The Government bought millions of suits of underwear for its soldiers. The Government paid $4 per suit for it, although that underwear cost 75 cents per suit to manufacture. In 1918, $19,000,000,000 were spent for war supplies. At the congressional hearings it was testified that $14,000,000,000 of that $19,000,000,000 represented profits, and that these profits ranged from 300 to 1,700 percent.

Let us look at some more figures on the question of who wins wars. Here are some of the winners:

The United States Steel Corporation increased its earnings more than 12 times from 1914 to 1917. In 1912 the United States Steel Corporation was making slightly less than 3 percent on its investment; in 1915 that figure went up to slightly more than 5 percent; in 1917 it was almost 25 percent.

These figures may mean more if I give them in dollars. Here they are: In 1912 the United States Steel Corporation earned seventy-seven million; in 1915, ninety-seven million; and in 1917, when the war was at its height, four hundred and seventy-eight million.

In the 3-year period before the war the four largest meat-packing companies in this country made an average profit of $19,000,000. During the war period their average profit jumped to one hundred and forty million.

The American Metals Co. was one of those companies which operated for the Government on a cost-plus basis. Its profits were so large that during the year 1917 it paid out to its officers bonuses of $1,190,000. It simply had to do this in order to hide the huge war profits it had gained.

THE VICTORS OF WAR

The officers and directors of these various corporations are in a position to answer the question, Who won the war? They know better than anyone else. They had the proof in their swollen profits, in the increase in value of their stocks and bonds, in the stupendous salaries and bonuses they lavished on themselves.

Those are the men who, in the last few months, have finally been forced to tell at the munition investigation of the United States Senate, at least in part, the sickening story of the manipulation of contracts, of the use of the energy and patriotism of a great Nation for their own despicable ends. These, and many others like them, of whom I have neither the time nor the inclination to speak at this time, were the victors of the World War.

A PROGRAM FOR ANY FUTURE CONFLICT

They took the profits—to us they left the gigantic war debt; the thousands of veterans who took the blows for which these men and these corporations received the pay; the post-war inflation; the bitter memory of futile sacrifices.

All that we must never have again. We shall not permit one part of a Nation to offer the lives of its young men in order that another part may secure wealth. Should war come again, we shall no longer have the youth of the land as the only ones who are being called. We should call every resource, every activity, and above all, the entire wealth,

into the service of the common cause. The Government should step in and tell plant owners, financiers, and industrialists just how much they can charge for war materials and how much profit they can make. This is provided for in the McSwain bill which we are now considering. If this bill, amended so as to take away by taxation all excess war profits, is finally adopted by both Houses of Congress and enacted into law, it will mean that no longer will large corporations be permitted to make huge profits out of the suffering and misery of millions of people. The merchants of death will no longer be permitted to keep this blood money.

A PROGRAM FOR PEACE

We can entertain hope that with such a law future wars would be a long time in coming. For although it is too much to say that the abolition of the profits from war will abolish war itself, it will surely serve as the greatest, the most powerful check we can possibly have.

And from that point we can look ahead. Let us devote all our efforts to peace, to a national and international policy that will assure a peace, permanent and lasting, and good times to our Nation and to the other nations of the world.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The question was taken; and on a division (demanded by Mr. CONNERY) there were ayes 17 and noes 86.

So the amendment was rejected.

Mr. McSWAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: At the end of the bill insert a new section, to be known as "section 8", to read as follows:

"That upon the declaration of war there shall be imposed a tax of 100 percent of all excess war profits that may be earned during said period of war as defined in this act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

Mr. McSWAIN. Mr. Chairman, I move that all debate on this section and all amendments thereto do close in 10 minutes.

The motion was agreed to.

Mr. DONDERO. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: Page 4, line 8, after the word "corporation", insert the word "willfully."

The amendment was agreed to.

Mr. DONDERO. Mr. Chairman, I offer a further perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: On page 4, in line 9, after the word "or", insert the word "willfully."

The amendment was agreed to.

Mr. MASSINGALE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, all kinds of arguments have been presented on this bill. I do not believe any two men in this Congress are agreed upon what the bill means. As I remarked in the beginning, the chairman of the committee reporting the bill said it was a bill to prevent profiteering in time of war; yet another leading Member of the House said on the floor that it had nothing to do with preventing profiteering in time of war. Now, what in the dickens do you expect a new fellow to understand about the bill and tell his constituents when he goes back home? Let me tell you what I think about it after hearing the full explanation from both sides: I think that the Congress of the United States is dodging its responsibility to the people of America and hiding behind the meshes of the rules of this House.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. No; I am going to finish this statement. If the gentleman will give me more time, I will yield to him.

Mr. McSWAIN. I would be glad to do so, but the time is not in my control.

Mr. MASSINGALE. The gentleman talks about prayers having been offered throughout this Union for a law preventing profiteering in war time. I know it; and I know that the people down in my district are praying people; but they are the penitent kind of people, and they do not pray from the housetops. Here we are with a bill containing a preamble offered to the intelligent people of this Nation as a pretext for giving them nothing.

I do not take any stock in the argument that we ought to support this piece of legislation simply because the Ways and Means Committee might appreciate our attitude.

Mr. McSWAIN. Mr. Chairman, will the gentleman now yield for a question?

Mr. MASSINGALE. I may say to the gentleman from South Carolina that when I get through I will yield to him. I think he is a wonderful man, all right. [Laughter.] The fact is they tell me the gentleman is a great soldier. I would like to tell the distinguished Chairman of the Military Affairs Committee that I, too, have a military record; I am an embalmed-beef veteran of the Spanish-American War, and I lived over it. I got that embalmed beef served to me under the President of the left-wingers in this House, yet I have never made any complaint and I have never drawn a nickel from the Government of the United States by reason of that service.

But what have we here? I am not ashamed to go back to my people and tell them I did not support the bill which has in it only one provision worth a penny, that provision which conscripts the young men of this country between the ages of 21 and 45. That is the only point of virility it has in it; and the young fellows from 21 to 45 are the only ones who are going to be prevented from profiteering in time of war by this bill, because you will put them in the trenches, where they cannot profiteer.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS: Add a new section, to be known as section 9, as follows:

"If any provision of this act or the application thereof to any person or circumstance is held invalid the remainder of this act and the application of such provision to other persons or circumstances shall not be affected thereby."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

Mr. McFARLANE. Mr. Chairman, we are closing debate on this measures and I want to clarify the situation as it now exists with regard to the purposes this bill is supposed to accomplish. The first purpose is to prevent profiteering. I take it this purpose may now be taken care of under section 8, which was just adopted. The next purpose, that of equalizing the burdens of war, has not been taken care of, because while we are conscripting the young manhood of the country to fight this war we are releasing labor from coming in and doing its part in the war. We are saying to the young manhood of the country between the ages of 21 and 45 that we will put them up for cannon fodder at $1 a day, yet in the same breath we are saying to labor and to those who remain at home that we will let them profiteer as they did in the last war.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. CONNERY. My amendment was adopted, the gentleman understands.

Mr. McFARLANE. Yes; that is why I say labor is exempt from the provisions of this bill.

Mr. LEE of Oklahoma. If the gentleman will permit, my amendment was passed, and my amendment provided that the pay of the soldiers should be equivalent to that of unskilled labor.

Mr. McFARLANE. The gentleman's amendment was defeated yesterday, if I remember correctly.

Mr. SABATH. The gentleman's amendment was adopted today.

Mr. LEE of Oklahoma. An amendment was passed today which conscripts the management of industry, transportation, communications, and commerce.

Mr. McFARLANE. Frankly and candidly, I do not understand the amendments will cover the situation.

Mr. LEE of Oklahoma. That amendment was passed; the bill has been so amended.

Mr. McFARLANE. Now, let us see about that. At the end of section 3 there was added the provision that does exempt labor. I want labor treated fairly, but I do not believe labor should be exempted from the provisions of this bill any more than capital should be exempted from the provisions of this bill.

Mr. CONNERY. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Massachusetts.

Mr. CONNERY. That amendment which was adopted, and it was a committee amendment, does not take care of labor. You can take your National Guard and your Regular Army to run the railroads of the United States and you can put them into the mills to run the factories.

Mr. McFARLANE. The thing I am interested in is to treat all classes fairly. I want everybody to have the same break on this proposition, and the way the bill is drawn I do not think it brings about that result.

Mr. CONNERY. As I called to the attention of the Members of the House a while ago, under the bill a man may be fined $100,000 and be sentenced to serve a year in jail if he gets an increase of $1 in his wages.

Mr. McFARLANE. I do not so read the bill. Maybe it is that harshly drawn. If it is, it should be amended.

Mr. Chairman, we have heard a lot in the last few days about this being a step in the right direction. I so construe this bill at this time. Since there have been many perfecting amendments placed upon this bill yesterday and today, and particularly since section 8 was added to the bill placing a 100 percent excess war profits tax into the bill, I now feel that the good far outweighs the bad provisions of the bill, and I expect to vote for same. I was glad to introduce today the Nye bill, which has been carefully drawn under the direction of the Senate Munitions Committee, which committee has given very careful study to this question as a result of their hearings conducted investigating this subject the past several months. The debate on this subject the past 2 days, as shown by the RECORD, has centered around the excess profits tax provision of the Nye bill and the other necessary provisions necessary to make effective this legislation on this subject. With the tax and other amendments now in the bill, the necessary mechanics to make these amendments effective may be perfected in the Senate, and I therefore urge you to vote for this bill.

[Here the gavel fell.]

Mr. MONAGHAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONAGHAN. I would like to know if it would be possible under the rules of the House for me to offer a motion at the proper time before the House votes upon this measure, which, in my estimation, is likely to create a war scare and war propaganda, especially if we leave section 3 in the bill, providing for a draft of men, that we pause for 5 minutes and bow our heads in rightful silent prayer in memory of those who were slaughtered " over there " and never returned from France in the last war, which proved nothing, solved nothing, and destroyed everything in its wake.

The CHAIRMAN. The Chair does not think that is a parliamentary inquiry.

Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5529) to prevent profiteering in time of war, and for other purposes, under the rule reported the same back to the House with sundry amendments adopted by the Committee.

The SPEAKER. Under the rule the previous question is ordered.

Mr. BOLAND. Mr. Speaker, I make a point of no quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

Mr. ARNOLD. Mr. Speaker, will the gentleman withhold that motion for a moment?

Mr. TAYLOR of Colorado. I withhold it, Mr. Speaker.

Mr. MAVERICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAVERICK. Mr. Speaker, I have a motion to recommit. May I ask whether that is in order at this time?

The SPEAKER. Such a motion is in order after the third reading of the bill.

EXTENSION OF REMARKS—TO TAKE PROFITS OUT OF WAR

Mr. PLUMLEY. Mr. Speaker, I desire to address myself to a consideration of the provisions of H. R. 5529.

No one contends, Mr. Speaker, that this measure as it came to the House from the hands of the committee needs no further amendment in order to accomplish the purposes set forth therein. Your committee is well aware of the fact that the rules and practice of the House of Representatives inhibit the initiation by the committee or the incorporation in the act as submitted by the committee of such certain necessary proposed legislative provisions as it is anticipated will ultimately at your suggestion become a part and parcel of the measure prior to its final enactment.

It may well be borne in mind that for 12 or 13 years both the Democratic and Republican Parties have been charged by their platform pronouncements with the responsibility of enacting legislation to accomplish the result sought to be attained by this bill, namely, to take the profits out of war. A consummation devoutly to be wished, but from a practical standpoint admittedly very difficult of attainment.

This bill, therefore, comes to you confessedly needing amendments to make it practical and workable, and to take it out of the realm of the theoretical and visionary.

In the formulation in time of peace of plans for the mobilization and utilization of the industrial resources of the Nation in time of war such legislation as this is in content and scope cannot be written in detail. Such a bill as this only attempts to lay the foundation which will facilitate and make possible the working out and enactment of laws which shall supply the details, when and at such time as contingencies can be forecast with reasonable accuracy.

In the event of war the President as Commander in Chief will have many problems to solve. The mobilization of material, labor, and capital for the support of the fighting forces; the protection of industry and the civilian population from unnecessary depredation; the control of industrial and commercial relations with neutral and allied nations, and last, perhaps, but not least, the elimination of individual and corporate speculation.

In the hands of the war-time President there is placed by the Constitution, by Congress, and by public opinion a vast responsibility and a corresponding authority. His plans must be practical rather than theoretical, must operate justly and distribute the burdens of war as equably and equitably as possibly practical.

This measure, as I have said, attempts to lay the foundation on which may eventually be raised such a legislative superstructure as will secure for us such adequate and sufficient preparation for and against war as to make us invulnerable against attack, Nation-minded against entering any aggressive warfare, and will keep us out of war.

May I repeat in this presence that which I have often said, namely, that I am neither a militarist nor a pacifist. I am an American, and as such, with every rational and conscientious person the world over, I join in the wish and the hope that there may never be another war. I am not so foolish, however, I hope, as to believe that my hopes will soon be realized or that my wishes will speedily come true. It is the sheerest nonsense today to talk about a world at peace, for there is no peace.

You may dream of the day when wars shall cease; it does no harm, and every effort to bring about a realization of such a dream, so long as it does not strip us of our defenses, develop a condition of unpreparedness, or lay us open to or invite attack, is commendable and deserves our support, but I say to you that while you dream the grim reality stares you in the face that if we are to have universal peace we must be prepared to fight for and maintain it.

Nobody wants war. A pretty broad statement, but I will let it stand. As a general proposition it is true. "As a civilized people we desire peace, but the only peace worth having is obtained by instant readiness to fight when wronged, not by unwillingness to fight at all. Intelligent foresight in preparation and known capacity to stand well in battle are the surest safeguards against war. America will cease to be a great nation whenever her young men cease to present energy, daring, and endurance, as well as the wish and the power to fight the Nation's foes.

"No citizen of a free state should wrong any man, but it is not enough merely to refrain from infringing on the rights of others; he must also be able and willing to stand up for his own rights and those of his country against all comers, and he must be ready at any time to do his full share in resisting either malice domestic or foreign levy." Good old-fashioned, rock-ribbed American doctrine some time jointly expounded by Theodore Roosevelt and Henry Cabot Lodge, if I remember aright. Anyway, the man does not live who can state the American ideal more clearly or emphasize more emphatically the duty which it is ours to perform.

I say again I have no patience with the attitude of those pacifists who for selfish and political purposes seem ready to strip this country of its necessary defenses and ruthlessly throw into the junk heap all of the plans which have been so carefully worked out to insure us a safe, reasonable, and justifiable amount of military preparedness.

If the World War taught them anything, it should have taught them that such action on their part is folly; indeed, a crime against civilization. There is neither justification nor excuse for our ever again being found in a state of unpreparedness for war.

Sick and tired of war as we are, we have not forgotten what the policy of the pacifists and the lack of preparedness cost us in lives and treasure, and we will not forget. We are opposed to war, or anything which looks like another war, but the average citizen is just as bitterly opposed to anything and everything which looks like such a willful lack of preparedness as that with which we were confronted at that date when we ought to have been prepared to have entered and to have then ended the war.

Hear me, when I say that experience has taught that in a republic the due cultivation of proper military discipline among the great mass of the people and a general diffusion of military information always have been, are now, and always will be indispensably necessary for the preservation of this Government.

We dream of the day when swords shall be sheathed forever and our weapons turned into plowshares and pruning hooks, but the road to universal peace is a tortuous path which leads "down the dark future through long generations", involving the Christianization of the world—an end devoutly to be sought and eventually to be obtained—but obviously ages hence.

The American people should not be lulled into any false sense of security by reason of what has been accomplished by the conference on disarmament. We must not take too much for granted. No plan has been promulgated which will change human nature, or bring about the millennium, by contract. No covenant which has ever been made or will ever be entered into between and among nations will prove a perfect panacea for or perfect preventive of war. No league of nations, parliament of the world, or even public opinion itself will always secure a permanent peace. Neither you nor I, our children, grandchildren, nor great-grandchildren will live long enough to see the day when it will be unnecessary to maintain a sufficient force to guarantee our safety and to keep the peace.

Speaking of our dream of the peace that is to be, was it not President Eliot who said that such things are today pleasing, imaginary goals for a distant future just as they have been already for a hundred years? Such public liberties as already exist in the world have been obtained by forcible resistance to oppression; and they must be maintained for generations to come in the same way. It is for the freer nations of the world, including the United States, to maintain them by force until they can be safely maintained without force.

You may not believe in signs, but you are bound to admit that such signs as there are today point to no such fundamental changes in government as to warrant any expectation that human nature has changed one scintilla, or that the dawn of peace is near at hand.

You and I know, as has been well said, that nations are only men in aggregate; they are the aggregation of his crimes and dissipation and depravity, and so long as these constitute the basis of individual impulse so long will they control the acts of nations. When the merchant arbitrates with a customer he is about to cheat; when trusts arbitrate with the people they are about to fleece; when the bulls and bears arbitrate with the lambs they are about to shear; when the thief arbitrates with the man he is about to rob, or the murderer with his victim, and so on throughout the category of crime, then will arbitration be able to realize the utopian dream of the pacifists.

Why is it necessary to argue that the pronouncements of any parliament of the world, international tribunal, league of nations, or conference, by whatever name it may be called, are not worth the paper on which they are written, except for the fact that back of them lies the power of enforcement found in a dominant naval and military force? Why talk about the inviolability of a contract when war impends? The waste-paper basket of the world is filled with "scraps of paper."

We must never forget that it is the respect for our power of enforcement that makes it possible for us to administer law, not the language of the law itself, the parchment on which it is written, or the names of the signatory powers thereto appended.

You may proclaim martial law until you are hoarse and have nothing but your trouble for your pains, unless you have the troops at hand to carry out your orders. It pays to prepare. As between individuals so also between States and nations differences will always arise which are provocative of and can only be decided by a resort to the use of force. The individual and national lawbreaker, robber, thief, rape fiend, and murderer, we will always have with us! Between good and evil there will always be war to the death! The fight is never ending and always new. Why not face the truth? The truth shall make us free!

Everybody knows that no man dares prophesy what may happen in Europe, Asia, or Africa tomorrow. The World War was an awful catastrophe. Are you sure that another does not impend? We are not so far away or so new that we should not take note of the fact that the countries of the Old World are, figuratively speaking, sitting on top of a thin crust of earth, which hides but does not conceal from them, or us, the fact that beneath them there is laid a perfect network of mines and power magazines which fuses already attached. None of them know what action may generate just the necessary friction to cause the terrific explosion which will shake the world's foundations and jar it to its very center.

Statesmen talk at great length and with apparent complacency, but tremble lest they betray some secret or violate some pledge, or say something which may plunge their countries into the maelstrom of war. The problems with which they are confronted are stupendous in magnitude, while the dangers that threaten are altogether too apparent to be imaginary. Even the casual student of international affairs realizes that the relations between the European powers are strained to the utmost tension. Confidence in one another does not exist. Whatever agreements may be entered into will be arrived at with mutual distrust on the

part of the contracting parties. They will get what they can by agreement and negotiation and will enforce the satisfaction of their demands, in the last analysis, by a resort to the arbitrament of war.

Do not make the mistake of believing that the last war has been fought. To enforce victory or avert disaster a nation which is fighting for its life will resort to any tactics, it matters not how barbarous, cruel, or unfair. They will do anything to win. It always has been and always will be so. Some of the nations involved in the European imbroglio will have to fight in order to maintain their national unity and integrity. Self-interest always has been and always will be the deciding factor in the settlement of international disputes. Self-preservation is the first law of nature and is the same today as when Napoleon wrecked the monarchies of Europe, and Caesar, having massacred 250,000 Germans in a day, left the melancholy memorandum—"Caesar's legions killed them all."

"Human nature of today", says Hudson Maxim, "will be the human nature of tomorrow, and the human nature of tomorrow will be in all essentials the same as it was in ancient Rome, Persia, and Egypt, and even in the palmy days of sea-sunk Atlantis."

This does not necessarily mean that civilization is a failure, for as has been as well said by President Nicholas Murray Butler, "Several times the history of this world has hung on the point of a spear. Each time the overruling Providence which guides and makes history has seen to it that the solution was toward the greater freedom, the greater progress, the greater liberty, the greater enfranchisement of man.

"If men and nation are engaged in a blind struggle for material gain, for mere conquest, for revenge, for future privileges, then what is going on is in high degree a manifestation of bestiality in man. If, on the other hand, the struggle be one for the establishment on the largest possible scale in the securest possible way of those institutions and opportunities which make man free, then the contest rises to the sublime. In this latter case every contestant on behalf of such a cause is a hero, and everyone who offers his life and his strength and his substance is a sincere lover of his kind."

The fate of civilization has always hung in a balance. There are certain ideals of civilization which cannot be destroyed. Throughout the ages we have fought and striven onward and upward to establish and to maintain justice, mercy, and liberty, and we will ever fight to maintain them, to the end that the largest measure of happiness may be enjoyed by all. But it has been a fight.

Our victory over Germany and her allies has once more demonstrated the fact that might alone does not make right. Right will always triumph in its might. It is unwise, however, not to be prepared.

The progress of humanity throughout the centuries is marked by the bloody battlefields which have made possible our achievements, and so it will ever be. Civilization in itself comprehends a struggle to advance; the opposition it meets must be overcome. The arts of peace will not always prevail. Nations, no more than individuals, will always keep their plighted word. When principle or honor is at stake no man or nation is entitled to live who is not willing to fight to maintain them.

NATIONAL DEFENSE

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech of the gentleman from Illinois [Mr. LUCAS] delivered at a luncheon given under the auspices of the Military Order of the World War at the Penn Athletic Club, Philadelphia, on April 4, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARNOLD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

I count it a high honor to be invited by the Philadelphia chapter of the Military Order of the World War to discuss national defense, which is so vital to the security of every American, but which has been greviously neglected in the past.

It is an encouraging gesture when 1,000 patriots can find time in these exciting days of American uncertainty to hesitate and pause for a few brief moments to honor the Army by remembering the anniversary of our entrance into the World War. I commend your efforts as noble and praiseworthy. I speak thus because I realize that your presence today comes through pure patriotic motives and nothing else.

If some statesman of national reputation were scheduled to address you, no doubt the hall would be overflowing with those who came to learn his convictions upon current national problems. If some blatant demagogue, with a national reputation, were scheduled to appear, no doubt the hall would be overflowing with those who came to satisfy a whimsical curiosity. But you who are present today came because of your interest in the Army and your love for country. I am not so vain to feel that any man came for the sole purpose of hearing me talk on national defense. I doubt that there is a man in the audience who ever saw or heard of the speaker before. You and I are total strangers. You and I are not bound by any ties of blood or any long terms of friendship, but we are bound to one another through a bond of fellowship which has existed since birth, and which has grown and developed through the important fact that we are Americans. And because we are Americans we meet to demonstrate our devotion to certain fundamentals which we deem indispensable to the future welfare of our country.

It is true, as your chairman has stated, that I have the honor of succeeding the late Henry T. Rainey, former distinguished Speaker of the House, in Congress. Today I am in Congress as a Democratic Representative of the Twentieth District of Illinois; but I come not to this meeting to speak as a partisan upon any political subject, but I come to speak as an American patriot upon a question in which partisanship is unknown and political lines divide and fall like the snowflakes of the storm.

In order to intelligently discuss an adequate national defense as applied to America today, it is necessary to use as a base for all rhetorical adventures the Treaty of Versailles. No one can fail to remember how Woodrow Wilson, the former President of the United States, went to Paris with his 14 points of human idealism. No one can forget the fervent pleas he made that any terms agreed upon around the conference table should be based upon "a peace without victory"; and no one can forget how those pleas were condemned and ridiculed and finally crushed by Old World intrigue and diplomacy. Had the admonitions of Woodrow Wilson been heeded in that tragic hour, had his pleas been accepted at that momentous conference, and had his deep principles upon international morality become the law of the universe, the world economic plague of today would not have been with us.

The Treaty of Versailles carved up Europe in territories and distributed them among European victors, and from that moment the economic spark of retaliation and the national germ of humiliation started laboring side by side in the breasts of the vanquished until today that combination of national enthusiasm has reached such proportions that the peace of the world is verily threatened.

The Germany immediately following the war and the Germany of today are entirely different nations. Adolf Hitler boldly asserts that the new Germany must have a dominant position in the affairs of Europe. He has repudiated the Versailles Treaty in toto and makes demands which have sent waves of fear and resentment throughout the nations of Europe. Among other things, he demands that the neutral zone along the Rhine be eliminated, that the German Army be increased to approximately 600,000, that the air forces be on a parity with England and France, and that Germany have economic union with Austria. He demands all of this by peaceful endeavor, yet, unless this Hitler dream is realized, the nations opposed to this course had better be prepared to take drastic economic and military measures.

In addition to all this, we find that for years Japan has cast a covetous eye upon territories in Manchuria and China, and there are those who even believe that she looks to the east across the Pacific to our own beloved America.

Today Mussolini, the greatest dictator of all times, has an army in Africa in order to subdue the wild tribesmen along the border lines of Ethiopia; and in the German controversy he says bluntly that Italy has a million shining bayonets ready to meet any emergency.

The question of the hour is: Are the nations of the Old World prepared for another war, and will they be able to meet the German challenge? The only factors which may keep them out of war today are the financial and economic difficulties which they are all experiencing. However, with their variety of troubles, they have never lacked for money to equip and maintain powerful armies and navies.

Listen to these startling figures: Great Britain, since the Peace Treaty of Versailles was signed, has always collaborated with other nations in every peace conference. Yet her experience of the past with paper treaties compels her to rely for her safety upon a standing army of 228,362, along with the greatest navy in the world, and in fortresses which line the shores of the world and dot the seas around her possessions. France has participated in all peace conferences since the war, yet we find her relying for her safety on a standing army of 564,608 men and a reserve force of 6,347,200 in addition to a splendid fleet of submarines in their attempt to control the waters under the sea. Italy, a peace participant, relies for her safety upon a standing army of 433,625 militant, fighting men, with a trained reserve force of 5,885,000 men. Japan has never missed a peace conference since the war,

but today she relies for her safety upon an active army of 248,000 and a trained reserve of 2,000,000, with a navy that assures supremacy in the western Pacific. Russia, if one can believe those who speak from an authoritative standpoint, is constantly crying for disarmament, and yet the records disclose that she has the greatest army of all, 841,400 in the regular army and 15,163,600 trained reserves. Even Germany, who was limited under the terms of the Versailles Treaty, today has a standing army of 300,000, with a reserve force of 2,200,000 men.

Developing this thought a little further, it is interesting to learn the percentage of the population of these leading nations who directly or indirectly bear arms: Great Britain, 1.34 percent; France, 16.5 percent; Italy, 14.54 percent; Japan, 2.43 percent; Russia, 9.66 percent; Germany, 3.92 percent.

What would the millions who died in the last war to make the world safe for democracy say if they could rise from their beds of immortality and hear the beating of drums and the blowing of trumpets and see the unfurling of flags as the soldier today trains for the death and destruction of tomorrow? Little or no consideration is being given to those dying men who went to their graves believing they were giving their all in the scheme of universal peace, and who said, with dying lips, "If you break faith with us who die, we shall not sleep in Flanders Field, though poppies grow." Let us examine the records to see if America has kept the faith. From 4,000,000 fighting men in 1918, today we have a standing Army of 136,975, with a reserve force of 303,794, a total of .35, or less than one-half of 1 percent, of our entire population bearing arms either directly or indirectly.

These figures should not only satisfy the spirit of the dead but should also be a complete answer to the American pacifist, who sees in the standing Army a huge militaristic instrumentality for the commencing of war. America has never been a Nation of military men and never will be, but world conditions today are conclusive that America cannot remain indifferent to a threatened conflict which might destroy civilization, including the pacifists.

And, as a Member of Congress, I am happy that I had the privilege of voting a few days ago for a bill which increases our Army to 165,000, and 14,000 officers.

Not only have we been extremely moderate in the size of our Army, but let us look to the Navy Department, and examine the actions of American diplomats upon the question of disarmament since the World War. Since the signing of the armistice in November 1918 America has made every conceivable gesture toward a world peace. In 1921, at the Naval Limitation Conference held in Washington, as an example of our good faith we scrapped hundreds of millions of dollars' worth of the finest battleships in the world, while other nations destroyed only blueprints. And during the interim every move made by this Nation was in the interests of a peace of understanding and good will toward all nations of the universe. It was not until 1933, when the present administration came into power, that it was agreed that we should build our Navy to treaty strength as understood by the London and Washington Treaties. For those who fear that our large Navy is an instrumentality of war, you should know that the building of the Navy up to parity is in keeping with those treaties in which the great nations of the world participated. And our final determination to build to treaty strength was taken only after years of patiently waiting to see if other world powers would not listen to the voice of reason on the question of permanent disarmament.

In addition to the Army and the Navy, it is also necessary for a complete national defense to have Congress enact into law legislation which will take the profits out of war. The universal draft act is the cure for the past and present existing evils upon that question. This act is an expression of the views long held by the Military Order of the World War. Although originated by the American Legion, today this important measure has the support of practically every veterans' organization in this country. Conscription of all wealth and materials, as well as men, in every emergency will give to the country a moral defense of equity and justice, which becomes a powerful factor in maintaining the human equilibrium of any great nation. I stoutly maintain that one who makes huge profits in times of war in safety at the expense of those who must go to war to defend their country in time of need is not a patriot as is understood by the people of this Republic.

The Army, the Navy, and a universal draft, as outlined above, presents a splendid program of national defense. With it as a certainty, we have no fear from the enemy without, but it is internal dissension and discord which we must carefully weigh in the balance. Today America is passing through a peaceful revolution which will take many years for complete achievement. We are passing through an economic period, which frequently threatens the structural fibers of America. We are in an economic battle which is more dangerous to the perpetuity of the Nation than the great World War. Communistic activities and other subversive movements are constantly feeding upon the poverty of the Nation. Political phobias and quack doctrines, as the panaceas of America's ills, are being spread throughout the land by designing demagogues.

If these were normal times, little heed would be given to the mouthings of these demagogues, but these are times when the soul and metal of mankind are being seriously tested. These are times in American life when the clarion call of some modern Jacobin is sweet music to the ear of misery and distress. These are times when a discontented Cataline may become a dangerous leader of the mob. These are times when any irresponsible opportunist might reach the top by walking on the backs of those who are hungry and oppressed.

This crisis should cause every patriot to seriously reflect upon the present and future responsibilities of this Nation. What would happen to America and her precious institutions for which our fathers shed their blood and tears if some irresponsible demagogue would reach the seat of the mighty? What would happen to the weak, the poor, and the hungry in this land of the free? Would their burdens be lighter? Would their load be lifted? Would they be more secure and happy in their homes? Would the constitutional guarantee of life, liberty, free speech, and the pursuit of happiness continue unabated? I answer emphatically in the negative.

If the time should ever come when some ego-maniac attains such a position in American Government, I make the prophecy that the America of our fathers will be forgotten and the very ones who supported that type of leader will suffer along with us all as they watch him assume the arrogant power of an unscrupulous dictator. His orders and decrees, merciless as they may be, will be carried out, if necessary, by the bayonets of American soldiers under his command.

America does not need a dictator. America does not need a Hitler, a Stalin, or a Mussolini to make a mockery out of everything that is sacred to a free and independent people.

I have an abiding faith in the American people. My prayer is that every citizen, irrespective of his station in life, will retain his moral energy and his American courage in this great crisis. Just remember that America is young, America is virile, America is courageous. She always conquers when her cause is just. She will not fail in this hour of economic distress throughout the world. With all her troubles and with all her woes, I lift my hands to the heavens above and thank God that I am an American.

PROPAGANDA OF HOLDING COMPANIES OPPOSING PENDING LEGISLATION

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short letter.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, due to the large number of letters being received by Congressmen opposing the enactment of legislation to control and regulate utilities companies and designed to curb unfair dealings practiced in the operation of the so-called "holding companies", I present herewith an exchange of correspondence with investors residing in the State of Idaho:

WASHINGTON, D. C., *March 14, 1935.*

Dr. D. E. CORNWALL,
St. Maries, Idaho.

DEAR DOCTOR: I am in receipt of your letter of March 8, with reference to proposed legislation affecting the status of holding companies. In studying the provisions of the bill in question, I believe that you are unduly alarmed as to the effect that this legislation may have on your investment.

I believe you will agree with me that the Government should exercise some measure of control over the operations of these holding companies to curb unfair business practices.

I appreciate your thoughtfulness in calling the matter to my attention and assure you that it is my desire and intention to protect bona fide investments of the people of my district.

Sincerely yours,

COMPTON I. WHITE.

ST. MARIES, IDAHO, *March 28, 1935.*

Congressman COMPTON I. WHITE,
Washington, D. C.

DEAR MR. WHITE: I have your reply of March 14 to my letter of March 8, with reference to the Rayburn-Wheeler bill.

You state that it is your desire and intention to protect bona fide investments of the people of your district. Will you kindly advise me what in your opinion constitutes bona fide investments?

You also state that the Government should exercise some measure of control over the operations of these holding companies to curb unfair business practices. As a matter of fact, aren't there already both Federal and State laws, if they are enforced, by means of which regulation can be effected?

A drastic regulation or confiscation of utility holding companies, granting that there have been unfair business practices, will not penalize those who were guilty of the management through which such unfair practices were perpetrated, but it will penalize the thousands of small investors who because of their small amount of capital purchased common stocks instead of bonds because the common stocks gave them a higher rate of return upon their principal, a thing most desired by investors of small means. Surely you do not want to see the savings of the middle class wiped out, including in its number many aged and infirm, widows, and children.

I remain very much opposed to this proposed legislation, Mr. WHITE. I am unable to see where it imposes any penalties upon anyone except the small investor who bought the securities of these companies in good faith at a time and under conditions which made the investment of his funds in this manner a perfectly safe and sane procedure.

Yours truly,

D. E. CORNWALL, M. D.

BOISE, IDAHO, *March 29, 1935.*

COMMONWEALTH & SOUTHERN CORPORATION,
100 West Tenth Street, Wilmington, Del.

GENTLEMEN: To show you my opinion of the Rayburn utility bill, in answer to your form letter dated March 21, 1935, I am writing this letter.

In your letter to me above mentioned you suggest that I ask the Senators and Congressmen from my State to fight the bill. In lieu of this suggestion I am mailing them a copy of this letter to advise them of my approval of the bill.

This action of mine is based on selfish motives, in a spirit of vindinctiveness and revenge, I frankly confess.

I hold common stock in your corporation for which I paid $1,400. At the present time it is worth about $65.

I feel sore and that I have been "gypped", and quoting from the copy of the Hearst editorial appearing in the Hearst newspapers March 18 and in the United States News March 11 defending your corporation and other similar ones, I am using some of the words and phrases myself in the opposing manner, or against your corporation.

"Grievances that cry out for redress." I have a grievance in the loss of $1,300 which cries out for redress, for which I know there is no redress.

"Self-defense right and duty of taxpayers." I would like to build a defense for my two boys growing up, that when they arrive at the age when they might be tempted by misrepresentation of similar corporations to buy worthless stock, that it would be impossible for them to do so.

"Time is here for business to speak out." While I confess from results attained that I am a poor business man, I am taking this method of speaking.

"Appeals must be open and aboveboard." Instead of sneaking around your back, or in an underhanded manner attempting to take from you that which you wish to retain, as was done to me, I am "open and above board", in a large way, by mailing you this letter.

"Life savings of many are in jeopardy." This apparently does not apply to the life savings I invested in your stock, as the period of "jeopardy" expired several years ago, but, be that as it may, the editorial continues and states: "When the death sentence has been passed, it is the right of all to stand up and fight", by clever manipulation of stock values by this corporation, I paid for fictitious value, the death sentence on my money was secretly passed and executed, before I had a chance to fight, as suggested.

I am now fighting over a dead horse, not with the fond expectation of recovering, but as suggested in the editorial, "To protect the hundreds of thousands of innocent men, women, and children" from a like loss in the future.

While the above does not cover the subject in detail, and much more could be written, it is felt enough has been said to convey in a small measure the meaning or intent.

Similar thoughts are being expressed verbally, locally, to friends and business associates.

It is believed the holders of common stock of this corporation in general would express corresponding sentiments if called upon and that the hysterical efforts, in attempting to get them to force their Senators and Congressmen to act against the bill in question, will meet with a negative action.

Trusting I have expressed myself in such a manner that there will be no misunderstanding on the part of anyone as to my opinion, I am,

Yours truly,

BRUCE C. LEISER, *Boise, Idaho.*

It is evident from the facts disclosed in the letter from Mr. Leiser that legislation is necessary to control the business practices that operate to defraud investors in purchasing holding companies' securities.

Mr. TAYLOR of Colorado. Mr. Speaker, unanimous consent has been granted, at the request of the gentleman from South Carolina [Mr. MCSWAIN], and all Members have 3 legislative days in which to extend their own remarks in the RECORD on the bill H. R. 5529.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, will the gentleman tell us what the program is going to be for the first part of next week?

Mr. TAYLOR of Colorado. The river and harbor bill will come up for consideration Monday.

Mr. SNELL. That will be brought up under a special rule?

Mr. TAYLOR of Colorado. I do not know. The social-security bill will follow that measure.

Mr. O'CONNOR. The gentleman knows that the river and harbor bill is a privileged matter.

Mr. SNELL. I do not know any such thing.

Mr. MCFARLANE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MCFARLANE. Why can we not vote on this bill today and finish up the matter?

The SPEAKER. That is not a parliamentary inquiry.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 117. Joint resolution making appropriations for relief purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 117. Joint resolution making appropriations for relief purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I renew my motion that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. MCFARLANE) there were—ayes 128, noes 43.

Mr. O'MALLEY. Mr. Speaker, I demand the yeas and nays.

Mr. MCFARLANE. Mr. Speaker, I object to the vote on account of a quorum not being present.

The SPEAKER. A quorum is not required to adjourn.

Mr. MCFARLANE and Mr. O'MALLEY demanded the yeas and nays.

The yeas and nays were refused.

So the motion was agreed to; accordingly (at 3 o'clock and 34 minutes p. m.) the House adjourned until Monday, April 8, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DARDEN: Committee on Military Affairs. H. R. 6697. A bill for the relief of W. B. Fountain; without amendment (Rept. No. 617). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. H. R. 6391. A bill for the relief of Beryl M. McHam; without amendment (Rept. No. 618). Referred to the Committee of the Whole House.

Mr. SCHAEFER: Committee on Military Affairs. S. 417. An act for the relief of Fred M. Munn; without amendment (Rept. No. 619). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MCFARLANE: A bill (H. R. 7318) to provide revenue and facilitate the regulation and control of the economic and industrial structure of the Nation for the successful prosecution of war, and for other purposes; to the Committee on Ways and Means.

By Mr. DUNN of Pennsylvania: A bill (H. R. 7319) to amend section 4463 of the Revised Statutes of the United States, as amended by the act of Congress approved May 11, 1918; to the Committee on Merchant Marine and Fisheries.

By Mr. JOHNSON of West Virginia: A bill (H. R. 7320) to authorize the erection of an addition to the existing Veterans' Administration facility, Huntington, W. Va.; to the Committee on World War Veterans' Legislation.

By Mr. O'CONNOR: A bill (H. R. 7321) to amend paragraph 1733 of subtitle II of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. ROBINSON of Utah: A bill (H. R. 7322) to provide for the establishment and maintenance of a central research and experiment station of the Bureau of Mines at Salt Lake City, Utah; to the Committee on Mines and Mining.

By Mr. SMITH of Virginia: A bill (H. R. 7323) to revive and reenact the act entitled "An act authorizing the Great Falls Bridge Co. to construct, maintain, and operate a bridge across the Potomac River at or near Great Falls", approved

April 21, 1928; to the Committee on Interstate and Foreign Commerce.

By Mr. KERR: A bill (H. R. 7324) to amend the act entitled "An act to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes", approved June 28, 1934; to the Committee on Agriculture.

By Mr. HILDEBRANDT: A bill (H. R. 7325) to provide for the fixing of fair compensation for star-route carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. GRANFIELD: A bill (H. R. 7326) to authorize the erection of an addition to the existing Veterans' Administration facility, Northampton, Mass.; to the Committee on World War Veterans' Legislation.

By Mr. PIERCE: A bill (H. R. 7327) authorizing the establishment of a revolving fund for the Klamath Indians, Oreg.; to the Committee on Indian Affairs.

By Mr. MAVERICK: Joint resolution (H. J. Res. 239) to define a national policy of peace and neutrality in time of war; to provide an embargo on arms shipments; and for the protection of American sovereignty; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Divisional Code Authority for the Beauty and Barber Equipment and Supplies Trade; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, regarding a compulsory unemployment-insurance plan; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Idaho, supporting the so-called "alcohol-gasoline bill"; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of New York, regarding the raising of the sugar quota of Puerto Rico; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Oregon, regarding the registration of all aliens within the United States; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 7328) for the relief of Frederick William Hopp; to the Committee on Naval Affairs.

By Mr. EDMISTON: A bill (H. R. 7329) granting an increase of pension to Anzina L. Harper; to the Committee on Invalid Pensions.

By Mr. ENGLEBRIGHT: A bill (H. R. 7330) for the relief of Alfred T. Johnston; to the Committee on Claims.

By Mr. FLETCHER: A bill (H. R. 7331) granting an increase of pension to Johanna E. Mouser; to the Committee on Invalid Pensions.

By Mr. HIGGINS of Connecticut: A bill (H. R. 7332) for the relief of Henry Twogood; to the Committee on Military Affairs.

By Mr. KNIFFIN: A bill (H. R. 7333) granting an increase of pension to Elizabeth Brown; to the Committee on Invalid Pensions.

By Mr. PLUMLEY: A bill (H. R. 7334) granting a pension to Clara L. Garvin; to the Committee on Invalid Pensions.

By Mr. RICH: A bill (H. R. 7335) granting an increase of pension to Mary E. Catlin; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 7336) granting a pension to Leona Callahan; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 7337) to reimburse Mrs. Charles L. Stewart for money expended by her in treatment of her husband, Charles L. Stewart, who was fatally wounded while in the performance of duty as deputy United States marshal; to the Committee on Claims.

Also, a bill (H. R. 7338) for the relief of Jerome Ungar; to the Committee on Naval Affairs.

Also, a bill (H. R. 7339) for the relief of James Clinton; to the Committee on Claims.

By Mr. WILCOX: A bill (H. R. 7340) for the relief of Margaret G. Baldwin; to the Committee on Foreign Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6747. By Mr. CULKIN: Petition of Hockmeyer Bros., Inc., of New York City, asking for a restriction on importation of cotton cloth to the average importation from each country during the 5-year period from 1930 to 1934, inclusive; to the Committee on Interstate and Foreign Commerce.

6748. Also, petition of the Senate of the State of New York, requesting that consideration be given to the appeal made by the president of the Senate of Puerto Rico, and that the quota of sugar production in Puerto Rico should be raised to 1,000,000 tons a year; to the Committee on Ways and Means.

6749. By Mr. DELANEY: Petition of Illiminati, a group of Brooklyn (N. Y.) women interested in public affairs, expressing their opposition to the Rayburn-Wheeler public utility bill; to the Committee on Interstate and Foreign Commerce.

6750. By Mr. HANCOCK of New York: Petition of F. M. Caswell and other residents of East Syracuse, N. Y., favoring the enactment of House Joint Resolution 167; to the Committee on the Judiciary.

6751. By Mr. LESINSKI: Resolution of the National Slovak Society of Detroit, Mich., urging the enactment of the Workers' Unemployment, Old Age, and Social Insurance Act (H. R. 2827); to the Committee on Labor.

6752. Also, resolution of Veterans of Foreign Wars, Charles Schoor Post, No. 796, Port Huron, Mich., petitions the President of the United States and Congress of the United States to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

6753. By Mr. LUCKEY: Petition of the House of Representatives of the State of Nebraska concerning Spanish-American War troops; to the Committee on Pensions.

6754. By Mr. MILLARD: Resolution adopted by the White Plains (N. Y.) Workmen's Sick and Death Benefit Fund, indorsing the enactment of House bill 2827; to the Committee on Ways and Means.

6755. By Mr. MOTT: Petition of the Thirty-eighth Legislative Assembly of the State of Oregon, petitioning Congress to enact legislation requiring the registration of aliens; to the Committee on Immigration and Naturalization.

6756. By Mr. PFEIFER: Petition of the Manhattan Camp, No. 1, Department of New York, United Spanish War Veterans, New York, urging support of House bill 6995; to the Committee on Pensions.

6757. Also, petition of the National Council of the Young Men's Christian Associations, New York, concerning House bill 6472; to the Committee on Interstate and Foreign Commerce.

6758. Also, petition of the Smith Bros. Publishers, Inc., New York, concerning the Wagner bill; to the Committee on Labor.

6759. Also, petition of Illuminati, a group of Brooklyn women interested in public affairs, concerning the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

6760. Also, Concurrent Resolution No. 104 of the Senate of the State of New York, Albany, concerning quota of sugar production for Puerto Rico; to the Committee on Ways and Means.

6761. By Mr. RABAUT: Petition of B. F. Morvitt and 60 other citizens of Detroit and Highland Park, Mich., protesting against the retention of Josephus Daniels as Ambassador

to Mexico and the present political conditions and religious persecution in Mexico; to the Committee on Foreign Affairs.

6762. Also, resolution of the Upper Peninsula of Michigan Chapter of the Reserve Officers' Association of the United States, petitioning for the formation of an engineer regiment of the National Guard of Michigan in the Upper Peninsula; to the Committee on Military Affairs.

6763. Also, petition of the members of Gabriel Richard Council, No. 2463, of the Knights of Columbus, Detroit, Mich., protesting against the tyranny and cruelty of the Mexican Government toward the Mexican people and against the rapacious suppression of all religion in Mexico and providing for a special senatorial committee to investigate these conditions; to the Committee on Foreign Affairs.

6764. Also, House Concurrent Resolution No. 43, of the Michigan State Legislature, memorializing the Congress of the United States to provide an outright grant of $100,000 to construct a relief drainage canal along the boundary line between Huron and Tuscola Counties, or thereabouts, to relieve the Sebewaing River Basin of its water burden, and to be drained into Saginaw Bay; to the Committee on Appropriations.

6765. By Mr. TONRY: Petition of sundry citizens of the Eighth Congressional District, Brooklyn, N. Y., opposing the Wagner economic-security bill, and urging defeat of all measures providing for an exclusive central fund; to the Committee on Interstate and Foreign Commerce.

6766. Also, resolution adopted February 18, 1935, of the United Voters' Clubs, Inc., whose membership consists of citizens residing in the Eighth Congressional District, Brooklyn, N. Y., urging support in the enforcement of all immigration laws and the uniting of separated families; to the Committee on Immigration and Naturalization.

6767. By Mr. TRUAX: Petition of the International Brotherhood of Electrical Workers' Local Union, No. 38, Cleveland, Ohio, by their secretary, Clayton R. Lee, urging the support of the Wagner disputes bill, the Black 30-hour-week bill, and the Sweeney amendment to the Housing Act; to the Committee on Labor.

6768. Also, petition of the Springfield Township Relief Association, Inc., Sawyerwood, Ohio, by their secretary, Ralph R. Milhoan, resolving that this association go on record as favoring the Wagner bill; to the Committee on Labor.

6769. By the SPEAKER: Petition of the Union Labor Club of Illinois; to the Committee on the Judiciary.

6770. Also, petition of the city of New Albany, Ind.; to the Committee on the Judiciary.

SENATE

MONDAY, APRIL 8, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 5, 1935, was dispensed with, and the Journal was approved.

SIGNING OF AN ENROLLED JOINT RESOLUTION

The VICE PRESIDENT announced that, pursuant to the order of the Senate, he signed, on Saturday, April 6, 1935, the enrolled joint resolution (H. J. Res. 117) making appropriations for relief purposes, said joint resolution having previously been signed by the Speaker of the House of Representatives and reported by the Committee on Enrolled Bills as having been examined and found truly enrolled, and that it was delivered to the committee to be presented to the President of the United States.

CORRECTION

Mr. McKELLAR. Mr. President, on April 5, last Friday, during the consideration of the conference report on the relief joint resolution, while the Senator from Virginia [Mr. GLASS] was speaking, I interrupted him as follows:

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. GLASS. I yield

Mr. MCKELLAR. I know a majority of the House Members favored the amendment, and, as I recall, but one objected to the amendment.

Mr. GLASS. One?

Mr. MCKELLAR. One, as I remember, and that was Mr. OLIVER, if I may use his name.

Representative OLIVER has called my attention to this language, and it is clearly susceptible of two constructions. What I intended to say, and what I thought I did say, was that I knew a majority of the House Members favored the amendment as reported by the conferees, and I recalled but one of them who raised any question, and he not only wanted the Cutting amendment but wanted the committee amendment also.

Mr. OLIVER has written me a letter in which he explains his position with accuracy, and I ask at this point that the letter may be inserted in the RECORD as a part of my remarks in order to do full justice to Mr. OLIVER and also to me, because I did not intend the statement as construed by Mr. OLIVER.

I desire to say that the reason which impelled me to vote for the amendment as reported by the conferees was that the Cutting amendment applied only to the remainder of the present fiscal year; I felt sure that full justice could not be done the unemployed teachers and the unpaid teachers under the Cutting amendment, and for that reason the language adopted by the conferees seemed to me to be better for the teachers and for education than the language which was used in the Cutting amendment. I wanted to make that explanation.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 6, 1935.

Hon. KENNETH MCKELLAR,
Washington, D. C.

MY DEAR SENATOR: In order that there can be no possible misunderstanding as to my position in reference to the Cutting amendment, and also the amendment making $300,000,000 available for the assistance of educational persons, I wish to say that I was in hearty accord with the House conferees as to making the $300,000,000 available for the assistance of educational persons, and I am sure you will recall that I also favored the retention of the Cutting amendment. Since the Cutting amendment placed a limitation on the amount that might be expended, as well as a time limit, it was my thought, and this thought, I think, was shared by the other House conferees, that the $300,000,000 should be made available for the assistance of educational persons, so as to refute any possible interpretation that Congress did not favor a continuance of the President's policy for the past 2 years of keeping public schools open, and which schools, without the aid of the Federal Government, would have been forced to close.

I know that my position, as above outlined, was clearly understood by every one of the House conferees.

With renewed assurances of my high esteem and regard, I am,

Yours sincerely,

W. B. OLIVER.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Capper	Glass	Minton
Ashurst	Carey	Gore	Murphy
Austin	Clark	Guffey	Murray
Bachman	Connally	Hale	Neely
Bailey	Coolidge	Harrison	Norris
Bankhead	Copeland	Hastings	Nye
Barbour	Costigan	Hatch	O'Mahoney
Barkley	Couzens	Hayden	Pittman
Bilbo	Cutting	Johnson	Pope
Black	Dickinson	King	Radcliffe
Bone	Dieterich	La Follette	Reynolds
Borah	Donahey	Lewis	Robinson
Brown	Duffy	Logan	Russell
Bulkley	Fletcher	Lonergan	Schall
Bulow	Frazier	McGill	Schwellenbach
Burke	George	McKellar	Sheppard
Byrd	Gerry	McNary	Smith
Byrnes	Gibson	Metcalf	Steiwer

Thomas, Okla.	Trammell	Vandenberg	Walsh
Thomas, Utah	Truman	Van Nuys	Wheeler
Townsend	Tydings	Wagner	White

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Connecticut [Mr. MALONEY], the Senator from California [Mr. MCADOO], the Senator from New Jersey [Mr. MOORE], the senior Senator from Louisiana [Mr. LONG], and the Senator from Nevada [Mr. MCCARRAN] are necessarily detained from the Senate. I ask that the announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from South Dakota [Mr. NORBECK], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from New Hampshire [Mr. KEYES] are necessarily detained from the Senate. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

INVESTIGATION OF GOVERNMENT OF VIRGIN ISLANDS—COMMITTEE SERVICE

The VICE PRESIDENT laid before the Senate the following letter, which was read:

UNITED STATES SENATE,
Washington, D. C., April 5, 1935.

Hon. JOHN N. GARNER,
Vice President of the United States,
Washington, D. C.

MY DEAR MR. PRESIDENT: Owing to service on three other Senate committees which are at present conducting investigations, it is impossible for me to devote the time to the Virgin Islands investigation which its importance deserves. I hereby respectfully resign from the committee.

Very respectfully,

BENNETT CHAMP CLARK.

The VICE PRESIDENT appointed Mr. REYNOLDS to fill the vacancy on the above-mentioned committee.

PUERTO RICAN EMERGENCY RELIEF ADMINISTRATION

The VICE PRESIDENT laid before the Senate a cablegram from the Speaker of the House of Representatives of Puerto Rico, which was referred to the Committee on Territories and Insular Affairs, and ordered to be printed in the RECORD, as follows:

SAN JUAN, P. R., *April 4, 1935.*

Honorable PRESIDENT OF THE SENATE,
Washington, D. C.

The House of Representatives of Puerto Rico respectfully requests that you make known to that honorable body the following communication. The Honorable Millard E. Tydings, the House of Representatives of Puerto Rico respectfully petitions you to ask congressional investigation of activities of the P. R. E. R. A. It is respectfully suggested that for this purpose the powers granted to the senatorial commission already appointed, under your chairmanship, for investigation in the Virgin Islands be extended to cover investigation of P. R. E. R. A.—the emergency administration extended to Puerto Rico by the national administration with such good wishes is going to result in, and has already resulted in, a complete failure under the direction of Administrator James R. Bourne because of his having permitted, notwithstanding the protests and continuous complaints being received from all the municipalities of the island censuring the political partisan control exercised by the greater part of his associates, directors, and subordinates, that the truly needy affiliated with all the parties of the country be prejudiced by the discontent created among the poor classes because of the constant practice of appointing wealthy persons in violation of the purpose of the Federal Emergency Act by putting into effect practices showing a total lack of knowledge of the factors which constitute the structure of each Puerto Rican family, and a complete ignorance of the emotional and intellectual make-up of our people, and by continually offending the sentiments and the dignity of the representative entities of the country, ignoring the precepts of the Federal act in force in order to experiment with human suffering in order to avoid that the public sentiment of deep protest may be badly interpreted and in order that the people who are desirous of being able to enjoy the advantages of a true rehabilitation with the assistance of that administration may preserve their faith and their confidence therein, the house asks that you give prompt attention to this petition.

MIGUEL A. GARCIA MENDEZ,
Speaker House of Representatives.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 104

Whereas one of the most important of the territorial possessions of the United States of America is Puerto Rico; and

Whereas Puerto Rico is so geographically located that it is capable of competing with foreign countries in the sugar-production market of the world; and

Whereas it is to the advantage of the United States of America to have economically independent states and possessions; and

Whereas curtailment of the production of sugar in Puerto Rico by the Government in the United States tends to create poorer economic conditions in that country; and

Whereas the Vice President of the United States of America, the Honorable John Nance Garner, received from the president of the Senate of Puerto Rico, the Honorable Rafael Martinez Nadal, the following cablegram, dated February 20: "The Senate of Puerto Rico demands that an amendment be introduced to the Jones-Costigan Act providing that the production quota of Puerto Rico be fixed at 1,000,000 tons, by which not only would justice be done to Puerto Rico, by giving it the same treatment as that given to sugar areas of the continent, but also it would cause to disappear the principal reason for the distressing and intolerable economic social condition through which our country is passing as a consequence of the arbitrary limitation of which sugar production in Puerto Rico has been the object to the benefit of Cuba"; and

Whereas the president of the Senate of Puerto Rico, knowing the conditions of his country, feels that if the United States increased the tonnage quota of sugar production for Puerto Rico the present poor economic conditions in Puerto Rico would be lessened and Puerto Rico would be on the road to better times: Now, therefore, be it

Resolved (*if the assembly concur*), That the Legislature of the State of New York requests that consideration be given to the appeal made by the president of the Senate of Puerto Rico, the Honorable Rafael Martinez Nadal, and that the quota of sugar production in Puerto Rico should be raised to 1,000,000 tons a year, so that that country might compete with foreign countries in the production of sugar for the bettering of the economic conditions in Puerto Rico; and be it further

Resolved (*if the assembly concur*), That a copy of this resolution be transmitted to the President of these United States of America, the Vice President of these United States of America, the Speaker of the House of Representatives, the president of the Senate of Puerto Rico, and to each Member of the Congress of the United States of America.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Agriculture and Forestry:

House Joint Memorial 1

To the Honorable Senate and House of Representatives of the United States in Congress assembled:

We, your memorialists, the Legislature of the State of Idaho, respectfully represent:

Whereas we feel that in no case can we have a return of prosperity unless, and until, the American farmer receives for his commodities a price which will enable him to absorb the products of industry, meet his obligations, continue his operations, and live in a manner becoming to sovereign citizens; and

Whereas we feel that in the utilization of farm products, rather than in a reduction of same, lies the permanent solution of our problem; and

Whereas the annual consumption of gasoline as a motor fuel has increased to an enormous figure; and

Whereas it has been demonstrated that a blended motor fuel will give utmost satisfaction and such blend would create new possibilities for the utilization of farm products: Therefore be it

Resolved, That the house of representatives (the Senate of the State of Idaho concurring) respectfully request and petition the Senate and House of Representatives of the United States in Congress assembled to enact into law, a bill known as the "Alcohol-Gasoline bill", which bill provides for the manufacture of a blended motor fuel consisting of about 90 percent gasoline and 10 percent grain and/or potato alcohol to be gained through the process of distilling wheat, corn, and potatoes grown on American farms; and be it further

Resolved, That copies of this resolution be, by the secretary of the State of Idaho, transmitted to the President of the United States, to the Secretary of Agriculture, to the Senate and House of Representatives of the United States and to the Senators and Representatives from Idaho in Congress.

The VICE PRESIDENT also laid before the Senate the following memorials of the Legislature of the State of Maine, which were referred to the Committee on Commerce:

Memorial to the honorable Senate and House of Representatives of the United States of America, in Congress assembled

We, your memorialists, the Senate and House of Representatives of the State of Maine, in the eighty-seventh legislature assembled, most respectfully present and petition your honorable body as follows:

Whereas it is impossible to charter barges of light draft, barges of this type having nearly disappeared, and necessitating use of barges of deeper draft, and unless the channel in Long Cove waters is improved and dredged out at points, the shipping from this point will be impossible in the future.

Resolved, That we, your memorialists, the Senate and House of Representatives of the State of Maine in legislature assembled, do hereby respectfully petition and urge that necessary action shall be taken by the Congress, so that Long Cove Channel in the State of Maine will be dredged so that the channel will be clear from obstruction as far as the docks; and be it further

Resolved, That a copy of this memorial, duly authenticated by the secretary of state, be immediately transmitted by the secretary of state to the proper officers and committees of the United States Senate and House of Representatives, and to each of the Senators and Representatives representing the State of Maine in the United States Congress.

Memorial to the honorable Senate and House of Representatives of the United States of America in Congress assembled

We, your memorialists, the Senate and House of Representatives of the State of Maine in the eighty-seventh legislative session assembled, most respectfully present and petition your honorable body as follows:

Whereas the port of Portland was formerly one of the leading ports of the country, and

Whereas Federal policies affecting treaties and tariffs have resulted in a tremendous loss of commerce of the port of Portland: Now, therefore, be it

Resolved, That we, your memorialists, do hereby respectfully petition and urge that a Federal investigation be made of the interstate and international commerce of the port of Portland, and that adequate legislation be enacted and/or Federal treaty negotiations be made that will assist in regaining for the port of Portland its lost commerce, and to assure the carriage of American commerce through American ports; and be it further

Resolved, That a copy of this memorial, duly authenticated by the secretary of state, be immediately transmitted by the secretary of state to the proper officers and committees of the United States Senate and House of Representatives, the President of the United States and to each of the Representatives and Senators representing the State of Maine in the United States Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Foreign Relations:

Whereas resolutions have been submitted in the Senate and the House of Representatives of the United States providing that the Board of Engineers for Rivers and Harbors be directed to review the report contained in House Document No. 149, Fifty-sixth Congress, second session, on deep waterway to connect Lake St. Francis on the St. Lawrence River with the Hudson River at Albany by way of Lake Champlain, with a view to determining the advisability and cost of such a connection between the St. Lawrence Waterway and the sheltered waters of the Atlantic coast between Boston, Mass., and Norfolk, Va., and that the Board of Engineers be further directed to make an examination and report with respect to any feasible canal route from the Harbor of Montreal, in the Province of Quebec, Dominion of Canada, south to Lake Champlain; and

Whereas such a deep waterway or canal route into Lake Champlain as is referred to in the above resolution would be of inestimable benefit to industry and agriculture in Vermont and throughout all New England, in materially reducing the cost of transportation of many commodities into and out of Vermont and New England: Now, therefore, be it

Resolved by the senate and house of representatives, That the Houses of Congress be urged to pass the said resolutions and to give the most careful consideration to the reports submitted in accordance therewith;

That the Members of the Vermont delegation in Congress be requested to lend their favorable support to the said resolutions, and to endeavor to procure the passage of legislation to provide for the construction of a deep waterway or canal into Lake Champlain along one of the proposed routes; and

That copies of this resolution be sent by the secretary of state to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Member of the Vermont delegation in Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Georgia, which was referred to the Committee on Public Buildings and Grounds:

Whereas the Federal Government, in a continuation of its recovery policies, is contemplating an extensive public-works program which will result in the construction of many public buildings throughout the United States; and

Whereas the marble, granite, and building-stone industries are of vital importance to this State, and these commodities constitute some of the most valuable resources of the State; and

Whereas these industries have suffered extreme reverses during the past few years as a result of the curtailment of building and construction; and

Whereas these industries, when operating, employ a large number of skilled and unskilled workers in our State, and who are now unemployed, and many on relief; and

Whereas, through an increased use and consumption, many of these industries could again operate and thereby considerably reduce unemployment; and

Whereas the greater portion of the cost of finished marble, ornamental architectural terra cotta, finished granite, and finished building stone is incurred by labor; and

Whereas the quality and durability of these commodities and buildings erected therefrom unquestionably excels the quality and durability of buildings constructed of other materials; and

Whereas, from the standpoint of economy and prudent policy, it is advisable that lasting and durable material be used in the construction of public buildings: Therefore be it

Resolved by the House of Representatives of the State of Georgia (the senate concurring), That Congress be respectfully urged and petitioned to enact legislation, or to otherwise take appropriate action, to require and direct that marble, granite, ornamental architectural terra cotta, and natural building stone be used in the construction of public buildings to be erected under the Public Works Administration program; and be it further

Resolved, That the secretary of state be instructed to send copies of this resolution to the President, Vice President, Secretary of the Treasury of the United States, and to the Members of Congress from the State of Georgia.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Oregon, which was referred to the Committee on Immigration:

Senate Joint Memorial 19

To the honorable Senate and House of Representatives of the United States in Congress assembled:

We, your memorialists, the Thirty-eighth Legislative Assembly of the State of Oregon, convened in regular session, respectfully represent that—

Whereas in this Nation there is no adequate national system of recording and checking the movements of aliens who are within the Nation, either legally or illegally; and

Whereas a Nation-wide system of identification and registration of all aliens who are within this Nation, or who may be in the future within this Nation, would materially assist and be of great benefit and convenience to the law-enforcement agencies of the Nation and to the Federal authorities charged with the regulation of aliens: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the house of representatives jointly concurring therein), That we, your memorialists, the Thirty-eighth Legislative Assembly of the State of Oregon, convened in regular session, respectfully petition the Congress of the United States to enact legislation providing for and requiring the registration of all aliens within the United States of America; and be it further

Resolved, That the secretary of state of the State of Oregon be, and he hereby is, directed to forward a copy of this joint memorial under his certificate and seal to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to each Member of the Oregon delegation in Congress.

The VICE PRESIDENT also laid before the Senate resolutions adopted by the General Court of Massachusetts, favoring the prompt enactment of legislation creating a national compulsory unemployment-insurance plan, etc., which were referred to the Committee on Finance.

(See resolutions printed in full when presented today by Mr. WALSH, p. 5207.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Republican county committee of the third assembly district of Queens County, N. Y., favoring an investigation of the *Morro Castle* disaster, which was referred to the Committee on Commerce.

He also laid before the Senate petitions of several citizens of the States of Florida and Virginia, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Townsend Club of Escondido, Calif., favoring the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also laid before the Senate a petition of sundry citizens of the State of New Mexico, praying for the enactment of legislation providing security for all persons suffering 50-percent disability, etc., which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the town council of the borough of Malvern, Pa., protesting against the enactment of legislation imposing a tax of 2 per-

cent on municipally owned water and light plants, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the German Workers' Club, of Newark, N. J., protesting against the enactment of proposed alien and sedition legislation, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by the Union Labor Club of Illinois, Chicago, Ill., favoring the enactment of stringent anti-sedition legislation prohibiting the advocacy of violent overthrow of the Government, which was referred to the Committee on Immigration.

He also laid before the Senate a letter in the nature of a petition from the American Federation of Teachers, with offices at Chicago, Ill., praying for continuance of the investigation of the munitions industry, and also an investigation of war propaganda in newspapers, radios, and schools, which was referred to the Committee on Military Affairs.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana, relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate petitions of several national committeewomen of the States of Idaho, Maryland, Nebraska, Rhode Island, and Wisconsin, praying for an investigation of charges filed by the Women's Committee of Louisiana, relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

Mr. TYDINGS presented a resolution adopted by the City Wide Democratic Woman's Club, Baltimore, Md., opposing section 213 of the so-called "Economy Act" relative to the holding of positions in the Federal service, which was referred to the Committee on Finance.

He also presented a resolution adopted by the City Wide Democratic Woman's Club, Baltimore, Md., favoring the adoption of the so-called "equal-rights amendment" to the Constitution, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Salisbury and vicinity, in the State of Maryland, favoring the extension of the National Industrial Recovery Act, which was referred to the Committee on Finance.

Mr. CAPPER presented memorials of sundry citizens of Clearwater and Barton County, in the State of Kansas, remonstrating against the enactment of legislation amending the Agricultural Adjustment Act, and also the enactment of the so-called "commodity-exchange bill", which were referred to the Committee on Agriculture and Forestry.

He also presented papers in the nature of petitions from Lodge No. 1308, International Association of Mechanics, of Wichita, and Straw Board Workers Union, No. 19367, of Hutchinson, both in the State of Kansas, favoring the enactment of the so-called "Wagner labor-disputes bill", which were referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of Courtland, Kans., praying for the enactment of the so-called "Vinson bill", providing for the immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

Mr. WALSH presented a resolution adopted by the Taunton (Mass.) Independent Grocers and Provision Dealers' Association, opposing the enactment of legislation to amend the Agricultural Adjustment Act, which was referred to the Committee on Agriculture and Forestry.

He also presented a paper in the nature of a petition from Edward E. Whidden, of Worcester, and sundry other citizens of the State of Massachusetts, praying for the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also presented a resolution adopted by Townsend Club, No. 1, of Everett, Mass., favoring the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from the national president of the Lithuanian Alliance of America, South Boston, Mass., praying for the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented a resolution adopted by Fairhaven Post, No. 166, American Legion, of Fairhaven, Mass., favoring the enactment of legislation providing for the immediate cash payment at full face value of adjusted-service certificates of World War Veterans, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Lawrence and vicinity, in the State of Massachusetts, remonstrating against the importation of foreign-made goods into the United States which make unfair competition with American-made goods, which was referred to the Committee on Finance.

He also presented memorials and letters in the nature of memorials from sundry business firms and citizens of Worcester and vincinity, in the State of Massachusetts, remonstrating against the enactment of the so-called "Black 30-hour work week bill", which were ordered to lie on the table.

He also presented resolutions adopted by the New England Regional Conference on the Cause and Cure of War, favoring modification of the order for the holding of naval maneuvers in the Pacific Ocean, which were referred to the Committee on Naval Affairs.

He also presented the petition of William F. Kearns, of Dorchester, Mass., praying for the passage of the bill (H. R. 2857) to amend an act entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes", approved March 3, 1927, which was referred to the Committee on Pensions.

He also presented letters in the nature of petitions from General Henry M. Lawton Camp, United Spanish War Veterans, of Springfield, and the Medford Veterans' Council, of Medford, both in the State of Massachusetts, praying for the enactment of legislation for the benefit of Spanish-American War pensioners, which were referred to the Committee on Pensions.

Mr. WALSH also presented the following resolutions of the General Court of Massachusetts, which were referred to the Committee on Finance:

Resolutions memorializing Congress in favor of the passage of national unemployment-insurance legislation

Whereas there prevails in the United States of America a grave condition of economic insecurity, more especially among the working classes; and

Whereas it is apparent to all students of economics that this condition is likely to continue in a greater or lesser degree; and

Whereas the governmental agencies have been forced to assume the responsibility which properly belongs to industry, namely, to provide work and wages for the employable workers of the Nation; and

Whereas millions of employable workers, without fault on their part, are without employment and are thereby forced to undergo the humiliating necessity of relying upon public-welfare agencies or private charities for the necessaries of life; and

Whereas any change made by one State and not joined in by all States would inflict an unfair burden upon the industry of the State making the change: Therefore be it

Resolved, That the General Court of Massachusetts favors the immediate enactment by Congress of suitable legislation creating a national compulsory unemployment-insurance plan providing for a fund to be made up of contributions by both employer and employee from which, in times of unemployment, worthy unemployed workers may be adequately paid for a portion, at least, of the periods of their unemployment; and be it further

Resolved, That copies of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the President of the United States and to the Presiding Officers of both branches of the Congress of the United States and to the Members thereof from this Commonwealth.

Mr. METCALF presented the following resolution of the Senate of the State of Rhode Island, which was referred to the Committee on Naval Affairs:

Resolution of the Senate of the State of Rhode Island

Whereas the historic frigate *Constellation*, the oldest fighting ship afloat, has been moored at the dock of the United States Naval Training Station in Newport Harbor for upward of half a

century, and has during the whole of that time been an inspiration not only to the young boys who have come here for training but also to the petty officers, warrant officers, and higher ranking officers on duty at this station or attending the classes at the United States Naval War College, as well as the officers and men of the United States Fleet who visited Newport last summer under the command of that distinguished and gallant officer, Admiral Joseph Mason Reeves; and

Whereas during the years that this ship has been in commission at its dock at the training station it has been visited by thousands of patriotic American citizens vitally interested in the welfare of our country and with all which has to do with the Navy of the present as well as the ships representing our first attempt in naval defense; and

Whereas there has been introduced in the Senate of the United States by the Honorable JESSE H. METCALF, United States Senator from the State of Rhode Island, and in the House of Representatives by the Honorable JOSEPH W. MARTIN, Jr., Congressman from the Commonwealth of Massachusetts, a joint resolution (S. J. Res. 78) for the preservation and restoration of the frigate *Constellation* as a national museum, and making Newport, R. I., its home port; and

Whereas there has developed an attempt upon the part of the city of Baltimore to obtain from the Secretary of the Navy and the President of the United States authority to change this home port, after the restoration of this sister ship of Old Ironsides, to a berth at Fort McHenry as a naval museum; and

Whereas this ship has for a long time past become an important part of the naval institutions and traditions in and about Newport: Now, therefore, be it

Resolved, That the Senate of the State of Rhode Island does hereby respectfully protest to the President of the United States and the Secretary of the Navy any change from the present home port of this ancient ship of war; and be it further

Resolved, That copies of this resolution, signed by his excellency, Theodore Francis Green, Governor of the State of Rhode Island, attested by the Honorable Louis W. Cappelli, secretary of state, and sealed with the seal of said State, be forwarded to the President of the United States, Franklin D. Roosevelt; the Secretary of the Navy, Hon. Claude A. Swanson; and to our Senators and Representatives in Congress, urging them to take all necessary steps to prevent any change in the home port of the *Constellation*, and preserve to the people of Rhode Island and New England the shrine which they have so proudly cherished for so many years.

Mr. GERRY presented the following resolution of the House of Representatives of the State of Rhode Island, which was referred to the Committee on Agriculture and Forestry:

House resolution urging the Congress of the United States to secure the immediate repeal of the cotton-processing tax

Whereas the present cotton-processing tax adds an enormous burden to at least 40 percent of mill pay rolls on the mills, who cannot pass the tax along to the consumer; it adds 8 to 15 percent to the cost of inventories in times of great financial stress; it is unjust and indefensible in that it is in fact a sales tax without the virtue of universal application; it affords little relief to cotton growers, as with mills unable to continue operating under this tax less cotton is consumed; it causes the increased cost of manufactured products due to said tax to fall most heavily on those who can least afford to pay it, namely, the laboring people of this country: Now, therefore, be it

Resolved, That the House of Representatives of the State of Rhode Island urges the Congress of the United States to secure the immediate repeal of the cotton-processing tax; and be it further

Resolved, That the house of representatives congratulates United States Senator PETER G. GERRY and United States Senator JESSE H. METCALF for their part in the endeavor; and be it further

Resolved, That copies of this resolution be transmitted by the recording clerk to the President of the United States, the Secretary of Agriculture, and to the Rhode Island Senators and Representatives in Congress.

Mr. GERRY also presented the following resolution of the General Assembly of the State of Rhode Island, which was referred to the Committee on Finance:

Resolution urging Congress of the United States to pass legislation restricting the importation into this country of certain textile articles

Whereas the wages paid the cotton-textile workers in the United State of America are undoubtedly the highest in the world; and

Whereas the increase in imports of cotton textiles is partially responsible for a corresponding curtailment of production here: Therefore be it

Resolved, That the General Assembly of the State of Rhode Island respectfully requests the Congress of the United States to pass legislation which will restrict the importation into this country of any textile article from any country in a greater volume than the average annual volume of importation of that article from such country during the 5 years, 1930–34, inclusive; and be it further

Resolved, That the secretary of state be, and he hereby is, directed to send duly certified copies of this resolution to the Senators and Representatives from Rhode Island in the Congress of the United States.

Mr. GERRY also presented the following resolution of the General Assembly of the State of Rhode Island, which was referred to the Committee on Interstate Commerce:

Resolution requesting the Senators and Representatives in Congress from the State of Rhode Island to use their best efforts to secure the defeat of bills H. R. 3042 and S. 1632, in its present form

Whereas that part of bill H. R. 3042 would amend section 1 of the Interstate Commerce Act so as to bring about the "destination level" theory of rate making and disturb in a fundamental manner the present satisfactory and experienced methods of setting rates; and

Whereas that part of bill S. 1632 which would establish with the Interstate Commerce Commission minimum-rate powers in connection with water carriers; and

Whereas these would place a serious transportation handicap on Rhode Island cotton manufacturers: Therefore be it

Resolved, That the General Assembly of the State of Rhode Island respectfully requests the Senators and Representatives in the Congress of the United States from the State of Rhode Island to use their best efforts to secure the defeat of the said bill, H. R. 3042, and the amendment of the said bill, S. 1632, to eliminate the above provision; and be it further

Resolved, That the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Senators and Representatives in Congress from the State of Rhode Island.

PETITION FROM CITIZENS OF BOULDER, COLO.

Mr. COSTIGAN. Mr. President, prominent citizens of Boulder, Colo., a fine and progressive community of which the University of Colorado is an important part, recently circulated a petition and held an overflow mass meeting in support of freedom of thought, speech, and press. The petition, which is signed by Attorney M. M. Rinn, of Boulder, a prominent member of the Colorado bar, and 246 other residents of that city, is submitted with the request that the body of the petition be printed in the RECORD and that the entire petition be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, it is so ordered.

The body of the petition is as follows:

We believe the petition now being circulated in Boulder under the auspices of the Elks to be both unnecessary and dangerous. We believe real, not merely formal, freedom of speech and press to be the best safeguard against violence and force. To substitute the appeal to coercion for the appeal to intelligence is to recognize the first step toward fascism and nazi-ism. So far as crimes against government capable of precise definition are concerned, our laws appear to be now sufficient. The vague proposals of this petition appear calculated for use to suppress any liberal or progressive criticism.

Even the fear of communism professed by the circulators of this petition is clearly not justified by recent elections. A vote of 103,000 out of 40,000,000 in 1932 is not alarming; and their strength does not seem to be growing. That number in a time of wide-spread distress and despair is remarkably small. Any citizen whose memory goes back a few years will recall the witch-hunting and red-baiting campaigns of Mitchell Palmer and Harry Daugherty, Senator Lusk, and others. We are entitled to be critical of the sources of such enterprises. The promoters of such movements are not justified in claiming the sanction of democracy or patriotism or George Washington.

We hope that Americans will not be induced by hysteria to forget that our method of meeting discontent is to remedy the causes, not to repress the discontented. Liberty must include the liberty to think what men consider wrong as well as what men consider right. The costs may be alarming to some, but thoughtful friends of liberal democracy will hold the faith that the profits in the long run are vastly greater.

LABOR DISPUTES BILL

Mr. WAGNER. I ask unanimous consent to have printed in the RECORD a communication I have received from the Council of Shoe Manufacturers, which represents 17 large shoe manufacturers in Greater New York, favoring the so-called "Wagner disputes bill" now pending before the Senate Committee on Education and Labor.

There being no objection, the communication was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

COUNCIL OF SHOE MANUFACTURERS
OF GREATER NEW YORK, INC.,
New York, April 3, 1935.

Hon. ROBERT F. WAGNER,
United States Senate, Washington, D. C.

DEAR SENATOR: The 17 shoe manufacturers of this association heartily approve and are in accord with the Wagner disputes bill now pending before the Senate.

We believe that the enactment of this bill will tend to eliminate the strife existing between labor and industry.

Very truly yours,

COUNCIL OF SHOE MANUFACTURERS
OF GREATER NEW YORK, INC.,
By BENJAMIN SCHWARTZ, *President*.

RIGHT OF ORGANIZATION BY AGRICULTURAL WORKERS

Mr. WAGNER. I ask unanimous consent to have printed in the RECORD and appropriately referred a letter I have received from Mr. Norman Thomas on the subject of guaranteeing to agricultural workers the right to organize.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

NEW YORK CITY, *April 4, 1935*.

Senator ROBERT F. WAGNER,
Washington, D. C.

MY DEAR SENATOR: I should be very grateful if you can put this letter into the RECORD somewhere, since it is impossible for me to be heard in support of legislation guaranteeing to agricultural workers the right to organize. Such legislation is imperative.

It is a matter of plain fact that the worst conditions in the United States are the conditions among agricultural workers. They have been brought to public attention many times; for example, by the investigations of the National Child Labor Committee into the horrible conditions, especially as affecting children, in the beet-sugar fields. The complete denial of civil liberty and the reign of terror in the Imperial Valley have been the subject of investigation by Government agents. Last summer saw a protracted and heroic strike by the terribly exploited union workers in the fertile fields of Hardin County, Ohio, against their employers. These workers were organized in a Federal local of the A. F. of L. They were the victims of the usual type of oppression, which was called to public attention in the press.

However, the most conclusive proof that there must be Federal action to protect the right of agricultural workers to organize is to be found in the situation in Arkansas. In that State within the last year there has come into being an admirable union of agricultural workers, the Southern Tenant Farmers Union. It includes both white and colored members on a basis of equality. It has been incorporated under the laws of the State. Its immediate demands are entirely reasonable and its methods have been extraordinarily peaceful. Yet that union is at present holding no meetings, on advice of its counsel, who says that it cannot be protected from terroristic attacks. Armed planters have patroled the roads looking for the principal organizers of the union. The president of the union, a former rural school teacher, was driven out of the county by threats of lynching. So, too, was the vice president, a very self-respecting Negro farmer and local preacher. Members of the union have been beaten up with impunity. Some of them have been cast into jail, from which they were ultimately delivered, but only in one or two cases after they had been confined on trumped-up charges for 45 days. Meetings have been forcibly broken up. I myself was driven out of Birdsong, Ark., where we tried to hold a peaceful meeting on property belonging to a colored church. Those who drove us out were an armed mob of planters and their agents. A representative of the sheriff advised me to leave, because he said he could not give us protection. He did not want to give protection. He had earlier in the proceedings acted as a spokesman for the mob. The lawyer for the union is Mr. C. T. Carpenter, one of the outstanding lawyers of the State of Arkansas. He was waited upon by an armed mob one night in his own house. He met them at the door with a pistol in his hand. The mob left, but not without firing shots at the house. A prominent Negro member of the union was obliged to crawl out of his cabin at night when a mob fired 32 shots into it.

What these people in Arkansas are organizing against is the most outrageous exploitation in America. The plantation system of itself is damnable. It combines the worst evils of feudalism and capitalism. The overseers on the plantations go armed. I myself saw and interviewed a family which had just been dispossessed by the roadside largely because the farmer had dared to try to get justice against an overseer, who was also the keeper of the plantation commissary. This man had seduced and kidnaped the sharecropper's 14-year-old daughter. All legal action in the justice of the peace court, where it was begun, was dismissed, apparently on request by the plantation owner. The man who dared to make the complaint was later beaten up on the alleged pretext that he had stolen a couple of eggs. A few days later his family was dumped by the roadside. I could give names, dates, and other particulars.

A continuance of these conditions is preparing the way for a desperate revolt of virtual serfs. Unless the right to organize peacefully can be guaranteed, we shall have a continuance of virtual slavery until the day of revolt. The union and the exploited victims of this system have shown an amazing willingness, or, rather, a deep-seated anxiety, to avoid bloodshed. Is the Government of the United States unable to afford protection to its citizens?

I should be very glad if some committee of Congress would call before it witnesses of all the things which I have briefly summarized.

Believe me, respectfully yours,

NORMAN THOMAS.

REPORTS OF COMMITTEES

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 1426) providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army and his retirement in that grade, reported it without amendment and submitted a report (No. 431) thereon.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 1932) for the relief of the State of California, reported it with an amendment and submitted a report (No. 432) thereon.

Mr. LOGAN, from the Committee on the Judiciary, to which was referred the bill (S. 215) to establish uniform requirements affecting Government contracts, and for other purposes, reported it with amendments and submitted a report (No. 433) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 1129) to provide for the extension and completion of the United States Capitol, reported it without amendment and submitted a report (No. 435) thereon.

FINANCING AND MANAGEMENT OF RAILROADS

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the resolution (S. Res. 71) authorizing an investigation of interstate railroads and affiliates with respect to financing, reorganizations, mergers, and certain other matters, reported it with an amendment and submitted a report (No. 434) thereon, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ENROLLED BILLS PRESENTED

Mr. LONERGAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on the 5th instant that committee presented to the President of the United States the following enrolled bills:

S. 619. An act to amend section 27 of the Merchant Marine Act 1920;

S. 857. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes;

S. 1068. An act to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934; and

S. 1605. An act authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and General Aldo Pellegrini, of the Royal Italian Air Force.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably, with a reservation, Executive H, Sixty-ninth Congress, first session, a convention for the supervision of the international trade in arms and ammunition and in implements of war, signed at Geneva, Switzerland, on June 17, 1925, and he submitted a report (Exec. Rept. No. 3) thereon.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WAGNER:

A bill (S. 2526) relative to the disposition of public lands of the United States situated in the State of Oklahoma between the Cimarron base line and the north boundary of the State of Texas; to the Committee on Public Lands and Surveys.

By Mr. BAILEY:

A bill (S. 2527) to amend the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes", approved July 2, 1926, as amended, to provide additional airplanes for the use of the National Guard; to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 2528) for the relief of Samuel V. West; to the Committee on Claims.

A bill (S. 2529) granting an increase of pension to Anzina L. Harper; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 2530) to protect American and Philippine labor and to preserve an essential industry, and for other purposes; to the Committee on Territories and Insular Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 2531) granting an increase of pension to Blaine E. Davis; to the Committee on Pensions.

By Mr. SCHALL (by request):

A bill (S. 2532) to amend an act entitled "An act setting aside Rice Lake and contiguous lands in Minnesota for the exclusive use and benefit of the Chippewa Indians of Minnesota" approved June 23, 1926, and for other purposes; to the Committee on Indian Affairs.

By Mr. FRAZIER:

A bill (S. 2533) for the relief of the rightful heirs of Tiwastewin or Anna; to the Committee on Indian Affairs.

By Mr. TOWNSEND:

A bill (S. 2534) authorizing the appropriation of $600,000, or so much thereof as may be necessary, to refund payments made to the Collector of Taxes of the District of Columbia for illegally assessed taxes for paving roadways or laying curbs or gutters in the District of Columbia, including penalties charged and paid; to the Committee on the District of Columbia.

By Mr. BONE (by request):

A bill (S. 2535) to amend the act entitled "An act to reclassify terminal railway post offices", approved June 14, 1934; to the Committee on Post Offices and Post Roads.

By Mr. HATCH:

A bill (S. 2536) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. NYE:

A bill (S. 2537) for the relief of the Morgan Decorating Co.; to the Committee on Claims.

By Mr. SHEPPARD:

A joint resolution (S. J. Res. 98) to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the Fred C. Ainsworth Endowment Library (with an accompanying paper); to the Committee on Military Affairs.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (H. R. 59) to create a national memorial military park at and in the vicinity of Kennesaw Mountain, in the State of Georgia, and for other purposes, and it was referred to the Committee on Public Lands and Surveys.

FUNDS OF FEDERAL EMERGENCY RELIEF ADMINISTRATION

Mr. COUZENS. I send to the desk a resolution, which I ask to have read and referred to the Committee on Appropriations.

The VICE PRESIDENT. Without objection, the clerk will read.

The Chief Clerk read the resolution (S. Res. 115), as follows:

Whereas in the appropriation acts of 1932, 1933, 1934, and 1935, in the National Industrial Recovery Act of 1933, and through allotment of funds from the Reconstruction Finance Corporation, there have been placed under the administration of the Federal Emergency Relief Administration total funds as follows: Federal Emergency Relief Administration, $1,745,055,000; Civil Works Administration, $863,965,000; allotment from Reconstruction Finance Corporation, $300,000,000; and

Whereas there is no adequate information had by the Congress as to how these funds have been allotted to the various States, counties, cities, and other subdivisions, and what rules or procedure have been adopted for the expenditure of these funds: Therefore be it

Resolved, That the Committee on Appropriations of the Senate is hereby authorized and directed to inquire of the Federal Emergency Relief Administration and to report to the Senate at the earliest date possible—

(a) The distribution of these funds to the several States.

(b) What data was required of the States before allotments were made to the States by the Federal Emergency Relief Administration.

(c) What cooperation or assistance was required of the several States to which appropriations or allotments were made.

(d) What funds were loaned to the several States and what agreement was demanded before the loans were made.

(e) Any other information which would give to the Congress complete information as to the methods of distribution of the funds, the amounts allotted to States, counties, cities, and other subdivisions, the assistance or cooperation required of States, counties, cities, and other subdivisions, the methods by which an accounting was made or required to be made by States, counties, cities, and other subdivisions.

The VICE PRESIDENT. Does the Senator desire to have the resolution lie on the table?

Mr. COUZENS. No; I ask to have it referred to the Committee on Appropriations.

The VICE PRESIDENT. Without objection, the resolution will be referred to the Committee on Appropriations.

REGULATION OF CLOSED BANKS—LETTER FROM COMPTROLLER OF THE CURRENCY

Mr. BYRNES. Mr. President, on Thursday, April 4, I asked unanimous consent to print in the RECORD a letter from the Comptroller of the Currency with reference to certain banking situations in the State of Michigan. The Public Printer advises that the material would make two and three-fourths pages of the RECORD; and, in view of the fact that the request for printing must be made after that information is presented to the committee, therefore I renew my request for unanimous consent that the letter of the Comptroller of the Currency and the statement of Representative MCLEOD, of Michigan, be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRNES. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter from the Comptroller of the Currency to the Detroit Times in answer to an article appearing in the Detroit Free Press, and I ask that the Free Press article be printed as well.

There being no objection, the matter was ordered to be printed in the RECORD as follows:

APRIL 3, 1935.

DETROIT TIMES,
Detroit, Mich.

GENTLEMEN: My attention has been called to an article published in the Detroit Free Press under date of March 30, 1935, written by Clifford A. Prevost and quoting extensively Representative CLARENCE J. MCLEOD. Congressman MCLEOD has so misrepresented and misstated facts and figures that the article cannot go unanswered.

It is indeed unfortunate that Mr. Prevost was led into an article which does not contain one correct paragraph. The headlines, "Congress to be asked to probe charges of political domination of 1,500 closed national banks", is not correct, and the subheading, "MCLEOD wants choice of receivers explained", is information which is available to everyone. The receivers of 939 of the 1,540 national banks now in receivership were appointed by former Republican Comptrollers of the Currency, and it is rather interesting to note that Congressman MCLEOD did not raise this question while these Comptrollers were in office, but attempts now to embarrass these former Comptrollers of the Currency with his investigation. Congressman MCLEOD is advised that two Republicans were appointed receivers in the Detroit banks—C. O. Thomas as receiver for the First National Bank of Detroit on May 11, 1933, succeeding himself as conservator, and B. C. Schram, on May 11, 1933, as receiver of the Guardian National Bank of Commerce—both appointments being made by the Acting Comptroller of the Currency, Mr. F. G. Awalt, prior to the appointment of J. F. T. O'Connor as Comptroller. Mr. Awalt was appointed Deputy Comptroller of the Currency on the recommendation of Col. J. W. McIntosh, who was then Comptroller.

Mr. Schram was appointed receiver by Hon. D. R. Crissinger, Republican Comptroller; and prior to going to Detroit had successfully served as receiver in 19 important receiverships. Mr. C. O. Thomas was first appointed receiver by Hon. Henry M. Dawes, Republican Comptroller; and prior to going to Detroit had success-

fully served as receiver in 24 national-bank trusts. When Mr. Thomas was assigned to the Detroit Trust an investigation was made of his record in the Bank of Pittsburgh, in Pittsburgh, Pa., and in this connection the following quotation from an article by James Sweinhart is of interest: "The manner in which a Federal receiver liquidated the slow assets of the Bank of Pittsburgh, in Pittsburgh, Pa., indicates that the fears of many Detroit merchants and manufacturers who are debtors to the First National and Guardian National Banks of Detroit, that they are to be wiped out through liquidation of the local banks, are unfounded. A survey of what went on during the liquidation of the Pittsburgh institution shows that the receiver was reasonable and fair and won the highest esteem and good will even of the debtors of the bank whose notes and mortgages he had to realize on." A salary of $14,000 per annum was fixed for each of these receivers. In August of 1934 Mr. C. O. Thomas received a flattering offer from a large financial institution and resigned as receiver after rendering a magnificent service to the depositors of Detroit. No better evidence could be offered that the salary paid Mr. Thomas was inadequate than the fact that he resigned to receive a much larger salary. Comptroller O'Connor called Mr. B. C. Schram on the telephone and asked him if he would take over the receivership of the First National Bank of Detroit and handle it together with his own receivership, as he was familiar with the Detroit situation. He was further requested to cut the salary in each trust to $8,000 per annum, making a total salary of $16,000 for handling the two institutions, and saving for the depositors $12,000 per annum in salaries of receivers. Mr. Schram agreed and has given eminent satisfaction in his work. It would have been perfectly proper for the Comptroller of the Currency to appoint some outstanding leader of Michigan at a substantial salary to succeed Mr. Thomas, but the Comptroller was interested in conserving the assets for the depositors. No better justifiable opportunity to play politics could be found. It is hoped that this is a sufficient explanation to Mr. McLEOD of the appointment of the receivers in Detroit. It is not necessary to point out that these banks were closed nearly a month before President Roosevelt took office.

The statement, therefore, by Mr. Prevost that Postmaster General James A. Farley had cooperated with Comptroller J. F. T. O'Connor to place politicians in control of closed banks is false. Mr. Farley has never made a single suggestion as to receivers in any part of the United States. Evidently Congressman McLEOD seeks to condemn the Comptroller of the Currency because he retained in office two receivers who had been appointed by Republican Comptrollers.

The article further sets forth a resolution which Congressman McLEOD advised Mr. Prevost he would introduce on Monday. The Congressman did not introduce the resolution quoted in the article but introduced an entirely different resolution. The Congressman misled Mr. Prevost in this particular. The McLeod resolution which was actually introduced does not authorize the committee "to subpena witnesses, administer oaths, and send for such papers as may be necessary to carry out the investigation herein authorized." This was the part of the proposed resolution which would possibly have justified the scare headlines. The McLeod resolution asks for information as to "the methods of selecting and appointing receivers and attorneys for closed national banks", and in answer to this, it may be said that the same policy has been followed for 70 years in the Comptroller's office, except that the present Comptroller has not removed Republicans who have been doing a good job. The resolution which Congressman McLEOD introduced reads as follows: "*Resolved*, That the Secretary of the Treasury be, and he is hereby, directed to transmit to the House of Representatives the following information: The methods of selecting and appointing receivers and attorneys for closed national banks; the costs of receivers' salaries, legal and other expenses involved in the liquidation of each of the closed national banks now in process of liquidation; the amounts due depositors of each such bank at its date of closing; and the amounts paid depositors of each such bank since closing."

Much of this information Congressman McLEOD has already received, and he has never been denied any information that he has requested from the office of the Comptroller of the Currency. Congressman McLEOD would require the Comptroller to add a score or more employees to be paid out of depositors' funds in order to furnish detailed information in all of the more than 1,500 closed banks. The Comptroller has been interested in saving expenses for the depositors, while Congressman McLEOD would freely spend their money in this manner. If Congressman McLEOD would take the trouble to read the Comptroller's annual report, he would find therein accounted for: All collections by receivers, collection and offsets allowed; collections from stock assessments; amounts borrowed from the R. F. C.; dividends paid by receivers to secured and unsecured creditors; distributions by conservators, payments to secured and preferred creditors; offsets allowed and settled; disbursements for protection of assets; receivers' salaries, legal and other expenses; conservators' salaries, legal and other expenses; a table showing the status, progress, and results of liquidation of all national banks placed in hands of receivers from the date of the first national bank failure in 1865 to October 31, the end of the fiscal year in the Comptroller's office; separate tables giving dates of appointment of receivers; capital at date of organization and at date of failure; dividends paid while solvent; total deposits, bills payable, and rediscounts at date of failure; also tables showing assets at date of failure, additional assets acquired subsequent to failure; offsets allowed; disposition of all collections and dividends paid to creditors of all insolvent national banks, this information being given in detail as to each national bank. In addition to this, each receiver makes a quarterly report showing receipts and disbursements in his particular trust, and this report is posted in his bank and is available to every one of the depositors. This quarterly report is divided into four subheadings and gives the depositors the following information:

ASSETS

Assets at date of suspension.
Additional assets acquired since suspension.
Stock assessment (— percent).
Total assets to be accounted for.
Cash collected from assets.
Cash collected from additional assets.
Cash collected from stock assessment.
Total cash collected from assets and stock assessment.
Offsets allowed on assets.
Losses charged off:
On assets.
On stock assessment.
Total losses charged off.
Remaining assets:
Uncollected assets.
Uncollected additional assets.
Uncollected stock assessment.
Total remaining uncollected assets.
Total assets accounted for.

RECAPITULATION OF REMAINING ASSETS—BOOK AND ESTIMATED VALUES

Remaining assets:
Uncollected assets.
Uncollected additional assets.
Uncollected stock assessment.
Total remaining assets.

LIABILITIES

Secured liabilities at date of suspension.
Unsecured liabilities at date of suspension.
Additional liabilities established.
Total liabilities this date.
Secured and preferred liabilities paid in cash.
(Paid by conservator, $———.)
Unsecured liabilities offset.
Unsecured liabilities for which receiver's certificates have been issued.
Unpaid secured liabilities (both proved and unproved).
Unsecured liabilities not paid or proved.
Total liabilities accounted for.

COLLECTIONS AND DISBURSEMENTS

Collections from all sources:
Cash collected from assets and stock assessment.
Cash collected from interest, premium, and rents.
Cash collected by receiver and held as trustee for owners.
Reconstruction Finance Corporation loans received.
(Loan to conservator $———.)
Total collections to be accounted for:
Disbursements of every character:
Secured and preferred liabilities paid (including dividends).
(Paid by conservator $———.)
Collateral account (collections held by secured creditors and not yet applied).
Advances in protection of assets (taxes, insurance, etc.).
Expenses of receivership.
(Expenses and advances by conservator $———.)
Dividends paid to unsecured creditors (—— percent).
(Paid by conservator $———.)
Reconstruction Finance Corporation loans repaid.
Cash in hands of receiver and comptroller.
Total collections accounted for.
(Signed) ———————, *Receiver.*

The article further states that "O'Connor admitted Wednesday that receivership costs in the Nation are approximately 7 percent of collections." This remarkable showing, which has been approved by everyone, was twisted in the article in order to color the statement. The comptroller's office over a period of 70 years has returned to the depositors approximately 93 cents out of every dollar collected. This leaves 7 cents for the payment of receivers' salaries, legal fees, rent, and all other items of overhead. In the two Detroit receiverships the expenses were less than 2 cents of each dollar collected. No other system of liquidation can compare with this record.

The article then goes on to state that Congressman McLEOD has been collecting data on receiverships with a view to taking the receiverships away from the Comptroller of the Currency and turning them over to the Reconstruction Finance Corporation, and follows with figures regarding the Bain banks in Chicago, with particular reference to receivers' salaries and attorneys' fees for these banks. Again Mr. McLEOD leads Mr. Prevost into a serious error, as he does not point out that the Bain banks were State banks and not under the jurisdiction of the Comptroller of the Currency nor under the supervision of the Federal Government. Just how the Congressman is going to turn over State receiverships of all State banks in the State of Michigan and in all other States to the Reconstruction Finance Corporation is not explained.

Not satisfied with giving misinformation, Congressman McLEOD then resorts to rumors, and says he has heard a rumor that the attorneys' fees in the two large banks in Detroit have run as

high as $250,000 each, which would be half a million dollars for both, and then gives this as the reason for abandoning the "rigid policy of secrecy." From the facts already given, it would seem that there was very little secrecy about the facts, and the positively false rumor was never inquired into by Congressman McLEOD, but was given free circulation. The Comptroller stated to the two Congressmen from Michigan on the House Banking and Currency Committee that he would furnish the information with reference to attorneys' fees and that the Congressmen were at liberty to make any use of the information that they saw fit. This will be done.

Congressman McLEOD is quoted as saying that receivers are public servants, paid from funds of the depositors. This is as nearly accurate a statement as anyone who knows the Congressman would expect him to make. The Congressman is quoted further as saying that both depositors and the public have every right to know for what purpose their money is being expended. None of the public's money is being expended, yet the Congressman advises that the public is entitled to know for what purpose its money is being spent.

The Congressman advises that the reason for his desire to have receiverships turned over to the Reconstruction Finance Corporation is because that Board is bipartisan, whereas the Comptroller is appointed by the President. The Reconstruction Finance Corporation is a large creditor in most of the receivership banks, and Congressman McLEOD would place the Corporation in the embarrassing position of being a trustee for the other creditors, and in some instances the Corporation might be compelled to bring action against itself. The Congressman has suddenly discovered that after 70 years the Office of the Comptroller of the Currency is a partisan office, and yet its policies have not changed in the 70-year period.

Again the Congressman misleads Mr. Prevost when he says "as a result of the threat of Representative PRENTISS M. BROWN to offer an amendment to the administration's banking bill calling for publicity for all receiverships, O'Connor has agreed to make public within a week or 10 days the fees being paid to attorneys for the First National Bank and the Guardian National Bank of Commerce." This is positively a false statement, as Congressman BROWN never made such a suggestion, and, therefore, it could not have been turned into a "threat." The statement regarding Congressman BROWN'S estimate of legal fees is also incorrect, and the statement "O'Connor did not deny that legal fees for this receivership have approximated that sum" is incorrect, as the Comptroller advised the committee that he would give the Congressman the facts.

The Congressman has again misled Mr. Prevost when he says that "fees to lawyers and others chosen by the Comptroller, usually with the advice of Farley and State Democratic national committeemen, for the jobs" have had no publicity. Mr. Farley has never made the slightest suggestion as to the fees of any appointee of the Comptroller's Office. The misleading statement by the Congressman, therefore, is positively vicious.

Congressman McLEOD further misled Mr. Prevost when he said: "In agreeing to disclose the figures for the two banks at Detroit, O'Connor was attempting a compromise to prevent enactment of legislation." No one suggested any legislation; therefore this statement is false.

Congressman McLEOD further failed to state that he obtained the appointment of his law firm, McLeod, Fixel, Abbott & Fixel, of Detroit, Mich., as attorneys for the receivers of the Lincoln Park National Bank, of Lincoln Park, Mich., the Inkster National Bank, of Inkster, Mich., and the First National Bank of Dearborn, Mich. His firm has received up to December 31, 1934, $11,924 and the firm is still acting as attorney for the receivers in these three banks. Congressman McLEOD received these appointments from former Republican Comptrollers of the Currency and his firm has not been removed or disturbed in their work by the present Comptroller of the Currency, notwithstanding the Congressman's unfair criticism of the Comptroller and his receivers during the past 2 years. Frankly, could anything be more nonpartisan than this? Congressman McLEOD had his firm appointed because of his Republican standing, and he now questions the right of any Democratic firm to be appointed in exactly the same manner.

It is indeed unfortunate that public officials attempt to make capital out of the sufferings and distress of our people. If the article was intended by Mr. McLEOD to further unrest and to give encouragement to those who would destroy all forms of representative government, it will in a measure serve that purpose. Newspapermen must naturally get their information from public officials and now and then are entirely misled by them.

Sincerely yours,

J. F. T. O'CONNOR, *Comptroller.*

[From the Detroit Free Press]

CONGRESS TO BE ASKED TO PROBE CHARGES OF POLITICAL DOMINATION OF 1,500 CLOSED NATIONAL BANKS—McLEOD WANTS CHOICE OF RECEIVERS EXPLAINED—WILL DEMAND BARING OF ATTORNEYS' FEES AND SEEK POWER TO SUBPENA WITNESSES

By Clifford A. Prevost

WASHINGTON, March 29.—A Congressional investigation of the method of selecting receivers and attorneys for closed national banks will be demanded in a resolution to be introduced Monday in the House of Representatives.

Announcement that a probe will be demanded of the alleged political domination of more than 1,500 closed national banks was made today by Representative CLARENCE J. McLEOD, of Detroit. It will be the first demand in the last 20 years for an investigation of the office of the Comptroller of the Currency.

The decision to demand the investigation was reached today, because of disclosures that Postmaster General James A. Farley, patronage distributor for the administration, had cooperated with J. F. T. O'Connor, Comptroller, to place politicians in control of closed banks.

The resolution which McLEOD will introduce in the House Monday reads:

"*Resolved,* That the Committee on Banking and Currency be, and is hereby, authorized and directed to inquire into the methods of selecting and appointing receivers and attorneys, and into costs of receivers' salaries, legal and other expenses involved in the liquidation of the closed national banks now in process of liquidation, and to report to the House such information relating to the selection and appointment of receivers and attorneys and the sums so paid as receivers' salaries, legal and other expenses incurred in the liquidation of each such bank, together with the amounts due depositors at the dates of closing of each such bank, the amounts paid depositors of each such bank and an estimate of the total sum yet to be expended for liquidation expenses of such banks; and said committee shall have the power to subpena witnesses, administer oaths, and send for such papers as may be necessary to carry out the investigation herein authorized."

O'CONNOR ADMITS COSTS

O'Connor admitted Wednesday that receivership costs in the Nation are approximately 7 percent of collections.

McLEOD said today that the latest estimates of impounded deposits in the national banks under O'Connor's jurisdiction is $800,000,000; and that based upon O'Connor's figures of costs, this would mean that $56,000,000 would go for fees to political appointees.

McLEOD has been gathering data from a score of cities on what is being done through receiverships. He is assembling this data to support his bank pay-off bill, which would take the receiverships away from the Comptroller and turn them over to the Reconstruction Finance Corporation.

The Michigan Representative cited today the figures for the closed Bain banks in Chicago. These were as follows:

Pay rolls and miscellaneous liquidating expenses of receiver. $461,973.35.

Attorneys' fees, $176,000.

Receiver's salary, $108,421.81.

The total cost of this receivership was $746,395.16.

While these expenses were being paid for the receivership, the depositors of the Bain banks were receiving $201,942.70. The liquidation has been proceeding since June 9, 1931.

EMPHASIZE NECESSITY

"The recent rumors that attorneys' fees in liquidating the assets of the two large Detroit banks run as high as $250,000 each serve to emphasize the necessity for abandoning the rigid policy of secrecy which is withholding essential information from depositors and the general public", McLEOD said.

"These receivers and all other liquidating officers are public servants and are paid from the funds of the depositors", he said. "Under these circumstances both the depositors and the public have every right to know for what purpose their money is being expended."

McLEOD said that the opposition to turning over the receiverships to the R. F. C. was purely political. The R. F. C. Board is a bipartisan board, whereas the Comptroller of the Currency is strictly a product of party politics. O'Connor, because of the national banking holiday, has made more political plums to disburse than any other Federal official. He is a close henchman of Farley.

WILL REVEAL FEES

As a result of the threat of Representative PRENTISS M. BROWN to offer an amendment to the administration's banking bill calling for publicity for all receiverships, O'Connor has agreed to make public within a week or 10 days the fees being paid to attorneys for the First National Bank and the Guardian Bank of Commerce. McLEOD'S move today would force publicity for all closed banks.

BROWN told the Banking and Currency Committee that the legal fees for Judge Frank E. Wood, attorney for the receiver of the Guardian National Bank of Commerce, had been $250,000. BROWN said that the information regarding this fee had come to him from a reliable source. O'Connor did not deny that legal fees for this receivership has approximated that sum.

Up to the present time there has been no publicity attendant upon the payment of fees to lawyers and others chosen by the Comptroller, usually with the advice of Farley and the State Democratic National committeemen, for the jobs. In agreeing to disclose the figures for the two banks at Detroit, O'Connor was attempting a compromise to prevent enactment of legislation.

McLEOD'S resolution will come under the classification of "preferential legislation. This means that the Banking Committee must report the resolution back within a week.

BACK-TO-THE-FARM MOVEMENT IN VERMONT

Mr. GIBSON. Mr. President, the agricultural census of Vermont farms has been completed. It reveals a healthy back-to-the-farm movement in that State. The report shows 2,238 more occupied farms than in 1930, an increase of about 9 percent.

I ask unanimous consent that a newspaper clipping showing the tabulation, county by county, may be printed in the CONGRESSIONAL RECORD.

There being no objection, the clipping was ordered to be printed in the RECORD, as follows:

2,238 MORE FARMS IN STATE THAN 5 YEARS AGO, CENSUS SHOWS

RUTLAND, April 4.—Vermont has 2,238 more occupied farms at present than in 1930, Merrill E. Creed, agricultural census director for the State, revealed last night as the work of tabulating the figures gathered by 149 canvassers over a period of 3 months was completed.

The office at room 408 in the Federal building, which Creed and his assistants have been occupying, was closed last night.

The total number of farms consisting of 3 or more acres of tilled land at present is 27,138 in comparison with 24,898 in 1930. The increase, the enumerators believe, is due to a back-to-the-soil movement resulting from the fact that jobs are hard to find in the larger centers and many owners of small farms are again occupying rural premises which they had left when working conditions in the cities were better.

In all except 2 of the 14 counties of the State, Lamoille and Washington, an increase in the number of farms since the last enumeration was made 5 years ago was shown.

Windsor County showed the largest increase in the 5 years, 650. This area and also Windham County, in which there was a gain of 250, and Bennington County, in which the increase was 317, are popular with city people, many of whom have bought abandoned farms for summer homes. In many instances these summer people carry on farming on a small scale and a few operate farms of considerable extent.

A canvass of Rutland County showed 329 more occupied farms than when the last Government count was made.

A comparison of the returns made by the enumerators in 1935 and 1930, by counties, is as follows:

County	1935	1930
Addison	2,208	2,023
Bennington	1,267	950
Caledonia	2,242	2,035
Chittenden	1,936	1,841
Franklin	2,344	2,303
Essex	659	572
Grand Isle	476	431
Lamoille	1,321	1,424
Rutland	2,480	2,151
Orleans	2,393	2,337
Orange	2,461	2,293
Washington	2,148	2,173
Windham	1,915	1,665
Windsor	3,286	2,639
Total	27,136	24,893

STABILIZATION OF COAL INDUSTRY

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Washington Daily News of today, relating to the bituminous-coal industry, and to the bill introduced by me.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, Apr. 8, 1935]

CHAOS IN COAL

In the Guffey bituminous-coal bill Congress has a rational project for stabilization of one of America's sickest industries.

This measure is a permanent and comprehensive version of the Coal Code. It carries out President Roosevelt's demand for Government supervision over natural resources in behalf of conservation, stabilization, and elimination of "ruinous price cutting and inordinate profits." It approaches the new industrial ideal of partnership between owners, workers, and Government.

The Guffey bill would put the soft-coal industry under a national commission, named by the President, with the consent of the Senate. This body would estimate the national tonnage needed and then apportion production among 21 regional districts. It would fix standard hours and wages and minimum and maximum prices. It would bulwark the workers' right to bargain collectively, select their own checkweighmen, live in other than company houses, buy in other than company stores. A coal labor board would mediate disputes.

Owners are encouraged to participate by the provision for a 25-percent tax on mined coal, all but 1 percent of which would be remitted to cooperating concerns.

An essential feature of the bill is the creation of a huge fund raised through a production tax for Government purchase of coal lands forced out of production and for rehabilitating miners thrown out of their jobs through stabilization.

This bill is not perfect. The Government, we believe, should have more power in carrying out production control. The public interest should be guarded by consumer representation on the Commission. The Commission also should have power to impose mine-safety standards. And eventually coal's competing fuels should come under the same sort of regulation.

The measure's greatest danger lies in its invitation to higher coal prices and its temptation to profiteering. Coal men, however, should not need to be reminded that theirs is not a monopolistic industry. Any undue rise in coal prices will drive consumers to the use of oil, gas, and electricity.

Today coal spells chaos in this country with its mines capable of turning out 100 percent more than the Nation can consume. Some such measure as this is needed to prevent ruin for the operator and destitution for the miner.

POLICIES OF THE DEMOCRATIC PARTY—ADDRESS BY SENATOR DICKINSON

Mr. BARBOUR. Mr. President, I ask leave to have printed in the RECORD an address delivered by the Senator from Iowa [Mr. DICKINSON] at a State conference of Republicans at Roanoke, Va., on the 6th instant.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE DEMOCRATIC DONKEY AIN'T WHAT HE USED TO BE

The Democratic donkey has a bad case of social indigestion. How long will it take this donkey to learn that new diets often cause internal disorders; that untried methods cause uncertainty; that habits should not be a subject of sudden change; that experimentations are a matter of great risk and produce grave doubt?

The shortcomings of the new deal recovery plans can no longer be charged to the "brain trust." The members of the present Cabinet were selected by the President personally. There have been no appointees placed in key positions in any of the emergency organizations without the personal sanction of the President. There is only one place to fix the responsibility, and that is on the doorstep of the White House.

How much longer can it be denied that every move now being made results in nothing but more confusion and more disaster? It was so with gold muddling; it is so with the agricultural policy, with the banking program, with the brokerage, with labor, with foreign trade, and with relief policies.

How long will it take before the American people realize that we cannot buy our way with borrowed money; that we cannot tax or inflate our return to prosperity?

It cannot be denied that every detail of our social and business position in this country is worse now than it was in the beginning of 1933. Unemployment has not been relieved; industry is still paralyzed; banks are refusing to make loans to responsible individuals. The Government has entered into a program of inflation where every householder feels the grip of rising prices, with a diminishing value of his salary or his income. Money, Treasury notes, insurance policies, stocks, and bonds have all lost their value as securities. Can anyone doubt that as a whole the sky is growing darker and no man knows what the weather will be tomorrow?

Regardless of all this, the President continues to insist that his power be expanded, and that he be granted discretionary authority to expend $4,880,000,000—more money than any one man can efficiently spend, and more money than any American citizen should ask the authority to control.

Cannot the American people now see that reform is not recovery; that experimentation is not realization; that promises are not performances; and that the whole new deal is largely a grand and glorious exhibition of shadow-boxing with panaceas and pretenses?

STATE RIGHTS

The State of Virginia was developed by the fortitude and efforts of your own people and without direction from the Federal Government. The history of this State is a record of which you can be justly proud. By the initiative of her people Virginia will continue to advance and exceed its former greatness.

Prior to this administration legislation has never been proposed eliminating State rights and obliterating State boundary lines.

John Marshall once said:

"No political dreamer would ever be wild enough to think of breaking down the lines which separate the States and of compounding the American people into one common mass."

On March 3, 1930, President Roosevelt, then Governor of New York, stated that the governing rights of the States are all of those which have not been surrendered by the Constitution or its amendments, and cited that under the eighteenth amendment Congress was given the right to legislate on that particular issue involving State rights. He then continued:

"* * * But this is not the case in the matter of a great number of other vital problems of government, such as the conduct of public utilities, of banks, of insurance, of business, of agriculture, of education, of social welfare, and of a dozen other important features. In these Washington must not be encouraged to interfere."

PUBLIC UTILITIES

Regardless of the views of President Roosevelt in 1930 that the Government should not interfere, what is taking place in the public-utility field of the United States?

In the first place, the Tennessee Valley Authority is entering into direct competition with every public-utility company in that area. This is the greatest social experiment ever attempted by the Federal Government.

Why has it become necessary for the Federal Government to assume the right to set the rate on electric current in a munici-

pality in the State of Virginia or Tennessee or Mississippi? Who should challenge the authority of the public utilities commissions of these respective States to fix rates protective of the rights of their own people? Who should assume the authority to charge to the Federal taxpayer the possible loss on a great social experiment in the production of electric current for distribution and use?

In the second place, the Rayburn-Wheeler bill for the control of public-utility holding companies, if passed in its present form, will immediately wipe out every utility holding company in America. The net effect will be to destroy the investments in the securities of those companies, amounting to billions of dollars. If these companies are compelled to dissolve, there will be no market where the securities can possibly be sold, and there will be dumped upon an unbuying public a mass of securities which cannot be absorbed.

No one denies that there have been some abuses in the development of public utilities; but shall we interfere with the rights of millions of stockholders in order to punish a few careless promoters?

CONTROL OF BUSINESS

Let me again call your attention to the speech by Mr. Roosevelt, as Governor of New York, before the National Democratic Club in New York City in 1930, wherein he emphasized the fact that the Federal Government should not interfere with business.

In spite of his conviction at that date business has been subjected to the most severe strain of Government interference under the National Recovery Act ever known.

What is now happening to the "Blue Eagle"? After a hectic career of 2 years, and facing a period when it should expire by limitation, the "Blue Eagle"—better known as the "blue buzzard"—is asking a new lease on life. In the proposed extension of this law none of the defects of the present act are eliminated.

The new bill fails to cure the vicious policy of delegating legislative power to the President. It retains the authority of the President to nullify the rights of the States over intra-State commerce. It carries the nullification of the antitrust laws, and permits price fixing and production control, the oppression of small enterprises and bureaucratic rule over business.

The effects of the N. R. A. do not need to be reiterated to this audience. Big business units have written the codes; small business units have been suppressed, monopoly has been encouraged, individual initiative discouraged. No business revival can be hoped for so long as business must continue in such a straitjacket.

AGRICULTURE

We were also told in 1930 by Mr. Roosevelt:

"The doctrine of regulation and legislation by 'master minds', in whose judgment and will all the people may gladly and quietly acquiesce, has been too glaringly apparent at Washington during these last 10 years."

Yet, under the system of national planning being carried out by the Agricultural Adjustment Administration, the farming interests of this country are controlled by regulations of bureau chiefs. Production is to be balanced with consumption; acreage is allotted, benefit payments are granted, and the farmer is paid rental for permitting his land to grow up in weeds, while the hungry are still hungry and the naked are in need of clothes.

Let me quote from a short poem on the more abundant life of the new deal:

"We lessen the supply of bread and meat
And those who have little, have less to eat;
Both State and Nation tax this supply,
So smaller the portion the poor can buy.

Hence less food we need, and less we grow,
The abundant life in reverse you know!
May God forgive poor stumbling man
Who muddles so His abundant plan."

By a bureaucrat in Washington you are told how much cotton you may plant, how much tobacco you may produce, how much corn you may raise, how many pigs should be farrowed, and how many cattle you may sell. What "master mind" possesseth all this wisdom?

After 2 years of obeying the orders of A. A. A. officials in the acreage-control program, the rice growers find themselves in distress and ask the Federal Government to come to their relief. Congress has just passed legislation authorizing the payment of $2,250,000 out of the Federal Treasury as a direct subsidy to rice growers.

We also find that the processing tax has resulted in the cotton producer losing his export market as well as his domestic market for the only thing he has to sell—cotton. Because of the high price in this country our cotton exports have declined and we are losing an export trade that will be hard to regain.

Also by reason of the increase in the price of cotton in this country the domestic textile mills are no longer able to compete with foreign competitors. Because of the allotment contracts, the additional cost of the processing tax and the labor codes in the factory, cotton mills are gradually being forced into bankruptcy or liquidation. All of this is contributable to interference from Washington by the "master minds."

NATIONAL ECONOMIC COUNCIL

There is now being proposed by the Secretary of Agriculture, Mr. Wallace, a National Economic Council, to be appointed by the President, the members of which are to have the right to consider and recommend economic laws. It is suggested by Secretary Wallace that these laws shall be submitted by referendum to the people, and if approved, the Supreme Court cannot hold them unconstitutional.

Here we have a suggestion from a member of the Cabinet that Congress shall be relieved of passing Federal legislation; that the judiciary shall be relieved of reviewing it. All authority will be placed in this council; and, upon approval of referendum, their findings will become the law of the land. Such a suggestion is repugnant to the American system of government.

What Secretary Wallace really means is that constitutional safeguards should be abolished so far as they tend to hamper the experiments under the new deal.

The American Constitution was designed to prevent just such a procedure. Congress was given power to enact legislation.

No emergency should permit Congress to go beyond the safeguards of the Constitution. The fundamental rights of the people are jealously guarded by this sacred document. These rights include the whole range of personal and political liberties. Such liberties are the very foundation of democracy.

It was the belief of the founders that our fundamental law should not be altered in accordance with every wave of popular enthusiasm—with every whim and prejudice or passion that might be stirred by effective demagogues. That is why the Constitution was built as a framework, within which the will of the people should act, subject to specific limitations, these limitations to be interpreted by the Court.

The suggestion made by Secretary Wallace would destroy this framework.

It is a direct attack upon the fundamental soundness of our system of government. When we forsake American fundamentals, there is no hope for stability in the future.

PUBLIC BUILDINGS

Again let me quote from the speech by Mr. Roosevelt:

"* * * it was clear to the framers of our Constitution that the greatest possible liberty of self-government must be given to each State, and that any national administration attempting to make all laws for the whole Nation * * * would inevitably result * * * in a dissolution of the Union itself."

Regardless of this statement of policy by Mr. Roosevelt as Governor, under the public-works and relief programs, the wise men in Washington are now forwarding to the legislatures of the States legislation which they insist must be passed before the States can share in the distribution of Federal money.

This legislation permits States to construct public buildings, to engage in the erection and operation of public-utility plants, and enter other forms of endeavor which are clearly matters of local control and should not be subjected to interference from Washington.

The administration has just spent $3,300,000,000 on a public-works program. Much of the money has been wasted. Much of it has been put into public buildings the maintenance of which will be an expense on the locality and the taxpayers of that locality for years to come. This is direct interference with local matters by the wise men of Washingon.

FARM AND HOME REFINANCING

Much has been said about saving the farm homes of the country by Government refinancing of farm mortgages. What really has taken place? There has not been a material reduction in the amount of the loans that the farmer has to pay. We find that his burden is as heavy as it was before. On the other hand, the insurance companies have been able to transfer their poorest loans from their files to the Federal Land Bank System, and the farmer still has a second mortgage on his farm given to the Commercial Credit Corporation. As a matter of fact, the refinancing of farm mortgages has been largely for the benefit of the insurance companies.

With reference to saving homes, what has taken place? The large guaranty and mortgage companies have been saved. The home owner still has the loan against his home. In most instances the Home Owners' Loan Corporation has simply taken from the files of the mortgage companies their poorest loans and put them in the Government files.

The Federal Government, by extending and expanding these nonprofitable expenditures, many of which will never be repaid, can expect no results other than emphasized and exaggerated distress.

CAMPAIGN PLEDGES

In reviewing the Democratic pledges made in the campaign of 1932 we find that Roosevelt the candidate does not agree with Roosevelt the President. During the campaign Candidate Roosevelt pledged a program of economy in government. He stated:

"I shall approach the problem of carrying out the plain precept of our party, which is to reduce the cost of the current Federal Government operations by 25 percent.

"The people of America demand a reduction of Federal expenditures * * * it can be done by abolishing many useless commissions, bureaus, and functions, and * * * by consolidating many activities of the Government."

Two and a half years after this pledge was made to the American people what is the situation in the Government? No war-time period has ever seen the expansion of Government functions as has been permitted under the Roosevelt administration. One hundred and twenty thousand additional employees have been added to the pay rolls; Government bureaus have been multiplied manyfold.

In criticizing the method of the past administration for financing the Government deficit, Candidate Roosevelt said: "* * * our Government simply absorbed that much of the lending capacity of

banks and by so much impaired the credit available for business."

In the year to which he referred the total amount of Government obligations held by banks was $7,300,000,000. Today, according to the Chairman of the Committee on Appropriations, the distinguished senior Senator from this State, the amount is $15,348,000,000. As a matter of fact, our banks are now only rediscount agencies for Government securities.

In 1932 Candidate Roosevelt warned that an accumulated deficit of $5,000,000,000 would be a menace to the stability of the Government and an "insuperable bar to recovery." Yet, with the passage of the $5,000,000,000 work-relief bill, the accumulated deficit will be $14,000,000,000, and we are told that this will restore prosperity in a year. And the governor of the Federal Reserve Board blithely tells a House Committee that he has no fear of a 40-billion dollar debt.

By a direct quotation from a speech by Candidate Roosevelt, I shall cite just where the present spending program is leading us. I quote:

"Now, the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation. If the Nation is living within its income, its credit is good. * * * But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, * * * and continues to pile up deficits, it is on the road to bankruptcy."

Verily, Candidate Roosevelt is a total stranger to President Roosevelt.

These illustrations show the trend under the present Democratic administration. This philosophy of Government is entirely different from that of Thomas Jefferson. These developments entirely reverse the Democratic policies of Grover Cleveland. Even under war conditions, Woodrow Wilson never sought the authority over the affairs of Government that is vested in President Roosevelt. Beyond doubt, the Democratic donkey ain't what he used to be.

REPUBLICAN RESPONSIBILITY

But what is the responsibility of the Republican Party? The duty of the Republican Party is apparent. The collapse that will follow the present course should be pointed out. It is the duty of Republicans everywhere to become adamant. Our organizations should meet oftener. We should expand our influences. We should contact the press. We should make our views known. Our opposition must become more vocal. The theory that we should sit supinely by and permit a continuation of the present course is wrong. It is the duty of every Republican to assume his or her share of this opposition.

The Democratic administration is doing so many things that should not be done, and failing to do so many things that should be done, that the program of the Republican Party will have to be adjusted accordingly. No mechanic knows the parts or the tools required to repair an auto when it is running over a cliff. He must wait until it lands, and then examine the wreck.

It is the belief of the Republican Party that, instead of chasing rainbows, instead of following panaceas, instead of attempting shortcut economic remedies, individuals must steel themselves to meet conditions they are compelled to face. It is for business to readjust itself to where it can survive under existing conditions. No other cure will be long effective.

The Republican Party deplores the revolutionary changes that are being brought about in our governmental structure. These changes have to do with basic fundamentals and are inconsistent with the thought and habits of the American people. When it is suggested that an economic council can take the place of Congress so far as legislation is concerned; when it is suggested that our courts can be subrogated by referendum to the people, then we realize that the changes are basic.

The Republican Party believes that Congress should again assume its legislative authority; that government by Executive orders should terminate; that a system of sane taxation that will protect all interests and punish none should be invoked; that a program to balance the Federal budget should be formulated. It is only by living within our income and spending less than we make that the Government can hope to survive. Thrift must take the place of extravagance.

The Republican Party is opposed to the use of funds from the Federal Treasury for campaign purposes. Time and time again during the last campaign, those on relief or receiving Government aid were admonished by those in charge that if they voted the Republican ticket, all relief would be withdrawn.

The Democratic Party is proposing to regulate everything through a bureau in Washington. This program is corrupting to free institutions. The Republican Party believes that things should regulate themselves by conflict of interests between free men.

The Republican Party is not ready to concede that for 300 years we have been wrong in aiming at a fuller realization of individual liberties and individual rights. We are not ready to confess that we should turn back to paternalism, to bureaucratic control, and to Executive orders.

The Republican Party is opposed to monopoly and the trend under the present National Recovery Act permitting business men to formulate monopolies and raise prices and drive out small competitors—all at the expense of the consuming public. The Republican Party is opposed to the extension of the N. R. A.

CONCLUSION

When the spending spree is ended, when crystal gazing ceases to be attractive, when it is found that most panaceas are a myth, then the ideals of the Republican Party, its constructive policies, its dependable leadership will again be in favor.

When the weaknesses of the program of the present administration are exposed it will be an easy matter to suggest a substitute program. Such a program should include a return to fundamentals—not to the old order, but to a revised new order that recognizes the danger signs of the past.

Behind a program of this kind the Republican Party can be united. In a program of this kind the country will take new hope. An effective program formulated along these lines will be attractive to the voters in the future. The next choice in America will be at the ballot box.

The new-deal experimentations have caused uncertainty in the minds of all. Only by free and open discussion through Republican organizations can the true facts become known. The Republican organizations of the State of Virginia are to be complimented for their interest and activity along these lines.

"Awake, America, shake off your sloth and rise!
Reclaim your freedom before the last spark dies.
Remember your heritage, prized through all the years,
Won by your fathers' blood, blessed by your mothers' tears."

REGULATION OF TRAFFIC IN FOODS, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein, to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY].

The amendment offered by Mr. BAILEY is as follows:

In section 711 (a), on page 45, line 7, it is proposed to insert a colon after the word "found" and to add the following:

"*Provided, however,* That not more than one seizure action shall be instituted in cases of alleged misbranding, except upon order to show cause, and then upon a showing by the Secretary that such article is misbranded in manner or degree as to render such article imminently dangerous to health, or that such alleged misbranding has been the basis of a prior judgment in favor of the United States in a criminal prosecution or libel for condemnation proceeding respecting such article under this act: *And Provided further,* That said single seizure action shall, on motion, be removed for trial to a jurisdiction of reasonable proximity to the residence of the claimant of such article."

In section 401 (a) (1), on page 13, it is proposed to strike out all of lines 19 and 20.

In section 402, on page 16, it is proposed to insert a new subsection between lines 2 and 3, to be designated as (b), and to read as follows:

"If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof."

Mr. BAILEY. Mr. President, I desire only to explain the amendment. There appear to be three amendments, but, in fact, they are one, as the three accomplish one purpose.

The first amendment simply strikes out lines 19 and 20 on page 13 and inserts the same lines in the bill on page 16 between lines 2 and 3. The lines referred to read as follows:

If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

The effect, Mr. President, is to transpose that portion of the bill relating to labeling and advertising from the adulteration section to the misbranding section which, I take it, is perfectly proper and which the senior Senator from New York [Mr. COPELAND] has agreed is not improper.

In connection with the transfer, the third amendment in the group inserts a new section in the misbranding clause, which reads as follows:

On page 45, line 7, after the word "found", insert a colon and the following: "*Provided, however,* That not more than one seizure action shall be instituted in cases of alleged misbranding, except upon order to show cause, and then upon a showing by the Secretary that such article is misbranded in manner or degree as to render such article imminently dangerous to health, or that such alleged misbranding has been the basis of a prior judgment in favor of the United States in a criminal prosecution or libel for condemnation proceeding respecting such article under this act: *And provided further,* That said single seizure action shall, on motion, be removed for trial to a jurisdiction of reasonable proximity to the residence of the claimant of such article."

Mr. President, I do not intend to speak at length, because I have already spoken on the subject. All I wish to point out is that the amendment has simply the effect of allowing one seizure in any case of alleged misbranding and allowing also multiple seizures upon an order to show cause. That is wholly for the purpose of giving the producer or manufacturer of an article, which is advertised or misbranded in a

way that the Department of Agriculture might condemn as dangerous to health, an opportunity to be heard. I take it that is wholly in accord with all historic precedents of due process of law. Upon a hearing to show cause and upon a hearing and showing that such article is misbranded in such degree as to be dangerous to health, there may be the multiple seizure.

What is the trouble about the multiple seizure? The multiple seizure of these goods is a seizure throughout the United States. The Department of Agriculture can find the facts and, upon that finding, go into every drug store in the United States, in every State in the Union, and of its own motion and upon its own findings and without a hearing, seize the goods of a producer to such an extent as will destory his business forever, and he never have had a hearing.

The amendment provides a hearing. I think for some 400 or 500 years the English-speaking people, at any rate, have proceeded upon the theory that no man may be deprived of his life or his liberty or property—and that means no man's business may be destroyed—without due process of law. Due process of law always means a hearing.

I wish now to reply for a moment to my honored friend the senior Senator from New York [Mr. COPELAND].

Mr. BORAH. Mr. President, before the Senator proceeds to another point, may I ask him a question?

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. BAILEY. Certainly.

Mr. BORAH. Referring to the power for multiple seizures, would not the same principle apply also to the proceedings under section 304? Would it not include not only drugs but food?

Mr. BAILEY. This provision is in the misbranding section and would apply only to misbranding or misadvertising, if I may use the word, of drugs. It relates to drugs, but is in the misbranding section.

Mr. BORAH. Yes, I understand; but I am wondering what we shall do under section 304 if the Agricultural Department shall not be satisfied with the ingredients which the fruit grower may use in spraying.

Mr. BAILEY. Section 304 relates to foods, and it relates, I may say to the senior Senator from Idaho, to the adulteration aspects of the measure.

Mr. BORAH. Suppose a fruit grower should spray his fruit with a substance which the Department of Agriculture thought was injurious to health?

Mr. BAILEY. Then, under the terms of the bill they could put him out of business.

Mr. COPELAND. That is not a complete answer.

Mr. BORAH. The difficulty with section 304 in connection with the subject the Senator is discussing is that there is no rule or guide by which the fruit grower may be governed in spraying fruits. There was under the old law, under which he knew what he could do. Under the bill he is subjected wholly to rules and regulations which may be issued.

Mr. BAILEY. I do not think my amendment cures that defect as my amendment relates to the misbranding and misadvertising of what we call "drugs."

I wish to reply very briefly to the senior Senator from New York [Mr. COPELAND]. I heard him on Friday afternoon make a great protest here about patent medicines and he made a statement about there being representatives of patent medicines in the galleries. I have nothing to do with that. I think that has nothing to do with the merits of the bill. As I understand it, the patent-medicine idea passed out of the country 25 or 30 years ago. We now have what we call proprietary articles, and of those there are two types.

One set of them is sold by way of advertising to the physicians and are called "ethical articles." The manufacturers simply send their circulars or their traveling representatives to the offices of the doctors and persuade the doctors that their products are good articles for the doctors to prescribe.

Then there is another set which is advertised in the papers and advertised over the radio. While I should not like to be personal, these products are not held in any disgrace because they are advertised over the radio. They are still proprietary articles. I think the senior Senator from New York will agree that even himself has spoken favorably of these radio-advertised or newspaper-advertised articles, such as Fleischmann's yeast or Phillips' milk of magnesia or Bayer's aspirin. My point is that they take on no obloquy and nothing of the word "vile", which the senior Senator from New York used, by reason of the fact they are advertised in magazines.

It happened that last evening I picked up a magazine called "Time" and found therein an advertisement of Phillips' milk of magnesia and one or two other products. Here is my point. If the man who produces Phillips' milk of magnesia happens to be so unfortunate as to publish an advertisement which the Department here may condemn, every bottle of his goods throughout the United States may be seized and the whole business disgraced overnight. That is not right. A perfectly innocent article, so far as I know, might be treated in that way. I do not profess to know anything about these matters, but my point is that the fact that one is advertised to the physicians and the other is advertised to the public does not justify the use of the word "vile" with respect to the one which is advertised to the public.

The fact that there are articles of curative, or professed curative value, produced in America which may not be what we should like them to be, does not justify a course of action which enables the Department of Agriculture of its own motion, and arbitrarily, to take action which will destroy the business of an innocent man.

We still live in America. This is the United States. This is a republic, and it is dedicated to freedom. Its hope of recovery still lies in freedom and the revival of private enterprise. If it were a monarchy, if the doctrines of freedom had never obtained here, or if the arbitrary power of the executive department of the Government were relied on here as it is in other countries, we might be careless about this matter; but America never can be careless about the rights of its citizens. My amendment provides that when any man is called in question concerning a product that he may have advertised the Department of Agriculture, having satisfied themselves or suspected that it is injurious to health, may seize one of his articles. Having seized that they issue upon him an order to show cause; they give him a day in court in order that he may be heard as to his rights, and in order that this Government may not be an arbitrary government, but a free government.

The Senator from New York [Mr. COPELAND] said that if this amendment should be adopted, and also if we should adopt another amendment referring this advertising to the Federal Trade Commission, he would lose all interest in the proposed legislation. That, I agree, would be a lamentable thing; but what is the justification for the statement, and how does it affect the substance of this matter? How does it relate to the merits of this matter? That is not an argument as to the rights of men, but as to the predilections of the senior Senator from New York. Why should a man lose interest in this proposed legislation, why should one be disposed to condemn the whole program of improvement in the law contemplated here, merely because we give the American citizen a day in court, merely because we leave the advertising features of this bill to the Federal Trade Commission, which has had charge of advertising from its beginning?

I do not see that it follows. I do not see any injustice in the proposal I have incorporated in this amendment. I think it would improve the bill and put it on a firm and just foundation. I cannot see how it would harm anybody.

Let us assume that the Department does find a vile proprietary article. All it has to do is to make one seizure, issue its notice to show cause, and, after the producer of that vile article has had his hearing and his day, proceed to seize in multiple seizures and protect the public.

Take the other side. Assume that the man at the head of the Department of Agriculture makes a mistake, has a misconception as to the effect of the advertising, and that the article itself is not what he conceives it to be, then with one stroke of his hand he can destroy a great business.

Now, let us take, finally, the other view. We are going to decide here whether American citizens shall be compelled to submit their advertising to the Department of Agriculture before they place it in the newspapers of the country. That is going a bowshot farther than we have attempted to do at this session, at any rate. Imagine the situation of the man preparing his advertising and having to make new advertising from day to day being compelled, by the fear that some arbitrary officer may conceive his advertising to be injurious to health, either to go to the Department and have the advertising passed upon and approved or to send it forth and take the risk of destruction by arbitrary power!

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. BAILEY. I yield.

Mr. COPELAND. Where does the Senator find in the bill a provision that the advertiser must submit his advertising to the Department?

Mr. BAILEY. The Senator asks me where I find in the bill a provision that the advertiser must submit his advertising. I take it that there is no Senator here who has to answer that question. It is not written in the bill, but it is implied in the bill, and it is a necessity under the bill. If my advertising may be construed by the Department to be injurious to health, and if I have any sense at all, I will not run the risk of the Department's arbitrary action. I will see it first. Men of prudence will necessarily act prudently; and now it is argued here, because that is not written in the bill, that it is not there!

A great many things that are not written into the law are implied by the necessities of the law; and I insist that if I were advertising a proprietary article of utter innocence in America, rather than run the risk of someone in the Department of Agriculture finding that my advertising is dangerous and seizing all my goods and destroying my business, I would at least have the prudence to go down and fall upon my knees before the head of the Department and beg him for leave to approve the advertisement before I staked my livelihood and my business upon it.

Mr. ROBINSON. Mr. President, may I ask the Senator a question?

Mr. BAILEY. Certainly.

Mr. ROBINSON. What would be the situation regarding the same matter if the jurisdiction respecting advertising were vested in the Federal Trade Commission?

Mr. BAILEY. I may say to the Senator that if it were vested in the Federal Trade Commission, I should expect it to be vested precisely in these terms.

Mr. ROBINSON. That was my thought. Why would it not be true, then, that one would equally be compelled to go to the Federal Trade Commission in order to avoid the same results there which might occur in the Department of Agriculture? I am asking for information.

Mr. BAILEY. Mr. President, I am afraid my great and good friend has misunderstood the nature of my amendment. My amendment does not relate to the Trade Commission or to the Department. My amendment provides a day in court and a hearing, whether the matter should be before the Trade Commission or before the Department of Agriculture. I was making my reference to the Department of Agriculture because that is the Department now named in the bill; but if the Trade Commission were named in the bill, I should offer the same amendment and I should make the same demand. So there is no difference there.

Mr. ROBINSON. Very well.

Mr. BAILEY. I have no prejudices about the Department of Agriculture—none in the world.

Mr. ROBINSON. The Senator's contention is that in whatever tribunal the jurisdiction respecting advertisement is lodged there should be the right of hearing?

Mr. BAILEY. That is correct; one seizure without hearing, but a multiple seizure, which means destruction, only after an order to show cause. That states clearly the object of the amendment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. CLARK. Returning to the argument just made by the Senator that under the provisions of the bill it will be necessary for any manufacturer, before he desires to advertise his article, to go down to the Department of Agriculture and get their approval of the form of the advertising—a point which I think is excellently well taken—I desire to call attention, however, to the fact that as the bill now stands, even after the manufacturer has gone to the Food and Drug Administration in the Department of Agriculture and received approval of his advertising, he is still liable to multiple seizure and to having his business in any particular locality destroyed at the whim of any chief of station.

My reason for making that statement is that at the bottom of page 45 of the bill it is provided that—

> The article shall be liable to seizure by process pursuant to the libel; but if a chief of station or other employee of the Administration, duly designated by the Secretary, has probable cause to believe from facts found by him and duly reported to the Secretary that such article is so adulterated as to be imminently dangerous to health, then, and in such case only, the article shall be liable to seizure by such chief of station or employee, who shall promptly report the facts to the proper United States attorney.

So that even after the Department might have approved the advertising, if any chief of station or other employee, under the bill as proposed, happened to be listening on the radio and heard a statement made of which he did not approve he could simply wire the Secretary of Agriculture and then proceed, without further process, to make multiple seizures.

Mr. BAILEY. I shall take my seat after one or two further words.

I am interested in the health of the people of our country. I am interested in pure foods and pure drugs. I will go as far with this bill as I can go. I will go as far in drawing a better bill as I can go. I am equally interested, however, in human rights. I am interested in the rights of free men in America. I am deeply interested in those rights, because those rights relate to the character of this Republic.

If there is one thing that I am sworn here to maintain, if there is one thing that will justify my course here, if there is one thing that will give me satisfaction in the service here, it will be the realization that I have sought at all times and with all interests to preserve the character of the Republic.

Mr. BORAH. Mr. President——

Mr. BAILEY. I yield to the Senator from Idaho.

Mr. BORAH. Before the Senator sits down, let me say, as I understand his amendment, it would not have the effect of encouraging the use of impure drugs or foods, but it would simply provide a method by which the person charged could be heard.

Mr. BAILEY. And that is with respect to misbranding and advertising. So far as the section relating to adulteration is concerned, we do not touch it.

Mr. BORAH. If, after a hearing, it were adjudged that the drug was impure, it would be excluded anyway?

Mr. BAILEY. That is correct. If it is impure or adulterated, it may be seized in the multiple seizures, and this amendment would not affect that procedure.

Mr. ROBINSON. Is there now no provision in the bill authorizing hearings?

Mr. BAILEY. None in the world, in this case. It is absolutely arbitrary.

Mr. ROBINSON. The judgment of the agent or of the station chief would be final?

Mr. BAILEY. It would be final. Let me say to the Senator, it is final in this case. Once there has been a multiple seizure throughout America, all the court trials in the world would not remedy the wrong. The man would be disgraced; his wares would be discredited.

Mr. BORAH. The same party making the seizure passes judgment, practically?

Mr. BAILEY. Certainly. It has to be reported. We inserted an amendment in the committee that the party

making the seizure would have to report to the Secretary; but the Department of Agriculture determines the course, and that without hearing. I think that is the point the Senator has in mind.

Mr. GERRY. Mr. President, will the Senator yield to me?

Mr. BAILEY. I will yield the floor.

Mr. GERRY. I wanted to ask the Senator a question for information before he yielded the floor.

In regard to this multiple-seizure question, how would the Senator handle a situation where an article contained poisonous material? Such a case occurred some years ago; people were killed, and it was important to seize the entire supply of the article as quickly as possible.

Mr. BAILEY. If the article was adulterated, my amendment would not affect it. But assume it is not; are we to provide a law whereby no end of innocent men in the United States may be destroyed in order that we may get one?

Mr. CLARK. Mr. President, will the Senator yield to me in connection with the question asked by the Senator from Rhode Island?

Mr. BAILEY. I was about to finish. We can take the man who handles the poisonous article, make one seizure, issue the order upon him to show cause, and then make the multiple seizures, and all that could be done very rapidly. Is not that analagous to the present law? If a man commits murder, we do not condemn him without a trial; we do not destroy him or electrocute him until a jury has said he is guilty. He has his right to go into court.

Mr. GERRY. The information I am seeking as to the Senator's amendment is this: As I understand, in a case such as I have cited, where a patent medicine, as I recall, contained denatured alcohol, the use of which resulted in the death of quite a number of people, under the Senator's amendment all the shipments of that article could be seized practically in one seizure?

Mr. BAILEY. The Senator asks whether all of it could be seized. All of it that was not scattered over the country could be seized, but, after that, there would have to be multiple seizures in order to get it. That refers to the case of a poisonous article. I think that would come under adulteration, and, if so, multiple seizure may be had. But assume it should not; there could be one seizure, then they could issue an order to show cause, and upon the failure of the man to make a showing to the satisfaction of the party making the seizure, everything he had could be seized.

Mr. COPELAND. Mr. President, will the Senator yield for just a moment?

Mr. BAILEY. I yield.

Mr. COPELAND. Under the amendment, if there were an endless quantity of this poisonous alcohol around the country, the Government could seize only one sample of it in one place, and do nothing until the court acted.

Mr. BAILEY. And then have an order to show cause, and proceed assuming that it is not adulterated and is put forth as medicine.

Mr. ROBINSON. Mr. President, will the Senator from North Carolina yield to me?

Mr. BAILEY. I yield.

Mr. ROBINSON. It would be difficult to approve the amendment if a correct interpretation of it would permit poisonous articles to be sold pending adjudication on a single seizure. Assuming that there are a hundred places in the United States where a poisonous article is being sold, is it the Senator's contention that in order to secure to the seller or the manufacturer his rights he should be permitted to go on selling the poisonous article until a court had adjudicated the question and decided that he should not be permitted to do so? That would be very destructive. Hundreds of people might be killed.

Mr. BAILEY. Let me say to the Senator, before he reaches his conclusion too rapidly, that the amendment relates to misbranding and advertising. It does not relate to the contents of the bottle or the package; it relates to the advertising put in the paper. It is the advertising which is construed, not the contents of the bottle. I hope I have made my distinction clear, and I thank the Senator for having called my attention to the matter. It is the misbranding and the misleading advertising construed to be in the nature of adulteration, and therefore as injurious to health, that my amendment concerns. If the article is poisonous, I take it there would be no trouble in getting rid of it without any new law.

Mr. ROBINSON. The conclusion which the Senator says was hastily reached was based on a premise which may or may not be erroneous; but the premise was that, under the amendment which the Senator now proposes, if a poisonous article were being sold, the seller or manufacturer could go on selling it until a court had adjudicated that it was poisonous. If that be true, then I think my conclusion is correct, that the amendment could not be approved.

Mr. BAILEY. I was protesting against the Senator reaching a conclusion on that premise. That is not the correct premise. The premise is that misbranding and misadvertising are adulteration, and therefore injurious to health. It does not relate to the contents.

Mr. ROBINSON. I understood the Senator, in answer to the question of the Senator from Rhode Island, to make the contention that in all justice but a single seizure should be made, even though the commodity might be poisonous and destructive of life or health. That was my understanding of the Senator's answer.

Mr. BAILEY. I beg the Senator's pardon. If I gave that impression, I was not intending to do so. I was assuming that we had made it perfectly clear that the amendment which I have offered relates to the advertising and the misbranding, not to the contents, and not to the nature of the article. Probably in that assumption I overlooked the fact that there might have been an impression made to the contrary, but I had that in mind all the time.

Mr. ROBINSON. Mr. President, if the Senator from North Carolina will answer another question, I understood the Senator to make that statement in connection with the other statement; but, assuming that an article is poisonous, and known to be poisonous by the medical profession, and by others who have knowledge of such matters, and that it is misbranded, and stated by the misbranding to be wholesome and not poisonous, under the Senator's amendment, in such a case, assuming the facts as I have stated them, would he insist that the seller or the manufacturer should have the right to go on selling the poisonous commodity until there had been a court adjudication in a single seizure that he had no right to do so?

Mr. BAILEY. I would say not, and I assure the Senator my amendment does not remotely suggest anything of the sort. The bill abundantly provides for multiple seizures in cases of any poisonous or deleterious substances. If the Senator will refer to page 4 of the bill——

Mr. ROBINSON. Which print is the Senator using? I find myself constantly confused by the different prints.

Mr. BAILEY. I was referring to page 4, chapter 3, section 301, but that relates to food. I refer the Senator to page 13, under the provision "Adulterated Drugs", where it is provided:

> A drug shall be deemed to be adulterated * * * if it consists in whole or in part of any filthy, putrid, or decomposed substance; or if it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health; or if its container is composed of any poisonous or deleterious substance which may render it injurious to health.

Mr. GERRY. Mr. President, will not the Senator give the reference again?

Mr. BAILEY. That is found on page 13, chapter 4, under "Adulterated drugs."

Mr. COPELAND. Mr. President, why not hitch up this transfer with his original amendment?

Mr. BAILEY. I have left out this language, I will say to the Senator, because I am assuming that it is transposed as intended by my amendment.

Mr. COPELAND. But the Senator wants to make the transfer of misbranding to another section.

Mr. BAILEY. Yes.

Mr. COPELAND. So that in that way the same "ginger jake" boy would be protected.

Mr. BAILEY. In order to obviate any doubt about that subject, I think the language is sufficient here under section 401; but if the Senator from New York, and the Senate, and my friend the Senator from Arkansas wish to have it read in this way, "A drug shall be deemed to be adulterated if it is poisonous or is dangerous to health", I do not think anybody could take exception to that. My exception is to the use of the words "dangerous to health under the conditions of use prescribed in the labeling or advertising thereof."

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. COPELAND. All drugs, practically, are poisonous and dangerous to health unless properly used.

Mr. BAILEY. Mr. President, I should hate to have a dispute of fact with a physician who makes a statement that all drugs are poisonous and dangerous to health. It is inconceivable to me that "all drugs are poisonous and dangerous to health." I will not debate that question. I do not profess to know a great deal about drugs, but I do know that when I grew up, at least, it was required that if a drug was poisonous, the word "poisonous" should be written on the label and that the skull and crossbones should appear on the bottle or container. It was rarely that I saw one of that sort, and I saw plenty of others. So I think the Senator is indulging there in exaggeration.

However, I am going to suggest to the Senator from Arkansas, in order to obviate the difficulty which appears to his mind, that if he wishes to leave in the language on page 13 in section 401, I will so change my amendment as not to strike out all that language, but leave on page 13 in line 17 the words, "If it is poisonous or dangerous to health." That meets the necessities of the case. That still protects the advertiser. That still puts misbranding in advertising, under the misbranding and advertising idea, in the misbranding clause, and leaves the producer to the point of having his goods seized once in that case, and multiple seizures upon notice. With this new amendment, under the request of the Senator from Arkansas, and the suggestion of the Senator from Rhode Island, the result will be, that if the material is dangerous to health or poisonous, that it will remain in the section relating to adulteration and still be subject to multiple seizure.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. McKELLAR. I am wondering if the questions which are being discussed on the floor, and so ably discussed, if I may say so, were discussed in committee, and if they were passed on in committee before the bill was reported to the Senate.

Mr. BAILEY. Mr. President, a simple statement may be made about that.

I would not reflect upon the committee or upon the chairman under any consideration. The matter came up first this year, I think, early in February, and there was demand for hearing on the ground that the bill was a new bill. I suggested that we ought to have hearings. The senior Senator from New York, the chairman of the committee, said we had had the bill before us in one form or another for 2 years, and he rather thought we could dispense with hearings. I stated that the bill was in new form, but had assumed quite a different character, and American citizens desired to be heard, and I thought it were best to respect the right of petition.

The hearings were held. After the hearings, and before they were printed, the Senator from New York took pains to send to members of the committee the proof sheets of the hearings, with a letter stating that the bill would come up within a few days. At the next meeting of the committee, which was, I should say, within 3 or 4 or 5 days thereafter——

Mr. COPELAND. One week.

Mr. BAILEY. One week. I will make it 1 week, just as the Senator states. At that time I went over to the committee room and there were two bills before the committee. One was marked with blue marks, and the other with red. There had evidently been quite a change. I was unprepared to compare the two bills. The committee met at 10 o'clock. The Senate met at 12. I asked at that time that the bill, being 49 pages long, should be considered by sections, as I understand bills are usually considered. The Senator from New York said he did not think that was necessary, and he asked the committee generally if there were objections to the bill, and what they were. I made some, but I must confess it was difficult for me to make suggestions without any notice at all. I had to be reading the bill wherever I could, and it consisted of 49 full pages. We had only 2 hours, and we were reading and discussing and amending all at once. So I made a motion that the measure lie over for a week in order that we might consider it, since the committee was not going to consider it by sections, in order that we might amend it. We took a vote, and the committee voted, I think, 9 to 6 against letting it lie over.

That is a state of that phase of the case. Certainly, so far as I am concerned, I did have the opportunity to go over the bill in its most recent form, and it had been decidedly changed.

Mr. ROBINSON. Mr. President, it is notable that the committee did adopt or recommend a great many amendments.

Mr. BAILEY. I may say to the Senator that we went through the bill very hurriedly and put them in where we could, not by sections, but as things occurred to us.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. CLARK. The Senator will recall that the great majority of the committee amendments reported to the Senate since the bill has been under consideration were never considered by the committee at all. They have been added by the Senator from New York as committee amendments since the bill has been on the floor.

Mr. KING. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. KING. I am a little interested in trying to ascertain which bill we have before us. Is this the so-called "Tugwell bill" which was before the Senate at the last session of the Congress? If it is not the Tugwell bill, what changes have been made? The Senator said a moment ago there were two bills before the committee, a red bill and a blue bill, and I desire to know whether this is the red bill or the blue bill, and what changes have been made, if any, if this is not the Tugwell bill, from the Tugwell bill to the present bill?

Mr. BAILEY. Mr. President, if I may answer the Senator I think this is the tenth print of the bill. I will ask the senior Senator from New York if I am correct in that statement?

Mr. COPELAND. Essentially so.

Mr. BAILEY. The tenth print. The matter has gone over the past 2 years, and there has been quite an evolution in the bill. I understand that the original bill was known as the "Tugwell bill", which shifted the burden of proof, the bill to which the Senator from Idaho [Mr. BORAH] referred the other day; but, with all these changes, very few were made in the committee. They were just made by comparison. As I understood the chairman of the committee, the Senator from New York, he said he got all the bills together here in the month of February and took up one after another, and got one section from one and one section from another. He was trying to get a composite bill. So I will say to the Senator from Utah that this bill is not the Tugwell bill, but it has something of the Tugwell idea in it. It has been very greatly modified.

All I desire to do with the bill is to get it in proper shape to be adapted to the character of the country and do the work with respect to pure foods and pure drugs.

Mr. KING. Mr. President, will the Senator further yield?

Mr. BAILEY. I yield.

Mr. KING. The Senator referred in his address a few days ago, and likewise in the minority report which has been filed, to the so-called "Wiley law", which was enacted many years ago. I was wondering whether, in the consideration of this question, the Wiley law was taken up and the suggestion made, it having served the country so well for so many years, but there having been some changes as the result of medical advancement, that amendment should be made to it? What reason was assigned in the committee for destroying that law, tearing it up by the roots, and proposing an entirely new bill? Why did not the committee amend the existing law?

Mr. BAILEY. I may say to the Senator that that was suggested by myself in the committee. Why the committee did not take that view it would be rather difficult for me to state, but I shall try to be fair about it.

The committee had been working on the matter for quite a length of time. The Senator from New York had been giving a great deal of attention to it. They had started with the Tugwell bill, and did not wish to abandon their idea. We all had due notice that in the House was the Mead bill, which is an evolution of the old Wiley law, but we did not consider that. That bill is still before the House. We shall have to deal with it before we get through with this proposed legislation. The bill before us may pass the Senate—I do not know—but if it shall, it will run into the Mead bill in the House, which is based on the Wiley Law.

I stated in my remarks the other day that I would infinitely prefer that we should have an evolution of the Wiley law, a development bringing it down to date. I think that would be the proper way to proceed; but it is too late for me now to do that. I am dealing with this bill as it is.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. CLARK. Did the Senator in the committee ever hear any reason whatever assigned as to the ground upon which it was necessary or desirable to abandon the structure of the old Wiley law, cut off the whole mass of decisions over a period of nearly 30 years, throw out of adjustment the laws of 46 States based on the Wiley law, and erect an entirely new structure?

Mr. BAILEY. No; I heard no reason assigned. I take it that Senators were of a different view, and that is all one can say about it. Very few of us know the reason why the other man thinks anything, and I do not inquire into it; every man has his own reasons.

Before taking my seat, I am going to change the first amendment proposed, and I should like to have the attention of my friend the senior Senator from Arkansas. Going back to page 13, under the heading "Adulterated drugs", I am not going to ask that all the language be stricken out, but will ask that it read in this way:

A drug shall be deemed to be adulterated if it is dangerous to health or poisonous.

And then strike out the words "under the conditions of use prescribed in the labeling or advertising thereof."

That, I think, will meet the demand made by the senior Senator from Arkansas [Mr. ROBINSON]. I may ask leave to modify my amendment just to that extent.

Mr. BLACK. Mr. President, before the Senator does that, let me say that I have listened to his discussion with a great deal of interest, and I should like to call his attention to the fact that, in my judgment, if the amendment which he now proposes should be accepted in that form it would make it an adulteration to sell any kind of drug that had a poison in it. Frequently a drug which is poisonous for some purposes is helpful for other purposes.

Mr. BAILEY. I understand that, but we are now under the doctrine of the senior Senator from New York, who describes himself as the "stepfather and not the father" of this proposed legislation, that all drugs are poisonous. I did not know that that was so; I am willing, though, to put in the word "poisonous."

Mr. BLACK. I was calling the Senator's attention to the matter for the reason that frequently drugs are sold for external application which are not poisonous for that purpose but which, if taken internally, are poisonous.

Mr. BAILEY. Does the Senator agree with me that there are a great many drugs taken internally which are not poisonous? Is Fleishmann's yeast poisonous, or is milk of magnesia poisonous?

Mr. BLACK. I think there are some drugs that are not poisonous, unless, of course, one takes too much of them.

Mr. BAILEY. The Senator from New York says all of them are poisonous. That was news to me, but he is a doctor, and I am not.

Mr. BLACK. What I was interested in was that a definition of an adulterated drug is being proposed; and if the amendment were left in the form in which the Senator has last provided, simply stating that a drug is adulterated if it is poisonous, and the amendment should not go any further than that all drugs which are poisonous would be adulterated; and I am sure the Senator does not want the adulteration feature to go to that extent.

Mr. BAILEY. What I was trying to do was to meet the demands of the senior Senator from Arkansas. If he is content with the words "if it is dangerous to health", I am content with those words, but I was making it as strong as possible in order to meet his demand.

Mr. BLACK. In connection with that, I might call the Senator's attention to the fact that his amendment, as he has stated, refers to misbranding only.

Mr. BAILEY. And to advertising.

Mr. BLACK. I do not see the word "advertising" in it.

Mr. BAILEY. It is transferred to the paragraph relating to labeling or advertising which are described as misbranding.

Mr. BLACK. Therefore, the Senator's amendment would apply only to that portion of the bill which begins on page 15, section 402, having to do with misbranding?

Mr. BAILEY. Yes; that is all.

Mr. BLACK. So that if the Senator's amendment should be adopted, it would still be possible to have a multiple seizure if the drug were adulterated as described. As now described, it says, "If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof."

Mr. BAILEY. I am proposing to strike out the words "under the conditions of use prescribed in the labeling or advertising thereof."

Mr. BLACK. I am trying to call the Senator's attention to the fact that, with the greatest sympathy for the amendment which he has presented, in my judgment, if we should amend section 401, it would not cover the situation raised by the Senator from Arkansas, and, in my judgment, would weaken his amendment, for the reason that it is now provided that it is an adulteration for a drug to have anything in it that "is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof." Therefore, as I understand, the amendment would not make it possible for "ginger jake", for instance, to be sold without the possibility of multiple seizure.

Mr. BAILEY. No; it would not.

Mr. BLACK. And so it is not necessary to strike from subdivision (a) of section 401 the provision to which the Senator refers in order to meet the suggestions raised by the Senator from Arkansas.

Mr. BAILEY. I have been of that opinion all the time, but was making a concession in the interest of satisfying the minds of Senators who were rather inclined to be doubtful about it.

Mr. BLACK. I will state to the Senator that I would not under any circumstances make it possible for the hands of the officers to be paralyzed, and I am sure the Senator would not, in the case of a terrible drug such as that; but on page 13, section 401, there is a protection in the way of the adulteration clause, so that the issue, so far as the Senator's amendment is concerned, narrows down to one with reference to misbranded articles—shall there be only one seizure or a multiple seizure? With reference to poisonous or adulterated articles, there can be multiple seizures without resort to the courts.

Mr. BAILEY. I will ask the Senator from Arkansas if he is satisfied with the explanation furnished by the Senator from Alabama? That is my view of the amendment, and I am willing to make the concession.

Mr. ROBINSON. I am not prepared to express an opinion as to the effect of the language now in the bill. My questions directed to the Senator from North Carolina were based upon the statements which he made in reply to the inquiry of the Senator from Rhode Island [Mr. GERRY], in which I understood him to say that, even though the commodity were poisonous, there should be a single seizure, and not a multiple seizure, until after the court proceedings provided for by his amendment were held. That is what prompted me to interrupt him.

Mr. BAILEY. That was not the impression that I intended to make upon the Senator. I do not know how the language was, but I was thinking all the time of the advertising and misbranding and labeling of the article instead of the seizure.

I take it that is where the confusion arose; but I think we have cleared it now, and that there is nothing in my amendment which will prevent the immediate multiple seizure of poisonous articles or articles that are deemed injurious to health.

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. BAILEY. Certainly.

Mr. GORE. It is on that very point that I wish to be perfectly certain and clear, and my question relates to procedure and administration. I have particularly in mind the jamaica ginger which occasioned the form of paralysis known as "gingeritis" or "jakitis", which was manufactured in Massachusetts and sold in a number of States and communities in different States. It occasions a very severe form of paralysis, a form, I believe, incurable. A number of my own constituents, including some of the best people of the State, fell victims to that drug.

Mr. President, I agree with the general principles laid down by the Senator from North Carolina; I think that every citizen, or for that matter I think that every person, whether a citizen or not, ought to have his day in court before he is condemned, and that no one should be deprived of life, liberty, or property without a hearing. But I have taken it for granted that that principle lies at the very foundation of our jurisprudence.

Under the Senator's amendment would there be ways and means for a summary procedure to seize and condemn and withhold from commerce such drugs as the form of Jamaica ginger to which I have referred?

Mr. BAILEY. Yes; I think the words "if it is dangerous to health" absolutely cover it.

Mr. GORE. I merely wanted to be sure of it, because it was a terrible tragedy to a number of citizens of my State and they had no recourse; they were victims of an injury without recourse. If we cannot remedy a past tragedy we should do everything possible to prevent its recurrence in the future.

Mr. BAILEY. There is no question at all, I will say to the Senator from Oklahoma, but that that type of drug would be subject to multiple seizure.

Mr. GORE. I drew that inference, but I wanted to hear the Senator say so for the RECORD.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. VANDENBERG. I call the Senator's attention particularly to section 711, on page 45, which refers more specifically to the problem that is now submitted to the Senate. I read it:

> The article shall be liable to seizure by process pursuant to the libel—

Now listen—

> but if a chief of station or other employee of the Administration duly designated by the Secretary has probable cause to believe from the facts found by him and duly reported to the Secretary that such article is so adulterated as to be imminently dangerous to health, then, and in such case only, the article shall be liable to seizure by such chief—

And so forth.

It seems to me perfectly obvious that in the case of the dangerous adulteration there can be seizure, and that the situation is not remotely affected by the Senator's amendment. My conception of the Senator's amendment is that it deals solely with misbranding and with advertising, which is in the field of opinion rather than in the field of physical facts.

Mr. BAILEY. At the same time, and in the interest of fairness, it appears, even in that light, that the "imminently dangerous to health" clause is related to the words "so adulterated." Now I wish to make that perfectly clear. If a drug is imminently dangerous to health it should be subject to seizure whether adulterated or not.

Mr. VANDENBERG. That is correct.

Mr. BAILEY. We can by amendment strike out the word "adulterated", leave in the words "is imminently dangerous to health", and still accomplish the purpose.

I am willing to go to any length about that. I believe, on the whole, it will be best for my amendment to strike out the words, "If it is dangerous to health under the conditions of use prescribed in the labeling or advertising", and to make the amendment on the page referred to by the Senator from Michigan, page 45 and the top of page 46, read:

> Has probable cause to believe, from facts found by him and duly reported to the Secretary, that such article, whether adulterated or not, is imminently dangerous to health.

Mr. FLETCHER. Mr. President, will the Senator yield there?

Mr. BAILEY. Certainly.

Mr. FLETCHER. That provision further requires that the report shall be made to the United States attorney, who is to file a libel for condemnation. In the meantime a great many people may have been killed.

Mr. BAILEY. I think the Senator has misread that provision. If he will look at the bottom of page 45 he will find there a plain declaration that "the article shall be liable to seizure by process pursuant to the libel." It can be seized universally under the libel.

Mr. FLETCHER. But on page 46 it is provided that the Secretary "shall promptly report the facts to the proper United States attorney and such United States attorney shall file a libel of information for condemnation of the article so seized." What we are trying to avoid is delay in action with respect to an article known to be poisonous.

Mr. BAILEY. If, on page 13, we should leave the wording "a drug shall be deemed to be adulterated if it is dangerous to health", would not that meet every demand the Senator has in mind?

Mr. FLETCHER. I am inclined to think that would improve it.

Mr. BAILEY. I am perfectly willing to stand on that proposition. Notwithstanding the Senator from Alabama [Mr. BLACK] said that it weakens the amendment, I am willing to stand on that and assure the Senator from New York, and the world, that I am not here trying to protect the purveyors of poisons in America. I am here trying to protect against misadvertising and misbranding.

Mr. COPELAND. Would not the Senator accomplish what he has in mind if, at the end of line 3, he should strike out the word "so" and, in line 4, the words "adulterated as to be", so it would read that "such article is imminently dangerous to health"?

Mr. BAILEY. Yes; and if the Senator will let us adopt that amendment and then accept mine, I shall be satisfied.

Mr. COPELAND. Does the Senator mean that I accept his long amendment?

Mr. BAILEY. Yes.

Mr. COPELAND. I shall first have to argue about that.

Mr. BAILEY. I am perfectly willing to amend the language on page 46 to include in the multiple seizure powers of the bill any article imminently dangerous to health. I ask now, having agreed to that, only that the Senate adopt

the amendment which protects the producer against labeling and advertising as being an adulteration and therefore imminently dangerous to health. That makes the issue perfectly clear.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. BAILEY. I yield.

Mr. KING. Does not the Senator think the position just suggested by the able Senator from Alabama [Mr. BLACK] is one which should be adhered to by the Senator, namely, to stand by the amendment which he has tendered without seeking to deal with the question of adulteration, with the physical thing, but to deal only with the advertising, and then, when it comes to the question of dealing with the adulteration of food or of drugs, if there seems to be any weakness in the existing provisions as a result of which there might not be a multiple seizure, deal with that concrete subject in such manner as will meet the objections which may be urged?

Mr. BAILEY. That, of course, coupled with the amendment which the Senator from New York suggested in lines 3 and 4, on page 46, would accomplish the very purpose I have in mind.

Mr. KING. As I understand the Senator's position, he differentiates between advertising and misbranding, on the one hand, and the sale itself of the corporate thing, the food or poisonous drug, and contends that if some official away off in a remote part of the country should determine there was misbranding he might immediately seize the product not only in the town in which he lives, but make multiple seizures throughout the United States.

The Senator's amendment is entirely proper, I believe, because I would feel that there ought to be a day in court. I can easily distinguish between that situation and a situation dealing purely with the concrete thing, to wit, the poisonous food or the poisonous drug. I should prefer to vote for the Senator's amendment if he tenders it, and as I understand it I shall vote for it; but, if he mixes it up with adulteration of food, I am not so sure where we will land.

Mr. BAILEY. This does not mix misbranding and labeling and advertising with adulteration. We simply leave the description in the adulteration clause, "poisonous or injurious to health", and that is because the multiple-seizure feature of the bill is based on adulteration. No foundation is laid outside of adulteration for multiple seizure. If we want to seize a drug that is injurious to health and that is not adulterated, there must be some provision made in the bill. That is the point raised by the Senator from Rhode Island [Mr. GERRY] and by the Senator from Arkansas [Mr. ROBINSON].

Let me say to the author of the bill if he would be willing to have the change made as suggested by him and then let us adopt the amendment proposed by me, the whole thing would be covered. The advertising and labeling would be protected. The multiple seizure as to advertising and labeling would be eliminated, but the multiple seizure as to injurious articles would be preserved.

Mr. VANDENBERG. And any possible imminent hazard to public health still would be completely protected.

Mr. BAILEY. Absolutely.

Mr. O'MAHONEY. Mr. President, may we have the amendment stated in the form in which it is now presented by the Senator from North Carolina?

The PRESIDENT pro tempore. The amendment has not been presented at the desk. It has been discussed among Senators, but the Chair does not know whether there has been agreement upon the amendment among the various Senators who have been discussing it.

Mr. BAILEY. We started with three amendments, but there have been many suggestions in the course of the colloquy. At the present moment I am waiting to hear from the senior Senator from New York [Mr. COPELAND] before offering the final form. I think we may get together, though we may not. While he is speaking I shall undertake to adjust the matter so as to prevent the sale of poisonous or injurious articles by way of enabling the powers that be to make multiple seizures and at the same time to eliminate from the multiple seizure labeling or advertising.

Mr. VANDENBERG. And that is a matter of opinion.

Mr. BAILEY. Yes. That is what I have in mind can be easily accomplished.

Mr. O'MAHONEY. Mr. President, let me invite the attention of the Senator from North Carolina to section 708 of the bill, the section which provides penalties and defines certain prohibited acts. That is on page 38 of the print I have.

Mr. BAILEY. I have it before me.

Mr. O'MAHONEY. Paragraph (1) of subsection (a) of section 708 prohibits the introduction into interstate commerce of an adulterated drug.

Mr. COPELAND. From which print of the bill is the Senator reading?

Mr. O'MAHONEY. I am reading from the print dated March 13. I am referring to section 708 headed "Prohibited acts and penalties."

Mr. COPELAND. I have it. It is on page 37 of the original print of the bill.

Mr. O'MAHONEY. The circumstance to which I desire to invite the Senator's attention is that this section prohibits the introduction into interstate commerce of adulterated drugs. Subsection 2 also prohibits the adulteration of a drug or a cosmetic. It occurs to me that we must exercise the greatest discretion in defining an adulterated drug, because if we do not we may find ourselves in the position of banning all drugs from interstate commerce. Certainly, if we insert in the definition a phrase which makes all drugs poisonous or which makes all poisonous drugs adulterated, then we will find ourselves in another quandary.

Mr. BAILEY. I am obliged to the Senator from Wyoming for his support of the doctrine of the senior Senator from New York, that all drugs are poisonous, which would end the whole controversy; but I do not subscribe to that doctrine, which is an entirely new one to me.

Mr. President, I have finished. I shall be glad to yield the floor. I think the Senator from New York desires to discuss the bill; and I am going to listen to him with a view, as I said just now, to adjusting my amendment so as to permit multiple seizures in cases of articles injurious to health or poisonous, with some sort of proper description of "poisonous", and at the same time eliminating from the doctrine of multiple seizures the idea of advertising or misbranding.

Mr. KING. Mr. President, the debate which has occurred in connection with the pending measure has led me to the conclusion that it has many defects and should receive further consideration at the hands of the committee from which it came. That fact is emphasized by the statement which is made by the Senator from North Carolina as to the proceedings in the committee when this bill, as well as another measure, were presented.

It is needless to say that the measure is one of considerable importance and contains provisions which deserve most serious consideration. There are provisions in the bill affecting property rights as well as personal rights—provisions, as I read the bill—abridging the rights of citizens and, indeed, impairing constitutional rights.

I have heard no satisfactory explanation for an abandonment of the food and drug act enacted in 1906, commonly known as the "Wiley law." The bill before us ignores the act just referred to, and proceeds upon the theory—if I properly interpret it—that there has been no legislation for preventing the manufacture, sale, or transportation of adulterated, misbranded, or poisonous foods, drugs, or medicines, or dealing with germane and relevant matters.

I do not understand why the so-called "Wiley law" was not accepted by the committee as a foundation upon which to build, if further legislation was required. That measure is comprehensive, it has served the people well, and has withstood the assaults made upon it.

Perhaps it should be amended or, at least, supplemented, because, since the time of its enactment, there have been

developments in the fields of medicine and the preservation of food which may call for Federal legislation. But, as indicated, the Food and Drug Act of 1906 is understood by the people, by the manufacturers, vendors of drugs and foods, and many of its provisions have been interpreted by the courts, and it has withstood, as I have indicated, whatever assaults have been made upon it.

It seems to me that the proper course to have been pursued was to take the 1906 act and ascertain what, if any, changes should be made to meet existing conditions and to provide for future developments. I do not regard it as a sound policy to ignore existing laws which have stood the test for years, and have resulted in important benefits and advantages, and to launch new legislation predicated upon the theory that a new field is to be explored. That view is expressed in a letter which I received a day or two ago from one of my constituents. He writes me as follows:

> We really believe that too much stress has been laid on the new Pure Food and Drug Act, and that the same objective could be accomplished by the amendment of the present Food and Drug Act to include various sections of the drug and food industry which have developed in a substantial way since the original act was passed in 1906. There is no question but that the legal decisions on the present act are of great value, both to the public and to the drug industry; and the passage of an entirely new act would eliminate the benefits of all the decisions which economically represent the expenditure of a great deal of money by all concerned.

I have made inquiry during the debate as to the reason for the failure of the committee to proceed upon the basis of the act of 1906. In my opinion, no satisfactory reply has been made.

There have been many measures of importance enacted—some of them creating departments and Federal agencies. From time to time Congress has supplemented or amended the acts under which they were created and under which they function, and it has seldom been the case that the acts creating the organizations and agencies referred to have been ignored or repudiated because changed conditions required some modification of the original acts, or amendments to the same.

The so-called "Wiley Act" would have afforded an adequate and sound base upon which to rest any additional legislation which developments in the field of medicine have shown to be necessary.

As I am informed, at the last session of Congress the bill known as the "Tugwell bill" was submitted from one of the executive departments. That measure had many drastic provisions, some of which it was claimed were revolutionary, oppressive, and unconstitutional. Many criticisms were leveled against the bill, and it became apparent that unless greatly modified it would not receive the approval of Congress. That bill, as I am informed, took but little, if any, cognizance of the act of 1906, and seemed to have been prepared upon the theory that there was no law dealing with food and drug problems.

A review of legislation enacted by Congress during the past few years will, I believe, reveal the fact that Congress has too often abdicated its function of originating legislation and has accepted bills which have been prepared by the executive departments of the Government; indeed, I think it will be conceded that the most aggressive and powerful advocates of some proposed legislation have been the representatives of the executive departments. And it is well known that much of the legislation of Congress has multiplied executive agencies and materially increased the number of Federal employees.

In my opinion, the executive departments have had too much to do with legislation and have exerted too great an influence over the legislative branches of our Government. There has been too much of a commingling of legislative and the executive authority, as a result of which, as I have indicated, important legislation has been too much impressed with the stamp of executive initiation and authority.

In my opinion, Congress has been too amenable to executive direction in the matter of legislation, and the result has been, as I have stated, that executive agencies have been unduly multiplied and their power improperly magnified.

I assume, therefore, that when there came from the Department of Agriculture the so-called "Tugwell bill", the committee—and I am not criticizing it—felt that the obligation rested upon it and upon Congress to not only give it consideration but to regard it as the foundation for any legislation that was to be enacted dealing with the subject. Accordingly, as I glean from the discussion which has taken place, attempts were made to modify or amend the Tugwell bill, and the measure now before us is that bill with some modifications more or less important.

If the able Senator from New York had said that he was the father of this bill I should have been disposed to accord to it a greater degree of favor but when he states that he is only its stepfather, I confess that the degree of my confidence in the measure is considerably shaken.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. COPELAND. I have understood that many a stepfather loves his stepchild.

Mr. KING. No doubt, but I do not think the Senator from New York loves this stepchild very much, or if he loves it I am certain he does not extend to it the affection that a father would give to his own child. I feel constrained to believe that, with the Tugwellian provisions in the bill, the Senator is rather glad to disclaim paternity and to assume only the rather objectionable role of stepfather.

Mr. President, referring to the thought which I was attempting to express a few moments ago, if additional legislation were required dealing with the railroads of our country, Congress would not brush away and wholly ignore the Interstate Commerce Act, with the amendments thereto. The original act provided for certain control over this great interstate instrumentality. The framework of the original act still exists. Changing conditions called for supplemental legislation, and Congress added to or amended the original act.

Other illustrations might be referred to indicating the sound and wise course which has been followed by the legislative branch of the Government, and which course, I submit, should have been followed in dealing with the subject now before us.

Mr. President, in my opinion this bill should be recommitted and another measure reported carrying such amendments of the act of 1906 as the situation requires. And in the event that the bill is recommitted, it seems to me that the committee should consider the propriety of committing to an agency of the Government other than the Agricultural Department the administration of the act. It is true that under the Wiley Act the Department of Agriculture was charged with the duty of administering the act, but it seems to me that that Department is not the one which should have the responsibility of administering a law dealing with foods, drugs, and cosmetics.

The Federal Government has built up a strong and efficient Public Health Service. Within that organization are to be found doctors and men skilled in medicine and who have a knowledge of drugs and foods and cosmetics. Certainly, this organization, for which millions are annually expended and which is Nation-wide in its activities, is better prepared to administer the proposed act than any other Federal agency.

Mr. President, an examination of the bill before us will reveal its bureaucratic and autocratic features, and will, I believe, justify its recommittal, to the end that a better and sounder measure may be brought to the floor of the Senate for consideration.

Mr. FLETCHER. The Senator now proposes to change the measure and to place the act under the administration of the Public Health Service?

Mr. KING. That is the suggestion which I have made. As I have stated, I believe that the so-called "Wiley Act" should be the basis for any legislation enacted dealing with the subject under consideration; but I believe, with the growth and importance of the Public Health Service, the administration of the Pure Food and Drugs Act should be placed in the hands of the Public Health Service and not

in the hands of a department that was set up for the purpose of aiding the farmers in meeting the agricultural problems with which they are concerned.

Mr. FLETCHER. Will the Senator yield?

Mr. KING. I yield.

Mr. FLETCHER. In connection with the Senator's suggestion about amending the Wiley Act, consideration has been given to that matter, and it seems quite reasonable; but the Senator will remember that the Wiley Act, as he has stated, was under the administration of the Department of Agriculture.

Mr. KING. Yes; I have so stated; but because the administration of the act was placed in the hands of the Agricultural Department, there is no reason why that Department should forever have the responsibility of administering the law.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2881) authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes.

REGULATION OF TRAFFIC IN FOODS, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein, to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes, the pending question being the amendment offered by Mr. BAILEY.

Mr. COPELAND obtained the floor.

Mr. McNARY. Mr. President, will the Senator from New York yield to me for the purpose of suggesting the absence of a quorum?

Mr. COPELAND. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hatch	Radcliffe
Ashurst	Coolidge	Hayden	Reynolds
Austin	Copeland	Johnson	Robinson
Bachman	Costigan	King	Russell
Bailey	Couzens	La Follette	Schall
Bankhead	Cutting	Lewis	Schwellenbach
Barbour	Dickinson	Logan	Sheppard
Barkley	Dieterich	Lonergan	Smith
Bilbo	Donahey	McGill	Steiwer
Black	Duffy	McKellar	Thomas, Okla.
Bone	Fletcher	McNary	Thomas, Utah
Borah	Frazier	Metcalf	Townsend
Brown	George	Minton	Trammell
Bulkley	Gerry	Murphy	Truman
Bulow	Gibson	Murray	Tydings
Burke	Glass	Neely	Vandenberg
Byrd	Gore	Norris	Van Nuys
Byrnes	Guffey	Nye	Wagner
Capper	Hale	O'Mahoney	Walsh
Carey	Harrison	Pittman	Wheeler
Clark	Hastings	Pope	White

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

Mr. COPELAND. Mr. President, I regret that there are not more of the Senators in the Chamber, because I shall try, in my feeble way, to tell why I feel forced to resist the amendment offered by the able Senator from North Carolina [Mr. BAILEY].

I confess again what I have said so many times, that I become painfully self-conscious when I attempt to impose upon the Senate views of mine which have been gathered through long years of experience, first as a physician, and then as a public-health official, administering to the largest unit of consumers in the United States. Not only is it the largest unit of consumers, but also, through the wholesalers, it is the center of the industries affected by the pending bill. It was my duty to learn a good deal about these problems. So I feel that I have some knowledge, and I hope it may be helpful.

I know the lawyers of this body contribute greatly to the debates on all matters involving law, and if I can contribute even a modicum of information by what I shall have to say, I desire to make that contribution, even though it is a matter of some personal embarrassment to pose as an "expert."

I was comforted just now by a telegram which I received from Mrs. Harvey W. Wiley, in which she states:

> We are all cheering for you. More power to you.
> Cordially,
> MRS. HARVEY W. WILEY.

Mrs. Wiley has taken up and is bearing the torch carried by her eminent and beloved husband. She is emphasizing, through the education of the public, the need for such protection in the matter of health as the pending measure would afford to the people of the United States.

I said Friday evening, and I wish to repeat, that I do not want any Senator to be under the impression that I was bluffing when I said that I would rather have the bill killed than submit to the adoption of two or three of the pending amendments. I make that statement, first, because the amendment offered by the able Senator from North Carolina [Mr. BAILEY] would take away from the Department of Agriculture authority which it now has under the present law. The existing law provides in section 10 of the Federal Food and Drugs Act—

> That any article of food, drug, or liquor that is adulterated or misbranded within the meaning of this act, and is being transported from one State, Territory, District, or insular possession to another for sale * * * shall be liable to be proceeded against in any district court of the United States within the district where the same is found, and seized for confiscation.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BAILEY. The old Wiley law, from which the Senator is reading, says nothing whatever about adulteration by way of advertisement. I know the Senator says that is an extension of the prescription, and that sort of thing; but he is making the point that my amendment would weaken the law. My amendment relates to a feature in the pending bill which is not in the old law at all. I think the letter before us shows that to be so.

Mr. COPELAND. First, Mr. President, referring to what the Senator said about advertising, no one questions that the Department should determine the quality of the product. No one questions that the Department should determine what its label shall be. No one questions that the circular which is wrapped around the bottle of patent medicine within the carton should be passed upon by the Department. What in the world is advertising but an extension of the label, an extension of the label advertising which has been formally prepared by the manufacturer?

The Senator from North Carolina is a loyal and devoted American who has dedicated his life to American rights, human rights, and property rights, who has determined for himself that America, to quote his language, "cannot be careless about the rights of its citizens"; and with that statement I agree. When it comes to a matter of commerce involving articles of production or manufacture which have no relation whatever to health, I am willing to have the processes of the law so clearly defined that no American producer, manufacturer, or vendor shall have his rights endangered and limited by a legislative procedure.

But if I may say so, in all fairness and in good spirit, we are dealing with a larger problem. The bill pending relates to public health and to individual health. If I had to choose between a provision which seemed to impose some burden upon industry and legislation which demands that the health of the public be protected, there is not any doubt about where I would stand. I want the citizens of this country—men, women, and children—protected against the possibility of their purchase and use of drugs which may impair health and even take life.

The measure before us is a public-health measure. It is unbecoming for me to attempt to talk about legal questions, but I will say that the States have kept for themselves what

is known as the "police power", and under the police power they can do most extraordinary things. When I was commissioner of health in New York I used to wonder how in the world it was that in giving a charter for the city of New York the legislature was willing to give such tremendous power to the commissioner of health as that charter gives. In case of imminent peril to health or life in New York City, the health commissioner can rope off a section of the city; he can tear down buildings; he can burn buildings; he can stop the running of the street cars. He can set aside almost every so-called "vested right" in order that the health and lives of the citizens may be protected.

I know that what we call the "police power" does not reside in the Federal Government, but, nevertheless, an old hero 30 years ago started a fight to give in reality the police power to the Federal Government as regards the protection of the public health. He did it by proposing a drastic law to regulate the sale of food and drugs.

I can recall the newspaper accounts at the time of the great fight which Dr. Wiley was having to secure the enactment of such a law. It had been my duty to know more or less about it historically because of my own activity in public health. But I understand now better than I ever did before what it means to try to secure the passage of a bill which has to do with the protection of human health and human life when some vile patent medicine influence interposes and says it must not be done.

I absolve every Senator. There is no Senator here who represents any interest such as I am speaking of, and the Senator from North Carolina [Mr. BAILEY] is the last man I should accuse of that, so I am not speaking about him. But I have here the "special bulletin" which was sent out from this city on April 6, directed "To the trade", telling them how necessary it is that certain things should be done here. The Senator from North Carolina is ignorant of this. I know he could not know about it. I read from the bulletin:

Senator BAILEY, of North Carolina, has filed a minority report, copy of which is enclosed, and we approve of the conclusions reached by Senator BAILEY. Hence our wire asking you to wire your Senators requesting them to be present in the Senate and approve the Bailey minority report.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BAILEY. I should like to see that bulletin. I wish to assure the Senator and the Senate that all of this is news to me.

Mr. COPELAND. May I read another quotation from it before the Senator takes the paper, and then I will turn it over to him?

Mr. BAILEY. The Senator will bear witness that I was in committee in connection with these matters for some days and never heard of Mr. Frank A. Blair, or the Proprietary Association. It is all news to me. I do not see how that affects the merits of the amendment.

Mr. COPELAND. Mr. President, I want to say for the Senator from North Carolina that, of course, he is entirely innocent of having any part in or knowledge of this thing. But I am calling the attention of the Senate to the fact that there was sent out such a circular, which says—

By all means support Senator BAILEY's amendment.

Also, I quote:

Senator CLARK, of Missouri——

Mr. BAILEY. Mr. President, will the Senator let me interrupt him?

Mr. COPELAND. Yes.

Mr. BAILEY. All of that is news to me, and I have had only one letter on this subject, which was from the president of the North Carolina Press Association, Mr. Ramsey, of Asheville. My amendment is aimed at human rights which I have undertaken to protect by agreeing with the Senator here to protect the public against the use or the sale of any article which would be poisonous or injurious to the health. I do not see how in the light of the amendment which he suggested and I agreed to accept, he can continue to talk, or how he can make any effort here to indicate that my amendment would tend to enable manufacturers of vile patent medicines to impose upon the public. I do not see how it follows, I do not see how it is even relevant, in the light of the fact that I have told the Senator that I would strike out the words of limitation, leaving it where there may be multiple seizures of any article which is imminently dangerous to health. If the writer of that paragraph or that letter, whoever it be, is engaged in any business which is calculated to be eminently dangerous to health, I do not think he could possibly support the position which I am taking.

Mr. COPELAND. I absolve the Senator absolutely. Also I want the RECORD to show that I did not reveal the name of the writer. I did not want to reveal his name, because he is a friend of mine and I am very fond of him; except in this one matter I think he is usually about 100 percent right. In this particular thing he is 5,000,000 percent wrong, if there could be that degree of wrongness.

Mr. BAILEY. Mr. President, I never heard of the gentleman before, and I did not mean to reflect on him, but I did think from what the Senator said he was one of the vilest men on the face of the earth, and I was happy that I never heard of him. Now, however, I find that he is a very eminent man and a very close friend of the Senator, who has not announced his name. I do not understand such things.

Mr. COPELAND. The Senator has had his say, and I am glad he has. This letter goes on to say:

Senator CLARK, of Missouri, served notice on the Senate on Thursday and again on Friday that he would move to recommit the bill, sending it back to the Commerce Committee, where he said it would probably stay not less than 10 days, during which time the members of the committee would be afforded an opportunity to discuss the provision of this measure, which has been characterized as unsatisfactory, unsound, unconstitutional, etc.

You have been asked to wire your Senators to vote for recommittal of S. 5, Calendar No. 375, as proposed by Senator BENNETT CHAMP CLARK.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield.

Mr. CLARK. It is evident, Mr. President, that there has been a good deal of propaganda on both sides of the proposition of recommittal. For instance, I received at one time yesterday, I think, 9 telegrams from 9 separate places in the State of Missouri, phrased in identical language, asking me to vote against my own motion to recommit; and some of those who acted upon the propaganda which the Senator indicates has been put out on the other side were so unintelligent as to take the trouble to spend money to send me a telegram asking me to vote for my own motion to recommit. So it is about as broad as it is long, so far as I am able to observe.

Mr. COPELAND. The Senator is entirely right. I received this sheaf of postal cards this morning, probably a hundred cards from persons who said they did not have money enough to pay for telegrams but sent the postal cards to me urging me to defeat the Clark and Bailey amendments, so I suppose the Senator is right.

Mr. CLARK. Unquestionably there has been a great deal of money spent for propaganda on both sides.

Mr. BAILEY. Mr. President, I will have to interrupt again if the Senator will permit me to.

Mr. COPELAND. Certainly.

Mr. BAILEY. I have not received any of those postal cards, but I believe I can safely say that if that sort of stuff came to my office my secretary would not deliver it to me. I do not get that sort of stuff. I think the Senator has received the propaganda.

Mr. COPELAND. It is very interesting to me that I had a telegram this morning from the president of the North Carolina Federation of Women's Clubs, who urges this measure be put through, as it should be.

Mr. BAILEY. I did not get a communication from her, either.

Mr. COPELAND. The Senator has not looked over his mail this morning. I notice the other day he said he had not received the proof sheets of the hearings until several days after they were put in his office. I know Senators are hard pressed and receive a great deal of mail. In a couple of days the Senator will get down to the telegram from the president of the North Carolina Federation of Women's Clubs, an organization which has officially indorsed the bill.

I wish to continue with the letter which I was quoting. I read further from it:

The Senate recessed on Friday evening, April 5, until Monday, April 8, at 12 o'clock. If you have not already done so, please wire your Senators at once requesting that they study the minority report by Senator BAILEY and approve the motion of Senator CLARK to recommit the bill for further consideration.

Mr. CLARK. Mr. President, may I ask the Senator who signed that letter?

Mr. COPELAND. The Senator from North Carolina has already brought that out.

Mr. CLARK. I should like to ask the Senator who signed it.

Mr. COPELAND. I will hand the letter to the Senator from Missouri.

Mr. BAILEY. Let me say to the Senator from Missouri that it is signed by a man named Blair, of whom I have never heard.

Mr. CLARK. Neither have I.

Mr. BAILEY. But he is a very fine friend of the Senator who now has the floor, and to his high character that Senator has just testified.

Mr. CLARK. Mr. President, if the Senator will yield——

Mr. COPELAND. I yield.

Mr. CLARK. I should like to ask him if the man who signed this letter, which evidently is a sort of trade letter, the signer of which I have never heard of before but who the Senator says is an intimate personal friend of his, is one of the "vile propagandists" to whom the Senator has been referring? Is he one of those to whom the Senator applied the term "vile" so frequently during the last week?

Mr. COPELAND. I was speaking of the manufacturers. I said that the interests back of the movement seeking to defeat the bill are, many of them, manufacturers of vile patent medicines.

Mr. CLARK. I ask the Senator again, if the writer of this letter, which he brings in to back up his statement, and who, he says, is an intimate friend of his, is he one of the representatives of the "vile" patent-medicine manufacturers?

Mr. COPELAND. He is the executive officer of a group of men of whom in this connection I do not approve.

Mr. CLARK. The Senator has used the term "vile" about men of whom I know nothing and care nothing. I ask him if this is not one of the "vile" men to whom he has been referring?

Mr. COPELAND. In the Senator's time let him protect himself as he thinks it desirable.

I am very much interested in all the features, and particularly in one feature in the minority report. I compliment the Senator from North Carolina; I think he has written a very excellent report, and I find myself in harmony with most of it. He brought out some figures which to me are extremely valuable, and they ought to be in the RECORD.

The undersigned—

Meaning the signers of the minority report—

The undersigned call attention to the fact that a great deal is involved in the way of commerce. We are informed that the value of manufactured food and kindred products in the year 1931, according to our census reports, at wholesale prices was $8,247,000,000.

Billions is a figure we can now comprehend. Until recently we have not been familiar with billions. Eight and a quarter billions practically represent the food sales. The minority report goes on to say—

That the value of cosmetics, perfumes, and toilet articles was $158,000,000; that the value of drugs was $373,000,000, of which amount proprietary medicines account for $254,000,000.

Those figures add up to about $9,000,000,000. I know one cannot prove much by statistics, but I do not find any food manufacturers here opposing this bill.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. Food manufacturers at the hearing last year were opposing the bill, were they not?

Mr. COPELAND. Last year?

Mr. CLARK. Yes, sir.

Mr. COPELAND. Oh, yes.

Mr. CLARK. Until the Senator from New York in a private agreement settled with the representative of the food manufacturers, Mr. Dunn, whereupon he appeared in favor of the bill.

Mr. COPELAND. And he has done a good job since, I will say.

Mr. CLARK. I am not critical of the effort, but when the Senator calls attention to the fact that the food manufacturers are not here protesting against the bill, I think it is only fair to call attention to the fact that the food manufacturers have been settled with.

Mr. COPELAND. Then my food manufacturers are satisfied, but the Senator's proprietary medicine people are not. Is that the point?

Mr. CLARK. I have no proprietary medicine people, and I do not charge that the Senator from New York represents any food people. I say that people who appeared before the committee a year ago, led by Mr. Dunn, protesting against the bill, were, in the meantime, satisfied by the Senator from New York, which is an explanation of the fact that they are not now protesting against the bill.

Mr. COPELAND. I take it, then, that the Senator's group has not been satisfied by the Senator from Missouri?

Mr. CLARK. I repeat that I have no group, and I have no interest, and I resent the conduct of the Senator from New York in getting up here and by inuendo and intimation trying to make it appear that Senators on this floor who oppose some of the outrageous provisions of this bill, or some of the cloudy provisions of the bill, are representing any special interest.

Mr. COPELAND. Very well, I express my apology to the Senator for what I may have said. May I ask him now if any proprietary interests approached the Senator with a view to urging him to make radical changes in the bill?

Mr. CLARK. I may say to the Senator from New York I have discussed with representatives of nearly every sort of an interest that can be imagined, as I suppose every other Senator has, matters which they find concern their interests.

Mr. COPELAND. Has the Senator approached the chairman of the committee with a view to a radical amendment about a certain part of the bill?

Mr. CLARK. I did not approach the chairman of the committee with reference to a radical amendment about a part of the bill. I suggested to him that certain of my constituents questioned the propriety of specifically including antiseptics in the bill any more than any other class of drugs should be included, and the Senator from New York agreed with me and stated that he has always been opposed to including antiseptics in the bill.

Mr. COPELAND. The Senator did, then, approach the chairman of the committee with a view to a change of that sort?

Mr. CLARK. I certainly did; and there was no impropriety in two members of the committee discussing changes in the bill.

Mr. COPELAND. I have not suggested that there was any impropriety.

Mr. CLARK. What I object to is the Senator from New York undertaking to speak of any class or group as being the Senator from Missouri's.

Mr. COPELAND. I was saying, when we got into this harmless altercation, that I will go as far as will the Senator from North Carolina or any other Senator in attempting to protect the vested rights and all the rights of the American people up to the point of an invasion of their health. When we get to that point, I think that dollars go into the discard, and I believe I voice the sentiment of the entire Senate when I say that, if the health of our people can be adversely affected by any legislation or by the lack of legislation, it is the desire of the Senate to see to it that we have legislation which will give adequate protection, if it is possible to secure such legislation.

Now, I wish to speak specifically about the pending group of amendments offered by the Senator from North Carolina.

Mr. BAILEY. Mr. President, may I interrupt the Senator?

Mr. COPELAND. Certainly.

Mr. BAILEY. In order that the Senator may speak with the entire matter before him, I having stated to him in the colloquy a while ago that I would agree to strike out the language he suggested on page 46, I ask him to let me offer at this stage an amendment striking out on page 46 lines 3 and 4, the words " so adulterated as to be," and then having the seizure sections read to the effect that the Secretary may seize such article if it is imminently dangerous to health regardless of adulteration.

Mr. COPELAND. Of course, I have no objection at all to that.

Mr. BAILEY. I simply want the Senator to discuss the amendment with that suggestion before him. I do not want it to come in afterward.

Mr. GERRY. Mr. President, may I ask the Senator from North Carolina a question, with the permission of the Senator from New York?

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from New York yield to the Senator from Rhode Island?

Mr. COPELAND. I yield.

Mr. GERRY. The Senator from North Carolina is referring, I take it, to page 13, is he not?

Mr. BAILEY. No; to page 46, to the new amendment under the seizure clause.

Mr. GERRY. Has the Senator a new amendment on that subject?

Mr. BAILEY. Yes; I have just offered one to make it complete so as to meet the point the Senator from Rhode Island raised. It appears that seizure, under the language on page 46, relates exclusively to adulteration. I am proposing to change it so that seizure will relate to articles dangerous to health, regardless of adulteration.

Mr. GERRY. Will the Senator send his amendment to the desk, so that it may be read?

Mr. COPELAND. As I understand the Senator, he also has another amendment?

Mr. BAILEY. I shall let that provision of the bill remain just as it is, because what I have now proposed might meet the situation.

Mr. COPELAND. On page 13 the Senator wanted to change subparagraph (a) of section 401 so as to read " if it is dangerous to health or poisonous."

Mr. BAILEY. If it is imminently dangerous to health, to be sure, it is poisonous.

Mr. COPELAND. About that amendment I want to be clear. The Senator's amendment to section 401, as he stated it, now reads " if it is dangerous to health or poisonous."

Mr. BAILEY. No; no amendment has been offered to that effect. It was simply a discussion to meet the situation which the Senator from New York himself suggested to me, on page 46, to strike out the words " so adulterated as to be " and leave it so it would read " that such article is imminently dangerous to health ", and so forth.

Mr. COPELAND. That is all right.

Mr. BAILEY. That would relieve us of the necessity of changing the other three amendments in any degree.

Mr. COPELAND. The Senator then would withdraw the other amendments?

Mr. BAILEY. Oh, no. I said it would relieve us of the necessity of changing them.

Mr. COPELAND. Then I think it is understood the Senator has now introduced a fourth amendment which he links with the other three.

Mr. BAILEY. Yes; that is correct. I offered the last one at the suggestion of the Senator from New York.

The PRESIDING OFFICER. The Chair calls to the attention of the Senator from North Carolina that the amendment he now offers is an amendment to a committee amendment which has already been adopted by the Senate. It may be offered by unanimous consent or by reconsideration of the vote by which the amendment was adopted.

Mr. BAILEY. All I was doing at this stage was to notify the Senator from New York so that he might discuss the matter in the light of that proposal. I take it he will not object to broadening the powers of seizure set forth on page 46.

Mr. COPELAND. I desire now to discuss, if I may, the Senator's amendment on page 45, line 7, and I should like to have the clerk state the amendment.

The PRESIDING OFFICER. The clerk will read the amendment for the information of the Senate.

The CHIEF CLERK. On page 45, line 7, after the word " found ", it is proposed to insert a colon and the following:

Provided, however, That not more than one seizure action shall be instituted in cases of alleged misbranding, except upon order to show cause, and then upon a showing by the Secretary that such article is misbranded in manner or degree as to render such article imminently dangerous to health, or that such alleged misbranding has been the basis of a prior judgment in favor of the United States in a criminal prosecution or libel for condemnation proceeding respecting such article under this act: *And provided further,* That said single seizure action shall, on motion, be removed for trial to a jurisdiction of reasonable proximity to the residence of the claimant of such article.

Mr. COPELAND. Mr. President, the Senator from North Carolina in his desire to be just—and he always has such a desire—thinks there is an invasion of private American rights by permitting the Department to make multiple seizures in case of misbranding. Have I stated it correctly?

Mr. BAILEY. Misbranding being defined in terms of advertising.

Mr. COPELAND. Very well. The Senator from North Carolina did not give a complete answer this morning to the Senator from Rhode Island [Mr. GERRY], whose question, as I view it, goes to the heart of the whole program. The Senator from Rhode Island asked what would happen in the case of the sale of poisonous alcohol, what we call denatured alcohol, which is not always properly denatured, which has gone into the making of whisky and brandy, if I am correctly advised. This is a subject so far away from my knowledge that I cannot speak with authority. However, we know there are many instances of the poisoning of American citizens as a result of the sale of alcoholic beverages which contained a mixture of denatured alcohol which was not fully denatured.

Taking the illustration which was presented by the Senator from Rhode Island, under the amendment of the Senator from North Carolina that a bottle of whisky properly labeled in the State of Rhode Island could be seized if it was found to contain poisonous ingredients.

Mr. BAILEY. Mr. President, may I interrupt the Senator?

Mr. COPELAND. Certainly.

Mr. BAILEY. If the Senator is satisfied that that is a fair statement in the light of the amendment which I have offered in his presence within the last 5 minutes and which was suggested by himself, then I shall be content. I shall not dispute it. I have offered an amendment which allows multiple seizure of anything that is imminently dangerous to health, and notified the Senator prior to his argument, and asked him to consider it along with the other three amendments.

Mr. COPELAND. Very well; I shall use another example.

Mr. BAILEY. I should like to say about the product the Senator called " whisky " that I do not consider that to be a drug to start with, and anyway that could always be seized

under the police power, and I have no doubt has been seized all over the country. I do not think that is analogous at all. I want to discuss the matter in the light of the facts relating to advertising and misbranding being interpreted as dangerous to health. That is what I have in mind. Of course, alcohol may be dangerous to health, but advertising of it would not be.

Mr. COPELAND. Would the advertising of a brand of whisky known to contain poisonous ingredients be proper?

Mr. BAILEY. No; I do not think that would be proper.

Mr. COPELAND. Then, what about our friend "ginger jake"?

Mr. BAILEY. There will be no difficulty about that under the laws of any State in the Union. There would have been no difficulty about that under the common law of 500 years ago. We are not legislating to do things that have already been done.

Mr. COPELAND. Does the Senator want to beg the question as regards "ginger jake" which was labeled "jamaica ginger"?

Mr. BAILEY. I had never heard of "ginger jake" until the Senator mentioned it the other day. I do not know a thing about "ginger jake." I do not profess to know anything about it. I never before heard of "ginger jake."

Mr. COPELAND. The Senator from Oklahoma [Mr. GORE] a few moments ago spoke feelingly about "ginger jake" and what it has done to his people.

Mr. BAILEY. Why should not "ginger jake" be seized under the provisions of section 711?

Mr. COPELAND. As amended, it possibly could be; and I shall concede it for the moment.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield.

Mr. CLARK. Is it not a fact that "ginger jake" would be outlawed because it contains a poison? It is not necessary to talk about advertising "ginger jake." Would not "ginger jake", if it contains poison, be subject to multiple seizure under the poison section?

Mr. COPELAND. Very well; let us concede that to be so. But I am going to take an article which falls directly under the amendment, even under the interpretation placed upon it by both the Senator from North Carolina [Mr. BAILEY] and the Senator from Missouri [Mr. CLARK], as well as the Senator from Michigan [Mr. VANDENBERG]. In my hand I have a "remedy", the most important horse liniment in the world. am not going to advertise the name of it, because that would not be quite proper. This horse liniment has nothing in it but turpentine and eggs and ammonia.

It is not dangerous to health. If one were so disposed, I suppose he could drink as much as he would take, if he felt so disposed, without danger to his health; but I call attention to this horse medicine, which is not branded according to the Senator's definition. It is not dangerous to health. It is just a fraud; just a humbug.

Mr. BAILEY. May I ask the Senator if it is adulterated?

Mr. COPELAND. No; it is not adulterated. That is, it is not dangerous to health. It contains the purest eggs and the purest turpentine and the purest ammonia. It is not aulterated; but, now, let us see what can be done with it. According to the brand, this will cure tuberculosis, pneumonia, laryngitis, bronchitis, pleurisy, influenza, la grippe, asthma, coughs, colds, catarrh, rheumatism, lumbago, neuritis, neuralgia, locomotor ataxia, and blood poison.

Mr. VANDENBERG. Is it good for inflation? [Laughter.]

Mr. COPELAND. It is good for all the economic ills of the country. Now, what are we going to do with that under the Senator's amendment.

Mr. BAILEY. Mr. President, the Senator says that product is perfectly harmless. Under my amendment it could be seized at once.

Mr. COPELAND. One article.

Mr. BAILEY. And it could be exposed in the courts without the slightest difficulty, and it could be taken off the market. I thought the whole theory of the Senator's multiple seizure was based on injuriousness to health. He has produced here something that would not hurt anybody. It would defraud them. If it does defraud them, there is a law of false pretenses throughout America. There is a law for fraud. There are plenty of remedies there.

It did not enter my mind that the Senator was addressing himself to perfectly harmless medicines, or so-called "medicines", that do nobody any injury. I believe he will admit that the whole multiple-seizure theory is based on the injuriousness of the article; yet he comes here with a perfectly innocent one, as he says, and then he asks what we will do about multiple seizure. He himself has not asked for multiple seizure of that sort of article.

Mr. COPELAND. The Senator from North Carolina says this so-called "medicine" is not harmful.

Mr. BAILEY. No; I did not say it. I beg the Senator's pardon. The Senator from New York said it was not harmful, and I will take his word for it.

Mr. COPELAND. I say it is not harmful, but it is merely a fraud, and the Senator says it can be taken care of in that way. But let me give just a little leaf out of the book of medical experience.

Suppose my grandchild had pneumonia, and my farmer's wife said, "I know just what to do. I have a remedy." She does not know it is a horse liniment, but she says, "I have a remedy for pneumonia." I do not need to tell the Senator what an invasion of the health of an individual it would be if, at the time this child had pneumonia in a household not informed about such matters, this stuff should be used. It is not harmful in itself; it is not adulterated; but at a time when the patient needs real treatment, she gets some of this horse liniment.

That is not all. There is something about tuberculosis of such a nature that in that disease "hope springs eternal in the human breast." I suppose it is God's providence that it should be so. In the old days, certainly, it was a hopeless disease; and all the time the poor victim thought she was going to get well when everybody else knew she was going to die. But suppose in this modern age, when we have learned what to do in tuberculosis, when we have learned what to do with the incipient case and even the secondary case, a kindly intentioned neighbor brings to the poor patient some horse liniment. The neighbor says, "This will cure you"; and so the patient depends upon the horse liniment until she passes into the stage of the disease where it is hopeless, where death is inevitable: What would it be necessary to do in this case under the amendment offered by the Senator from North Carolina?

Mr. BAILEY. Mr. President, may I ask the Senator a question?

Mr. COPELAND. Certainly.

Mr. BAILEY. Can the Senator tell me of any medicine whatever which would cure pneumonia?

Mr. COPELAND. I think I know remedies which are helpful in pneumonia.

Mr. BAILEY. Does the Senator know of any remedy which he can guarantee or represent as curing pneumonia?

Mr. COPELAND. No; but I know some that are better than horse liniment.

Mr. BAILEY. Then, if this one is harmless and the other one will do no good, if neither does any good and neither does any harm, where is the difficulty?

Mr. COPELAND. Very well; I will brush pneumonia out of the way and take tuberculosis.

Mr. BAILEY. No; the Senator will not take tuberculosis, because he has a bill here which absolutely excludes tuberculosis. I suggest that the Senator take another illustration.

Mr. COPELAND. Very well; I will take rheumatism. Of course I ought to say, before I get to it, that if the bill should be defeated there would not be anything in the law to protect the public in the case of tuberculosis, but I suppose seizures will go on.

Mr. BAILEY. Mr. President, I hate to interrupt the Senator, but I am not trying to defeat the bill, and I have undertaken several times to make that clear. I shall not interrupt again, but I shall greatly appreciate it if the Sen-

ator will not interpret my attitude as one of seeking to defeat the bill. The fact is, I told the Senator privately that I was going to vote for the bill, and I think he knows that. I am trying to amend it; I am hoping to improve it; but I am certainly not trying to defeat the bill.

Mr. COPELAND. We will take rheumatism. The modern idea about rheumatism is that it is due to some localized infection in the body. That infection may be in the teeth or the tonsils or the nasal sinuses or the gall bladder or somewhere else. Rheumatism is due to a localized infection. One of the symptoms, one of the evidences that this poison has gotten into the system, is that there may be pain in the joints or in the muscles. It is bad enough to have rheumatism if it stops there; it is bad enough to have the effect of the absorption of pus and germs from a localized infection if it stops in the joints and muscles.

I just happen to think that I had a telegram on Saturday from Arkansas, reading as follows:

> Kindly give best treatment for septic endocarditis, acute, for patient 17 years of age, a girl, whose beginning of the disease was influenza. She has been very ill now for 6 weeks, with fever running from practically normal to as high as 105. Rheumatism has also set up. Local doctors have apparently reached their row's end. Please let me have direct reply at earliest possible convenience.

This is purely spontaneous; I have not thought of this; but this little girl had first a localized infection. Germs that get into the system may set up an inflammation of the lining of the heart, with pus formation in the heart, and speedy death. Suppose that poor little child down in Arkansas—perhaps it is not a good illustration, because the poor child is so sick that her case looks pretty doubtful anyhow—but suppose for her influenza she had horse liniment and nothing else. What she did have did not help her, I suspect. But in cases of rheumatism, certainly the patient who has that trouble needs medical attention, perhaps surgical attention, and the longer he goes on using horse liniment the nearer he is to his grave.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. VANDENBERG. Is this horse liniment now sold in commerce?

Mr. COPELAND. Yes; under a different label at the moment.

Mr. VANDENBERG. Could this horse liniment under this label be sold at the present time in commerce in spite of the Wiley Act?

Mr. COPELAND. It was sold for years in that way in spite of the act.

Mr. VANDENBERG. The Senator will see what I am trying to get at. Is it not a fact that the Department has authority now under the existing law to stop the precise thing about which he is talking?

Mr. COPELAND. It now exercises authority which the Department has very serious doubt about really possessing. That, may I say, is one of the reasons why this bill is here.

If the Senator will bear with me just a moment, while I have it in my mind, the Senator from Utah [Mr. KING], a little while ago, asked why we did not amend the old Wiley Act. As a matter of fact, the Mead bill in the House sets out to do that, but when it gets through it rewrites the whole act. There have been found so many loopholes, so many vile things that have crept through these openings, that the Department has by violence assumed authority to say, "You must change that branding"; but it has not the power to do so under the law as it exists at present.

Mr. VANDENBERG. Mr. President, suppose the bill were enacted as it is proposed to be amended by the Senator from North Carolina, in cases of this character I take it the entire hazard could be ended in the course of a week or 10 days by application to the court. Is that correct?

Mr. COPELAND. I do not think so.

Mr. VANDENBERG. Why not?

Mr. COPELAND. This is not imminently dangerous to health.

Mr. VANDENBERG. I mean even when one seizure has been made and a prima facie case has been created, why would it not be possible under the measure to get an adjudication promptly and accomplish the net result the Senator is seeking. In other words, is not the only difference the difference of the comparatively few days required for adjudication in a matter which is not imminently dangerous to public health? Do I misstate the Senator?

Mr. COPELAND. The Senator, like myself, is a layman, and he is apparently confident of the speedy action of the courts. But in one way or another ways are found to postpone and to further postpone action. That is the reason why, when we come to the next amendment, which will be offered by the Senator from Missouri, I shall show how long it takes to get a cease-and-desist order.

Mr. BAILEY. Mr. President, let me ask the Senator a question. Did the Senator say that the Department of Agriculture had seized the concoction to which he has been referring violently, and without authority of law?

Mr. COPELAND. It forced the manufacturer of this article to change his label.

Mr. BAILEY. Just to change his label?

Mr. COPELAND. Arbitrarily, without authority of law.

Mr. BAILEY. Without authority of law?

Mr. COPELAND. I think so.

Mr. BAILEY. If that is the case, if the Department has that power in the United States, I do not see any reason for passing any measure at all. We might as well turn the whole thing over to them.

Mr. COPELAND. Mr. President, I desire now to refer to another article. I hold in my hand a sample of a product which, it is advertised, will "scientifically correct obesity", that is, it is a "scientifically correct fat-reducing preparation." Before tomorrow morning I will have half a dozen letters asking me what this is—although I do not see any fat women in the gallery. There is no doubt that this drug will reduce fat. It will burn the flesh off the bones.

There is on the box an imperative label about how to take it. In the advertising, or in the radio appeals, it can be said, "Disregard the label. Take two capsules instead of one."

There is no doubt that the statement on the package that this will reduce fat is true. There is a declarative definition of procedure on the box. It is labeled properly according to law. The Government cannot take that preparation off the market. Yet I have here a letter from a man who lives in Wisconsin who paid $5 for a box of this stuff, and his wife was dead within 20 days.

Senators, in order to protect a vested right, or to keep some one manufacturer from being prevented from placing on the market a preparation or two, is it possible we can propose to put into the pending bill language so broad that not more than one seizure action may be instituted in cases of alleged misbranding except upon order to show cause?

Mr. President, I want the bill so written that those who enforce it may go anywhere and make as many seizures as they deem necessary to make certain that the American people will be protected from the dangers of drugs which are sold under the present law and represented as safe to use.

I cannot say anything more. If the pending amendment shall be agreed to, and then on top of that the amendment of the Senator from Missouri shall be agreed to, I shall be satisfied to continue under the existing law until there shall come a Congress which will give us the protection to which the American people are entitled.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Carolina [Mr. BAILEY].

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Black	Carey	Donahey
Austin	Bone	Clark	Duffy
Bachman	Borah	Connally	Fletcher
Bailey	Brown	Copeland	Frazier
Bankhead	Bulkley	Costigan	George
Barbour	Bulow	Couzens	Gerry
Barkley	Burke	Cutting	Gibson
Bilbo	Byrnes	Dieterich	Gore

Guffey	McKellar	Pope	Thomas, Utah
Hale	McNary	Radcliffe	Townsend
Hastings	Metcalf	Reynolds	Trammell
Hatch	Minton	Robinson	Truman
Hayden	Murphy	Russell	Tydings
Johnson	Murray	Schall	Vandenberg
King	Neely	Schwellenbach	Wagner
La Follette	Norris	Sheppard	Wheeler
Logan	Nye	Smith	White
Lonergan	O'Mahoney	Steiwer	
McGill	Pittman	Thomas, Okla.	

The PRESIDENT pro tempore. Seventy-four Senators have answered to their names. A quorum is present.

The question is on the adoption of the amendment of the Senator from North Carolina [Mr. BAILEY].

Mr. COPELAND. I ask for the yeas and nays.

The PRESIDENT pro tempore. May the Chair ask the Senator from North Carolina whether he has changed the form of any of his amendments?

Mr. BAILEY. No, Mr. President; but I have offered a fourth amendment, which is before the Senate.

Mr. COPELAND. Not of this group?

Mr. BAILEY. Yes; I have offered it with this group.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McNARY. Was the order for the yeas and nays entered by the Chair?

The PRESIDENT pro tempore. That order was not entered.

Mr. McNARY. That order is the first thing to be decided upon, and thereafter inquiry may be made concerning the amendments.

Mr. COPELAND. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The Chair asks the Senator from North Carolina if he proposes an amendment in addition to the three which it was agreed should be considered together?

Mr. BAILEY. I offered a fourth amendment, but am informed by the Senator from New York that in order that the fourth amendment may be considered a motion to reconsider the vote by which an amendment was heretofore adopted will have to be made.

Mr. COPELAND. I ask unanimous consent that the vote by which the Senate adopted the amendment, on page 45, beginning with line 7 and ending on page 46, line 11, may be reconsidered, with the view of adding the amendment now offered by the Senator from North Carolina.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAILEY. Now, I offer the fourth amendment.

The PRESIDENT pro tempore. By unanimous consent, the four amendments may be considered together.

Mr. BAILEY. Mr. President, I wish to make a statement. I think it is agreed that since the fourth amendment is in, there is provided abundant power of multiple seizures of any article of commerce of the nature of a drug which is injurious to health. Therefore, the other three amendments have simply the effect of extricating the advertising idea and labeling from the theory of adulteration. Have I made that clear? If I have not made it clear I shall be glad to answer any inquiry from any Senator.

Mr. COPELAND. Mr. President, will the Senator from North Carolina strike out the words, "so adulterated as to be imminently"?

Mr. BAILEY. Yes, Mr. President; if the Senator wishes me to add the word "imminently", I will do so. I add the word "imminently" to my amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 46, line 3, after the words "that such article is", it is proposed to strike out the words "so adulterated as to be imminently", so as to read:

that such article is dangerous to health.

Mr. COPELAND. Now I ask that the other amendment be stated.

The PRESIDENT pro tempore. The clerk will state the other amendment.

The LEGISLATIVE CLERK. On page 45, line 7, after the word "found", it is proposed to insert a colon and the following:

Provided, however, That not more than one seizure action shall be instituted in cases of alleged misbranding, except upon order to show cause, and then upon a showing by the Secretary that such article is misbranded in manner or degree as to render such article imminently dangerous to health, or that such alleged misbranding has been the basis of a prior judgment in favor of the United States in a criminal prosecution or libel for condemnation proceeding respecting such article under this act: *And provided further,* That said single seizure action shall, on motion, be removed for trial to a jurisdiction of reasonable proximity to the residence of the claimant of such article.

On page 13, it is proposed to strike out all of lines 19 and 20; and on page 16, between lines 2 and 3, to insert a new subsection to be designated as "(b)", and to read as follows:

If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

Mr. COPELAND. I inquire where the last amendment was to be inserted?

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 16, between lines 2 and 3, it is proposed to insert a new subsection to be designated "(b)", and to read as follows:

(b) If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

And then, on page 13, it is proposed to strike out all of lines 19 and 20.

Mr. COPELAND. Mr. President, does the Senator transfer all the language in lines 19 and 20, on page 13, to page 16, at the end of the second line?

Mr. BAILEY. It is proposed to transpose that language from the adulteration section to the misbranding section.

Mr. COPELAND. I so understand; and I hope the amendments will be rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendments of the Senator from North Carolina [Mr. BAILEY] considered as one amendment. On that question the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the senior Senator from South Dakota [Mr. NORBECK], and will vote. I vote "nay."

The roll call was concluded.

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the junior Senator from New Jersey [Mr. MOORE], and will vote. I vote "yea."

Mr. CUTTING. I have a general pair with the senior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote on this amendment, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. ROBINSON. I announce the absence of my colleague the junior Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] on account of illness.

I also announce that the Senator from Arizona [Mr. ASHURST], the Senator from New Jersey [Mr. MOORE], the Senator from California [Mr. McADOO], the Senator from Nevada [Mr. McCARRAN], the Senator from Connecticut [Mr. MALONEY], the Senator from Louisiana [Mr. LONG], the Senator from Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Massachusetts [Mr. WALSH], the Senator from Virginia [Mr. GLASS], the Senator from Mississippi [Mr. HARRISON], the Senator from Illinois [Mr. LEWIS], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce the following general pairs:

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from California [Mr. McADOO];

The Senator from New Hampshire [Mr. KEYES] with the Senator from Nevada [Mr. McCARRAN]; and

The Senator from Iowa [Mr. DICKINSON] with the Senator from Virginia [Mr. BYRD].

I am not advised how any of these Senators would vote if present.

I also announce that the Senator from New Hampshire [Mr. KEYES], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from Iowa [Mr. DICKINSON] are necessarily detained from the Senate.

I also announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

Mr. COPELAND. Mr. President, I ask for a recapitulation of the vote.

The PRESIDENT pro tempore. The vote will be recapitulated.

The legislative clerk proceeded to recapitulate the vote and reached the name of Mr. COPELAND.

Mr. COPELAND. I wish to change my vote from "nay" to "yea."

The result was announced—yeas, 44, nays 29, as follows:

YEAS—44

Adams	Carey	Hatch	Reynolds
Austin	Clark	King	Russell
Bachman	Connally	Logan	Schall
Bailey	Copeland	Lonergan	Schwellenbach
Bankhead	Donahey	McGill	Smith
Barbour	Duffy	McKellar	Steiwer
Bone	George	Metcalf	Trammell
Borah	Gore	Minton	Truman
Bulkley	Guffey	O'Mahoney	Tydings
Burke	Hale	Pittman	Vandenberg
Byrnes	Hastings	Radcliffe	White

NAYS—29

Barkley	Fletcher	Murphy	Thomas, Okla.
Bilbo	Frazier	Murray	Thomas, Utah
Black	Gerry	Neely	Townsend
Brown	Gibson	Norris	Wagner
Bulow	Hayden	Nye	Wheeler
Costigan	Johnson	Pope	
Couzens	La Follette	Robinson	
Dieterich	McNary	Sheppard	

NOT VOTING—22

Ashurst	Davis	Long	Overton
Byrd	Dickinson	Maloney	Shipstead
Capper	Glass	McAdoo	Van Nuys
Caraway	Harrison	McCarran	Walsh
Coolidge	Keyes	Moore	
Cutting	Lewis	Norbeck	

So Mr. BAILEY's amendment was agreed to.

Mr. COPELAND subsequently said: Mr. President, I desire to enter a motion to reconsider the vote by which the so-called "Bailey amendment" was adopted.

The VICE PRESIDENT. The motion will be entered.

Mr. CLARK. Mr. President, I move to recommit the bill to the Committee on Commerce with instructions to report it back on or before Monday, April 15, 1935.

Mr. President, I do not desire to detain the Senate unduly, for we have been talking about the subject matter of this motion ever since the consideration of the bill was started. The failure this morning, the complete inability of Senators who are more familiar than most of the Senators in this body, because they have served on the committee, to agree on what the amendments mean seems to make it perfectly clear that the bill should go back to the committee to be considered paragraph by paragraph, section by section, word by word, in order that Senators may understand what the bill means and what its various provisions are for.

That position, Mr. President, is further sustained by the discussion we had here the other day on the section of the bill which declares a crutch or an electrical apparatus for conditioning air in a chamber or a physician's scale to be drugs; and by the discussion that took place the other day on the section of the bill which provides, as it now stands, that after a regulation by the Secretary of Agriculture shall have been declared invalid by the courts the Secretary of Agriculture shall have authority, without notice, without hearing, and without review, to promulgate the very same regulation, if he pleases, as a temporary regulation for a period of 6 months.

There are other provisions subject to just criticism which have been inserted in the measure, I am certain, without proper consideration. With the proviso that the bill shall be reported back not later than 1 week from today, it seems to me that it is not only in the public interest but in the interest of saving of time of the Senate and of expediting the ultimate passage of legislation on this subject that the bill should go back to the committee.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Missouri.

Mr. COPELAND. Mr. President, if the vote just taken is an index of the attitude of the Senate toward the great problem of the public health, it makes little difference whether the bill is recommitted or returned to the calendar. I should prefer to have it returned to the calendar, because if there are amendments desired which could be worked out during the next week or two, there might be ultimate agreement. We have spent all of last week—the entire week—and today of this week, discussing amendments to this bill. If the bill shall be recommitted everything we have done here so far will have been wasted.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. Oh, I will yield to the Senator, certainly.

Mr. CLARK. The Senator does not have to yield if he does not want to.

Mr. COPELAND. I know I do not, but I will yield to the Senator.

Mr. CLARK. I will speak in my own time.

Mr. COPELAND. Mr. President, I know perfectly well that to recommit the bill means to do over again what we have done. I changed my vote from "nay" to "yea" on the amendment of the Senator from North Carolina [Mr. BAILEY] so that at the proper time I might move a reconsideration of the action just taken on that amendment, because I am convinced that the full import of that action is not realized. Many Senators were not present to listen to the debate. I do not blame them for that; they are busy with other matters; but they were not here during much of the debate, and they do not realize the significance of what has been done. If the bill should ultimately pass with the amendment incorporated in it, the country, so far as the public health is concerned, would be left very much worse off than it is today, and to recommit the bill, I think, would merely mean to defeat it for the session.

Every Senator is busy; we are busy in the Senate Committee on Commerce. There is pending before that committee a proposal of the President to establish subsidies; there is pending there the investigation of the *Morro Castle* disaster. The committee will soon, within 2 or 3 days, in all probability, have the river and harbor bill before it. So the Committee on Commerce must necessarily be occupied for several weeks with various activities.

I should a great deal rather, if there is a parliamentary way to do it, have the bill go back to the calendar, where it would seem to me the purpose of those who desire to have it recommitted would be served by its postponement for a while, giving time for calm consideration of such amendments as might be desired. To my mind, it would be a much more orderly procedure. I do not think any Senator here is dissatisfied with the amendments which have been added to the bill or to the perfection of the bill so far as we have gone with it. There are fundamental questions involved as to where advertising shall be controlled, but that is a matter which, in the last analysis, Congress will have to settle. So far as the minor points are concerned, matters which have to do with the perfection of the bill, we have now taken action. So I do not wish to see the bill recommitted, but I am perfectly willing to have it go back to the calendar, to be dealt with at a time when it is convenient for the Senate to deal with it. But to send it back with all the amendments we have made would be to make nothing out of what we have accomplished, and, I think, would be a great mistake.

Mr. CLARK obtained the floor.

The PRESIDENT pro tempore. If the Senator from Missouri will permit the Chair to interrupt him for a moment as to a matter of parliamentary procedure, the Chair will state that, at the request of the Senator from New York, unanimous consent was given to reconsider the vote by which certain committee amendments were adopted so that the amendment of the Senator from North Carolina would be in order. The committee amendments having been

amended, without objection, the committee amendments, as amended, are agreed to.

Mr. CLARK. Mr. President, I desire to detain the Senate merely for a moment or two. It seems to me that the argument of the Senator from New York on the motion to recommit is as specious as were many of the other arguments he has made on this bill. The alternative proposed by the Senator from New York to the motion to recommit would be to have the bill go back to the calendar, that is, he would have it fall right back into the slough of despond from which some of us would like to rescue it by sending it back to the committee and, for the first time, having it considered in the proper method. As an alternative to sending it back to the committee, and giving it initial consideration, the Senator from New York proposes to put it back on the calendar and resort to private conferences between him and other Members of the Senate or other interested parties on the question of amendments. That process has been going on for 2 years, and the results of that method of consideration are shown in the numerous errors and the very wide difference of opinion amongst those who are interested in the bill as to what it means.

I submit, Mr. President, that time will be conserved and the interests of legislation on this subject will really be forwarded by allowing the bill to go back to the committee, to be taken up in accordance with the ordinary methods usually followed in the case of important bills, paragraph by paragraph and section by section and word by word in consultation with the experts, in order that the meaning of terms may be agreed on, in order that broad questions of policy involved may, at least, be determined by a vote of the committee, with some opportunity afforded to the members of the committee to know what they are talking about. Then the bill can be brought back to the Senate not later than 1 week from today and considered in an orderly manner.

The Senator from New York has referred to the fact that if the bill should go back to the committee, the labor involved in adopting committee amendments in the Senate will be lost. As a matter of fact, just a few weeks ago, after a most important measure had been before the Senate for consideration more than 3 weeks, the majority leader solemnly rose in his place and moved that the joint resolution be recommitted to the Committee on Appropriations, which motion was adopted unanimously.

I am informed by leading members of the Committee on Appropriations that when the joint resolution got back to the committee exactly 3½ minutes were required for the readoption, as committee amendments, of the amendments which had been incorporated in the bill on the floor, with the single exception of one amendment, which was the principle subject of controversy. If my memory serves me correctly, not more than 1 or 2 hours were consumed in the adoption of all the amendments which had been reported from the committee as committee amendments when the bill was again reported back to the Senate.

As a matter of fact, during the whole week the present bill has been under consideration not more than 2 hours were consumed in the adoption of committee amendments, which, as I said this morning, were amendments offered by the Senator from New York and not one of which had actually been considered in the committee. I submit again that no time would be wasted, but that the passage of the bill would actually be expedited by recommitting it to the committee.

Mr. FRAZIER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. CLARK. I yield.

Mr. FRAZIER. I understood the Senator from Missouri to say that the bill had not been considered in the committee paragraph by paragraph.

Mr. CLARK. It never has been.

Mr. FRAZIER. Why not? I cannot understand why a bill so long before the committee has not been considered paragraph by paragraph so that members of the committee would understand what it means. It seems to me, if it has not been so considered, it should be.

Mr. CLARK. That is the purpose of the motion to recommit.

Mr. ROBINSON obtained the floor.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. ROBINSON. I yield.

Mr. McNARY. I understand the parliamentary situation to be that if the bill shall be recommitted, it will go back to the committee in the original form in which it was introduced in the Senate.

The PRESIDENT pro tempore. That is the ruling of the Chair.

Mr. McNARY. If the bill should go to the calendar, it would go to the calendar in its status quo containing the amendments which have been adopted up to this time in the Senate.

The PRESIDENT pro tempore. If it should go back to the committee, it would go in the form in which the bill was originally introduced unless the Senate should instruct to the contrary.

Mr. McNARY. Upon the adoption of the motion to recommit, the bill would go back to the committee in the same condition in which it was brought to the Senate?

The PRESIDENT pro tempore. In the same condition in which it was originally introduced.

Mr. McNARY. I think there is no question about that.

The Senator from North Dakota [Mr. FRAZIER] has submitted an inquiry to the Senator from Missouri [Mr. CLARK] as to why the bill was not considered provision by provision and what might be called "hearings" had before the committee. As a member of the subcommittee 2 years ago, I recall that this measure came up, and hearings were had for 3 or 4 days, when literally dozens of people interested were heard. Later on I retired from the subcommittee, not having the time to serve, and a new subcommittee was appointed, and again witnesses were heard.

In the meantime the author of the bill, the chairman of the committee, the Senator from New York [Mr. COPELAND] had given days and weeks to the consideration of the bill, listening to supporters and critics, listening to all who had suggestions to make, and doing everything possible to meet every criticism that might be offered. I say this for the Senator in charge of the bill. I know of no one who has worked more diligently, more faithfully, and more intelligently to carry out what he thought to be the general public view of this very important measure.

As to consideration before the committee, I have been a committeeman for a good many years and a faithful attendant on committees. The bill now before us was heard and considered, I will say to the Senator from North Dakota, in the usual way. It is not often that a bill is taken up and read sentence by sentence or provision by provision, unless someone requests particularly that such a course be followed. In this instance there was a quorum present when the bill came up for consideration, questions were asked, amendments were proposed, inquiries made, and the bill was studied in the usual thoughtful and diligent way.

I know the Senator from Missouri [Mr. CLARK] is always fair; but I think, in fairness to the chairman of the committee, the Senator from New York [Mr. COPELAND], it should be said that every opportunity was afforded to those who are opposed to the bill to be heard. Every opportunity was afforded to members of the committee, of which I am the ranking Republican member, to ask questions and propose amendments and in every way carefully to study the bill. I think anyone who leaves even an implication that the bill was not considered in the usual way is not treating the subject matter fairly.

I thank the Senator from Arkansas kindly for yielding to me.

Mr. CLARK. Mr. President, will the Senator from Arkansas yield?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. ROBINSON. I yield.

Mr. CLARK. It is entirely true a quorum of the committee was present when the bill was ordered reported. It was a new draft of the bill, which had never been before the committee until the day on which it was reported. It was reported with just such casual and cursory discussion as it was possible to have without taking the bill up in the orderly and customary manner, which I insist should have been done. It was actually reported out of the committee by the votes of at least two Senators who had not been present at any committee meeting since I have been a member of the committee, nearly 2½ years, and by the vote of the Senator from Oregon [Mr. McNARY], who, if my recollection serves me correctly, had not been present in committee for something over a year.

The only matter in which I am interested involves no reflection on any Senator; but I again submit that it is proper, in view of the very complicated subject matter, to recommit the bill for a brief period for orderly consideration.

Mr. GIBSON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Vermont?

Mr. ROBINSON. Certainly.

Mr. GIBSON. I desire to ask the able and distinguished Senator from Missouri if it is not true that the committee sat for more than 2 hours in executive session to consider the bill before it was reported?

Mr. CLARK. That is perfectly correct, but no opportunity was given to take up the bill in order. There was some rather desultory argument and conversation between two Senators. The Senator from North Carolina [Mr. BAILEY] then stated to the committee that it had been impossible to examine the bill in detail, and his motion to postpone the report was voted down by a vote of 9 to 6.

Mr. GIBSON. Is it not true that the Senator from North Carolina [Mr. BAILEY] offered amendments upon which votes were taken?

Mr. CLARK. Yes; he offered one or two amendments.

Mr. GIBSON. Is it not true that the bill was pretty thoroughly considered?

Mr. CLARK. I will say to the Senator from Vermont that, in my opinion, the bill has never been thoroughly considered in the committee. It has been before the committee a long time, but upon every suggestion for regular consideration of the bill the Senator from New York [Mr. COPELAND], the chairman of the committee, passed on to a matter of private conference.

Mr. GIBSON. When the bill was first before the subcommittee more than 100 witnesses were heard, and when it came again before a subcommittee at least 80 witnesses were heard.

Mr. CLARK. Does the Senator mean when the original Tugwell bill was before the subcommittee? I do not know how many witnesses appeared before the subcommittee on the original so-called "Tugwell bill", the bill which the chairman of the committee stated he had introduced without knowing what was in it, and that he was appalled when he found out what was in it. I know long hearings were had by the full committee on a different bill which the Senator from New York had introduced, and at this session of the Congress hearings were held by a subcommittee, of which the Senator from Vermont and I were both members, on still another bill which the Senator from New York introduced, and about 2 weeks ago the committee reported a still different bill which the Senator from New York had introduced.

Mr. GIBSON. That bill was the result of hearings which were held by the subcommittee of which the Senator from Missouri and I were members, was it not?

Mr. CLARK. Yes; but I invite the attention of the Senator from Vermont to the fact that there was no consideration of any amendments or any discussion of the provisions of the bill whatever in the subcommittee. The subcommittee was appointed by the chairman of the committee, the Senator from New York [Mr. COPELAND], solely for the purpose of holding hearings, and certainly there was never any action by the subcommittee. The first intimation I had that hearings had been held or had been printed was to receive some galley proofs from the Senator from New York with a copy of another bill which he intended to introduce, and which I received from him, although I was chairman of the subcommittee.

Mr. GIBSON. The subcommittee was not charged with the duty of making a report or recommendations; but is it not true that we heard 67 witnesses, and that no one was refused a hearing?

Mr. CLARK. We heard a very large number of witnesses. I do not know how many we heard. I never counted them.

Mr. ROBINSON. Mr. President, having yielded to all who have asked me to do so, let me take just a minute to express my view of this motion.

Considering the history of the bill, it does not seem to me that the motion to recommit should be approved.

This bill, in different forms, has been pending before the Senate for about 2 years. It has been revised many times; and it will be recalled that on one occasion, after the bill had been considered for some time, a motion to recommit was made, and the bill was sent back to the committee.

Mr. COPELAND. No, Mr. President; the bill was introduced in June 1933, and it came to the Senate so late in the session that there was not time for its consideration.

Mr. ROBINSON. It was considered in the Senate for a time; that is correct. Then the Senate proceeded with the consideration of other matters, and the bill automatically went back to the committee.

Mr. CLARK. Mr. President, if the Senator will yield, what happened was that the bill was taken up for consideration in the Senate on the day before a special order was to go into effect for the consideration of the bill authorizing the President to make reciprocal trade agreements; and the food and drug bill was automatically superseded on the next day by that special order.

Mr. ROBINSON. That is true. The Senate proceeded to the consideration of another measure, and the food and drug bill finally went back to the committee. It went to the calendar first, but at the end of the session it went back to the committee, so it has been in and out of committee for about 2 years.

I make no complaint about that, because unquestionably there are many controversial subject matters in the bill; but it does seem that after having proceeded so far as we have, and disposed of all amendments, we should either finally dispose of the measure or merely give a further opportunity for the composition of differences which are very marked and notable.

I do not find it consistent with my judgment to spend practically a week in considering legislation, dispose of all amendments that are offered, and then automatically strip the bill of all those amendments by sending it back to committee.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. CLARK. Did not the Senator do that very thing in the case of the work-relief joint resolution?

Mr. ROBINSON. Yes; but the Senator from Missouri knows the reason for the action taken in that case. If he does not, I will now state it to him.

Mr. CLARK. I will say to the Senator that I was entirely in sympathy with that action.

Mr. ROBINSON. Yes; but I shall now state, for the Senator's information, the reason why the work-relief joint resolution was recommitted.

We had disposed of a large number of amendments. When the Senate agreed to an amendment which every Senator understood would work a rejection of the joint resolution through Executive veto, I made the motion to recommit for the purpose of giving the committee and the Senate a further opportunity to eliminate the provision which we knew would accomplish the defeat of the proposed legislation.

That condition does not exist in this case, and, in my judgment, there is no occasion for the recommittal of the

bill. In all fairness to the members of the committee, it does not seem to me it can be maintained that this bill has been recklessly or improvidently reported to the Senate. The evidence shows, insofar as the Senate has been made acquainted with it in the discussions here, that every opportunity was afforded to members of the committee to offer amendments in the committee. That is the customary procedure. Any member of the committee having jurisdiction of the bill could have proposed his amendments before the committee. That not being done in some instances, we take it for granted that the opportunity has been given and exercised on the floor of the Senate, and we have completed the consideration of the amendments. Now, we are asked to undo, by a single motion, all that has been done, and to go back where we were 2 years ago, and start all over again.

For myself, I do not find it consistent to support the motion.

Mr. BORAH. Mr. President, I understood the Senator from New York [Mr. COPELAND], in charge of the bill, to say that if it could be so arranged he would be glad to have the bill postponed for a time.

Mr. COPELAND. Yes, Mr. President; I should be very happy to have that course taken. I feel that today we are hardly in the mood to deal justly or fairly or calmly with many of the amendments, particularly with some really vital amendments. I should be perfectly willing to have the bill go back to the calendar, and then take it up at some suitable time when we have all had a chance to talk about it, perhaps even to talk it over in the committee. We have the bill in at least 95-percent good form at the present time, and I think it would be a pity to send it back and then have to go over it again.

Mr. BORAH. Mr. President, when the bill came before the Senate I became interested, particularly because of those interested in growing fruits and vegetables in my section of the country; but I ascertained that they were telegraphing me about one bill, and that we had before us another bill. It has been very difficult for me to know precisely what they have in mind; and I should like either to have this bill go back to the committee, or to have it postponed until we can ascertain something about the views of those who are interested in it from a practical standpoint. I do not want more delay than is necessary to act intelligently on the facts as they apply to the bill. I do not wish to send it back to the committee if that can be avoided, and it seems to me it can be avoided by taking a little more time.

THIRTY-HOUR WEEK FOR LABOR

Mr. ROBINSON. Mr. President, I desire to make a suggestion for the attention of the Senator from New York and the Senator from Missouri, particularly in the light of the statement just made by the Senator from Idaho.

The District of Columbia appropriation bill is ready for consideration. I suggest that the Senator who is to be in charge of that bill move to proceed to its consideration. That will displace the unfinished business, and we can return to it whenever we are ready to do so.

Mr. BLACK and Mr. THOMAS of Oklahoma addressed the Chair.

The PRESIDENT pro tempore. The Senator from Alabama.

Mr. BLACK. Mr. President, may I ask whether or not I now have the floor in my own right?

The PRESIDENT pro tempore. The Senator has.

Mr. BLACK. I move that the Senate proceed to the consideration of Senate bill 87, Calendar No. 381, known as "the 30-hour-week bill."

Mr. ROBINSON. Mr. President, I do not think the Senate is ready at this time to take up that bill. In the event the motion is voted down, the Senator from Oklahoma [Mr. THOMAS] will move to proceed with the consideration of the District of Columbia appropriation bill.

Mr. BLACK. I may state that if the Senate shall vote to take up this bill I will agree to lay it aside temporarily for the consideration of the District of Columbia appropriation bill.

The PRESIDENT pro tempore. The Senator from Alabama moves that the Senate proceed to the consideration of Senate bill 87.

Mr. COUZENS. Mr. President, I had hoped the Senator from Alabama would not have the Senate take up this bill until after the completion of our hearings with regard to the N. R. A. It seems to me that if the N. R. A. is to be renewed in some form or other the question of hours ought to be considered at that time, rather than by taking up a separate bill. I had hoped, therefore, that the Senator from Alabama would do what I supposed he was going to do, namely, discuss the matter with respect to a renewal of the N. R. A.

Mr. BLACK. In reply to the Senator's statement, I will say that, in my judgment, the 30-hour-week bill should be passed whether a renewal of the N. R. A. is considered or not. The 30-hour-week bill will provide a general reduction of hours, and it is my belief that without a general reduction of hours in all industries we shall not receive the benefit that we should. I further believe that it is not fair to some industries to be compelled to compete with others working much longer hours; and I hope the Senate will agree to consider the bill at this time.

Mr. CLARK. Mr. President, a parliamentary inquiry. Does a motion to take up another bill take precedence over my motion to recommit?

The PRESIDENT pro tempore. That is the opinion of the Chair.

The question is on the motion of the Senator from Alabama [Mr. BLACK] that the Senate proceed to the consideration of Senate bill 87. [Putting the question.] The noes seem to have it, and the motion is rejected.

Mr. BLACK. Mr. President, I shall ask for the yeas and nays. Before doing so, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Hayden	Reynolds
Ashurst	Connally	Johnson	Robinson
Austin	Coolidge	King	Russell
Bachman	Costigan	La Follette	Schall
Bailey	Couzens	Logan	Schwellenbach
Bankhead	Cutting	Lonergan	Sheppard
Barbour	Dickinson	McGill	Smith
Barkley	Dieterich	McKellar	Steiwer
Bilbo	Donahey	McNary	Thomas, Okla.
Black	Duffy	Metcalf	Thomas, Utah
Bone	Fletcher	Minton	Townsend
Borah	Frazier	Murphy	Trammell
Brown	George	Murray	Truman
Bulkley	Gerry	Neely	Vandenberg
Bulow	Gibson	Norris	Wagner
Burke	Gore	Nye	Walsh
Byrd	Guffey	O'Mahoney	Wheeler
Byrnes	Hale	Pittman	White
Capper	Harrison	Pope	
Carey	Hatch	Radcliffe	

The PRESIDENT pro tempore. Seventy-eight Senators having answered to their names, a quorum is present.

Mr. COUZENS. Mr. President, has a yea-and-nay vote been ordered?

The PRESIDENT pro tempore. The yeas and nays have not been ordered.

Mr. COUZENS. I desire to say a few words in connection with the 30-hour-week bill before the Senate shall vote whether or not to take it up.

When this measure was before the Senate sometime ago, and before the N. I. R. A. bill was enacted into law, I voted for the 30-hour-week bill, but I shall not vote to pass it or to take it up until the Finance Committee of the Senate shall have concluded its investigation into the operations of the N. I. R. A. and decided whether there shall be a renewal of the N. I. R. A.

The Committee on Finance has been holding extensive hearings with respect to how N. I. R. A. has affected certain industries. Statements have been made to the effect that there is a shortage of skilled labor in some sections and not in others. A great deal of information has been collected since the 30-hour-week bill previously passed the Senate.

I think, out of courtesy to the Committee on Finance, which is investigating the operations of the N. I. R. A.,

which, in itself, has very close relation to the hours of work, that we should not proceed with the 30-hour-week bill at this time. I hope the Senate will not take it up until the Finance Committee shall have concluded its investigation and made recommendations with respect to the renewal of N. I. R. A.

Mr. BLACK. Mr. President, I do not care to go into a discussion of the merits of the bill at this time. I could, of course, remind the Senate that we are still feeding 20,000,000 people; that the only way to put them to work in private industry, seemingly, is through the adoption of shorter hours. I shall not go into the merits, however, at this time, except to state that if there is any scarcity of labor in any line of business, there is a scarcity in very few lines; and if there should be a scarcity of labor, it would be somewhat of a repetition of the days when labor received a fair wage and the country was moving forward.

Several Senators have stated to me that there is an idea in the Chamber that a vote to take up the 30-hour-week bill at this time means a vote against the pure food and drug bill.

Mr. COPELAND. Mr. President, may I interrupt the Senator?

Mr. BLACK. I yield to the Senator.

Mr. COPELAND. I shall be delighted to have some other bill taken up which will result in returning to the calendar the bill of which I am in charge; so no one is justified in voting against taking up the Senator's bill on the ground that such a vote would hurt the Senator from New York.

Mr. BLACK. In order that we may clear the matter up, I understand that the Senator from New York states here on the floor that a vote to take up the 30-hour-week bill is not a vote against the pure food and drug bill, but is in line with what the Senator wants done.

Mr. COPELAND. As I see it, without criticizing any Senator, it would be in the public interest to take up some other bill.

Mr. BLACK. Mr. President, I ask for the yeas and nays.

Mr. ROBINSON. Mr. President, did not the Senate vote on the question of proceeding to the consideration of the bill referred to by the Senator from Alabama, and did not the Chair declare the result of the vote?

The PRESIDENT pro tempore. The Chair being of opinion that the noes were overwhelmingly in the majority, declared that the noes had it, and that the motion was rejected.

Mr. BLACK. Mr. President, I had the floor, and was seeking at the time to ask for a yea-and-nay vote. I did not hear the Chair make any such statement. I have not heard anyone else suggest that the Chair made any such statement.

Mr. ROBINSON. Mr. President, in view of the statement just made by the Senator from Alabama, I will not make a point of order against his request, but I will state that I agree with the Senator from Michigan that this is not an opportune time to proceed to the consideration of the 30-hour-week bill. I do not believe the Senate should attempt to dispose of that measure at this juncture.

The Sentator from Alabama has referred to the fact that the Senator from New York, in order to make some adjustments, wishes to get away for a time from the food and drug bill. I had already indicated, before the Senator from Alabama took the floor, that the desire of the Senator from New York would be conformed to by our proceeding to the consideration of the District of Columbia appropriation bill should the Senator in charge of that bill make the motion.

Mr. President, I know that there are difficulties associated with the consideration of the 30-hour-week bill at this time, and I believe that the suggestion of the Senator from Michigan is a sound one, a wise one. The Committee on Finance, as I understand, has been working on the subject matter of the extension of the N. R. A., which is somewhat related to the 30-hour-week question, and is working with great diligence. It seems to me that an opportunity should be afforded to consider these questions in relation with each other, the 30-hour-week bill and the N. R. A., and I express the hope that the Senate will not take up the 30-hour-week bill at this time.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Alabama [Mr. BLACK] that the Senate proceed to the consideration of Senate bill 87, which the clerk will state by title.

The LEGISLATIVE CLERK. A bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act.

Mr. BLACK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). Making the same announcement as on a previous roll call, I vote "nay."

The roll call was concluded.

Mr. CUTTING. I have a general pair with the senior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote on this question, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. ROBINSON. I announce the absence of my colleague, the junior Senator from Arkansas [Mrs. CARAWAY], and the Senator from Louisiana [Mr. OVERTON] on account of illness.

I also announce that the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LEWIS], the Senator from Louisiana [Mr. LONG], the Senator from Connecticut [Mr. MALONEY], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. MCCARRAN], the Senator from New Jersey [Mr. MOORE], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS], are necessarily detained from the Senate.

Mr. AUSTIN. I announce the following general pairs:

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from California [Mr. MCADOO].

The Senator from New Hampshire [Mr. KEYES] with the Senator from Nevada [Mr. MCCARRAN].

The Senator from Delaware [Mr. HASTINGS] with the Senator from Louisiana [Mr. OVERTON].

I am not advised how any of these Senators, if present, would vote on this question.

The result was announced—yeas 21, nays 56, as follows:

YEAS—21

Adams	Capper	Neely	Schwellenbach
Bankhead	Costigan	Norris	Trammell
Bilbo	Frazier	Nye	Wheeler
Black	La Follette	Pope	
Bone	Murphy	Reynolds	
Borah	Murray	Schall	

NAYS—56

Ashurst	Connally	Harrison	Radcliffe
Austin	Coolidge	Hatch	Robinson
Bachman	Couzens	Hayden	Russell
Bailey	Dickinson	Johnson	Sheppard
Barbour	Dieterich	King	Smith
Barkley	Donahey	Logan	Steiwer
Brown	Duffy	Lonergan	Thomas, Okla.
Bulkley	Fletcher	McGill	Thomas, Utah
Bulow	George	McKellar	Townsend
Burke	Gerry	McNary	Truman
Byrd	Gibson	Metcalf	Vandenberg
Byrnes	Gore	Minton	Wagner
Carey	Guffey	O'Mahoney	Walsh
Clark	Hale	Pittman	White

NOT VOTING—18

Caraway	Hastings	McAdoo	Shipstead
Copeland	Keyes	McCarran	Tydings
Cutting	Lewis	Moore	Van Nuys
Davis	Long	Norbeck	
Glass	Maloney	Overton	

So Mr. BLACK's motion was rejected.

Mr. BARKLEY subsequently said: Mr. President, I desire to state that, insofar as I am concerned, my vote on the motion of the Senator from Alabama [Mr. BLACK] is not to be taken as an indication of my attitude on the merits of the bill. I am sure every Senator here has the same attitude. However, I merely voted against taking it up at this time and displacing other legislation. When the bill comes

up for consideration on its merits I shall consider it on its merits.

Mr. McKELLAR. Mr. President, I desire to say that my position is similar to that of the Senator from Kentucky. I have a great deal of sympathy with the bill presented by the Senator from Alabama but, in my judgment, this is not the time to bring it up.

APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate proceed to the consideration of House bill 3973, the District of Columbia appropriation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. THOMAS of Oklahoma. I ask unanimous consent that the formal reading of the bill be dispensed with, and that it be read for amendment, the committee amendments to be first considered.

The PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will read the bill.

The chief clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, on page 2, line 7, after the words "in addition", to strike out "$5,700,000" and insert "$8,317,500", so as to read:

That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1936, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived shall be credited wholly to the District of Columbia, and, in addition, $8,317,500 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1935, and all of the remainder out of the combined revenues of the District of Columbia, namely:

The amendment was agreed to.

The next amendment was, under the heading "General expenses—Executive office", on page 4, line 2, after the word "services", to strike out "$35,390" and insert "$37,390"; and in line 3, after the words "in all", to strike out "$35,690" and insert "$37,690", so as to read:

Plumbing inspection division: For personal services, $37,390; two members of plumbing board at $150 each; in all, $37,690.

The amendment was agreed to.

The next amendment was, under the subhead "Alcoholic Beverage Control Board", on page 5, at the end of line 9, to strike out "$37,650" and insert "$40,150", so as to read:

For personal services, street-car and bus transportation, telephone service, not exceeding $500 for the purchase of samples, and other necessary contingent and miscellaneous expenses, $40,150.

The amendment was agreed to.

The next amendment was, on page 5, line 22, to increase the appropriation for personal services in the office of superintendent of weights, measures, and markets from $46,600 to $53,800.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Superintendent of Weights, Measures, and Markets", on page 5, line 24, after the word "exceed", to strike out "$500" and insert "$1,000", and on page 6, line 9, after the word "vehicle", to strike out "$8,542" and insert "$9,042", so as to read:

For contingent expenses, and maintenance and repairs to markets, including not to exceed $1,000 for purchase of commodities and for personal services in connection with investigation and detection of sales of short weight and measure, maintenance and repair of nonpassenger-carrying motor vehicles, not to exceed $141 (to be immediately available as an additional amount for the purchase and exchange of one nonpassenger-carrying motor vehicle for which $530 was provided in the District of Columbia Appropriation Act for the fiscal year 1935, and not to exceed $671 for the purchase and exchange of one nonpassenger-carrying motor vehicle, $9,042.

Mr. BORAH. Mr. President, I desire to ask the Senator in charge of the bill whether there is in the bill an appropriation for the purpose of taking care of the tubercular children in the District.

Mr. THOMAS of Oklahoma. Yes.

Mr. BORAH. How much was the appropriation?

Mr. THOMAS of Oklahoma. The committee was most liberal in making appropriation for that purpose, providing for it all the money the Bureau of the Budget approved.

Mr. BORAH. May I ask if the Committee on the District of Columbia, or any subcommittee thereof, has made any special or particular investigation of the question of taking care of the tubercular children of the District of Columbia, and if the committee is satisfied with the manner in which such work is being carried on?

Mr. THOMAS of Oklahoma. I am advised by the clerk of the committee that the Senate committee gave the District not only what the Budget approved but all the Commissioners asked for in the first instance. On page 66 the House gave the District $65,000 for salaries, and the Senate committee increased that to $89,890. In the second item, for support, which includes fuel, provisions, and so forth, the Senate committee increased the item from $45,000 to $78,110. In the last item, for the purchase of furniture and equipment, the amount was increased from $30,000 to $40,000.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. COPELAND. For the first time since I have been a member of this committee, I have the feeling that we really have done something for tubercular children and others of the District. We have the money here to open the new tuberculosis wing at Gallinger Hospital. There was no provision made by the House for that purpose. The building was finished and equipped, but there was no personnel provided, but we have inserted that provision in the bill.

More than that, the various hospitals where patients so afflicted are taken care of have been aided. More than that, the new and very efficient health officer of the District came before us and pointed out the necessity of having more District workers and doctors and nurses in connection with the tuberculosis clinic. So I think I may say, confirmatory of what the Senator in charge of the bill has said, that the tuberculosis problem has been dealt with more generously and effectively than ever before, and I should say we have gone quite as far as we could or should go at this time.

Mr. BORAH. Mr. President, I do not want to be concluded by anything that the Senator from New York says upon that subject. I will say, however, that my attention was called to some facts and conditions which I do not care to state, because I do not have them authentically given, which indicated to me and to the people who were speaking to me that the expenditures along this line, in many respects, have not been carried on with intelligence. Did the District of Columbia make arrangements for the purchase of large hospital grounds outside the city?

Mr. COPELAND. That was the Children's Hospital; yes.

Mr. BORAH. For tubercular children?

Mr. COPELAND. For tubercular children; but there is also, the Senator will bear in mind, the tuberculosis hospital at Gallinger for adults.

Mr. BORAH. I am speaking now particularly with reference to the investigation which was made for the purchase of a tubercular children's hospital outside the city. Has the Senator investigated that matter?

Mr. COPELAND. I cannot say that I have. We have the testimony of Mrs. Grant and the Commissioner of Public Welfare and of others who are interested in the problem, and certainly we found no evidence in their testimony that there was any failure to proceed along proper lines.

It has not been brought to my attention that there is any such failure. If the Senator has anything specific, I should be glad to know what it is because of my interest in the problem.

Mr. BORAH. I have not anything specific of my own knowledge. I have only the information which has been con-

veyed to me. If the Senator from New York and the Senator in charge of the bill have satisfied themselves and are content, I shall not push the matter further. It was my desire only to call it to their attention.

Mr. THOMAS of Oklahoma. Mr. President, speaking for myself alone, I find it wholly impossible for me to make such investigation of District affairs as would be necessary to enable me to pass upon these questions, and exercise what judgment I have. Speaking for myself, I am trying to help the District Commissioners to manage the affairs of the city as they think they should be managed. If they are not the proper ones to govern the city, then a mistake has been made somewhere.

When the Commissioners, after consideration of the entire resources of the city, its revenues and needs, and based upon that information, make request of the Budget for a certain sum of money to take care of existing conditions, and then the Senate committee gives the amount of money the Budget asks, I think the Senate is doing what it should do to assist the Commissioners in operating the District. Speaking for myself, that is the policy I am pursuing. In this particular case we did give the Commissioners the amount of money they requested of the Budget in the first instance.

The PRESIDENT pro tempore. The question is on agreeing to the amendment on page 5, line 24, and page 6, line 9.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 6, at the end of line 16, to increase the appropriation for personal services in the municipal architect's office from $46,920 to $48,720.

The amendment was agreed to.

The next amendment was, under the subhead "Public Utilities Commission", on page 7, line 3, after the word "services", to strike out "$69,000" and insert "$94,000", so as to read:

For two commissioners, people's counsel, and for other personal services, $94,000, of which amount not to exceed $5,000 may be used for the employment of expert services by contract or otherwise and without reference to the Classification Act of 1923, as amended.

The amendment was agreed to.

The next amendment was, on page 7, at the end of line 22, to increase the appropriation for personal services in the department of insurance from $20,820 to $24,620.

The amendment was agreed to.

The next amendment was, on page 10, at the end of line 5, to increase the appropriation for personal services in the office of the recorder of deeds from $93,060 to $104,580.

The amendment was agreed to.

The next amendment was, under the subhead "Recorder of deeds", on page 10, line 14, after the word "expenses", to strike out "$10,000" and insert "$12,500", so as to read:

For miscellaneous and contingent expenses, including telephone service, printing, binding, rebinding, repairing, and preservation of records; typewriters, towels, towel service, furniture and equipment and repairs thereto; books of reference, law books and periodicals, street-car tokens, postage; not exceeding $100 for rest room for sick and injured employees and the equipment of and medical supplies for said rest room, and all other necessary incidental expenses, $12,500.

The amendment was agreed to.

The next amendment was, on page 10, at the end of line 15, to increase the appropriation for rent of offices of the recorder of deeds from $10,000 to $14,000.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent and miscellaneous expenses", on page 10, line 22, after the word "exceed", to strike out "$1,000" and insert "$2,000"; and on page 11, line 6, after the word "offices" and the semicolon, to strike out "$26,000" and insert "$32,000", so as to read:

For checks, books, law books, books of reference, periodicals, newspapers, stationery; surveying instruments and implements; drawing materials; binding, rebinding, repairing, and preservation of records; ice; repairs to pound and vehicles; traveling expenses not to exceed $2,000, including payment of dues and traveling expenses in attending conventions when authorized by the Commissioners of the District of Columbia; expenses authorized by law in connection with the removal of dangerous or unsafe and insanitary buildings, including payment of a fee of $6 per diem to each member of board of survey, other than the inspector of buildings, while actually employed on surveys of dangerous or unsafe buildings; and other general necessary expenses of District offices; $32,000.

The amendment was agreed to.

The next amendment was, on page 11, line 13, after the word "printing", to strike out "and/or" and insert "and"; in line 16, after the name "District of Columbia", to insert a comma and "or by the purchasing officer and the auditor for the District of Columbia acting for such Commissioners"; and in line 17 to strike out the colon and the proviso "*Provided further*, That no part of this appropriation shall be available for expenditure unless such printing and binding is done at the Government Printing Office", so as to read:

For printing and binding, $43,000: *Provided*, That no part of the appropriations contained in this act shall be available for expenditure for printing and binding unless the need for such expenditure shall have been specifically approved by the Commissioners of the District of Columbia or by the purchasing officer and the auditor for the District of Columbia acting for such Commissioners.

Mr. HAYDEN. Mr. President, referring to the amendment just stated, the senior Senator from Florida [Mr. FLETCHER], Chairman of the Joint Committee on Printing, asked me to make an inquiry about it. The provision to which I particularly refer is "that no part of this appropriation shall be available for expenditure unless such printing and binding is done at the Government Printing Office." That proviso was adopted by the House of Representatives, and the Senate Committee on Appropriations proposes to strike it out. May I inquire why that change was suggested?

Mr. THOMAS of Oklahoma. Mr. President, the following facts were presented to the committee: The District of Columbia has what it calls a "printing establishment." I think it is largely a mimeographing outfit, but a large amount of printing is done by it. If this language were retained in the bill, the District would have to dispense with that so-called "printing establishment." We were advised in the committee that if the language were not stricken out we should have to add $20,000 to cover the necessary expense of the printing which is now done by this so-called "printing establishment" of the District.

Mr. HAYDEN. Mr. President, I have here a statement from the Public Printer which directly challenges that view. Let me read just an extract from the letter:

The Comptroller General found, after an investigation of the District plant and the records kept in connection therewith, that there was no basis in fact for the statement that it would cost the District more to have its work done at the Government Printing Office; for, as a matter of fact, the records kept by the District did not contain all the elements of cost entering into the completed job. The prices quoted as representing the cost to the District of producing certain jobs—and which were compared by the witness with Government Printing Office prices to the apparent detriment of the Government Printing Office—had no relationship to the actual cost of producing the job; instead of being based on cost the figures quoted by the witness were, to a large extent, taken from an old confidential price list gotten out by the Government Printing Office for the information of its officials only. The Comptroller General brought out the further fact that even though the costs were determinable no comparisons would be in order as the work was of a different class—that referred to by the District being merely a duplication by multilith, or offset process, of jobs that had been previously set up in type and printed in the regular way. The original composition—or typesetting, proofreading, etc.—is the expensive part of the job, and, of course, is a necessary operation preceding any duplication by offset or other process.

Apparently the District has been doing a certain amount of duplicating work and trying to show that it was done cheaper than could be done at the Government Printing Office; but the facts submitted to the committee do not appear to be complete. The Public Printer, therefore, questions the accuracy of the statement that there would be a saving to the District of $20,000 if the amendment should be adopted.

Mr. FLETCHER. Mr. President, my attention was called to the amendment by the Public Printer, and I spoke to the Senator from Arizona about it, apprehending that I might

be out of the Chamber when the matter came up, and requesting that he look after it.

I ask to have the letter to me and the letter from which the Senator from Arizona quoted inserted in the RECORD in full.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letters are as follows:

UNITED STATES GOVERNMENT PRINTING OFFICE,
Washington, D. C., April 4, 1935.

Hon. DUNCAN U. FLETCHER,
Chairman Joint Committee on Printing,
Care of United States Senate Post Office,
Washington, D. C.

MY DEAR SENATOR: In accordance with the instructions of the Public Printer, I am enclosing herewith a copy of his letter to Senator COPELAND, which was discussed with you yesterday.

Senator COPELAND, in his letter of March 18, called the Public Printer's attention to certain statements made before the Committee on Appropriations, during the hearings on the District of Columbia appropriation bill, by Mr. Gelbman, who is in charge of the printing work for the District of Columbia. Briefly, Mr. Gelbman advised the committee (1) that he had effected quite a saving by doing much of the District's printing work in a print shop which he had set up in the District Building, as the cost of producing the work there was much cheaper than it was at the Government Printing Office; and (2) that the Government Printing Office prices were much higher than commercial prices. He attributed the alleged high cost of printing at the Government Printing Office chiefly to the fact that the Government Printing Office was equipped with obsolete machinery. The letter to Senator COPELAND shows the incorrectness of these statements.

As an apparent result of Gelbman's unrefuted testimony, the Senate Appropriations Committee struck out the following proviso that had been inserted by the House in the District of Columbia appropriation bill (H. R. 3973):

"*Provided further,* That no part of this appropriation shall be available for expenditure unless such printing and binding is done at the Government Printing Office."

A copy of the Senate report is attached.

If the action of the committee in deleting the above proviso is allowed to stand in the Senate, it may be that the House will instruct its conferees to insist that the matter be restored to the bill.

If you desire any additional information I will be glad to furnish it.

Respectfully,

R. H. HERRELL,
Superintendent of Accounts and Budget Officer.

APRIL 2, 1935.

Hon. ROYAL S. COPELAND,
United States Senate, Washington, D. C.

MY DEAR MR. COPELAND: I want to take this opportunity to thank you for your letter of March 18, 1935, calling to my attention certain statements made by a witness who appeared before the committee holding hearings on the appropriation bill for the District of Columbia, and for your comments and suggestions in connection therewith.

I believe you would be interested to know that after this District of Columbia witness made practically the same charges, but in more detail, during the hearings on the District bill in the House, Congressman LOUIS LUDLOW, chairman of the legislative subcommittee, asked the Comptroller General and the Public Printer for their comments on his testimony. [The Comptroller General found, after an investigation of the District plant and the records kept in connection therewith, that there was no basis in fact for the statement that it would cost the District more to have its work done at the Government Printing Office, for as a matter of fact the records kept by the District did not contain all the elements of cost entering into the completed job. The prices quoted as representing the cost to the District of producing certain jobs—and which were compared by the witness with Government Printing Office prices to the apparent detriment of the Government Printing Office—had no relationship to the actual cost of producing the job; instead of being based on cost the figures quoted by the witness were, to a large extent, taken from an old confidential price list gotten out by the Government Printing Office for the information of its officials only. The Comptroller General brought out the further fact that even though the costs were determinable, no comparisons would be in order as the work was of a different class—that referred to by the District being merely the duplication by the multilith (or offset process) of jobs that had been previously set up in type and printed in the regular way. The original composition, or typesetting, proofreading, etc., is the expensive part of the job and, of course, is a necessary operation preceding any duplication by offset or other process.]

In my reply to Congressman LUDLOW's request for comments on the testimony of this witness, I did not refer to his comparison of Government Printing Office and District of Columbia prices for the duplicating work in question, as I considered that thoroughly covered by the Comptroller General as indicated above, and therefore confined my comments to his general allegation that Government Printing Office prices were much higher than commercial prices. A few paragraphs of my report are quoted below as follows:

"It would seem that for years there has been an effort to discredit the Government Printing Office prices by very general statements of excessive costs. Frequent check-ups by this Office have shown that such statements are not justified, as Government Printing Office prices are not generally higher than the prices published by reputable associations of master printers; whether or not the commercial printer follows these published scales is a matter for his decision at the time he is requested to bid on a job, and is governed by the condition in his particular shop at that time. For this reason no general statement that prices charged by the Government Printing Office are higher, or lower, than outside prices is true. The departments may in some instances be able to get a particular job printed at a lower figure by a commercial printer, while other jobs would unquestionably cost them more if carried to an outside firm.

"Comparisons of prices for printing are often misleading. Even in cases where bids are requested, it often develops that if the work is performed by the low bidder it costs as much or more than the high bid, due to the sometimes excessive charges made by low bidder for extras—such as changes in the original manuscript or authors' alterations that are not included in the original contract. It is a well-known fact in the printing industry that many bids are submitted low with the idea that any loss will be made up by excessive charges for extras.

"While, as stated, comparisons in prices are often misleading, the Public Printer decided in 1918, when departments and bureaus were having a large amount of printing and binding done commercially, to make an official inquiry into the matter for the purpose of determining, as definitely as possible, whether or not the Government Printing Office prices were excessive. At his request President Woodrow Wilson issued instructions to all departments and bureaus to send to the Public Printer copies of the jobs that they had secured commercially, with the prices paid therefor; departments thereupon submitted about 400 such samples, all of which were at once priced at the then current fixed scale for Government Printing Office work. From this survey it was found that 95 percent of the commercial charges submitted exceeded what the Government Printing Office would have charged for the particular jobs by from 2 percent to as high as 471 percent; the Government Printing Office was found to be slightly higher on about 5 percent of the work.

"Following the above survey, the act of March 1, 1919 (40 Stat. 1270), was passed. Since that date the departments have, of course, procured their printing from the Government Printing Office, and it is therefore not possible to make as dependable a comparison as that shown in the above statement.

"In view of the fact that actual prices paid for printing in general cannot be ascertained, the Public Printer has selected 25 jobs produced by this Office, priced them by the scale outlined in the Franklin Printers' Catalogue, and has compared the prices thus arrived at with the prices actually charged by this Office. The jobs selected include briefs, pamphlets, circulars, ruled sheets, printed forms, etc., every effort being made to select a wide variety of work. The Franklin scale represents a composite commercial pricing scale and is the latest and most up-to-date pricing list issued for the guidance of the printing trade. But it must be remembered that it is for their guidance only, for, as stated, in the great majority of cases the price quoted is governed by the conditions existing in the particular shop at the particular time the request for an estimate is received.

"This comparison developed that the Government Printing Office is higher on 5 of these jobs, lower on 20, and on the total 25 jobs the Franklin Printers' Catalogue is higher by 20.8 percent."

With reference to the statement of the witness before your committee that the high cost of printing at the Government Printing Office is due to the use of obsolete machinery, I wish to advise that the machinery now in use—with a few minor exceptions that are gradually being corrected—is as modern and up to date as can be economically used in the present buildings. We have as many high-speed machines now as our present aisle and working space will permit us to use with any degree of efficiency. It doesn't pay to have high-speed, expensive machinery lying idle, because the work cannot be conveyed to or away from it as rapidly as the machine can turn it out. It is also more economical in some instances to use slower machinery or even hand work where the job is small and the number of copies ordered are few than to use the high-speed presses referred to by the witness. In view of these facts, I cannot concur in the statement of the witness that obsolete machinery unduly adds to the cost of printing at the Government Printing Office, for, as stated, our outstanding need is space—a more modern and up-to-date plant.

With this need in mind and in my effort to correct it, I prepared a report on the conditions of the buildings housing the Government Printing Office, a copy of which is enclosed, and forwarded the same to the Speaker of the House of Representatives under date of January 25, 1935. Please note the letter from the engineering department of the District of Columbia quoted on page 4 of the report, particularly the line, "These three buildings are an extreme fire hazard", and, from the equipment standpoint, pages 24, 25, and 26 of the report.

I want to again thank you for your letter of March 18 and to assure you that I will deeply appreciate any assistance that you may be able to give me in my effort to modernize the plant and equipment of the Government Printing Office.

Respectfully,

A. E. GIEGENGACK,
Public Printer.

Mr. FLETCHER. The provision in question has been in District appropriation bills heretofore enacted. It is very important that the public printing be done at the Government Printing Office. They are equipped to do it and the charges for the work done there are not in excess of charges for similar work done on the outside. It is a mistaken idea that the Government will be saved any money by eliminating the provisions. I am assured by the Public Printer, as I believe the Senator from Arizona stated, that the duplicating work done by the District is not the kind of work that it is expected to have done. The work to be done as provided in the bill can be done at the Public Printing Office and will not cost any more than it would cost anywhere else.

Mr. McKELLAR. Mr. President, under such circumstances, would it not be wiser to let the amendment go to conference and let it be worked out there after investigation? It seems to me this is one of the cases that ought to go to conference.

Mr. FLETCHER. I think the letter from the Public Printer settles the question. I do not believe it ought to go to conference. I think the amendment ought to be rejected.

Mr. THOMAS of Oklahoma. Mr. President, replying to the suggestion made by the Senator from Florida and the Senator from Arizona, let me submit to the Senate the representations made to our committee. I am now reading from such representations as were submitted by the District Commissioners:

The operation of the central duplicating system, which has been in operation since October 1, 1934, up to the present time, shows that the District is able to do its printing work at a cost of from 25 to 40 percent under the prices charged for the similar printing by the Government Printing Office.

Of course, if that saving could be made, the committee was impressed with that statement.

There is another item to be considered. At the reformatory the District Commissioners maintain a sort of printing establishment where men sent to the reformatory are taught the printing art. If this provision shall be stricken from the bill, that institution's printing plant likewise will have to be closed. If it be of any value to teach men at the reformatory printing in any of its branches, whatever value there is might be lost.

I sincerely trust the committee amendment may be agreed to. If there is objection to it, we can take it to conference and adjust the matter there.

Mr. FLETCHER. Mr. President, I believe the Senator is mistaken about any danger of closing the printing establishment at the reformatory and stopping any work now being done there. That is a matter which under the law is entirely within the jurisdiction of the Joint Committee on Printing. We have permitted this printing. Last year the printing done in the field amounted to more than $2,000,000; so that we are not preventing operations such as the Senator mentions, but we are taking care of them. The Joint Committee on Printing will see to that.

We have no need to legislate with the contemplation that we are going to deprive people of the facilities which the Senator mentions. That matter is entirely in the hands of the Joint Committee on Printing, and heretofore we have not hesitated to grant permits in those circumstances. Therefore there is no danger of that situation arising through the rejection of this amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

Mr. THOMAS of Oklahoma. Mr. President, before we leave that matter, while it is before us, on page 11, line 11, I move to strike out "$43,000" and insert "$63,000."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Central garage", on page 13, line 6, after the word "equipment", to strike out "$22,500" and insert "$25,000", so as to read:

For postage for strictly official mail matter, including the rental of postage meter equipment, $25,000.

The amendment was agreed to.

The next amendment was, on page 14, after line 18, to insert:

EMPLOYMENT SERVICE

For personal services and miscellaneous and contingent expenses required for maintaining a public employment service for the District of Columbia, $4,640.

The amendment was agreed to.

The next amendment was, under the heading "Free Public Library", on page 16, line 15, after the word "librarian" to strike out "$333,870" and insert "$343,550"; so as to read:

For personal services, and for substitutes and other special and temporary services, including extra services on Sundays, holidays, and Saturday half holidays, at the discretion of the librarian, $343,550.

The amendment was agreed to.

The next amendment was, on page 16, line 18, after the word "publications" to strike out "$60,000" and insert "$70,000"; so as to read:

Miscellaneous: For books, periodicals, newspapers, and other printed material, including payment in advance for subscription books, and society publications, $70,000.

The amendment was agreed to.

The next amendment was, on page 17, line 9, after the word "vehicle" to strike out "$30,000" and insert "$32,625"; so as to read:

For maintenance, alterations, repairs, fuel, lighting, fitting up buildings, care of grounds, maintenance of motor delivery vehicles, and other contingent expenses, including not to exceed $800 for purchase and exchange of one motor delivery vehicle, $32,625.

The amendment was agreed to.

The next amendment was, on page 20, after line 3, to insert:

For the purchase of street and road materials, rental of equipment, and other expenses in connection with Highway Department work projects performed through force account or day labor, $125,000.

The amendment was agreed to.

The next amendment was, on page 20, line 9, after the word "bridges" to insert a comma and "including not to exceed $15,000 for surveys and engineering investigations of the bridge in line of Pennsylvania Avenue over the Anacostia River and", and in line 12, after the word "vehicles" to strike out "$65,000" and insert "$80,000"; so as to read:

For construction, maintenance, operation, and repair of bridges, including not to exceed $15,000 for surveys and engineering investigations of the bridge in line of Pennsylvania Avenue over the Anacostia River and including maintenance of non-passenger-carrying motor vehicles, $80,000.

The amendment was agreed to.

The next amendment was, on page 21, line 21, after the word "purchase", to strike out "and/or" and insert "and", so as to read:

For beginning the construction of a viaduct or bridge and approaches thereto in line of Michigan Avenue NE., pursuant to authority contained in the act approved February 12, 1931 (Public, No. 618, 71st Cong.), as now located on the permanent system of highways of the District of Columbia, between Brookland Avenue and Perry Street NE., over the tracks and right-of-way of the Baltimore & Ohio Railroad Co., in accordance with plans and profiles of said work to be approved by the Commissioners of the District of Columbia, including the purchase and condemnation under chapter 15 of the Code of Law for the District of Columbia, and amendments thereto, of necessary land in accordance with

the highway plan, construction of and changes in sewer and water mains, personal services, and engineering and incidental expenses, $100,000.

The amendment was agreed to.

The next amendment was, on page 23, line 4, after the figures "$175,000", to strike out the colon and the following proviso: "*Provided*, That one-half of the total cost thereof shall be borne and paid by the said railroad companies, their successors and assigns, to the collector of taxes of the District of Columbia, to the credit of the District of Columbia, and the same shall be a valid and subsisting lien against the franchises and property of the said railroad companies, and shall constitute a legal indebtedness of said companies in favor of the District of Columbia, and the said lien may be enforced in the name of the District of Columbia by a bill in equity brought by the said Commissioners in the Supreme Court of the District of Columbia, or by any other lawful proceeding against the said railroad companies", so as to read:

For the widening, altering, and strengthening of the existing viaduct and approaches in the line of Benning Road NE., between Kenilworth and Minnesota Avenues over the tracks and right-of-way of the Pennsylvania Railroad Co. and the Baltimore & Ohio Railroad Co., in accordance with plans and profiles to be approved by the Commissioners of the District of Columbia, including construction of and changes in sewer and water mains, personal services, and engineering and incidental expenses, $175,000.

The amendment was agreed to.

The next amendment was, on page 23, after line 15, to insert:

For the construction of a viaduct or bridge and approaches thereto in line of Franklin Street NE., over the tracks of the Baltimore & Ohio Railroad, in accordance with plans and profiles to be approved by the Commissioners of the District of Columbia, including construction of and changes in sewer and water mains, personal services, and engineering and incidental expenses, $200,000: *Provided*, That one-half of the total cost thereof shall be borne and paid by the said railroad company, its successors and assigns, to the collector of taxes of the District of Columbia to the credit of the District of Columbia, and the same shall be a valid and subsisting lien against the franchises and property of the said railroad company, and shall constitute a legal indebtedness of said company in favor of the District of Columbia, and the said lien may be enforced in the name of the District of Columbia by a bill in equity brought by the said Commissioners in the Supreme Court of the District of Columbia, or by any other lawful proceeding against the said railroad company.

The amendment was agreed to.

The next amendment was, on page 24, line 22, after the word "exceed", to strike out "$2,175,000" and insert "$2,515,000", so as to read:

In all, not to exceed $2,515,000, to be immediately available; to be disbursed and accounted for as "Gasoline tax, road, and street improvements and repairs", and for that purpose shall constitute one fund.

The amendment was agreed to.

The next amendment was, under the heading "Sewers", on page 28, line 2, after the word "sewers", to strike out "$150,000" and insert "$200,000", so as to read:

For assessment and permit work, sewers, including not to exceed $1,000 for purchase or condemnation of rights-of-way for construction, maintenance, and repair of public sewers, $200,000.

The amendment was agreed to.

The next amendment was, under the heading "Collection and disposal of refuse", on page 29, line 5, after the word "expenses", to strike out "$781,492" and insert "$795,000", so as to read:

To enable the Commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, dead animals, night soil, and miscellaneous refuse and ashes in the District of Columbia, including inspection; fencing of public and private property designated by the Commissioners as public dumps; and incidental expenses, $795,000.

The amendment was agreed to.

The next amendment was, under the heading "Electrical department", on page 31, line 2, after the word "expenses", to strike out "$20,000" and insert "$25,000", so as to read:

For placing wires of fire alarm, police patrol, and telephone services underground, extension and relocation of police-patrol and fire-alarm systems, purchase and installing additional lead-covered cables, labor, material, appurtenances, and other necessary equipment and expenses, $25,000.

The amendment was agreed to.

The next amendment was, on page 31, line 18, after the word "controls", to strike out "$800,000" and insert "$801,000", so as to read:

Lighting: For purchase, installation, and maintenance of public lamps, lampposts, street designations, lanterns, and fixtures of all kinds on streets, avenues, roads, alleys, and public spaces, part cost of maintenance of airport and airway lights necessary for operation of the air mail, and for all necessary expenses in connection therewith, including rental of storerooms, extra labor, operation, maintenance, and repair of motor trucks, this sum to be expended in accordance with the provisions of sections 7 and 8 of the District of Columbia Appropriation Act for the fiscal year 1912 (36 Stat., pp. 1008–1011, sec. 7), and with the provisions of the District of Columbia Appropriation Act for the fiscal year 1913 (37 Stat., pp. 181–184, sec. 7), and other laws applicable thereto, and including not to exceed $28,000 for operation and maintenance of electric traffic lights, signals, and controls, $801,000:

The amendment was agreed to.

The next amendment was, under the heading "Public schools", on page 32, line 12, after the word "superintendents", to strike out "$661,800" and insert "$671,100", so as to read:

For personal services of administrative and supervisory officers in accordance with the act fixing and regulating the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, approved June 4, 1924 (43 Stat., pp. 367–375), including salaries of presidents of teachers colleges in the salary schedule for first assistant superintendents, $671,100.

The amendment was agreed to.

The next amendment was, on page 32, line 14, to increase the appropriation for personal services of clerks and other employees under the public schools from $165,140 to $187,880.

The amendment was agreed to.

The next amendment was, on page 32, line 25, after the words "class 12", to strike out "$6,896,200" and insert "$6,957,100", so as to read:

For personal services of teachers and librarians in accordance with the act approved June 4, 1924 (43 Stat., pp. 367–375), including for teachers colleges assistant professors in salary class 11, and professors in salary class 12, $6,957,100.

The amendment was agreed to.

The next amendment was, under the subhead "Night schools", on page 34, line 10, after the word "schools", to strike out "$88,230" and insert "$91,360", and in line 14, after the word "instruction", to strike out "$4,000" and insert "$10,000", so as to read:

For teachers and janitors of night schools, including teachers of industrial, commercial, and trade instruction, and teachers and janitors of night schools may also be teachers and janitors of day schools, $91,360.

For contingent and other necessary expenses, including equipment and purchase of all necessary articles and supplies for classes in industrial, commercial, and trade instruction, $10,000.

The amendment was agreed to.

The next amendment was, under the subhead "The deaf, dumb, and blind", on page 35, line 7, after the word "Commissioners", to strike out "$10,500" and insert "$11,500", so as to read:

For maintenance and instruction of blind children of the District of Columbia, in Maryland, or some other State, under a contract to be entered into by the Commissioners, $11,500: *Provided*, That all expenditures under this appropriation shall be made under the supervision of the Board of Education.

The amendment was agreed to.

The next amendment was, under the subhead "Community center department", on page 36, line 4, after the word "fixtures", to strike out "$44,811" and insert "$75,000", so as to read:

For personal services of the director, general secretaries, and community secretaries in accordance with the act approved June 4, 1924 (43 Stat., pp. 369, 370); clerks and part-time employees, including janitors on account of meetings of parent-teacher associations and other activities, and contingent expenses, equipment, supplies, and lighting fixtures, $75,000.

The amendment was agreed to.

The next amendment was, on page 36, at the end of line 13, to increase the appropriation for the maintenance of schools for tubercular and crippled pupils from $7,500 to $8,000.

The amendment was agreed to.

The next amendment was, on page 36, line 15, after the word "pupils", to insert a comma and "sight conservation pupils"; and in line 16, after the word "pupils", to strike out "$17,000" and insert "$20,000", so as to read:

For transportation for pupils attending schools for tubercular pupils, sight conservation pupils, and crippled pupils, $20,000: *Provided*, That expenditures for street-car and bus fares from this fund shall not be subject to the general limitations on the use of street-car and bus fares covered by this act.

The amendment was agreed to.

The next amendment was, on page 37, at the end of line 1, to increase the appropriation for fuel, gas, and electric light and power from $290,000 to $300,000.

The amendment was agreed to.

The next amendment was, on page 37, line 9, after the word "labor", to strike out "$119,100" and insert "$119,500", so as to read:

For contingent expenses, including United States flags, furniture and repairs of same, stationery, ice, paper towels, and other necessary items not otherwise provided for, and including not exceeding $8,000 for books of reference and periodicals, not exceeding $1,500 for replacement of pianos at an average cost of not to exceed $300 each, not exceeding $5,000 for labor, $119,500, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 38, after line 9, to insert:

For the necessary reequipping, including repair and refinishing of suitable existing equipment, of the Shaw Junior High School, $15,000.

The amendment was agreed to.

The next amendment was, on page 39, after line 7, to strike out:

No part of the appropriations herein made for the public schools of the District of Columbia shall be used for the free instruction of pupils who dwell outside the District of Columbia: *Provided*, That this limitation shall not apply to pupils who are enrolled in the schools of the District of Columbia on the date of the approval of this act.

And in lieu thereof to insert:

The children of officers and men of the United States Army, Navy, and Marine Corps, and children of other employees of the United States stationed outside the District of Columbia shall be admitted to the public schools without payment of tuition.

The amendment was agreed to.

The next amendment was, on page 39, line 19, after the word "buildings", to insert "and grounds", and in line 24, after the word "trucks", to strike out "$410,950" and insert "$420,950", so as to read:

For repairs and improvements to school buildings and grounds, repairing and renewing heating, plumbing, and ventilating apparatus, installation and repair of electric equipment, and installation of sanitary drinking fountains, and maintenance of motor trucks, including not to exceed $1,950 for the purchase of two 1½-ton trucks, $420,950, of which amount $100,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Buildings and grounds", on page 40, after line 22, to insert:

For the construction of an elementary school to provide four classrooms and unfinished space for four additional classrooms to replace the present Bunker Hill Schools, $115,000.

The amendment was agreed to.

The next amendment was, on page 41, after line 2, to insert:

For beginning construction of a vocational school for girls to replace the old Dennison School building on S Street, on land owned by the District of Columbia between Thirteenth and Fourteenth and Upshur and Allison Streets, NW., $140,000, and the Commissioners are authorized to enter into contract or contracts for such building at a cost not to exceed $280,000.

The amendment was agreed to.

The next amendment was, on page 41, after line 9, to insert:

For the construction of an addition to the Ketcham School to include eight classrooms and an assembly-gymnasium, $155,000.

The amendment was agreed to.

The next amendment was, on page 41, after line 12, to insert:

For the preparation of plans and specifications for a new senior high school on a site already owned by the District of Columbia in Manor Park, including the employment of personal services, by contract or otherwise, and without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), or the Classification Act of 1923, as amended, $40,000.

The amendment was agreed to.

The next amendment was, on page 41, after line 19, to insert:

For the construction of an addition to the Paul Junior High School, including 10 classrooms and 1 gymnasium, $190,000.

The amendment was agreed to.

The next amendment was, on page 41, after line 22, to insert:

For the construction of an addition to the Truesdell School, including eight classrooms and one assembly-gymnasium, and removing existing old structure and necessary remodeling, $155,000.

The amendment was agreed to.

The next amendment was, on page 42, after line 2, to insert:

For the construction of a seven-room addition to the Roosevelt Senior High School, $81,000.

The amendment was agreed to.

The next amendment was, on page 42, after line 4, to insert:

For the completion of construction, and for improvement of grounds of the Woodrow Wilson High School, $70,000.

The amendment was agreed to.

The next amendment was, on page 42, after line 7, to insert:

For improvements at the Armstrong High School, including the construction of a connecting corridor between the old and the new parts of the school, and remodeling the present gymnasium for girls including provision for dressing rooms and showers, $115,000.

The amendment was agreed to.

The next amendment was, on page 42, after line 12, to insert:

For improvement of the stage and corridors at the Shaw Junior High School, $10,000.

The amendment was agreed to.

The next amendment was, on page 42, after line 14, to insert:

For the construction of a classroom to accommodate a class in cleaning and dyeing at the Margaret Murray Washington Vocational School for girls, including mechanical equipment, $7,500.

The amendment was agreed to.

The next amendment was, on page 42, after line 18, to insert:

For the construction of a combination assembly hall and gymnasium at the Giddings School, $40,000.

The amendment was agreed to.

The next amendment was, on page 42, after line 20, to insert:

For the construction of an eight-room addition and combination gymnasium and assembly hall at the Grimke School, including necessary remodeling of present building, $190,000.

The amendment was agreed to.

The next amendment was, at the top of page 43, to insert:

For the construction of a combination assembly hall and gymnasium at the Monroe School, including remodeling of present heating plant, $67,000.

The amendment was agreed to.

The next amendment was, on page 43, after line 3, to insert:

For the purchase of additional land at the Phelps Vocational School for elementary-school purposes, $55,000.

The amendment was agreed to.

The next amendment was, on page 43, after line 5, to insert:

For the purchase of a site for the Jefferson Junior High School, $185,000.

The amendment was agreed to.

The next amendment was, on page 43, line 8, after the words "in all", to strike out "$635,000" and insert "$2,250,500", so as to read:

In all, $2,250,500, to be immediately available and to be disbursed and accounted for as "Buildings and grounds, public schools", and for that purpose shall constitute one fund and remain available until expended: *Provided*, That no part of this appropriation shall be used for or on account of any school building not herein specified.

The amendment was agreed to.

The next amendment was, under the heading "Metropolitan Police—Salaries", on page 45, line 14, after the word "department", to strike out "$3,213,500" and insert "$3,487,950", so as to read:

For the pay and allowances of officers and members of the Metropolitan Police force, in accordance with the act entitled "An act to fix the salaries of the Metropolitan Police force, the United States Park Police force, and the fire department of the District of Columbia" (43 Stat., pp. 174–175), as amended by the act of July 1, 1930 (46 Stat., pp. 839–841), including compensation at the rate of $2,100 per annum for the present assistant property clerk of the police department, $3,487,950.

The amendment was agreed to.

The next amendment was, on page 45, at the end of line 19, to increase the appropriation for repairs and improvements to police stations and grounds from $8,000 to $20,000.

The amendment was agreed to.

The next amendment was, on page 46, line 11, after the word "patrol", to strike out "$69,000" and insert "$72,102", so as to read:

For miscellaneous and contingent expenses, including rewards for fugitives, purchase of gas equipment and firearms, maintenance of card system, stationery, city directories, books of reference, periodicals, newspapers, telegraphing, telephoning, photographs, rental and maintenance of teletype system and labor-saving devices, telephone service charges, purchase, maintenance, and servicing of radio broadcasting systems, purchase of equipment, gas, ice, washing, meals for prisoners, medals of award, not to exceed $300 for car tickets, furniture and repair thereto, beds and bed clothing, insignia of office, police equipments and repairs to same, and mounted equipment, flags and halyards, storage of stolen or abandoned property, and traveling and other expenses incurred in prevention and detection of crime and other necessary expenses, including expenses of harbor patrol, $72,102, of which amount not exceeding $2,000 may be expended by the major and superintendent of police for prevention and detection of crime, under his certificate, approved by the Commissioners, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended:

The amendment was agreed to.

The next amendment was, on page 47, at the end of line 6, to strike out "$47,500" and insert "$58,075", so as to read:

Uniforms: For furnishing uniforms and other official equipment prescribed by department regulations as necessary and requisite in the performance of duty to officers and members of the Metropolitan Police, including cleaning, alteration, and repair of articles transferred from one individual to another, $58,075.

The amendment was agreed to.

The next amendment was, under the subhead "House of detention", on page 47, line 8, after the word "maintenance", to insert a comma and "including rent", and in line 17, after the word "expenses", to strike out "$8,400; for personal services, $8,160; in all $16,560" and insert "$16,400; for personal services, $9,420; in all, $25,820", so as to read:

For maintenance, including rent, of a suitable place for the reception and detention of girls and women over 17 years of age, arrested by the police on charge of offense against any laws in force in the District of Columbia, or held as witnesses or held pending final investigation or examination, or otherwise, including transportation, the maintenance of necessary motor vehicles, clinic supplies, food, upkeep and repair of buildings, fuel, gas, ice, laundry, supplies and equipment, electricity, and other necessary expenses, $16,400; for personal services, $9,420; in all $25,820.

The amendment was agreed to.

The next amendment was, under the heading "Fire department—Miscellaneous", on page 49, at the end of line 8, to increase the appropriation for hose from $15,000 to $29,500.

The amendment was agreed to.

The next amendment was, on page 49, line 13, after the word "For", to strike out "one combination hose wagon" and insert "three combination hose wagons", and in line 15, after the words "motor driven", to strike out "$18,500" and insert "$34,500", so as to read:

For 3 combination hose wagons and 1 pumping engine, triple combination, all motor driven, $34,500.

The amendment was agreed to.

The next amendment was, on page 49, after line 15, to insert:

For house, furniture, and furnishings for a truck company on land now owned by the District of Columbia at Fourteenth Street and Rhode Island Avenue NE., including the cost of necessary instruments for receiving alarms and connecting said house with fire-alarm headquarters, $77,241.

The amendment was agreed to.

The next amendment was, on page 49, at the end of line 24, to increase the appropriation for personal services under the health department from $178,500 to $239,740.

The amendment was agreed to.

The next amendment was, under the subhead "Prevention of contagious diseases", on page 51, line 1, after the word "journals", to trike out "$30,000" and insert "$33,-500", so as to read:

For contingent expenses incident to the enforcement of the provisions of an act to prevent the spread of contagious diseases in the District of Columbia, approved March 3, 1897 (29 Stat., pp. 635–641), and an act for the prevention of scarlet fever, diphtheria, measles, whooping cough, chicken pox, epidemic cerebrospinal meningitis, and typhoid fever in the District of Columbia, approved February 9, 1907 (34 Stat., pp. 889–890), and an act to provide for registration of all cases of tuberculosis in the District of Columbia, for free examination of sputum in suspected cases, and for preventing the spread of tuberculosis in said District of Columbia, approved May 13, 1908 (35 Stat., pp. 126–127), under the direction of the health officer of said District, manufacture of serums, including their use in indigent cases, and for the prevention of infantile paralysis and other communicable diseases, and of an act for the prevention of venereal diseases in the District of Columbia, and for other purposes, approved February 26, 1925 (43 Stat., pp. 1001–1003), and for maintenance of disinfecting service, including salaries or compensation for personal services, when ordered in writing by the Commissioners and necessary for the enforcement and execution of said acts, and for the prevention of such other communicable diseases as hereinbefore provided, and purchase of reference books and medical journals, $33,500.

The amendment was agreed to.

The next amendment was, on page 51, line 12, after the word "supplies", to insert a comma and "purchase and maintenance of one passenger-carrying motor vehicle", and in line 14, after the word "expenses", to strike out "$45,797" and insert "$69,440", so as to read:

For the maintenance of a dispensary or dispensaries for the treatment of indigent persons suffering from tuberculosis and of indigent persons suffering from venereal diseases, including payment for personal services, rent, supplies, purchase and maintenance of one passenger-carrying motor vehicle, and contingent expenses, $69,440.

The amendment was agreed to.

The next amendment was, on page 52, line 6, after the word "of", to insert "establishing and", and in the same line, after the word "clinics", to strike out "$94,820" and insert "$127,300", so as to read:

Hygiene and sanitation, public schools, salaries: For personal services in the conduct of hygiene and sanitation work in the public schools, including the necessary expenses of establishing and maintaining free dental clinics, $127,300.

The amendment was agreed to.

The next amendment was, under the heading "Courts—Juvenile court", on page 54, line 4, after the word "jurors", to strike out "$1,500" and insert "$2,000", so as to read:

Miscellaneous: For compensation of jurors, $2,000.

The amendment was agreed to.

The next amendment was, under the subhead "Municipal court", on page 55, line 16, to increase the appropriation for compensation of jurors from $4,500 to $6,000.

The amendment was agreed to.

The next amendment was, on page 59, line 12, after the word "party", to strike out "$5,000" and insert "$5,500", so as to read:

Printing and binding: For printing and binding for the Supreme Court and the United States Court of Appeals of the District of Columbia, except records and briefs in cases in which the United States is a party, $5,500.

The amendment was agreed to.

Ths next amendment was, on page 59, at the end of line 15, to increase the appropriation for personal services under the Board of Public Welfare from $113,140 to $115,990.

The amendment was agreed to.

The next amendment was, under the subhead "Jail", on page 62, line 4, after the word "electrocutions", to strike out "$80,500" and insert "$82,000", so as to read:

For maintenance and support of prisoners of the District of Columbia at the jail, expenses incurred in identifying and pursuing escaped prisoners and rewards for their capture; repair and improvements to buildings, cells, and locking devices; newspapers, books, and periodicals not to exceed $100; maintenance of nonpassenger-carrying motor vehicle; and expense of electrocutions, $82,000.

The amendment was agreed to.

The next amendment was, under the subhead "General administration, Workhouse and Reformatory, District of Columbia", on page 62, at the end of line 7, to strike out "$389,560" and insert "$407,320", so as to read:

For personal services, $407,320.

The amendment was agreed to.

The next amendment was, on page 62, line 16, after the word "items", to strike out "$350,000" and insert "$360,000", so as to read:

For maintenance, care, and support of inmates, rewards for fugitives, discharge gratuities provided by law, medical supplies, newspapers, books, books of reference and periodicals, farm implements, tools, equipment, transportation expenses, purchase and maintenance of livestock and horses; purchase, exchange, maintenance, operation, and repair of nonpassenger-carrying vehicles and motor bus; fuel for heating, lighting, and power, and all other necessary items, $360,000.

The amendment was agreed to.

The next amendment was, on page 62, line 20, after the figures "$100,000", to insert a comma and "to be immediately available", so as to read:

For continuing construction of buildings and inclosing walls, including equipment and furniture, to provide for the custody of such prisoners as should be confined within a walled inclosure, $100,000, to be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Medical charities", on page 65, line 11, to increase the appropriation for care and treatment of indigent patients, Children's Hospital from $30,000 to $50,000.

The amendment was agreed to.

The next amendment was, on page 65, at the end of line 12, to increase the appropriation for care and treatment of indigent patients, Central Dispensary and Emergency Hospital from $50,000 to $55,000.

The amendment was agreed to.

The next amendment was, on page 65, at the end of line 21, to increase the appropriation for personal services under the Tuberculosis Hospital, from $90,600 to $99,500.

The amendment was agreed to.

The next amendment was, under the subhead "Children's Tuberculosis Sanatorium", on page 66, line 8, after the word "labor", to strike out "$65,510" and insert "$89,890", so as to read:

Salaries: For personal services, including not to exceed $1,000 for temporary labor, $89,890.

The amendment was agreed to.

The next amendment was, on page 66, line 15, after the word "items", to strike out "$45,000" and insert "$78,110", so as to read:

For provisions, fuel, forage, harness, and vehicles, and repairs to same, maintenance and purchase of horses and horse-drawn vehicles, gas, ice, shoes, clothing, dry goods, tailoring, drugs and medical supplies, furniture and bedding, kitchen utensils, medical books, books of reference, and periodicals not to exceed $200, maintenance of motor truck, and other necessary items, $78,110.

The amendment was agreed to.

The next amendment was, on page 66, at the end of line 18, to increase the appropriation for purchase of furniture and equipment under the Children's Tuberculosis Sanatorium, from $30,000 to $40,000.

The amendment was agreed to.

The next amendment was, under the subhead "Gallinger Municipal Hospital", on page 66, line 22, after the word "labor", to strike out "$379,000" and insert "$542,542", so as to read:

Salaries: For personal services, including not to exceed $2,000 for temporary labor, $542,542.

The amendment was agreed to.

The next amendment was, on page 67, line 8, after the word "expenses", to strike out "$215,000" and insert "$290,000", so as to read:

For maintenance of the hospital; for maintenance of the quarantine station, smallpox hospital, and public crematorium, including expenses incident to furnishing proper containers for the reception, burial, and identification of the ashes of all human bodies of indigent persons that are cremated at the public crematorium and remain unclaimed after 12 months from the date of such cremation; for maintenance and purchase of horses and horse-drawn vehicles; for medical books, books of reference, and periodicals not to exceed $500; for maintenance of non-passenger-carrying motor vehicles; and for all other necessary expenses, $290,000.

The amendment was agreed to.

The next amendment was, on page 67, line 10, after the word "grounds", to strike out "$4,500" and insert "10,000", so as to read:

For repairs and improvements to buildings and grounds, $10,000.

The amendment was agreed to.

The next amendment was, on page 67, after line 10, to insert:

For purchase and exchange of one 1½-ton motor truck, $1,000.

The amendment was agreed to.

The next amendment was, under the subhead "Emergency relief", on page 69, line 15, after the word "employment", to strike out "and/or" and insert "and"; and in line 20, after the word "available", to insert a comma and "of which amount not less than $79,000 shall be available for free lunches for necessitous school children", so as to read:

For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia by employment and direct relief, in the discretion of the Board of Commissioners and under rules and regulations to be prescribed by the Board and without regard to the provisions of any other law, payable from the revenues of the District of Columbia, $2,000,000, to be immediately available, of which amount not less than $79,000 shall be available for free lunches for necessitous school children.

The amendment was agreed to.

The next amendment was, under the subhead "Florence Crittenton Home", on page 70, line 13, after the word "maintenance", to strike out "$7,500" and insert "$9,000", so as to read:

For care and maintenance of women and children under a contract to be made with the Florence Crittenton Home by the Board of Public Welfare, maintenance, $9,000.

The amendment was agreed to.

The next amendment was, on page 74, after line 9, to insert:

ANACOSTIA RIVER AND FLATS

The unexpended balance of the amount of $150,000 for the purchase of land contained in the appropriation of $330,000 for the fiscal year 1931 for continuing the reclamation and development of Anacostia Park is hereby made available for the reclamation and development of said park.

The amendment was agreed to.

The next amendment was, under the subhead "Washington Aqueduct", on page 79, line 7, after the word "purchase", to strike out "and/or" and insert "and", so as to read:

For maintenance of the water department distribution system, including pumping stations and machinery, water mains, valves, fire and public hydrants, and all buildings and accessories, and motor trucks, and motor vehicles such as are now owned, and the replacement by purchase and exchange of the following motor-propelled vehicles: One two-passenger coupe, at not to exceed $650; two trucks at not to exceed $500 each; two trucks at not to exceed $750 each; and one truck at not to exceed $3,000; purchase of fuel, oils, waste, and other materials, and the employment of all labor necessary for the proper execution of this work; and for contingent expenses, including books, blanks, stationery, printing and binding not to exceed $2,500; postage, purchase of technical reference books and periodicals not to exceed $275, and other necessary items, $7,500; in all for maintenance, $345,000, of which not exceeding $5,000 shall be available for operation of pumps at Bryant Street pumping station upon interruption of service from Dalecarlia pumping station.

The amendment was agreed to.

The next amendment was, on page 79, line 23, after the word "system", to strike out "$200,000" and insert "$225,000", so as to read:

For extension of the water department distribution system, laying of such service mains as may be necessary under the assessment system, $225,000.

The amendment was agreed to.

The next amendment was, on page 80, line 3, after the name "District of Columbia", to strike out "$75,000" and insert "$90,000", so as to read:

For installing and repairing water meters on services to private residences and business places as may not be required to install meters under existing regulations, as may be directed by the Commissioners; said meters at all time to remain the property of the District of Columbia, $90,000.

The amendment was agreed to.

The next amendment was, on page 80, line 9, after the word "pavements", to strike out "$100,000" and insert "$120,000", so as to read:

For replacement of old mains and divide valves in various locations, on account of inadequate size and bad condition of pipe on account of age, and laying mains in advance of pavements, $120,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 80, after line 17, to insert:

For 6,500 feet of 36-inch water main from Eleventh and Kenyon Streets NW. to Seventeenth and Taylor Streets NW., $120,250.

The amendment was agreed to.

The next amendment was, on page 81, line 1, after the word "of", to strike out "one 25,000,000-gallon daily electrical motor driven centrifugal pumping unit" and insert "two 25,000,000-gallon daily electrical motor driven centrifugal pumping units", and in line 6, after the word "gallon", to strike out "obsolete steam pumping unit, $65,000" and insert "and one 20,000,000-gallon obsolete steam pumping units, $123,000", so as to read:

For the purchase and installation of two 25,000,000-gallon daily electrical motor driven centrifugal pumping units at the Bryant Street pumping station, including all necessary appurtenances and alterations and removal of one 12,000,000-gallon and one 20,000,000-gallon obsolete steam pumping units, $123,000.

The amendment was agreed to.

The next amendment was, on page 86, after line 21, to strike out:

SEC. 8. No part of the appropriations contained in this act shall be used to pay any increase in the salary of any officer or employee of the District of Columbia by reason of the reallocation of the position of such officer or employee to a higher grade after June 30, 1932, by the Personnel Classification Board or the Civil Service Commission, and salaries paid accordingly shall be payment in full.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. THOMAS of Oklahoma. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 32, line 25, after the numerals "$6,957,100", it is proposed to insert:

Of which not exceeding $5,000 may be expended for compensation to be fixed by the Board of Education and traveling expenses of educational consultants employed on special educational projects.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I desire to call the attention of the distinguished Senator having the bill in charge to line 5, page 72. Before doing so, I want to pay tribute to the devoted, unselfish service rendered by the Senator. The people of the District of Columbia owe him a great debt of gratitude for what he has done, at a sacrifice of time and energy, to try to meet the needs of the citizens of the District.

The matter to which I am now referring relates to the item for the payment of physicians to the poor. In 1933 there were 4,400 calls on these physicians, at a cost to the District of $4,000. In 1934 there were 6,764 calls, at an expense of $3,740. In 1935, so far there have been 5,624 calls, indicating for the year calls totaling 8,436.

Back in 1912 there were 32 doctors doing this work. Now there are only 10, and because of the poverty in the District, there are more calls on the public doctors than ever before.

In view of these facts, I move to amend on page 72, line 5, by striking out "$8,000" and substituting in lieu thereof "$13,000", adding $5,000 to the appropriation.

Mr. THOMAS of Oklahoma. Mr. President, a strong showing was made on this particular item and similar items, and because of the showing made by the Senator from New York, I have no objection to letting the amendment go to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read the third time.

The bill was read the third time and passed.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to.

The VICE PRESIDENT. The conferees will be appointed at a later date.

PUBLIC WORKS OF THE NAVY

Mr. TRAMMELL. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 5576) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

Mr. KING. Mr. President, is that the naval bill?

Mr. TRAMMELL. It is the public-works bill of the Navy.

Mr. McKELLAR. Is it on the calendar?

Mr. TRAMMELL. It is Calendar No. 424.

Mr. McNARY. Mr. President, I understood the Senator from Florida to move that the Senate proceed to the consideration of House bill 5576, known as the "naval construction bill."

The VICE PRESIDENT. The Senator is correct.

Mr. McNARY. I am advised by the leader on the Democratic side, the Senator from Arkansas [Mr. ROBINSON], that he expects to ask for an adjournment this evening, with a morning hour tomorrow, and a call of the calendar. I have been advised by some Senators that they would like to have the question of proceeding to the consideration of the naval construction bill brought up tomorrow rather than this afternoon. If it is to be insisted on this afternoon, there will have to be a quorum call so that Senators may be notified of the proposal to make some particular order the unfinished business. In view of that situation, I suggest to the Senator from Florida that, inasmuch as we are to adjourn this afternoon until tomorrow, he make his motion tomorrow if he desires so to do.

Mr. TRAMMELL. Of course, Mr. President, I desire to conform to the wishes of Senators. I really see no reason why the bill should not be made the unfinished business at the present time. Then it would come up tomorrow, as the unfinished business, at 2 o'clock. Of course, we could take it up now by a majority vote, but with the understanding that it will be the pending business tomorrow at 2 o'clock——

The VICE PRESIDENT. If the Senate adjourns today, of course, the Senator will have to renew his motion tomorrow, because it will not be the pending business. If the Senate should take a recess, it would be the pending business tomorrow.

Mr. McNARY. It should readily occur to the Senator from Florida that there are only a few Senators present, and I am advised that some would like to be here when the motion is made to make any order the unfinished business. So, in fairness to those who are not present, I suggest to the Senator that he make his motion tomorrow at the proper time, and he will have an opportunity at the time the Senate proceeds to the consideration of the calendar. Tomorrow will not be a regular calendar day. Any motion may be made as to any order of business at any particular time during the call of the calendar, and if the Senator should secure recognition when the calendar is first brought up he can move that the bill in which he is interested be taken up. He would lose no right.

Mr. TRAMMELL. I had hoped very much to get the bill before the Senate this afternoon, and I regret that some Members of the Senate are absent who might wish to have something to say in opposition to taking up the bill. It is not a question of voting on it; it is a question of taking it up for consideration. I really think that it is very unfortunate that Senators absent themselves from the Senate and prevent our going ahead with the business of the Senate. However, I appreciate the courtesy of the Senator from Oregon, and if I may have it understood now that at 2 o'clock I may have the privilege of making the motion that the bill to which I have referred be made the unfinished business, I shall not press the motion at this time.

The VICE PRESIDENT. The Chair will say to the Senator from Florida that under the rules of the Senate, as he understands them, when the Senate proceeds to a consideration of measures on the calendar tomorrow the Senator will be at liberty to make his motion at once.

Mr. McNARY. At any time.

The VICE PRESIDENT. And it will not be debatable.

Mr. McNARY. As I suggested a moment ago, when the consideration of the calendar begins tomorrow the Senator may make his motion that the bill to which he has called attention be made the unfinished business.

Mr. TRAMMELL. Mr. President, with that explanation and understanding, I will not press this afternoon the motion to make the bill the unfinished business.

ADJOURNMENT

Mr. McKELLAR. Mr. President, I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 31 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, April 9, 1935, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 8, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we lift our hearts to Thy throne of mercy and call Thee Father. What a sunlit and enchanted place is Thy footstool, which is all vocal with divine love. As we wait here in prayer and meditation, we thank Thee that Thou dost comfort and console in the hours of desolating sorrow which parches the flowers of life and withers its joy. Teach us, O Lord, that he that dwelleth in love dwelleth in God, for God is love. Put this angel of heaven in all our souls. Illuminate every horizon; speak in every harmony that thrills the breast, and let us feel the touch of that dear, human love that warms the world. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

ROLL CALL OF THE HOUSE

Mr. GOLDSBOROUGH. Mr. Speaker, I suggest the absence of a quorum.

The SPEAKER. Evidently, there is not a quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 49]

Amlie	Dorsey	Lamneck	Somers, N. Y.
Andrews, N. Y.	Doutrich	Lanham	Sumners, Tex.
Bankhead	Fish	Lord	Taber
Bell	Frey	Lundeen	Thomas
Brooks	Gambrill	McGrath	Thurston
Cannon, Wis.	Gasque	Meeks	Tinkham
Cartwright	Griswold	Montague	Treadway
Celler	Hancock, N. Y.	Norton	Turpin
Cox	Hartley	O'Brien	Wadsworth
Crowe	Higgins, Conn.	Peyser	Welch
Darden	Hoffman	Sadowski	Werner
Dear	Hook	Sandlin	West
Ditter	Kennedy, Md.	Shannon	Wilson, La.

The SPEAKER. Three hundred and seventy-nine Members have answered to their names. A quorum is present.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

WAR PROFITS

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, ever since the World War I have been committed to the proposition of the universal conscription of men and of wealth in the event of another war, and I am still in favor of this proposition. My idea of universal conscription is very simple. It is that every able-bodied male citizen of the United States of military age shall be subject to conscription for military service and that all other citizens shall be conscripted in the public service. However, this is not my understanding of the pending bill with section 3 as now amended in the bill.

My understanding of this section as amended is that conscription in the military service or exemption from such service will depend solely upon the accident of employment. If a man happens to be in a favored employment at the time war is declared, he may be exempt from military service. If he is not in such employment, he can be drafted and sent to the front.

I do not see that this is materially different from the World War Draft Act that gave rise to the "shipyards patriot", which caused so much heart burning to the men in the military service and so much more after their discharge from the service.

Mr. Speaker, it was my understanding that this would be a bill to take the profits out of war. I did not understand that it would deal with the question of drafting manpower, as provided in section 3 of the bill. I have not heard the draft mentioned in connection with the Nye bill. Now, section 3 has been amended in the Committee of the Whole by the addition of the following language:

Provided, That nothing in this section shall be construed as conscription of those employed in industry.

It is claimed that this is intended to prevent the freezing in industry of those employed in industry, but it does not read that way. If we are going into the question of exemptions from military service, I want to suggest that it cannot be done by the consideration given to a spur-of-the moment amendment under the 5-minute rule in Committee of the Whole. Since the amendment of section 3, the conscription section, I have taken the trouble to examine the

Selective Draft Act of 1917. That act provided that in addition to the organized military forces then existing—

All other forces hereby authorized * * * shall be raised and maintained by selective draft exclusively. * * * Such draft herein provided shall be based upon liability to military service of all male citizens between the ages of 21 and 30 years, both inclusive.

Then comes the provision dealing with exemptions. There were expressly exempted from the World War draft, the Vice President of the United States; the officers, legislative, executive, and judicial of the United States, the States and Territories and the District of Columbia; ministers of religion; students in theological schools; conscientious objectors.

In addition, the President in his discretion was authorized to exempt from the selective draft the following classes:

County and municipal officers, customhouse clerks, persons engaged in the transmission of the mails, workers in navy yards, arsenals, and armories; pilots and marines in sea service; other persons in the United States service as designated.

Also:

Persons engaged in industries, including agriculture, found to be necessary to the maintenance of the Military Establishment or the effective operation of the military forces, or the maintenance of national interest during the emergency;

Those in a status with respect to persons dependent upon them for support which renders their exclusion or discharge advisable;

And those found to be physically or morally deficient.

Mr. Speaker, the provisions of the Selective Draft Act of 1917 indicate that very thorough consideration was given to the question of exemptions from the draft. It cannot be claimed that any such consideration was given to section 3 of this bill. I cannot foresee at this time how this section may be construed and applied and I cannot foresee what will be the reactions to it of the millions who are to be affected by it. I cannot be sure that the veterans of the World War, whom I know to be overwhelmingly in favor of the universal draft, will find that this section as it now reads, meets their idea of such a draft. If I err, I want to err on the side of the millions whose lives are to be affected by this section, and vote to recommit the bill to have the draft feature of section 3 stricken from it.

Mr. Speaker, during the World War the man in uniform was the only man who got neither war profits nor high wages. He was called upon to make, if necessary, the supreme sacrifice virtually for his board and clothes. All other men were permitted to remain at home and profit by the war, and most of them did.

If I understand the philosophy of this legislation, it is as a deterrent to war by taking the incentive of profit out of war and by bringing home to everybody the hardships and the sacrifices of war. No other system could be just. No other system could take the profit out of war for everybody. No other system could even approximate a sharing of the sacrifices of war. If we cannot effect such a system, then we confess that universal conscription is a failure and we are merely devising a system of selecting from groups or classes those whom we destine to fight and to die.

It is claimed that the American Legion endorses this legislation. I have read the exhaustive statement made in its behalf before the Committee on Military Affairs and find the following:

Legislation that will prepare our country to draft immediately, without favor, all the man power and resources of our Nation.

The adoption of universal-draft legislation, to the end that in case of war America's man power and resources might be immediately called into the service of the Nation without unjust discrimination and costly delay.

The universal draft of both property and men, to become effective as soon as possible.

A plan providing for a universal draft and the conscription of capital, industry, and man power in the event of war.

The question is, Does section 3 of the bill embody the above specific recommendations not only of the American Legion but of all other veterans' organizations?

Mr. Speaker, the profit should be taken out of war. Perhaps the price freezing in the bill may limit the profit, but the way to take out the profit is to take it in taxes and take all of it, take 100 percent. I know the views of many men who fought in the last war. They are not for war. They believe that the most sobering influence that can be brought to bear upon the national mind against participation in another war will be the knowledge that the moment it is declared every man and every dollar will be in the service of the Government, not just some men and some dollars.

[Here the gavel fell.]

SALE OF TIMBER ON THE NATIONAL FORESTS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2881) authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill and the following Senate amendment:

In line 8, strike out "May 1, 1933," and insert "June 30, 1934."

Mr. SNELL. Mr. Speaker, this seems to be a minor amendment, and I have no objection to the request.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

Mr. EATON. Mr. Speaker, my colleague the gentleman from New Jersey [Mr. HARTLEY] has been called away by death in family and requests indefinite leave of absence.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that the Committee on Immigration and Naturalization may have permission to sit during the sessions of the House on tomorrow and Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ANNOUNCEMENT

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

Mr. McSWAIN. Mr. Speaker, reserving the right to object, is this on the pending bill?

Mr. CONNERY. No.

Mr. McSWAIN. I have no objection.

Mr. CONNERY. Mr. Speaker, for the benefit of the Members who did not hear the statement I made a few days ago, I wish to announce again that tonight at 8 o'clock, in the caucus room of the old House Office Building, through the courtesy of Warner Bros., and in compliment to the Committee on Labor, there will be exhibited a film that has not yet been shown in any theater, entitled "Black Fury", featuring Paul Muni. This picture describes conditions during a strike in the mines, and is one that I am sure the entire membership will be interested in seeing.

Mr. O'CONNOR. May I suggest that the picture is shown not only through the courtesy of Warner Bros. but through the courtesy of the House Office Building Commission.

Mr. CONNERY. I beg my dear friend's pardon. And I wish to express my deep appreciation to the Speaker of the House, the Chairman of the Rules Committee [Mr. O'CONNOR], and the gentleman from New Jersey [Mr. BACHARACH], all members of the House Office Building Commission, through whose courtesy the picture is to be permitted to be shown.

The picture will be shown at 8 o'clock, and each Member is invited to attend, and we hope that each one will confine himself or herself to one guest, due to the limited seating capacity of the caucus room.

Mr. ELLENBOGEN. Is this a censored version or an uncensored version?

Mr. CONNERY. It is uncensored, and there is nothing in it that needs censoring.

Mr. ELLENBOGEN. I understand the State of New York and the State of Illinois intend to cut out some parts of it.

Mr. CONNERY. I suggest that my friend from Pennsylvania [Mr. ELLENBOGEN] see the picture tonight. It is a wonderful picture. I saw it at a special preview a few days ago, and it is a clean, dramatic, colorful picture, and needs no censoring in any particular.

WAR PROFITS

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

Mr. McSWAIN. Mr. Speaker, reserving the right to object, we must restrict ourselves to the issue now before us, and we must not open this subject for debate. The gentleman, as I understand, proposes to submit a motion to recommit, which is within his rights; but everybody else would have just as much right to speak as my friend the gentleman from Maryland. The motion to recommit will speak for itself, and I regret very much that I feel I should object. Does the gentleman intend to address his remarks to the motion to recommit?

Mr. GOLDSBOROUGH. Only for the purpose of explaining what is in the motion, and not to debate it.

Mr. McSWAIN. If the gentleman's purpose is simply to explain the motion, I withdraw the objection.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, the motion to recommit, which I shall presently offer, simply strikes from the bill the first sentence of section 3, which provides for human conscription.

THE N. R. A.

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent to proceed for one-half minute, not on the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRAY of Pennsylvania. Mr. Speaker, from time to time we have had attacks on the N. R. A. from the other side of the Mason and Dixon's line here and the other day the infection spread to the Democratic ranks.

Mr. RANKIN. The center aisle in the House to which the gentleman refers is the dead line—not the Mason and Dixon's line.

Mr. GRAY of Pennsylvania. In order to get in the RECORD what the N. R. A. has done for the bituminous coal industry of this country, Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRAY of Pennsylvania. Mr. Speaker, from time to time in this House we have been hearing of the evils of the regimentation and the harm that has resulted to the country because of the National Recovery Act.

The criticisms of that enactment have in the main come from the gentlemen of the opposition—I mean from those who seem to think that their political life is dependent on the destruction of the N. R. A. Such an attitude, if we consider partisan politics only, is perhaps to be expected. But it has remained for one who does not belong to the opposition and who no doubt would bitterly resent any charge that he was in sympathy with the destructive program of the opposition—whatever it is and whoever can be found to state that program—to direct at the N. R. A. the heaviest broadside we have yet heard. I refer to the remarks of the gentleman from Georgia uttered the other day.

Let it be understood at the outset that I have not the slightest quarrel with the gentleman from Georgia. Nor shall I follow the established rule of this House and start throwing flowers at that gentleman. He is not dead yet, and I shall reserve any inference or suggestion that he is, because I do not think he is. In my short service here in this House I have come to think well of and respect him in his individuality, though I doubt if he even knows my name, and I am sure the gentleman does not know that I have a very kindly feeling for him.

But, Mr. Speaker, while we can dismiss Republican pot shooting at the N. R. A. in the understanding that it merely discloses a consciousness of poverty of imagination and emptiness of thought on the part of those who deride the N. R. A. from the ambushes of timber that has the dry rot and is windshaken at the butt, we must not permit the friends of the people to stray into sterile pastures and eat the noxious growths of a sour and unproductive soil.

Mr. Speaker, it would not be difficult to prove that of all the attempts made by the Roosevelt administration to defeat and to overcome the appalling disaster and horrible wreckage caused or permitted by three uninterrupted Republican administrations of our Government, the N. R. A. is far and away the most potent and the one that has done more to benefit the people than any other enactment.

It is necessary because of the limitation of my time that I confine my remarks to what the N. R. A. has done for the bituminous coal industry of this Nation. Coal we have always been told was one of the basic industries of this country. In order to get even a faint idea of what the N. R. A. has done for the people, a brief retrospect is necessary.

In 1927 the organized coal miners and the operators could not agree upon a wage scale. A strike resulted in the organized fields. People from various other parts of the country of very dubious occupation and vocation were imported into organized territory to break the strike. The miners' union was broken and utterly dismembered. The operators had the field, but what a scene of carnage. The miners were licked, the operators were licked, the people were licked, the Nation, one might almost say, was licked. It was not bloodshed; it was not civil war. It was business, industrial, financial, wreckage.

In 1932 every coal-producing field I suppose in the United States had those of its people who had more than a bare existence, and who at the same time had some human sympathy, contributing regularly to the local charity funds to feed the hungry, to clothe the naked, to house the houseless. Children attending school in the dead of northern winters half clothed and nearly starved, or being kept from school entirely because of less clothes and more starvation. It was a calamity not ever to be forgotten, not ever to be erased from the vision. A state of dire poverty, of unemployment, of physical and mental hoplessness and inaction. Through this sad, sickening, and unwholesome mass there suddenly shone the rays of the N. R. A.

The miners' union was revived. The riff-raff scurried back to the scummy haunts from which evidently it had come; the mines began to operate, the cars rolled in and out, men returned to work, the railroads moved the freight, and—the greatest benefit of all—the spirit of the people took on a happier tone and a brighter color. Perfection we have not yet, but improvement and betterment we have, immeasurably so, and, Mr. Speaker, it is by cause of the Democratic Party, by cause of the Democratic Roosevelt, by cause of the N. R. A.

Those Republicans who carp at, those individuals who criticize, and those Democrats in this House who would scuttle the N. R. A. are either bigotedly partisan or totally unacquainted with the facts.

Let us look at some of the evidence of N. R. A. results:

Total bituminous-coal production in Pennsylvania

	Tons
1931	89,830,912
1932	68,022,893
1933	78,571,864
1934	89,592,481
	Value
1931	$155,060,000
1932	100,361,000
1933	108,418,000
1934 (estimated)	160,000,000
	Employees
1931	116,726
1932	104,532
1933	115,453
1934 (estimated)	120,000

This is exclusive of wagon mines producing less than 1,000 tons.

I represent the Twenty-seventh Congressional District of Pennsylvania, which is most likely the largest bituminous-coal producing congressional district in the United States. In that district alone, comprising Armstrong, Cambria, Indiana, and Jefferson Counties, the coal production in 1932 amounted to 19,774,840 tons. The production increased in 1933, after the N. R. A., to a total of 21,014,786 tons, and further advanced to 23,000,000 tons in 1934.

Let me commend to my Democratic friend from Georgia and all other Democratic Members who have any little feeling of doubt about the merits of this much-abused N. R. A., a wider and more thorough knowledge of what it has done for the people. If he had the faintest idea, the slightest conception of how the act has helped revivify the spirit of millions of Americans, he could not too hurriedly, in defense of his own integrity, find means to wipe out his words of condemnation and vocalize a feeling of whole-hearted approbation.

It is a pleasure for me to hear the Republican Members attack the administration at its strongest and best fortified front. Of course it is the poorest strategy imaginable, and it is just as futile as it is comical and as its results are going to be disappointing.

It was, of course, too bad that the N. R. A. fell into the hands of "Crack Down" Johnson, who so conspicuously "cracked up." Notwithstanding that months ago the black dust storm that blew out of Oklahoma killed the N. R. A. deader than a dodo, on April 1, 1935, N. R. A. temporarily but very successfully averted a bituminous coal strike, which achievement alone is abundant reason for its existence.

I hope, Mr. Speaker, that the Republican leadership will continue its fruitless attacks on the N. R. A. At the same time, I trust the Democratic membership will devote some time to the acquisition of more facts and less fancy.

WAR PROFITS

The SPEAKER. The unfinished business is the adoption of the amendments to the bill (H. R. 5529) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense, and promote peace.

Is a separate vote demanded on any amendment?

Mr. BLANTON. Mr. Speaker, I ask for a separate vote on what is known as the "modified Faddis amendment."

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute for the purpose of asking the chairman of the committee a question.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, on Saturday there were not more than 40 or 50 Members present when many of these amendments were written into the bill. I ask unanimous consent that the bill be read through clearly, slowly, and distinctly, so that the Members can be informed of what is in the bill.

Mr. McSWAIN. The RECORD has been before every Member and the amendments are easily understood, and I object.

The SPEAKER. Is there any other amendment upon which a separate vote is demanded? If not, the Chair will put them in gross.

Mr. O'MALLEY. Mr. Speaker, I ask that the amendment be read for the information of the House.

The SPEAKER. The amendment will be read when we come to vote upon it. The question is on the remaining amendments.

The other amendments were agreed to.

The Clerk will read the amendment upon which a separate vote is demanded.

The Clerk read as follows:

Page 2, line 13, strike out the word "service" and insert the words "armed forces" and on page 3, line 2, after the word "purposes" change the period to a colon and add: "*Provided*, That nothing in this section shall be construed as conscription of those employed in industry."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 207 ayes and 11 noes.

So the amendment was agreed to.

The SPEAKER. The question now is on the engrossment and third reading of the bill.

Mr. DIRKSEN. Mr. Speaker, I ask for the reading of the engrossed copy.

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent that the bill as amended be read to the House.

Mr. BLANTON. A point of order, Mr. Speaker. The gentleman from Illinois [Mr. DIRKSEN] demanded the reading of the engrossed copy. Such request should be disposed of first. If the engrossed copy is read, that would place the bill as amended in the RECORD at this point. I think the bill should be printed in the RECORD at this point, as it is not a long bill, so that the country and every member of the American Legion can know that the bill contains something that they are opposed to, to wit, the Faddis amendment, which exempts all men in industry from fighting, and does not allow them to be drafted. I think we are entitled to have the bill read. So after we vote to engross the bill, it should be read and printed in the RECORD.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The question was taken, and the bill was ordered to be engrossed and read a third time.

Mr. DIRKSEN. Mr. Speaker, I renew my demand for the reading of the engrossed copy.

Mr. GOLDSBOROUGH. Mr. Speaker, I do not know when a motion to recommit is in order. Can I offer a motion to recommit now?

The SPEAKER. The gentleman can offer his motion to recommit after the bill has been read the third time.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for half a minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, if the House will give unanimous consent to the reading of the bill as it is amended, will the gentleman from Illinois [Mr. DIRKSEN] insist that the bill go over until tomorrow? We want to dispose of it today.

Mr. DIRKSEN. Yes; so long as the amendments are read.

Mr. BLANTON. Mr. Speaker, the bill is short; and if the Members would agree that the bill be printed at this point in the RECORD so that the country may know what it contains, I think the gentleman from Illinois [Mr. DIRKSEN] would withdraw his demand; and if that is done, I shall not renew it.

Mr. McSWAIN. And vote on the bill now?

Mr. BLANTON. Yes; but let it be printed in the RECORD at this point as it is amended.

Mr. McSWAIN. That it be considered as read?

Mr. BLANTON. What I want is to have the bill printed in the RECORD, and what the gentleman from Illinois wants is to have the bill read.

Mr. DIRKSEN. Yes; for the information of the Members.

Mr. McSWAIN. Then I ask that the gentleman from Illinois [Mr. DIRKSEN] and the gentleman from Wisconsin [Mr. O'MALLEY] agree to have the bill read.

Mr. DIRKSEN. That will be agreeable.

Mr. BLANTON. And in that connection I ask unanimous consent that with the reading of the bill the bill be printed in the RECORD at this point as amended, and then I shall not renew the demand for the reading of the engrossed copy.

The SPEAKER. The gentleman from Texas asks unanimous consent that the bill be read with the amendments

which have been adopted and printed in the RECORD at this point. Is there objection?

Mr. O'MALLEY. Mr. Speaker, I reserve the right to object. We originally made that request about 10 minutes ago, and the Chairman of the Committee on Military Affairs objected to it.

Mr. McSWAIN. But the gentleman has changed his mind, in view of the parliamentary knowledge of the gentleman from Illinois [Mr. DIRKSEN].

Mr. O'MALLEY. Then I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. BLANTON]? [After a pause.] The Chair hears none, and the Clerk will read the bill with the amendments which have been adopted by the House.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. While we are waiting for the Clerk to get this bill together, I propound this parliamentary inquiry to the Speaker. Cannot any Member of the House demand the reading of the bill in full before it is voted on?

The SPEAKER. The Chair will read the first clause of rule XXI:

> Bills and joint resolutions on their passage shall be read the first time by title and the second time in full, when, if the previous question is ordered, the Speaker shall state the question to be: Shall the bill be engrossed and read a third time? and, if decided in the affirmative, it shall be read the third time by title, unless the reading in full is demanded by a Member, and the question shall then be put upon its passage.

Under the rule, therefore, it is the right of every individual Member, after the bill has been ordered read a third time, to demand the reading in full.

Mr. WOODRUFF. Mr. Speaker, would a demand of a Member at this time that the engrossed copy be read be in order?

The SPEAKER. That demand has been made, and the Chair understood that it had been withdrawn.

Mr. WOODRUFF. But, Mr. Speaker, the gentleman who made the demand previously could not speak for other Members of the House. It is apparent to me from the condition of the House today that even though this bill is read, there is not going to be order enough in the Chamber so that the Members can understand it. Therefore I demand the reading of the engrossed copy.

The SPEAKER. The gentleman from Michigan demands the reading of the engrossed bill. Of course, he has that right. Under the unanimous-consent agreement, the Clerk will read the bill with the amendments.

Mr. McSWAIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McSWAIN. And that is as to whether or not, if my good friend from Michigan [Mr. WOODRUFF] were in the House and gave his consent that the bill be read now and considered and printed in the RECORD, it is not binding on the House.

The SPEAKER. The Chair does not think that that interferes with the right of a Member to demand the reading of the engrossed copy of the bill.

Mr. McSWAIN. If the gentleman insists upon that, it seems to me a useless consumption of time to read the bill at this time.

Mr. WOODRUFF. I quite agree with that, that it would be a useless effort to read the bill at this time with the lack of order there is in the House and that probably will continue just so soon as the Clerk starts the reading of the bill. I demand the reading of the engrossed copy of the bill.

Mr. BLANTON. The engrossed copy can be here in the House ready for reading later on this afternoon.

Mr. MICHENER. Mr. Speaker, I demand the regular order.

The SPEAKER. The House has given its consent that the bill with the amendments be read, and the Chair hopes that Members will maintain strict order during the reading. The Clerk will read the bill with the amendments.

The Clerk read as follows:

Be it enacted, etc., That whenever Congress shall declare war, then, from and after a date prior to such declaration which date the President is hereby authorized and directed to determine and publicly proclaim, it shall be unlawful for any person, firm, partnership, or corporation to willfully buy, sell, or otherwise contract for any artice or thing at a higher rate, rent, price, commission, compensation, or reward than was in effect at the date so determined.

SEC. 2. During the period of any war, whenever in the sole discretion of the President he shall determine that any maximum price, rent, rate, commission, compensation, or reward shall be adjusted either upward or downward he is hereby authorized to make and publicly proclaim such adjustment, and such adjustment shall have the full force and effect under this statute of such price, rent, rate, commission, compensation, or reward before such adjustment.

(b) Furthermore, the President is authorized to close all stock and commodity exchanges in the United States of America if in his sole discretion it becomes desirable in order to curb speculation.

SEC. 3. That in the event of war, declared by Congress to exist, which in the judgment of the President demands the immediate increase of the military establishment, the President be, and he hereby is, authorized to draft into the armed forces of the United States such members of the unorganized militia between the ages of 21 and 45 as he may deem necessary, and all persons responsible for the management, direction, and control of industry, commerce, transportation, and communications, subject to such conditions, exemptions, rules, and regulations as the President may prescribe and publicly proclaim: *Provided*, That no member of the militia drafted into the armed forces of the United States under the provisions of this section shall, while a member of such armed forces, be permitted to serve on foreign soil, except to prevent, repel, or quell actual invasion of the United States of America: *Provided, however*, That the per diem pay of such members of the unorganized militia so drafted shall be a sum not less than the daily wage of unskilled labor as of the date proclaimed by the President for price determination, and the President is hereby authorized and directed to determine and proclaim the amount of that wage. Likewise, during such time of war declared by Congress, the President shall have power to determine and publicly proclaim from time to time the material and financial resources, industrial organizations, and public services over which Government control shall then be necessary and to commandeer same for use by the Government and such control and commandeering shall be exercised by him through agencies then existing or which he may then create for such purposes: *Provided*, That nothing in this section shall be construed as conscription of those employed in industry.

SEC. 4. During the period of any war declared by Congress the President is authorized to determine, and by public proclamation announce, what classes of public service, or of dealers or of manufacturers of any article or commodity, shall be required to operate under licenses, to fix the conditions of such licenses, and to grant licenses under such conditions. After such determination and proclamation by the President, it shall be unlawful for any public service, dealer, or manufacturer in such determined classes willfully to engage in business without such license. This section shall not apply to the publication or distribution of newspapers, periodicals, or books.

SEC. 5. During the period of any war declared by Congress the President is authorized to determine and publicly proclaim the order of priority in which any manufacturer, dealer, or public service in the United States shall fill orders, or transport anything, or furnish power, and after such determination and proclamation, it shall be unlawful for any such manufacturer, dealer, or public service willfully to fill such orders in any other order of priority.

SEC. 6. That during the period of any war declared by Congress the President is empowered to set up such agencies, boards, or commissions, or to designate such persons, to exercise such portion of his powers as he may deem necessary and proper to accomplish the purpose of this act. Likewise, at such time he shall have power to make such rearrangements of departments, and of bureaus and divisions thereof, and to transfer such duties and powers as he may deem necessary for the proper conduct of war.

SEC. 7. That any person, firm, or corporation willfully violating any of the provisions of this act, or willfully violating any publicly proclaimed orders, rules, or regulations made by the President for executing the powers contained in this act, is hereby declared to be guilty of a misdemeanor and shall be liable to indictment and trial therefor, and upon conviction thereof shall be sentenced to pay a fine, not exceeding $100,000, or to serve in prison, not exceeding 1 year, or both, at the discretion of the court.

SEC. 8. That upon the declaration of war, there shall be imposed a tax of 100 percent of all excess war profits that may be earned during said period of war as defined in this act.

SEC. 9. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. GOLDSBOROUGH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. There has been a demand for the reading of the engrossed copy.

Mr. WOODRUFF. Mr. Speaker, I renew my demand for the reading of the engrossed copy.

CONSTRUCTION, REPAIR, AND PRESERVATION OF PUBLIC WORKS ON RIVERS AND HARBORS

Mr. MANSFIELD. Mr. Speaker, I move that the House now resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. RANKIN. Will the gentleman withhold that for a moment, that I may propound a parliamentary inquiry?

Mr. MANSFIELD. I will withhold the motion.

Mr. RANKIN. Mr. Speaker, may I inquire just when we will vote on the McSwain bill?

The SPEAKER. The Chair has been informed that the engrossed copy will probably be in the House by 3 or 3:30 this afternoon. This bill will have to be laid aside temporarily.

Mr. RANKIN. May we have an understanding that the vote on the bill will go over until tomorrow?

Mr. McSWAIN. I would not want to take the responsibility without talking with the House management about that. It is my personal desire to close it up as soon as possible.

Mr. RANKIN. We would like to know just when it will be taken up?

Mr. McSWAIN. Can we rely upon the assurance that it will be here by 3 o'clock?

The SPEAKER. No assurance can be given, but the Chair has been informed that the bill will probably be in the House by 3 or 3:30, or between 3 and 4 o'clock. Of course, the bill can then be taken up and disposed of.

Mr. RANKIN. Mr. Speaker, I ask the Chairman of the Committee on Military Affairs to agree that the bill go over until tomorrow.

Mr. WOODRUFF. Reserving the right to object.

The SPEAKER. There is nothing to object to.

Mr. WOODRUFF. I understood the gentleman propounded a unanimous-consent request.

The SPEAKER. The gentleman from Texas [Mr. MANSFIELD] moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6732.

Mr. MANSFIELD. And pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, one-half the time to be controlled by the gentleman from California [Mr. CARTER] and one-half by myself.

Mr. SNELL. Mr. Speaker, I desire to make a point of order against the motion.

The SPEAKER. The gentleman will state it.

Mr. SNELL. I make the point of order against the motion of the gentleman from Texas [Mr. MANSFIELD] on the ground that this is not a privileged bill, and therefore the motion is not in order. I do this not because I am opposed to the bill, because I am for it, but in order to keep the RECORD and the precedents of the House intact relative to the consideration of a river and harbor bill.

As a matter of fact, the Chairman of the Rules Committee and I had a word or two about this bill Saturday night. Originally, river and harbor bills were privileged bills, but in those days they were confined to river and harbor projects alone. In later years all of these river and harbor bills have contained various other matters, such as channels, canals, and artificial waterways, which are not privileged matter. Of course, the presence of unprivileged matter in a bill makes the bill itself unprivileged. If I remember correctly, the present distinguished Speaker made a ruling on this very same proposition some 12 or 15 years ago when he was acting as Chairman of Committee of the Whole, and as a further argument to sustain my position, I respectfully call attention of the Speaker to that decision.

I would like to say further that as far as I am concerned, if the Speaker sustains the point of order, which I believe he will, if the gentleman from Texas will ask unanimous consent to call up this bill, I doubt if there will be any opposition to considering it at this time. The point I am making now is simply for the purpose of maintaining the rules of the House, and not because I have any opposition to the bill.

Mr. O'CONNOR. Mr. Speaker, I should like to reply to the point of order, in order to keep the record clear. On Saturday the following colloquy occurred at page 5202 of the RECORD:

> Mr. SNELL. Mr. Speaker, will the gentleman tell us what the program is going to be for the first part of next week?
> Mr. TAYLOR of Colorado. The rivers and harbors bill will come up for consideration Monday.
> Mr. SNELL. That will be brought up under a special rule?
> Mr. TAYLOR of Colorado. I do not know. The social security bill will follow that measure.
> Mr. O'CONNOR. The gentleman knows that the rivers and harbors bill is a privileged matter.
> Mr. SNELL. I do not know any such thing.

Now, under clause 45 of rule XI of the House, bills reported by the Committee on Rivers and Harbors for "the improvement of rivers and harbors" are privileged, along with reports from the Rules Committee, reports of the Elections Committees, general appropriation bills, bills from the Public Lands Committee relating to forfeiture of land grants to railroads, and so forth, reports from the Accounts Committee pertaining to the contingent fund of the House, reports on enrolled bills, reports from the Committee on Territories admitting new Territories as States to the Union, reports from the Invalid Pensions Committee reporting general pension bills, and reports from the Joint Committee on Printing. I think I have covered all the privileged reports. If not, I shall include them later in my remarks.

Under the rule, the gentleman from New York is correct in the strict sense, in that the bill reported from the Committee on Rivers and Harbors must relate only to rivers and harbors. This ruling is sustained by the following precedent: On January 11, 1919, at page 1263 of the RECORD, the present distinguished Speaker, then presiding as Chairman of the Committee of the Whole House on the state of the Union, ruled that a Rivers and Harbors Committee report was not privileged because it contained canals and artificial waterways. It has also been held that the presence in a bill, otherwise privileged, of matters not privileged destroys the privileged status of the whole bill (Hinds' Precedents, vol. IV, sec. 4622, etc.).

I am willing to concede to the gentleman from New York [Mr. SNELL] that this bill does in fact contain provisions relating to canals and creeks and artificial, and perhaps undiscovered, waterways, so if the gentleman should press his point of order, the bill would not be privileged. In view of that situation, however, if the point of order is pressed, the Rules Committee is prepared with a rule to meet the situation.

Mr. SNELL. Did the gentleman hear the suggestion I made, that as far as I know, there is no opposition to considering the bill if the gentleman will ask unanimous consent. If the gentleman will ask unanimous consent, he will get it, I think, because we are all for the bill.

The SPEAKER. Does the gentleman insist on his point of order?

Mr. SNELL. Oh, yes; I will have to insist on the point of order, but I think the gentleman can get his bill up the other way.

The SPEAKER. Clause 45 of rule XI, as it relates to the Committee on Rivers and Harbors, reads as follows, under the heading of Privileged Reports.

> The Committee on Rivers and Harbors, bills authorizing the improvement of rivers and harbors.

The bill which has been presented to the House not only relates to rivers and harbors but provides for other waterways.

There are quite a number of provisions in the bill, which it is unnecessary to point out, providing for inland waterways; for instance, from the Delaware River to Chesapeake Bay, the improvement of the Cape Cod Canal, and other provisions quite numerous which, in the opinion of the Chair, takes the bill from under the privilege provided in the rules.

The Chair feels constrained to follow the precedents heretofore established and the plain letter of the rule the Chair

has read, which applies only to bills relating to rivers and harbors exclusively. In addition to this, the Chair will state that the Chair is informed that this bill was not presented to the House as privileged bills are, but was reported through the basket, rather than from the floor of the House.

The Chair therefore sustains the point of order.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent, if agreeable to the Committee on Military Affairs, that the pending Military Affairs Committee bill to take the profits out of war go over until tomorrow. It is so indefinite as to when the engrossed bill will come in that Members do not know what to do, when the bill will come in, or anything about it. For this reason I ask unanimous consent that the bill go over until tomorrow.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, the engrossed bill ought to be back here within the next 2 hours, and the Membership of the House can complete it at that time. Why delay a vote on the bill? It is very important that we have a vote on the bill now. For this reason, Mr. Speaker, I object.

ANNOUNCEMENT

Mr. BLAND. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Speaker, I desire to announce at this time that on April 11, 1935, at 8 p. m., in the auditorium of the Department of the Interior, Mr. Fickinger, the superintendent of Colonial National Monuments, will deliver a lecture on archeological discoveries at Jamestown and Yorktown. He will have slides there to show some of the relics that were taken from a British ship that was sunk in the campaign and seige of Yorktown in 1781. Everyone is invited to be present.

CONSTRUCTION, REPAIR, AND PRESERVATION OF PUBLIC WORKS ON RIVERS AND HARBORS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Pending this motion I ask unanimous consent that general debate be confined to the bill, and be limited to 2 hours, one-half to be controlled by the gentleman from California [Mr. CARTER] and one-half by me.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, with Mr. ARNOLD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MANSFIELD. Mr. Chairman, the question of transportation is certainly one of the most important matters with which our country has to deal. In some sections we have great surpluses of products of the farm or factory for which there is no market. In other sections there is distress on account of the need of those commodities, but which cannot be obtained because of the prohibitive cost of transportation. Congress should exert every reasonable effort to bring about a better solution of this problem. In doing this the general interest, rather than a selfish interest, should receive our first consideration.

Lord Bacon said:

> There are three things which make a nation great and powerful: A fertile soil, busy workshop, and easy conveyance for men and goods from place to place.

We have the fertile soil and the busy workshop, but in our transportation system there is room for improvement. Reasonable but substantial reductions in freight rates is one of our greatest possible needs. The low cost of water transportation on the Great Lakes, of about 1 mill per ton mile, has added many billions to the economic wealth of the country and has actually contributed more to the business of the railroads, supposed competitors in transportation, than perhaps any other single development in our history.

The systematic improvement of our Atlantic, Pacific, and Gulf ports has substantially lightened the burdens of the ships upon the high seas. As a consequence, a bale of cotton can now be carried from a Texas port to our most distant market in the Orient for slightly less than $2 per bale, after paying a toll through the Panama Canal. This is about one-half the cost of a few years ago and illustrates the fact that the people get the benefit of reduced transportation costs made possible by systematic river and harbor improvements.

In our transportation system we have about 3,000,000 miles of public roads and highways, improved and unimproved. We have 250,000 miles of railways and about 15,000 miles of rivers having a greater or lesser degree of improvement for navigation. Of these different systems of transportation the waterways have the lesser maintenance cost per ton of freight handled. The cost of maintaining all our harbors and improved rivers is about $25,000,000 per annum, which represents a cost of about 3½ cents per ton of commerce. The cost of maintaining the railways ranges from one billion to two billion per annum, as approved by the Interstate Commerce Commission. This represents a cost of about $1.50 per ton of freight handled. The cost of maintaining our public roads and highways is estimated at about $161,000,000 annually, as borne by the States. The cost to the Federal Government for maintaining Federal-aid highways is estimated by the Bureau of Roads at $40,000,000. We, of course, have no reliable estimate of the amount of traffic handled over our highways.

Our waterways certainly constitute an indispensable part of our transportation system and should continue to be improved as rapidly as circumstances will permit.

In our early history waterway transportation was the most important. A little later rail competition practically eliminated the waterways. Spasmodically the waterways have come back to contest the claim of superiority made by the railways.

For more than a hundred years the battle between them has waxed and waned. The pendulum has swung back and forth. Neither has been eliminated, though it cannot be disputed that both have become more or less obsolete in certain lines. Waterway transportation was too sluggish and restricted to hold its own with the railways except in the movement of heavy tonnage of bulk commodities and raw materials. The railways, for similar reasons, have been unable to compete in many fields with the highways. And the trucks, busses, and automobiles have almost completely eliminated them in certain lines. Transportation by air is now rendering the automobile obsolescent for quick movement.

All these modes of transportation are necessary, and the people should have the right to patronize the one that best suits their purpose for certain lines of traffic. Monopoly in transportation is dangerous, and no one can foresee just where it might end.

The claim has been made that waterways injure the railroads. That is an assertion which no man can prove, but all impartial investigation will lead to the opposite conclu-

sion. It is a fact that cannot be denied that the railroads, which operate in the same zones where the greatest volume of waterway traffic is handled, are the most prosperous roads we have. As an illustration, the Pittsburgh district might be considered as the center of inland waterway transportation. It is the destination of a great volume of iron ore moving over the Great Lakes. It is the place of origin of a great volume of coal, going back over the same waterway. It is at the junction of the Allegheny and Monongahela forming the Ohio. These three rivers handle a greater volume of traffic than is handled over any other inland waterway of our country.

We find, that in 1900, the traffic on these rivers in the Pittsburgh district, was 9,000,000 tons, in round numbers. In 1925, just a quarter of a century later, it had increased to 40,000,000 tons, and here is how it affected the railroads. In 1900, the rail traffic was 57,000,000 tons and in 1925 it had increased to 173,000,000 tons. In other words, during that 25-year period, while the waterway traffic increased 31,000,000 tons the railroad traffic increased 116,000,000 tons.

The cheap movement of raw materials resulted in building up the greatest industrial region on the American continent, and provided a greater volume of traffic to move by rail than is to be found in any other section of our country.

The bill before us, while not neglecting inland waters, yet deals more with a much-needed improvement in the port and channel conditions on the Atlantic, Pacific, and Gulf coasts, and on the Great Lakes. With few exceptions, the major inland waterways embraced in the bill, are already under construction with emergency funds. Your committee considers them meritorious, and recommends their completion. Otherwise, much of the money expended will have gone for naught.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. FLETCHER. Will the gentleman include in the RECORD the places where the projects are located?

Mr. MANSFIELD. The bill shows the places where they are located.

The river and harbor bill now before the House provides for the authorization of 204 projects, 77 of which are now under way with funds provided from the emergency appropriations. The other 127 projects have been recommended by the chief of engineers but they have not yet been authorized by Congress. The total estimated cost of the projects included in the bill is $272,132,172.70, of which $58,067,499.49 has already been provided from the public-works funds. The bill will authorize the undertaking of these projects as funds become available, and their future maintenance from the annual appropriations for this purpose. Since the current War Department appropriation provides only the funds necessary for maintenance and operation of existing projects, funds for the execution of the projects in this bill must come for the time being from emergency appropriations.

There is a real and urgent need for the passage of this bill. It will preserve the legal status of the projects initiated under the emergency program and permit them to be maintained in the future from annual appropriations. It will authorize for execution, as funds become available, projects badly needed for the improvement of our national waterway system. There has been no river and harbor bill since 1930, a 5-year period which represents the greatest length of time without the enactment of such legislation since the Civil War.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. CONNERY. Section 2 of the bill reads:

> The Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys to be made—

And so forth. My understanding was that the gentleman's committee had this authority without legislation, by committee resolution.

Mr. MANSFIELD. No; the gentleman is slightly in error.

Mr. CONNERY. I wanted to understand the situation.

Mr. MANSFIELD. The law in regard to it is that the Committee on Rivers and Harbors cannot initiate a survey, but a survey that once has been authorized by Congress and becomes dormant can be revived by resolution of the committee.

Mr. CONNERY. I thank the chairman.

Mr. MANSFIELD. Needless to say, during this period there have been many changes in the requirements of commerce and navigation. Many of our important waterways are badly in need of increased depths, widths, or other improvement. A number of modifications of existing projects are provided for in the bill. Protracted low water levels in the Great Lakes have made imperative the deepening of the Great Lakes harbors to handle their important commercial tonnage and to enable these ports to take full advantage of the connecting channels.

During the past 5 years, in the absence of river and harbor legislation, the development of our waterways has been dependent upon the emergency appropriations and the allocation of funds by an emergency agency. The undertaking of new projects has been dependent upon the approval of that agency. The emergency public-works construction has had as a primary purpose the meeting of needs for employment. The selection of the projects placed under way with emergency funds has been governed by considerations other than the needs of navigation. Important projects badly needed for commerce have not been included in the relief program, although the total funds made available from these appropriations for river and harbor projects have amounted to a considerable sum. These funds have enabled very rapid progress to be attained on a number of projects, but they have not provided definite authorization of all of the projects needed. The dependence upon temporary agencies for the authorization of waterway improvements during an abnormal period does not dispense with the need for permanent legislation by Congress after the mature consideration of the report of its committee. Legislation is essential to the development, in accordance with a definite policy, of a well-rounded and comprehensive program of waterway improvement.

Congress, during a period of more than 110 years, has established its policy on well-defined lines for the continued improvement of national waterways to meet the requirements of commerce and navigation. The projects in the present bill provide for the improvement of our rivers and harbors to meet the needs of navigation and commerce. The approval by Congress of this bill will insure a reasonably progressive and comprehensive development in accordance with its established policy. It will insure the continuation and maintenance of the projects undertaken with emergency funds. With the enactment of this bill these projects will be appropriately authorized by law, and will, therefore, have the same status as other existing river and harbor works. In addition to providing for improvements the bill also provides for the preliminary examination and survey of a number of waterways for which the demand for water transportation justifies investigation sufficient to determine the advisability of the improvements desired. The absence of river and harbor legislation during the past 5 years has prevented a number of proposed river and harbor improvements from receiving consideration under emergency appropriations since there has been no authority for their investigation. The Chief of Engineers, in his recommendations to the emergency administration, has limited these recommendations to projects which have been investigated by congressional direction and which have been recommended to Congress, except where a special request for a report has been received from the Administration of Public Works.

The CHAIRMAN. The gentleman from Texas has consumed 20 minutes.

Mr. GREEN. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Florida.

Mr. GREEN. In connection with the gentleman's remarks, I should be glad if the gentleman would bring out a comparison of the amount of expenditures that our Government has made for rivers, harbors, and improvement works and grants and loans made to the railroads; also the contribution made by the Federal Government for highways.

Mr. MANSFIELD. I may say to the gentleman that will be his privilege if he wants to do that later in connection with the consideration of this bill.

Localities desiring to obtain the benefits of low-water transportation are entitled to an investigation to determine the advisability of a proposed improvement so that if economic worth is established, they can receive consideration under emergency expenditures.

No legislation is presented to Congress which has been more critically examined than the items in this bill. Investigation of these projects was initiated by Congress, authorizing preliminary examinations and surveys. Detailed surveys of the projects were undertaken only after the Board of Engineers for Rivers and Harbors had found that the results of the preliminary examination warranted further investigation. When a report on a preliminary examination indicates that a detailed survey is unnecessary, such a survey cannot be made unless Congress authorizes it by special legislation. The detailed survey report is prepared in the field by the district engineer and his capable assistants who are thoroughly familiar with local conditions. It is carefully reviewed by the division engineer and again by the Board of Engineers for Rivers and Harbors. During the period of consideration local interests are given every opportunity to fully present the merits of the proposed improvement. All data and information secured are carefully examined to determine the benefits which can be expected. The reports of the district and division engineers and the Board of Engineers for Rivers and Harbors are carefully reviewed by the Chief of Engineers prior to the submission of his report, and finally before the project reaches Congress in the river and harbor bill, it is examined with detailed care by your Committee on Rivers and Harbors.

The Board of Engineers for Rivers and Harbors, created by the River and Harbor Act of 1902, is composed of seven members. It reviews independently the reports of the district and division engineers. This Board assures a uniformity of consideration of projects being investigated. Its members, who are not subject to political removal, are not actuated by local or selfish viewpoints, but are capable of looking at each project from its value to the Nation as a whole. The establishment of this Board in 1902 was largely inspired by the Honorable T. E. Burton, a statesman whose familiarity and detailed knowledge of waterway development were beyond question.

The late James R. Mann, whose legislative experience was gained by many years' service as an active Member of the House, in his speech on January 7, 1922, expressed the belief that no legislation coming before Congress is so critically scanned by experts as the river and harbor bills before they are introduced in the House. From my long experience with the Board of Engineers and with the reports of the Engineer Department, I am intimately acquainted with their unrestricted and unbiased attitude toward the projects under investigation and I have been impressed by the unfailing determination of officers of the Corps of Engineers to report to Congress honest and independent findings. I know that the Members of Congress who have had frequent contacts with this organization can testify to the courteous consideration which they invariably receive. This same courteous consideration is extended to the public at large, but at the same time there is no deviation from the fixed objective of determining accurately merits or demerits based on factual data before recommendation is made.

In the past 2 years we have heard much of national planning. We know that organized studies of our waterways have been under way for a number of years and that their future development has been well laid out by the Army Engineer organization. The advantages of this planning are obvious, and a nation with the great natural navigation opportunities of the United States should and must plan continuously for the future use of these resources. The Committee on Rivers and Harbors of the House of Representatives has always looked upon the development of our waterways from a national viewpoint and from the standpoint of a long-time development. Its policy throughout the years has been to develop these resources to meet the immediately anticipated expansion of commerce and navigation. The results of this policy of Congress have been to give the United States seaports and protected harbors unexcelled by any and equaled by few in the world.

A great system of inland waterways, which includes the development of navigation facilities on the Great Lakes to handle a tremendous tonnage, has been made possible by the improvements authorized by Congress. The Corps of Engineers charged with this work has maintained commercial and engineering staffs which have recorded engineering information and commercial information such as tonnage and value of commerce handled on the national waterways. With this background of information the Corps of Engineers has had in view in its reports to Congress a continued development of waterways to meet the policy established by Congress. To my mind this represents the best national planning, and the results to date have demonstrated its adequacy. The tonnage through the calendar year 1933 on the waterways of the United States totaled 394,104,000 tons, valued at $12,597,000,000; and prior to the present depression amounted to the astounding total of 539,200,000 tons in 1 year.

The great care given to the selection of the river and harbor projects authorized by Congress for improvement by the Federal Government has been equaled in the efficiency and economy with which these projects have been carried out. The total expenditures for river and harbor improvements since the first appropriation by Congress have been $1,717,840,000. These expenditures have been under the direct supervision of the Corps of Engineers, which has been charged with this work from its beginning. The engineering services rendered works undertaken in the improvement of these waterways have been of an exemplary character.

Time and time again the navigation interests of the country have expressed their confidence in the works and in the agency charged with their planning and prosecution. The efficient and economical conduct of this work through the years is an outstanding chapter in the history of governmental administration; it has made an international reputation for the responsible organization. At present this organization is playing a major part in the emergency works program. It has been charged with construction involving the expenditure of $350,000,000 of emergency funds, and has placed this work under way with a maximum of speed and with no sacrifice in soundness of design or economy of operation. It has loaned its officers to the various emergency agencies, has conducted many investigations for those agencies, and at the same time has carried on its normal functions of adequately maintaining existing river and harbor works to satisfy the needs of navigation. The Government has been fortunate in its efforts to provide the people with the benefits of low-cost water transportation, to have had at its command an organization devoted solely to the performance of its duties in the service of our country.

This river and harbor bill stands on its merits. It is essential to meet the commercial needs of the Nation. The projects included in the bill have been selected with the utmost care. Congress and the people know that within the authorization, as funds become available, they will be constructed with efficiency and dispatch.

Mr. COLE of Maryland. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Maryland.

Mr. COLE of Maryland. I am interested to know if this program were put into effect in connection with the Public Works funds and those funds spent, what percentage of this money would go direct to labor?

Mr. MANSFIELD. It ranges, according to the estimates of the engineers, from 76 to 80 percent.

Mr. COLE of Maryland. Seventy-six to 80 percent?

Mr. MANSFIELD. Direct and indirect.

Mr. COLE of Maryland. To direct labor. I doubt if there is any other project contemplated under the public-works program which would absorb as much labor as this one.

Mr. MANSFIELD. I do not know that there are any others that exceed this.

Mr. COLDEN. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from California.

Mr. COLDEN. Is it not a fact that the money we are now expending for recovery particularly must be paid by future generations and that by the improvement of our rivers and harbors we are giving future generations something for the encumbrances that they must pay?

Mr. MANSFIELD. I think the gentleman is correct. We are leaving them some permanent improvements of permanent value.

Mr. WELCH. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from California.

Mr. WELCH. I desire to compliment the distinguished Chairman of the Rivers and Harbors Committee and his able committee for having brought to the floor this constructive and well-balanced bill. May I ask the gentleman with reference to page 20 of the bill, under the title of "San Francisco Harbor, Calif.", Rivers and Harbors Committee Document No. 50, Seventy-second Congress, with particular reference to the following:

Deepening the main ship channel across the bar at the entrance to the harbor to 50 feet at an estimated cost of $504,000, with $100,000 annual maintenance.

As I understand it, under the Public Works Administration project they deepened the main channel to 48 feet, and this authorization will lower it to the desired depth of 50 feet, as recommended by the San Francisco shipping interests and also by the War Department Engineers?

Mr. MANSFIELD. Why, the project depth for the entrance channel to the Golden Gate is now 50 feet.

Mr. WELCH. As projected?

Mr. MANSFIELD. Yes. I am advised that according to the last annual report of the Chief of Engineers it was not quite that deep, being 48 feet on June 30 last; but the project depth is 50 feet, and it may be that that depth has been secured by this time.

Mr. WELCH. In the authorization it is provided for the removal of Black Point Shoal west of pier 41 to a depth of 40 feet, with the estimated cost as fixed in the recommendation.

Mr. MANSFIELD. Yes.

Mr. WELCH. Also to move the easterly boundary of the portion of Alcatraz Shoal, to be removed under the project from 2,000 feet, now authorized, to 2,500 feet west of Alcatraz Light. Those are very necessary developments, and again I compliment the gentleman and his committee for having provided for them in this bill.

Mr. MANSFIELD. Yes; those matters are all authorized in this bill, I may say to the gentleman from California.

Mr. ANDRESEN. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Minnesota.

Mr. ANDRESEN. The gentleman and his committee have always shown a great deal of interest in the upper Mississippi River. There is no mention of the upper Mississippi River in this bill. May I ask the gentleman a question? In regard to the present project a 9-foot channel was authorized some years ago, but when the first authorization took place and the project approved, an authorization containing about $15,000,000 was approved by Congress. I want to find out whether it will be necessary to have an additional authorization from Congress to complete the 9-foot channel in the upper Mississippi River or may this come out of funds now in the hands of the administration for river purposes?

Mr. MANSFIELD. I may say to the gentleman that we have no funds available for river and harbor improvement work and have not had for the past 2 years. Congress has only appropriated enough to the Engineers of the War Department for actual maintenance purposes, and for the present, at least, we must depend upon the Public Works Administration for funds for improvement work. The upper Mississippi River project was adopted in the rivers and harbors bill of July 3, 1930, which provided for a 9-foot project. In that bill there was authorized $7,500,000 and also something like $6,000,000 that was left on hand from the old 6-foot project, making about $13,500,000 altogether. At present this work is now being pushed to completion by emergency funds. It is not embraced in this bill, and it is not necessary to do so, because the project has already been adopted by Congress. We have no funds at this time, anyway, to dispose of, and they are procuring that fund from this public-works agency.

Mr. ANDRESEN. The understanding is they can proceed and complete the entire project without additional authority from Congress?

Mr. MANSFIELD. They can insofar as the public emergency funds are concerned. They cannot do it out of appropriations by Congress without further legislation.

Mr. BOLTON. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Ohio.

Mr. BOLTON. I have listened with a great deal of interest to what the gentleman said about the actions of the Corps of Engineers. He presented the matter very ably and in a complimentary fashion, and I compliment him on his presentation. Would it not be proper to add to his presentation the statement that it has been the policy of the Committee at no time to consider projects unless approved by the Corps of Engineers and the Chief of Engineers?

Mr. MANSFIELD. I may say to the gentleman from Ohio that the Committee on Rivers and Harbors has pursued an invariable rule of requiring all rivers and harbors projects to have the approval and recommendation of the Corps and Chief of Engineers before we considered them eligible for consideration.

Mr. BOLTON. If I may ask the gentleman a further question, does the gentleman feel that the Natural Resources Commission in its activities will interfere in any way with the planning which the Chief of Engineers and the Board of Engineers have carried on in the last 2 years?

Mr. MANSFIELD. I do not know, but I hope they will not.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. HEALEY. The report of the Committee has estimated that the cost of improvement in connection with this bill for the Cape Cod Canal will be about $31,000,000 and states that approximately $6,000,000 has been set aside by the Public Works Administration. Does the gentleman feel that the entire amount will be approved by the Public Works Administration for this much needed improvement?

Mr. MANSFIELD. I certainly believe they will do so; otherwise the $6,000,000 they have spent will be of little avail. If they should not do so and this bill becomes law, hereafter, it will be subject to improvement in that manner under regular appropriations by the Congress.

Mr. HEALEY. And it will be necessary for Congress to make the appropriation.

Mr. MANSFIELD. Yes; such would be the case in the event the emergency funds should fail to complete the job.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. McCORMACK. Is it the opinion of the gentleman that this amount of money should be allocated for the completion of this work?

Mr. MANSFIELD. I think it is a very meritorious project.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Florida.

Mr. WILCOX. It is noted in the bill that several projects are approved for which public-works funds have been appropriated or allocated. Is it the theory of this bill that these projects are approved for the amounts originally recommended by the Board of Engineers for Rivers and Harbors, less the amount that has been expended by the Public Works Administration?

Mr. MANSFIELD. The projects we have included in the bill we authorize for the full amount, regardless of what amount has been expended upon them by the Public Works

Administration. We want to legalize the thing in its entirety, so that in the event the Public Works Administration should go out of existence there will be some law by which these projects can be prosecuted to completion.

Mr. WILCOX. In other words, in a particular instance we will say that the original report and document referred to in the bill may have approved the deepening of a harbor to 30 feet, and in the meantime, since the filing of that report and before the bringing in of this bill, the Public Works Administration may have deepened the harbor to 25 feet, it is the object of this bill, as I understand it, to approve the project to the full 30 feet, so that it may be carried out legally regardless of what may have been done by the Public Works Administration.

Mr. MANSFIELD. The gentleman is entirely correct.

Mr. DUFFEY of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. DUFFEY of Ohio. I think the gentleman's presentation has been excellent. It has clarified my mind on the provisions of section 1, with respect to Toledo Harbor, for instance, on page 18.

I am a little confused about section 2, where reference is made to Marblehead, Ohio, and Put in Bay, Ohio, on page 34, lines 19 to 22, inclusive. I want to find out about the rule of procedure. This act of the Congress, when passed, authorizes the War Department to make a survey. Does that project have to come back to Congress before it can go forward following the report of the engineers?

Mr. MANSFIELD. These are preliminary surveys. They are referred by the Chief of Engineers to the district engineer of the gentleman's district, who will make a preliminary examination and report back to the Board. If the Board finds that they probably possess such merit as to warrant further consideration, they will then order a more complete survey and investigation without further legislation from Congress.

Mr. DUFFEY of Ohio. And assuming that they do find, from a preliminary survey, that it is meritorious and they make a further and more detailed examination, they then come back to the Committee on Rivers and Harbors with a report?

Mr. MANSFIELD. Not until they are approved by the Engineering Corps all along the line and referred back by the Secretary of War or by the Chief of Engineers, as the case may be.

Mr. DUFFEY of Ohio. My point is that it comes back to the gentleman's Committee on Rivers and Harbors.

Mr. MANSFIELD. It comes back to the Congress and is referred to the Committee on Rivers and Harbors.

Mr. DUFFEY of Ohio. And the next bill brought out by the gentleman's committee, if such a project were deemed meritorious, would come under what you now call "the provisions of section 1."

Mr. MANSFIELD. Certainly, and would come up for consideration in another bill.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. PITTENGER. I notice in my district there are three projects listed in the first section of the bill, Grand Marais Harbor, Agate Bay Harbor, and Duluth-Superior Harbor, and, as I understand it, the War Department has approved all of these projects, and I simply want to get it clear in my mind whether or not this improvement and this work is done in anticipation of the fact that some day we hope to have a Great Lakes-to-the-ocean waterway.

Mr. MANSFIELD. I cannot say that this has any connection with that matter further than in the event the St. Lawrence shipway——

Mr. PITTENGER. That is what I refer to.

Mr. MANSFIELD. In the event the St. Lawrence shipway becomes law, these expenditures will be in aid of carrying out the purpose of that project.

Mr. PITTENGER. They would have to be done in that event.

Mr. MANSFIELD. Yes.

Mr. PITTENGER. And does the Chairman of the Rivers and Harbors Committee know, off-hand, whether the deepening of the harbor to 26 feet will be deep enough if the St. Lawrence seaway should be constructed?

Mr. MANSFIELD. No; not to correspond with the St. Lawrence shipway, but nearly deep enough. About 27 feet would correspond with that project.

Mr. PITTENGER. That is what I thought.

Mr. MANSFIELD. But the connecting channels under the bill of 1930 have been increased in depth from 21 feet to a depth sufficient for boats operating with a draft of 24 feet. They are about 26 feet in depth, as 2 feet of water under the keel is usually considered as a reasonable margin of safety.

Mr. PITTENGER. And you need this for present boats?

Mr. MANSFIELD. Certainly; and they will then carry 2,000 tons more of ore than they have been able to carry under the 21-foot draft.

Mr. MOTT. Will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. MOTT. I would like to ask the chairman of the committee, who has had long experience and knowledge of river and harbor legislation, if there is not some way, by amendment to this bill, whereby we might require the Public Works Administrator to spend earmarked river and harbor money for projects authorized by this bill and prevent him from spending money for projects never considered by your committee or by Congress? If so, I would like to put such an amendment in the bill.

Mr. MANSFIELD. No; the National Recovery Act did provide that projects for river and harbor improvements would not be eligible for consideration unless authorized by Congress or at the recommendation of the Chief of Engineers. But the bill put through the conference a few days ago seems to have repealed that provision of law insofar as future expenditures are concerned.

Mr. MOTT. The gentleman means the public-works bill?

Mr. MANSFIELD. The 4,880 million bill.

Mr. MOTT. Does not the gentleman think that at the end of the first section, if we required the Public Works Administrator to apply the river-and-harbor earmarked money to these projects, that it would be effective?

Mr. MANSFIELD. I do not know about that. I am sure that it would meet with a veto, because it is the desire of the President to have the funds without strings of that kind.

Mr. MOTT. I think it is in accordance with the wishes of your committee and most of the Members of Congress.

Mr. MANSFIELD. I think such a measure as that would have to go to the Ways and Means Committee because we would not have jurisdiction.

Mr. MOTT. As a glaring example of the action of the Public Works Administrator—his utter disregard of law and his seeming contempt for Congress—there is the Umpqua project in my State. It has been authorized for a long time, has the approval of the Chief of Engineers and the Board of Army Engineers, providing Mr. Ickes would allot the money, but he will not do it. I am trying to find some way of compelling him to do it.

Mr. MANSFIELD. Mr. Chairman, I will have to decline to yield further, as my time is about up, and will ask the gentleman from California to use some of his time.

The CHAIRMAN. The gentleman from Texas has 8 minutes remaining.

Mr. MANSFIELD. I will reserve that and ask that the gentleman from California now use some of his time.

Mr. WELCH. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on this bill.

The CHAIRMAN. Without objection, it is so ordered.

Mr. WELCH. Mr. Chairman, I desire to compliment the distinguished Chairman of the Rivers and Harbors Committee and his able committee for having brought to the floor this constructive and well-balanced bill (H. R. 6732). At the same time I invite attention to some projects provided for in this bill, which, while of immediate importance to maritime facilities in San Francisco Harbor, are of national importance because they further develop one of the greatest natural harbors in the world. They increase the facilities

which will be at the disposal of the merchant marine of the world in peace time and our Army and Navy in time of war.

There are three specific projects in the bill to which I invite your attention. The first of these is to carry out the recommendations made by the War Department with reference to the main channel or approach to San Francisco Harbor. The War Department, in 1932, recommended that the main ship channel be deepened across the bar at the entrance to the harbor to 50 feet and a width of 2,000 feet.

Approaching the Golden Gate to enter San Francisco Bay there are two principal channels, one known as the "main ship channel", and the second as "Bonita Channel." A short distance out from the shore a crescent-shaped sand bar imperils ships seeking to enter by the former when high seas are running. Bordering the Bonita Channel there are submerged rocks which make this channel treacherous for vessels, particular during fogs, although it is a natural channel of great value to coastwise trade entering the Golden Gate from the north.

The present administration, recognizing the importance of San Francisco Harbor and the necessity for it being accessible to any large vessel at all times, has started the work recommended by the War Department on the main ship channel by the use of public-works funds, but it is now necessary to provide legislative authorization in order that this work might be completed.

While the War Department has not recommended the removal of submerged rocks in the Bonita Channel up to the present time, it is my opinion that it has not done so because of technical difficulties entering into the problem. Shipping interests generally, however, have long since urged that the value of this channel to navigation is so great as to make it imperative that steps be taken at an early date to make it safe for vessels. It is hoped that the War Department, through its able Corps of Engineers, will continue their study of the problems involved so that an early recommendation might be made concerning this work.

In the meantime, this delay increases the necessity for deepening the main ship channel at as early a date as is practicable. The normal annual peace-time tonnage passing through the Golden Gate has been far in excess of 25,000,000 tons. This would be greatly increased in time of war, even doubling or trebling, so that the recommendation of the War Department that the channel be deepened to 50 feet and a width of 2,000 feet where it crosses this bar is conservative.

The second project recommended by the War Department and to which I invite the attention of the House of Representatives is that contained in House Document No. 279, Seventy-second Congress, and in accordance with the modification included in Rivers and Harbors Committee Document No. 8, Seventy-third Congress. This provides for deepening the channel in lower San Francisco Bay through the San Bruno Shoal to 27 feet and 500 feet wide and continuing the channel 300 feet wide and 27 feet deep from Dumbarton Point to the mouth of the Guadulupe River, with a turning basin 600 feet wide, 1,200 feet long, and 30 feet deep at the lower end of the channel.

Such a channel in addition to increasing the facilities available in San Francisco Bay for both the Army and Navy in time of war, will give a direct outlet for commerce from the Santa Clara Valley, one of the most beautiful as well as fertile valleys in the whole world. Recognizing a potential annual traffic through this channel of 500,000 to 750,000 tons, which would in large part be composed of agricultural products, the value of this work cannot be overemphasized. At the present time shallow-draft vessels only can use this area and their traffic consists of canned goods, tin plate, sugar, lumber, petroleum, and miscellaneous products.

The third project to which I desire to call attention is that contained in Rivers and Harbors Document No. 10, Seventy-third Congress, and which was recommended by the War Department on May 25, 1933. It provides for the improvement of the channel in Redwood Creek to a depth of 27 feet and 200 feet wide from deep water in San Francisco Bay to the junction of Redwood Creek and West Point Slough, with a turning basin about 1,800 feet long, 700 feet wide, and 27 feet deep at the inner end of the channel. The completion of this work will give deep-water port facilities to Redwood City connecting directly with one transcontinental railway and with a second already proposed for this point. To carry on this improvement all necessary rights-of-way and suitable areas for the disposal of dredged material will be furnished to the United States free of cost.

There are two major considerations that must be taken into account in developing work of this kind. Both are national in character. The first is the strategic importance of a harbor to the United States for its naval and military uses and the second is the question of whether or not it is an important peace-time port for our commerce with the world.

Briefly referring to the first, San Francisco Harbor and Bay are of the utmost strategic value to our military forces. The United States has about 1,100 miles of coast line along the Pacific extending from the Canadian to the Mexican borders. At the extreme northern end is the port of Seattle, and at the southern end are to be found the ports of San Diego and Los Angeles. San Francisco Harbor lies midway between these two extremes, and it is the only port of refuge between these two extremes which large merchant vessels and capital warships have.

The importance of this harbor, therefore, to our Navy is supreme. The Navy Department has stated that the harbor of San Francisco is the only harbor on the Pacific coast which possesses practically all of the natural advantages for a main operating base for the United States Navy. In recognition of this fact a great aircraft base has been established at the southern end of San Francisco Bay, another on the eastern side of the bay in Alameda County, and an immense bombing base in Marin County, which borders on the northern side of the bay. In addition, the Navy Department maintains one of its major navy yards at Mare Island on the northern end of the bay.

Likewise, in the San Francisco Bay area would be centered the major activities of the War Department on the Pacific coast in the event of war. Its central location would afford the surest and fastest defense of the entire coast line.

In the past I have appeared before the Rivers and Harbors Committee of Congress and have consulted with War Department officials concerning many of the projects already undertaken. The work undertaken by the Public Works Administration has commanded my active interest and has emphasized the recognition of the advantages of this area given by our military forces. Under the Public Works Administration work has been done at Point Knox Shoal, which is now completed; deepening the main ship channel was started, which is now recommended for completion in this bill. Among the other projects accomplished by the Public Works Administration through funds at its disposal may be cited the following:

Bar channel, 48 feet, March 8, 1934.
Islais Creek Shoal, 33 feet, April 6, 1934.
Presidio Shoal, 37 feet, February 21, 1934.
Point Knox Shoal, 35 feet, March 22, 1934.
Rincon Reef Rock (inner), 41 feet, August 27, 1932.
Rincon Reef Rock (outer), 41 feet, August 20, 1932.
Blossom Rock, 42 feet, May 10, 1932.
Arch Rock, 35 feet, August 19, 1932.
Shag Rocks Nos. 1 and 2, both 37 feet, August 25, 1932.
Harding Rock, 35 feet, August 3, 1932.

San Francisco is one of the youngest large cities in the world. The harbor facilities in San Francisco Bay are not only its greatest asset but are one of the greatest assets of our Nation. Its rapid growth has been due in large part to its ideal geographic location with reference to the rest of the country. On a straight line from the great metropolitan areas of the eastern part of our Nation, it is the key to the Orient. Men of vision and foresight urge the continuing development of these harbor facilities at the southerly end of San Francisco Peninsula, firm in the belief that this port will become the greatest port in all the world. Through it continues to pass a great proportion of our entire commerce with the teeming millions of the Orient.

It was with a view to hastening the day when the harbor facilities of the San Francisco Peninsula will be unified that I introduced a resolution in the last Congress to bring about the establishment of pierhead lines from Hunters Point, in San Francisco, to Ravenswood Point, in San Mateo County, a distance of approximately 25 miles. Hearings have been held on the proposal by the War Department. When this is accomplished it will become an integral part of the port development contemplated by the enactment of the present legislation.

Mr. CARTER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, the very able presentation of this whole question by our distinguished chairman, the gentleman from Texas, Judge MANSFIELD, leaves but little to be said. Judge MANSFIELD is a technician in this field. He knows the ins and outs of waterway transportation in America. He has a birdseye picture of economic conditions that make it necessary.

The Members of the House well know that I am very jealous not only of the prerogatives but of the high reputation and technique of Congress. I believe we have sitting here in the House more than a hundred men who are of true Cabinet caliber. They are outstanding men in point of natural ability. From their service here and by virtue of their contact with problems that pass before them in their committee work they have a complete and full knowledge of these various technical questions. For that reason I am somewhat enamored of the suggestion of the gentleman from Ohio [Mr. HARLAN] that Cabinet officers have a seat on the floor here where they may be interrogated by Members of the House. Then, indeed, if that were true, as it is under the English system, gentlemen who have no technical qualifications for these high positions would not find their way into the Cabinet, because by the very nature of their services and experiences in the past they could not answer the questions which the Members of the House would propound to them. The gentleman from Texas [Mr. MANSFIELD] knows this question thoroughly, and he is a credit and honor to the House as now constituted.

I was greatly interested in one phase of Judge MANSFIELD's discussion, namely, the suggestion that the railroads have no quarrel with waterways, and that is, in fact, true. I found in my files a statement by the gentleman from Texas—and his statements are always well considered—that 90 percent of the harbor improvements in America were requested by the railroads—increase of harbor depth, due to increase of tonnage. The classic example of that as referred to by the gentleman from Texas is the upbuilding of the Pittsburgh area, which is perhaps the greatest railroad area in America, or, in fact, in the entire world. Sixty years ago it was the belief of the German and English manufacturers of steel that they had the steel market of the world permanently, because America could not compete, due to the fact that over 1,500 miles separated her coal from the ore of the Mesaba Range in Minnesota. The waterways, carrying the ores from the Mesaba Range down the Lakes at one-twentieth of the cost for which the railroads would carry it, made possible the development of Pittsburgh and the development of the greatest railroad center in the world.

There is the present suggestion that water transportation shall be coordinated and weighted down with the past sins of the railroads, due to the performances of the Jay Goulds and the Jim Fisks, and in these latter days the more elaborate and perhaps legalistic performance of some of the American banking groups who now hold the railroads in the hollow of their hands. Somebody on the floor just suggests they have a finer technique. It is, as I say, more legalistic. If you have any question about that, and the danger of that coordination, I ask you to read the hearings before the Wheeler committee on the bill that proposes to coordinate them. The railway and waterways can exist as separate entities, and each is a feeder and a corollary to the other.

I have a sympathetic attitude toward the railroads, but I can see from 6 years' observation and experience on the committee that the two things are separate and distinct and cannot go hand in hand. The distinguished chairman of the committee has shown you by his very able discourse, which I trust those of you who have not heard will read at length, that it is 5 years since we have had a river and harbor bill. This bill is simply an authorization and earmarks these 204 projects and authorizes their improvement. These items include the necessary coastal channels in Alaska, where no other transportation scheme is present. It takes care of the Missouri, Tennessee, and Warrior Rivers and the harbors of New England, and Mississippi is connected with the Great Lakes by the Great Lakes and Hudson Waterway.

I emphasize what has been already stated by the distinguished chairman of the committee, that every project in the bill has the economic "John Hancock" and approval of the Board of Engineers, who, I say, without fear of successful contradiction, are the greatest economists on water transportation not only in America but in the whole history of the world. Every project in this bill has run a triple gauntlet. First the district engineer, then the division engineer, and then the Board of Rivers and Harbors. I ask any Member on this floor, if he can, to point to an economic fallacy, and by economic fallacy I mean one project in this bill that will not in due course return two-fold to the people of the country, after it gets in operation, the money disbursed for the purpose of making the improvements. This, I repeat, is not an appropriation; it is simply an authorization, and Congress is again after a long period of silence finding its voice.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. BIERMANN. I understand the projects named in the bill are the most commendable projects.

Mr. CULKIN. Yes; they are the projects that have been recommended by the engineers.

Mr. BIERMANN. In 1930 the Rivers and Harbors Committee, different than it is now, considerably, authorized the building of the Mississippi 9-foot channel from the mouth of the Illinois River to Minneapolis. From that day until now, Congress has neither authorized the continuance of that project nor appropriated one single dollar for that purpose.

Mr. CULKIN. Is the gentleman now talking about the upper Mississippi?

Mr. BIERMANN. Yes. In this bill there is no reference to the upper Mississippi 9-foot channel.

Mr. CULKIN. That becomes P. W. A. now. Let me say to the gentleman that that was more or less the child of the Senate.

Mr. BIERMANN. I compliment the House. The House is usually right.

Mr. CULKIN. I thank the gentleman. The gentleman feels we are generally right on this bill?

Mr. BIERMANN. Yes.

Mr. CULKIN. I thank the gentleman.

Mr. BIERMANN. In 1933 your committee had before it the proposition of authorizing a further appropriation of $11,600,000 for the continuation of the building of the 9-foot channel. I think they had in mind that that amount of money would complete a channel that would surely be a 6-foot channel, and they were going to try that out and see how it worked; but that bill never came on to the floor of this House.

Mr. CULKIN. I do not want the gentleman to make a speech in my time.

Mr. BIERMANN. I wanted to ask if there is anything in this bill that indicates that this committee wants to turn over to Mr. Ickes the completion of the 9-foot channel. By leaving it out of this bill, does the committee indicate that it wants Mr. Ickes to complete it? Will the gentleman be kind enough to answer that question, whether or not his committee wants Mr. Ickes to complete this 9-foot channel, which is a criminal folly, and is so considered by the informed people in the territory affected?

Mr. CULKIN. That was authorized in the 1930 bill, so that it now has the force of law, and he can legally do it.

Now, I know it is to the gentleman's sorrow, but that is all I can say about it.

Mr. BOLTON. Will the gentleman yield?

Mr. CULKIN. I yield.

Mr. BOLTON. I think the gentleman is not entirely correct. The 1930 bill authorized the upper Mississippi River project with an expenditure of approximately $11,600,000 to complete five locks and dams, which we felt would insure a 6-foot channel. That was the extent to which the Rivers and Harbors Committee went, but Mr. Ickes, under the recommendation of the Chief of Engineers, has seen fit to authorize many millions in addition on the upper Mississippi that were not with the recommendation of the Rivers and Harbors Committee at all.

Mr. BIERMANN. I should like to know whether your committee sanctions the expenditure of these tens of millions of dollars not authorized by Congress?

Mr. BOLTON. I cannot speak for the committee, but as far as I am concerned personally I do not.

Mr. CULKIN. I declare this last bout a draw.

I now yield to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. The gentleman expressed the opinion that in this bill Congress was again finding its voice.

Mr. CULKIN. Yes.

Mr. MOTT. May I ask what indication there is here that Congress has found its voice on this subject, when the Administrator of Public Works, under his present authority, may ignore every authorization in the bill? He does not have to spend one cent on any of these projects, but on the other hand may expend all of the money he pleases on projects that have never even been submitted to Congress.

Mr. CULKIN. At least I will say we are putting our imprimatur on projects which we believe are proper and should be developed. A later Congress when, in the usual phrase of the day, the emergency is not so great, may be more vocal and insistent.

Mr. MAY. Will the gentleman yield?

Mr. CULKIN. I yield.

Mr. MAY. The gentleman made a statement a moment ago that not one of the projects included in this bill would be found not to be economically feasible, and would ultimately return the money invested in them. I should like to ask the gentleman if his committee has at any time ascertained from the engineers of the War Department the amount of traffic on each of the various streams and the amount of freight that is being handled, so that you could calculate whether it was paying or not?

The CHAIRMAN. The time of the gentleman from New York [Mr. CULKIN] has expired.

Mr. CARTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CULKIN. I assume it is a statement of fact which everybody knows that each of these projects, when it comes into the committee, is accompanied by a detailed report as to tonnage, as to the necessity for transportation, and as to the economic surroundings. For example, in some of the small ports in the coastal waters of Alaska there is no other mode of transportation available. The railroads are not near them. It is essential to their very life. Every phase of this matter is discussed, including a full presentation of the past, future, and prospective tonnage.

Mr. MAY. I wish the gentleman to understand that I am not at all opposed to the development of waterways, particularly inland waterways, but I live on a tributary of the Ohio River which has some 38 dams in it. It is navigable from Pittsburgh out to the mouth of the river. I have heard the statement made that the traffic——

Mr. CULKIN. I hope the gentleman will only ask a question. I am only going to yield for a question. My time is very short.

Mr. MAY. The question is this: I have heard the statement made by some who seem to know about these conditions that it costs about $75 a ton to handle freight, based on the amount of money invested in those dams, at a reasonable rate of interest. That is, to transport freight over the Ohio River.

Mr. CULKIN. Of course, that is definite propaganda. I do not have the time to go into that now, but I will characterize it as definite and absurd propaganda.

Mr. BIERMANN. Will the gentleman yield?

Mr. CULKIN. I cannot yield further. I have given the gentleman about one-third of my time. I am sorry and cannot yield further.

Now, this authorization is far-flung. It is not sectional. It represents the North, the South, the East, and the West, wherever there is a demand for economic transportation, and in some parts of the country the demand is exceedingly grievous.

I know of one section of this country, and it is several thousands of miles from my home, where it costs more to carry a bushel of wheat by railroad a hundred miles than the bushel of wheat is worth. This situation, of course, can be cured only as it was in the case of the carriage of ore from the Messaba Range to Pittsburgh, by cheap water transportation. These questions have been weighed carefully and considerably by this committee. The word "pork" is used proverbially in rivers and harbors, but it no longer applies. The high character of the Chairman of the Rivers and Harbors Committee indicates that there is no pork in this bill, and there will be none under his auspices. The cry of "pork" is but another kind of propaganda.

May I say, in conclusion, that the Rivers and Harbors Committee has a just pride in this bill. Its enactment means much—and I say it in all earnestness and after 6 years on this committee—means much to the future of America and the unborn generations. The canalization and river and harbor improvement provided in this measure will result in great economic savings to the people of America—East, West, North, and South.

[Here the gavel fell.]

Mr. CARTER. Mr. Chairman, I yield 3 additional minutes to the gentleman from New York.

Mr. CULKIN. The Great Lakes-Hudson River Seaway is, to my mind, one of the most truly national projects in this bill. This project involves Federal aid to the State of New York in the sum of $27,000,000. A detailed history and the economics of this project are set forth in House Document No. 20, Seventy-third Congress, second session. This waterway affects not only the teeming millions of the East but the residents of all the States bordering on the Great Lakes, and will, when improved as recommended by the engineers, give low-cost transportation not only to the Great Lakes and New York but to the New England States, New Jersey, Pennsylvania, and Virginia. It is the connecting link between the systems of canals now projected in the Midwest with those on the Atlantic coast and through the Intercoastal Canal to the great ports of the South.

The report of the engineers recommends the deepening to 14 feet of the existing Oswego Canal between Lake Ontario and Three Rivers, and from Three Rivers to the city of Albany, where it connects with the 27-foot waterway now provided by the Federal Government.

For the information of the House, I will state that New York State has spent on this canal by way of construction, operation, and maintenance the sum of more than $230,000,000. This disbursement has been a contribution by the State of New York to the national welfare; for this canal, on which 90 percent of the present tonnage is interstate, is toll free under the constitution of New York. This canal was the historic waterway over which in the early days passed the migratory frontiersmen who subsequently developed the great West. Over it passed the immigrant who had elected to make in America a home for himself and his descendants.

The Oswego and Erie Canals were opened about the year 1828. It is interesting to note that the original Welland Canal was opened in the year 1833. These waterways furnished the original water transportation between the Great Lakes and the Atlantic Ocean by way of the Hudson River. The Niagara barrier between Lake Ontario and Lake Erie was overcome by the Welland Canal. Without these canals national and state progress would have been materially retarded. Where formerly it cost $150 per ton to ship grain

and flour from the Lakes to New York, these canals reduced the freight rates to $12 per ton. Its influence on the development of the Great Lakes region was most marked. This territory at this time was a wilderness. Ohio, Indiana, Michigan, Illinois, and Wisconsin came into their own when these avenues of transportation were provided.

I want to reemphasize to the Members of the House that this waterway route via the Great Lakes and through the State canals to the seaboard has served a great national purpose. It is still serving it. During the year 1933 more than 4,000,000 tons of traffic, valued at more than $100,000,000, went over these waterways and was distributed to the States of the Great Lakes region. It is noteworthy, according to the well-considered report of the engineers, that 90 percent of this traffic was interstate. It is noteworthy that the tremendous savings in transportation which are affected by this waterway benefit the farmer and manufacturer of the Western and Eastern States alike.

The saving will result in increased comfort and higher standard of living to the man on the farm and to the resident of the cities. If Congress is faithful to the power and authority which the Nation has imposed on it it will speedily enact this legislation into law. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. CARTER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, for many years I have listened to the discussions of river and harbor bills. In the earlier days most of the time was taken up in characterizing the river and harbor bills as "pork barrel" bills. It was sometime until I fully comprehended what that meant. I am delighted to say today, however, that I have good faith in my friend of all these years, the gentleman from Texas [Mr. MANSFIELD] and chairman of this committee, his knowledge of legislation, and his understanding of what pork barrel means, to know that he would not sanction the reporting of any such measure to this House, as was once done. He has given us, furthermore, wonderful information in regard to the purpose of this bill.

Most of the bills that relate to water and the West have had to do with irrigation schemes and plans and with power and lights. I should like to call your attention to another phase which might be encompassed within the range of a river and harbor bill. I have read of the devastating floods of the Mississippi. It seems to me these two purposes—irrigation and electric light and power—for which vast sums of money have been appropriated, could well stand aside for a moment while we consider this uncontrolled flood force which destroys, but which could be converted to useful purposes if given proper attention; and in the short time at my disposal I shall give you several concrete examples of how it might be done. After I had looked over these two particular instances I was in great wonderment why the intelligence of this House had not been aroused by the recurrence of these destructive floods on the Mississippi River; how it was they had failed to direct the attention of the committee and the country to putting barriers before these floods on the tributary streams.

I shall cite you two cases in Pennsylvania, and I hope you will investigate at least one. There are Members from western Pennsylvania who are familiar with what we call the Pymatuning Swamp proposition, and they may tell about this wonderful accomplishment.

While I was a member of the Water Supply Commission of Pennsylvania, during a vacation from this House, and associating with eminent men like John Birkenbine, who built many dams in the South, and is known to be one of the greatest hydroelectric engineers in the world, they impounded that water; and that great section, including part of Ohio, has been made safe from floods. The water is impounded during flood times and stored against use in the summer season to give them ample water supply for their mills on Beaver River, a tributary of the Ohio.

But the greatest engineering feat, with completely satisfactory results, is but 60 miles from Washington, at Safe Harbor, just over the line in Pennsylvania.

[Here the gavel fell.]

Mr. CARTER. Mr. Chairman, I yield 3 additional minutes to the gentleman from Pennsylvania.

Mr. FOCHT. The State of Pennsylvania has an area of 45,126 square miles. The watershed that supplies the north and west branches of the Susquehanna River of Pennsylvania covers an area of half the 45,126 square miles of the State; yet the young Engineer, John Walls, who later built dams for the Italian Government, can sit in his office and by touching a button have absolute control of the flood waters of that watershed in Pennsylvania. In other words, when a flood starts or is threatened in the upper sections of the State he opens his wickets. The water does not flow over the dam at all; not a drop goes over, so perfect is the control he has over a mile and a half of dam; but he opens the gates and the water flows into lower portions of the river and basins ready to receive it. If we would do the same things on the tributary streams of the Mississippi River we would not have recurring harrowing stories we read every year of the Mississippi River, with the bottom of the river higher than the surrounding land, breaking dikes and spreading desolation and ruin over that great valley.

No such thing could occur if we would take the money we are going to put into these other schemes and arrest the water of the tributary streams, which would be a complete and definite control of all the waters. That can be seen and the Members will agree with me when they look at this Safe Harbor Dam. They have put that into operation and are even able to control the ice that comes down the river, as well as all kinds of debris. It is the most complete example of flood-water control the world has seen; yet we go on with these other doubtful schemes and pass by something that would save an untold number of lives and billions of dollars of property and terror those floods cause in the Mississippi Valley.

Mr. BIERMANN. Will the gentleman yield?

Mr. FOCHT. I yield to the gentleman from Iowa.

Mr. BIERMANN. The proposal now in the making in connection with this 9-foot channel is to put in about 27 dams which will maintain the river at a certain level all the time. This maintenance of the river at a certain level at all times will fill up all the natural reservoirs so that in flood times they will be filled instead of having them filled with flood water.

Mr. FOCHT. Do what I have suggested with every tributary and that will be the end of floods in the Mississippi Valley.

[Here the gavel fell.]

Mr. MANSFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I want to compliment the gentleman from Pennsylvania [Mr. FOCHT] on his observations just made.

It was my privilege to come across the country in 1913 on my way to Washington in the first train brought through by the Pennsylvania Railroad after the disastrous flood of that spring. I cannot picture in words the damage that was done at the time. Following that flood, five dams were constructed in the region affected. They are known as the "Morgan Dams." I understand that since those dams have been constructed they have never had a foot of high water. They hold back the flood waters and let it out at the low-water period.

Mr. Chairman, when the flood-control bill was pending in the House some years ago I followed the gentleman from Nebraska, Mr. Sears, who knew something about floods and how to control them. Senators came from the other side of the Capitol to this room, and had it not been for their visit we would have provided in that bill for reservoirs in the Platte and Mississippi Valleys, advocated by Mr. Sears. It was the Senators who came over here and lobbied among the House Members that defeated the reservoir projects. I know what I am talking about, because I was approached at the time.

I may say to the gentleman from Pennsylvania and to the Members of this House, coming as I do from the Mississippi Valley and also knowing something about the tribu-

taries of the Mississippi River, that you can spend all the money you want trying to control the flood waters of the Mississippi River, but until you provide storage basins to hold back the flood waters you will never succeed, no matter how much money you spend, in stopping those disastrous floods. We have some natural basins over there, and the cost would not be great.

I hope that the Flood Control Committee of this House at the present session of Congress will at least provide for a survey so that we may construct some dams out there to hold back these flood waters. If they do that, we will not have the situation in the Mississippi Valley that we had this spring.

I have received numerous telegrams from residents of the St. Francis River and Little River Valley in the southern part of Missouri, telling how the people of that section of the country were put out of their homes around Christmas time. Only last month they suffered again.

The Government has purchased over a million acres of ground for forest reservations in Missouri and is to buy more. A survey, I am sure, will disclose it is possible to hold back the flood waters from many Ozark streams by the mere construction of dams. Ohio has solved its problem. We should profit by what Ohio has done. "Build reservoirs" has been the cry of the people in the Mississippi Valley, and their appeal should be heeded.

Mr. Chairman, it seems to me this is a matter we can conquer if it is handled properly, and it would save the Government money in the end. [Applause.]

[Here the gavel fell.]

Mr. CARTER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, coming from the Great Lakes section of the country, as I do, and from a great State—Michigan—that has more than 1,500 miles of coast line, with many rivers, harbors, and ports, I rise to speak in behalf of this bill with more than ordinary interest. I say that because it is known that one-third of all the commerce of the United States is borne on the waves of the fresh-water seas of this country, the Great Lakes. In 1924 that rose to the almost unheard of sum of 131,000,000 tons. May I say to the gentleman from Kentucky [Mr. MAY], who asked a question a few minutes ago about whether or not there was any saving on the tonnage of water-borne commerce, that if there was a saving of $1 per ton on the tonnage of the Great Lakes you would save half of the amount provided in this entire bill, or $131,000,000.

Mr. Chairman, I want to pause to pay a just and deserving tribute to the able chairman of our committee. I think I voice the opinion of every member on that committee, whether he is a new member or an old member, when I say that we have received nothing but uniform consideration at his hands. [Applause.] His remarkable memory, his almost unbelievable fund of information on rivers and harbors and the commerce of the United States has captured the admiration and respect of his entire committee. In that work he has been ably assisted by a man who sits here on the floor of the House today, who has spent one-third of a century in Rivers and Harbors Committee work. I refer to Mr. McGann, clerk of the committee. [Applause.]

Mr. WILCOX. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Florida.

Mr. WILCOX. As a Member of the House who is not a member of the Rivers and Harbors Committee, but who has had occasion to appear before that committee, may I join in the tribute the gentleman from Michigan has paid to the Chairman of the Rivers and Harbors Committee. I also want to express my compliments to the committee for the fair, impartial, nonpartisan, and nonsectional manner in which this bill has been prepared and the hearings conducted.

Mr. DONDERO. I thank the gentleman for his observation.

The economy of water transportation of the country becomes apparent when it is known that a ton of coal can be carried from Buffalo, N. Y., to Duluth, Minn., a distance of 1,000 miles, for approximately the same cost as carrying that ton of coal from the curb on the street in front of your home to your cellar window, about 50 cents per ton, and that tonnage in the Great Lakes region moves at a cost of about one-tenth of 1 cent per ton-mile, or $1 per ton per thousand miles.

It may also be of interest to the committee, when it comes to the matter of considering the efficiency with which water transportation is carried on and conducted today, to know that a ship entered a place called "Two Port Harbor", 75 miles east of Duluth, Minn., on the north shore of Lake Superior, took on a cargo of 12,508 tons of iron ore in 16½ minutes, and in 3 days transported that cargo 1,000 miles, or nearly so, to the port of Conneaut, Ohio, and there delivered it to the great furnaces of the steel industry in 3 hours and 5 minutes.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I will be pleased to yield to my chairman.

Mr. MANSFIELD. I desire to suggest to the gentleman that just such instrumentalities have reduced the transportation costs on the Great Lakes to practically a mere nothing, or, as the gentleman has said, to 1 mill per ton-mile.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio, a member of the committee.

Mr. BOLTON. May I inquire whether the shipment referred to was made during the past navigation season or before we had experienced so much low water?

Mr. DONDERO. I think it was made before that time.

Mr. BOLTON. In other words, the 600-footer during such low water cannot carry that amount of ore.

Mr. DONDERO. I am going to touch on that point in my discussion.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. WOODRUFF. I live on the Great Lakes. I am thoroughly conversant with the low levels of the Lakes at this time and the ever-recurring low levels which seem to get lower each time they recur. I am also familiar with what has been contemplated in connection with the building of compensating works in order to restore and to maintain the level of the Great Lakes. Of course, we cannot go on forever deepening and widening channels, thereby increasing the flow of water out of the Lakes, and maintain the level of the Lakes unless we do something to regulate the flow and keep it down to the normal rate. It should not be forgotten that every time the level of the Lakes is reduced 1 inch it reduces the cargo-carrying capacity of the larger ships 500 tons. In addition to this, we must either install compensating works or continue indefinitely to deepen our harbors and channels until we have nothing remaining but these channels.

Mr. DONDERO. The gentleman is correct about that. That is something that will have to be done.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Iowa.

Mr. BIERMANN. In speaking of the economy of Great Lakes transportation, of course, the gentleman does not want to compare such transportation with transportation on the upper Mississippi River. The Great Lakes have a natural channel and on this channel the traffic is transported in ships, while on the upper Mississippi there is an unnatural or artificial channel which has to be made and maintained and the traffic is transported by barges at from 3 to 5 or 8 miles an hour in a very cumbersome and almost obsolete manner. Is not that true?

Mr. DONDERO. That is true, and of course the cost varies in different parts of the United States.

Mr. BIERMANN. But my point is that you cannot compare the Great Lakes with a river.

Mr. DONDERO. I think that is true.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. FIESINGER. I was wondering if the cost of 1 mill per ton-mile included the cost of loading and unloading?

Mr. DONDERO. I cannot say as to that, but perhaps the chairman of the committee will be able to answer that later on.

I may say in connection with the efficiency of transportation on the water of the Great Lakes that today a 100-ton car of coal can be loaded into the hold of one of these big ships in 2 minutes.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. CULKIN. Is it not true that the bulk transportation on the Great Lakes is the cheapest transportation in the world?

Mr. DONDERO. That is correct.

Mr. CULKIN. Averaging about one-tenth of the cost of rail transportation.

Mr. DONDERO. I think that is a correct observation.

One of the major problems in this country is adequate disposition of the products of the farm, the factory, and the mine to the centers of population and the consuming public. Therefore the economical transportation and distribution of such products enter into the economic life of the Nation and the cost of living. Water transportation always has been, and undoubtedly always will be, a cheaper method of transportation.

[Here the gavel fell.]

Mr. CARTER. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. DONDERO. This comparison of the cost of transportation is not intended as a criticism or by way of making a comparison with any other methods of transportation, and certainly it is not intended as a comparison with or a criticism of the railroads of the country. Both are indispensable to the Nation and both have contributed much to the progress of our national life and the expansion of our great national domain.

Touching upon the question referred to by the gentleman from Michigan [Mr. WOODRUFF], I may say that the lowering of the water in the Great Lakes and the construction of larger and deeper draft vessels have made it necessary to deepen the connecting channels of the Great Lakes from 21 feet to approximately 26 feet, and I may say that nearly $20,000,000 has thus far been expended upon this work alone. When this is done, there are projects in this bill which provide for the deepening of the harbors of the Great Lakes region of the country to conform and correspond with the deepening of the connecting channels of the Great Lakes, and if the St. Lawrence Seaway ever becomes a reality, what we are providing in this bill will not have to be done over again, because the depths that are provided in the projects here will conform and correspond and harmonize with the depth of the St. Lawrence seaway when that great waterway is completed.

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. BEITER. Does the gentleman state that if the St. Lawrence seaway were constructed it would be a benefit to the Great Lakes and the Great Lakes seaports?

Mr. DONDERO. I think it would. It would permit the grain and the other products of the farms from the great Northwest to find an outlet to the ocean and the ports abroad.

Mr. BEITER. What good would it do if they got to the outlet or to the ocean when there is no foreign trade?

Mr. DONDERO. I may say to the gentleman from New York that if we continue our policy of reciprocal tariffs there may not be any foreign trade or foreign markets for our products. [Applause.]

Mr. BEITER. We lost that trade prior to the enactment of the Reciprocal Tariff Act.

Mr. DONDERO. There may have been some action by the European countries to stop foreign trade, but not entirely so.

Mr. HULL. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Wisconsin.

Mr. HULL. If the St. Lawrence seaway were such a futile proposition, why is it that the present President so urgently advocated it a year ago?

Mr. DONDERO. I think that is a good question. I may say, in conclusion, that on two occasions when this committee was called into conference by the President of the United States, the one thing he asked was how much of the money provided in these projects would go to labor, directly or indirectly, and it was shown that 76 percent of the funds expended on rivers and harbors projects would go to labor either directly or indirectly. Therefore, as a relief measure, and for the purpose of furnishing work to the unemployed, much can be said in favor of this proposed legislation.

This bill is not the result of hasty conclusions. It represents the work of the Rivers and Harbors Committee of three Congresses, and covers a period of nearly 5 years. Every project has been thoroughly considered and weighed by your committee before adopting the same and recommending it to the consideration of the House. I, therefore, urge every Member of this body to give to the bill and the projects included therein your earnest and thoughtful consideration and support.

The bill is in no sense an appropriation measure. It appropriates no money whatsoever. If it becomes a law, the necessary amounts will be submitted to the Congress by the Appropriations Committee in such sums as may be required from year to year to carry out and complete the work provided in the bill. When spread over a number of years this will be a moderate sum.

There are a number of items in the bill which have a direct bearing upon our national defense. I refer to some of those located on the Atlantic and Pacific coasts, so that in addition to the improvement of rivers and harbors, navigation, and commerce, the bill has a threefold purpose in that it also serves the question of the defense of our country.

Mr. CARTER. Mr. Chairman, I yield 6 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, I want to congratulate the distinguished Chairman of the Rivers and Harbors Committee for bringing in this bill. This is the first rivers and harbors bill reported to the House since 1930.

Gentlemen will recall that we urged the Rivers and Harbors Committee at the last session of Congress to bring in a bill similar to this one. In answer to my direct question on the floor last session as to why no river and harbor legislation was being reported, I was informed by the Chairman of the Rivers and Harbors Committee that the reason was because the President did not want any rivers and harbors bill at that session. In other words, the committee declined to function altogether at the last session because the President told them not to.

Now, I understand the pending bill is brought in at this session in spite of the fact that the President of the United States still is of the same opinion as he was last year. He still does not want Congress to enact any real river and harbor legislation. Therefore, I want to congratulate the Rivers and Harbors Committee, and particularly its chairman, for having nerve enough to bring in this bill, even though, as I propose to show, the bill under present conditions does not guarantee that the projects authorized in it will be carried out.

Mr. BEITER. On what ground does the gentleman say that the President did not want the bill?

Mr. MOTT. This is the same bill the committee wanted to report and which it would have brought in at the last session if the President had not forbidden it. If the gentleman will look at the RECORD of the last session he will see the colloquy that was had on the floor between the chairman of the committee and myself. I asked the chairman why he had not brought in a rivers and harbors bill, and

the chairman said that the reason it was not brought in was because the President did not want it. I am glad that the bill has finally been brought in, and now I want Members to understand what the nature and scope of the bill is.

This bill is by no means what many gentlemen here believe it to be. As a matter of fact it is little more than a gesture. It authorizes certain projects approved by the Board of Army Engineers and authorizes surveys by the Army Engineers of other projects yet to be approved. There are five river and harbor projects, for example, in my own State, authorized by the bill to be constructed. There are 15 other projects in my State which the bill authorizes surveys to be made upon, and which in due course will be authorized for construction. With this, naturally, I am pleased, and in this respect the bill is excellent.

But under the present set-up, under the large discretionary power and the dictatorial authority that has been given the Administrator of Public Works, under previous legislation, everything provided in this bill can be entirely set aside by the Public Works Administrator. The Administrator of Public Works can utterly ignore every authorization in this bill. He is not required, under the bill, to construct a single project named in it.

Every project authorized by this bill has been examined, surveyed, and approved by the Board of Army Engineers and has been recommended by the Rivers and Harbors Committee after the most careful and exhaustive study, and yet, under existing law, the Administrator of Public Works can absolutely refuse to allot any money whatever to any of these approved projects.

I say that is not right. I say that infringes upon the authority of Congress. The Congress of the United States never had any right to surrender that authority to the Administrator of Public Works. Congress now should immediately proceed to recapture that authority by providing in this bill that the projects authorized in it be actually constructed.

When the Board of Engineers surveys and approves a project and when the Rivers and Harbors Committee authorizes its construction and when finally it is reported by the committee to Congress and Congress passes the bill, then, I say, it should be mandatory upon the Public Works Administrator or upon whoever may have charge of the distribution of rivers and harbors money immediately to allot that money for the construction of the projects named in the bill.

I am going to offer, when the bill is read, an amendment which will undertake to require the Administrator of Public Works, who, as soon as the works-relief bill is approved by the President, will have in his hands $350,000,000 for rivers and harbors—I am going to offer an amendment which will require the Administrator of Public Works to make that money available to the Board of Army Engineers for the construction of these approved projects.

We are all delighted to have this bill for which we have waited and worked so long. The people of my own district, which embraces the entire seacoast of Oregon and within which are located some 16 of the projects authorized in this bill for construction or survey, are particularly happy that we are now about to pass the bill. But while we are at it, let us amend the bill, if possible, so as to require the actual construction of that which we are here authorizing.

Whether such an amendment will be held to be germane I do not know, but I think it is proper. I think it is highly necessary, and I think that the Congress should adopt it. At any rate, I am going to offer it.

The improvement of rivers and harbors, particularly the small harbors on the Pacific coast, is absolutely essential to the economic life and prosperity of that part of the United States. Our principal product there is lumber. In Oregon, for example, lumber supplies in normal times more than 60 percent of the entire pay roll of the State. That lumber cannot be profitably harvested and manufactured unless it can be sent to the markets of the East at transportation charges low enough to yield the manufacturer a profit. By water transportation that can be done, but we cannot have water transportation until our small harbors are improved. This bill authorizes several of those harbors to be improved, but in spite of this authorization we have no way of actually knowing whether they will be improved or not until Congress recaptures its jurisdiction and until it requires, when it approves these projects, that they be actually constructed.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. CARTER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, the observations made a little while ago by the gentleman from Missouri [Mr. COCHRAN] with reference to the floods and the disaster and loss of life in the Mississippi Valley stimulates in my mind some observations made years ago, when I was operating a 2-yard dipper dredge up and down the Illinois River for a distance of 150 miles. There is nothing inspiring in bilge water and mud, but there did come out of that 4 or 5 years of marine contact some observations with respect to the complete lack of vision that has been exercised in this country year in and year out in connection with flood control and the improvement of some of our rivers and harbors. Illinois was originally a part of the territory of the Northwest under the ordinance of 1787. In 1818 it became a State, and before 1895 there was not a single drainage district up and down that river. Then came covetous eyes and avaricious hearts and selfish minds of people, who saw those lush and abundant acres along the watercourses and who, as the value of land went up, determined that it was economically possible and feasible to reclaim that land by building great earthwork levees up and down the river. I was one of many who with dipper dredges built some of those levees—immense mountains of dirt 20 to 30 feet in height—to keep out the freshet water in the spring. The Illinois River is a stream of variable levels. When the snows that fall in Minnesota and Wisconsin melt, they go into the tributaries and come down into the Illinois River, and when we have spring freshets we often find those waters 18 to 20 feet over low-water level. We find no less than 37 drainage districts along the Illinois River over a length of 200 miles.

The result is that when you have a great earthwork levee on one side and a great earthwork levee on the other side and these freshet waters come down they cannot spew out over the valley, and the result is that the level of the water goes up and knocks the crowns off of these levees; and I have seen the time when 100,000 acres were inundated in that valley. Why is this? At one time those virgin bottom lands were the habitat of birds and fishes, a place where duckweed and vegetation grew in profusion for wild fowl. Then came man and took it away from nature, and then comes nature and just swishes her tail right across that western country with heavy snows and torrential rains, and as a result of consequent floods hundreds of thousands of acres are inundated and millions of dollars are lost. Then we stand on the side lines and contemplate this devastation and say that something has to be done to cure this by artificial flood control. The gentleman from Missouri [Mr. COCHRAN] was exactly correct. It will never be cured until we pursue a reservoir policy, so that those excess waters will have some place to go; and it seems to me that the Congress of the United States could very well address itself aggressively to that problem. Now they intend to appropriate some money to dig up these earthwork levees where they now confine that river within a 500-foot channel in lots of places and set them back. It is a tremendous undertaking, and very expensive; and as a contractor I say right now that it will cost at least 60 cents per cubic yard for every cubic yard of dirt they handle to set them back. And so, because of lack of vision years ago on the part of the Government and the States, these water courses are going to incur a most extraordinary expense to pay for that lack of vision. And will we have done an abiding job? Will it be one of those things that will remain fixed and settled and get us away from the disaster and loss that have gone with it? Oh, no. Set them back a hundred or two hundred feet, and we will have the same problem to contend with year in

and year out until we establish a definite reservoir policy. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MANSFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. CARTER. Mr. Chairman, I also yield 2 minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Chairman, I addressed an inquiry to the gentleman from Michigan [Mr. DONDERO] as to whether the 1 mill per ton-mile on the Great Lakes included all of the costs of handling the freight. Mr. McGann, clerk of the committee, told me afterward—and I want to put it in the RECORD—that that does not include the unloading costs; that the dock companies bear that cost. It includes the loading, but not the unloading costs. It is not unusual that the cost of transporting coal upon the Great Lakes is 30 or 40 or 50 cents a ton.

I was attracted by a statement made by the gentleman from Oregon [Mr. MOTT] that this bill is a mere gesture. Well, the bill we have been debating here for 2 or 3 days, to take the profits out of war, might be said is a mere gesture, but I do not agree with that. I think it is a declaration of national policy. The bill which we have before us now, the rivers and harbors bill, is a declaration of the intent of the Congress of the United States, and I feel that the administrators of the fund of the four or five billion dollars will give serious consideration; in fact, I think they will almost feel bound to carry out what this Committee on Rivers and Harbors has so painstakingly put into this piece of legislation.

Mr. CULKIN. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. CULKIN. If the Congress is fully conscious of its dignity and power and the P. W. A., or whatever organization may succeed that, ignores the manifest recommendation of Congress, does not Congress hold the purse strings in the future?

Mr. FIESINGER. Absolutely. It holds the purse strings in the future, and we have given this power because we are in a great national emergency, and when that emergency is over I say Congress will reassert itself and do these things which it has done for more than a hundred years in this country.

Mr. MOTT. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. MOTT. Will the gentleman allow me to give him an example of direct disregard for the wishes of Congress? In the Seventy-second Congress the improvement of the Umpqua River in Oregon was authorized, passed, approved by the Board of Army Engineers. Since that time the Chief of Engineers on many occasions has gone to the Administrator of Public Works and asked him to allot the money. Many people have done that. He has absolutely refused to date to allot one cent, although it was an act of Congress; it was approved by the Board of Army Engineers; and it is again in this bill for approval.

Mr. FIESINGER. Well, I do not know just what the reasons were why the P. W. A. Administrator did not undertake that work. I know they did undertake a lot of work that we considered.

Mr. MOTT. They undertook a lot of work that the Board of Army Engineers had never even approved or sanctioned.

Mr. FIESINGER. It may be that they did not regard that as feasible, but I know that I had two projects considered by the Rivers and Harbors Committee, and the P. W. A. have undertaken and practically completed both of those projects. The same—the Sandusky and Huron, Ohio, Harbors projects—are in this bill now, and also in this bill is a provision for the survey of some work at Vermilion, Ohio.

Mr. MOTT. In some cases it has, and in some cases it has not.

Mr. FIESINGER. Mr. Chairman, under leave to extend my remarks, I desire to tell the House about a project that is of great interest to my district, as well as the people of the State of Ohio. It is my sincere hope, in the interests not only of this great project, but the relief situation in Ohio, that the administrators of the new works bill give the same immediate consideration, and I refer to flood protection and water conservation of the Sandusky and Scioto Rivers.

These two rivers flow within 9 miles of each other near Marion—the Sandusky on the north of the divide, flowing into Lake Erie at Sandusky, and the Scioto on the south side of the divide flowing into the Ohio River at Portsmouth, 250 miles apart. Most of the great storms follow a storm lane along the summit divide and empty water into both watersheds.

The storm of March 1913 caused $40,000,000 flood damage and the loss of 167 lives in the two valleys. There have been a great many storms which have caused property damage and loss of life in these valleys.

In 1913 the Scioto River raised the Ohio River at Portsmouth 36 feet in 24 hours, causing the Ohio River to flow upstream 10 miles.

The Scioto River at Bellepoint drains 770 square miles. A reservoir at that point will only impound 55,000 acre-feet of water; a reservoir on the Sandusky River near Upper Sandusky will drain but 275 square miles and will impound 312,000 acre-feet of water.

By making a diversion cut through the summit glacial moraine 200,000 acre-feet of water can be diverted from the Scioto Valley to the Sandusky Valley and impounded, protecting Columbus and the valley below.

Lake Erie is 573 feet above sea level; Columbus, 702 feet; and Portsmouth, 481 feet above sea level. Building these two reservoirs to an elevation of 900 feet above sea level, and the summit cut, will form a summit level lake 40 miles along, and take care of the flood water of a 1913 flood on the summit.

It is estimated that three reservoirs in the Sandusky Valley, with the summit cut, and nine reservoirs in the Scioto Valley, or their equivalent, will give adequate flood protection for the Sandusky and Scioto Valleys and furnish 1,214,900 acre-feet of flood protection for the Ohio Valley, reducing the crest elevation of all floods materially at Cincinnati, and a lesser amount at points west of Cincinnati and the Mississippi Valley. It will be a great aid to navigation and an aid in diluting pollution in the Ohio Valley.

Drought in central Ohio is becoming a greater menace than floods. At one time during the past summer the O'Shaughnessy Reservoir was dry and the Griggs Reservoir was 15 feet below the crest. It was estimated that Columbus had but 60 days' water supply and farmers were hauling water for a great distance. Cutting the forests, draining the swamps, and tiling the land have caused a quick run-off of water in rain periods, not allowing the water to penetrate the silt sand and rock. A survey in 1925 by W. J. McGee, United States Bureau of Soils, on a record of 9,500 wells in central Ohio shows the sweet water table is 13.8 feet lower than it was 80 years ago.

April 1 each year after the big storms are past, is recommended that 50 percent of the spillway capacity of the reservoirs be impounded and held until January. Geologists claim by impounding 50 percent capacity of these reservoirs on the higher elevation will restore the sweetwater table over the greater part of Ohio.

It is estimated that the building of these reservoirs will employ 6,000 to 8,000 for 3 to 4 years, furnishing 50,000,000 man hours.

The F. E. R. A., emergency relief, in this district from May 1 to November 1, 1934, was $3,874,064, with 26,036 relief cases.

The Scioto-Sandusky Conservancy District is a legal political subdivision of Ohio organized under the conservancy act. C. E. Sherman has prepared complete plans and estimates of costs, using unit costs supplied by Muskingum Valley engineers, from contracts let. Alan N. Jordan has made a supplementary plan, giving 1,214,900 acre-feet flood control for the Ohio River and 276,000 acre-feet flood control for the Sandusky Valley, costing approximately $24,000,000. Owing to advances in commodity prices and in wages, it is recommended that 25 percent be added to these figures, and an allotment of $30,000,000 be made by the United States

Government for the building of the reservoirs and the change of utilities, as granted the Muskingum district.

The State of Ohio will change all highways and bridges and the conservancy district will provide all rights in land and assume responsibility of all damages and agree to accept the completed works for operation and maintenance.

The Army Engineers have made studies of most of this project and contracts could be let at an early date.

[Here the gavel fell.]

Mr. MANSFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. ECKERT].

Mr. ECKERT. Mr. Chairman, I live in western Pennsylvania. I happen to be in the Pittsburgh district. Inasmuch as the Pittsburgh district has been cited as an example of what water improvements do to a community, both by the distinguished chairman of the committee and by Judge CULKIN, I simply want to add my testimony to what is happening around Pittsburgh. I know that Pittsburgh has been spoken of as the workshop of the world. I believe that one of the factors which has produced that eminence for Pittsburgh is the fact that the industries in and around Pittsburgh have had the benefit of water transportation. I think we follow a short-sighted policy when we seek to curtail river improvements. I believe the people of this country can learn a lesson from Germany. Before the World War Germany was recognized as one of the most industrialized nations of the world. Dr. Frederick C. Howe, who is a keen student of economic conditions in the Old World, stated that one of the things that made Germany that great industrial nation was the fact that her rivers and canals were developed to a very high degree.

Now the bill under consideration provides for the improvement of rivers, harbors, and other waterways in various parts of the United States and Alaska. There are 204 projects included in the bill and all received thorough study and careful examination on the part of the Rivers and Harbors Committee of this and previous Congresses. As the distinguished Chairman of the Rivers and Harbors Committee, Mr. MANSFIELD, in his report accompanying the bill says:

> These projects have been under investigation for many months, and in many cases for several years, before receiving favorable recommendation. Detailed field investigations have insured the projects satisfactorily meeting the rigid requirements of the district engineer and his field assistants. They have been reviewed by the division engineer, have been examined in detail and approved by the Board of Engineers for Rivers and Harbors, and finally have been recommended by the Chief of Engineers.

The authorizations contained in the bill are not only in keeping with the long-established policy of the Congress, but are in line with modern progress. The National Resources Board, submitted to President Roosevelt a report on national planning and public works in relation to natural resources, relating especially to land use and water resources. In this report the Board makes the observation that:

> The natural resources of America are the heritage of the whole Nation and should be conserved and utilized for the benefit of all our people. Our national democracy is built upon the principle that the gains of our civilization are essentially mass gains and should be administered for the benefit of the many rather than the few; our priceless resources of soil, water, minerals are for the service of the American people, for the promotion of the welfare and well being of all citizens.

For the first time in the history of our country the natural resources of the Nation are being subjected to a thoroughly scientific investigation and appraisement. The Water Planning Committee, in its report notes that:

> The whole Nation is concerned in seeing to it that water is provided the largest possible amount of beneficial use and does the least possible amount of damage. Here, as in other things that we do and plan, our children's children should have cause to thank us—not to reproach us.

I submit that this is the spirit in which the problem of waterways improvement should be undertaken and prosecuted. It is a matter for rejoicing that the Federal Government has at last a more enlightened interest in the problem of natural resources and their development. The country is to be congratulated upon the promise that the Nation's policy of waterways development in the future will be scientific, intensive, comprehensive, and in keeping with modern needs and demands.

As has well been said:

> Land, water, and the people go together. Flood control, erosion, and low-water control, navigation, hydroelectric power, water supply, and sanitation are integral parts of the Nation's waterways. And they tie into agriculture, irrigation, forestry, recreation, and the conservation of wildlife.

This is a new and deeper aspect of the use of our waterways. Yet, upon reflection, it is obvious that the waterways of any country play a very vital and important part in the life and prosperity of its people, and should be developed so as to give the largest possible amount of beneficial use.

It is inspiriting to know that recognized experts are emphasizing the fact that our river systems and harbors must be developed in modern fashion if we would obtain the major benefits and reduce flood damage to a minimum. A new thought is developing among the people concerning the use and importance of our river systems and harbors and the Congress ought to be happy to have the opportunity to move forward with the spirit of the times and pass the pending bill.

Much is being said these days about the relief of the unemployed, of raising the American standard of living, and providing happier conditions for the average man and woman. To bring relief to the unemployed is a laudable ambition on the part of the Federal Government. To do so in the present economic crisis the Federal Government is about to engage in an extensive public-works program. Various projects are in contemplation, including the improvement of rivers and harbors. There are those, perhaps, who may question the wisdom of some of the proposed projects, but all agree that the improvement of rivers and harbors is an obligation of government. Rivers and harbors are commerce and trade channels, and it is a function of government to provide public thoroughfares on land and water for the use and convenience of the people. This is a well-settled principle of American jurisprudence. Therefore the Federal Government is well within its rights in improving at public expense the rivers and harbors of the Nation. In so doing it does not invade the domain of private enterprise.

The development of our water resources might well engage the attention of those who are concerned about unemployment and raising the standard of living of the American people, for here is a field that offers unlimited opportunities for increasing the economic efficiency of the Nation. John Stuart Mill is authority for the statement that:

> If the object is to improve the permanent conditions of a people, small means do not only produce small effects; they produce no effects at all.

The aim of all legislation is or should be to improve permanently the condition of the people. Why spend money either on relief or otherwise on small and petty projects? President Roosevelt has expressed the wish that the petty attempts to bring relief to the unemployed be discontinued and that Federal projects of national scope be undertaken with a view of not only providing work for the unemployed but to add to the Nation's wealth. We know that much that has been done in the way of relief projects has not resulted in the permanent improvement of the condition of the people nor added to the wealth of the Nation. The charge is frequently made that much of the relief money has been wasted. There need be no waste of any kind in waterways improvement if the work is done intelligently and scientifically. There is no field for relief of the unemployed and at the same time increase the national assets that can be compared with the projects relating to waterways improvements. The development of our river systems and harbors, as indicated, is not only permanently improving the economic conditions of the present generation but of generations yet to be.

We, as a nation might, with profit to ourselves, learn a lesson from some of the nations of the Old World in relation to the development and use of waterways. Germany, for example, immediately before the outbreak of the World War, was recognized as one of the great industrial nations of the world. One of the factors that contributed to her industrial

and economic preeminence was the fact that her waterways were highly developed and were an integral part of her economic set-up. Industrialists, merchants, farmers, and shippers generally had the benefit of the lowest transportation rates possible, both on land and water, to the end that her own people would not be compelled to pay undue transportation rates and to aid her industrialists to compete successfully in the markets of the world.

It has been demonstrated by experience, both in other countries as well as our own, that economical transportation is best achieved by the full use of all modern methods of transportation, not in competition with each other, but by complementing each other. A fully developed and coordinated system of transportation, including rail, water, air, truck, and automobile gives the greatest promise of lowest cost to the people.

Dr. Frederic C. Howe, already referred to in discussing Germany's industrial greatness, says:

> Cheap water transportation is another explanation of Germany's industrial progress. It has been planned with the same far-seeing intelligence that characterize the railways system, with which it is closely related in its administration. Some idea of the magnitude of the water traffic is evidenced by the fact that, while the total goods carried in 1911 upon the railways aggregated 408,879,000 tons, the goods upon the waterways totaled 76,632,000 tons, or more than one-sixth of the amount carried by rail.

It is common knowledge that the item of transportation adds materially to the cost of living and therefore the problem of the transportation of goods and people at the lowest possible rate is essential and vital to the prosperity and happiness of the American people.

It is held by some that in localities where traffic is moved by common carriers, such as railroads, and so forth, development of waterways ought to be discouraged for the reason that the latter would be in direct competition with the former and materially reduce their earnings. This contention, in many instances, is unsound, as experience has proven. In communities that are adequately served with water transportation there may be certain types of freight diverted from the railways, but in such communities industrial development is usually so pronounced that a steady increase in population, business, and trade follows, resulting in increased demands for transportation facilities of all kinds. Therefore, what might be lost in heavier goods by land carriers would be compensated by the increased demand for railroad and truck transportation of other types of goods.

For example, the Ohio River and its tributaries carry more commerce than any other river system in the United States. Yet in the very midst of the greatest water transportation in the United States, there we find the busiest and most successful and most profitable railroads in the country. Opposition to an intelligent and scientific development of our river systems and harbors in the most comprehensive fashion possible is short-sighted and unsound in reason and logic.

The American people are entitled to the cheapest transportation possible, and it is the duty of the Federal Government to do all in its power to bring about this consummation. This bill is in line with modern transportation development and progress and I bespeak for it the support of the Congress.

[Here the gavel fell.]

Mr. CARTER. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. SISSON].

Mr. SISSON. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SISSON. Mr. Chairman, I am taking this opportunity to call attention to the parliamentary situation of the McSwain bill, to take the profits out of war or to lessen war profiteering.

The gentleman from Maryland [Mr. GOLDSBOROUGH] will make a motion to recommit the bill with instructions to strike out the first part of section 3, which is the conscription provision in the bill. If that motion is voted up, it will remove one of the principal objectionable features of the bill. It will mean that we are not, in time of peace, doing something that this country has never done before in time of peace, namely, passing a draft measure; and we are not thereby giving any false notice, which I am sure the people of this country do not mean, to the other nations of the world that we expect to go to war, either defensive or offensive.

The chairman of the committee, the gentleman from South Carolina [Mr. MCSWAIN], on Saturday, nearly at the close of the debate, offered an amendment—which was accepted, of course—which, had it been contained in the bill originally, very likely would have mitigated and, probably to a great extent, have minimized opposition to the bill; that is, the proposition that in the event of declaration of war a tax of 100 percent will be levied on excess profits.

I am not here posing as a constitutional lawyer; I am just an ordinary garden variety of lawyer; but I think it is fairly well settled that although a tax provision properly laid would be sustained, the provision as included in the bill is unconstitutional. I think it has been settled already that such a provision would be unconstitutional.

If the conscription provision were cut out of the bill, then, with the tax amendment of the gentleman from South Carolina [Mr. MCSWAIN] in the bill, I might vote for it. The main reason that I would then vote for it would be that the taxing amendment offered by Mr. MCSWAIN would probably give the Senate the right to do what they would not have the power to do under the Constitution without the McSwain amendment—namely, include in the Nye bill a provision to tax excess profits on munitions and other war supplies, and thereby to that extent discourage war by making it unprofitable. Such a method is, as I have several times pointed out in debate upon this bill, the only way to take the profits out of war.

Mr. MCFARLANE. Mr. Chairman, will the gentleman yield?

Mr. SISSON. I yield for one question; but I will ask the gentleman to be brief, for I have only 4 minutes.

Mr. MCFARLANE. With a tax amendment in the bill, however, a foundation is provided for a tax structure which may be perfected in the Senate.

Mr. SISSON. The gentleman is entirely correct; it could, of course, be perfected in the Senate. The McSwain taxing amendment greatly improves the bill.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. SISSON. For one question.

Mr. MONAGHAN. I just wanted to say that I think the gentleman and I are in agreement on the way the bill is taking shape.

Mr. SISSON. There are, however, other objectionable features of the bill which I should like to discuss, but I have not the time to do so. Some of them are so serious, as I have already pointed out at other times in the debate upon this bill, that they would lead me to vote against the bill if I thought that when the bill comes back from the Senate, they would still be in the bill. I have been informed, however, that Senator NYE now wishes us to pass this bill in order to enable him to put a taxing feature in the Senate bill, and that he has given some of the other opponents of this bill assurance this morning that the other objectionable features in the McSwain bill will be taken out in the Senate.

[Here the gavel fell.]

Mr. MONAGHAN. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes.

Mr. CARTER. The time has been fixed under the rule. I yielded 4 minutes to the gentleman. I hope the gentleman from Montana will not press his request.

Mr. MONAGHAN. Mr. Chairman, I withdraw my request.

Mr. MANSFIELD. Mr. Chairman, I yield the remainder of my time to the gentleman from California [Mr. COLDEN].

Mr. COLDEN. Mr. Chairman, I do not want to speak to the details of this measure, but I do want to discuss some of the incidental questions. Among others, a comparison of rail and water rates and the fundamental reasons why there is a difference and why water transportation should be

preserved. I wish also to make some observations as to the value of the Panama Canal to the Pacific coast and of other waterways. [Applause.]

OUR WATERWAYS AND "OLD MAN RIVER"

I shall not, as I said, discuss the details of the river and harbor bill for the reason that the chairman of the committee, Judge JOSEPH J. MANSFIELD, and others have undertaken this task. My confidence in this measure is sustained not only by the long experience and able judgment of a number of my colleagues on the Rivers and Harbors Committee but because every project therein contained recommending the improvement of rivers and harbors is based upon a favorable report by the Board of Army Engineers. Consequently, the details of this measure have been subjected to actual and careful inspection, surveys, and estimates by the outstanding organization of the Board of Army Engineers and its staff.

As river and harbor development is of prime importance to the entire Nation, I desire to address myself to some of the general and incidental aspects of the subject under discussion. I desire to offer some observations as to the part that has been played by the improvement of waterways and harbors as one of the great contributory factors to the growth of our country and particularly to the Pacific coast. While the public is aware in a general way as to the importance of river, lake, and ocean transportation, many are not acquainted with the handicaps and with the struggles of water transportation in these days in which the railways of the Nation dominate transportation to a very great extent and have made it increasingly difficult to develop and maintain water transportation. For instance, the railroads have in some cases stifled water transportation by the purchase of canals and the relegation of their use. In other instances, the railroads have reduced their rates between competitive points with waterways and made it impossible to develop any great volume of water transport. The railway influences are ever alert to thwart and retard the development of waterways. In some instances this has been a short-sighted policy.

Permit me to give you a striking example where the development of waterways has contributed materially to railway traffic. In the Pittsburgh, Pa., area, there is a very heavy traffic on the waterways. This cheap transportation has developed a great industry, the products of which in turn have given the railways a very heavy tonnage which is distributed to every part of our country. Cheap water transportation, river and lake, for the ores and fuel has built up such great centers as Pittsburgh and Chicago and made a great contribution of tonnage to the railways of the country.

There is a fundamental difference in railway and water transportation. The railway by its very nature is a monopoly. Its line or its rails are under the exclusive management of a great corporation which owns and controls the engines and cars that move on its tracks. There can be no competition with other agencies so far as the use of the railway equipment is concerned. The shipper and the public must deal upon the terms of the railway and within the regulations that have been imposed upon the railways by a dissatisfied public. The litigation throughout the years, the attempts to regulate the railway rates by the various States and the Federal Government is extensive evidence of the voluminous complaints registered by the users of transportation.

The railway has been an indispensable instrument in our economic welfare but because of its monopolistic nature, its discriminations, its arbitrary and unscientific rate structures, it has built industries, communities, and cities, and ports, and has destroyed others. Its magic power in unscrupulous hands has been the economic ruin of thousands and upon others it has bestowed prosperity and riches. By its policy of lower rates to competitive points it has driven the factory and its workers from the countryside to the great centers and contributed to the problem of overconcentration of population and at the same time added to the farmer's problem of marketing. The transportation systems of our country affect our social as well as our economic life.

Water transportation, like highway transportation, invites open competition, and no steamship company and no barge line can monopolize the watercourse. The water highway is open to any and to all. Not only does water transportation usually have numerous shipping lines in competition with each other, but in the event of a combination to uphold rates there is always the tramp ship, the tramp barge that may offer competition on its own account or may be chartered by the shipper. The same principle is true of the highways. It is in the interest of the public to maintain waterways and highways to open competition, for the reason that rivers, lakes, and the ocean afford an open highway to all. Water transportation is much more free of the combinations, the abuses, and the unfair and unjust rate structures which the user of the railway must combat.

It is rather an interesting observation that members of the Rivers and Harbors Committee of the House of Representatives are enthusiastically devoted to the development of waterways. Those who enter the committee, perhaps in many instances with an indifferent but open mind, usually become quick converts to the necessity, the importance, and the utility of water transportation. At nearly every session of the Rivers and Harbors Committee evidence is shown by which river and harbor development contributes greatly to the country's commerce, to its industries, and to its agricultural interests. In numerous instances the demand for river and harbor improvements is compelled by the discriminations, by the unfair rate structures of the railways. The lowest transportation rates in this country are enjoyed by those centers of industry and commerce that have competitive rail and water rates.

Concerning the comparative cost of water and rail maintenance, I refer to a speech of the Honorable JOSEPH J. MANSFIELD, Chairman of the Rivers and Harbors Committee of the House of Representatives, of May 11, 1934, in which he states that in 1932 the maintenance of all our ports and inland waters was $23,791,815.30. That the water-borne tonnage for that year was 445,648,000 tons representing a cost of 5⅜ cents per ton. That the railway maintenance for that year was $970,119,814. The freight haul by rail was 646,222,818 tons, representing a maintenance cost of $1.50 per ton.

Again, Gen. Edward M. Markham, Chief of the Board of Army Engineers, in a speech before the National Rivers and Harbors Congress, called attention to the statistics of 1929 in which he states that the maintenance of waterways in that year was slightly less than 3½ cents per ton on freight movement as against a cost of $1.53 for maintenance per ton by the railways. Both of these illustrations are striking examples of the basic advantage of the waterways to agriculture, to industry, and to commerce.

Recently the Waterway Bulletin gave some Lessons in Simple Arithmetic. Among these lessons was that of cotton, one of the important crops of the lower Mississippi Valley. In 1933 Valley States exported more than 9,000,000 bales of cotton, representing approximately 65 percent of the total production. In 1931 the railroads maintained rates on compressed cotton from Mississippi River points to New Orleans ranging from 64 to 50 cents per 100 pounds, on any quantity.

Because of inland-waterway competition the railroads have reduced their rates on cotton for export from all producing points. From Memphis to New Orleans the old rail rate was 60 cents per 100 pounds. The present rail rate in carload lots is 34 cents and the barge rate is 31 cents, a saving of 26 and 29 cents, respectively, as compared to the old rail rate.

Similar savings are now available at other river points. From Helena, Ark., to New Orleans the old rail rate was 58½ cents; the present rail rate is 34 cents, and the barge rate is 31 cents. The old rail rate from Jackson, Tenn., was 60 cents; the present rail rate is 39 cents, and the barge rate is 36 cents. From Dyersburg, Tenn., the 1931 rail rate was 64 cents; the present rail rate is 39 cents, and the rail-barge rate is 36 cents.

These savings were not available before the advent of inland waterway competition. They illustrate how the inland waterways are helping to build agriculture and in-

dustry in the Mississippi Valley by lowering the cost of transportation and widening the trade markets.

Mr. Chairman, in addition to the illustration just cited, I desire to give another specific illustration of the value of water transportation in the commodity of sugar from New Orleans to St. Louis and Chicago as presented to the Committee on Interstate Commerce of the United States Senate by C. E. Childe, the chairman of the traffic committee of the Mississippi Valley Association. This witness states that the Interstate Commerce Commission a few years ago fixed as a reasonable railway rate on sugar 54 cents per 100 pounds from New Orleans to Chicago and 50 cents per 100 pounds to St. Louis. Because of the movement of sugar by the water route, the rail rate was later reduced to 34 cents to Chicago and 32 cents to St. Louis. The water rates from New Orleans were then reduced to 27 cents to Chicago and 25 cents to St. Louis, exactly one-half of the former rail rate. But note that Mr. Childe says that to points in Iowa, where water competition does not exist, the rail rate remains at the high level of 65 cents per hundred.

Again, Mr. Childe refers to the rate on wheat. Ten years ago the rate from St. Louis to New Orleans by rail was 31 cents per hundred pounds on domestic commerce and 18 cents per hundred pounds for export. The Federal Barge Line established a rate of 14 cents per hundred pounds on export wheat. The railroads started cutting rates, and reduced the rail rate on grain for export to 11 cents per hundred pounds by rail, and the barge line rate was reduced to 8 cents, considerably less than one-half of the former rail rate. This tremendous decrease in the cost of transportation redounds to the benefit of the wheat raiser in the shipping out of his product and also in the reduction of the cost of the products he consumes, including the sugar cited above. There is no reason to doubt that the high cost of transportation, the shipping out of his wheat, cotton, corn, cattle, and pork, and the cost of his coal and other articles he consumes is one of the acute and aggravated problems of the farmer. The above illustration clearly demonstrates that water transportation is the friend of the farmer.

Because of the railway domination of the transportation of our country and the continual spread of propaganda against the use of waterways, the public is not fully aware of the potential facilities of our rivers that have been but partially touched as a natural resource. The National Rivers and Harbors Bulletin is the authority for the statement that the Mississippi and Ohio Rivers system alone can afford 12,475 miles of water transportation. That it is possible to develop a total of 27,406 miles of navigable watercouses in the United States. As a part of the transportation system of our country, none of these waterways have reached their capacity.

The nations of western Europe which guard their waterways against unfair discrimination are said to have about 15,000 miles of connected inland waterways of which the Rhine is the center. There is said to be 9,000 miles of navigable rivers and canals in Germany alone. The Rhine, with its canal connections, reaches the Mediterranean through the Rhone; the Black Sea, through the Danube, and many other waterways of importance. The Rhine is an international stream and is crowded with the barges of Holland, Belgium, Germany, France, and Switzerland. The use of the river Rhine demonstrates the possibilities of the Mississippi River systems if developed on a proper scale.

The necessity of a comprehensive and coordinated inland waterway system has not been given full and proper consideration. The criticism has often been made and with justification, that river and harbor development in the United States has been piecemeal. This has been due to the fact that Congress has always been overly conservative in making appropriations for waterways. In order to develop any system of transportation, it is essential to reach and connect the great centers of agriculture, industry, and commerce. The highways and the railways reach all the important centers of the country. The railroads and highways of this country would have little value if they did not reach the great centers. It is quite evident that the improvement of rivers and the building of canals cannot be of the greatest use unless it does afford connection between important centers.

The improvement of the Cape Cod Canal has afforded a much shorter waterway route between Boston and New York and other points. The commerce on the Cape Cod Canal has shown a splendid growth in spite of the depression. If a comprehensive system of waterways is to be developed and if we propose to utilize the waterways—lakes, rivers, and canals—to their greatest service, Congress should give most serious attention to a coordinated system which would include an adequate inland waterway from New York Bay to the Delaware River and from the Delaware River to the Chesapeake Bay.

The intracoastal canal should reach from New York Bay to the Rio Grande. The proposed ship canals across the State of Florida and from Puget Sound to the Columbia River deserve most serious consideration. A waterway connection from the Pittsburgh district to Lake Erie should be carefully surveyed, and if economically justified, should be built. The same is true of the Tennessee River, and a proposed connection with the waterways of Alabama and to the Gulf. The waterway from the Hudson to the Great Lakes and from Lake Michigan to the Gulf are of national importance. All these projects and many others should be most carefully studied and, if economically justified, should be begun as early as possible.

One of the greatest waterway achievements in the history of the world was the building of the Panama Canal. The residents of the Pacific coast have observed many of the benefits of water transportation. It is estimated that the population of the Pacific Coast States of California, Oregon, and Washington increased 47 percent from 1920 to 1930. The operation of the Panama Canal opened much wider markets and reduced the cost of transportation and greatly stimulated the production of the entire Pacific coast. Not only did the population of the Pacific coast increase but their buying power increased, thereby benefiting all sections of our country.

To show the advantages of water transportation, it is estimated that the east-bound traffic from the Pacific Coast States showed an increase of about one-tenth on the part of the railroads, but the steamship lines showed an increase of nearly four times. This augmentation of traffic illustrates not only the marvelous growth of the Pacific States but the value of water transportation.

My own city of Los Angeles has largely participated in this growth. Today Los Angeles is the fifth city in the United States in population. In 1929 it ranked eighth industrially, and in 1931 tied for seventh place in the value of its manufactured products. The 1930 census disclosed that in the previous 10 years Los Angeles had gained in population 48.7 percent; San Francisco, 25 percent; Portland, 11.9 percent; Seattle, 14.4 percent. In the period from 1920 to 1930 Los Angeles grew from a population of 576,673 to 1,238,048, while San Francisco showed a growth from 506,676 to 634,394. The 11 Western States in the same period of 1920 to 1930 showed an increase of population of 2,993,000. The three Pacific Coast States 2,627,000; California, 2,250,000; southern California, 1,642,000; and Los Angeles County, 1,272,000.

It is estimated that the city of Los Angeles by an investment of $30,000,000 in harbor development is saving the Southwest a hundred million dollars or more per year in the cost of transportation alone. The building of the Panama Canal has been one of the important contributing factors. Los Angeles Harbor rivals Philadelphia as a second ocean port of the United States. In addition to being the base of the Pacific Fleet, Los Angeles Harbor is one of the busy ports of the world. No port of the United States is more enthusiastic in the future value of water transportation. Los Angeles has backed faith with heavy municipal investments.

The growth of the tonnage of Los Angeles Harbor is a romance in statistics, as the following table discloses:

Year	Number of ships	Net tons
1860 (calendar year)	67	12,565
1870 (calendar year)	203	29,370
1880 (calendar year)	350	102,105
1890 (calendar year)	493	171,261
1900 (calendar year)	508	216,857
1910 (calendar year)	2,450	1,660,975
1919–20 (fiscal year)	2,886	3,523,280
1922–23 (fiscal year)	5,476	18,870,102
1928–29 (fiscal year)	7,888	26,099,245
1932–33 (fiscal year)	6,199	17,850,906

This amazing growth has been handicapped by railway rate discriminations in favor of San Francisco. The Golden Gate city, being the first important port on the Pacific coast, was the backbone of the early railway rate structure and has been able to maintain many of its advantages in directing tonnage to its own terminals. Like New Orleans, the railway terminal system at San Francisco is publicly owned and this adds a further advantage. Improved highways and trucks have contributed much to overcome the railway discrimination against this newer port of Los Angeles.

The problem of transportation will always be a vital one. The cost of transportation falls heavily on the producer and the consumer. High transportation costs limit the market of the manufacturer as well as the farmer. The comprehensive and coordinated development of our rivers, lakes, canals, and harbors will encourage agriculture, industry, and commerce. It affords one of the greatest contributions to our national wealth and welfare.

In order to lift this country out of the depression, Congress is appropriating billions of dollars. Now is the time to build substantial improvements, to build for posterity, for future generations must pay the greater part of the debts we are now incurring. An adequate waterway system would be of great benefit to future generations and would be a justification for our great expenditures. It should be noted in this connection that it is estimated that in dredging operations, nearly 77 percent of the cost of construction is paid to labor. That in the building of locks and dams, that labor receives about the same proportion. In other types of river and harbor improvement, a proportion of approximately 80 percent goes to the labor employed directly and indirectly.

In closing, let us not forget that "Old Man River" has always been the pathway of the pioneer, the inspiration of the poet, and the friend of man. The primitive tribesman depended upon the river for fish and game. The pioneer found it the open road to the forests and prairies and riches of the interior. Not only was it a highway for the pioneer but it turned the wheels that ground his wheat and corn and wove his wool and his cotton into fabrics of beauty and comfort. It quenched his thirst and cleansed his body. In these modern days of great cities, it serves the same benevolent purpose. Notwithstanding the ancient river clothed with forests and beauty has been stripped of its natural protection and has become choked with the soil from eroded fields and is the receptacle of sewage and the vile waste of industry, "Old Man River" still remains the servant of man. The public is awakening to the necessity of rebuilding and restoring the natural waterways of the country. Today the river is being rejuvenated, not only for navigation and the control of its floods, but for its magic power to turn the wheels of industry, to lift the household burdens of wifehood and motherhood, to lift the load from bending, aching backs in the mine, on the farm, and in the factory. "Old Man River" is eager to serve today and now, not only in the great centers of industry, but to saw the wood, to pump the water, to spin the grindstone, to turn the corn-sheller, to wash and iron, and to sweep, a relief to man, woman, and beast. Not only does it perform all these drudgeries of man and woman but it gives light to the home and to the street and to the city.

The river is one of Nature's greatest gifts to man. With its companions, the lake and the ocean, it furnishes the great open highways of the world the bonds of mutual interest to the nations. These great highways are free and open, beyond the power of monopolization.

It is not only the privilege but it is the duty of Congress to support the development of an adequate, comprehensive, and coordinated waterway system that will serve all the people of all the country whenever and wherever the cost is economically justifiable.

Mr. MANSFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANSFIELD. Under the rules of the House, bills ordinarily are read by sections. In former years river and harbor bills have been read either by sections or by paragraphs. I would suggest that in order to dispatch the business of the House speedily we adhere to the rule of having this bill read by sections.

The CHAIRMAN. The Chair will state to the gentleman from Texas that the matter has been called to the Chair's attention. The last expression of the House was on June 3, 1926. A point of order was made and the then Chairman of the Committee of the Whole House on the state of the Union, the gentleman from New Jersey [Mr. LEHLBACH], ruled that the bill should be read by paragraphs. An appeal was taken from the decision of the Chair at that time and the decision of the Chair was overruled. Thus the last expression we have, so far as has been called to the attention of the Chair, is that decision of the Committee itself made in 1926 to the effect that bills of this character should be read by sections; and the Chair is inclined to follow the decision of the Committee made at that time.

Mr. MANSFIELD. I will state, Mr. Chairman, that that is my understanding of the situation exactly.

The CHAIRMAN. The Clerk will read the bill by sections.

The Clerk read as follows:

Be it enacted, etc., That the following works of improvement of rivers, harbors, and other waterways are hereby adopted and authorized, to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the plans recommended in the respective reports hereinafter designated and subject to the conditions set forth in such documents:

Criehaven Harbor, Maine; House Document No. 310, Seventy-second Congress;

Saco River, Maine; Rivers and Harbors Committee Document No. 11, Seventy-fourth Congress;

Lynn Harbor, Mass.; Rivers and Harbors Committee Document No. 7, Seventy-first Congress;

Boston Harbor, Mass.; House Document No. 244, Seventy-second Congress;

Gloucester Harbor and Annisquam River, Mass.; Rivers and Harbors Committee Document No. 39, Seventy-second Congress;

Weymouth Fore River, Mass.; House Document No. 207, Seventy-second Congress;

Weymouth Back River, Mass.; Rivers and Harbors Committee Document No. 32, Seventy-second Congress;

Cape Cod Canal, Mass.; Rivers and Harbors Committee Document No. 15, Seventy-fourth Congress;

New Bedford Harbor, Mass.; Rivers and Harbors Committee Document No. 16, Seventy-fourth Congress;

Thames River, Conn.: Rivers and Harbors Committee Document No. 18, Seventy-fourth Congress;

Connecticut River below Hartford, Conn.; House Document No. 49, Seventy-third Congress;

Connecticut River, above Hartford, Conn.; House Document No. 27, Seventy-third Congress;

New Haven Harbor, Conn.; House Document No. 479, Seventy-second Congress;

Stamford Harbor, Conn.; Rivers and Harbors Committee Document No. 8, Seventy-fourth Congress;

Mamaroneck Harbor, N. Y.; Rivers and Harbors Committee Document No. 4, Seventy-fourth Congress;

Mattituck Harbor, N. Y.; House Document No. 8, Seventy-first Congress;

Coney Island Creek, N. Y.; Rivers and Harbors Committee Document No. 12, Seventy-third Congress;

New York Harbor, N. Y.; House Document No. 183, Seventy-third Congress;

Hudson River Channel at Weehawken and Edgewater, N. J.: The existing project is hereby modified in accordance with the recommendations in the report submitted in Rivers and Harbors Committee Document No. 49, Seventy-second Congress;

Hudson River Channel, N. Y. and N. J.; House Document No. 309, Seventy-second Congress;

Tarrytown Harbor, N. Y.; House Document No. 262, Seventy-second Congress;

Rondout Harbor, N. Y.; Rivers and Harbors Committee Document No. 17, Seventy-third Congress;

Hudson River between Troy and Waterford, N. Y.; Senate Document No. 155, Seventy-second Congress;

Great Lakes-Hudson River waterway; Rivers and Harbors Committee Document No. 20, Seventy-third Congress: *Provided*, That no allotment of Federal moneys shall be made under this authorization unless and until the State of New York shall have entered into agreement satisfactory to the Secretary of War that no toll charges will be imposed for the use and navigation of the improved waterway;

New York and New Jersey Channels; Rivers and Harbors Committee Document No. 17, Seventy-first Congress, and House Document No. 133, Seventy-fourth Congress;

Cut-off channel between Raritan River and Arthur Kill, N. J.; House Document No. 50, Seventy-third Congress;

Rahway River, N. J.; House Document No. 63, Seventy-third Congress;

Elizabeth River, N. J.; Rivers and Harbors Committee Document No. 24, Seventy-second Congress;

Compton Creek, N. J.; House Document No. 58, Seventy-third Congress;

Shrewsbury River, N. J.; House Document No. 157, Seventy-first Congress;

Delaware River, between Philadelphia, Pa., and Trenton, N. J.; Rivers and Harbors Committee Document No. 11, Seventy-third Congress;

Delaware River, Pa., N. J., and Del.; Rivers and Harbors Committee Document No. 5, Seventy-third Congress;

Wilmington Harbor, Del.; Rivers and Harbors Committee Document No. 32, Seventy-third Congress;

Inland waterway from Delaware River to Chesapeake Bay, Del. and Md.; House Document No. 201, Seventy-second Congress, and Rivers and Harbors Committee Documents Nos. 18 and 24, Seventy-third Congress;

Big Timber Creek, N. J.; Rivers and Harbors Committee Document No. 15, Seventy-third Congress;

Mantua Creek, N. J.; Rivers and Harbors Committee Document No. 14, Seventy-third Congress;

Barnegat Inlet, N. J.; Rivers and Harbors Committee Document No. 19, Seventy-third Congress;

Ocean City Harbor and Inlet, and Sinepuxent Bay, Md.; Rivers and Harbors Committee Document No. 38, Seventy-second Congress;

Maurice River, N. J.: House Document No. 275, Seventy-third Congress;

Upper Thoroughfare, Deals Island, Md.; Rivers and Harbors Committee Document No. 37, Seventy-second Congress;

Knapps Narrows, Md.: House Document No. 308, Seventy-second Congress;

Annapolis Harbor, Md.; Rivers and Harbors Committee Document No. 23, Seventy-third Congress;

Parish Creek, Md.; House Document No. 185, Seventy-second Congress;

Tangier Channel, Va.; Rivers and Harbors Committee Document No. 51, Seventy-second Congress;

Starlings Creek, Va.; House Document No. 138, Seventy-second Congress;

Washington Harbor; Rivers and Harbors Committee Document No. 22, Seventy-fourth Congress;

Potomac River, north side of Washington Channel, D. C.; Rivers and Harbors Committee Document No. 13, Seventy-third Congress: *Provided*, That the work recommended in the said document shall be prosecuted in accordance with the recommendations of the Board of Engineers for Rivers and Harbors;

Horn Harbor, Va.; Rivers and Harbors Committee Document No. 22, Seventy-third Congress;

Nomini Bay and Creek, Va.; Rivers and Harbors Committee Document No. 30, Seventy-second Congress;

Mill Creek, Va.; Rivers and Harbors Committee Document No. 20, Seventy-fourth Congress.

Totuskey Creek, Va.; House Document No. 183, Seventy-second Congress;

Mattaponi River, Va.; Rivers and Harbors Committee Document No. 47, Seventy-third Congress;

Channel connecting York River, Va., with Black Creek at Slaight's Wharf; Rivers and Harbors Committee Document No. 6, Seventy-fourth Congress.

Jackson Creek, Va.; Rivers and Harbors Committee Document No. 41, Seventy-third Congress;

Little Wicomico River, Va.; Rivers and Harbors Committee Document No. 24, Seventy-fourth Congress;

Norfolk Harbor, Va.; House Document No. 182, Seventy-third Congress.

Hampton Creek, Va.; Rivers and Harbors Committee Document No. 34, Seventy-second Congress;

Phoebus Channel, Va.; Rivers and Harbors Committee Document No. 33, Seventy-second Congress;

Channel from Pamlico Sound to Beaufort Harbor, N. C.; House Document No. 485, Seventy-second Congress;

Rollinson Channel, N. C.; House Document No. 218, Seventy-second Congress;

Inland waterway from Beaufort, N. C., to Cape Fear River, including the waterway to Jacksonville, N. C.; House Document No. 67, Seventy-fourth Congress;

Cape Fear River above Wilmington, N. C.; House Document No. 786, Seventy-first Congress;

Smiths Creek, Wilmington, N. C.; Senate Document No. 23, Seventy-second Congress;

Intracoastal waterway from Cape Fear River, N. C., to Saint Johns River, Fla.; Rivers and Harbors Committee Documents Nos. 11 and 14, Seventy-second Congress;

Shipyard River, S. C.; Rivers and Harbors Committee Document No. 43, Seventy-third Congress;

Waterway from Charleston to Beaufort, S. C.; House Document No. 129, Seventy-second Congress;

Savannah Harbor, Ga.; House Document No. 276, Seventy-third Congress;

Savannah River below Augusta, Ga.; report of the Chief of Engineers dated June 19, 1933;

Intracoastal waterway from Jacksonville to Key West, Fla.; Rivers and Harbors Committee Document No. 44, Seventy-second Congress;

Lake Worth Inlet, Fla.; House Document No. 185, Seventy-third Congress;

Fort Pierce Harbor, Fla.; House Document No. 252, Seventy-second Congress, and Rivers and Harbors Committee Document No. 21, Seventy-fourth Congress;

Port Everglades, Fla.; Rivers and Harbors Committee Document No. 25, Seventy-fourth Congress;

Miami Harbor, Fla.; report of the Chief of Engineers dated August 30, 1933;

Tampa Harbor, Fla.; Senate Document No. 22, Seventy-second Congress;

Anclote River, Fla.; House Document No. 229, Seventy-second Congress;

Channel from Apalachicola River to St. Andrews Bay, Fla.: Rivers and Harbors Committee Document No. 52, Seventy-second Congress;

St. Andrews Bay, Fla.; House Document No. 33, Seventy-third Congress;

Waterway from Choctawhatchee Bay to West Bay, Fla.; House Document No. 259, Seventy-second Congress;

Intracoastal waterway from Choctawhatchee Bay to Pensacola Bay, Fla.; Rivers and Harbors Committee Document No. 42, Seventy-third Congress;

Pensacola Harbor, Fla.; House Document No. 253, Seventy-second Congress;

Chickasaw Creek, Ala.; House Document No. 47, Seventy-third Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Black Warrior, Warrior, and Tombigbee Rivers, Ala.; House Documents Nos. 728, Seventy-first Congress, and 56, Seventy-third Congress; and in accordance with the modification of the recommendation in said Document No. 56, submitted in Rivers and Harbors Committee Document No. 45, Seventy-third Congress;

Bayou Lacombe, La.; Rivers and Harbors Committee Document No. 53, Seventy-second Congress;

Bayou Lafourche, La.; House Document No. 45, Seventy-third Congress;

Waterway from the intracoastal waterway to Bayou Dulac, La.: House Document No. 206, Seventy-second Congress;

Bayous Petit Anse and Carlin, La.; House Document No. 225, Seventy-second Congress;

Mermentau River, La.; Rivers and Harbors Committee Document No. 36, Seventy-second Congress.

Lake Charles Deep Water Channel, La.; House Document No. 172, Seventy-second Congress;

Sabine-Neches Waterway, Tex.; Rivers and Harbors Committee Documents Nos. 27, Seventy-second Congress, and 12, Seventy-fourth Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Galveston Harbor, Tex.; Rivers and Harbors Committee Document No. 31, Seventy-second Congress;

Channel from Galveston Harbor to Texas City, Tex.; Rivers and Harbors Committee Documents Nos. 4 and 46, Seventy-third Congress;

Houston Ship Channel, Tex.; Rivers and Harbors Committee Document No. 28, Seventy-second Congress;

Clear Creek and Clear Lake, Tex.; House Document No. 264, Seventy-third Congress;

Freeport Harbor, Tex.; Rivers and Harbors Committee Document No. 15, Seventy-second Congress, and in accordance with the modification of the aforesaid report recommended in Rivers and Harbors Committee Document No. 29, Seventy-third Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Channel from Aransas Pass to Corpus Christi, Tex.; House Document No. 130, Seventy-second Congress, and Rivers and Harbors Committee Document No. 13, Seventy-fourth Congress;

Port Aransas, Tex.; Rivers and Harbors Committee Document No. 35, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Brazos Island Harbor, Tex.; The existing project is hereby modified in accordance with the report submitted in Rivers and Harbors Committee Document No. 10, Seventy-second Congress;

Wolf River, Tenn.; Rivers and Harbors Committee Document No. 26, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

St. Croix River, Wis. and Minn.; House Document No. 184, Seventy-second Congress;

Illinois Waterway, Ill.; House Documents Nos. 180 and 184, Seventy-third Congress;

Cumberland River, Ky. and Tenn.; House Document No. 38, Seventy-third Congress, first session;

Allegheny River, Pa.; House Document No. 721, Seventy-first Congress, and Rivers and Harbors Committee Document No. 16, Seventy-second Congress; and in accordance with the modification of the recommendation in said Document No. 721, submitted in Rivers and Harbors Committee Document No. 27, Seventy-third Congress;

Beaver and Mahoning Rivers, Pa. and Ohio; House Document No. 277, Seventy-third Congress;

Kanawha and Ohio Rivers, W. Va. and Ohio; House Document No. 31, Seventy-third Congress;

Green and Barren Rivers, Ky.: The existing project is hereby modified in accordance with the report submitted in House Document No. 480, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Grand Marais Harbor, Minn.; Rivers and Harbors Committee Document No. 22, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Agate Bay Harbor, Minn.; Rivers and Harbors Committee Document No. 17, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Duluth-Superior Harbor, Minn. and Wis.; House Document No. 482, Seventy-second Congress;

Ashland Harbor, Wis.; Rivers and Harbors Committee Document No. 46, Seventy-second Congress;

Keweenaw Waterway, Mich.; House Document No. 55, Seventy-third Congress;

Presque Isle Harbor, Mich.; House Document No. 473, Seventy-second Congress;

Marquette Harbor, Mich.; Rivers and Harbors Committee Document No. 20, Seventy-second Congress;

Menominee Harbor and River, Mich. and Wis.; Rivers and Harbors Committee Document No. 28, Seventy-third Congress;

Green Bay Harbor, Wis.; Rivers and Harbors Committee Document No. 40, Seventy-second Congress;

Sturgeon Bay and Lake Michigan Ship Canal, Wis,; Rivers and Harbors Committee Document No. 9, Seventy-fourth Congress;

Kewaunee Harbor, Wis.; Rivers and Harbors Committee Document No. 43, Seventy-second Congress;

Two Rivers Harbor, Wis.; House Document No. 727, Seventy-first Congress, and Rivers and Harbors Committee Document No. 25, Seventy-third Congress;

Manitowoc Harbor, Wis.; Rivers and Harbors Committee Document No. 39, Seventy-third Congress;

Port Washington Harbor, Wis.: House Document No. 168, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Milwaukee Harbor, Wis.; House Document No. 289, Seventy-second Congress;

Kenosha Harbor, Wis.; Rivers and Harbors Committee Document No. 19, Seventy-fourth Congress;

Calumet Harbor and River, Ill. and Ind.: House Document No. 494, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Indiana Harbor, Ind.; Rivers and Harbors Committee Document No. 29, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

South Haven Harbor, Mich.; Rivers and Harbors Committee Document No. 9, Seventy-third Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Grays Reef Passage, Mich.; Rivers and Harbors Committee Document No. 5, Seventy-fourth Congress;

Leland Harbor, Mich.; Rivers and Harbors Committee Document No. 23, Seventy-fourth Congress;

Channel between Mackinac Island and Round Island, Mich.; Rivers and Harbors Committee Document No. 2, Seventy-second Congress;

Channels in Lake St. Clair, Mich.; Rivers and Harbors Committee Document No. 3, Seventy-second Congress;

Detroit River, Mich.; Rivers and Harbors Committee Document No. 1, Seventy-second Congress;

Alpena Harbor, Mich.; Rivers and Harbors Committee Document No. 42, Seventy-second Congress;

Black River, Mich.; Rivers and Harbors Committee Document No. 54, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands, required for the purpose of this improvement;

Rouge River, Mich.; Rivers and Harbors Committee Document No. 19, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Toledo Harbor, Ohio; Rivers and Harbors Committee Document No. 21, Seventy-second Congress;

Sandusky Harbor, Ohio; Rivers and Harbors Committee Document No. 2, Seventy-third Congress;

Huron Harbor, Ohio; House Document No. 478, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Lorain Harbor, Ohio; House Document No. 469, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Cleveland Harbor, Ohio; House Document No. 477, Seventy-second Congress;

Fairport Harbor, Ohio; House Document No. 472, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Ashtabula Harbor, Ohio; House Document No. 43, Seventy-third Congress;

Conneaut Harbor, Ohio; House Document No. 48, Seventy-third Congress;

Erie Harbor, Pa.; House Document No. 52, Seventy-third Congress;

Buffalo Harbor, N. Y.; House Document No. 46, Seventy-third Congress;

Black Rock Harbor and Tonawanda Channel, N. Y.; House Document No. 28, Seventy-third Congress;

Rochester Harbor, N. Y.; House Document No. 484, Seventy-second Congress;

Great Sodus Bay Harbor, N. Y.; Rivers and Harbors Committee Document No. 23, Seventy-second Congress;

Oswego Harbor, N. Y.; Rivers and Harbors Committee Document No. 7, Seventy-fourth Congress;

Ogdensburg Harbor, N. Y.; House Document No. 266, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

San Diego Harbor, Calif.; House Document No. 223, Seventy-third Congress;

San Francisco Harbor, Calif.; Rivers and Harbors Committee Document No. 50, Seventy-second Congress;

Lower San Francisco Bay, Calif.; House Document No. 279, Seventy-second Congress, and in accordance with the modification of of said report submitted in Rivers and Harbors Committee Document No. 8, Seventy-third Congress;

Redwood Creek, Calif.; Rivers and Harbors Committee Document No. 10, Seventy-third Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Richmond Harbor, Calif.; Rivers and Harbors Committee Documents Nos. 7, Seventy-third Congress, and 10, Seventy-fourth Congress;

Napa River, Calif.; Rivers and Harbors Committee Document No. 6, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required by this improvement;

Monterey Harbor, Calif.; Rivers and Harbors Committee Document No. 45, Seventy-second Congress;

Humboldt Harbor and Bay, Calif.; Rivers and Harbors Committee Document No. 14, Seventy-fourth Congress;

San Joaquin River and Stockton Channel, and Suisun Bay, Calif.; Report of the Chief of Engineers dated June 10, 1933;

Sacramento River, Calif.; Rivers and Harbors Committee Document No. 35, Seventy-third Congress;

Middle River and connecting channels, Calif.; Rivers and Harbors Committee Document No. 48, Seventy-second Congress: *Provided*, That no expense shall be incurred by the United States for the acquiring of any lands required for the purpose of this improvement;

Umpqua River, Oreg.; Rivers and Harbors Committee Document No. 9, Seventy-second Congress;

Columbia and Lower Willamette Rivers, below Portland, Oreg., and Vancouver, Wash.: The existing project is hereby modified in accordance with the reports submitted in House Documents Nos. 235 and 249, Seventy-second Congress, and Rivers and Harbors Committee Documents Nos. 6, Seventy-third Congress, and 1, Seventy-fourth Congress;

Multnomah Channel, Oreg.: Rivers and Harbors Committee Document No. 47, Seventy-second Congress;

Youngs Bay and Youngs River, Oreg.; House Document No. 209, Seventy-second Congress;

Columbia and Snake Rivers, Oreg., Wash., and Idaho; Rivers and Harbors Committee Documents No. 25, Seventy-second Congress, and 16, Seventy-third Congress;

Bakers Bay, Wash.; House Document No. 44, Seventy-third Congress;

Willapa River and Harbor, Wash.; Rivers and Harbors Committee Documents No. 41, Seventy-second Congress, and 37, Seventy-third Congress;

Grays Harbor and Chehalis River, Wash.; House Document No. 53, Seventy-third Congress, and Rivers and Harbors Committee Document No. 2, Seventy-fourth Congress;

Olympia Habor, Wash.; Rivers and Harbors Committee Document No. 21, Seventy-third Congress;

Tacoma Harbor, Wash.; Rivers and Harbors Committee Document No. 55, Seventy-second Congress;

Seattle Harbor, Wash.; House Document No. 211, Seventy-second Congress;

Lake Washington Ship Canal, Wash.; House Document No. 140, Seventy-second Congress;

Port Gamble Harbor, Wash.; House Document No. 152, Seventy-second Congress;

Swinomish Slough, Wash.; Report of the Chief of Engineers, dated May 24, 1933;

Wrangell Harbor, Alaska; House Document No. 202, Seventy-second Congress;

Wrangell Narrows, Alaska; House Document No. 647, Seventy-first Congress;

Dry Pass, Alaska; House Document No. 470, Seventieth Congress;

Stikine River, Alaska; House Document No. 210, Seventy-second Congress;

Kodiak Harbor, Alaska; House Document No. 208, Seventy-second Congress;

Petersburg Harbor, Alaska; House Document No. 483, Seventy-second Congress;

Egegik River, Alaska; House Document No. 51, Seventy-third Congress;

Cordova Harbor, Alaska; Rivers and Harbors Commmittee Document No. 33, Seventy-third Congress;

Harbor of refuge at Seward, Alaska; Rivers and Harbors Committee Document No. 3, Seventy-fourth Congress;

Nome Harbor, Alaska; House Document No. 404, Seventy-first Congress, and Rivers and Harbors Committee Document No. 38, Seventy-third Congress;

Honolulu Harbor, Hawaii; House Document No. 54, Seventy-third Congress;

Port Allen, Hawaii; House Document No. 30, Seventy-third Congress;

Kaunakakai Harbor, Hawaii; House Document No. 35, Seventy-third Congress;

Mayaguez Harbor, Puerto Rico; House Document No. 215, Seventy-second Congress, and subject to the modification recommended in Rivers and Harbors Committee Document No. 1, Seventy-third Congress;

Ponce Harbor, Puerto Rico: The existing project is hereby modified in accordance with the report submitted in Rivers and Harbors Committee Document No. 18, Seventy-second Congress.

Arecibo Harbor, Puerto Rico; House Document No. 214, Seventy-third Congress.

Mr. MANSFIELD. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD:

Page 9, line 23, strike out the word "House" and insert the words "Rivers and Harbors Committee."

Page 9, line 24, strike out "229, 72d", and insert "36, 73d."

The committee amendment was agreed to.

Mr. MANSFIELD. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD:

Page 10, line —, strike out the word "modification" and insert in lieu thereof the word "modifications."

Page 10, line 23, strike out the word "document" and insert in lieu thereof the word "documents."

Page 10, line 24, strike out the semicolon, insert in lieu thereof a comma, and add the following: "and 26, 74th Congress."

The committee amendment was agreed to.

Mr. OLIVER. Mr. Chairman, I shall not take up the time of the Committee, since I know it is desired to finish the bill this afternoon, but I ask unanimous consent to insert at this point the report of the Chief of Engineers, and also some excerpts from the hearings before the committee. I appreciate very much the favorable action of the committee and of the House on this amendment.

Mr. CARTER. Mr. Chairman, reserving the right to object, my attention was otherwise occupied and I did not hear the request of the gentleman from Alabama. Will he be so kind as to repeat it?

Mr. OLIVER. I asked unanimous consent to insert as a part of my own remarks in reference to the amendment that has just been adopted a letter from General Markham, which is short, and also excerpts from the report of the Board of Engineers.

Mr. CARTER. The gentleman desires to insert it in the RECORD at this point?

Mr. OLIVER. I do.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The letter and excerpt follow:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, April 1, 1935.

Hon. J. J. MANSFIELD,
Chairman Committee on Rivers and Harbors,
House of Representatives, Washington, D. C.

MY DEAR MR. MANSFIELD:

1. The Committee on Rivers and Harbors of the House of Representatives, by a resolution adopted March 23, 1935, requested the Board of Engineers for Rivers and Harbors to review the reports on Warrior and Tombigbee Rivers and tributaries, Alabama and Mississippi, submitted in House Document No. 56, Seventy-third Congress, first session, with a view to determining if the recommendations in said document should be modified in any way at this time. I enclose herewith the report of the Board in response thereto.

2. The Warrior River is formed by the confluence of the Locust and Mulberry Forks in north central Alabama, at a point 20 miles west of Birmingham, and flows generally southwest to join the Tombigbee at Demopolis, Ala. From its source to Tuscaloosa, a distance of 47 miles, the river is usually known as the "Black Warrior." The existing project for the Black Warrior, Warrior, and Tombigbee Rivers provides for a channel with a minimum depth of 8 feet and a width of 100 feet, which is increased to 150 feet where practicable, from the mouth of the Tombigbee River to the head of the Black Warrior River, and thence up Mulberry Fork 36 miles to Sanders Ferry, and up Locust Fork 16 miles to Nichols Shoals. The improved channel is provided by the construction of 17 dams and 18 locks and such dredging and snagging as may be necessary. The Warrior-Tombigbee Waterway system carries an important commerce of general character. It increased from a total of 407,000 tons in 1915, when the project was completed, to a maximum of nearly 2,000,000 tons in 1929. Since then it has shown some decline, the total in 1933 being 1,120,000 tons, of which 930,000 tons was vessel traffic. The principal items constituting this tonnage were coal, petroleum products, iron and steel, and forest products. The tows used on the waterway generally consist of 7 barges with 1 towboat, the tows being assembled to form a unit about 420 feet long and 75 feet wide, which, because of the limited size of the locks, must be broken up and reassembled for passage through each dam.

3. At Tuscaloosa there are three locks and dams within a distance of 1 mile, nos. 10, 11, and 12, with a combined lift of approximately 30 feet. Local interests now request that these three structures be replaced by the construction of a single lock and dam. This improvement, with a modern lock of ample dimensions, will result in a saving in time of 4½ hours in passing through the Tuscaloosa reach.

4. The Board of Engineers for Rivers and Harbors has given consideration to the advisability of the improvement requested, and has reached the conclusion that the prosecution of the work at the present time at an estimated cost of $3,550,000 is justified. The three structures to be replaced by the new dam are now 40 years old. In view of this fact and in view of present economic conditions, the prosecution of the proposed work at this time is considered advisable by the Board. It therefore recommends the modification of the existing project for Black Warrior, Warrior, and Tombigbee Rivers, Ala., and Miss., to provide for the construction of a dam, with single lock, on the Black Warrior River below Tuscaloosa, to replace existing Locks and Dams Nos. 10, 11, and 12, at an estimated cost of $3,550,000.

5. After due consideration of this report, I concur in the views and recommendations of the Board.

Very truly yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

WAR DEPARTMENT,
THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS,
Washington, D. C., March 26, 1935.

Subject: Warrior and Tombigbee Rivers and tributaries, Alabama and Mississippi.

To: The Chief of Engineers, United States Army.

1. This report is in response to the following resolution, adopted March 23, 1935:

"Resolved by the Committee on Rivers and Harbors of the House of Representatives, United States, That the Board of Engineers for Rivers and Harbors created under section 3 of the River and Harbor Act approved June 13, 1902, be, and is hereby, requested to review the reports on Warrior and Tombigbee Rivers and tributaries, Alabama and Mississippi, submitted in House Document No. 56, Seventy-third Congress, first session, with a view to determining if the recommendations in said document should be modified in any way at this time."

2. Tombigbee River rises in northeastern Mississippi, flows south and southeast through eastern Mississippi and southwestern Alabama 409 miles, and unites with the Alabama River about 45 miles north of Mobile to form the Mobile River. Warrior River, its principal tributary, is formed by the confluence of the Locust and Mulberry Forks in north-central Alabama, about 20 miles west of Birmingham, flows southwest 178 miles, and joins the Tombigbee River at Demopolis, Ala., 185 miles above the mouth of the Tombigbee. From the forks to Tuscaloosa, 47 miles, it is usually known as the "Black Warrior River."

3. The Tombigbee River below Demopolis and the Warrior River have been improved by locks and dams to provide a waterway extending from the vicinity of Birmingham to Mobile. Four of the locks and dams are on the Tombigbee and 13 on the Warrior. All dams are fixed dams. The upstream dam on the Warrior, no. 17, has a lift of 63 feet, with a flight of two locks, and creates a considerable pool designated Lake Bankhead. The other dams are generally low. The locks are substantially 52 feet in width and 282 feet in usable length. The depth over the sills is 8.5 feet, except at Lock 1, where the depth of 8 feet at ordinary low water is sometimes reduced for a brief time to 6.9 feet at extreme low tide. On an average, there are but 2 days a year, however, when the depth over the lower sill at Lock 1 is less than 8 feet. The channel

throughout has a minimum depth of 8 feet and a minimum width of 100 feet in certain restricted reaches. The district engineer reports that the 4 locks on the Tombigbee River, designated as 1, 2, 3, and 4, are in good condition; on the Warrior, Locks 5 and 6 are fair; Locks 7 to 12, inclusive, are in poor condition; and Locks 13 to 17 are in excellent condition. The locks have the capacity to handle a traffic of somewhat in excess of 5,000,000 tons per annum.

4. The Warrior-Tombigbee Waterway serves a considerable and growing traffic. The commerce increased from 1,105,260 tons in 1924 to 1,938,773 tons in 1929, dropping to 958,337 tons in 1932 and increasing to 1,122,823 tons in 1933. The through traffic consists largely of iron and steel, coal, ore, oil, sulphur, sugar, cotton, and other comparatively high-grade products. The traffic originating on the Tombigbee River was practically all sand, gravel, stone, logs, and lumber. The tows generally used on the waterway consist of seven barges and a towboat. Such tows form a unit about 420 feet long and 75 feet wide, and are broken up and reassembled at each lock. At Sunflower Bend, 36 miles above the mouth of the Tombigbee, the river is very crooked and at high stages it is necessary to move tows in two or more sections, and tows have difficulty in maneuvering in the portions of the Warrior River having channel widths less than 200 feet, particularly in the very crooked section below Tuscaloosa. Navigation interests desire the adoption of channel and lock dimensions suitable for the operation of tows of eight barges with a loaded draft of 8.5 feet.

7. The further improvement now desired is the construction of a single lock and dam just below Tuscaloosa to replace existing Locks and Dams Nos. 10, 11, and 12. The construction of the new dam, with a lock of ample dimensions, will save 4½ hours in the passage of an average tow through this section of the river. This saving in time, with the resultant saving in transportation cost, does not, on the basis of the present commerce using the river, fully justify the cost of the proposed improvement, estimated at $3,550,000. However, in its prior recommendation on this subject the Board found that this structure did offer sufficient advantages to justify its being given a high priority in any general plan for the replacement of locks and dams on this stream. The present structures which would be replaced by the high dam are now 40 years old and their condition is such that their replacement will be required within a comparatively short period of time. The Board is of the opinion that in view of this fact and of present economic conditions the prosecution of the proposed work at this time is justified. It therefore reports, in compliance with the committee resolution, that the modification of the existing project for Black Warrior, Warrior, and Tombigbee Rivers, Ala. and Miss., is now advisable, and recommends the construction of a lock and dam with single lock on the Black Warrior River below Tuscaloosa to replace existing Locks and Dams Nos. 10, 11, and 12, at an estimated cost of $3,550,000, including flowage and rights-of-way.

For the Board:

G. B. PILLSBURY,
Brigadier General, Corps of Engineers,
Senior member.

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent at this point to insert the committee report upon two projects, both for the city of Seattle. Both reports are very short.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ZIONCHECK. Mr. Chairman, in the city of Seattle we have two very important river and harbor projects, namely, the east and west waterways and the Lake Washington Ship Canal.

On page 58 of the committee's Report No. 424 there is an authorization which I think the people of the city of Seattle and the Northwest are vitally interested in, and under the unanimous-consent request I ask now that the committee's report on these two projects be inserted in the RECORD.

SEATTLE HARBOR, WASH.

(H. Doc. 211, 72d Cong.)

Report recommends maintenance of east waterway for a distance of 700 feet north of Spokane Street, 400 feet wide, and the maintenance of a turning basin at the junction of the east and west waterways to a depth of 30 feet, all at an estimated cost of $4,750 annually. These waterways are a portion of Seattle Harbor, and the cost of the original improvement has been borne by the city of Seattle. Commerce of Seattle Harbor in 1929 amounted to 7,532,129 tons carried in vessels and 2,585,000 tons of floated timbers.

LAKE WASHINGTON SHIP CANAL AND WATERWAY, WASH.

(H. Doc. 140, 72d Cong.)

Connects Lake Washington (east of Seattle) with Puget Sound, passing through Lake Union; length, 8 miles. A dam and locks have been constructed by the United States, which maintained level of Lake Washington and the canal at elevation of 21 feet. Report recommends widening channels above locks to a width of 100 feet to Lake Union, 200 feet from Lake Union to Portage Cut, 100 feet through Portage Cut, and 200 feet thence through Union Bay to Lake Washington, at cost of $180,000. Commerce in 1930, 1,500,000 tons, not including floated logs and timber in the amount of about 1,600,000 tons. Narrow channels hamper and delay vessels, and groundings are frequent. The Public Works Administration has allotted $196,390.88 to this project.

Mr. MANSFIELD. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: Page 11, line 20, after the word "improvement", insert *Provided further*, That in the event an agreement with local authorities is effected to utilize a portion of Sabine Lake for the disposal of dredged material, the Chief of Engineers is hereby authorized, in his discretion, to contribute from United States funds one-half the cost of a suitable dike or retaining wall, but in no event shall the amount of such contribution exceed the sum of $50,000."

Mr. DIES. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Mr. DIES offers the following substitute for the committee amendment: Page 11, line 23, after the word "authorized", strike out the words "in his discretion, to contribute from the United States funds one-half the cost of a suitable dike or retaining wall, but in no event shall the amount of such contribution exceed the sum of $50,000" and insert in lieu thereof the following: "To construct with United States funds a suitable revetment, but in no event shall the cost of such construction exceed the sum of $300,000."

Mr. DIES. Mr. Chairman, this deals with the Sabine-Neches Waterway, which is in my district. It has one of the largest tonnage of any waterway in the United States; in fact, it is second in the United States from the standpoint of total tonnage. Most of the tonnage is oil that moves to other States of the Union and to foreign countries.

In the disposition of the spoil from the dredging, they have dumped it into Sabine Lake which adjoins the city of Port Arthur. This mud is gradually filling up the lake and creating a mosquito-breeding ground. As a consequence of the mud accumulating adjacent to the city, millions of mosquitos are being bred there every year and it is very harmful to the health of that community. The city cannot spend any more money to build a revetment because it is financially unable to do so.

Mr. Chairman, this is a national port, serving the entire country, and it is vital to that community that the engineers be authorized to construct a suitable revetment. This is, of course, not an appropriation. It does not bind them to spend this money, but it does give them the authority to so revet that spoil that it will not create a public nuisance which will be destructive to the health of the people of that community. I certainly hope and trust that the membership of this Committee will adopt the amendment I offered, because it is absolutely vital to the community and to all the people who live along the banks of that lake.

This will not cost the Government any more than it would if the Government transported the spoil a longer distance. As I said, it will not cost the Government any more, and in the expenditure of the work-relief funds which we have appropriated recently, the Government can spend at least this much to build a revetment which will put people to work. This will be spending money more wisely than a great deal of the money has been spent heretofore.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. DIES. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. In other words, the amendment which the gentleman offers is to cover a sanitary proposition?

Mr. DIES. It is a sanitary proposition and is of absolute and vital importance to the community down there. I trust that the Committee will not object to the amendment and that the Committee of the Whole will approve it.

Mr. FADDIS. Will the gentleman yield?

Mr. DIES. I yield to the gentleman from Pennsylvania.

Mr. FADDIS. The gentleman says that most of this tonnage is inbound tonnage?

Mr. DIES. Yes.

Mr. FADDIS. Where does it come from?

Mr. DIES. From the Texas fields and many other fields. I realize, Mr. Chairman, that we are greatly handicapped in the proper presentation of this worthy project due to the

fact that an adequate brief was not before the committee when this matter was considered by them. I am fully aware that we are handicapped because we do not have sufficient accurate and specific facts to show the character of revetment needed and the exact cost. In spite of this unfortunate situation I sincerely trust that you will approve this vital amendment.

Mr. CARTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as much as I regret to do so I must disagree with the gentleman from Texas as to his amendment. I want to say that in this position I have the support of a majority of the membership of the Rivers and Harbors Committee.

Mr. Chairman, it has been stated here on the floor of the House, and it has been stated repeatedly in the course of debate, that each and every item in this bill had the approval of the Chief of Engineers. Now the gentleman from Texas proposes to come in here and inject an amendment that has not as yet had the approval of the Chief of Engineers. How he knows $300,000 is necessary I do not know, and the members of the committee do not know. The committee offered an amendment, which was approved by the Engineering Corps, providing for a retaining wall there to cost not in excess of $50,000, which I think is a reasonable disposition of the gentleman's problem.

Mr. DIES. Will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Texas.

Mr. DIES. I may say to the gentleman that so far as the committee amendment is concerned, it might as well not be in the bill, because it cannot be constructed for $50,000, and, as I stated previously, the city is bonded to its limit and cannot raise more money.

Mr. CARTER. I cannot yield further to the gentleman. What the gentleman from Texas [Mr. DIES] said may be true; however, he is not the engineer counsel that we go to. The Rivers and Harbors Committee has engineering counsel, consisting of the Chief of Engineers and his assistants. There has been no recommendation from that body in reference to $300,000, or any other amount, save and except the $50,000 mentioned in this bill. As much as I regret to do so, I am compelled to oppose the amendment offered by the gentleman from Texas. I ask the Membership to vote down the amendment offered by the gentleman from Texas.

Mr. Chairman, we are trying to keep this bill within the bounds of saneness and common sense. We are trying to include in it only those things that have been surveyed and studied by the Corps of Engineers and the Chief of Engineers, and their engineering feasibility as well as their economic feasibility passed on by those experts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DIES] to the committee amendment.

The question was taken; and on a division (demanded by Mr. DIES) there were—ayes 10, noes 42.

So the amendment to the committee amendment was rejected.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: At the end of page 12, insert the following paragraph:

"Channel from Pass Cavallo to Port Lavaca, Tex.; Rivers and Harbors Committee Document No. 28, Seventy-fourth Congress."

Mr. HULL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I merely want to call attention, in connection with this measure, to the fact that possibly a year from now the St. Lawrence waterway may be again mentioned in Congress, particularly, on this floor, with a little more polite consideration than has been given it here in the few times it has been referred to this afternoon.

Running back for a period of nearly 20 years, just before a Presidential campaign was opened, we people out in the Northwest have heard a lot about the opening of the St. Lawrence seaway, and in nearly every Presidential campaign year in all that time we have seen political parties come out with the glowing promise that the election of one party or the other would open up a seaway and give the people of the Northwest the opportunity which we feel we should have.

In a little more than a year there will be other conventions meeting. I do not doubt that by that time we are going to have the press full of St. Lawrence seaway articles out our way, and the politicians who guide the destinies of parties and write the platforms will again make pledges regarding the wonderful things they are going to do to have that waterway opened.

This bill authorizes $167,000,000 for waterway projects. It comes in with practically not a dollar mentioned so far as appropriations are concerned, covering only the various authorizations of Congress in previous years, and one might read this entire bill without knowing, unless he was a little familiar with the doings of Congress, that there was a dollar appropriated anywhere. However, when we go to the report we find that it calls for approximately $162,000,000, and on top of that, about $105,000,000 has already been expended or is being expended under the direction of the Public Works Administration.

The amount of money already spent, and now being spent, and carried in this measure, is greater than would be the entire cost to our Government of the opening of the St. Lawrence waterway. We have here a huge measure covering about 120 projects.

These river and harbor bills in previous years have been referred to as "pork barrel" measures. I would be unable, and I think anybody else who has not had the time to spend a week or two studying the various projects, to intimate that there is any "pork" in this bill; but I would call attention to the fact that of the total $162,000,000 yet to be expended, $134,000,000 appropriation is going to seven States of this Union, leaving scarcely a mess of pickled pigs' feet out of the barrel for many of the other States involved.

If we can appropriate so much here at a time when there is such loud complaint as to the condition of our Government finances and the deficit in the Treasury, it would seem to me that possibly we might find a way, were we to consider it, of again taking up the matter of the St. Lawrence waterway.

From the harbor of Milwaukee, where you are appropriating $1,300,000 for improvements, there are 7,000,000 tons of lake shipping annually; and in this bill, in just two items, there is provided $32,000,000 for the Cape Cod Canal and $27,000,000 for the Oswego Canal, or more than one-third of the entire authorization here, and the tonnage in both waterways is less than one-half of the tonnage from a single port on the Great Lakes.

I realize nothing can be done here now, so far as the St. Lawrence is concerned, but I may say that the time is coming very soon when there must be action to bring about the opening of the St. Lawrence waterway. We have had promises in plenty. We need action. [Applause.]

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have been somewhat amazed at the rapid and unfair diagnosis my friend from Wisconsin has just made. As stated in the course of the general debate, the fact is that the projects in this bill are far-flung and embrace every part of the United States. Twenty-nine States are involved in the North, East, South, and West.

With the gentleman from Wisconsin I am definitely and vigorously for the building of the St. Lawrence ship canal.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. In just a moment.

It could be built promptly by reason of its navigational and resulting power benefits to the whole people, but it does not serve the purpose of that seaway to throw dust in the eyes of this Congress or to have dust thrown from imperfectly informed sources on the subject of this bill.

The committee has worked hard on this bill. The committee knows about this bill and the gentleman from Wisconsin speaks casually and without information on the subject of it.

Mr. HULL. Will the gentleman yield?

Mr. CULKIN. In just a moment.

The St. Lawrence seaway, as I understand it, I will say to the gentleman, is now being held up pending further negotiations with the Canadian Government. Until these negotiations are completed, the situation is one of stalemate. I desire to add, although I say it from this side of the aisle, that the distinguished President of the United States has not played politics with this situation but has been wholeheartedly and vigorously for the St. Lawrence waterway in the interest of the entire people, East and West.

I now yield to the gentleman from Wisconsin.

Mr. HULL. So long as the gentleman thinks I am so poorly informed—and I will honestly confess I know nothing about the 140 projects which are brought in here and in 2 or 3 hours passed along to the Treasury—but is it not a fact that the Senators from the States which get one-third or more of this fund were among those vitally interested in preventing the adoption of the treaty when the President recommended it?

Mr. CULKIN. What the gentleman says is true, but political post mortems serve no useful purpose.

The fact is, we have authorizations of projects based alone upon the demands of commerce and upon the necessities of the American people. Seven-eighths of these documents setting forth the projects have been in print 6 months or more, and if the gentleman has not read them it is his own fault. He should have read them before he takes the floor to criticize this bill.

I stated very definitely that I am for the St. Lawrence proposition. It is in my district, and I am for it. The gentleman can learn from the newspapers that a rapprochement is being made to Canada on the proposition, and while that is pending, as I understand the situation, nothing further can be done.

Mr. SHORT. Will the gentleman yield?

Mr. CULKIN. I yield.

Mr. SHORT. When the project is brought out we should make it clear and certain that the project will not be paid for entirely or for the most part by the United States Government, and that we will not surrender our rights to control and regulate it.

Mr. CULKIN. The gentleman has been misled by propaganda. America's rights are being safeguarded in the treaty.

(The time of Mr. CULKIN having expired, he was given 5 minutes more.)

Mr. CULKIN. The gentleman from Wisconsin stated the facts correctly when he said that the cost of the St. Lawrence Canal to the United States would be something like $142,000,000 after New York State pays $89,000,000 toward the power construction. That is my recollection. So this talk about the extraordinary cost of it is absurd. There are some questions about the Great Lakes diversion but that is a proposition which the State Department is attempting to iron out.

I say again that I believe the people in the Midwest are entitled to the building of that waterway. It will relieve them from oppressive freight rates. It will, on the other hand, give the northeastern section of the country relief from oppressive utility charges. Nature nearly completed this waterway and man should finish it.

There is nothing in this bill that unfavorably affects the St. Lawrence seaway or slows down its construction. The canal in this bill is a barge canal and the other is a ship canal. Both will serve the manufacturer and farmer in different ways. I am for both propositions and have no apology to offer to either group.

This bill is an honest bill. It is mirrored in the character of the engineers and in the character of the chairman of the committee. There is not an economic fallacy in it anywhere. [Applause.]

Mr. MANSFIELD. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Wisconsin has referred to the fact that out of a large number of projects embraced in this bill the great proportion or a majority of the funds authorized go to a few States.

Now, to have done otherwise, to undertake to apportion money out to the several States would go back to where we were 40 years ago and subject these matters to the common pork-barrel scheme, for no other purpose than for political effect upon the Members' constituents back home.

Mr. DONDERO. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman.

Mr. DONDERO. The question of national defense enters into and is interwoven with these projects, is it not?

Mr. MANSFIELD. Unquestionably. The measure embraced in this bill are as nearly scientific as it is possible for the best authorities to figure out.

These authorizations are to be placed where the needs of commerce and navigation most demand them. We have some States in the Union like Colorado, for instance, and other States in the mountain regions that have no waterway projects whatever, and it would be absolutely impossible to undertake to dish these things out as a "pork barrel" measure and to give to each State a little dose of "pork" here and there.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. DIES. Is it not a fact that the Public Works Administration has already set aside money for projects that the Rivers and Harbors Committee has heretofore disapproved.

Mr. MANSFIELD. That is true; but they have acted from a different viewpoint. They act from the viewpoint primarily of employing labor. We act from the viewpoint of serving the purposes of commerce and navigation and for the permanent needs of the country instead of the temporary or emergency needs.

The CHAIRMAN. The question is on the pending committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 13, line 2, strike out the word "document" and insert the word "documents", and in line 3, after the word "Congress" add "and 40, Seventy-third Congress: *Provided*".

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. BEITER. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Beiter: Page 4, line 16, after the word "waterway" strike out the semicolon, insert a colon and add the following:

"*Provided further*, That in the event the President or the President's National Resources Board considers that the improvement of that section of the Erie Canal, extending from Three Rivers Point to the Niagara River, is justified and would result in benefits commensurate with the required expenditure, an allotment of funds to cover the cost of the work is hereby authorized. Improvements, if and when made, are to be subject to the conditions set forth in the above-named document so far as applicable."

Mr. BEITER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein two letters and a report from the War Department with regard to the improvement of the Erie Canal from Three Rivers Point to Buffalo.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BEITER. Mr. Chairman, the purpose of this amendment is to authorize allotment of funds required for the improvement of the Erie Canal from Three Rivers to Buffalo, in the event the President and the National Resources Board considers that the improvement is justified and would result in benefits commensurate with the required expenditure. Improvements, of course, are subject to conditions set forth in Document No. 20, Seventy-third Congress.

New York State has earned distinction by the contribution which it has made in the construction of the system of State barge canals. I refer especially to the Erie and Oswego divisions of the system which connect the port of New York and the Hudson River with the Great Lakes at Buffalo. These canals have a project depth of 12 feet and represent fine engineeering skill and a large expenditure. While they were supposed to be adequate when authorized the increasing size of barges and other types of boats and the demand for greater cargoes have likewise created a sentiment for the enlargement of these canals together with the removal of overhead bridges which obstruct navigation.

I represent a district in New York State whose citizens are intensely interested in the Erie Canal by reason of the fact that they feel that if the improvement of the canal system from Oswego to the Hudson with the aid of the Federal Government is made, outlined in the program that has been advanced by the Federal Government, in relation to the $27,000,000, it would dismember the New York canal system and an irreparable injury will be inflicted upon my district and its people.

Mr. HANCOCK of New York. Mr. Chairman, will the gentleman yield?

Mr. BEITER. Yes; I yield.

Mr. HANCOCK of New York. I thoroughly agree with the gentleman that there is neither logic nor justice in discriminating against the western half of the State of New York as is done in the recommendation of the engineers which is followed by the committee. I ask the gentleman whether his amendment goes far enough to include the improvement of the barge canal branch, extending from Three Rivers to the port of Syracuse?

Mr. BEITER. Yes; it does. It includes all of that portion from Three Rivers to Syracuse and then on to Buffalo.

Mr. MOTT. Is it the purpose of this amendment to make a more definite authorization or a more definite direction for the prosecution of this project than of the other projects in the bill?

Mr. BEITER. I might say to the gentleman it makes a more definite authorization.

Mr. MOTT. If I understand it correctly, it really directs that something be done about this.

Mr. BEITER. Yes; it does. I might add it is no pleasant matter for any advocate of waterway development to disagree with the Army Board of Engineers upon so important a matter as the improving of the western section of the barge canal. The Army Board of Engineers has repeatedly shown its genuine and very potent sympathy with the cause of waterway development. They have stood for that cause in all parts of the country, and no part of the Nation is under greater obligation to them for imperatively needed assistance than is the river and harbor at Buffalo. They have very recently recommended an additional $1,863,000 for river and harbor work in Buffalo, and when added to the $1,044,000 available for river and harbor work in the Black Rock Channel it will mean that nearly $3,000,000 will be spent in the vicinity of Buffalo—one of the largest appropriations allotted western New York in years.

Yet, disagreeable as it is to differ with so able and unselfish a body as the Army Board of Engineers upon so important a matter as the improving of the western section of the barge canal, the fact remains that a grant of $27,000,000 to widen and deepen the eastern section, a program detrimental to Buffalo and other communities along the western section, has been offered to New York State by the Government.

The report dated March 4, 1935, reveals that the engineers take the stand they took October 29, 1934, that the prospective benefits of improving the western section of the canal do not justify the expenditure. I hope that I may be pardoned for saying that this decision is flatly challenged by Buffalo and its up-State allies.

It has been shown that the western end handles about 75 percent of the commerce of the barge-canal system, as against the proportion taken care of on the eastern division, for the widening and deepening of which the Federal Government stands ready to grant $27,000,000. Moreover, the western end is the gateway to commerce from the Middle West. Denial of development to it would mean the diversion to the Welland Canal and Canadian ports of a vast amount of tonnage now poured through the barge canal.

Attempts to divert traffic from one route to another invariably have resulted in great loss to permanent investments without accomplishing the results originally intended.

In 1930 the report of the Chief of Engineers (H. Doc. No. 29, 71st Cong., 2d sess.), in reference to taking over and improving the New York State Barge Canal, recommended along the following lines:

> The most practicable and economical plan for meeting the anticipated needs of commerce as they arise appears to be increasing the depth to 14 feet, without changing the 12-foot depth now available in the locks, progressive widening to permit full use of the greater depth, and the raising of the bridges to provide 20 feet vertical clearances. Such of these improvements as might prove necessary in the next 10 or 15 years would probably cost about $50,000,000. The capacity of the canal would be very largely increased, and by the time the work was completed it is reasonable to expect that the increased commerce will justify the expenditure.

This improvement of the barge canal in its entirety by the Federal Government is just as essential today as it was then, as these improvements are necessary to accommodate the Nation-wide business as heretofore.

It is my recommendation that the Federal Government make these improvements as the United States Board of Army Engineers has recommended at that time, the work to be carried through under the same policy of improvement of Federal aid for the development of national highways.

This canal is of the utmost importance to the Nation at large, much more so than to the State, as it is a direct feeder with the intercoastal system upon which the Federal Government has spent millions. It has direct connections with the St. Lawrence River through the Lake Champlain division. It is the intermediary waterway between the Atlantic Ocean and the Great Lakes, and through the Atlantic Ocean and Panama Canal it connects with the Pacific Coast States thereby rendering a service to more than half of the entire population of the United States.

The New York State Barge Canal is of great importance to the Federal Government as an asset in time of great emergency to be used for transporting food, supplies, building materials, and other commodities to the coastal States in emergencies for a sustaining defensive and preparedness measure.

The Federal Government has spent large sums upon either waterway projects throughout the country, and therefore has established a precedent of improving our inland waterways.

The New York State Barge Canal is the only major waterway transportation system in the United States on which no moneys for waterway improvement have been spent by the United States.

Probably the most potent argument so far presented concerning the barge-canal improvement is found in the operation report of the Erie and Oswego Canals for last season.

Inquiry made of commissioner of canals and waterways of New York State as to the tonnage carried for 1934 furnishes this official statement:

On the Erie Canal the total tonnage moved was 3,646,245, a gain of 71,294 tons over the season of 1933. On the Oswego branch the tonnage moved this season amounted to 206,299 tons.

In view of the fact that the State of New York pays over 25 percent of the entire taxes and revenue of the Federal Government, the Empire State would therefore pay more than one-quarter of any and all sums that the Federal Government would expend on the improvement of the barge-canal system, so that under this arrangement, if $50,000,000 was expended, New York State's share would be approximately $12,500,000, as compared to only $37,500,000 that all the other 47 States together would expend. Since 89 percent of the canal's traffic is interstate, New York State would be paying 25 percent of the improvement costs for its 11-percent traffic use. In addition to this, New York

State has already invested over $230,000,000 in the canal system, as has been stated in the War Department's report which I have asked to be printed in the RECORD.

Buffalo and western New York ask no privileged consideration; they ask only that they be given a fair deal. Such a deal they have not received. They have shown the hardship they are under in the proposed improvement of the eastern end of the canal which will virtually bypass them. I believe that in justice to these and a very large portion of the State of New York, the improvement now about to begin on the eastern end of the canal should be extended to include the whole barge-canal system. I trust this amendment which I have offered will be adopted.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, April 4, 1935.

Hon. ALFRED F. BEITER,
House of Representatives, Washington, D. C.

MY DEAR MR. BEITER: Complying with your verbal request, I am enclosing herewith for your information a copy of the report of the Board of Engineers for Rivers and Harbors on the improvement of that section of the Erie Canal from Three Rivers Point to the Niagara River, together with a copy of my report concurring in the views and recommendations of the Board. This report has been forwarded to the Chairman of the Committee on Rivers and Harbors, House of Representatives, Washington, D. C.

Very truly yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, April 4, 1935.

Hon. J. J. MANSFIELD,
Chairman Committee on Rivers and Harbors,
House of Representatives, Washington, D. C.

MY DEAR MR. MANSFIELD:

1. The Committee on Rivers and Harbors of the House of Representatives, by resolution adopted February 2, 1934, requested the Board of Engineers for Rivers and Harbors to review the reports on the Great Lakes-Hudson River Waterway, submitted in Rivers and Harbors Committee Document No. 20, Seventy-third Congress, second session, and reports previously submitted on this waterway, with a view to determining the cost and advisability of improving the section of the Erie Canal from Three Rivers Point to the Niagara River in a manner similar to that recommended in the above-mentioned report for the section extending from the Hudson River to Three Rivers Point. I enclose herewith the report of the Board in response thereto.

2. The Board of Engineers for Rivers and Harbors, after full consideration of the report secured from the special board and after affording local interests full opportunity to be heard, reports that improvement of the section of the Erie Canal from Three Rivers Point to the Niagara River in a manner similar to that recommended in House Committee Document No. 20, Seventy-third Congress, second session, for the section extending from the Hudson River to Three Rivers Point, is not advisable at the present time.

3. After due consideration of these reports, I concur in the views and recommendations of the Board.

Very truly yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

WAR DEPARTMENT,
THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS,
ROOM 2848, MUNITIONS BUILDING,
Washington, D. C., March 4, 1935.

Subject: Great Lakes-Hudson River Waterway.

To: The Chief of Engineers, United States Army.

1. This report is submitted in response to the following resolution, adopted February 2, 1934:

"Resolved by the Committee on Rivers and Harbors of the House of Representatives, United States, That the Board of Engineers for Rivers and Harbors created under section 3 of the River and Harbor Act, approved June 13, 1902, be, and is hereby, requested to review the reports on the Great Lakes-Hudson River Waterway, submitted in Rivers and Harbors Committee Document No. 20, Seventy-third Congress, second session, and reports previously submitted on this waterway, with a view to determining the cost and advisability of improving the section of the Erie Canal from Three Rivers Point to the Niagara River in a manner similar to that recommended in the above-mentioned report for the section extending from the Hudson River to Three Rivers Point."

2. The New York State Barge Canal system comprises the Erie, Oswego, Champlain, and Cayuga-Seneca Canals. The Erie Canal leaves the Hudson River at Waterford, the head of Federal navigation improvements on that stream, and extends westward through lakes, canalized streams, and land cuts across the State to Tonawanda on the federally improved Niagara River 13 miles below Buffalo. The Oswego Canal branches northward from the Erie Canal at Three Rivers Point, 160 miles west of Waterford, and extends northward in the Oswego River 24 miles to the federally improved port of Oswego on Lake Ontario. The Champlain Canal extends northward from Waterford in the valley of the Hudson to Lake Champlain. The Cayuga-Seneca Canal branches southward from the Erie Canal to Cayuga Lake and Seneca Lake. The canals have a project depth of 12 feet and minimum bottom width of 75 feet. The 41 locks have a clear width of 45 feet and usable length of 300 feet, with a depth of 12 feet over the miter sills. Numerous bridges, many of which are fixed, span the waterway. The minimum overhead clearance at maximum navigable stage is 14½ feet. The entire system has been constructed by the State of New York at a cost of more than $230,000,000. The section of the Erie Canal from Three Rivers Point to Tonawanda, now under consideration, has a total length of 178 miles, of which 127 miles are in land cuts and the remainder in improved small streams. There are 12 locks having a total lift of 201 feet. One hundred and seventy bridges cross this section of the canal. Of this number, 115 are fixed bridges having clearances less than 20 feet above the maximum navigable stage. In addition, there are 11 guard gates with 15½ feet overhead clearance.

3. The States bordering on the Great Lakes and the Hudson River, with a population of approximately 50,000,000, are directly tributary to the Erie and Oswego Canals. In addition, the New England States on the east and the Middle Western States have access to the canal by railroad, highway, and water. The canals traverse a highly industrialized region where there are plants engaged in the production of raw materials and manufactured articles of a national character. The commerce on the Barge Canal system has increased steadily in recent years, reaching a maximum of 4,000,000 tons in 1933. Slightly less than three-fourths of this tonnage moves over the Three Rivers Point-Tonawanda section.

4. The State canal system has been constructed, maintained, and operated solely at State expense. Having in view the interstate character of most of the commerce carried, the Chief of Engineers in 1930 recommended that the Secretary of War be empowered to accept the Erie and Oswego Canals and thereafter maintain and operate them as navigable waterways of the United States. This recommendation was enacted into law by the River and Harbor Act of July 3, 1930. Certain State interests opposed such transfer. In the report contained in House Committee Document No. 20, Seventy-third Congress, second session, which has not been acted upon by Congress, the Chief of Engineers recommended that the United States allot $27,000,000 to the State of New York for improvement of that section of the Erie Canal between Waterford and Three Rivers Point, and the Oswego Canal, without transfer of title, the improvements to be carried out by the State under certain restrictions, limitations, and conditions set forth in detail in that document. The recommended improvements are deepening the canal between locks to 14 feet below normal pool levels, widening the canal prism progressively at bends and elsewhere, and increasing the minimum vertical clearances of bridges and other obstructions to 20 feet at maximum navigable stage.

5. The Erie Canal from Waterford to Three Rivers Point and the Oswego Canal, in conjunction with Lake Ontario and the Canadian Welland Ship Canal, afford an alternate waterway from Lake Erie to the Hudson River. At a public hearing held by the special board appointed to consider the subject matter of the resolution quoted in paragraph 1 local interests strongly protested the improvement of this alternate route without a corresponding improvement of the Three Rivers Point-Tonawanda section. Prior to the opening of the New Welland Ship Canal in 1931, Buffalo was at the foot of deep-draft navigation on the Great Lakes system. Large investments have been made in terminal facilities for the transfer from lake steamer to barge, elevator, or railroad. Local interests fear that improvement of the canal from Oswego to Waterford without a corresponding improvement of the section now under consideration would tend to encourage the transfer from lake to barge at Oswego instead of Buffalo, with consequent disastrous effects on the commerce of Buffalo Harbor. Railroad interests of the State of New York submitted a brief in opposition to the improvement.

VIEWS OF THE SPECIAL BOARD

6. The special board, after reviewing the data presented in House Committee Document No. 29, Seventy-first Congress, second session, adheres to the estimate contained therein of the cost of the specific improvement now under consideration. Based upon weighted unit prices, averaged over a representative period of years, the estimated initial cost is $48,000,000; with increased annual carrying charges, including interest on the initial cost, of $2,677,000. The special board is of the opinion that this expenditure is not justified by the prospective benefits. It considers that the large increase in the commerce of the Barge Canal system anticipated in the reports under review, which was predicated mainly upon a continued growth in the export of wheat, is not now likely to be realized for many years, if at all. It believes that the commerce of the Barge Canal system will continue to grow at a moderate rate and will probably reach a total of about 5,000,000 tons by 1938. While not concurring in the views of local interests that improvement of the Oswego-Waterford route as recommended in the report under review would result in an appreciable diversion of traffic to that route, the special board does not anticipate that the section now under consideration will in the future carry more than its past average of 75 percent of the total Barge Canal commerce, or more han 3,750,000 tons annually by the year 1938. This figure is considerably less than the practical capacity of the present canal. If the Waterford-Three Rivers section be improved as recommended in the report under review,

similar improvement of the Three Rivers Point-Tonawanda section would afford certain savings in transportation costs. These savings, based on the anticipated 1938 movement of 3,750,000 tons, are estimated at $1,211,000 per year, an amount clearly insufficient to justify the cost of the improvement.

7. Local interests were advised of the adverse nature of the report of the special board, and, at their request, a public hearing was held by the Board of Engineers for Rivers and Harbors. At this hearing request was made that special consideration be given to the branch channel leading from the main canal just west of Three Rivers Point to the city of Syracuse, and that this part of the waterway be improved in accordance with the plan recommended for the Oswego branch. Others interested in the use of the canal between Buffalo and Three Rivers Point repeated previous statements in favor of maintaining this section of the waterway on a parity with the condition prevailing on the eastern section. They pointed out that large amounts of capital had been invested in terminal facilities, particularly at Buffalo, which were dependent upon the continued use of that port as a transshipment point between lake carrier and barge, and that a diversion of this traffic would result in large damages to established industries and to a large number of people who were dependent for their living upon the commercial activities of the Buffalo waterfront. They also stressed the desirability of maintaining the flow of traffic now using the canal entirely within the boundaries of the United States. They definitely opposed the improvement recommended for the eastern section unless a similar improvement should be made in the Buffalo-Three Rivers Point section. A representative of the rail carriers appeared in opposition to the proposed improvement.

VIEWS OF THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS

8. In the report under review the Board of Engineers for Rivers and Harbors recommended that the United States allot funds to the State of New York in amount not exceeding $27,000,000 for the improvement of that portion of the State barge canal system connecting the Hudson River at Waterford with Lake Ontario at Oswego by deepening the canal between the locks to 14 feet below normal pool levels, widening progressively at bends and elsewhere, and increasing the minimum vertical clearances of bridges and other obstructions to 20 feet. The fundamental purpose of the proposed improvement is to afford a better water connection between the Great Lakes and the Hudson River. The advisability of this improvement is not now under review. The issue before the board is solely the advisability and justification for the extension, at Federal expense, of a like improvement of the canal to its terminus on Lake Erie at Buffalo.

9. The report of the special board shows that the cost of this extension, estimated at $48,000,000, is not justified by the economies in transportation costs to be anticipated on the present and prospective traffic through the canal. No data were presented at the hearing before the board to establish such justification. The improvement is urged primarily on the ground that the improvement of the Oswego section alone would discriminate against the port of Buffalo, the western terminus of the canal system, through which the great bulk of the canal traffic is now handled, and might lead to a diversion of this traffic to Oswego.

10. Present economic conditions, both domestic and foreign, are such that the future trends of commerce cannot be predicted with assurance. It is, however, apparent that the restricted depths, widths, and headroom of the State barge canals hamper the development of commerce thereon. The improvement of the Oswego section heretofore recommended will afford a route by which vessels of greater capacity can reach Buffalo via the Oswego Canal, Lake Ontario, and the Welland Canal. Traffic to Buffalo through the present canal system will to some extent be benefited by the increased widths and freedom of movement in the section of the canal between Waterford and Three Rivers. The extension of the improvement to Buffalo is clearly not justified at the present time, and consideration of the advisability of this extension can, in the opinion of the board, be deferred without jeopardy to the port of Buffalo or any other locality, until the benefits of the initial improvement, if authorized and undertaken, have been demonstrated by experience. The board therefore reports, in compliance with the committee resolution, that improvement of the section of the Erie Canal from Three Rivers Point to the Niagara River in a manner similar to that recommended in House Committee Document No. 20, Seventy-third Congress, second session, for the section extending from the Hudson River to Three Rivers Point, is not advisable at the present time.

For the Board:

G. B. PILLSBURY,
Brigadier General, Corps of Engineers, Senior Member.

Mr. MANSFIELD. Mr. Chairman, I ask for recognition in opposition to the amendment.

I dislike very much to rise in opposition to the amendment offered by my good personal friend and member of the committee from the State of New York. The report of the engineers in this case has recommended that the route to connect the Hudson River with the Great Lakes can be secured much more reasonably and much more economically by taking the Oswego Branch, instead of following the Western Branch to the Niagara River. If we take in this branch, as proposed by the amendment, still there is a great network of canal system in the State of New York which will be left out. We are not taking in the Lakes division, Cayuga and Seneca Lake sections, or the Lake Champlain section. All of those are a part of the New York canal system. For the present we are taking that portion, and that portion only, which serves the greatest national purpose by connecting the Atlantic seaboard with the Great Lakes. At present the waterway down the St. Lawrence has a 14-foot channel. Wheat coming from the Northwest going down through the Welland Canal naturally at this time goes down to Montreal, because they can move it down there at much less overhead cost, because the channel is 2 feet deeper. This bill will simply make it competitive, so that the St. Lawrence will be equal with the channel down the Hudson to the port of New York. Now, when grain goes down the St. Lawrence to the port of Montreal for export, we know that every grain of that wheat goes to the export market in a British ship. If half of it, or a reasonable portion of it, can be brought down to the port of New York, at least 33 percent of it will be exported in American bottoms, and it will help our merchant marine, as well as help the Nation generally otherwise.

I hope the amendment offered by my good friend will be voted down. The State of New York, which owns and operates this canal, can do this work now if it wants to do so, but if it is decided that the Federal Government shall take it under consideration, let it pass over and have another survey and a reinvestigation, and see whether or not the engineers may then report in favor of it.

Mr. BEITER. Will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. BEITER. The gentleman has referred to the lakes in the chain system which would, of course, infer that we are coming back for additional money at a later date. The depth of those lakes at the present time would take care of the type of boats that would be used on the canal from Three Rivers to Buffalo, and no additional funds would be required and no additional depth would be required in that particular section to which the gentleman refers.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. CHRISTIANSON. Am I justified in supposing from the statement which the gentleman has made that the real purpose of this amendment perhaps is to help create a new and rival route between the Great Lakes and the Atlantic Ocean so as to ultimately defeat the project of the Northwest to develop the St. Lawrence waterway?

Mr. MANSFIELD. The gentleman is entirely incorrect in his assumption.

The CHAIRMAN. The time of the gentleman from Texas [Mr. MANSFIELD] has expired.

The question is on the amendment offered by the gentleman from New York [Mr. BEITER].

The amendment was rejected.

Mr. MANSFIELD. Mr. Chairman, it is the desire of the Speaker that the Committee rise as soon as we finish the first section of the bill.

The CHAIRMAN. The Chair will state that there are some other amendments on the Clerk's desk with reference to section 1.

Mr. MOTT. Mr. Chairman, I offer an amendment, which is on the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MOTT: On page 1, line 9, after the word "documents", change the colon to a period and add the following: "The Administrator of Public Works is hereby directed to allot and make available for the prosecution of said authorized works of improvement of rivers and harbors and other waterways, such sum or sums out of the funds provided in House Joint Resolution 117 as may be necessary to prosecute and complete such works or improvements."

Mr. MANSFIELD. Mr. Chairman, I desire to make a point of order to the amendment. As I understand the amendment, it is the equivalent of an appropriation. It applies to a matter not within the jurisdiction of this committee. We have no jurisdiction over legislation of the Public Works Administration. Furthermore, I consider that amendment as an appropriation.

The CHAIRMAN. Does the gentleman from Oregon [Mr. MOTT] desire to be heard on the point of order?

Mr. MOTT. If you please, Mr. Chairman.

This amendment, Mr. Chairman, does not direct an appropriation. The appropriation has already been made in the work-relief bill, House Joint Resolution 117. In that bill there is made available some $350,000,000 for rivers and harbors improvements. This bill, which we are now considering, authorizes a long list of river and harbor improvement projects which have been approved and examined by the Board of Army Engineers, which have been approved and authorized by the Committee on Rivers and Harbors of the House, and which in a few minutes will be formally authorized by the House of Representatives. Now, all this amendment does is to direct the Administrator of Public Works to allot from this money already appropriated whatever funds may be sufficient to prosecute and to complete the projects which we are authorizing in this bill. It is my contention that it is by no means and in no sense an appropriation nor an authorization of an appropriation. The money has already been appropriated. It has been earmarked. This is simply a direction to the officer in charge of the rivers and harbors earmarked money to use that money for the projects specifically authorized in this bill to be constructed.

Mr. O'CONNOR. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. O'CONNOR. Mr. Chairman, as I heard the amendment read, it makes an appropriation, because it directs the Administrator of Public Works to allocate part of the funds already appropriated for these specific purposes. This is at least a reappropriation and comes within the rule forbidding appropriations coming from legislative committees.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MOTT. May I suggest this distinction, the works relief bill specifically makes available $350,000,000 and more for rivers and harbors projects. The effect of the language in that bill is that this money is to be used for rivers and harbors projects, but it does not specify approved or authorized projects. The language of my amendment will in effect specify that. If this appropriated money is used at all in any rivers and harbors projects that the Public Works Administrator may decide upon, my amendment will require the expenditure of the money to be confined to those particular rivers and harbors projects authorized by the bill we are now considering.

Mr. O'CONNOR. That is the evil of the amendment, that it takes away discretion from the Public Works Administrator and appropriates and allocates to these specific projects an amount of money. It may not be done in a legislative bill.

The CHAIRMAN. The Chair is ready to rule.

This bill, of course, cannot carry an appropriation. The gentleman offers an amendment to the effect that the Administrator of Public Works is hereby directed to allot and make available for the prosecution of such authorized works of improvement on rivers and harbors and other waterways such sum or sums from the funds provided in House Joint Resolution 117.

This, clearly, is a diversion of funds already appropriated, which is tantamount, in the opinion of the Chair, to an appropriation.

The Chair, therefore, sustains the point of order.

Mr. MOTT. Mr. Chairman, may I propound a parliamentary inquiry at this time?

The CHAIRMAN. The gentleman will state it.

Mr. MOTT. The Chair's ruling on this question may obviate the necessity of offering a further amendment. I had in mind also the offering of an amendment which would prohibit the Public Works Administrator from using any of this Public Works money on projects that were not authorized by Congress.

My parliamentary inquiry is: Would such an amendment be germane?

If the Chair cares to rule on that at this time, it will determine whether I shall offer this additional amendment.

The CHAIRMAN. The gentleman from Oregon well knows that the Chair cannot anticipate what might be presented to the Chair, and the Chair does not care to pass judgment in advance of knowing what the amendment is.

Mr. SABATH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SABATH: Page 13, line 19, after the word "Congress", insert "To dredge slip D to the depth of the channel of the west fork of the south branch of the Chicago River and to permit to erect a bulkhead approximating 276 feet from the end of said slip D, provided the cost of dredging does not exceed $10,000."

Mr. SABATH. Mr. Chairman and gentlemen of the Committee, the Sanitary District of the City of Chicago has expended about $100,000,000, the State of Illinois $20,000,000, and the National Government has expended only about $3,750,000 for the purpose of making possible a through water route from the Great Lakes to the Gulf. Notwithstanding the expenditure of this large sum of money, the deepening of slip D where a great deal of the freight is loaded on to the barges, has not been provided for. It has not been dredged and, therefore, although we have at such great expense created a wonderful waterway, the commercial houses which have a great deal of freight to move over this waterway are obliged to load it first on to small boats and transfer it from the small boats to the larger boats to make use of this great inland waterway.

The deepening of this slip D is absolutely necessary for some of the shippers of Chicago to utilize this waterway to its greatest advantage and to avoid unnecessary expenditures. The cost of deepening this slip will not exceed $5,000 or $6,000. If this improvement is neglected it may prevent the shipment to France of coal tar which is manufactured in that section. Moreover, this additional reloading cost may prevent the manufacturers from successfully competing with foreign manufacturers.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. CARTER. Did the gentleman from Illinois present this matter to the Rivers and Harbors Committee?

Mr. SABATH. I will answer the gentleman. I did, but it was rather late and I am guilty of negligence. I did not want to admit it, but I am obliged to do so. I plea in extenuation the fact that I have been so extremely busy. I did submit the matter to the committee, but it was rather late. The shipping season is opening up now and unless this improvement is made there will be a tremendous loss.

Mr. CARTER. Has this proposal received the endorsement of the Chief of Engineers?

Mr. SABATH. Really, I do not know whether there was sufficient time given to make the report, but I will say to my colleague that if a survey should be necessary I think the survey would probably cost more than the dredging of this 550-foot slip.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. FIESINGER. If this item has not had the approval of the Chief of Engineers, it would be subject to a point of order, I take it.

Mr. SABATH. I think it has been submitted to them, but I am not going to make a false statement or a statement of which I am not positive. As I say, it is my impression it has been submitted to the engineers; and it is one of those slips right off the main channel. The channel is about 20 feet deep, whereas the slip is only about 8 to 12 feet deep and these big vessels cannot come up to the dock.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. DINGELL. Does this have any bearing in any way on additional diversion of water from the Great Lakes?

Mr. SABATH. No; not at all. This is a matter that was overlooked by both the engineers and myself. That is the reason it did not get in the original bill; and I ask indulgence

for imposing upon the committee and upon the House in offering this amendment and asking that it be adopted.

Mr. Chairman, in conclusion let me say that I think this is the first time in 28 years that I have asked for any river and harbor appropriation for my district.

I did ask for a loan for the school board of Chicago; and may I say that that loan was made and was repaid in 4 months, the Government making $221,000 on the loan. This is the first chance I have had opportunity to give the House this favorable information.

[Here the gavel fell.]

Mr. MANSFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the matter presented by the distinguished gentleman from Illinois, our beloved friend and dean of the House, is a matter that might more appropriately be offered to the next section of the bill calling for a survey and investigation. No Member of the House can explain that matter; no one can know what might be accomplished by it; no Member can tell what it would cost, and before loading down a bill with miscellaneous matters of that kind we should first submit it to a survey and investigation so that it might come before us in a more intelligent manner.

Mr. SABATH. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Illinois.

Mr. SABATH. I say in my amendment "provided it does not cost above $10,000." It is about the smallest item in the bill.

Mr. MANSFIELD. I suggest the gentleman offer his amendment to the next section and not to this one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. BIERMANN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BIERMANN: At the end of section 1 insert "The Administrator of Public Works is authorized to expend public funds on the projects authorized in this act, but on none other."

Mr. MANSFIELD and Mr. CARTER reserved a point of order on the amendment.

Mr. BIERMANN. Mr. Chairman, this amendment frankly is offered to stop the further expenditure of money on the upper Mississippi 9-foot channel. To the credit of the Rivers and Harbors Committee of the House, be it said that the criminal folly called the "upper Mississippi 9-foot channel" did not originate in that committee.

In 1930, as I understand it—and I hope the committee chairman will correct me if I am wrong—the Senate imposed upon the House an amendment authorizing the making of the 9-foot channel in the upper Mississippi River, and from that day until this hour the Congress of the United States has never authorized a single penny of appropriation for this work. The purpose of my amendment is to stop the Administrator of Public Works from putting money into that project without the further permission of Congress.

Mr. Chairman, I want to read what the Mississippi Valley Committee's report of October 1, 1934, to the Public Works Administration stated in regard to the upper Mississippi 9-foot channel:

It is not possible by any calculations of business accounting to discover an economic justification for the vast expenditures on the projected improvement of these waterways, especially from the prevailing viewpoint of self-liquidation, but also even from the viewpoint of complete coverage of costs of maintenance and operation. It is the more impossible when consideration is given to the fact that diversion of grain traffic from railroads, which is included in present calculations, is quite likely to be checkmated by the highly probable development of through water traffic from the Great Lakes by way of the St. Lawrence River to the Atlantic.

Mr. MOTT. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Oregon.

Mr. MOTT. To what part of the upper Mississippi River does the gentleman refer?

Mr. BIERMANN. I refer to the part from the mouth of the Illinois River to Minneapolis.

Mr. Chairman, may I give official figures on the traffic transported over the upper Mississippi River in the last generation? In 1889 the traffic was 3,947,000 tons. In 1910 it was 1,836,000 tons. In 1920 it was 630,000 tons. Last year in a letter that General Ashburn, president of the Inland Waterways Corporation, wrote to me, that traffic is stated as being 146,000 tons, and in that letter General Ashburn said: "I expect to see the upper Mississippi section show a profit in 1935", that statement in view of the dwindling trade.

The proponents of the upper Mississippi 9-foot channel contend that the saving in freight to the shippers over the upper Mississippi 9-foot channel will offset the expense the Government is put to. On February 18 and 19, 1935, there was a hearing before the Review Board of the Public Works Administrator in which it was set out by the statistics of the Government that it would cost the United States Government in interest and upkeep a little over $8,000,000 per annum to maintain the upper Mississippi 9-foot channel. I am glad to see the gentleman from Minnesota [Mr. CHRISTIANSON] taking down the figures, and I would like to have him controvert or explain them. It was set out, as I stated, that it would cost the Government a little over $8,000,000 per year to maintain this upper Mississippi 9-foot channel, and by the rosiest figures of the proponents of the channel, who are not at all alarmed if they depart somewhat from the facts, the saving was less than $7,000,000.

[Here the gavel fell.]

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BIERMANN. Mr. Chairman, taking the Government's figures as to the expense and taking the proponent's figures as to the savings, the shippers on the upper Mississippi 9-foot channel would save something less than $7,000,000 per year and the Government would have an expense of over $8,000,000 per year. The Government would lose more than a million dollars each year more than the shippers would save. We should bear in mind that the shippers over this waterway, maintained by the Government, pay not one penny of tonnage taxes. They will pay absolutely nothing for the use of the locks, for the use of the channel, and for the upkeep of the channel. That is a donation and, considering it as a donation, the cost to the Government is more than a million dollars in excess of the rosiest prediction as to what the shippers will save per year.

[Here the gavel fell.]

Mr. MANSFIELD. Mr. Chairman, I renew the point of order I made previously.

The CHAIRMAN. The gentleman will state the point of order.

Mr. MANSFIELD. The point of order is the same as I made awhile ago to another amendment. It is the equivalent of an appropriation.

The CHAIRMAN. Does the gentleman from Iowa [Mr. BIERMANN] desire to be heard on the point of order?

Mr. BIERMANN. My suggestion is that this is an authorization.

My amendment suggests or authorizes how the P. W. A. shall spend some of the public funds.

The CHAIRMAN. The Chair is ready to rule.

The amendment of the gentleman from Iowa provides that the Administrator of Public Works is authorized to expend public funds on the subjects authorized in this act, but on none other. This would authorize the Administrator of Public Works to transfer funds already appropriated to the projects that are enumerated in this act which, in effect, would amount to an appropriation.

The amendment goes far beyond a mere authorization, and the Chair, therefore, sustains the point of order.

Mr. HANCOCK of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: On page 4, line 11, after the word "Congress", insert "And also the branch

of the New York State Barge Canal between Three Rivers Point and the city of Syracuse in accordance with the plans recommended for the Oswego branch."

Mr. HANCOCK of New York. Mr. Chairman, the members of the Rivers and Harbors Committee in their wisdom have seen fit to follow rigidly the recommendations of the Army engineers and not to deviate therefrom so much as a hair's breadth. Thus far today the House has shown a disposition to follow the same course. I think we owe it to ourselves and to each other to consider the amendments that are offered on their merits rather than to show abject and humble subservience to the Army engineers. I hope that I may have your attention for a few minutes. If you will listen to my explanation and understand the merits of this amendment, you will support it.

I have been unable to get the interest of the Army engineers in this proposition. They have insisted on considering it as a part of the Buffalo project, although it is easily distinguishable from that improvement. Let me give you very briefly what is proposed by this paragraph. It is recommended that the Barge Canal of New York State be deepened and widened from Oswego, on Lake Ontario, to Three Rivers Point, where the Seneca, the Oswego, and the Oneida Rivers join, and thence eastward to the Hudson River at Waterford.

My proposition is that the short branch of the canal from Three Rivers Point to the barge canal harbor at Syracuse should be deepened to conform with the rest of the improvement. It is connected with Three Rivers Point by natural waterways, the Senaca River, the outlet to Onondaga Lake, Onondaga Lake itself, and Onondaga Creek. It is a distance of 14 miles and all of it but 4 miles has sufficient depth and width of channel to become a part of the project approved by the engineers.

The work will be relatively inexpensive, but it is a matter that is very important to the district in which I live. The manufacturers and shippers of the city are accustomed to use the canal transportation system. They have been educated by 100 years of experience. The old Erie Canal was built through the dead center of Syracuse. As a matter of fact, Governor Clinton had his strongest backing for the canal project from the people of central New York, particularly the salt producers. Over 13 percent of all the traffic passing over the New York Barge Canal is handled in Syracuse, and the rejection of the amendment would mean the absolute cutting off of the most important barge canal harbor on the canal system, except those that are also Lake ports. It is the only large city which will be entirely excluded from the use of the improved canal facilities if my amendment is not agreed to.

I have no official recommendation against it, neither have I a recommendation in favor of it. The Board of Army Engineers' report is absolutely silent on the subject. I have appeared before the Rivers and Harbors Committee and the Board of Army Engineers, but I have received no response. No one has advanced a single argument against it.

I am appealing to you to do the reasonable and just thing. There is an enormous amount of money invested in our barge canal harbor. Syracuse is in the exact center of the State of New York. It is a city where vast quantities of goods of all kinds are handled and distributed to the up-State territory. A great deal of the freight on the canal originates in the city of Syracuse. It is unfair to the people who have invested their money there, it is unfair to the people who have been taught to use this canal ever since it was built in 1820 by Governor Clinton, it is unfair to the city and the people of central New York, to exclude Syracuse from the proposed improvement.

I shall not take any more of your time, but I ask you to give my amendment more than passing thought. Do not vote it down just because the engineers would like to do our thinking for us.

Mr. CARTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from New York has been very persistent and energetic in endeavoring to have this project favorably reported. I commend him for the zeal with which he is looking out for the interests of his constituents. However, I must thoroughly disagree with him in his request to adopt his amendment and make his project a part of this bill.

The gentleman refers to the fact that the engineers are doing the thinking for the Rivers and Harbors Committee. I may say to the gentleman from New York that while we reserve the right to do our own thinking, we are guided by the engineering facts and figures placed before us. We are guided by economic figures and facts that are placed before us by the Chief of Engineers and his assistants, and we draw our conclusions from them. We have drawn our conclusions relative to this project. The gentleman says that we did not give him an answer. We gave him quite an emphatic answer, I think. His project is not in the bill. That is an answer in about as plain language as we can give him.

Mr. HANCOCK of New York. Is there any discussion whatever in the report of the engineers regarding this project, pro or con. Is it mentioned?

Mr. CARTER. No; which indicates that at least at this time we did not care to give it consideration. I can see, of course, the justice of the gentleman's argument. The branch of the canal he refers to is a feeder for the other canal, and I believe at the proper time the engineers will give it the consideration it deserves. I have some projects that I would like to have in the bill that are not there, but if we go to opening up this bill for my projects and the other projects not favorably recommended, we will have a hodge-podge of a bill; and as much as I regret it, I ask the Committee to vote down this amendment and other amendments that my colleague may present that are not in accordance with the recommendations of the Committee on Rivers and Harbors.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. MANSFIELD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ARNOLD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 6732, the river and harbor bill, and had come to no resolution thereon.

PURCHASES OF POTATOES UNDER AUTHORITY OF FEDERAL SURPLUS RELIEF CORPORATION

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ENGEL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written by me to Hon. Harry L. Hopkins, President of the Federal Surplus Relief Corporation:

APRIL 1, 1935.

Mr. HARRY L. HOPKINS,
President Federal Surplus Relief Corporation,
Washington, D. C.

DEAR MR. HOPKINS: On Friday last I asked the Federal Surplus Relief Corporation for a statement of the number of carloads of white potatoes purchased to date by various State relief administrations under authorization from the Federal Surplus Relief Corporation. I have before me your letter of March 30, giving me this information. I also have before me the report of the United States Department of Agriculture, Bureau of Agricultural Economics, Crop Reporting Board.

I wish to call your attention to the following statement based upon the facts given in your letter and the above report. Idaho produced in 1934, 19,240,000 bushels of potatoes, or 5 percent of the total 1934 crop, and furnished 559 carloads of potatoes. Maine produced 56,280,000 bushels, or 14.6 percent of the total crop, and furnished 2,300 cars. Maryland produced 3,267,000 bushels, or eight-tenths of 1 percent of the total crop, and furnished 106.6 cars. Michigan produced 34,304,000 bushels, or 8.8 percent of the total crop, and furnished 180 cars. New York produced 32,550,000 bushels, or 8.4 percent of the total crop, and furnished 300.8 cars. North Carolina produced 10,672,000 bushels, or 2.7 percent of the total crop, and furnished 211.8 cars. Virginia produced 13,433,000 bushels, or 3.4 percent of the total crop, and furnished 1,392.3 cars. Wisconsin produced 31,320,000 bushels, of 8.1 percent, and furnished 181.4 cars. Minnesota produced 23,-

380,000, or 6 percent of the total crop, and was allowed to furnish none of the potatoes according to your letter.

I wish to call your attention to the fact that while Maine produced approximately one and a half times as many potatoes as Michigan produced, she was allowed to furnish nearly 13 times as many potatoes as Michigan furnished. While Maryland produced less than one-tenth of the potatoes Michigan produced, she was given 106 cars to Michigan's 180 cars. While Michigan produced two and a half times as many potatoes as Virginia, Virginia was allowed to furnish more than seven and a half times as many as Michigan was permitted to furnish. In view of the fact that Michigan stood third in the amount of potatoes produced and Michigan farmers and produce men are holding this tremendous surplus on their hands, I feel that the above method of handling this surplus is not fair and just to the growers of my State.

I want to ask you to go over this matter personally with a view of giving Michigan, Wisconsin, and other Northern States an equitable share of this business proportioned according to the surplus crop in those States.

Very truly yours,

ALBERT J. ENGEL.

PARCELING OUT THE MINNEAPOLIS AND ST. LOUIS RAILROAD

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the proposal to parcel out the Minneapolis & St. Louis Railroad among eight other railroad companies is, in my judgment, a suggestion fraught with great potential injury.

The plan would throw out of employment some 3,000 employees scattered over the 1,600 miles of this railroad, for it is a certainty that the other roads could not and would not absorb these 3,000 employees. At the best, only a small portion of them could get work on the other roads.

On November 27 last I wrote Hon. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, protesting against this parceling-out scheme. Mr. Jones replied on December 11 that the purpose of the plan was to put the Minneapolis & St. Louis in strong hands, instead of having the railroad continue to operate independently. This answer was not a convincing one, in my judgment. I fail to see where the strong hands are. I also fail to see where security or stability could be assured by such a transfer.

The eight competing roads that would under the proposal take over the Minneapolis & St. Louis are: The Chicago & North Western, which has borrowed $46,000,000 of the Reconstruction Finance Corporation; the Chicago, Milwaukee, St. Paul & Puget Sound, which has borrowed from the R. F. C. $14,000,000 and has paid back the stupendous sum of $358 up to this time; the Chicago, Rock Island & Pacific, now in receivership; the Chicago & Great Western, another receivership road; the Wabash, also in receivership; the Illinois Central; the Burlington; and the Great Northern. Aside from the roads that are now in the hands of receivers, it may safely be said that the Chicago & North Western, as well as the Chicago, Milwaukee, St. Paul & Puget Sound, are not far ahead of the sheriff.

The claim that the older employees of the Minneapolis & St. Louis Railroad would be taken care of is without substantiation, in my opinion, despite assertions that the railroads will protect displaced employees. I am satisfied that only a small portion of them would receive such protection.

Not only would many employees suffer through losing their jobs, but the plan would be injurious to many business men depending on the existing road for service.

Objections will come from many other sources as well. I am confident that the Congressmen and Senators from the four States affected will oppose the transfer. The bondholders will naturally do likewise. Of course the courts will also have something to say about the matter, likewise the Interstate Commerce Commission and the State railway commission. If, as is probable, hearings are held, there will undoubtedly be general opposition. If this takes enough time, the present receivers will be able to take the Minneapolis & St. Louis out of the "red", proving that it can be made to pay by continuing independent operations. In that event the 3,000 employees will retain their positions instead of being forced to join the increasing ranks of the unemployed. However, I feel that, since Chairman Jones seems to view with favor the consolidation, it ought to be discussed widely and publicly and its weak points exposed.

Government ownership of railroads as the eventual solution of the problem has been urged by Senator WHEELER and was suggested by Federal Coordinator Eastman sometime ago. A large number of the people believe this is the only way out of the dilemma. Until that comes, I certainly do not believe it would be wise or just to parcel out the Minneapolis & St. Louis among eight competing roads that are plainly in shaky condition, throwing nearly 3,000 workingmen out of their jobs and forcing them to augment the ranks of the jobless.

I may say that I have devoted considerable time and investigation to this proposal, so that my statements are generally the outcome of information I have had from reliable sources. I am advised that Gov. Clyde Herring, of Iowa, is deeply interested in the matter and is expected to sign a resolution that either has been or will be proposed in the Iowa Legislature protesting against the parceling out.

J. W. Devine, general manager of the Minneapolis & St. Louis, with offices in Minneapolis, writes me that off-line loading or strictly competitive traffic has increased 3,130 cars from January 1 to April 1 over the corresponding period for last year. During the same period, he says, basic or permanent economies have been put into effect which, on an annual basis, total approximately $150,000.

Mr. Devine's letter says:

Now, it is true the increase in competitive traffic and decrease in operating costs haven't as yet been reflected into substantial net returns. This is entirely due to drought conditions which had practically paralyzed the current grain and stock movements, which normally are depended upon to create a substantial share of our gross business. You are undoubtedly aware of the extent to which the movement of farm products has receded, and naturally this decline has a detrimental effect upon our general situation, but the increase in other traffic has been so pronounced that a relatively better showing than most of our larger neighbors and competitors has been the net result.

I just returned from a trip to the territory adjacent to our line in South Dakota. The prospects are said to be the best in 3 years. Moisture conditions are favorable and the people in that locality are looking forward to a good crop.

A committee representing the Federated Labor Legislative Council of Iowa, with headquarters in Des Moines, has written Chairman Jones in protest against the merger. A copy of the letter has been furnished me, and I quote some extracts:

The owners of the securities recognize that the present bond structure will have to be scaled down. When this is done this property will, beyond question, be able to earn its fixed charges, pay its taxes, and leave a substantial amount of earnings.

We appeal to you to use the power vested in your office to postpone or secure the postponement of the plan approved by the R. F. C. whereby the sum of $7,200,000 will be loaned to these eight railroads for the parceling of this railroad and abandonment of considerable trackage. This, with an attendant loss of investment and employment. We feel that the corporations who have proposed purchasing this property with lesser amounts, with the thought in mind to reorganize the Minneapolis & St. Louis Railroad, keeping it intact with a saving to investors, and the giving of employment to the full quota of 3,500 men, should receive your most earnest and serious consideration. The petition of the above-mentioned corporation will conserve much of the present bondholders' interest, while the plan referred to as that of the eight railroads will have the effect of destroying practically all of their equities.

This letter adds that the commercial and shipping interests join in the petition of Iowa organized labor and are represented on the joint committee opposing dismemberment. Patrons of the railroad are quoted as taking the same position.

In view of these and many other facts that I could cite, I certainly believe that the dismemberment plan should be abandoned.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. KEE, for 1 day, on account of important business.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

Mr. O'CONNOR, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 195

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5292, "A bill to provide for the measurement of vessels using the Panama Canal, and for other purposes." That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2881. An act authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes.

WAR PROFITS

The SPEAKER. The unfinished business is the reading of the engrossed bill (H. R. 5529) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace. The Clerk will read the engrossed bill.

The Clerk proceeded with the reading of the engrossed bill.

Mr. McSWAIN. Mr. Speaker, inasmuch as the bill as amended has been read and is in the RECORD, I ask unanimous consent that the further reading of the engrossed bill be dispensed with.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Is it the intention of the gentleman to have a vote on this bill tonight?

Mr. McSWAIN. It is our desire to have a vote.

Mr. SNELL. Many gentlemen have understood that there would not be a vote on the bill tonight, and several Members have left the Chamber.

Mr. McSWAIN. If a roll call should be demanded, I propose to move to adjourn and have the roll call in the morning.

The SPEAKER. Is there objection to dispensing with the further reading of the engrossed bill?

There was no objection.

The SPEAKER. The question is on the passage of the bill.

Mr. GOLDSBOROUGH. Mr. Speaker, I offer the following motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GOLDSBOROUGH. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GOLDSBOROUGH moves to recommit the bill to the Committee on Military Affairs with instructions to report the same back to the House forthwith with the following amendment: Page 2, line 9, strike out all of the first sentence of section 3.

Mr. McSWAIN. Mr. Speaker, on that I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. O'MALLEY and Mr. GOLDSBOROUGH) there were—ayes 60, noes 110.

Mr. GOLDSBOROUGH. Mr. Speaker, I object to the vote upon the ground that there is no quorum present, and I make the point of order that there is no quorum present.

ADJOURNMENT

Mr. McSWAIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 9, 1935, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Tuesday, Apr. 9, 10 a. m.)

Committee will hold hearings on bill (H. R. 6795) pertaining to legalizing residence of certain aliens and deportation of certain alien criminals.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

296. A letter from the Acting Secretary of War, transmitting draft of a proposed joint resolution authorizing the Panama Railroad Co. to sell or exchange lands held by that company on Manzanillo Island, Republic of Panama, which are no longer needed for the purposes of the United States; to the Committee on Merchant Marine and Fisheries.

297. A letter from the Acting Secretary of War, transmitting draft of a proposed bill legalizing the acceptance of a bequest of the late Maj. Gen. F. C. Ainsworth to provide a permanent library at Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library"; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 7205. A bill to amend the Ship Mortgage Act, 1920, otherwise known as "section 30" of the Merchant Marine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons; without amendment (Rept. No. 620). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYRES: Committee on Indian Affairs. H. R. 2756. A bill authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes; with amendment (Rept. No. 621). Referred to the Committee of the Whole House on the state of the Union.

Mr. KRAMER: Committee on Immigration and Naturalization. H. R. 6464. A bill to provide means by which certain Filipinos can emigrate from the United States; without amendment (Rept. No. 622). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McSWAIN: A bill (H. R. 7341) to establish a College of Defensive Strategy; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 7342) to authorize the transfer of certain military reservations to other departments of the Government, and for other purposes; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 7343) to authorize exchange of lands at military reservations, and for other purposes; to the Committee on Military Affairs.

By Mr. BURDICK: A bill (H. R. 7344) to prohibit the private manufacture of munitions of war, defining the term "munitions", and designed to prevent any war except that of self-defense in the protection of the territory of the United States and the Territory over which it now exercises a protectorate adhering to the principle of the Monroe Doctrine,

eliminating all possibility of war profits, and for other purposes; to the Committee on Military Affairs.

By Mr. McSWAIN (by request): A bill (H. R. 7345) to amend the act of June 6, 1924, entitled "An act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes"; to the Committee on Military Affairs.

By Mr. WALTER: A bill (H. R. 7346) authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point between Easton, Pa., and Phillipsburg, N. J.; to the Committee on Interstate and Foreign Commerce.

By Mr. O'CONNOR: A bill (H. R. 7347) to amend so much of the First Deficiency Appropriation Act, fiscal year 1921, approved March 1, 1921, as relates to the printing and distribution of a revised edition of Hinds' Parliamentary Precedents of the House of Representatives; to the Committee on Printing.

By Mr. KOCIALKOWSKI: A bill (H. R. 7348) to protect American and Philippine labor and to preserve an essential industry, and for other purposes; to the Committee on Insular Affairs.

By Mr. WILSON of Louisiana: A bill (H. R. 7349) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, as amended; to the Committee on Flood Control.

By Mr. SIROVICH: Resolution (H. Res. 196) to enable the Committee on Patents to carry out the provisions of H. R. 4523 and to summon witnesses by subpena or otherwise in or out of the District of Columbia; to the Committee on Rules.

By Mr. BLAND: Joint resolution (H. J. Res. 240) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 7350) for the relief of the rightful heirs Tiwastewin or Anna; to the Committee on Indian Affairs.

By Mr. DUFFY of New York: A bill (H. R. 7351) granting a pension to Grace E. Fairchild; to the Committee on Invalid Pensions.

By Mr. DUNCAN: A bill (H. R. 7352) granting an increase of pension to Matilda M. Fleming; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 7353) for the relief of John H. LaFitte; to the Committee on Military Affairs.

By Mr. GASSAWAY: A bill (H. R. 7354) for the relief of Mrs. B. E. Hennigan; to the Committee on Claims.

Also, a bill (H. R. 7355) for the relief of Ira C. Deaver; to the Committee on Claims.

Also, a bill (H. R. 7356) for the relief of the heirs of George Spybuck, deceased; to the Committee on Claims.

By Mr. HENNINGS: A bill (H. R. 7357) for the relief of Rudolph Gabrian; to the Committee on Military Affairs.

Also, a bill (H. R. 7358) for the relief of Arthur Stein; to the Committee on Military Affairs.

By Mr. HOEPPEL: A bill (H. R. 7359) for the relief of Mrs. Ellis S. Johnson; to the Committee on Claims.

By Mr. McLAUGHLIN: A bill (H. R. 7360) granting a pension to Eudora Elkins; to the Committee on Invalid Pensions.

By Mr. McSWAIN: A bill (H. R. 7361) for the relief of Mary W. Carson; to the Committee on Claims.

By Mr. PARSONS: A bill (H. R. 7362) for the relief of Henry V. Pattin; to the Committee on Military Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7363) for the relief of F. E. Hall; to the Committee on Claims.

Also, a bill (H. R. 7364) granting a pension to Ebb Hundley; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 7365) granting a pension to Caroline Denny; to the Committee on Invalid Pensions.

By Mr. WILCOX: A bill (H. R. 7366) authorizing the War Department to pay Riverside Hospital of Jacksonville, Fla., the sum of $166 for services rendered men of Georgia National Guard; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6771. By Mr. BROWN of Georgia: Resolution adopted by the General Assembly of Georgia, petitioning Congress to enact legislation or to otherwise take appropriate action to require and direct that marble, granite, ornamental architectural terra cotta, and natural building stone be used in the construction of public buildings to be erected under the Public Works Administration program; to the Committee on Appropriations.

6772. By Mr. BUCKLER of Minnesota: Petition of August Jacobson, chairman; Ole Pary, secretary; and Eifer Bernu, treasurer, of the United Farmers' League of New York Mills, Minnesota, praying for the passage of the farmers' emergency relief bill (H. R. 3471), by Mr. BURDICK; to the Committee on Agriculture.

6773. Also, petition of August Jacobson, chairman; Ole Pary, secretary; and Eifer Bernu, treasurer of the United Farmers' League of New York Mills, Minnesota, praying for the passage of the workers' unemployment old-age and social insurance bill (H. R. 2827), by Mr. LUNDEEN; to the Committee on Labor.

6774. By Mr. COFFEE: Telegram of the North Platte Townsend Club, North Platte, Nebr., relative to the Townsend old-age-pension plan; to the Committee on Pensions.

6775. Also, memorial of the Nebraska House of Representatives, asking the Committee on Agriculture of the House of Representatives of the United States to immediately report out of the committee the Frazier-Lemke farm refinance bill (H. R. 2066); to the Committee on Agriculture.

6776. By Mr. DUFFEY of Ohio: Petition of Horace C. Crosby, financial secretary of International Association of Machinists, Lodge No. 105, and 68 other citizens of Toledo, Ohio, urging the support of Senate bill 87, known as the "Black 30-hour-week bill", and the Connery labor-dispute bill; to the Committee on Labor.

6777. Also, petition of A. Danner, secretary, and 70 members of the Metal Polishers, Buffers and Platers Local Union, No. 2, of Toledo, Ohio, urging the support of the 30-hour-week bill; to the Committee on Labor.

6778. By Mr. FOCHT: Petition of A. M. Chilcoat, Orbisonia, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, opposing the Wheeler-Rayburn utility bill (H. R. 5423); to the Committee on Interstate and Foreign Commerce.

6779. Also, petition of W. D. Stitt, Neelyton, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, opposing the Wheeler-Rayburn utility bill (H. R. 5423); to the Committee on Interstate and Foreign Commerce.

6780. By Mr. HOEPPEL: Resolution of the Los Angeles County (Calif.) Federation of Women's Clubs, urging the enactment of legislation providing for the deportation of aliens who advocate or urge the overthrow of our Government, and making other provisions for the protection of our Government against communistic activities; to the Committee on Immigration and Naturalization.

6781. By Mr. HOOK: Resolution adopted by the Board of Supervisors of Iron County, Mich., protesting against the passage of House bill 6082, to amend the Agricultural Adjustment Act to make all varieties of potatoes a basic agricultural commodity, and for other purposes; to the Committee on Agriculture.

6782. Also, resolution passed by the Port Huron (Mich.) Post of Veterans of Foreign Wars, requesting that a Veter-

ans' Administration hospital be erected in Detroit, Mich.; to the Committee on World War Veterans' Legislation.

6783. By Mr. LUCKEY: Memorial of the House of Representatives of the State of Nebraska, memorializing the Committee on Agriculture of the House of Representatives of the United States to immediately report out of the committee the Frazier-Lemke farm refinance bill (H. R. 2066); to the Committee on Agriculture.

6784. By Mr. McLAUGHLIN: Petition requesting that the Congress of the United States be, and it is hereby respectfully, memorialized to enact with all convenient speed House bill 2024 of the Federal Congress concerning Spanish-American War troops serving in the Philippine Islands in 1899; to the Committee on Pensions.

6785. By Mr. MARCANTONIO: Petition of the Senate of the State of New York, memorializing Congress that consideration be given to the appeal made by the president of the Senate of Puerto Rico, the Hon. Rafael Martinez Nadal, and that the quota of sugar production in Puerto Rico should be raised to 1,000,000 tons a year so that that country might compete with foreign countries in the production of sugar for bettering of the economic conditions of Puerto Rico; to the Committee on Ways and Means.

6786. By Mr. MARTIN of Colorado: Senate Joint Memorial No. 6, of the Thirtieth General Assembly of the State of Colorado, favoring the placing of an embargo on flax, wheat, hogs, cattle and sheep, pork, beef, and mutton products, and repeal provision for milling wheat in bond; to the Committee on Ways and Means.

6787. By Mr. MEAD: Petition of the Senate of the State of New York, requesting that consideration be given to the appeal made by the president of the Senate of Puerto Rico, the Honorable Rafael Martinez Nadal, that the quota of sugar production in Puerto Rico should be raised to 1,000,000 tons a year, so that that country might compete with foreign countries in the production of sugar for the bettering of the economic conditions in Puerto Rico; to the Committee on Ways and Means.

6788. By Mr. MERRITT of New York: Petition of Hannah J. Reiner, of 840 West End Avenue, New York City, and sundry other residents of New York, protesting against the passage of the Wheeler-Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

6789. Also, petition of the Senate of the State of New York, requesting that consideration be given to the appeal made by the president of the Senate of Puerto Rico, and that the quota of sugar production in Puerto Rico should be raised to 1,000,000 tons a year; to the Committee on Ways and Means.

6790. By Mr. O'CONNELL: Resolution of the Senate of the State of Rhode Island; to the Committee on the Library.

6791. By Mr. PFEIFER: Petition of Colonel John Jacob Astor Camp No. 6, Department of the District of Columbia, United Spanish War Veterans, United States Soldiers' Home, Washington, D. C., favoring the passage of House bill 6995; to the Committee on Pensions.

6792. Also, petition of the Chamber of Commerce of the State of New York, New York City, concerning deportation of aliens; to the Committee on Immigration and Naturalization.

6793. Also, petition of the Chamber of Commerce of the State of New York, New York City, concerning the right of petition; to the Committee on the Judiciary.

6794. Also, petition of the Chamber of Commerce of the State of New York, New York City, concerning menace to United States cotton trade; to the Committee on Agriculture.

6795. Also, petition of the Chamber of Commerce of the State of New York, New York City, concerning the Wheeler-Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

6796. Also, petition of the western conference committee of the standard railroad labor organizations, San Francisco, concerning House bill 3263; to the Committee on Interstate and Foreign Commerce.

6797. Also, petition of the Associated Cooperage Industries of America, Inc., St. Louis, Mo., concerning the extension of the National Industrial Recovery Act, the Wagner labor-disputes bill, and the 30-hour-week bill; to the Committee on Labor.

6798. By Mr. RUDD: Petition of the National Council of the Young Men's Christian Associations of the United States of America, concerning House bill 6472; to the Committee on Interstate and Foreign Commerce.

6799. Also, petition of the Senate of the Legislature of the State of New York, referring to the sugar production in Puerto Rico; to the Committee on Ways and Means.

6800. By Mr. SNYDER: Petition signed by D. D. Dillon and members of the Connellsville subdistrict Epworth League Institute, urging promotion of the cause of international peace; to the Committee on Foreign Affairs.

6801. By Mr. STEFAN: Resolution adopted by the Nebraska House of Representatives, memorializing the Committee on Agriculture of the House of Representatives of the United States to immediately report out of the committee the Frazier-Lemke farm refinance bill (H. R. 2066); to the Committee on Agriculture.

6802. By Mr. TRUAX: Petition of the Ohio Engineering Society, Columbus, Ohio, by their president, T. S. Brindle, and secretary, John Laylin, urging and recommending that Ohio engineers be appointed to fill staff and consulting positions on Ohio projects as there are many positions to be filled by engineers in the several Federal agencies in Ohio, and there are many capable unemployed engineers in Ohio; to the Committee on Labor.

6803. Also, petition of the Ohio Engineering Society, Columbus, Ohio, urging that provisions be made in future agreements between local public bodies and the Federal Government to advance Federal funds for the preliminary engineering expenses in order to permit prompt preparation of plans and specifications and letting of contracts, because in the past many public bodies desiring to carry on projects to be financed jointly by the local public body and the Federal Government have been unable to finance the cost of preparing plans and specifications prior to letting contracts; to the Committee on Labor.

6804. Also, petition of the Ohio Engineering Society, Columbus, Ohio, endorsing the Scioto-Sandusky conservancy project and recommending it for inclusion in the program of work relief now before the Congress, as it has been formed for the purpose of flood control, water conservation, and water supply, and has been proposed to submit this project to the Federal Government for inclusion in a comprehensive plan of flood control and the conservation of natural resources; to the Committee on Labor.

6805. Also, petition of the Ohio Engineering Society, Columbus, Ohio, favoring the enactment of the President's recommendations to the Congress as contained in House Joint Resolution 117 with such modifications as are agreeable to the House of Representatives and to the President, as the latter has outlined to the Congress a plan of substituting useful public works for direct relief or dole, and that such an allocation of such public works would afford a diversified employment of men in many industries in addition to those given employment directly upon the projects and would thus be an impetus to the recovery of business in general; to the Committee on Labor.

6806. Also, petition of the Ohio Engineering Society, Columbus, Ohio, urging that a specific sum of Federal funds for highway improvements be allocated to the various States for secondary roads not a part of the designated Federal highway system, or of the primary State systems, and that such secondary roads shall include United States post roads, rural-school bus routes, and unimproved rural roads leading to community centers, and that these specific sums be expended on a mileage basis in proportion to potential traffic requirements and that a specific sum of such Federal funds be allocated for the extension of Federal and State routes into and through municipalities; to the Committee on the Post Office and Post Roads.

6807. Also, petition of the Ohio Engineering Society, Columbus, Ohio, urging that a substantial portion of the $4,880,000,000 appropriated for work relief by the Congress of the United States be expended for highways through the several State highway departments and the already established agencies; to the Committee on Labor.

6808. By the SPEAKER: Petition of the Self Culture Club; to the Committee on the Judiciary.

6809. Also, petition of the California Cosmetic Association, Inc.; to the Committee on Appropriations.

SENATE

TUESDAY, APRIL 9, 1935

The Reverend Harry Lee Doll, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

Almighty God, who art the giver of all good things, so rule our hearts and minds by the indwelling of Thy Holy Spirit that no deceit may mislead us, no temptation corrupt us. Assist us mercifully to look unto Thee for guidance, that from Thy brooding love there may flow into our lives and work the spirit of wisdom and understanding, the spirit of counsel and ghostly strength, the spirit of knowledge and true godliness; and fill us, O Lord, with the spirit of Thy holy fear. We ask it all in the name and for the sake of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 8, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hayden	Reynolds
Ashurst	Coolidge	Johnson	Robinson
Austin	Copeland	King	Russell
Bachman	Costigan	Lewis	Schall
Bailey	Couzens	Logan	Schwellenbach
Bankhead	Cutting	Lonergan	Sheppard
Barbour	Dickinson	McCarran	Smith
Barkley	Dieterich	McGill	Steiwer
Bilbo	Donahey	McKellar	Thomas, Okla.
Black	Duffy	McNary	Thomas, Utah
Bone	Fletcher	Minton	Townsend
Borah	Frazier	Moore	Trammell
Brown	George	Murphy	Truman
Bulkley	Gerry	Murray	Tydings
Bulow	Gibson	Neely	Vandenberg
Burke	Glass	Norris	Van Nuys
Byrd	Gore	Nye	Wagner
Byrnes	Guffey	O'Mahoney	Walsh
Capper	Hale	Pittman	Wheeler
Carey	Harrison	Pope	White
Clark	Hatch	Radcliffe	

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the senior Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], and the Senator from Connecticut [Mr. MALONEY] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from South Dakota [Mr. NORBECK], the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from New Hampshire [Mr. KEYES], the Senator from Delaware [Mr. HASTINGS], the Senator from Rhode Island [Mr. METCALF], and the Senator from Wisconsin [Mr. LA FOLLETTE] are necessarily detained from the Senate. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Commerce:

Senate Concurrent Resolution A–E

Whereas the economic distress of North Dakota and South Dakota is in a large measure due to the long-continued drought; and

Whereas the receding ground-water tables and the disappearance of surface waters present a most serious problem to the people of our State; and

Whereas the Missouri River frequently carries an enormous amount of flood waters, dangerous and destructive to property and life to the lower Missouri and Mississippi Basins; and

Whereas the impounding of the flood waters would be of material benefit in restoring ground-water tables and furnishing surface waters to North Dakota and would materially aid in preventing the recurrent floods in the lower Mississippi Basin; and

Whereas competent engineers have made a study of the problem of constructing a Missouri River dam and diverting the waters for the benefit of North Dakota and South Dakota, showing that such a dam and diversion project are feasible; and

Whereas the construction of such a dam and the diversion of such waters properly come under Federal jurisdiction; and

Whereas the construction of the Missouri River dam and the diversion project in connection therewith would furnish employment for several thousand people now on Federal relief through no fault of their own: Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the house concurring therein), That we petition the United States Congress, now assembled, and the President of the United States, the Honorable Franklin D. Roosevelt, to construct a dam on the Missouri River at Big Bend, between Mannhaven and Garrison, for the purpose of impounding the waters of the Missouri and diverting the same in accordance with the report and recommendations of Burns & McDonnell, consulting engineers; and be it further

Resolved, That the secretary of the State of North Dakota be, and is hereby, instructed to forward an authenticated copy of this resolution to the President of the United States, the Honorable Franklin D. Roosevelt; to the President of the United States Senate; to the Speaker of the House of Representatives at Washington, D. C.; to the United States Senators; and the two Representatives from North Dakota in Congress.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Education and Labor:

Senate Concurrent Resolution A–G

Whereas equal educational opportunity for all children, although essential to true democracy, is today unfairly denied to millions of American children; and

Whereas the welfare of the entire Nation depends on an alert and educated citizenry; and

Whereas many school districts have so little taxable wealth that despite heavy tax rates they will continue to be unable to maintain adequate schools, while in other parts of the Nation vast amounts of taxable wealth have been accumulated which are truly the result of the toil of people throughout the Nation; and

Whereas the North Dakota Federation of Teachers and the American Federation of Teachers, affiliated with the American Federation of Labor, have adopted resolutions asking for national support of education: Therefore be it

Resolved, That it is the opinion of the Senate of North Dakota (the house of representatives concurring) that the National Government should as a permanent policy share the financial cost of education of all school children; and be it further

Resolved, That the Senate of North Dakota (the house of representatives concurring) most respectfully urge upon the Congress of the United States the early enactment of legislation providing that the National Government pay to each school district $25 a year for each child enrolled; and be it further

Resolved, That the secretary of state of the State of North Dakota be, and is hereby, instructed to forward a duly authenticated copy of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to each representative of the State of North Dakota in the United States Senate and House of Representatives.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Irrigation and Reclamation:

Senate Joint Memorial 4

A memorial to the Secretary of the Interior relative to the Buffalo Rapids reclamation project and requesting the aid of the Federal Government in the construction of said project

To the Honorable Secretary of the Interior of the United States of America:

Your memorialists, the members of the Twenty-fourth Legislative Assembly of the State of Montana, the senate and house concurring, respectfully represent:

Whereas as a result of a period of drought, the residents along the Yellowstone River extending from Miles City to Glendive have exhausted approximately all their credit; and

Whereas there is within said area an acreage of approximately 120,000 acres which can be reclaimed and made available for the settlement and the creation of prosperous homes for 2,000 families, thus relieving distress and rehabilitating those now in need of Federal relief; and

Whereas said Buffalo Rapids project has been under consideration since the year 1894 and has been surveyed and its feasibility and practicability established by several experienced engineers; and

Whereas said tract of land is at present, and will continue as unavailable for useful purposes, until and when the same shall be reclaimed by the construction and operation of said Buffalo Rapids project: Now, therefore, be it

Resolved, That it is the judgment of the Legislative Assembly of Montana that the best interests of the residents of the Yellowstone Valley extending from Miles City to Glendive and of the people of the State of Montana that said project be constructed and the lands included within said tract be made available for settlement and the restoration of prosperous homes thereon; and be it further

Resolved, That the Secretary of the Interior be requested to direct the Reclamation Department to make an investigation as to said project, to approve of the construction thereof, and to assist in securing Federal aid for said construction of said project; and be it further

Resolved, That the Senators and Representatives of Montana and the Congress of the United States be requested to use all honorable means to aid in obtaining the purposes and objects hereof; and be it further

Resolved, That the secretary of the state send to the Secretary of the Interior and to the Senators and Representatives of the State of Montana and the Congress of the United States a copy of this resolution.

The VICE PRESIDENT also laid before the Senate a petition of several citizens of the State of Kentucky, praying for the enactment of old-age pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate the petition of the California Cosmetic Association, Inc., praying for the continuance of the National Industrial Recovery Act, with particular reference to the code of fair competition governing the perfume, cosmetic, and toilet preparations industry, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by Branch 165, I. W. O., and the Office Workers' Union, both of Greater New York City, N. Y., protesting against the enactment of proposed alien and sedition legislation, which were referred to the Committee on Immigration.

He also laid before the Senate a letter from the secretary of the House of Representatives of Puerto Rico, transmitting, on petition by Hon. José H. Cora, a member of the House of Representatives of Puerto Rico, and by order of the speaker of that house, a copy of petition no. 240, being a protest against certain actions of the administrator of the Puerto Rican Emergency Relief Administration, which, with the accompanying papers, was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate two letters from the secretary of the House of Representatives of Puerto Rico, transmitting, on petition by Hon. Adolfo Dones Padró, a member of the House of Representatives of Puerto Rico, and by order of the speaker of that house, copies of two petitions numbered 226 and 227, being protests against certain actions of the administrator of the Puerto Rican Emergency Relief Administration, which, with the accompanying papers, was referred to the Committee on Territories and Insular Affairs.

DEEP WATERWAY FROM ST. LAWRENCE RIVER TO THE HUDSON

Mr. GIBSON. Mr. President, the General Assembly of the State of Vermont has adopted a memorial requesting support of Senate Resolution 84, now pending before the Committee on Commerce. This resolution seeks to direct the Board of Engineers for Rivers and Harbors to review the report contained in House Document No. 149, Fifty-sixth Congress, second session, on a deep waterway involving a canal connection between Lake St. Francis on the St. Lawrence River and the Hudson River by way of Lake Champlain, with a view of determining the advisability and cost of such connection.

The Senate resolution further directs the Board of Engineers to make an examination and report with respect to any feasible canal route from the harbor of Montreal south to Lake Champlain.

I desire to present the memorial, and ask that it be referred to the Committee on Commerce.

The VICE PRESIDENT. The memorial will be received and referred to the Committee on Commerce.

(See memorial printed in full when laid before the Senate by the Vice President on the 8th instant, p. 5206, CONGRESSIONAL RECORD.)

REPORTS OF COMMITTEES

Mr. HATCH, from the Committee on Indian Affairs, to which was referred the bill (S. 2213) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes, reported it with amendments and submitted a report (No. 436) thereon.

Mr. O'MAHONEY (for Mr. WAGNER), from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1776) granting a leave of absence to settlers of homestead lands during the year 1935, reported it without amendment and submitted a report (No. 437) thereon.

Mr. BULKLEY, from the Committee on Banking and Currency, to which was referred the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, reported it with an amendment and submitted a report (No. 438) thereon.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

A bill (S. 2538) granting an increase of pension to Jerry S. Fish; to the Committee on Pensions.

By Mr. ADAMS:

A bill (S. 2539) to amend sections 1, 8, and 15 of, and to add section 17 to, the act of June 28, 1934 (48 Stat. 1269), commonly known as the "Taylor Grazing Act"; to the Committee on Public Lands and Surveys.

By Mr. WHITE (by request):

A bill (S. 2540) for the relief of the F. P. Weaver Coal Co., Ltd.; to the Committee on Claims.

By Mr. RUSSELL:

A bill (S. 2541) to prohibit statements and publications advocating overthrow of the Government by violence, and for other purposes; and

A bill (S. 2542) to authorize the prompt deportation of criminals and certain other aliens, to guard against the separation from their families of certain law-abiding aliens, to further restrict immigration into the United States, and for other purposes; to the Committee on the Judiciary.

ISSUANCE OF PASSPORTS AND FOREIGN LOANS IN TIME OF WAR

Mr. NYE. Mr. President, the Senator from Missouri [Mr. CLARK] and I have joined in introducing two joint resolutions having to do with the neutrality of the United States in the event of an emergency. I send to the desk the two joint resolutions and ask that they may be read and referred to the Committee on Foreign Relations.

The VICE PRESIDENT. The joint resolutions will be received, read, as requested, and both referred to the Committee on Foreign Relations.

The first joint resolution (S. J. Res. 99) to regulate the issuance of passports to American citizens in time of war was read the first time by its title and the second time at length, as follows:

Whereas the success of belligerent nations has been shown to depend upon their successful transportation of munitions and other contraband; and

Whereas citizens of neutral nations traveling on ships into the war zones have in the past not been notified and warned that the ships on which they have traveled have carried munitions and other contraband; and

Whereas the sinking of ships carrying munitions and other contraband increased greatly in the last war by reason of the unrestricted submarine warfare and may be expected to increase still further by reason of the unrestricted use of bombing planes in any future war; and

Whereas the sinking of the *Lusitania* and other ships carrying munitions involved the loss of American lives: Therefore be it

Resolved, etc., That upon the outbreak of war in any part of the world in which the life and safety of the citizens of the United States may be placed in jeopardy by travel on the high seas the President shall withhold the issuance of passports to citizens of the United States traveling in war zones or traveling on any vessel of any belligerent power except under such regulations as the President may prescribe.

The second joint resolution (S. J. Res. 100) to prohibit the extension of credits and the issuance of foreign loans under certain conditions was read the first time by its title and the second time at length, as follows:

Resolved, etc., That upon the declaration of war by any foreign government it shall be unlawful for any person, firm, partnership, or corporation to make any public or private loan of money or to extend any credit for the purchase of any articles declared to be contraband of war by any belligerent government, either directly or indirectly, to a government or the national of any government engaged in armed conflict or to any firm, partnership, association, or corporation acting for on behalf of such belligerent government or national thereof: *Provided, however,* That this act shall not apply to renewals or adjustments of existing indebtedness, and shall not apply in case the United States is engaged in such conflict as an ally of such belligerent government.

SEC. 2. Whenever the President finds that a state of armed conflict exists in any part of the world other than the outbreak of declared war which may involve the United States in international complications the President shall, by proclamation, declare section 1 of this resolution to be in effect.

SEC. 3. Any person violating or aiding or abetting in the violation of the provisions of this resolution shall upon conviction thereof be imprisoned for not more than 10 years and shall be fined not more than $100,000.

CHANGES OF REFERENCE

On motion of Mr. ASHURST, the Committee on the Judiciary was discharged from the further consideration of the bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof, and it was referred to the Committee on the Library.

On motion of Mr. STEIWER, the Committee on Claims was discharged from the further consideration of the bill (S. 491) for the relief of Fred Herrick, and it was referred to the Committee on Agriculture and Forestry.

DETAILED REPORTS ON OCEAN MAIL CONTRACTS

Mr. BLACK. I ask unanimous consent to submit a simple Senate resolution and ask that it lie on the table until tomorrow. It is very short, and I should like to have it read.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 116), as follows:

Whereas the report of Hon. James A. Farley to the President of the United States dated January 11, 1935, as published in Senate Document No. 118, Seventy-fourth Congress, first session, refers to detailed reports made on 43 ocean mail contracts by Mr. Farley, which detailed reports are necessary in order for the Senate to consider and pass upon legislation regarding an American merchant marine: Now, be it

Resolved, That Postmaster General Farley be requested to send a copy of such detailed reports to the United States Senate.

Mr. ROBINSON. Mr. President, I wish to say to the Senator from Alabama that I do not anticipate a session of the Senate will be held tomorrow. It is my expectation to move an adjournment or a recess until the day after tomorrow when we shall have completed the consideration of the calendar.

Mr. BLACK. Then I shall ask that it lie on the table.

The VICE PRESIDENT. The resolution will lie on the table.

PUERTO RICAN SUGAR PRODUCERS

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 105) submitted by Mr. VANDENBERG on March 15, 1935, as follows:

Resolved, That the Secretary of Agriculture is requested to inform the Senate regarding contemplated plans, if any, for new loans, grants, or subsidies to sugar producers in Puerto Rico or for supporting sugar production in Puerto Rico with public money drawn from the sugar processing tax or any other source.

Mr. VANDENBERG. Mr. President, I should like to make a brief statement regarding this resolution because of what I conceive to be its importance if Congress continues in any aspect to be the policy-forming branch of the Government.

On March 6 the Senate adopted Senate Resolution 95, which I introduced, and which requested the Secretary of the Interior for much the same information presently called for by Senate Resolution 105, now pending. Senate Resolution 95 was addressed to the Secretary of the Interior because the Interior Department was presumed to have jurisdiction over this phase of Puerto Rican activities. As originally written, it referred presumably to the so-called "Chardon plan of Puerto Rican rehabilitation" or any kindred prospectus. I am sure some of the Department understood that the resolution referred to the Chardon plan, or, at any rate, some officials so understood, because Mr. Chardon immediately put himself in courteous touch with me and offered to submit his data in detail. However, before I had an opportunity to meet Mr. Chardon the Secretary of the Interior replied to the Senate resolution under date of March 14 with a very conclusive dismissal of the whole subject matter. His letter to the Senate will be found in the CONGRESSIONAL RECORD at page 3689. In that reply the Secretary of the Interior stated:

There are no proposals pending in this Department for supporting sugar production in Puerto Rico with public money drawn from any source whatever.

I am not clear, by any means, that this is a disingenuous statement, because I have very great respect for the Secretary of the Interior. Perhaps the resolution itself was ineptly drawn, and perhaps it did not identify the precise information sought. But the fact remains that the Chardon plan unquestionably does contemplate the use of public money in a highly novel connection with the sugar problem in Puerto Rico, because, as the pending plan is understood in Puerto Rico, as disclosed in the Puerto Rican newspaper El Imparcial on the 11th of March, a general summary of the plan is paraphrased as follows, quoting from the newspaper:

I wish to call your attention to that part of the so-called "Chardon plan" which refers to the purchase of sugar factories to be operated by the Government, a thing that I have always considered dangerous.

I ask that the entire item may be printed in the RECORD at this point in connection with my remarks simply for whatever incidental light it may throw upon this latest novelty in administration schemes and adventures.

The VICE PRESIDENT. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From El Imparcial, Mar. 11, 1935]

WASHINGTON TO MAKE PHILIPPINE MISTAKE IN PUERTO RICO, SAYS FAJARDO SUGAR EXECUTIVE

(Editor's note.—We reprint herewith an open letter from Mr. Gorge Bird Arias, of the Fajardo Sugar Corporation to Gov. Blanton Winship without comment. Its contents would appear to be of considerable public interest, having to do, as it does, with a basic concept of the rehabilitation plan as visualized by Chancellor Carlos Chardon and associates.)

FAJARDO, P. R., *March 7, 1935.*

HON. BLANTON WINSHIP,
Governor of Puerto Rico,
La Fortaleza, San Juan, P. R.

SIR: I wish to call your attention to that part of the so-called "Chardon plan" which refers to the purchase of sugar factories to be operated by the Government, a thing that I have always considered dangerous, and which in this case, besides being dangerous, is also unethical due to the competition that the plan threatens to establish against the sugar companies. This, besides being unethical, is also incomprehensible, for a government should not try to destroy its best source of income.

There is another powerful reason to oppose it, and it is the precedent of the disastrous results following government organization and management of private enterprises in the Philippines. You, sir, are much more familiar than I with the facts surrounding the establishment of the Philippine Development Co., the Philippine Coal Co., the Philippine Cement Co., and the Philippine National Bank, under which the so-called "Government centrales" were created and operated. I am informed that the loss incurred by

these enterprises exceeded $40,000,000. All of these organizations were supposed to be absolutely divorced from politics, and when Governor General Wood, with his wide experience in the administration of affairs of tropical countries, assumed sole control and management of the centrales through the Sugar Centrals Agencies, it was with the sole purpose of disposing of them at the earliest possible opportunity to private parties, as he realized that economic operation of the same was possible only in this way. The taxpayers had to bear the undeserved punishment of these fantastic experiments and are even now paying for them. This same fear haunts us.

I wish to make it clear that I am not opposed to the rehabilitation of the island, provided it is done in a fundamental and intelligent manner.

I firmly believe that the coffee industry should be rehabilitated, due to the importance this would mean to the island, and because the coffee growers are more than worthy of help, under present circumstances as they have been consuming American products highly protected by the tariff since the American occupation, without ever receiving any protection for their product, because coffee was and is on the free list.

I also wish to make it clear that above everything else and as a Puerto Rican I wish the best for Puerto Rico and for the welfare and happiness of the majority of its inhabitants, and if anyone should convince me that there is a product offering better advantages than the sugarcane, I would immediately declare myself in favor of the sugar restriction, even though I personally should suffer damages, since the general welfare should be always above private interest.

I have opposed the sugar restriction in the way in which it has been enforced, first of all, for ethical reasons, because as an American citizen I could not but protest at the unfair and abusive discrimination against Puerto Rico not only by Congress but, even worse, by the Secretary of Agriculture also, and this in spite of the offers made to us, and suggestions made to said Secretary of Agriculture by the President, of which you are well aware. And secondly, for economic reasons because the benefits, if any, to be derived from the so-called "Chardon plan", would only reach a few, while the damages due to restriction would practically reach everybody.

It is the object of this letter, and my most sincere wish, to help you as Governor of the island, not only in the success of any rehabilitation plan that may be put in force, but also to prevent that that dangerous and doubtful measures be adopted which might later result detrimental rather than beneficial.

Praying to God that He may enlighten you and those that will be called to put in force the rehabilitation measures, proposed by the Washington administration, I remain,

Respectfully and sincerely yours,

JORGE BIRD ARIAS.

Mr. VANDENBERG. Now, I call attention to the fact that the able Senator from Maryland [Mr. TYDINGS] presented to the Senate on April 3 a letter, printed in the RECORD at page 4901, in which Mr. Chardon, addressing the Senator from Maryland, indicated that there is contemplated an expenditure of $103,000,000 upon this plan in Puerto Rico. Further, Mr. Chardon said in his letter which the Senator from Maryland presented in the Senate that—

The President has made formal public commitment to this program and the plan itself has been approved by the Departments of Agriculture and the Interior.

Please note it is said to be approved by the Interior Department.

If Mr. Chardon's letter to the Senator from Maryland is correct and the plan has been approved by the Interior Department, involving the expenditure of $103,000,000 in Puerto Rico and contemplating Government operations in sugar, it is somewhat mystifying to me why the Secretary of the Interior's reply to the Senate resolution of March 14 should have dismissed so abruptly the entire inquiry with the obvious implication that nothing of this general character is pending. The Senate resolution must have been dense or the Secretary must have been inadequately advised. If a plan is pending to spend $103,000,000 in Puerto Rico for any such purpose, and if by any stretch of the imagination the plan includes any such socialistic enterprise as is described in the local newspaper from which I read and which is now a part of the RECORD, certainly it is highly important for the Senate and the Congress and the people that we should know precisely what is contemplated. I do not prejudge the plan. It may be good. But I feel that Congress should have official information on the subject.

Therefore, reverting again to the letter of the Secretary of the Interior in which he suggests that we might well inquire of the Secretary of Agriculture respecting the entire matter, I have submitted Senate Resolution 105. I wish to perfect it by making it more specific so there can be no possibility of renewed misunderstanding hereafter. I desire to say again that I am sure it is only a misunderstanding so far as the able Secretary of the Interior heretofore has been concerned. I suggest that the resolution be modified to read as follows:

Resolved, That the Secretary of Agriculture is requested to inform the Senate regarding contemplated plans, if any, for new loans, grants, or subsidies to sugar producers of Puerto Rico or for supporting or reorganizing sugar production by the so-called "Chardon plan", or otherwise, in Puerto Rico with public money drawn from the sugar-processing tax or any other source.

I do not imagine the passage of the resolution will be resisted. I assume we are not yet foreclosed from information, even though we are quite successfully separated from power these days.

The VICE PRESIDENT. The question is on agreeing to the resolution as modified by the Senator from Michigan.

Mr. ROBINSON. Mr. President, I desire to ask the Senator from Michigan whether the Senator from Colorado [Mr. COSTIGAN] has been appraised of the pendency of the resolution?

Mr. VANDENBERG. I believe not. I know of no particular reason why the Senator from Colorado should have any hostile or other interest in it, except as he may share my anxiety to know what is going on if Uncle Sam is going to become a sugar producer and enter the sugar business.

Mr. ROBINSON. I am not asserting that he has a hostile interest in it or that he is hostile to it, but he was intimately concerned with the passage of the so-called "sugar bill", as the Senator will recall.

What amount, by way of loans, grants, or subsidies, has been made to sugar producers in Puerto Rico?

Mr. VANDENBERG. I am not advised as to that aspect. It seems to me that the present contemplation is unrelated to the Jones-Costigan Act, except as purely incidental. The problem here, as I understand, is the probable use of P. W. A. funds or of funds out of the new $5,000,000,000 appropriation in connection with the so-called "Chardon plan."

Mr. ROBINSON. My last question was prompted by the statement that the resolution relates to new loans, grants, or subsidies.

Mr. VANDENBERG. There seems to be no certain information as to the source of the contemplated $103,000,000 which is to be expended. Some seem to think it is to come from a diverted processing tax. Others seem to think it is to come from the new P. W. A. fund.

Mr. ROBINSON. The point of my question escapes the Senator from Michigan. It was in relation to loans or grants which are impliedly alleged to have been already made to sugar producers in Puerto Rico.

Mr. VANDENBERG. No; I do not intend any such implication.

Mr. ROBINSON. The language of the resolution, as the Senator must see, clearly implies that loans have been heretofore made because it inquires as to "new" loans to be made. If that does not imply that old loans have been made, I am unable to understand the English language.

Mr. VANDENBERG. I think the Senator's point is well taken. I suggest that the word "new" be eliminated. I am only interested in information respecting the contemplated plan. I ask that the word "new" be eliminated from the resolution.

The VICE PRESIDENT. The resolution will be further modified as requested by the Senator from Michigan.

Mr. ROBINSON. I do not object to the Senator or the Senate being supplied with the information for which the resolution calls. I think it may be helpful in our studies.

Mr. VANDENBERG. In connection with the discussion, I ask that certain cablegrams be printed in the RECORD in conjunction with my remarks.

There being no objection, the cablegrams were ordered to be printed in the RECORD, as follows:

SAN JUAN, P. R., *March 18, 1935.*

Senator VANDENBERG,
Washington:

As acting president Cane Farmers Association of Puerto Rico wish to inform you that Puerto Rico rehabilitation program encompasses permanent sugar reduction as basis rehabilitation.

Farmers fully support this program because reduction will be made of public agency purchasing cane lands wiping out cane from said lands and distributing them to workers for food production under condition not raise cane for 23 years. Therefore no grower will reduce, but island will permanently lower sugar production. We earnestly hope you will support rehabilitation program as justice to Puerto Rican farmers and workers and as a means of permanently establishing Puerto Rico's contribution to sugar stabilization in American market for the benefit of all growers of cane and beets.

OSCAR NEVAREZ,
Acting President Cane Farmers Association of Puerto Rico.

SAN JUAN, P. R., *March 9, 1935.*

Hon. ARTHUR H. VANDENBERG,
United States Senator, Washington, D. C.:

The House of Representatives of Puerto Rico requests that any rehabilitation plan established by the national administration in Puerto Rico be implanted through the legislature and the executive departments of the insular government determined by the Organic Act in order to avoid duplication of government or the creation of a supergovernment in the island.

MIGUEL A. GARCIA MENDEZ,
Speaker House of Representatives.

The VICE PRESIDENT. The question is on agreeing to the resolution as modified.

The resolution, as modified, was agreed to.

The VICE PRESIDENT. Morning business is closed.

PEACE INSURANCE—ADDRESS BY SENATOR REYNOLDS

Mr. REYNOLDS. Mr. President, on Army Day, April 6, at Pittsburgh, I delivered an address in the Soldiers' and Sailors' Memorial Hall under the auspices of the patriotic organizations of that city, at which time I was provided with a coast-to-coast hook-up over the National Broadcasting Co.'s network. I ask unanimous consent that the address be printed in the RECORD. It is an address dealing with preparedness, and is entitled "Peace Insurance."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Pittsburgh's contribution to the insurance of peace through its resources of the brain and brawn of its citizens and its material wealth is written in a fascinating chapter in American history.

In the struggle for independence your garrison within the stockade of your little fort here at the headwaters of the Ohio was the bulwark of defense for the western frontier. Here in the infant days of the Republic "Mad Anthony" Wayne drilled his famous legion for the recovery of the Northwest. In the conflict of 1812 Commodore Perry came here for his cordage and munitions to equip his squadron that won everlasting renown in its victory on Lake Erie, and supplies from Pittsburgh strengthened and heartened Jackson's army for that glorious day at New Orleans.

The Allegheny Arsenal was one of the first in the country and for a century supplied the sinews of national defense. It was one of the chief sources of supply in the Mexican War. Ever since that day Commodore Perry came here for rope and cannon balls the American Navy has been dependent on the mills and shops of Pittsburgh. You armored the White Squadron, whose ships carried the Stars and Stripes into Manila Bay under Dewey and defended America's honor at Santiago, and in the modern Navy you supply its motive power as well as armament.

In the World War Pittsburgh won the title of the "Arsenal of America." Without the munitions you furnished it is doubtful if the Allies could have won that struggle. With the advent of aircraft and chemical warfare, Pittsburgh today has an even more prominent place in providing the implements of national defense.

Adequate defense has been a cherished tradition in Pittsburgh since the days of the pioneers. Your "Pittsburgh Blues" date back to the days of "Tippecanoe" Harrison. Your Duquesne Grays, Hampton's Battery, and the Washington Infantry are units that have furnished trained men for many branches of the service. Every American is familiar with the history of the Old Tenth Pennsylvania for its service in the Spanish War, the Philippine Insurrection, and the World War, where it served with the old Fourteenth, the old Sixteenth, and the old Eighteenth with the famous Twenty-eighth Division under a different numerical classification. Your Eightieth Division, composed of the Blue Ridge boys from Western Pennsylvania, West Virginia, and Virginia gained renown in the Argonne, and in every branch of the service—Army, Navy, and Marines—your defenders represented the best blood of this stanch old Commonwealth, so ably represented by my colleagues, Senators DAVIS and GUFFEY, for whom I have affection and respect. If we remain true to the heritage these men have bequeathed us we need have no fear for the future. With stout hearts and just cause in maintaining pure Americanism and adequate defense our peace is assured.

This is Army Day, and Army Day could well be called "peace day", for on this day we take an inventory of our forces and review the personnel and equipment which insures our peace. Army Day is not a day of jingoism and militarism. It is a day of calm consideration amid the Nation-wide celebration, and a day for the review of our assets of land defenses.

Army Day has been best described by the President of the United States, who is by virtue of his office Commander in Chief of the Army, Navy, and Marine Corps, when he said:

"The general observance of Army Day on April 6 should bring back to our minds the efforts and sacrifices of our soldiers which have been so decisive in the creation, preservation, and development of this great Nation; it should be an occasion for the Army to rededicate itself to its glorious heritage of service to our country, both in times of peace and in times of war."

Just 10 years after our entrance into the World War the first Army Day was celebrated. The annual occasion was instituted by the Military Order of the World War "to foster the ideals of the American Army and to bring to the people of the country a clearer, more intelligent, and more sympathetic understanding of our land forces, both in times of peace and in time of national emergency."

Eighteen years ago today the American Congress voted for American participation in the World War. That day—Good Friday—the House of Representatives adopted a resolution which had already been passed by the Senate. By that act we became a participating power.

Only three Members of Congress remain in the national legislative body who voted against our entrance into the war. They are Senator NORRIS, of Nebraska, and Representatives LUNDEEN and KNUTSON, of Minnesota.

The late Senator La Follette, of Wisconsin, denounced the war in stirring words in the Senate debates. Congressman Claude Kitchin, their majority leader, a North Carolinian, voted against the war. Statutes to the memory of these two men are in the United States Capitol, and I understand that today delegations from Wisconsin and North Carolina paid homage to the courage of these men, who, true to their convictions, voted for peace.

In those fateful days preceding our entrance—in fact, preceding the very beginning of this international conflict—the Old World had gone mad. Germany, leading member of the Central Powers, had constructed a military machine which menaced the peace of Europe. Conflicts both in Europe and in the colonial markets increased the tension of the Old World before the fateful day when an assassination in the Balkans lighted the fuze.

Today the world arms as never before. This week Germany, after sensationally scrapping the Treaty of Versailles, called 580,000 young men to the colors. Today Germany, under her Hitler, has another mighty military machine. But around her is welded an iron ring by victor powers. France, with her underground fortifications, looks with alarm at the growing peril from Berlin. Yet she sits back flanked by her almost impregnable fortresses and with an active and reserve force of more than 6,000,000 men.

Great Britain, feeling the pinch of economic depression, looks to the future with fear over possible disintegration of her proud empire. She has increased her military appropriations and seeks to negotiate compacts and agreements with continental powers in order to safeguard the peace of Europe.

Italy is aroused by the thunderous tones of her premier. Mussolini looks across the historic Mediterranean and with saber-rattling gestures threatens possible invasion of Abyssinia. Europe fears any encounter lest the slightest military skirmish prove the bomb that will blast the powder box of the Continent.

Russia carries out her new economic plan under Stalin. All the while she looks to the west for alliances with England and to the east for grounds which will preserve peace in the troubled Orient. But red Russia, hailed as the world's greatest exponent of disarmament, has a reserve force of more than 15,000,000 men, while her active forces exceed three-quarters of a million.

Japan sends her military budget to the financial stratosphere as she makes increasingly great economic inroads on the trade of occidental nations.

The world waits with bated breath as the diplomats of European nations attempt to devise new ways of heading off another world war.

In 1914 the fuze which inflamed Europe into a bloody struggle was lighted. Today smoke emerges heavily from a dozen places and all lovers of peace fear that any day some ruthless act, some inflammatory incident may lead to another and more disastrous war.

During the past 3 weeks the nerves of the world have been frayed to a razor edge lest bold headlines emblazon the daily papers with fearful news of another struggle. What the outcome of these numerous conferences will be no one knows. We all hope, for the welfare of the world, that the result will be peace—real peace and not merely an armed truce. Yet no one knows. We can only hope and pray.

Such is the world in which we live. And this is the world we see with its countless perils as we engage today in the annual Army Day ceremonies. It is fitting therefore that we reexamine our national defenses and take stock of our protective agencies at a time when no man knows what threatened action may gear these agencies into use, in coping with a new national emergency.

Today we view national defense in the light of citizens who love their country, and who want to see its institutions endure and protected. Just as self-preservation is the first law of life to the individual so is defense of one's country the first attribute of true patriotism.

If we want peace, my friends, we must pay for it. To secure and to insure peace we must have an adequate national defense. I look upon national defense in every arm of the service of the United States as peace insurance. I consider money expended to maintain our defenses and to equip and to train our personnel on land, on sea, and in the air as real peace insurance.

Had we heeded the lessons of the nineteenth century and provided for an adequate defense, we might never have been drawn into the World War. In 1917 we did not have armed strength large enough to enforce our demands for neutrality. No nation could be expected to respect fully the objections of a weak power.

So without that peace insurance, without that preparedness or defense, we were drawn into an Old World quarrel which eventually involved the greater number of powers of the civilized world. This war cost us tens of thousands in dead and hundreds of thousands in maimed and disabled. Cold figures can never assess the additional toll in broken hopes and heartaches of those back home. The horrible cost of this conflict is brought dramatically to our attention every day by new reports that veterans of this war are being cut down cruelly by the sickle of death wielded by disease, wounds, and disabilities incurred as the result of war-time service, and yet there are some who say that our soldiers and heroes of the World War are not deserving of all that their Government has given to them. I disagree, and in the strongest terms, and in so doing I unhesitatingly assert that the defenders of our country, the heroes of our land, the soldiers of our wars, are entitled to every single consideration at the hands of our Government. Much has been said about paying the adjusted-compensation certificates—in other words, the bonus—and here and now I want to declare that the bonus should be paid in full now, and in American currency, and not by way of bonds which would provide opportunities for the loan sharks and the shylocks to deprive and rob our veterans of the World War of that which they are justly entitled to. I have voted for the payment of the bonus consistently every time the question has arisen in the Senate, and I shall continue to do so, and I hope that this Congress will liquidate at least in part its indebtedness to our veterans by making now full payment of the bonus in American currency.

No one wants another war—least of all the armed forces who are manning our divisions which are guarding your peace and mine. But the only way to keep out of war is to have an Army and a Navy which can enforce our claims of neutrality and earn the respect of the entire world.

We want no quarrels with the nations of the Old World. In January the United States Senate voted to reject ratification of certain protocols which would have meant our entrance into the World Court. I voted against this World Court. I regard the safety of America as of paramount importance. American security rises above considerations of partisanship, and I sincerely felt that American safety and security would be imperiled by allying ourselves with the powers of Europe.

For precisely the same reason I do not believe we should become a member of the League of Nations, although there is a definite and forceful movement in America to secure our entrance. America has plenty to do to take care of its own affairs. We do not feel that we are the unwelcome guardians of Europe, nor do we feel that we should risk the safety and peace of our country by joining a combination in Europe—a combination which has been helpless to prevent the invader from trampling under foot sacred agreements and pacts which were to end all war. America wants no part of Europe's quarrels, nor does she care to become the helpless pawn of European diplomats.

We all want peace and we all know that the quickest way to jeopardize peace is to become involved in the controversies of the Old World by joining a court or a league in which the cards are stacked against us before we enter.

I have heard it said many times that the way to attain peace is to disarm completely. Such a statement would only be true if we had reached an earthly paradise. Such a statement would be true if we had emerged into Utopia, wherein all greeds and selfish senses were banished and no one coveted the property of his neighbor. But Utopia is not here. We have not reached the millenium.

The unrest of the world points to just the contrary. Pacts and treaties have failed to guarantee peace. Treaty obligations have been repudiated and the paper on which they are written literally torn to shreds and scattered to the four winds. Peace? Peace? There is no peace!

These lessons of the immediate past should indicate that we want to conduct our own affairs and to live in peace and harmony with the nations of the world, with friendship and good will toward all.

But to achieve even this modest goal, without interference by selfish and covetous powers, we must have an adequate national defense. The Army to which we pay homage today is an essential part of that great system of peace insurance.

In the last 15 months incidents throughout the world have terrorized all who love peace and want to remain in tranquillity with all nations. Dictatorships have risen and fallen. Despotism has tightened its grip on the peoples of the Old World. Freedom and liberty have all but been exterminated abroad, leaving the United States as one of the few remaining strongholds of these attributes.

Dictators rule with an iron hand hundreds of millions in Europe and Asia. Facism, nazi-ism, and communism subdue a growing number of people. But we want no "isms" in the United States except Americanism, and we know that our Army will be the first to help maintain true Americanism on these shores.

Changes in government, revolution, and reigns of terror have beset the people of Cuba near our own borders. Two countries of South America have been engaged in strife over the Grand Chaco—and no international appeals or no league has been able to end that war.

Spain has faced numerous states of alarm and rebellion, while the streets of Paris have run with blood in riots that threatened the Republic. Dictators of Rumania and Austria have been felled by the assassin's bullet. Bombardments have rent the air in colorful old Vienna in civil strife. King Alexander, of Yugoslavia, and Foreign Minister Barthou, of France, were slain by revolutionists 6 months ago. In both Germany and Russia there have been revolting and bloody purges. In Asia, Japan has stretched her grasping fingers further into the mainland seeking new worlds to conquer.

With all this trouble, with all this upheaval about us, America remains a stronghold of liberty wherein freedom of thought, of expression, of speech or worship, and of occupation are inviolate. Too often we fail to appreciate the blessings of liberty and freedom until they are imperiled or are completely lost.

At this hour those who are opposed to our form of government are actually holding public meetings at various places throughout the United States. Many are preaching communism, many are advocating the overthrow of our Government, and these people—these enemies—have remained thus far unmolested, and I am told that there are Communists in your own midst who have dared to preach their false doctrine and who are now daring to interfere with the enterprises of this community. There is no immediate fear of communism in this country, but unless we now nip in the bud this poisonous flower that would bloom in our midst we shall experience a greater spread of this red menace, and it is to the credit and glory and honor of William Randolph Hearst that he has undertaken to and is warning the American people of the scourge that threatens America.

The marvelous good that this publisher is doing from day to day through the columns of the Sun-Telegraph and others of his publications throughout the entire country cannot be overestimated; and we of America owe to him a tribute in the form of national thanks for the interest he is showing not only in the present emergency, wherein we are threatened by communism, but we are likewise deeply indebted for the noble, farsighted, and courageous stand which he took in opposing America's entrance into the World Court.

It is to the credit of the Army that its eternal vigilance has done much in enabling us to continue to enjoy these blessings of freedom for which our forefathers struggled.

In this world gone mad with greed, fear, bigotry, intolerance, and barbarism, let us look at our Army within the confines of our own country—our country which is free from the insidious influences of the Old World and the unquenchable thirst for conquest which threatens to plunge Europe into another war.

The officers and enlisted men of the Army should celebrate this Army Day with new optimism and new confidence and a sense of distinct recognition. For the Congress of the United States has just enacted legislation increasing the personnel of the Army to 165,000. That figure represents an increase over our present Army of 118,750 enlisted men and 12,000 officers.

As always occurs upon the passage of such legislation, there has been some criticism made against the committees of Congress and the Members who voted for the Army increase. Let me say here and now that Congress did not have in mind any thought of militarizing the United States. Careful study was given the bill by the committees, which considered all the evidence before them, much of which was confidential and not made public. The bill received full consideration by the House and the Senate and represents the deliberate judgment of Congress made after exhaustive study and investigation.

The fact is that the new increase to be made which will bring the Army up to 165,000 will be much less than the 280,000 strength which is authorized by the National Defense Act. Such comparison should help answer the charge of "militarism." Our total Army within the United States is smaller than was allowed Germany after the Treaty of Versailles.

To focus attention on the smallness of our Army in numbers I should like to indicate here some comparative strength of foreign powers. I have already mentioned Russia, France, and Great Britain. Another strong power in Europe is Italy which has nearly six and one-half million men in active and trained reserve forces.

Czechoslovakia, with a population of less than 15,000,000, has a larger regular army than the United States and boasts a reserve force of more than 1,500,000.

Japan's regular army is more than twice as large as ours, while her trained reserves number more than 2,000,000.

Poland, whose population is 33,000,000, has a regular army which triples our own. Her active, plus her reserves, numbering more than 1,700,000, makes her a formidable foe.

Rumania's regular army almost reaches the 300,000 mark, while her reserves exceed 1,600,000, and yet she has a population of only 18,000,000.

Spain's active and reserve list tops the 2,000,000 figure, while Yugoslavia has more than 140,000 regulars and 1,500,000 reserves.

As a matter of comparison the United States stands about seventeenth in preparedness among the nations of the world. We are down the list among the second- and third-rate military powers.

I sincerely hope that these few comparisons will allay some of the unfounded charges by uncompromising critics who say that we are going "militaristic."

Our Army, while relatively small, is a loyal and partiotic one. Our Army is absolutely divorced from politics and from political control. These men to whom we pay tribute today are never subject to the whims of a political opportunist. The allegiance of the Army is to the people of America and not to any political slogan. Our soldiers follow Old Glory and not some political standard.

Many of the officers of the Army are trained at the United States Military Academy at West Point. The motto of that institution is, "Duty, honor, country", and its very spirit inspires every member of our forces, both enlisted man and officer. This simple, patriotic creed of Army men represents a greater heritage than all the fabulous wealth of the maharajahs, more spirit than can be purchased through military mercenaries, and more determination than can be developed by despotic conscription.

I should like to take this occasion to refer briefly to some of the work of certain specialized branches of the Army. For example, we have hundreds of doctors and surgeons in the Army who have foregone brilliant careers in practice, in hospitals, and clinics in order to contribute their part toward the health and well-being of the Army. They have toiled not only in the unremitting necessity of maintaining health of the men, but they have also made diligent searches into the realms of the unknown in a quest for new remedies, new methods, and new cures. Controls for malaria, yellow fever, and typhoid were perfected largely as the result of experiments and sacrifices made by Army doctors. The searches and findings of the Medical Corps are contributions not only for the Army but for the entire world. Humanity is their debtor for the brilliance of their achievements in the laboratory and hospitals as well as on the battlefield.

In a like manner have contributions been made by the Army Engineers—men who for the most part might have pursued the call of their profession in civilian life and acquired much more in material wealth than their Army service will ever net them.

The Army Engineers have been in charge of ports and harbors for more than 100 years. They are constantly at work on inland-waterway development and they have made navigation on the Great Lakes second to none in the world. They supervised the construction of the Panama Canal, which is operated by the War Department. They have built numerous levees, dams, and flood-control works. These men throughout the history of the Republic have devoted their services unsparingly to the call of duty and to the challenge of enterprise and scientific experimentation, which has brought new technical developments of aid to all people.

Today a branch of the Service which is growing rapidly in importance is the Army Air Corps. That branch will be the "eyes" of the Army in any future war as well as an effective weapon of defense and attack. In a west coast airplane factory are being developed a fleet of new and powerful armored cruisers of the air. Sheathed in tempered steel these new war birds will mean a tremendous threat to a potential enemy should combat come, and will be an additional safeguard to our present peace.

New developments in design and safety are transmitted to commercial aviation when the plans are not in conflict with military strategy. Young men are trained in the Army and in reserve units to become competent pilots and thus the progress of the science of aeronautics is materially advanced.

At this point may I add a word of praise to the splendid achievements which commercial aviation has attained. Backed by American interests, it is the leading factor today in developing friendly relations with our sister republics.

The accomplishments of commercial aviation are manyfold. Through their own research and engineering they are constantly making improvements in aeronautics. These improvements are of tremendous value to the Government in time of need.

Airports and airlines are being developed throughout the United States—improvements which are of both commercial and military value. Moreover, great airlines are linking our country to other nations, for example, the Pan American Airways has done yeoman service in connecting the United States with Mexico and the Central American countries.

South America, formerly measured in terms of weeks of travel, has been brought so close that we reach the most distant points in a few days. And now Pan American is spanning the Pacific, blazing a trail to the Orient by the way of the Hawaiian Islands and the Philippines.

I believe we should lend direct aid through subsidy to commercial aviation which is the second line of defense to the air forces of our country.

Similar tributes might be paid to other branches of the Army, but I cite the Medical Corps, Engineers, and Air Corps as examples of unselfish public service which benefits all members of the general public as well as the Army itself. The incalculable good that comes to civilian life as the result of pioneering done by the Army cannot be estimated.

Ours is a volunteer Army composed of men who have willingly united their energies of hand and brain to forge for us a great weapon for our national safety. Unlike powers of the Old World, we have never had to resort to wholesale conscription to maintain our regular land forces.

Conscription as a matter of military policy has been adopted only in times of very grave national emergency, when the very threshold of our homes was in jeopardy. We do not require our young men to spend 2 years in military service. As a matter of fact, War Department executives have repeatedly informed Congress that facilities are inadequate to train the number of young men who are volunteering every summer for special camps. Our youth represents alertness and willingness to participate in service activities and to engage in the constructive work of the Reserve Officers' Training Corps and the citizens' military training camp.

In response to the insistent demand from the young men of the country who want to become part of our reserve units in our national-defense machinery, Congress has increased appropriations for camps so that thousands of summer cadets can be trained. For that step I am sure the entire public feels grateful to Congress. I wish there were more time available to discuss at length some of the constructive features of the R. O. T. C., the C. M. T. C., and other reserve units.

It would, indeed, be appropriate here to make extended reference to our Navy and its place in the general plan of national defense. I should like to compliment our splendid Navy and its personnel, but time is limited, and a full discussion of our naval force would be more propitious for Navy Day, October 27, when we watch the fleet pass in review and when we take an inventory of our fighting forces of the mighty deep. But today I have been compelled to confine my remarks largely to the significance of the Army in our scheme of defense.

It is a stern fact that a nation is no stronger than its second line of defense, and that second line of defense for our Navy is an adequate merchant marine; and just as I believe we should help develop and encourage commercial aviation, we should, through subsidies, aid the merchant marine.

We must keep the American flag flying on the seven seas. Congress must realize its responsibility to the people of the country and do its part toward providing that second line of naval defense as well as its second line of air defense.

I am in accord with the President of the United States, who has already sent to Congress a message which sets forth a plan to aid distressed shipowners. In Great Britain, Japan, Germany, France, Poland, and various other foreign countries every citizen helps to support the ships as the result of their government's furnishing supplemental aid to shipowners through direct and indirect subsidies. We must take some immediate steps in order for our people to gain their rightful share in the commerce of the world.

A nation prospers and succeeds as does an individual by heeding the lessons of experience, by viewing the progress of the past, and by interpreting with accuracy the significance of events which have gone before. Mankind progresses mainly through the slow process of trial and error. Too often he does not learn from the one error; he must make many; so it has been with our history of preparedness.

The history of the Army is full of hallowed traditions and stories of high courage in the face of adversity. The evolution of the Army has been a continued succession of pronounced improvements in tactics, technique, and equipment.

In the early day of the Nation the ragged band of fighters who surrounded General Washington and won undying fame were our first Army. These courageous continentals carved a deep niche for themselves in history.

A generation later Andrew Jackson, "Old Hickory", galvanized his men into action at the Battle of New Orleans.

Still later two young men destined to win fame on opposite sides of a long interstate strife marched under one flag. These young officers were Robert E. Lee and U. S. Grant.

The Spanish-American War marked the emergence of the United States as a world power—a position from which we hope never to recede.

The story of the World War is too recent for further comment. In that conflict man brought forth his mightiest implements of destruction. We hope the Army to which we have paid our respects this day will be a great bulwark of prevention of another such disaster as that of 1917–18. Prevention of such a disaster is the duty of every American citizen both in the Army and out of the Army. It is your duty and mine.

And just as it is the Army's duty to defend, it is our duty to cooperate with and to support the Army with unswerving loyalty. While around us the world is rocked with chaos, may we add to our tributes today a toast to the men of the Army?

To the men of the Army—protectors of our homeland—builders of worthy citizenship—guardians of law and order—insurers of peace and welfare—defenders of the Nation—we salute you—may the men of the Army continue to serve with the same undying allegiance and devotion to duty which has enabled them to forge on the anvils of time their link in our Herculean chain of national defense.

PUBLIC WORKS OF THE NAVY

Mr. TRAMMELL. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 5576) relating to public works of the Navy.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5576) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, which had been reported from the Committee on Naval Affairs without amendment.

Mr. TRAMMELL. Mr. President, the bill under consideration is a House bill conforming to the recommendations of the Navy Department for certain public works and improvements designed to give greater and improved facilities to the Navy's activities. A companion bill to this was introduced in the Senate by me in the early part of this session. To expedite passage of the measure the House bill was reported. The House committee had a very thorough investigation. The hearings of the House committee were considered by the Senate Committee on Naval Affairs and are also available to Senators as they pertain to the bill under consideration.

The measure provides for certain improvements in the nature of navy-yard works as, for instance, at Boston, for the Marine barracks, South Boston, $22,000. According to the testimony, this is a very necessary improvement.

Then provision is made for improvements at the Navy Yard, Mare Island, Calif., in the nature of a storehouse and accessories, $800,000; graving drydock, services and auxiliary construction, $3,500,000; time-signal station building and accessories, $35,000.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Utah?

Mr. TRAMMELL. Certainly.

Mr. KING. Has the Senator examined the hearings with respect to the item which he just mentioned, namely, $800,000 for storehouse and accessories and $3,500,000 for graving drydock, services and auxiliary construction? My recollection is, though it is rather imperfect, that there was a drydock at Mare Island when I visited it a number of years ago. Did the evidence show the necessity for the improvements which are called for here?

Mr. TRAMMELL. That was the view of the Navy Department and its representatives who appeared before the committee, in which view the committee concurred. The committee is favorable to that item as well as the other items contained in the bill.

Mr. KING. May I ask the Senator the total amount authorized by the bill? It is not stated in the bill.

Mr. TRAMMELL. Approximately $38,000,000 is the total amount authorized by the bill for various and sundry improvements and facilities.

Mr. KING. I suppose a naval appropriation bill will be before us within a short time.

Mr. TRAMMELL. I suppose probably it will be. This, however, is only an authorization bill, and no doubt for the facilities and improvements which it is desired to have begun immediately, an appropriation will be requested. I do not know that an appropriation will be requested to cover the entire amount; but this is the authorization, so that the different works authorized may be proceeded with during the period of some years following the passage of the bill.

Mr. POPE. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Idaho?

Mr. TRAMMELL. I do.

Mr. POPE. What is the total amount to be authorized by the bill?

Mr. TRAMMELL. $38,000,000, in round figures.

Mr. POPE. And that would have to be paid out of the naval appropriation bill?

Mr. TRAMMELL. It would have to be paid out of the naval appropriation bill when we have one. Of course the entire amount cannot come from the public-relief joint resolution. That was guarded against by a provision in the nature of an amendment offered to that measure.

Mr. KING. Mr. President, will the Senator yield further?

Mr. TRAMMELL. I yield.

Mr. KING. In view of the statement made by the Senator from Virginia [Mr. GLASS] when the public-works joint resolution was under consideration, and in view of the language of the joint resolution itself, is the Senator quite sure that no part of the appropriations carried by that joint resolution may be devoted to these improvements?

Mr. TRAMMELL. Mr. President, it is probable, under the amendment, which was agreed to by the Senate when the conference report was adopted, that there are certain improvements, more or less of a minor nature, which could be paid for from the relief joint resolution; but in the main the public-relief joint resolution appropriations would not apply to these purposes.

Mr. KING. My understanding was—and I hope I am in error—that the public-relief joint resolution only forbade, if it went that far, the utilization of any of the funds for new naval construction, but did not forbid the utilization of some of the funds for what the Senator calls minor improvements. I assume that all the improvements referred to in this bill would come under the category of minor improvements, although they call for an aggregate of $38,000,000.

Mr. TRAMMELL. I do not think many of these would come under the category of minor improvements; but under the Public Works Act the administration probably could construct barracks, for instance, some buildings that were necessary, or improve other buildings, if it should see fit to allow any of the public relief funds to be used for that purpose.

Mr. MOORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from New Jersey?

Mr. TRAMMELL. I do.

Mr. MOORE. I desire to ask the Senator a question about arsenals. We have an arsenal in New Jersey which was practically demolished due to explosion several years ago. I was wondering what the committee intends to do about arsenals.

Mr. TRAMMELL. The arsenal in New Jersey is under the War Department, is it not, instead of the Navy Department?

Mr. MOORE. Both.

Mr. TRAMMELL. It is under both the War Department and the Navy Department?

Mr. MOORE. Yes, sir.

Mr. TRAMMELL. I do not recall any particular item in the bill referring to the arsenal in New Jersey. The Senator might glance over the bill; but I do not recall an item of that character.

Mr. MOORE. It is not in the bill, but the Department has promised to make a recommendation on the subject; and I wondered if it was intended to take the necessary money out of the work-relief joint resolution, or whether it should be provided for in this bill.

Mr. TRAMMELL. Mr. President, I am not informed as to what policy the Navy Department will pursue on that subject. The New Jersey arsenal is not in the bill, however, which was recommended by the Department and which has passed the House and is now under consideration in the Senate. That matter, of course, would have to await the action of the Navy Department.

Mr. President, I do not know that it is necessary to go into all these items in detail. The bill embraces recommendations of the Navy Department for needed improvements and public works.

In the case of the navy yard at Puget Sound, the Department recommended a drydock and auxiliary construction there.

The largest item in the bill is for the navy yard at Pearl Harbor, Hawaii. The Department is impressed with the view that we should have proper drydock facilities at Pearl Harbor; and an authorization of $10,000,000 is asked for a floating drydock, type B, including mooring facilities and accessories. At the present time we have very inadequate facilities at that location. An appropriation of $750,000 is also asked for a floating drydock, type D, including mooring facilities and accessories. Then at Pearl Harbor $500,000 is asked for a power-plant building and accessories, which seem to be very essential.

Mr. ROBINSON. Mr. President, may I ask the Senator a question?

Mr. TRAMMELL. Certainly.

Mr. ROBINSON. Did the Committee on Naval Affairs have hearings respecting these items? Were naval officers before the committee, and did the committee go into the details of the bill?

Mr. TRAMMELL. The House committee had very thorough hearings. We invited some of the naval officers before the Senate committee, and at that meeting we also had the House hearings before us. It was the view of the committee that the House hearings thoroughly covered the matter, and we studied the House hearings, although we did have the naval officers appear before the committee in behalf of the measure. They endorsed all the items embraced in the House bill; and we adopted the hearings which had been

held in the House, which are very thorough, and I think are on the desk of each Senator at the present time.

Mr. ROBINSON. The Senate committee made no amendments to the bill?

Mr. TRAMMELL. The Senate committee made no amendments to the bill. A companion bill had been introduced in the Senate by me, and only very minor changes, if any were made in the House; so, to expedite legislation, we recommended the passage of the House bill.

Mr. ROBINSON. The bill carries, for purposes of construction, about $38,000,000?

Mr. TRAMMELL. About $38,000,000.

Mr. President, I think there is no use of attempting to go into every item. They are all supported by ample evidence from the Navy Department, and I shall not discuss the measure at length. I hope that is not necessary. Unless others desire to discuss the bill, I urge immediate favorable action.

The VICE PRESIDENT. The question is on the third reading of the bill.

Mr. FRAZIER. Mr. President, some Senators are not present who perhaps are interested in this measure. For that reason I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hayden	Reynolds
Ashurst	Coolidge	Johnson	Robinson
Austin	Copeland	King	Russell
Bachman	Costigan	Lewis	Schall
Bailey	Couzens	Logan	Schwellenbach
Bankhead	Cutting	Lonergan	Sheppard
Barbour	Dickinson	McCarran	Smith
Barkley	Dieterich	McGill	Steiwer
Bilbo	Donahey	McKellar	Thomas, Okla.
Black	Duffy	McNary	Thomas, Utah
Bone	Fletcher	Minton	Townsend
Borah	Frazier	Moore	Trammell
Brown	George	Murphy	Truman
Bulkley	Gerry	Murray	Tydings
Bulow	Gibson	Neely	Vandenberg
Burke	Glass	Norris	Van Nuys
Byrd	Gore	Nye	Wagner
Byrnes	Guffey	O'Mahoney	Walsh
Capper	Hale	Pittman	Wheeler
Carey	Harrison	Pope	White
Clark	Hatch	Radcliffe	

The VICE PRESIDENT. Eighty-three Senators having answered to their names, there is a quorum present.

The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

THE CALENDAR

BILL PASSED OVER

The VICE PRESIDENT. The calendar is now in order. The clerk will state the first bill in order on the calendar.

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order on the calendar.

Mr. AUSTIN. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

PROMOTIONS IN THE REGULAR ARMY

The Senate proceeded to consider the bill (S. 1404) to promote the efficiency of national defense, which had been reported from the Committee on Military Affairs with amendments.

The first amendment of the committee was, in section 1, on page 2, line 8, after the word "as", to strike out the word "hereinafter" and to insert in lieu thereof the word "hereinbefore", so as to make the section read:

That hereafter the promotion list of the Regular Army and Philippine Scouts shall include all officers on the active list in the grades of second lieutenant to colonel, inclusive, except officers of the Medical Department, chaplains, and professors of the United States Military Academy; promotion-list colonels shall be placed immediately above the lieutenant colonels on the promotion list provided for in section 24 (a) of the act of June 4, 1920 (U. S. C., 10:553, 41 Stat. 771), in the order of their standing on the relative rank list of colonels on the date of this act; officers on the promotion list as above defined shall be known as promotion-list officers; all other officers, except general officers, shall be known as "non-promotion-list officers": *Provided*, That nothing in this act shall be so construed as to change the respective relative positions held by officers on the promotion list, hereinbefore prescribed, nor the method of determining the position of officers on that list as prescribed by the act of June 4, 1920, as amended, except as hereinbefore provided.

All promotions provided for in this act shall be subject to the examination prescribed by existing law.

The amendment was agreed to.

The next amendment of the committee was, in section 3, on page 4, line 18, after the word "date", to strike out the period and insert a colon and the words "*Provided*, That no officer shall be promoted, under the provisions of this paragraph, in advance of any officer in the same grade whose name appears above his on the promotion list", so as to make the section read:

SEC. 3. All vacancies, including original vacancies resulting from the operation of section 2 hereof, occurring on or after July 1, 1935, in the respective grades of colonel, lieutenant colonel, and major of promotion-list officers shall be filled by the promotion of promotion-list officers in the manner provided in section 24c of the said act of June 4, 1920: *Provided*, That no promotion-list officer shall be promoted in time of peace under the provisions of this act to the grade of colonel until he shall have completed 26 years' service; to the grade of lieutenant colonel until he shall have completed 20 years' service, or to the grade of major until he shall have completed 15 years' service, the service to be counted for purposes of this proviso to be only active commissioned service of the same classes prescribed for promotion-list purposes in section 24a of the said act of June 4, 1920; but this proviso shall not apply to lieutenant colonels and majors whose first appointments in the permanent service were in grades above those of captain and second lieutenant, respectively, or who were appointed to the Regular Army under the provisions of the first sentence of section 24 of the act of June 3, 1916, as amended by the said act of June 4, 1920, nor to captains whose first appointments in the permanent service were in a grade above second lieutenant, or whose present rank dates from July 1, 1920, or earlier. All officers promoted under the provisions of this paragraph shall take rank in the grade to which promoted according to the dates stated in their commissions in said grade; and when the dates of rank of two or more officers in said grade are the same, such officers shall take rank among themselves according to their standing on the promotion list.

The number of promotion-list officers that shall be in the respective grades of captain and first lieutenant at any time after the effective date of this act shall be such as results from the operation of the promotion system hereinafter in this paragraph prescribed. Promotion-list second lieutenants and first lieutenants shall be promoted to the respective grades of first lieutenant and captain immediately upon completing, respectively, 3 years' and 10 years' commissioned service in the Regular Army, but not otherwise; and all such officers in the said grades of second lieutenant and first lieutenant, respectively, who shall have completed the said respective periods of service on or before the effective date of this act shall be so promoted as of said date: *Provided*, That no officer shall be promoted, under the provisions of this paragraph, in advance of any officer in the same grade whose name appears above his on the promotion list.

The amendment was agreed to.

The next amendment was, in section 5, page 5, line 17, before the word "service", to strike out the word "commissioned"; on the same line, after the word "be", to strike out the words "separated from the active list" and to insert in lieu thereof the word "retired"; on line 19, after the word "President", to strike out the words "with compensation as follows: Any such officer shall have the option of retirement"; on line 24, after the word "years", to strike out the words "or honorable discharge with 1 year's pay at the rate to which he was entitled at the time of such discharge and, in addition thereto, a cash allowance of $5,500"; on page 6, line 3, after the word "computing", to insert the words "the right to retirement and"; on line 4, after the word "service", to insert the words "now or hereafter"; on line 5, before the word "pay", to insert the words "active duty"; after the word "purposes", to strike out the words "under the Pay Readjustment Act of June 10, 1922"; on line 8, after the word "officer", to strike out the words "who was originally appointed in" and insert in lieu thereof the word "of"; on line 9, after the word "scouts", to strike out the words "to rank from July 1, 1920, or prior thereto" and to insert in lieu thereof the words "below the grade of major"; on line 12, after the word "and", to strike out the words "who shall be separated from the active list" and to insert in lieu thereof the words "whose application for retirement"; on line 14, after the word "section", to insert the words "has been approved by the President"; on line 15, after the word "shall", to strike out the words "have the option of retirement or

honorable discharge" and to insert in lieu thereof the words "to be retired"; on line 17, after the word "pay", to strike out the words "or honorable discharge gratuity", so as to make the section read:

SEC. 5. That any officer on the active list of the Regular Army or Philippine Scouts who, on the effective date of this act or at any time thereafter, shall have completed not less than 15 nor more than 29 years' service may, upon his own application, be retired, in the discretion of the President, with annual pay equal to the product of 2½ percent of his active-duty annual pay at the time of his retirement multiplied by a number equal to the years of his active service not in excess of 29 years: *Provided*, That the number of years of service to be credited in computing the right to retirement and retirement pay under this section shall include all service now or hereafter credited for active-duty pay purposes, any fractional part of a year amounting to 6 months or more to be counted as a complete year: *And provided further*, That any officer of the Regular Army or Philippine Scouts below the grade of major who served as a commissioned officer in the Army of the United States prior to November 12, 1918, and whose application for retirement under the provisions of this section has been approved by the President shall be retired in the grade of major with retired pay computed as hereinbefore provided as for a major with the same length of service: *And provided further*, That nothing in this act shall operate to deprive any officer of the retired rank to which he is now entitled under the provisions of law: *And provided further*, That any officer originally appointed as of July 1, 1920, at an age greater than 45 years may, if he so elects, in lieu of retired pay at the rate hereinbefore provided, receive retired pay at the rate of 4 percent of active-duty pay for each complete year of commissioned service in the United States Army, the total to be not more than 75 percent: *And provided further*, That all officers retired under the provisions of this section shall be placed on the unlimited retired list.

The amendments were agreed to.

Mr. SHEPPARD. Mr. President, I move to strike out section 6.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 7, after line 5, it is proposed to strike out section 6, as follows:

SEC. 6. That the seventh paragraph of section 127a of the act of June 4, 1920 (U. S. C., 10:553, 41 Stat. 771), as amended, is hereby further amended by adding the following: "Temporary appointments to higher rank, not above that of colonel, may likewise be made in time of peace, under such regulations as the President may prescribe; but such appointments shall confer no right to exercise command, take precedence, or receive pay or allowances prior to the recognition of a state of war, and on such recognition they shall be in full force and effect, carrying rank from date of appointment."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909 (35 Stat. 1109; U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Mack Copper Co. was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The resolution will be passed over.

ADDITIONAL CADETS AT UNITED STATES MILITARY ACADEMY

The bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy was announced as next in order.

Mr. KING. Let that bill go over.

Mr. ROBINSON. Mr. President, the Senator from Texas [Mr. SHEPPARD] introduced this bill. I wonder whether the Senator from Utah would not be willing to hear an explanation?

Mr. KING. Certainly.

Mr. McKELLAR. I should like to hear an explanation of the bill.

Mr. SHEPPARD. Mr. President, this bill is made necessary by the fact that by the time the additional cadets would graduate an unusually large number of officers will go out of the Army, officers who came into the service during the Spanish-American War and during the World War. Unless we increase the number of cadets, by the time those officers go out we will not be able to maintain the percentage of trained officers which the War Department feels should always be maintained, that is, 60 percent of trained officers in comparison with officers coming into the service from civil life. The additional cadets would not graduate as officers for 4 years, and it is necessary now to prepare for the situation I have described.

Mr. McKELLAR. The cadets would be selected in exactly the same way cadets are now selected?

Mr. SHEPPARD. In exactly the same way.

Mr. COSTIGAN. Mr. President, may I ask how large an increase in personnel there would be?

Mr. SHEPPARD. One additional cadet for each Senator and Representative and 10 for the President.

Mr. COSTIGAN. What would be the aggregate increase?

Mr. SHEPPARD. About 500.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter there shall be allowed at the United States Military Academy 3 cadets for each Senator, Representative, Delegate in Congress, and Resident Commissioner from Puerto Rico, 5 for the District of Columbia, and 132 from the United States at large, in addition to the number now authorized to be appointed from the enlisted men of the Regular Army and National Guard, and the sons of deceased officers, soldiers, sailors, and marines.

WILLIAM W. DANENHOWER

The Senate proceeded to consider the bill (S. 925) to carry into effect the findings of the Court of Claims in the case of William W. Danenhower, which had been reported from the Committee on Claims with an amendment, to add a proviso at the end of the bill so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William W. Danenhower, out of any money in the Treasury not otherwise appropriated, the sum of $34,260 for damages caused by the depreciation in value of his property situate in square 737 in the city of Washington, D. C., which said damages were caused by the elimination of the grade crossings of railroads in pursuance to the act of Congress approved February 12, 1901 (31 Stat. L. 774), and acts supplemental thereto, as found by the Court of Claims and reported in Senate Document No. 2, Sixty-seventh Congress, first session: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ROBINSON. Mr. President, I inquire of the Senator reporting the bill, if he is present, and if not the senior Senator from Kansas [Mr. CAPPER], who introduced the bill, whether the measure was favorably reported by the department to which it was referred.

Mr. CAPPER. Mr. President, this is a matter which has been before the Court of Claims. A similar measure has passed the Senate six times, and always failed in the House. The bill is in accordance with the findings of the Court of Claims.

Mr. ROBINSON. I have no objection to the consideration of the bill.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SQUAW ISLAND FREIGHT TERMINAL CO., INC.

The Senate proceeded to consider the bill (S. 1817) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island.

Mr. KING. Mr. President, I find an adverse report on this bill by the Secretary of War, and would like to have an explanation of it. Otherwise, I shall object to its consideration.

The VICE PRESIDENT. Does the Senator desire to have the bill go over?

Mr. KING. Let it go over.

Mr. COPELAND rose.

Mr. KING. I withhold the objection pending an explanation.

Mr. COPELAND. The Senator may not recall, but I had a colloquy with him at the last session in regard to this measure. It would permit the claimants to go into the Court of Claims because of a loss of property occasioned by the breaking of a dike on Squaw Island. It was the attitude of the Department, to which the Senator has referred, that it is assumed that the loss of property referred to was occasioned by the break mentioned, but that has not been verified. The Department was not satisfied that sufficient evidence had been presented, and the purpose of the bill is to enable the claimant to go into the court to determine whether or not the failure of the Government to provide proper dikes on the Niagara River was the cause of the loss. I think the Senator last year, after the explanation, felt that it was proper to let the bill pass.

The VICE PRESIDENT. Is there objection to the consideration of the bill? The Chair hears none, and the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or any statute of limitations or other limitations upon the jurisdiction of such court, to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., for just compensation to it for loss of property and/or damage occasioned by the breaking of an inadequate and/or improperly and insufficiently constructed Government dike on Squaw Island between Black Rock Canal and the Niagara River in December 1921 and January 1922.

BILLS PASSED OVER

The bill (S. 875) for the relief of Michael F. Calnan was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2029) to authorize naval and Marine Corps service of Army officers to be included in computing dates of retirement was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

JAMES A. FARLEY

The resolution (S. Res. 74) to investigate the public and official conduct of James A. Farley was announced as next in order.

Mr. WHEELER. Let that go over.

Mr. McKELLAR. Mr. President, I wish to say a word in regard to Senate Resolution 74. The committee is perfectly willing to have a vote on the resolution at any time. I understand the Senator from Louisiana [Mr. LONG] is not here today, and, of course, in his absence I would not insist upon the resolution being taken up; but I did not want it to be called without saying that the committee is entirely ready to have a vote on it at any time.

The VICE PRESIDENT. Objection being heard, the resolution will be passed over.

BILL PASSED OVER

The bill (S. 2119) for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, and/or the widows of such of them as may be deceased, was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

REGULATION OF LOAN BUSINESS IN THE DISTRICT

The Senate proceeded to consider the bill (S. 1162) to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment was, in section 1, page 2, line 2, to strike out the words "bankers, trust companies, savings banks, building and loan" and to insert in lieu thereof the words, "bankers, credit unions established under the act approved June 23, 1932 (47 Stat. 326, c. 272, sec. 1), and under the act approved June 26, 1934 (48 Stat. 1216, c. 750), trust companies, savings banks, building and loan", and on line 11, after the word "loan", to insert the words ": *Provided*, That any of the above-excepted national banks, licensed bankers, trust companies, and savings banks may operate under the provisions of this act upon securing a license so to do", so as to make the section read:

DEFINITIONS

SECTION 1. (a) "Lender", as used in this act, is any individual, copartnership, firm, association, or corporation engaged in the District of Columbia in the business of lending money upon which interest, fees, and charges totaling more than 6 percent per annum upon the unpaid principal balances of such loan are paid or charged, whether with or without security of any kind, direct or collateral, tangible or intangible, except national banks, licensed bankers, credit unions established under the act approved June 23, 1932 (47 Stat. 326, c. 272, sec. 1), and under the act approved June 26, 1934 (48 Stat. 1216, c. 750), trust companies, savings banks, building and loan associations, or real-estate brokers, as defined in chapter 4, title 20, of the Code of the District of Columbia, and pawnbrokers. Pawnbrokers are those who lend money upon physical security and keep possession of such security during the period of the loan: *Provided*, That any of the above-excepted national banks, licensed bankers, trust companies, and savings banks may operate under the provisions of this act upon securing a license so to do.

(b) "Procurer", as used in this act, is any individual, copartnership, firm, association, or corporation engaged in the District of Columbia in the business of procuring or securing money or its equivalent for another when said person, copartnership, firm, association, or corporation is paid anything of value for the procurement of said money or its equivalent.

(c) "Person", within the meaning of this act, includes individuals, firms, partnerships, associations, and corporations.

(d) "Superintendent", as used in this act, means the Superintendent of Insurance for the District of Columbia.

(e) For definitions of "interest", "charges", and "fees" see section 12.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I will wait until the amendments shall have been acted on, and then I should like to have an explanation of the bill by the Senator from Utah.

Mr. McNARY. Mr. President, my memory has been refreshed that the Senator from Minnesota [Mr. SCHALL] objected to this bill when it was called up on a previous occasion, or at least I objected in his behalf; and I think it might be well, may I suggest to the Senator from Utah, to have the Senator from Minnesota summoned to the floor and allow the bill to be passed over for a moment without prejudice.

Mr. KING. I have no objection, assuming that the Senator will assent to taking up the amendments and agreeing

to them; and if the Senator from Minnesota shall object to any of the amendments agreed to I will consent to a reconsideration.

Mr. McNARY. Are there many amendments?

Mr. KING. Just a few.

The VICE PRESIDENT. The clerk will state the next amendment.

The next amendment of the committee was in section 12, on page 10, at the beginning of line 12 to insert "(A)"; on page 11, line 5, to insert "(B)"; on page 12, after line 12, to strike out "The superintendent is hereby authorized and instructed from time to time, as his investigations and the reports made to him shall justify, to increase or decrease the rates of interest and the fees (or either the interest or the fees) hereinbefore provided, or to disallow the fees, in order that lenders may derive from the loaning of money a reasonable profit but that borrowers may not be subjected to exorbitant charges for such loaning. Such rates or fees may not be thus increased to allow a lender more than twice the amounts herein allowed or decreased to less than half such amounts. Such increases or decreases shall be made only by regulation duly published, and after approval thereof has been had from the Commissioners of the District of Columbia"; on page 13, at the beginning of line 3, to insert "(C)"; on the same page, line 4, to strike out "(or such amounts as may be prescribed by the superintendent as herein provided)"; and on page 13, line 16, to strike out "pay amounts greater than the installments specified in the contract of loan and in the event of such greater payments", and to insert in lieu thereof "pay in advance of the date specified in the contract of loan one or more installments and in the event of such greater payments", so as to make the section read:

SEC. 12. (A) "Interest" as used in this act means an amount of money or other thing of value required to be paid as compensation for the loan of money or credit. It includes any and all charges, fees, expenses, demands, discounts, commissions, brokerage, bonuses, including notarial and examination fees, and all other charges of any character made, directly or indirectly, for any purpose by any lender, procurer, appraiser, or any other person in connection with the lending or procuring of money or credit; except the fees hereinafter specified.

The total interest (as above defined) which may be charged or received by a lender, his agents, representatives, officers, and employees (total for all such persons concerned in the loan) in respect to any loan shall not exceed 2 percent per month on the monthly unpaid principal balances of the loan. Interest shall not be compounded. Neither interest nor fees shall be deducted from the principal of the loan.

(B) "Fees" as used in this act means the fees specified in the following schedule.

For the purposes of determining the fees allowable hereunder, loans are divided into three classes and the fees allowable are as follows:

(a) Loans of $35 or less for a period of 30 days or less without collateral (so-called "character loans"). In these loans a fee not to exceed $1 (in addition to interest and charges as above defined) may be charged and received for a credit report or investigation, but only if such report or investigation is actually secured or made by the lender or procurer. In these loans a total of 50 cents as interest and other charges (in addition to the $1 just referred to) may be allowed on each such loan.

(b) Loans of any amount for more than 30 days and loans of more than $35 for 30 days or less, without collateral (so-called "character loans"). In these loans fees not to exceed $3 (in addition to interest and charges as above defined) may be charged and received for credit reports or investigations at the rate of $1 per report or investigation, but only if such reports or investigations are actually secured or made by the lender or procurer. Such credit reports or investigations may concern either the borrower or proposed endorsers.

(c) Loans on collateral. On these loans the following fees may be charged and received:

For the recording of chattel mortgage, not to exceed $1;

For the examination of titles, not to exceed $3.

Insurance premiums actually paid for insurance protection of the collateral security where such protection is necessary and does not already exist. The insurance which the borrower may be required to take shall not exceed the amount necessary to protect the total amount of the loan.

(C) No interest or fee of any kind or description, in addition to the foregoing schedule may be charged or received by any lender, procurer, or any other person in connection with any loan.

Such fees as are allowed under the foregoing schedule may be charged only upon the original loan and may not be charged upon any renewal thereof.

The borrower shall be permitted to repay the full amount of the loan, with the interest, fees, and charges due, at any time, and in the event of such payment shall not be charged interest on the loan beyond the date of the payment. Likewise the borrower shall be permitted to pay in advance of the date specified in the contract of loan one or more installments and in the event of such greater payments no further interest on that amount so paid shall be charged or received.

In cases of loans upon collateral security where the physical property supporting the collateral remains in the possession of the borrower (such as loans upon automobiles or other personal property) and the borrower is in default on the due date and the lender has a right to repossession of the property and does so repossess the property, the lender may charge and receive the actual fees incurred and expended by him in such repossession, but only in the amount so actually expended by him and actually paid by him to some other concern for the services rendered.

The amendment was agreed to.

The VICE PRESIDENT. The Chair understands the bill will go over without prejudice, to be called up later.

Mr. KING. Later during the day.

The VICE PRESIDENT. Is there objection to that arrangement? The Chair hears none, and it is so ordered.

DISTRICT OF COLUMBIA APPROPRIATIONS—APPOINTMENT OF CONFEREES

The VICE PRESIDENT. The Chair appoints the following conferees on the District of Columbia appropriation bill, as ordered by the Senate last night: Mr. THOMAS of Oklahoma, Mr. GLASS, Mr. COPELAND, Mr. KING, Mr. NYE, and Mr. KEYES.

The Chair would like to make a statement concerning the future policy of the present occupant of the chair in the matter of appointing conferees.

It has been the custom for a long time for the Senator having charge of an important House bill which passes the Senate with amendments, to ask for a conference with the House of Representatives and that the Chair appoint the conferees on the part of the Senate. He sends to the Chair the names of the conferees. So far as the RECORD shows, the occupant of the chair appoints the conferees, whereas, as a matter of fact, he exercises no discretion and does not even see the names of the conferees until they are sent to the Chair.

Hereafter the present occupant of the chair expects to exercise some discretion in the matter of selecting conferees when the Senate authorizes him to make the appointments.

The Chair mentions this now so that no Senator in the future may think he is slighted or otherwise discriminated against if he asks unanimous consent that the Chair appoint conferees and sends up his list, and those named on the list are not appointed. The Chair merely desires to give notice of his course in the future. If there is any reaction to the contrary the Chair would like to know it, and then some rule ought to be made as to how conferees should be appointed, because the Chair is advised there is no specific rule of the Senate concerning the appointment of conferees.

Mr. McNARY. Mr. President, I cannot agree with all the Chair has said regarding a rule. There may not be a specific rule, but precedents have certainly established a rule in the absence of one formally adopted by the Senate. I have no doubt that the rule provides that the selection of the conferees must be by a majority vote of the Senate as such.

The VICE PRESIDENT. That would be parliamentary law, but, so far as the Chair has been able to find—and he has made an investigation of the question in connection with the parliamentary clerk—there is only one specific rule with reference to the appointment of conferees. In the appointment of conferees to consider appropriation bills the rule requires that in connection with the agricultural appropriation bill, for instance, one of the conferees must be selected from the Committee on Agriculture; in the consideration of the naval appropriation bill, one of the conferees must be selected from the Committee on Naval Affairs; one from the Committee on Military Affairs when the War Department bill is being considered; and so on with the various other appropriation bills. Outside of that, the Chair has been unable to find a single reference in the rule as to the method by which the Senate may select its conferees. Parliamentary law undoubtedly would indicate that the selection of the majority should prevail.

Mr. McNARY. I cannot agree in full with that statement of the Chair, much as I dislike to disagree. I call the Chair's attention to rule XXIV, which specifically provides that the selection of the managers on the part of the Senate must be made by majority vote of the Senate.

The VICE PRESIDENT. Will the Senator refer to that rule now and state it?

Mr. McNARY. I speak from memory, but, as I recall, it is rule XXIV.

The VICE PRESIDENT. That rule deals with the appointment of standing committees of the Senate.

Mr. McNARY. That has been interpreted, under Hinds' Decisions, as including in the Senate conferees as well as committees; but whatever the rule may be, Mr. President, the practice has grown up here, as stated by the Chair, of appointing the conferees whose names have been submitted to the Chair by the Senator in charge of the particular bill.

The VICE PRESIDENT. Will the Senator permit the Chair to read rule XXIV, to which he referred?

1. In the appointment of standing committees, the Senate, unless otherwise ordered, shall proceed by ballot to appoint severally the chairman of each committee, and then, by one ballot, the other members necessary to complete the same.

That refers to standing committees. The Chair does not think that language could possibly be construed to mean conferees.

Mr. McNARY. That particular construction has been given, I call attention of the Chair, to the note on page 204 of the rules and manual of the United States Senate.

Mr. COUZENS. Will the Senator from Oregon read it, please?

Mr. McKELLAR. I have it here, and I shall be glad to read it.

Mr. McNARY. Just a moment. I do not yield for that purpose. I am addressing the Chair in an orderly way.

Mr. McKELLAR. I thought the Senator said he did not have it before him, and I have it before me.

Mr. McNARY. I have the note before me, and I am calling it to the attention of the Chair. I call the Chair's attention to the note under section 17, Appointment of Conferees. Then, again, I direct the attention of the Chair to the interpretation of that rule in some of the precedents found in Hinds' Precedents.

Mr. President, I have no doubt whatever the interpretation of the rules of the Senate is bottomed upon precedents. The majority Members of the Senate may at all times select their own committees and conferees. If there is any doubt about that, the matter should be referred to the Senate Rules Committee to make it definite and certain; but, so far as I am concerned, from the study and research which I have made, I am convinced that that is and has been the attitude of the Senate.

The VICE PRESIDENT. The Chair is in thorough sympathy and thorough accord with the view of the Senator from Oregon that the Senate can appoint its conferees by a majority vote of the Senate.

Mr. McNARY. Mr. President, there is another matter which strikes vitally at this subject, which I think is also covered by the rule. That is, that in the selection of conferees, whether undertaken by the Senate or, by unanimous consent, by the Chair, consideration should be given to those friendly and in sympathy with the bill which goes to conference.

The VICE PRESIDENT. That will be the purpose of the present occupant of the chair.

Mr. McNARY. I say that without reflection upon anyone. I have no reason to reflect upon the motives or the attitude of anyone; but it looks better to have those who act as conferees friendly to the bill. I think that is covered by the rule; and I call the Chair's attention to the statement found at the bottom of page 204, on the subject of conferences and conference reports, which I interpret to mean that the majority, at least, of the conferees must be sympathetic with the prevailing opinion, which must be the majority of the Senate who support the measure; otherwise, it would not go to conference.

So, Mr. President, if there is any doubt in the mind of the present Presiding Officer or others who may from time to time temporarily occupy the chair, I feel certain that in the future the Chair will be quite guided by the precedents, and if he should appoint those whom he pleases, or those who may be selected by the majority of the Senate, will bear in mind particularly those who are in sympathy with the bill as it goes to conference. If that is the attitude of the Chair, I think he is abundantly supported by precedents; and I shall be very glad, in my humble way, to support the Chair in that determination.

The VICE PRESIDENT. That will certainly be the policy of the present occupant of the chair.

Mr. ROBINSON. Mr. President, I do not know that it is necessary to attempt to add anything to what has been said. After the discussion which has taken place, I do not know that there is any substantial difference between the Chair and the Senator from Oregon [Mr. McNARY] as to the true interpretation of the rule. Without doubt, the Senate has the right to elect all its committees; but the practice has arisen, by unanimous consent, of the Chair appointing conferees, and those appointments are made on the recommendation of the Senator in charge of the bill. Nevertheless, the rule contemplates that when conferees are appointed, a majority of the members of the conference shall reflect as nearly as may be the conclusion of the Senate, and the minority is entitled to representation.

The VICE PRESIDENT. The clerk will call the next bill on the calendar.

Mr. McKELLAR. Mr. President, before the next bill is called, I wish to read the note referred to, and I think Senators should listen to it. The note on page 204 of the Rules and Manual of the United States Senate reads as follows:

NOTE.—The Senate members of conference committees, called the managers on the part of the Senate, are appointed by the Presiding Officer, by unanimous consent, under the custom of the Senate. Rule XXIV, clause 1, provides that all committees of the Senate shall be appointed by ballot unless otherwise ordered.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. ROBINSON. That simply means that when the request is made that the Chair appoint the conferees, any Senator may object, in which case the Senate would elect its conferees.

Mr. McKELLAR. I have no doubt about that. I think the suggestion of the Chair that this matter be taken up with the Rules Committee, and a definite rule be fixed, is entirely proper; but I do not think the custom ought to be changed until the Committee on Rules shall have had the matter before it and shall make a report to the Senate.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. ROBINSON. May I say that there is no necessity for changing the rule. The rule now provides for the election of all committees by the Senate and for the election of committee chairmen. It also authorizes the same procedure in cases of conferees. We follow by custom a different procedure even with respect to standing committees; but there always exists the right on the part of a Senator to object to the appointment of conferees by the Chair, in which case they will be elected by the Senate. I do not see how the rule could be improved.

Mr. BORAH. Mr. President, I understand the practice heretofore to have been that the Chair appoints the conferees at his own discretion, according to his own judgment, except there must be representatives from both parties.

Mr. ROBINSON. Unless there be objection on the part of the Senate.

Mr. NORRIS. Mr. President, I think it is generally known, and that there is no dispute about the fact, that the Chair has no right to appoint conferees unless the Senate authorizes the Chair to do it. What happens ninety-nine times out of a hundred is that the motion is adopted by the Senate agreeing to the conference asked by the House, or asking

a conference, as the case may be, and authorizing the Chair to appoint the conferees. What is done is in the shape of a motion, which is agreed to.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. McKELLAR. Ordinarily it is by unanimous consent.

Mr. NORRIS. It could be, but I should say that ordinarily it is by motion, and the Chair says, "Without objection, the motion is agreed to." However, if anyone insisted on such action, as in the case of any other motion, we could have a roll call on the question. We could debate it. It is debatable. As the practice has existed, however, almost universally it goes through by unanimous consent. That action then becomes the authority for the Chair to appoint the conferees, and he has no other authority.

It is true that the chairman of the committee or the subcommittee having charge of the bill sends up a little paper with the names on it and the Chair appoints the Senators thus named conferees on the part of the Senate, but the RECORD does not show that the Chair's discretion has in anywise been interfered with. The little pink slip which goes up to the Chair never appears in the RECORD, and there is not a record of it, but the Chair follows out the direction, and that has become a custom which is practically universal. The Chair has the legal right to disregard that custom entirely, take his authority from the motion which is adopted, and appoint anyone he sees fit. He has the authority to do it when that motion is agreed to; but the other custom runs back a great many years, and the Chair would get into trouble right away if he disregarded it; he would find himself in hot water; and probably not many motions of that kind would be made after that.

It is a custom which has become almost a law, and yet it is unwritten, and no Presiding Officer would want to disregard the little slip. In the present instance we have the incident of the Chair calling to the attention of the Senate what he proposes to do in the future, and stating that the Chair will exercise a discretion. Under general parliamentary law I think it is always understood that the conferees on the part of a body appointing conferees should fairly represent the ideas of that body. They should represent the majority who supported and passed the bill. Often, almost every day, bills are passed which are composed of very many items, and it would be impossible, perhaps, for the Presiding Officer to select as conferees Senators who favor everything that has been done by the Senate. So discretion must be allowed. He cannot go further than in a general way appoint those who are favorable to the legislation and appoint a minority on the committee who are opposed to the views of the majority that secured the passage of the measure.

I wish to hail with delight the announcement made by the Vice President that he intends to exercise a discretion when he is authorized by the Senate to appoint conferees. I understand him to say that in the exercise of that discretion he will appoint a majority of conferees who are favorable to the general legislation. It does not mean that he must appoint someone who was in favor of every feature of a given bill, because that would be an impossibility; but I myself think that we would do better if we always had as conferees a majority who were in a general way favorable to the legislation which was the subject matter of the conference.

Mr. PITTMAN. Mr. President, if any Senator desires to have those named on a certain list appointed conferees when the motion is made requesting a conference he may submit the list. Then if any other Senator desires to take issue as to the name of anyone upon that list he may offer an amendment to substitute another name. If it becomes a contested question, that brings the question clearly before the Senate for determination as to who the conferees shall be.

However, the position of the Chair is that under the general practice, if there is criticism of the conferees as appointed, the public does not know that he has simply followed the old custom of appointing those whose names the chairman of the committee sends up to him. So I think that the statement the Chair has made makes it quite clear that, if the responsibility is placed on him, he will assume the responsibility and will appoint whom he sees fit.

BILL PASSED OVER

The VICE PRESIDENT. The clerk will call the next bill on the calendar.

The bill (S. 509) to prevent the use of Federal official patronage in elections and to prohibit Federal office holders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. BARKLEY. Over.

The VICE PRESIDENT. The bill will be passed over.

OMAHA AND WINNEBAGO INDIANS OF NEBRASKA

The bill (S. 612) for the benefit of the Omaha and Winnebago Indians of Nebraska was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

Mr. NORRIS subsequently said: Mr. President, I ask permission to recur to Calendar No. 321, being Senate bill 612, which has already gone over on objection. The bill was reported by the committee without any opportunity for the taxing authorities of certain counties in Nebraska to be heard. I took up the matter with the Senator from Oklahoma [Mr. THOMAS], who does not happen to be in the Chamber at the moment. He said he would not resist the motion which I am about to make if I found on investigation that the taxing authorities desired to be heard. Accordingly I move that the bill be recommitted to the Committee on Indian Affairs so that it may again be considered.

The VICE PRESIDENT. Without objection, the motion is agreed to, and the bill is recommitted to the Committee on Indian Affairs.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

DAMAGE CLAIMS AGAINST CIVILIAN CONSERVATION CORPS

The Senate proceeded to consider the bill (S. 553) to authorize the settlement of individual claims for personal property lost or damaged arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War, which had been reported from the Committee on Claims with amendments, on page 2, line 3, after "$5", to strike out "Andy McKelvey, Grand Junction, Colo., $65.35", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kenneth R. Betts, Chillicothe, Ohio, $14.45; Frank W. Brunner, Springfield, Ill., $38.55; W. J. Conley, Dunsmuir, Calif., $99.80; H. B. Clifton, Savanna, Ill., $60.75; Frank E. Daley, Severna Park, Md., $84.70; Mazie J. Donaldson, Oakland, Calif., $49.10; F. T. H. Kelley, Thompson, Conn., $7.10; Meriam H. Lyter, Williamsport, Pa., $5; Robert E. Patnaude, Deer River, Minn., $25; Van's Battery & Electric Co., Inc., Green Bay, Wis., $92.28; and Earl W. Williams, Bennington, Vt., $15.35, in full settlement for damages sustained by reason of the operation of the Civilian Conservation Corps, in which claims have been approved by the Secretary of War: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PREVENTION AND PUNISHMENT OF LYNCHING

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. RUSSELL and Mr. McKELLAR asked that the bill go over.

Mr. COSTIGAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Colorado will state his parliamentary inquiry.

Mr. COSTIGAN. Was exception taken to the immediate consideration of Senate bill 24?

The VICE PRESIDENT. It was.

Mr. COSTIGAN. Does the record show by whom the objection was made.

Mr. McKELLAR. I was one of those who objected, I take great pleasure in saying to the Senator.

Mr. RUSSELL. I also asked that the bill go over.

Mr. McKELLAR. I think the bill ought to go over, because it ought to be debated and not passed under the 5-minute rule. There is no secret about it at all.

The VICE PRESIDENT. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 164) for the relief of Donald L. Bruner was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1453) to create a board of shorthand reporting, and for other purposes, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

PAYMENT OF AWARDS TO SIOUX INDIANS

The Senate proceeded to consider the bill (S. 2241) to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484), which was read, as follows:

Be it enacted, etc., That an appropriation is hereby authorized in the sum of $79,002.19 to pay various Sioux Indians enrolled at the different agencies the amounts which have been awarded to them by the Secretary of the Interior under the act of May 3, 1928 (45 Stat. L. 484), on account of allotments of land to which they were entitled but did not receive.

Mr. FRAZIER. Mr. President, on behalf of the Senator from South Dakota [Mr. NORBECK], who is unavoidably absent, I wish to offer an amendment which will make the Senate bill conform to a House bill which is on the calendar of the other body in the matter of providing for payment to attorneys who have helped in the case.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 1, at the end of line 8, it is proposed to strike out the period, insert a colon, and add the following:

Provided, That the Secretary of the Interior is authorized and directed to determine what attorney or attorneys have rendered services of value in behalf of said Indians and to pay such attorney or attorneys on such findings when appropriation is available the reasonable value of such services, not to exceed 10 percent of the recovery on each individual claim, which payment shall be in full settlement for all services rendered by such attorney or attorneys to said claimants in said claims.

Mr. ROBINSON. Mr. President, I think there should be an explanation of this bill. I do not wish to object to it, but, if the Senator from North Dakota is prepared to analyze it, I should be glad to have him do so.

Mr. FRAZIER. Mr. President, the bill simply provides for the payment of funds which were found necessary following investigation ordered by the Congress. The interior Department has made the investigation and recommends this bill. Previously, back in 1933, a portion of the appropriation was made in payment of these claims. Under an act passed by Congress in 1928 investigations were made to ascertain what Indians were entitled to payment for property losses which were sustained under an old treaty. The bill merely provides for payment. The Secretary of the Interior recommends the bill providing for the payments. It affects Indians in Nebraska, South Dakota, and one claim in North Dakota. The bill was reported by the committee without any objection, and a similar bill has been reported from a House committee and is on the calendar of that body.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. FRAZIER] in behalf of the Senator from South Dakota [Mr. NORBECK].

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 363) to increase the efficiency of the Veterinary Corps of the Regular Army was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

BAIL IN CRIMINAL CASES

The Senate proceeded to consider the bill (S. 18) to amend section 1015 of the Revised Statutes, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 3, after the word " cases ", to insert the word " such ", so as to read:

SEC. 1015. Bail shall be admitted upon all arrests in criminal cases where the offense is not punishable by death, except that in cases of robbery, burglary, kidnaping, extortion, or any crime of violence not punishable by death it shall be the duty of any person authorized to take bail to inquire into the source of the moneys, securities, or collateral offered, and if it shall appear that the moneys, securities, or collateral offered, either as cash bond or as fees to bondsmen, are the proceeds of any unlawful act of the accused, such bail shall be refused.

The amendment was agreed to.

Mr. ROBINSON. Mr. President, let us have an understanding of the purposes of this bill. Is this one of the bills which was reported by the so-called " Crime Committee " of which the Senator from New York was a member?

Mr. COPELAND. It is. The bill makes it the duty of the judge or other person authorized to take bail to ascertain the source of the moneys or securities offered, and if it shall appear that any moneys or securities offered are the proceeds of a robbery, burglary, kidnaping, or any form of violence, or other unlawful act on the part of the accused, the judge or other person may refuse to accept such bail.

When the Dillinger gang was arrested in Arizona a year ago over $28,000 in money, which was ascertained to have come from robberies of banks, was used as bail money. The purposes of this bill, as well set forth, it seems to me, in the bill itself, is that bail shall be admitted upon all arrests in criminal cases where the offense is not punishable by death, except in such cases as I have recited, and it shall be the duty of any person authorized to take bail to inquire into the source of the money offered as bail.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. COPELAND. Yes.

Mr. ROBINSON. As I understand, the effect of the bill is to provide that money or property procured by burglary, robbery, or theft may not be used by the thief, or burglar, or robber for the purpose of making bail?

Mr. COPELAND. The Senator is correct.

Mr. ROBINSON. I think it has a good purpose, and I am for it.

Mr. GEORGE. Mr. President, I dislike to take issue with the distinguished Senator from New York, and the leader on this side, but I think it is a well-established principle that no one ever has any title to anything which he obtains through theft, or burglary, or any other crime, and, of course, no officer of the law, it seems to me, would accept for purposes of bail property to which the principal or the surety on the bond had no title or had no just claim. The difficulty——

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. GEORGE. Yes; I yield.

Mr. ROBINSON. I thoroughly agree with the Senator as, of course, all lawyers would, that a thief or a robber acquires no title by his seizure of property in the ownership of others, but where a person is under arrest and he is found in possession of, say, cash, in order to avoid the delay which will occur in the adjudication of the ownership of the property, I think the officers might very well be authorized to

confine the accused in jail so long as there appears to be reasonable evidence to show that the property or the money or other property offered for bail does not belong to him.

Mr. GEORGE. I would take no issue with the Senator, but that is just the vice of this proposed amendment to the law. It converts the arresting officer into a judicial officer. He is to determine if the citizen accused of crime is in possession of certain property which, in his judgment or as the result of his investigation and finding, he thinks the accused came by through thievery or robbery or some other criminal offense. I believe that the purpose of the bill, of course, is good, but the effect of it will be unfortunate in many cases. There is no need of clogging up the administration of the criminal law with legislation of this character. There are now too many officers in the country who are too free to exercise to the utmost their discretionary powers, and it seems to me the bill is unwise.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Tennessee?

Mr. GEORGE. I yield.

Mr. McKELLAR. I agree with the Senator in the statement just made, but the condition could be immediately corrected by the judge at all times and no harm could be done. For instance, if an officer is mistaken in not accepting bail, the prisoner would have a right through his attorney immediately to apply to the court, and the mistake, if one had been made by the arresting officer, could be corrected immediately.

Mr. GEORGE. This bill proposes to amend the law under which the prisoner has a right to bail. If the arresting officer or the officer whose duty it is to take bail exercises the power, the court would not interfere unless there be a clear arbitrary exercise of power. The objection I make is that the bill is wholly needless. It is cumbersome and will put into the hands of arresting officers a vast discretionary power which will be most burdensome to the citizen who is entitled to bail and who has the means of providing bail, but who, in the opinion of the arresting officer, has come by the property which he proposes to use as security in an illegal manner. All officers have the right anyway to refuse to accept anything in the nature of a cash bail if there be any question as to the validity or right of the party offering it to offer the property as a cash bail.

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from New York?

Mr. GEORGE. Certainly.

Mr. COPELAND. The dreadful thing about this is, however, that such a thing has actually happened.

Mr. GEORGE. It may have happened.

Mr. COPELAND. We are attempting in every way we can to do away with kidnaping and extortion and modern crimes of violence which have to do with the invasion of the rights and lives of citizens. It actually has happened that money or securities in the way of negotiable Government bonds which bank robbers have taken from banks have actually been used for bail. It is to do away with that possibility that our committee thought it wise to recommend the bill.

Mr. GEORGE. I should not question that it may have happened, but what will happen under the terms of the bill is that an arbitrary officer will in effect deny a citizen the right to bail by acting in the capacity of a judicial officer and determining that the man has come by the property in some one of the illegal ways set out in the bill. I cannot see any necessity for this kind of legislation.

Mr. BORAH. Mr. President——

Mr. GEORGE. I yield to the Senator from Idaho.

Mr. BORAH. The word "unlawful", it seems to me, is very broad. It says, "money which is the proceeds of any unlawful act." It might require a trial to determine whether or not it was obtained unlawfully.

Mr. GEORGE. That is exactly my objection. I think if Senators will simply scrutinize the bill with the degree of care that it ought to have applied to its consideration, they will reach the conclusion which I have reached.

Mr. WHEELER. Mr. President, I entirely agree with what the Senator from Georgia has said. This bill would simply turn over to a police officer the right to deny bail to someone arrested on suspicion. Certainly we have not reached such a point in the United States that we want to give to policemen and people of that type the power which the bill unquestionably would grant. I ask that the bill go over.

Mr. COPELAND. Mr. President, I take it from what was said by the Senator from Georgia [Mr. GEORGE] and the Senator from Idaho [Mr. BORAH] that they agree with the spirit of the proposal, but object to its language. It will be observed that the bill was introduced by the entire membership of the committee, consisting of the Senator from Michigan [Mr. VANDENBERG], the Senator from Iowa [Mr. MURPHY], and myself. I hope that we who introduced the bill may have the assistance of the Senators from Georgia, Montana, and Idaho to correct the language so we may reach this particular kind of devil. He is abroad in the land, and we have to find some way to deal with him. It seemed to us that this was the way to do it, and that was the view of the Judiciary Committee when our committee reported the bill to the full committee. I am satisfied to let the matter go over, and shall confer with the various Senators.

The VICE PRESIDENT. On objection, the bill will go over.

AMENDMENT OF CRIMINAL CODE

Mr. LOGAN. Mr. President, I ask unanimous consent to recur to Calendar 128, the bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909, Thirty-fifth Statutes, 1109—United States Code, title 18, section 203—and for other purposes. I asked the Senator who objected to withhold his objection until I can make a brief explanation of the bill. I shall not ask for action on it at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Senator from Kentucky may proceed.

Mr. LOGAN. When this bill was reached on the calendar recently the Senator from Arkansas [Mr. ROBINSON] objected and made a statement which I hardly think was justified, although I do not like to disagree with him. He said the bill would make it a felony for a Senator to attempt to speed up action or ascertain the status of a matter pending before a department. I do not think that is a proper construction of the bill, and I know it was not the intention of the bill. I desire to explain in a very few words the purpose of the bill.

Section 113 of the Criminal Code at this time prohibits a Member of Congress from appearing for a fee or receiving consideration or compensation for his appearance before any department to aid any person, association, or corporation in any matter in which the United States Government is interested.

The bill would make some very slight changes in that law. In the first place, it proposes to include national committeemen, the chairmen of State committees, and the officers of the national committees, and to place them on the same basis on which section 113 of the code now places Members of Congress and provides that they may not appear before the departments for compensation.

The bill goes further. It would not allow Members of Congress to appear before the various establishments, commissions, and corporations in which the Government owns capital stock, either for compensation or without compensation. I receive hundreds of requests every day from constituents asking me to do things I cannot do and which I do not believe any other Senator would do. I do not believe, because no Senator is going to commit murder, that we ought not to have a statute against murder; or because no Member of Congress is going to commit burglary that we ought not to have a statute against burglary.

I know I have requests to go to the Attorney General of the United States to ask him to intervene or interfere in some prosecution. We are requested to go before depart-

ments and bureaus to appear in the interest of some particular person or corporation about a private matter. In other words, we are requested hundreds of times to do things, not because we are familiar with the facts, not because we are as competent to do it as a lawyer would be, but for the sole reason that our political influence is sought to appear before someone who will be afraid to deny our request when we make it.

We ought not to be allowed to recommend men for appointment to office and then appear before them and ask for some favor for a constituent of ours, or for anyone else.

I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, the report of the committee on Senate bill 213, which is Calendar No. 128.

There being no objection, the report (No. 126) submitted by Mr. LOGAN on the calendar day February 19, 1935, was ordered to be printed in the RECORD, as follows:

The Committee on the Judiciary, to whom was referred S. 213, proposing to amend section 113 of the Criminal Code of March 4, 1909 (35 Stat. 1109 (U. S. C., title 18, sec. 203)), and for other purposes, report the same to the Senate with various amendments and recommend the adoption of the amendments and the enactment of the bill as amended.

The committee recommends the following amendments:

Amend by inserting in line 9, page 1, after the word "committeewoman" and before the word "of", these words: "or State or national officer."

Amend by striking out all of the language after the word "shall" in line 11 down to and including the word "whatever" in line 20 and insert in lieu thereof the following: "before any such department, independent establishment, board, commission, or other instrumentality of the United States, including corporations in which the United States may own any part of its capital stock whatever, render any service or assistance of whatever character for or on behalf of any person, firm, corporation, or any other association in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest, imprisonment, or other matter or thing in which the United States is a party or directly or indirectly interested."

Amend by striking out the word "and" in line 21 and substituting therefor the word "or."

Section 113 of the Criminal Code of March 4, 1909, is substantially the same as section 1782, Revised Statutes, which was enacted on June 11, 1864. Section 113 of the Criminal Code as it now exists is as follows:

"Whoever, being elected or appointed a Senator, Member of or Delegate to Congress, or a Resident Commissioner, shall, after his election or appointment and either before or after he has qualified, and during his continuance in office, or being the head of a department, or other officer or clerk in the employ of the United States, shall, directly or indirectly, receive, or agree to receive, any compensation whatever for any services rendered or to be rendered to any persons either by himself or another, in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest, or other matter or thing in which the United States is a party or directly or indirectly interested, before any department, court martial, bureau, officer, or any civil, military, or naval commission whatever, shall be fined not more than $10,000 and imprisoned not more than 2 years; and shall, moreover, thereafter be incapable of holding any office of honor, trust, or profit under the Government of the United States."

Section 1782, Revised Statutes, was before the Supreme Court for consideration in the case of *Burton* v. *United States* (196 U. S. 283 and 202 U. S. 344). A United States Senator had acted as attorney for compensation on behalf of a certain corporation which had violated the postal laws. In that case the Court held that the proper discharge of legislative duties "does not require a Senator to appear before an executive department in order to enforce his particular views, or the views of others, in respect of matters committed to that department for determination. He may often do so without impropriety, and, so far as existing law is concerned, may do so whenever he chooses, provided he neither agrees to receive nor receives compensation for such services. Congress, when passing this statute, knew, as indeed everybody may know, that executive officers are apt, and not unnaturally, to attach great, sometimes, perhaps, undue weight to the wishes of Senators and Representatives. Evidently the statute has for its main object to secure the integrity of executive action against undue influence upon the part of members of that branch of the Government whose favor may have much to do with the appointment to, or retention in, public position of those whose official action it is sought to control or direct. The evils attending such a situation are apparent and are increased when those seeking to influence executive officers are spurred to action by hopes of pecuniary reward. There can be no reason why the Government may not, by legislation, protect each department against such evils, indeed, against everything, from whatever source it proceeds, that tends or may tend to corruption or inefficiency in the management of public affairs. A Senator cannot claim immunity from legislation directed to that end, simply because he is a member of a body which does not owe its existence to Congress, and with whose constitutional functions there can be no interference. If that which is enacted in the form of a statute is within the general sphere of legitimate legislative, as distinguished from executive and judicial, action, and not forbidden by the Constitution, it is the supreme law of the land—supreme over all in public stations as well as over all the people. 'No man in this country', this Court has said, 'is so high that he is above the law. No officer of the law may set that law at defiance with impunity. All the officers of the Government, from the highest to the lowest, are creatures of the law, and are bound to obey it.' (*United States* v. *Lee*, 106 U. S. 196, 220.) Nothing in the relations existing between a Senator, Representative, or Delegate in Congress and the public matters with which, under the Constitution, they are respectively connected from time to time, can exempt them from the rule of conduct prescribed by section 1782. The enforcement of that rule will not impair or disturb those relations or cripple the power of Senators, Representatives, or Delegates to meet all rightful or appropriate demands made upon them as public servants."

By comparing the provisions of the proposed bill with the provisions of section 113 of the Criminal Code of March 4, 1909, it will be noted that the principal changes are in effect to place members of the National and State committees and certain officers of any political party under the same disabilities in the matter of practicing before the executive departments, boards, bureaus, and establishments of the Government as Senators and Representatives are placed by the provisions of section 113, Criminal Code, where any fee is charged for the rendition of such service. The proposed bill extends the prohibitions to all corporations where the United States owns any stock. Within recent years the Government has organized many corporations, either by act of Congress or through some other agency, for the performance of governmental functions. In the case of *Strang* v. *U. S.* (254 U. S. 491) the Supreme Court held that there was a distinction between cases where the Government was defrauded directly and where a Government corporation was defrauded.

The evils pointed out by the Supreme Court in the Burton case with respect to the practice of Members of Congress before governmental agencies for fees are not less when members of National or State political committees appear before such agencies in behalf of clients. Such powerful political figures may have been instrumental in causing the appointment of the particular Government officer before whom the controversy may be brought. It is apparent that those holding powerful positions in political organizations might exercise an undue influence before a governmental agency under our present system, which allows many Government officers to be appointed out of political consideration. President Roosevelt saw this evil as one that should be corrected when he called attention to it during the last session of Congress.

Section 113 of the Criminal Code prohibits a Member of Congress from making any appearance directly or indirectly on behalf of someone having a controversy with the United States before a Government agency for a fee. The evil exists whether a Member of Congress makes his appearance for a fee or gratuitously. Such appearances on the part of persons having political influence may operate to the detriment of the public service whether or not he receives compensation. It is generally true that when a Member of Congress is requested by a constituent to appear for him before a Government agency that it is the political influence of the Member that is sought. It may be true in some cases that those who have the power to act in determining a controversy are apt to attach great, and sometimes perhaps undue, weight to the wishes of Members of Congress or the wishes of members of national or State committees.

The purpose of the bill is to prevent the improper use of political influence in behalf of individuals, corporations, or associations having a controversy with the Government. Its passage would, to a large measure, maintain the separation of the legislative and executive branches of Government, which were required by the provisions of the Constitution to be kept separate.

Mr. LOGAN. Mr. President, in order to meet the objection which the Senator from Arkansas [Mr. ROBINSON] thinks is a valid one, I desire to offer an amendment to the bill and ask that it be printed and lie on the table. I may say to the Senator from Arkansas that I desire his support for this bill. I have voted for all the bills he has asked me to vote for at this session, and I want him to help me get this one through. Therefore, I am trying to meet his objection. I have offered an amendment reading as follows:

Provided, however, the words "render any service or assistance of whatever character" shall not be construed as including (a) a request for information as to the status of any proceeding, contract, claim, controversy, charge, accusation, arrest, imprisonment, or other matter or thing in which the United States is a party or directly or indirectly interested; or (b) any request that any such matter be expedited; or (c) any transmittal of papers, briefs, or other matters to a department, independent establishment, board, commission, or other instrumentality of the United States, including corporations in which the United States shall own any part of its capital stock; or (d) the making of engagements for any person to discuss such matters with such instrumentalities of the Government of the United States; or (e) appearing before any department, independent establishment, board, commission, or other instrumentality of the United States, including corporations in which the United States shall own any part of the capital stock, concerning any such matter in which the people have a

common interest: *Provided further,* That in doing the things herein allowed, except in (e), there shall be no expression of opinion as to the merits or demerits of any such matter pending before such instrumentalities of the United States herein mentioned.

The VICE PRESIDENT. Without objection, the amendment will be received, printed, and lie on the table.

Mr. LOGAN. Mr. President, in conclusion let me say that I have not the slightest desire to interfere with any Senator rendering legitimate service to any constituent. What I have in mind is to prevent, if it can be done, a Senator from being placed—to use the robust language of old Henry Watterson—" between hell and the iron works ", his constituents on one side asking him to do something which he knows he ought not to do, and his conscience on the other side telling him he must not do it. The only thing that we who favor the bill are trying to accomplish is to prevent the use of political influence to secure special favors against the best interests of the public to any particular individual, corporation, or association.

Mr. ROBINSON. Mr. President, the amendment which the Senator proposes relieves in part the objection which I on a previous occasion asserted to his bill. He has questioned the correctness of the construction which I heretofore placed on the language of the bill as reported by the committee. Reading it again, I am convinced that it can have in law no other construction than the one which was placed upon it when I first spoke about the matter.

In order that Senators may have a picture of the view which is now being expressed, I call attention to the language itself. It provides that—

> Whoever, being elected or appointed a Senator, Member, or Delegate to Congress, or a Resident Commissioner, or a National or State committeeman or committeewoman, * * * shall * * * render any service or assistance of whatever character for or on behalf of any person, firm, corporation, or any other association in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest, imprisonment, or other matter or thing in which the United States is a party or directly or indirectly interested, shall be fined not more than $10,000 or imprisoned not more than 2 years; and shall, moreover, thereafter be incapable of holding any office of honor, trust, or profit under the Government of the United States.

It is true, as the Senator from Kentucky has stated, that a great many requests for intervention by Senators and Representatives are made by their constituents; but there are also numerous instances in which the constituents have no other opportunity of having their requests or their interests considered than through their Representatives in the Congress.

I recall that within the past few months a lady residing in a State other than Arkansas wrote me in regard to her boy, who had been convicted of a felony. The time had arrived for his parole. She had no lawyer. She had no money with which to employ a lawyer. She happened to have read my name in the press, and she wrote to me asking if I could not assist in getting her son paroled.

I wrote a letter to someone connected with the Government service, asked the status of the boy's application, asked the prospects of his securing a parole, and asked, if it be consistent with the interests of justice, that he be granted a parole.

That was a service to the poor woman which she regarded as of great value, and I was glad to perform it for her, even though it imposed upon me a task which was no part of my official duty as a Member of the Senate of the United States; and when, after months, I had succeeded in getting the boy's case considered, and a parole was granted, I received from her a letter expressing her gratitude, and stating that she did not know what she would have done but for the appeal to me which she had made, and my response to it.

If there is anything wrong in a Senator or a Representative attempting to get action, attempting to cut red tape, it is all right to enact this bill; but if we have confidence in and respect for ourselves, we ought not to be constantly providing penalties for harmless acts which would result in imprisonment and in heavy fines.

I sympathize with the purpose to relieve Senators and Representatives from the burden of performing unofficial tasks for their constituents, but there is another side to the controversy. So long as a Senator or a Representative does not receive compensation—and if he receives compensation for such a service he is unworthy of the name of Senator or Representative and violates existing law—and so long as he does not attempt to exert improper influence, but merely asks for the disposition of matters that may be delayed and for fair consideration of them, I think he ought not to be penalized as a criminal for the performance of such services to his constituents.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly; I yield.

Mr. LOGAN. The bill does not attempt to prevent any Member of Congress from rendering any assistance he desires to render to a constituent or otherwise. What the bill attempts to do is to prevent Members of the House or Senators from going before the Bureau of Internal Revenue, for instance, and asking that someone be refunded a million or two million or ten million dollars. It is to prevent Senators and Representatives and others from appearing before a bureau chief and saying, " If you do not award this contract to a particular friend of mine I will have you investigated." It is to prevent them from going to the Attorney General and saying, " I am the United States Senator from Kentucky and I want you to interfere."

What the Senator from Arkansas did, of course, was legitimate, and nobody is attempting to prevent action of that kind.

Mr. ROBINSON. Mr. President, what the bill seeks to do is to be determined by the language employed in the bill. The Senator from Kentucky, of course, will concede that to be so as a matter of law.

Mr. LOGAN. I will.

Mr. ROBINSON. The language is that if any Senator, Member, or Delegate to Congress, and so forth, shall " render any service or assistance of whatever character for or on behalf of any person, firm, corporation, or any other association in relation to any proceeding ", and so forth, he is to be punished by a fine of not more than $10,000 or by imprisonment.

What does " assistance " mean? It means aid. If a person asks a Senator to find out what the status of his case is before a bureau or a department, and the Senator does that, he renders a service or assistance to that person, and in doing so under this bill he would make himself liable to a fine of $10,000 or imprisonment for 2 years. As a matter of law, whatever may be the intention of the framers of the bill, no other conclusion, I think, is justified from the language employed in the bill.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. LOGAN. With the Senator's last statement I can have no quarrel, when he says that he thinks that is a proper construction of the language; but I think I have perhaps had more experience in construing statutes than has the Senator from Arkansas, although he is a great lawyer and I admire his great legal mind. He is wholly wrong in this case, because he has not given to the bill the thought which he probably would give to it before voting upon it.

The Senator from Vermont [Mr. AUSTIN], who is one of the great lawyers in the Senate, took a long time in considering this bill and revised the language and went over it time after time; and we decided that there is not a court in the world which would hold that it was rendering service before a department, if some man simply made an inquiry as to the status of a claim.

Mr. O'MAHONEY. Mr. President——

Mr. ROBINSON. Mr. President, for my part I do not desire to continue argument on the matter. The Senator from Kentucky has stated that other lawyers differ from the viewpoint which I express, and he has indicated that he has more confidence in their judgment than he has in my own.

Mr. LOGAN. I did not mean that, Mr. President.

Mr. ROBINSON. That is his privilege. I have great appreciation for the legal ability of the Senator from Ken-

tucky. What I cannot understand is how, with all his experience as a judge and with all his ability as a lawyer, he could place on the language reported by his committee a construction which would mean that a Senator had to do something unethical or unlawful before he would bring himself within the inhibition of the bill.

The inhibition of the bill is that he shall render no service whatever to anyone—any person, firm, or corporation—in connection with any subject matter in which the Government is interested. The whole question hinges on the interpretation of the word "service." Whenever you do anything that gives assistance to any person, whenever you obtain information for him, whenever you get action for him, you are rendering a service, both within the meaning of the dictionary and within the meaning of the decisions of the court.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield the floor.

Mr. O'MAHONEY. I desire to submit a question to the Senator from Kentucky. The bureaus of the Department of the Interior administer the homestead law and various other laws having to do with public lands, such as the general leasing act. The Bureau of Reclamation administers the laws having to do with settlement of reclamation projects. The Indian Bureau administers laws having to do with leases and Indian reclamation projects, and so forth.

I should like to ask the Senator if a constituent of a Senator from a public-land State should write to that Senator and request him to make representations to the Commissioner of the General Land Office with respect to a homestead application pending before that Bureau, or to make representations with respect to an application for the extension of an oil and gas prospecting lease, would that activity on the part of a Senator not be prohibited by the terms of the bill which the Senator has brought to the attention of the Senate?

Mr. LOGAN. After mature consideration I might say the subcommittee of the Committee on the Judiciary reached the conclusion that it would not; but, in order to meet the objections which some Senators have thought might flow from the language, I have prepared an amendment which will state specifically what we are trying to do.

I did not desire to start an argument at this time, but if any Senator who is interested in a question of this kind—and they all must be interested—will prepare an amendment to remove any objection he may have to the bill, I shall be very glad, so far as I am concerned, to recommend its acceptance. What I am trying to do, and what the others who are interested are trying to do, is to prevent Members of Congress from using their political influence to secure from other instrumentalities of the Government favors for individuals or others to which they are not entitled. That is the purpose of the bill. We do not want to go any further; but political influence should not be sold.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. McKELLAR. I think the purpose of the measure is all right; but, under the language of the bill, does the Senator think it would be a violation of the law for a Senator to go to see the Attorney General, for instance, and recommend a certain candidate for judge? That would be performing a service before a department, and I believe it would come within the terms of the wording of the bill.

Mr. LOGAN. Oh, no. What has been said by the Senator from Arkansas and some of the others is illustrative of how dangerous it is to consider legislation without proper thought.

This measure first presupposes a controversy with the United States on one side and a citizen on the other, and a Senator, we will say, perhaps someone else, going before the department interested and interfering with a private claim in an effort to get the claim allowed in behalf of some particular person through political influence.

Mr. McKELLAR. If the language were limited to that, there would be great reason for passing the bill; but the bill as drawn, it seems to me, goes far beyond that.

Mr. LOGAN. The Senator, perhaps, has not seen the amendment which I have offered.

Mr. McKELLAR. I heard the amendment read, and that makes some extension; but I do not think it covers the case.

Mr. WHEELER. Mr. President, will the Senator from Kentucky yield to me?

Mr. LOGAN. I yield.

Mr. WHEELER. I did not hear the language of the Senator's amendment, but notwithstanding the great ability the Senator says the Senator from Vermont possesses, and notwithstanding how great a lawyer he is, I submit that any lawyer who examines this language, "render any service or assistance of whatever character for or on behalf of any person, firm, or corporation", must reach the conclusion that it would prevent any Senator from writing to a department and saying, "Here is a claim from a veteran", or saying to the Indian Bureau, "Here are some Indians who have a claim, and I would like to have you look into the matter", or going to the Pension Bureau and calling attention to a claim for pension.

I recall to the Senator an instance in my own experience, where I rendered a service that would certainly come under this measure. A widow of a Civil War veteran asked me to try to secure a pension for her. I went to the Department and looked the matter up, and the Department and the officials of the Department said that she was not entitled to a pension. I introduced a special bill, and then my clerk went to the Department and discovered by examining the records that the widow was entitled to a pension. My clerk went to the Department again and found not only was she entitled to a pension but that she was entitled to back pension, and the Department then paid the back pension.

A valuable service was rendered to that woman, not through saying to the Department, "You have to do this because I am a Senator", but by going to the Department and examining the records of the Department and discovering that the head of the Department was wrong. We meet with that kind of cases.

With reference to what the Senator is trying to accomplish, an organization in my State wrote to me to this effect, "We want you to go to the Attorney General and ask him to dismiss an appeal which he has taken to the Supreme Court." I replied that I would not do that, and that I could not do it. Of course, such a thing would be wrong. It would not only be morally wrong, in my judgment, but it would be legally wrong to do that sort of thing. I cannot conceive of any Senator or any Representative who is right-minded going to a department and doing that sort of thing, and if one does such a thing as the Senator has pointed out, then he is not fit to sit in this body as a United States Senator.

After all, every Senator knows what is wrong and what is right; and if one goes to a department and demands, because he is a United States Senator, that the department do something that is wrong, or tries to get a refund of a tax when it is wrong, I would say there are laws upon the statute books at the present time which could reach that type of man and that type of act. However, the department heads become so arrogant that sometimes when an ordinary citizen writes to them his letter is ignored. But if he writes to his Senator, the Senator immediately looks into the matter; and if it is a just request, the department pays some attention to the Senator.

The language of this measure, without a question of doubt in my mind, goes far enough to cover any activity of any Senator in behalf of any constituent before one of the departments.

Mr. LOGAN. Mr. President, let me say to the Senator—and then I shall have finished—that if it were left to me individually I would say that no Senator, being a member of the legislative department of the Government, and having been elected for the purpose of making laws for his country, had any business setting his foot in any other branch of the Government at all. He has no more right to go before the executive branch of the Government and ask for favors of any kind than he has to go before the Supreme Court. As a matter of fact, I realize that the things which

the Senator mentions have to be done, and I do not want to interfere with them.

We have a civil-service law, and we are prohibited from doing anything about that except to recommend a man's character, and I have never heard of any complaint. That has solved many difficulties. We likewise have a Court of Claims. No Senator or Representative can go before the Court of Claims, either with or without compensation, without subjecting himself to the penalties of the law.

There ought to be some way of preventing what may be an abuse, because the people would not write thousands of letters here annually asking Members of Congress to do something which they know they ought not to do unless there is a belief in the minds of the public generally that Senators and Representatives get favors for their constituents.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. PITTMAN. The mandate of the bill is as follows:

> Whoever, being elected or appointed a Senator, Member, or Delegate to Congress, or a Resident Commissioner, or a National or State committeeman or committeewoman, * * * shall * * * render any service or assistance of whatever character for or on behalf of any person, firm, corporation, or any other association in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest, imprisonment, or other matter or thing in which the United States is a party or directly or indirectly interested, shall be fined not more than $10,000 or imprisoned not more than 2 years; and shall, moreover, thereafter be incapable of holding any office of honor, trust, or profit under the Government of the United States.

I realize that the Senator has been on the bench for a great many years of his life, and as a judge and as a lawyer he realizes that it is unethical to approach a judge with regard to any subject which he has under consideration.

Mr. LOGAN. That is very true.

Mr. PITTMAN. But it must be remembered also that there are methods recognized by the courts by which one can approach a judge and present any matter over which the judge has jurisdiction. No one can approach a judge ethically except in the manner provided by law.

Let us see the difference between judges and administrative departments. The Senator says no department should be approached. That is absolutely true with regard to the judiciary, and is perfectly clear. But we have the administrative and the legislative branches of our Government, besides the judicial.

When a United States Senator is elected to the Senate he is elected to represent a sovereign State. At least that was the theory when the Government was established. A Senator was assumed to represent, as a part of the Federal Government, every citizen and every interest in his State. From the beginning he was the ambassador from a State to the Federal Government. His State had reserved every power and every right except those expressly granted to the Federal Government. As ambassador from his State to the Federal Government he was to see that the rights of his State were protected under the Constitution, and not only was he to see that the rights of his State were protected, but he was to see that the citizens were protected in their rights.

Now, we have created an executive department to carry out the law. I say to Senators that my State and the people of my State are just as much interested in the administration of those laws as they are in their enactment; and when we find that an executive officer whom we have directed through congressional act to do a certain thing is not doing it, it is our duty to go to him and say to him, "You are not performing your duty", or "You are violating your duty", as the case may be.

Mr. LOGAN. As an individual Senator?

Mr. PITTMAN. Yes.

Mr. LOGAN. Should that not be done through the proper channels? Should a Senator not have an investigation ordered and the matter investigated by a committee, rather than have individual Senators giving orders? A Senator ought not to be hurling thunderbolts like Jove. He should not go around and say, "I am a Senator, and I will hurl my thunderbolts at you!" Let us do it in a proper way.

Mr. PITTMAN. Why should I call upon the Senator from Kentucky, together with some other Senators, to represent the State of Nevada and its interests, when he and they know nothing about them? I say that it is my duty, knowing my State, knowing its interests, knowing the laws which have been passed in its interest, when I see an executive officer of the Government neglecting his duty or violating his duty, to go to him, not only as an officer but as a citizen of my State, and as an honorable man, not afraid that I am going to do something dishonorable, because I am not, and tell him wherein he is wrong, and tell him that I demand that he do his duty. If he does not, then I will use such other remedy as the law may provide.

Mr. President, I dislike to have Members of this body constantly by innuendo, through legislation to cast suspicion on the honor and integrity of its Members, to leave the impression that this body is composed of dishonorable men, that this body has in it men who would go down to the Treasury Department or go down to the Board of Tax Appeals and say, "Render a decision for my client on this claim, or I will do something to you." It is too dishonorable ever to think of a man in this body doing such a thing as that. It is inconceivable. It is as inconceivable as to think that a reputable lawyer—and I say every lawyer in this body is reputable—would go to the Senator from Kentucky, while he was on the supreme bench, and say to him, "If you do not render a decision for my client, I will fight you in the next election." Did any lawyer ever do that to the Senator when he was a judge on the bench?

Mr. LOGAN. No lawyer ever did.

Mr. PITTMAN. No; and no lawyer would ever go down to the Treasury Department and make a threat there, or to the bodies of the executive departments determining whether a claim should be allowed.

Mr. LOGAN. Allow me to ask the Senator a question, since he is speaking in my time.

Mr. PITTMAN. Certainly.

Mr. LOGAN. Why is it, then, if there is no such deceit throughout the country, that every Senator—I make no exception—has requests from people asking him to do things which he knows he ought not to do, and refuses to do, unless it be that the idea is wide-spread that favors are granted to Members of Congress, which have the effect of conferring certain privileges upon certain individuals and corporations to which they are not entitled, to the disadvantage of the public? Why are we continually asked to go and do such things if there is a wide-spread idea in the land that no Senator would do anything which would interfere with his purity?

Mr. PITTMAN. I will say to the Senator that I have been asked time and time again by constituents to do unethical things. I have been requested to go to the Attorney General and ask him to dismiss a criminal proceeding. I incurred no embarrassment in denying such requests. I have, in the time of my practice, even been requested to go to the court trying a case and ask him to do something. I was not embarrassed by spurning such request. Oh, yes; we are constantly asked to do unethical things. Sometimes we might even be approached to do a dishonorable thing. But the fact that there is ignorance throughout the country, the fact that the masses of people may not understand ethics, the fact that they may not understand what the Senator and I understand, is no reason why we should handcuff ourselves and put ourselves in a cell for fear that, being persuaded by ignorant or dishonorable people, we are going to descend to dishonorable or unethical acts.

Mr. LOGAN. Let me say to the Senator that I do not believe there is a dishonorable man in the Senate or in the House. I do not think so. But would the Senator favor an investigation among the departments to find out what Senators and Representatives have sent to courts and have sent to departments and have sent to establishments in order to get some favor for a particular State or individual?

Mr. PITTMAN. I would not vote to pass such a resolution without some evidence, because I think such a charge would be false. I do not think there is a man in this body who is guilty of such a thing. I do not think anyone could bring a solitary bit of evidence here even to justify such a resolution as that. I challenge anyone to submit any evidence of such a charge.

Mr. LOGAN. Let me say to the Senator that I once knew very well a Member of Congress, who is now dead, whom I heard make a political speech urging as a reason why he ought to be sent back to Congress that he wanted certain things done for his constituents, that he made it a practice to go to the bureaus or departments every morning and tell them that if they did not comply with his requests—and he told what they were—within a certain time, he would get up on the floor of the House every day and denounce them and would ask for an investigation.

Such things might happen. I do not say they do happen, because I do not know. I believe the Members of Congress are honorable; but a Member is placed in a very awkward position when a powerful constituent, who may be a man controlling thousands of votes, who may be a man of untold wealth, who may be a man who contributes to your political campaign or mine, demands of a Senator of the United States that he appear before some department and make a demand for something in his interest. I believe Senators ought to be protected against such requests. I do not believe Senators will comply, but such requests sometimes place them in rather an embarrassing position.

I have said all I care to say about the matter.

Mr. PITTMAN. One dishonorable Congressman should not subject admittedly honorable Congressmen to libel of suspicion.

I wish to say, Mr. President, that I do not desire any protection to enable me to do what is ethical and to be honorable. I ask no protection, either by law or from the Senator from Kentucky or from any committee of this body. If I were not able to resist the bribery of wealth or the intimidation of power, I should not be here, nor should I deserve to be here, nor should I ever want to come back to this body again.

It is the position of the Senator from Kentucky that we must constantly prohibit people from saying things to us or asking us to do things for fear that we may yield to some improper request. But I shall pass that.

My State is as much interested in the administration of the laws we pass as in the passage of those laws. We realize that it is a fact that hundreds of bureaus in this country are destroying these laws. We realize that not only are they destroying these laws but under powers of making rules and regulations they are legislating. Therefore, when we pass a law, and we find that the Secretary of this department or the Secretary of that department has made a regulation repealing that law, am I to sit silently by and not go and call in his attorneys around him and tell him that he has repealed the law, and tell him that his regulation is wrong? Certainly I have that right, and I always want that right, and I intend to use that right.

I have found department after department in the Government violating the law which we have passed, and I have brought in their counsel and in some cases have been successful in having them change their regulations and change their practices. But the Senators say I cannot appear in behalf of an individual, a citizen of my State, or a corporation of my State, or a partnership of my State in any of these matters, even though I accept no compensation. Existing law prohibits a Senator from receiving any compensation for such services.

Suppose, for instance, there is a test case. Suppose, for instance, the ruling in regard to an individual in my State results in a violation of the whole law which we have passed, which will affect all the citizens of my State. Am I to say nothing? Am I to do nothing? Am I to cry out like a baby and say, "I have voted for a resolution to tie my hands; to prevent me from defending the rights of the citizens of my State"?

I say that we know today that if it were not for the independence we maintain here, if it were not for the fight which we make for our States, for our citizens, and our rights under legislation, the bureaus of our Government, which are arbitrary now to the greatest extent, would ignore the laws we pass. They would make their own laws. It is because the legislative body and the Members of the legislative body constantly watch them, criticize them, fight with them for the rights of an individual or anyone else, that such rights as we possess have been protected.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Nevada yield to the Senator from Kentucky?

Mr. PITTMAN. I yield.

Mr. LOGAN. I assume the Senator has great respect for the American Bar Association. The committee on legislation of the American Bar Association has approved this bill as it was originally introduced.

Mr. PITTMAN. I have great respect for the Senator from Kentucky. I have as much respect for him as I have for any member of the bar association; but I have more respect for the United States Senate than I have for any individual or for the American Bar Association. I think I know more about the ethics of the United States Senate than does the American Bar Association. I think I know more of the duties of a United States Senator than does the American Bar Association. I think I know more about our Government than does the American Bar Association. I think I know more about what we as legislators, as Senators representing sovereign States and our constituents, have to contend with in all the departments of the Government, than does the American Bar Association itself. I should never vote for anything which would take any honorable, ethical power out of the hands of any United States Senator to fight for his State, to fight for his rights, to fight for enforcement of the laws which we pass, whether for a group of citizens or a single citizen. I think it is shameful that we should constantly desire to pass laws to place ourselves in monks' cells so that our constituents could not ask us to protect their rights under the law, against misfeasance or malfeasance upon the part of administrative officers.

Mr. McKELLAR. I ask unanimous consent that the calendar be proceeded with until it shall be completed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McKELLAR. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McKELLAR. Did Calendar No. 128, being Senate bill 213, go over?

The PRESIDENT pro tempore. That bill was passed over some time ago.

PENALTY FOR FAILURE OF APPEARANCE AFTER BAIL

The bill (S. 17) making it a felong to willfully fail to appear after having been admitted to bail was announced as next in order.

Mr. WHEELER. Over.

Mr. COPELAND. Mr. President, will the Senator withhold his objection?

Mr. WHEELER. I withhold the objection in order that the Senator from New York may make a statement.

Mr. COPELAND. Mr. President, this bill is another of the series introduced as a result of the so-called "Committee on Crime", and was approved at the last session, as I recall. It is designed to prevent the delay of trials by criminals who willingly forfeit bail until they have successfully intimidated the witnesses for the prosecution. A criminal who faces a heavy fine and long imprisonment is perfectly willing to forfeit bail, which, in many cases, is inadequate, in order that he may deprive the prosecution of the necessary witnesses to bring about conviction.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WHEELER. I am going to object to this bill at this time, but I merely wish to call the Senator's attention to

the fact that any accused person who jumps his bail can be apprehended at any time and prosecuted. So, I cannot understand how anything can be accomplished by making the jumping of bail a contempt of court, when, if a man jumps his bail and can be found he can be brought into court and kept in jail, for his bond may be fixed so high that he cannot get out again; he can be incarcerated indefinitely. Therefore, nothing would be accomplished, it seems to me, by the enactment of this bill.

As the Senator knows, for a considerable period I was prosecuting attorney, and I cannot see anything to be gained by providing that a man shall be brought in and punished for contempt of court and fined $10,000 when he cannot be found. Of course, if he can be found, he can be brought back and prosecuted for the original crime.

Mr. COPELAND. Do I understand the Senator is going to object to the bill anyway?

Mr. WHEELER. I am going to object anyway.

Mr. COPELAND. If the Senator is going to object anyway, I have no disposition to pursue the discussion, but I do wish to say that what the bill seeks was requested by many prosecuting attorneys and lawyers who have had wide experience in such cases. They thought that this would be a helpful bill.

Mr. WHEELER. I cannot conceive how any attorney could say that it would be helpful to punish a man for contempt of court unless he could be apprehended. In the first place, if he jumps his bail, they have got to catch him; and if they can catch him, they can prosecute him on the original charge, and the fact that he jumped bail and skipped would be evidence of his guilt.

Mr. COPELAND. If he jumped his bail because of a criminal charge brought in a State court and then crossed over into another State, under this bill, if it were enacted, there would be a way to bring him back under the Federal law, which now does not cover such a case.

Mr. WHEELER. There is now a method. At the present time if a man jumps bail and skips and goes to another State, he may be arrested in that State and extradited back to the State from which he came.

Mr. COPELAND. Of course, if the Senator is going to object anyway, there is no use of discussing the bill. But I wish to say that it is utterly discouraging to a group of men who are striving, and have been striving for a long time, to try to protect the American people against crime and against criminals, when, in the most offhand way, objection is made to these bills. When they are presented they are objected to, passed over, without serious consideration.

I have no more interest than has any other citizen of this country who desires to protect his own family in the enactment of laws of this kind. But it has been pointed out to the committee by innumerable witnesses—not laymen, as I am a layman, but by eminent attorneys, district attorneys, criminal laywers, and members of the bench—that these bills would be helpful. They were brought here as a result of conferences held with some of the most eminent legal minds in the country. I would not ask anybody to take my opinion on a matter of law, but I do ask the Senate to have respect for the men who actually formulated these measures and have asked that they be presented for consideration.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WHEELER. Will the Senator tell me one eminent lawyer who approved of the bill which was discussed previous to the one we are now discussing, which proposed to turn over to a police officer the right upon suspicion to deny bail to an American citizen?

Mr. COPELAND. Yes; at the right time I will give many names.

Mr. WHEELER. Will the Senator tell me now?

Mr. COPELAND. I cannot tell the Senator now. We listened to several thousand witnesses. I will be glad to collate the material; but there is no use even of doing that if the Senator simply says, "Oh, my own experience is sufficient to tell me that that is all nonsense." So we will let the measure go over for the time being.

Mr. WHEELER. Mr. President, I am not going to let the Senator put me in the position of objecting to bills which are for the protection of the American citizen. I submit that sometimes there is a great deal of fanaticism in the country and a desire to put upon the statute books bills which have no place there. After all, we are protecting American citizens when we keep them from being harassed by crooked police officers and that kind of people, as would happen in the event some of these bills were passed without any great thought being given to them except by someone who has been studying crime.

I am perfectly willing to follow the doctor in medical matters, but I refuse to take his advice and his judgment upon legal matters, and particularly matters which affect the prosecution of cases of this kind, because I was a prosecuting attorney for a considerable period of time, and I know something about the criminal laws now upon the statute books of the United States and what can and what cannot be done under them. It is perfectly foolish, in a period of hysteria, to place a lot of laws upon the statute books which would make prosecuting attorneys look ridiculous.

I come back again to the pending bill, which proposes to punish a man for contempt after he has jumped his bail. In the first place, it is necessary to catch him, and if he is caught he can be taken back. He has forfeited his bail; whatever the amount of money may be involved or whatever the bail is, he has forfeited that, and that is punishment for his action in fleeing. Then he can be taken into court on the original charge and prosecuted for that; and the fact that he has jumped his bail, left the State and run away, may be used as evidence against him. Nothing can be accomplished by this proposed legislation.

Mr. KING. Mr. President, if the Senator will yield, I will suggest that such a man would be guilty of contempt of court, anyway, when he fled.

Mr. WHEELER. Yes.

Mr. COPELAND. Mr. President, let me say that one of the greatest difficulties prosecuting officers have in dealing with crime is to apprehend the witnesses. The principal can be extradited but the witnesses cannot be brought back; and one of the favorite practices in the cities—I do not think it is so in rural towns in Montana——

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WHEELER. Did the Senator say the witnesses cannot be apprehended?

Mr. COPELAND. Yes; not when they cross the State line.

Mr. WHEELER. Let me say to the Senator that he is wrong as to the Federal courts, because the witnesses can be apprehended.

Mr. COPELAND. I am not talking about the Federal courts.

Mr. WHEELER. I am talking about them.

Mr. COPELAND. I am talking about State courts.

Mr. WHEELER. But this is a Federal law which it is sought to pass.

Mr. COPELAND. Certainly. We are seeking by Federal law to try to get hold of someone who cannot be gotten hold of under State law. I repeat that when there is a fugitive witness who flees from the site of the crime, where he saw the crime committed, and crosses the State line, there is no power in the world to bring back that witness. If he was the principal, yes; but not the witness.

We have sought to bring here for the consideration of the Senate these bills. They have passed the scrutiny and judgment of the Judiciary Committee. My friend from Georgia stated a few moments ago that the bill we were just now talking about is a good bill. He said, "I disapprove of the other one." However, Mr. President, I have no disposition to continue the debate, but I am going to do what I can, in a modest way, to attempt to protect the people of our country against kidnapers and extortionists and burglars and murderers. However, I am frank to say that we get little encouragement from the United States Senate. Senators are more interested in economic questions than they are in questions which have to do with the social welfare, and also,

I may say, in view of recent experience, with the health of the country.

Mr. McKELLAR. Mr. President, if the Senator is looking at me, I wish to say to him that I have very great sympathy for his bill and expect to vote for it, but I think we ought to complete the calendar. If the debate has not been finished on the measure last called, I hope that it may be speedily finished so that we may proceed with the calendar.

Mr. WHEELER. Mr. President, I merely wish to add a word, because there is nothing in Senate bill 17, if it should be enacted, that in any wise would help to bring back witnesses who have left a State. It has nothing to do with that.

Mr. COPELAND. I did not say so. I said that this was one of a series of bills seeking to accomplish something in the way of the protection of the American home.

Mr. WHEELER. The trouble is when doctors draw up bills they sometimes make mistakes. I am willing to follow the doctor on questions of health, as I did yesterday, without knowing much about it, but I am not willing to take his advice when it comes to legal matters, particularly a matter of this kind, with which I myself have had considerable experience.

Mr. COPELAND. The Senator may laugh it off if he wishes, but this bill happens to have been prepared in the office of the Attorney General of the United States.

Mr. WHEELER. That does not add very much to it, in my judgment.

Mr. COPELAND. That may very well be, but I at least want to absolve myself from the charge of having written this bill or any other, even the bill which the Senator supported so valiantly yesterday.

The PRESIDENT pro tempore. The bill will be passed over.

GEORGE YUSKO

The bill (S. 566) for the relief of George Yusko was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army George Yusko shall be held and considered to have been honorably discharged as a private, Company D, One Hundred and Fifty-seventh Regiment United States Infantry, on April 20, 1919: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued by reason of this act prior to its passage.

BILL PASSED OVER

The bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, was announced as next in order.

Mr. COPELAND. Over.

The PRESIDENT pro tempore. The bill will be passed over.

BRIDGES OVER NAVIGABLE WATERS OF THE UNITED STATES

The Senate proceeded to consider the bill (S. 1988) to revive and reenact section 5 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and completing the construction of other bridges over the navigable waters of the United States", approved March 4, 1933, which had been reported from the Committee on Commerce with amendments, on page 1, line 3, after the word "that", to strike out the words "section 5 of the act approved March 4, 1933, granting the consent of Congress to" and to insert in lieu thereof the words "the times for commencing and completing the construction of a bridge authorized by act of Congress approved March 4, 1933, to be built by"; in line 8, after the word "assigns", to strike out the words "to construct, maintain, and operate a bridge and approaches thereto"; on page 2, line 2, after the word "Nebraska", to strike out the words "be, and the same is hereby, revived and reenacted" and to insert in lieu thereof the words "are hereby extended 1 and 3 years, respectively, from March 4, 1935", so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge authorized by an act of Congress approved March 4, 1933, to be built by John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, across the Missouri River at or near Rulo, Nebr., are hereby extended 1 and 3 years, respectively, from March 4, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to extend the time for the construction of a bridge across the Missouri River at or near Rulo, Nebr."

BILL PASSED OVER

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week, or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

OCEAN MAIL CONTRACTS

The joint resolution (S. J. Res. 93) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934, was announced as next in order.

Mr. COPELAND. Mr. President, before any objection is raised to the joint resolution, as, perhaps, there may be, although I hope not, I desire to state its purposes.

Under a provision of the Independent Offices Appropriation Act of last year the President of the United States was given until the 30th of April 1935 to amend or cancel ocean mail contracts. That is the very limit of time within which he may take action. It will be recalled that the President sent a message to the Congress requesting legislation providing for a ship subsidy. In the Senate the bill was referred to the Committee on Commerce. As chairman of that committee I received a letter from the Postmaster General a couple of weeks ago calling my attention to this provision in the independent offices appropriation act, saying it is necessary that the bill should be prepared, considered, and passed by the 30th of April.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. McKELLAR. I have not had time to go into the matter. It is a very important matter. I suggest to the Senator that it go over today and the next time the calendar is called I shall be glad to go into it thoroughly.

Mr. COPELAND. Will the Senator permit me to complete my explanation?

Mr. McKELLAR. Oh, yes; indeed.

Mr. COPELAND. I think when it is completed the Senator may be willing to let the joint resolution be passed today.

Mr. McKELLAR. I understand what it is, but I have not examined the provisions of the act with which it deals, and for that reason I feel I should have an opportunity to do so before the joint resolution shall be passed. I hope the Senator will let it go over.

Mr. COPELAND. Let me explain it to the Senator first, if I may.

The Senator will remember that in the investigation which was made by the Black committee certain charges were made against some of the shipping lines. Acting upon information so gained, the Appropriations Committee determined to end ocean mail contracts. In the independent offices appropriation bill of last year it was provided that the President must give at least 60 days' notice of cancelation. He gave that notice and authorized the Post Office Department to make an investigation. That investigation

was made and the information was passed on to the President who now has all the material before him.

As I said a moment ago, the Postmaster General jogged my memory by reminding me that the President had only until the 30th of April to make modification or cancelation of these contracts.

Mr. McKELLAR. It may be that the President ought to be given additional time, but this measure would repeal the existing law.

Mr. COPELAND. Oh, no.

Mr. McKELLAR. It strikes out "April 30, 1935", and so we must fix a new time.

Mr. COPELAND. Let me complete my statement.

Mr. McKELLAR. Certainly.

Mr. COPELAND. After I received the letter from the Postmaster General I went to the White House and had an hour's discussion with the President on the matter of the ship-subsidy bill and the whole question. I pointed out to him that I had this letter from the Postmaster General and told him it is utterly impossible for us even to formulate a bill before the 30th of April. As a matter of fact, we are a little ahead of that time. I hope that by next week we will have the bill ready for committee hearings and perhaps to report.

It is not reasonable to believe we can enact a new subsidy law and have it become a law before the 30th of April. The President discussed with me, if I may say so with propriety, the question of how long we should defer the date which is now fixed as of the 30th of April. We talked about a 1-year extension. The President indicated his desire to have the law enacted at this session of Congress. We discussed how long we might be in session. Finally, it was suggested that the time should not be extended longer than 6 months.

I was requested to have the joint resolution prepared, which I had the legislative bureau do. It does not change the law giving the President the right to cancel or modify the contracts, but pushes the date forward from the 30th of April to the 31st of October. Then our leader in the Senate discussed the matter with the President and reported that that was the expressed desire of the administration. I see no other way than to have a date fixed which is somewhere beyond the 30th of April.

Mr. McKELLAR. It may be I shall agree with the Senator, but I ask that the joint resolution go over in order that I may examine it.

Mr. COPELAND. The Senator will do that speedily, will he not?

Mr. McKELLAR. I shall do so.

Mr. COPELAND. It seems important because of the early expiration date. I shall ask the Senator at an early opportunity, as soon as he is ready, to give his permission to take up the matter, even though we may not have the calendar before us.

Mr. McKELLAR. I shall be glad to do that, but let the joint resolution go over now.

The PRESIDING OFFICER (Mr. LEWIS in the chair). On objection, the joint resolution will be passed over.

SAN ANTONIO ARSENAL, TEX.

The bill (S. 1726) to authorize the Secretary of War to grant a right-of-way for street purposes upon and across the San Antonio Arsenal, in the State of Texas, was announced as next in order.

Mr. SCHALL. Mr. President, I wish to make a statement relative to a situation now existing in my State, and I ask that the clerk may read it.

Mr. McKELLAR. Mr. President, if it can be read in 5 minutes I shall have no objection, but if it takes longer than that I must object.

Mr. SCHALL. The Senator from Tennessee has been taking longer than 5 minutes.

Mr. McKELLAR. I suggest to the Senator that it be done after the call of the calendar shall have been completed.

Mr. SCHALL. It may be possible to read it in 5 minutes, but I think probably it will take 10 minutes.

Mr. McKELLAR. I ask unanimous consent that the Senator from Minnesota may be allowed to have the statement read at the conclusion of the call of the calendar. It will not take long to conclude the calendar.

The PRESIDING OFFICER. Does the Senator from Minnesota yield for that purpose?

Mr. SCHALL. Mr. President, that is evidence why we should adopt the amendment to the rules which I offered months ago. It seems to me I ought to have the right to use the eyes of the clerk to have my statement read. I do not see why any Senator should object.

The PRESIDING OFFICER. Will the Senator from Minnesota permit the Chair to say that we are now operating under a rule which limits debate to 5 minutes?

Mr. SCHALL. I know that, and I could use that 5 minutes to advantage to explain why a Senator who cannot see to read must be subjected to the will of some other Senator who rises and says, "I object."

The PRESIDING OFFICER. The Chair begs to say to the able Senator from Minnesota that the Senator from Tennessee apparently merely desired to call attention to the fact that we are working under a rule which limits debate on the part of any Senator to 5 minutes. The Chair will say, however, to the Senator from Minnesota that if the 5 minutes were exceeded in the reading of his statement, immediately upon the calling of the next bill on the calendar another 5 minutes would be available to him, and the Chair assumes that would not be denied to the Senator.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Massachusetts?

Mr. SCHALL. I do.

Mr. WALSH. We have not adhered to the 5-minute rule during the calling of the calendar today, and I think it is rather unfortunate that it should be applied to the Senator from Minnesota.

Mr. McKELLAR. If the reading of the speech will not take over 10 minutes, I withdraw the objection.

The PRESIDING OFFICER. The Chair desires to inform the Senator from Massachusetts that the Senator from Tennessee withdraws the objection.

Mr. WALSH. I hope the Senator from Minnesota will have all reasonable time.

The PRESIDING OFFICER. Without objection, the remarks will be read.

The legislative clerk read as follows:

DIRTY WORK AT THE POLITICAL CROSSROADS

Mr. SCHALL. Mr. President, I ask leave to have printed in the RECORD an editorial in the Minneapolis Tribune of March 30 under the caption "Dirty Work at the Political Crossroads." It describes the flight-by-night trip of the Federal seed-loan agency across the Mississippi to St. Paul with 30 truckloads of equipment "in the dim light of a waning moon", and is typical of the stealth of this administration in all its moves.

Every bill that has been crowded through Congress has contained a censorship, a secrecy clause. Twenty-five days after the President took the oath to defend the Constitution he stealthily crowded through the lower House, without even allowing it to be printed, a bill which would have put a publisher in jail for 10 years for daring to publish anything of which the administration did not approve. Treaties with foreign nations are today being made in star chamber, where the people concerned in this country are not even allowed to be represented. Every department is clothed in secrecy. All moves are made in the dark. The administration's secretly planned moves have had for their purpose a planned chaos that would so befuddle and bewilder the people that they might without protest be led into a fascistic or communistic form of government before they knew what had happened to them.

About a year and five months ago six great corporations, great holding companies, were organized in Delaware by order of this administration through four Cabinet members

and nine bureaucracy heads. These great holding companies were organized in secret and in stealth—in the night without even a waning moon. Only a few of the chief conspirators were taken in upon the project, but Minnesota was honored with a representative.

These corporation papers were marked "Secret. Do Not Publish." These secretly organized holding companies were fashioned to make permanent the tremendous power given to our Executive by Congress under the guise of emergency, and were set in secrecy, like a trap in the dark, to catch the unsuspecting public and tie him tight to a fascistic form of government, while the planned chaos bewildered him and left him unresisting; but the chaos did not come as soon as contemplated, as will be seen if we remember the words of our Governor, the favored of the new deal in Minnesota. He went back to Minnesota from a conference here in Washington undoubtedly knowing of the organization and the purpose of the Delaware corporations, and caused to be drawn a Farmer-Labor platform in keeping with the purpose of the creation of these Delaware corporations; and he said at the time of the adoption of this fascistic platform of the Farmer-Labor Party that he, its candidate for Governor, was not a liberal, but was what he wanted to be, a radical; and he predicted that within 6 months the Federal Government would be taking over the key industries of the country. But the chaos planned by the administration and the Governor did not mature as soon as contemplated, and another 6 months were forced to slip by before the administration could secure the necessary funds with which to equip the contemplated machinery of attack, and these funds, $5,000,000,000 lump, are to be spent in secret, and punishment meted out to any publisher or anyone who dares at any time to criticize the method of expenditure.

These Delaware corporations, so secretly organized, are equipped to take over every industry in the country. I placed these articles of incorporation in the CONGRESSIONAL RECORD on February 6, and I have diligently inquired of those who should know what their purpose is, but again secrecy closes in about, and no one knows, for if the people knew they would protest being moved in the night to Moscow and Siberia by way of Delaware, as do the people of Minneapolis and elsewhere protest the stealth, the secrecy of the removal in the night of the Federal seed-loan agency.

The editorial pictures the "melodramatic secrecy" of sneaking down river without public notice to the farmers seeking seed loans. It refers to the successful functioning of the Federal seed-loan agency since its establishment by a former administration and a former Congress in 1931. It conjures up the "burglarious manner" by which Government agents, behind locked doors, with the possible cooperation of the War Department, the Secret Service, and Mr. Farley, with "brassy disregard of decency", folded up their tents like Arabs an silently slunk away.

We are under a new deal. The present purpose under the A. A. A. is not to aid agriculture, but to destroy it. The major offense of that Federal seed-loan agency was that it was efficient. It aided agriculture right along for 4 successive years.

Minneapolis, as the world's leading primary wheat market, was the logical place to locate a Federal seed-loan agency, where the wheat growers could get the seed from which they grew the 40,000,000 bushels of Minneapolis wheat receipts marketed from the threshing machines. Located at Minneapolis, the Federal seed-loan agency was a distinct factor in the farm-relief program of a Congress which stood for farm production instead of the A. A. A. idea of agricultural maladministration and assassination.

Though St. Paul is not a wheat market of note, nor yet a milling center for the extensive processing of cereals, St. Paul has been one of the leading shoe-manufacturing and shoe-jobbing centers of the West since the pioneer days of the Northwest Fur Co. A fly-by-night establishment needs footgear to execute its political maneuvers, and St. Paul has the shoes. Those Arabs directed by Farley, the sheik, and captained by Olson, his Bedouin tribesman, needed seven-league boots to escape the Twin City reporters; and St. Paul, though short of farmers, had the boots.

Have we considered the problem of Capt. Floyd Bedouin Olson, the commanding general who led the 3,000 tin hats down Nicollet Avenue and, at a loss of only 6 lives and 150 prisoners, inflicted upon the enemy—the business men and wage earners of Minneapolis and the farmers of the State—an expense conservatively estimated at $1,000,000 a day for 6 weeks? General Olson planned his campaign with great strategy. He confined his attack to Minneapolis, the principal market of the farmers' crops. He made no attack upon St. Paul, where 10,000 Olson officeholders were entrenched. He destroyed the farm market in violation of the Federal and State Constitutions, but carried out the fundamental aims of the A. A. A. and the N. R. A., as laid down by General Johnson and Under Secretary Tugwell.

Now, General Olson, as I have stated, derived his communistic platform, issued from his St. Paul convention, from the Federal charters written by Wallace, Ickes, Tugwell, Hopkins, and Morgenthau to give perpetuity to the A. A. A. and N. R. A. by incorporation in Delaware. Olson was familiar with those Delaware charters, as will be seen when we find that every word in Governor Olson's platform was derived from those Delaware charters. That is why he was so confident that the Washington Government would be putting over his communistic plan within "6 months." He got his St. Paul platform from those Delaware charters.

As a student of history, you will recall that General Washington laid the foundation of his great fame by breaking the ice to Delaware. Thus General Olson, instead of following the example of Eliza, as the editorial suggests, was doubtless aiming to follow the example of General Washington on the trip to Delaware. Thereby the 30 truckloads of patronage plunder and Federal politicians were moved successfully by the use of the superior shoes of St. Paul, and crossed the Mississippi by night to a safe sanctuary, where Kid Gleason and his pals stood ready on guard under the eaves of the State capitol.

For this feat of fly-by-night heroism, General Olson and General Farley are entitled to leather medals made from the hides of the 6,500,000 pigs which Wallace slew with the jawbone of Tugwell to make a Roman holiday—or, at least, from the hides of the 200,000 sows. St. Paul, in making shoes, does not need pig leather. That is better adapted to the Federal and Olson officeholders.

Thus, our new-deal history will record as the most melodramatic feat of this age of corn-hog checks and tin hats the night when General Olson crossed the Mississippi with 30 truckloads of Farley patronage and Delaware charters, and received a pigskin medal from Farley and a corn-hog check from Wallace—our new "Corn-Wallace."

The present rubber-stamp Congress might well be disposed to erect a statue of the "raw deal" on the capitol campus to displace that of Washington receiving the sword of Cornwallis at Yorktown. Surrender of the corn-hog check would take the place of the surrender of Cornwallis' sword. A cemetery for the 6,500,000 pigs and 200,000 sows would give us our "Porktown", where the "raw deal" revolution was concluded. It being a "left wing" affair, General Olson should be pictured as taking his medal with his left hand, while holding out his right hand behind him for the corn-hog check of our new "Corn-Wallace."

However, I doubt if the people of St. Paul, who are patriotic citizens, would want that statue located in Ramsey County. Perhaps if they had been consulted, they would have objected to the removal of the Federal seed-loan agency to their midst by the ambitious generals in charge. It is certain that they object to the sly, stealthy, secret method of removal, as they object to the general duplicity, fraud, and hypocrisy of the "slippery deal", the "raw deal", the "double deal", known as the new-deal administration, even though the administration's chief generalissimo, Hopkins, said Friday last that the people are "too damn dumb to understand."

Mr. President, may I have permission to have the editorial printed in the RECORD?

The PRESIDING OFFICER. No objection being heard, permission is granted.

The editorial is as follows:

[From the Minneapolis Tribune of Mar. 30, 1935]

DIRTY WORK AT THE POLITICAL CROSSROADS

The slinking of the northwest Federal seed-loan office to St. Paul, unlike Napoleon's retreat from Moscow, will probably not go down in history, but as a contemptible example of political racketeering, Minneapolis will not soon forget it. It seems they can still deal from the bottom of the deck in the new deal.

How many Federal departments collaborated on this fly-by-night removal of the seed-loan office we do not know, but if the War Department contributed the strategy, the Secret Service the tip-toeing technique, and Mr. Farley the brassy disregard of common decency, we should not be astonished.

It may be, after all, but another incident wherein the unctuous glad right hand of the administration is nonchalantly oblivious of what the political left hand does. And not the least amazing fact of all is the ignorance all those officially concerned profess on their solemn word. One could believe that this skulking transfer was what the insurance companies term "an act of God", so devoid of official responsibility does it appear. Nobody knows anything about it. It just happened. One of those things.

To believe that this transfer was made in good faith, and for public and sufficient reasons, would be considerably less idiotic if it had not been veiled in more melodramatic secrecy than attends a Dillinger movement of gold bars from a bank.

The truth of the matter is that the transfer of this office from Minneapolis, where it has been located since 1931, suggests anything but a straightforward, honest decision on the part of the responsible officials.

It had all the cheap smartness of a dead beat stealing a march on his landlord. One has but to consider United States Government agents in their official capacity turning out the lights and cowering behind locked doors to avoid reporters, to realize how pathetically shameful was the whole procedure. What a pitiful exhibition of the practical politics of the new deal.

Protest as Federal officials may, there is a nauseating odor of political jobbery about the whole business.

So far as we know, it is not the custom of Federal agencies to sneak out of town at night, with no advance notice, and in the jittery manner of a small boy racing a hobgoblin through a cemetery.

Compared to the furtiveness with which the seed-loan agency folded its tent and stole away to St. Paul, Mr. Longfellow's Arabs were a noisy lot of side-show barker. Eliza crossing the ice ahead of a pack of bloodhounds was reputed to have made good time; but the seed-loan agency, with no one in pursuit, and with 30 truckloads of equipment to cart across the Mississippi, made Eliza just a dawdling loiterer.

The Tribune believes that it is entirely possible that Minneapolis will somehow manage to survive without the Federal seed-loan office. Since the 1930 census gave this city a population nearly 200,000 greater than that of St. Paul, it is fairly plain that the removal of that office does not seriously threaten our civic security, nor for that matter involve an irreparable loss of business or prestige. The fact remains, however, that there was every good reason for keeping the seed-loan office in Minneapolis, where it was solidly established, and none whatsoever for moving it to St. Paul. As the larger city, this was the logical place for it. Every consideration of convenience and accessibility dictated that it be kept here. Yet the administration, without any notice, has seen fit to move it to St. Paul in the dim light of a waning moon.

If nothing else condemned the transfer, the stealthy, covert, and burglarious manner in which it was effected would.

In the Presidential election Hennepin County gave Mr. Roosevelt 119,234 votes, and Ramsey County 66,128.

What a fine show of political gratitude it is, then, to steal the Federal seed-loan office away from Minneapolis, where it has been functioning efficiently, without a word of warning.

If the administration has any sense of the fitness of things, if it does not wish to place the stamp of its approval on such a skulking and dubious political maneuver, it will restore that office immediately.

No excuses, no explanations, no wide-eyed protestations of innocence will take the place, so far as Minneapolis is concerned, of a full reparation of the wrong it has been done.

The PRESIDING OFFICER. Is there objection to the consideration of Senate bill 1726?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to grant an easement for a right-of-way to the city of San Antonio, State of Texas, to construct and maintain a street to be known as "Main Avenue", on the San Antonio Arsenal Military Reservation, Tex., on such terms and conditions as the Secretary of War may prescribe: *Provided*, That the construction and maintenance of said thoroughfare shall be without expense to the United States, and whenever the lands within said right-of-way shall cease to be used for street or highway purposes they shall revert to the United States.

TRANSFER OF CERTAIN MILITARY RESERVATIONS

The bill (S. 2394) to authorize the transfer of certain military reservations to other departments of the Government, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby authorized to transfer to the departments of the Government hereinafter set forth the following military reservations, or any portions thereof, upon determination by him that said military reservations, or portions thereof, are no longer needed for military purposes: *Provided*, That in case any of these reservations, or portions thereof, shall at any future time become surplus to the needs of the department to which transferred, the head of such department is hereby directed to transfer the same back to the Secretary of War to be sold under the provisions of the act of March 12, 1926 (44 Stat. 203): *Provided further*, That in the event the transfer of any of these reservations, or portions thereof, is not desired by the departments hereinafter set forth, then the Secretary of War, after the expiration of 90 days following the passage of this act, shall be, and is hereby, authorized to sell such reservations, or any portion thereof, under the provisions of the act of March 12, 1926, supra.

To the Department of Justice: Park Field, Tenn.; Fort Eustis, Va.; Camp Lee, Va.; Alcatraz Island, Calif.: *Provided*, That the President may designate as migratory-bird refuges, to be administered under the provisions of the Migratory Bird Conservation Act of February 18, 1929 (45 Stat. 1222), such transferred portion or portions of Fort Eustis and Camp Lee aforesaid, as he may in his discretion determine to be desirable for such purpose.

To the Department of Agriculture: Fort DeSoto, Fla., to be held and administered by the Secretary of Agriculture as migratory-bird refuges under the provisions of the Migratory Bird Conservation Act of February 18, 1929 (45 Stat. 1222).

To the Veterans' Administration: Fort Miley, Calif.

To the Department of Commerce: Gasparilla Island, Fla.; Fort Popham, Maine; Fort Livingston, La.; Salisbury Beach, Mass.; Fort Dade, Fla., to be used for lighthouse purposes.

To the Treasury Department: Fort Caswell, N. C.; Fort Dade, Fla., less the portion to be transferred to the Department of Commerce.

To the Navy Department: A portion of the Mariveles Reservation, P. I., containing approximately 390 acres; Sequantum Reservation, Mass.

To the people of Puerto Rico: That certain tract or parcel of land within the Main Military Reservation, San Juan, P. R., containing 46.04 acres, more or less, known as the "Escambron Tract."

EXCHANGE OF LANDS AT MILITARY RESERVATIONS

The bill (S. 2395) to authorize exchange of lands at military reservations, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to convey by quitclaim deeds the tracts of real estate now owned by the United States hereafter described, and in exchange therefor to acquire the title to the tracts hereafter described, or rights pertaining thereto or interests therein, for the purposes named:

(a) Approximately one and seventeen one-thousandths acres of land at Randolph Field, Tex., in exchange for a like area of land adjoining Randolph Field, for the purpose of straightening the boundary of said flying field.

(b) Approximately 12.93 acres of land at Hamilton Field, Calif., in exchange for a like area adjoining Hamilton Field, for the purpose of straightening the boundary of said flying field.

(c) A strip of land comprising part of the Quartermaster Depot Military Reservation at Jeffersonville, Ind., lying along the right-of-way of the Louisville and Jeffersonville Bridge & Railroad Co. as part of the consideration for land now owned by said railroad company lying adjacent to the main section of said depot.

(d) To enter into and execute an agreement or agreements with the owners or claimants of adjoining land to fix and establish a location for the western boundary line of that part of the Plattsburg Barracks Military Reservation, N. Y., acquired from Pliny Moore, and others, by deed dated December 30, 1814, and he may, if he deems it advisable, give to or receive from such owners or claimants appropriate releases, by way of quitclaim deeds or otherwise.

SEC. 2. That in conveying property of the United States under authority contained in this act, the Secretary of War shall determine that the exchange is to the best interest of the Government.

MILEAGE PAYMENTS TO BUREAU OF RECLAMATION EMPLOYEES

The Senate proceeded to consider the bill (S. 1402) providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles, which had been reported from the Committee on Irrigation and Reclamation with amendments, on page 1, line 9, after the word "suspended", to strike out "and/or" and insert "and"; and on page 2, line 2, after the word "suspensions", to

strike out "and/or disallowances" and insert "and disallowances", so as to make the bill read:

Be it enacted, etc., That the Comptroller General is hereby authorized and directed to credit disbursing agents of the Bureau of Reclamation for payments made as mileage reimbursement for the use, during the period of February 14, 1931, to April 30, 1932, of privately owned motor vehicles, in accordance with the act of February 14, 1931 (46 Stat. 1146), which payments were suspended and disallowed pursuant to the decision of the Comptroller General of April 30, 1932 (A–41688). In those cases where collections have been made from employees pursuant to such suspensions and disallowances, refunds are authorized.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DR. PAK CHUE CHAN

The bill (S. 2013) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan, of Washington, D. C., in accordance with the provisions of the first paragraph of section 24 of the Healing Arts Practice Act, District of Columbia, 1928.

PREVENTION OF BLINDNESS IN INFANTS

The bill (S. 2153) to provide for the prevention of blindness in infants born in the District of Columbia was announced as next in order.

Mr. GEORGE. Mr. President, at the request of the author of this bill, the Senator from New York [Mr. COPELAND], I ask that it go over. The Senator said he desired to offer an amendment.

The PRESIDING OFFICER. The bill will be passed over.

CONSTRUCTION OF PIPE LINES

The Senate proceeded to consider the bill (S. 2197) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 10, after the word "therewith" and the comma, to insert the words "and all plans and specifications for such construction shall be subject to their approval. The Commissioners of the District of Columbia shall have full authority to designate the location and to cause such repairs or relocation of said pipe lines as the public necessity may require, any such repairs or relocation to be at the expense of the Smoot Sand & Gravel Corporation, its successors, or assigns", so as to make the bill read:

Be it enacted, etc., That the Commissioners of the District of Columbia are hereby authorized and empowered to grant permission to the Smoot Sand & Gravel Corporation, a corporation organized and existing under the laws of the State of Delaware, the owner of squares 705, 707, and east of 708, and part of square 708, in the District of Columbia, its successors and assigns, to lay down, construct, maintain, and use pipe lines for the carriage of petroleum and petroleum products from any point or points within any such square or such part of square, in and through Half Street, First Street, P Street, Q Street, R Street, Potomac Avenue, reservation 246 and reservation 247, to any point or points within any such square or such part of square, or to the pierhead line of the Anacostia River.

SEC. 2. All the construction and use provided for herein shall be under such regulations and rentals as the Commissioners of the District of Columbia may make and establish in connection therewith, and all plans and specifications for such construction shall be subject to their approval. The Commissioners of the District of Columbia shall have full authority to designate the location and to cause such repairs or relocation of said pipe lines as the public necessity may require, any such repairs or relocation to be at the expense of the Smoot Sand & Gravel Corporation, its successors, or assigns.

SEC. 3. No permission granted or enjoyed hereunder shall vest any right, title, or interest in or to the land within the streets or reservations referred to in section 1.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, may I ask whether the Senator from Utah [Mr. KING] has examined the bill?

Mr. KING. Yes; it was introduced by the Senator from Virginia [Mr. BYRD] and is approved by the District Commissioners. It is merely to grant a right-of-way.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HOMICIDES CAUSED BY NEGLIGENCE IN THE DISTRICT

The bill (S. 2100) to amend an act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended by adding three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively, was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Utah state how this bill proposes to change the present law? What is the penalty now for homicide caused by negligence?

Mr. KING. Mr. President, representations have been made by Mr. Prettyman, corporation counsel of the District of Columbia, based upon his experiences, to the effect that convictions cannot be secured under the present law because of the fact that the grade of the offense as determined by willfulness is not always apparent. It has been suggested that for negligent driving, and for homicide which results by reason thereof, the offenses be differentiated, and where the charge is merely negligent driving it shall be held a less serious offense.

Mr. WHEELER. Mr. President, I ask that the bill go over at this time.

The PRESIDING OFFICER. The bill will be passed over.

LOANS FOR MUNICIPAL BUILDINGS IN THE DISTRICT

The Senate proceeded to consider the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 2, line 9, after the word "court", insert the words "the recorder of deeds", and at the end of the bill add a new section, so as to make the bill read:

Be it enacted, etc., That section 1 of the act approved June 25, 1934 (Public, No. 465, 73d Cong.), is hereby amended to read as follows:

"That the Commissioners of the District of Columbia are hereby authorized to borrow for the District of Columbia from the Federal Emergency Administration of Public Works, created by the National Industrial Recovery Act, and said Administration is authorized to lend to said Commissioners the sum of $10,750,000, or any part thereof, out of funds authorized by law for said Administration, for the acquisition, purchase, construction, establishment, and development of a tuberculosis hospital, a sewage-disposal plant, an extension of or addition to Gallinger Municipal Hospital, a jail or other enclosure for prisoners at Lorton, Va., and a building or buildings for the police court, the municipal court, the recorder of deeds, and the juvenile court, or any of them, said court buildings to be located on such portions or parts of Judiciary Square, or the area bounded by Fourth and Fifth Street, D and G Streets, NW., as shall be approved by said Commissioners, and the National Capital Park and Planning Commission, or any one or more of said projects as the said Commissioners may determine."

SEC. 2. That section 3 of said act is hereby amended by adding at the end thereof the following: "*Provided*, That whenever the District of Columbia is under obligation by virtue of the provisions of section 4 of said Public Act No. 284 (71st Cong.) reimbursement shall be not less than $300,000 in any one fiscal year."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STATISTICS AS TO PEANUTS

The Senate proceeded to consider the bill (S. 81) to provide for the collection and publication of statistics of peanuts by the Department of Agriculture, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of Agriculture is hereby authorized and directed to collect and publish statistics of raw peanuts, shelled, unshelled, and crushed, and peanut oil, in the United States, in the possession of warehousemen, brokers, cleaners, shellers, dealers, growers' cooperative associations, or owners other than the original producers of peanuts. Such statistics shall show the quality of peanuts in such details as to kinds—Virginias, Runners, Spanish, and imported varieties—as the Secretary shall deem necessary for the purposes of this act. All reports except those required from persons owning or operating peanut picking or threshing machines shall be submitted monthly in each year.

SEC. 2. The Secretary is hereby authorized to collect and publish statistics of the quantity of peanuts picked or threshed by any person owning or operating peanut picking or threshing machines.

SEC. 3. It shall be the duty of every warehouseman, broker, cleaner, and/or sheller, dealer, growers' cooperative association, owner and/or operator of peanut picking or threshing machines to furnish promptly upon request of the Secretary, within the time prescribed by him, completely and correctly to the best of his knowledge, a report of the quantity of peanuts on hand and in the case of an operator of peanut picking and threshing machines the quantity picked or threshed, segregating in accordance with forms furnished for the purpose by the Secretary. Any person required by this act, or the regulations promulgated thereunder, to furnish reports or information, and any officer, agent, or employee thereof who shall refuse or willfully give answers that are false and misleading, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not less than $300 nor more than $1,000, or imprisoned not more than 1 year, or to be subject to both such fine and imprisonment.

SEC. 4. The Secretary is hereby authorized to establish and promulgate grades and standards for the classification of peanuts, whenever in his discretion he may see fit.

SEC. 5. That the information furnished under the provisions of this act shall be used only for the statistical purposes for which it is supplied. No publication shall be made by the Secretary whereby the data furnished by any person can be identified, nor shall the Secretary permit anyone other than the sworn employees of the Department of Agriculture to examine the individual reports.

SEC. 6. The Secretary may make rules and regulations as may be necessary in the administration of this act and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, binding, telegrams, telephones, law books, books of reference, publications, furniture, stationery, office equipment, travel, and other supplies and expenses, including reporting services, as shall be necessary to the administration of this act in the District of Columbia and elsewhere, and as may be appropriated for by Congress; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for such purpose.

SEC. 7. That when used in this act—

(1) The term "person" includes individuals, partnerships, corporations, and associations;

(2) The term "Secretary" means the Secretary of Agriculture.

Mr. McKELLAR. Mr. President, will not the Senator from Georgia explain what this bill would accomplish?

Mr. GEORGE. Mr. President, the bill is recommended by the Department of Agriculture. A similar bill has hitherto passed the Senate, and received a favorable report in the House of Representatives.

Mr. McKELLAR. I have no objection.

Mr. GEORGE. The amendment is the substitution of another bill having the same purpose in mind, a bill which I prepared and introduced at a previous session of Congress, and the Secretary of Agriculture has in his report stated that he prefers the other bill. For that reason all after the enacting clause is recommended to be stricken out, and the bill introduced at the previous session of the Congress substituted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROSETTA LAWS

The bill (H. R. 2128) for the relief of Rosetta Laws was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William Laws, who was a member of Company F, Twentieth Regiment United States Colored Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organziation on the 6th day of October 1865: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

CHANGE OF REFERENCE

Mr. STEIWER. Mr. President, I wish to submit a request. Shortly after the beginning of the present session I introduced Senate bill 491, for the relief of Fred Herrick, and the bill was referred to the Committee on Claims. Earlier in the session a similar bill had been introduced and referred to the Committee on Agriculture and Forestry. The Committee on Agriculture and Forestry made a very careful inquiry concerning the measure, held formal hearings, and filed a report, and after its consideration I am sure that committee had a very complete understanding of the bill. I think it unfortunate that Senate bill 491 should have been referred to the Committee on Claims under the circumstances, and I ask unanimous consent that the Committee on Claims be discharged from the further consideration of the bill and that it be referred to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSFER OF LANDS TO THE YAVAPAI INDIANS

The bill (S. 1469) to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction over that tract of land, identified under a metes-and-bounds description beginning at the intersection of the west boundary line of the former Whipple Barracks Military Reserve and the south line of section 28 in township 14 north, range 2 west, Gila and Salt Lake meridian, Arizona, thence northwesterly along said west boundary line 880 feet; thence northeasterly at right angles 1,760 feet; thence southeasterly parallel with the said west boundary line 1,760 feet; thence southwesterly at right angles 1,760 feet; thence northwesterly along said west boundary line 880 feet to point of beginning, containing approximately 75 acres, is hereby transferred from the Veterans' Administration to the Department of the Interior, and the title to said described lands shall remain in the United States in trust for the Yavapai Indians.

SAMUEL KAUFMAN

The bill (H. R. 3105) for the relief of Samuel Kaufman was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

WATER USERS ON IRRIGATION PROJECTS

The Senate proceeded to consider the bill (S. 1305) to further extend the operation of the act entitled "An act to further extend the operation of the act entitled 'An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law', approved April 1, 1932", approved March 27, 1934, which had been reported from the Committee on Irrigation and Reclamation with an amendment to add a proviso at the end of the bill so as to make the bill read:

Be it enacted, etc., That all of the provisions of the act entitled "An act to further extend the operation of the act entitled 'An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law', approved April 1, 1932", approved March 27, 1934, be, and all of the provisions thereof are hereby, further extended for the period of 1 year: *Provided*, That the provisions of this act shall not take effect as to a reclamation district or project when the Secretary of the Interior finds from the evidence at hearings held within a district or project, at which hearings representatives of such district or project are given an opportunity to testify and be heard, that such district or project, or the homesteaders thereon, are financially able to meet the obligations due, or to become due, to the Government and without undue burden: *Provided further*, That the Secretary of the Interior shall immediately report to the Congress the districts or projects that he has by his findings excluded from the benefits of the provisions of this act, together with the evidence submitted at such hearings.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I desire to offer a further amendment to the bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to add at the proper place the following:

SEC. 2. The Secretary of the Interior is authorized and directed to extend to water users on Indian irrigation projects during the calendar years 1934 and 1935 like relief to that provided in the acts of January 26, 1933 (47 Stat. 776), and March 3, 1933 (47 Stat. 1427), applicable to the calendar years 1931, 1932, and 1933.

Mr. HAYDEN. I might explain, Mr. President, that on two former occasions Congress has extended relief to water users on Federal reclamation projects, and subsequently, on two separate occasions, has extended like relief to water users on Indian irrigation projects. I have taken up the matter with the Senator in charge of the bill, and it seemed to me that the proper thing to do was to care for the entire situation in one piece of legislation without requiring Congress to act twice on the same subject matter. For that reason I have offered the amendment.

The two acts referred to in my amendment are as follows:

[PUBLIC—No. 320—72D CONGRESS]

S. 3675

An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects

Be it enacted, etc., That the Secretary of the Interior is authorized, under such rules and regulations as he may prescribe, to defer the payment of such of the construction charges as are in default for the calendar year 1931 on irrigation projects under the direction of the Commissioner of Indian Affairs, and to adjust the construction charges for the calendar year 1932 on such projects, in the same manner and under the same terms as provided by the act of Congress for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law, approved April 1, 1932 (Public, No. 70, 72d Cong.).

Approved, January 26, 1933.

[PUBLIC—No. 417—72D CONGRESS]

S. 5525

An act to extend temporary relief to water users on irrigation projects on Indian reservations, and for other purposes

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to extend to water users on Indian irrigation projects like relief to that provided in an act approved April 1, 1932, applying to water users under the reclamation law for the remaining half of such charges due for the calendar year 1932 and for all similar charges to become due for the calendar year 1933, the said Secretary to issue appropriate regulations for the carrying out of the provisions of this act.

Approved, March 3, 1933.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Arizona.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to further extend relief to water users on United States reclamation projects and on Indian irrigation projects."

WALTER L. ROSASCO

The Senate proceeded to consider the bill (S. 1789) for the relief of Walter L. Rosasco, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That the Veterans' Administration is authorized and directed to pay Walter L. Rosasco, a former flying cadet, Air Corps, United States Army, in the form of compensation, the sum of $100 per month as long as his present rate of disability continues, and to readjust this compensation in accordance with further findings as to said Rosasco's condition under existing compensation laws.

Mr. KING. Let the bill go over.

Mr. SHEPPARD. Mr. President, I recall to the Senator from Utah that the Senator from Florida [Mr. FLETCHER] previously brought this bill up in different form and the Senator from Utah suggested a certain line of action, which line of action was adopted as an amendment to the bill, and it passed the Senate in that shape in the last Congress.

Mr. KING. Then, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Walter L. Rosasco."

STEPHEN SOWINSKI

The Senate proceeded to consider the bill (S. 2045) for the relief of Stephen Sowinski, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 5, to strike out "Battery D, Second Regiment", and to insert in lieu thereof "Casual Detachment, Second", so as to read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Stephen Sowinski, late of Casual Detachment, Second United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 4th day of August 1909 for disability of epilepsy (grand mal) incurred in the service in line of duty: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ACCOUNT BETWEEN THE UNITED STATES AND CONNECTICUT

The bill (S. 993) directing the Comptroller General to adjust the account between the United States and the State of Connecticut was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General is hereby authorized and directed to investigate and reexamine the account between the United States and the State of Connecticut with respect to advances and expenditures made by such State for military purposes during the War of 1812–15 with Great Britain, and after applying to such account the rules applied to the settlement of a similar account between the United States and the State of Maryland under the act entitled "An act authorizing the payment of interest due to the State of Maryland", approved May 13, 1826, as amended by section 12 of the Civil Appropriation Act, approved March 3, 1857, to submit to the Senate a report containing a restatement of such account with interest computed according to such rules.

PURCHASE OF UNITED STATES SUPREME COURT DECISIONS AND DIGEST

The bill (S. 1589) authorizing the purchase of United States Supreme Court decisions and digest was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Librarian of the Congressional Library is hereby authorized and directed to purchase in the open market at the lowest and best price for the respective offices of each member of the Senate and House of Representatives, the complete United States Supreme Court Reports, with Rose's notes, bound in first 60 books and the current supplement to Rose's notes and the complete digest of all decisions to date. Said books are to remain and be the property of the United States of America and to be left in said offices by said Senators and Representatives at the expiration of their term of office for the use and benefit of their successors in office.

Mr. KING subsequently said: Mr. President, my attention has been called to Senate bill 1589, Order of Business 418. I intended to ask that the bill go over unless an explanation were made of it. My understanding is that the bill provides for the purchase of the Supreme Court Reports, with Rose's notes for all Senators and all Representatives, and perhaps for other officials of the Government. I should like to have the bill go over.

Mr. McKELLAR. I notice that the Government would retain title to the books, however.

Mr. ROBINSON. Mr. President, the Senator from Utah would have to ask for a reconsideration of the votes by which the bill was read the third time and passed.

Mr. KING. The Senator from Indiana [Mr. MINTON], I think, made an objection, but the Chair did not hear the objection. I ask unanimous consent that the votes by which the bill was read the third time, and passed, be reconsidered.

Mr. JOHNSON. Mr. President, may I inquire what bill is referred to?

Mr. KING. It is Senate bill 1589, Calendar No. 418, authorizing the purchase of United States Supreme Court decisions and digest. I ask unanimous consent for the reconsideration of the votes by which the bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KING. I now ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

AVIATION CADETS IN NAVAL AND MARINE CORPS RESERVES

The bill (H. R. 5577) to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the grade of aviation cadet is hereby created in the Naval Reserve and Marine Corps Reserve. Aviation cadets shall be appointed by the Secretary of the Navy from male citizens of the United States under such regulations as he may prescribe: *Provided*, That each aviation cadet shall sign an agreement, with the consent of his parent or guardian, if he be a minor, to serve for a continuous period of 4 years on active duty, unless sooner released: *Provided further*, That the Secretary of the Navy is authorized to discharge at any time any aviation cadet, or to release him from active duty. Aviation cadets shall, if qualified, be eligible after completion of their period of active duty, for commission in the Naval Reserve or in the Marine Corps Reserve, with date of precedence as of date of appointment as aviation cadet.

SEC. 2. The pay of aviation cadets while on active duty undergoing training shall be at the rate of $75 per month, which pay shall include extra pay for flying risk, as provided by law. The pay of aviation cadets while on active duty not undergoing training shall be at the rate of $125 per month, which pay shall include extra pay for flying risk, as provided by law. The determination of the Secretary of the Navy as to the period during which aviation cadets are undergoing training shall be conclusive for all purposes. Aviation cadets shall be paid, in addition, a money allowance for subsistence of $1 per day. While traveling under orders to or from active duty, or while in the performance of such duty they shall, under such regulations as the Secretary of the Navy may prescribe, receive transportation and other necessary expenses incident to such travel, or cash in lieu thereof: *Provided*, That when traveling by air under competent orders, they shall receive the same allowances for traveling expenses as are now or may hereafter be authorized by law for officers of the Navy.

SEC. 3. Aviation cadets shall, while undergoing training, be issued necessary uniforms and equipment at Government expense. Upon first assignment to duty after the completion of training, aviation cadets shall, in addition, be paid a uniform allowance of $150.

SEC. 4. Aviation cadets shall, except as otherwise provided in this act, be subject to all the laws and regulations prescribed for other members of the Naval Reserve or the Marine Corps Reserve. They shall take precedence next before warrant officers of the Naval Reserve or Marine Corps Reserve: *Provided*, That when aviation cadets contract sickness or disease or suffer injury in line of duty while performing active duty, they may, in the discretion of the Secretary of the Navy, be retained on such active-duty status beyond the specified date of termination thereof.

SEC. 5. During their period of active duty aviation cadets will be issued Government life insurance in the amount of $10,000, the premiums on which shall be paid out of current appropriations as provided in section 7. Upon discharge or upon completion of active duty, aviation cadets will have the option of continuing such policies at their own expense.

SEC. 6. Aviation cadets of the Naval Reserve and Marine Corps Reserve shall, upon release from a period of active duty of 4 years or more, be paid a lump sum of $1,500, which sum shall be in addition to any pay and allowances which they may otherwise be entitled to receive.

SEC. 7. The pay and allowances of aviation cadets of the Naval Reserve and Marine Corps Reserve and the premiums on their life insurance shall be paid from the current appropriations "Naval Reserve" and "Pay, Marine Corps", respectively.

BITTER ROOT IRRIGATION PROJECT

The bill (S. 946) to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana" was announced as next in order.

Mr. McKELLAR. Mr. President, I do not see the Senator from Montana [Mr. WHEELER] in the Chamber. If there is no Senator here familiar with the bill, I will ask that it go over.

Mr. ROBINSON. Mr. President, I think there should be an explanation of the bill.

Mr. WHEELER. Mr. President, a bill similar to this passed the Senate at the last session and was tied up in the last hours of the session in the House. It is a bill which gives the Secretary of the Interior the power to enter into a contract with the Bitter Root Irrigation District identical with the power which he has with reference to other irrigation districts throughout the country.

Mr. ROBINSON. Why does he not have that power now?

Mr. WHEELER. Because of the fact that this irrigation district was taken over by the Government subsequent to the taking over of the other irrigation districts which are under the control of the Government.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Irrigation and Reclamation, with amendments.

The first amendment was, in section 1, page 2, line 8, after the word "*Provided*", to strike out "That interest now due and unpaid, and interest become due and payable July 1, 1934, shall be added to and merged with the principal sum advanced under component (1)" and in lieu thereof to insert "That all interest now due and unpaid on component (1) shall be added to and merged with the principal sum advanced under that component"; in line 15, after the word "paid", to strike out "on component (1)"; and in line 16, after the word "under", to add "the", so as to make the section read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to negotiate and execute a contract with the Bitter Root Irrigation District, amending as provided herein aricles 3 and 6 of the contract dated August 24, 1931, between the United States of America and said irrigation district. The amended contract shall segregate the district's obligation into two components: (1) All money advanced to the district under section 2, subsection (1) of the act of July 3, 1930, for liquidating bonded and other outstanding indebtedness of said district; and (2) all moneys advanced or used under section 2, subsections (2) and (3) of said act for construction, betterment, and repair work. All money advanced under component (1) shall be repaid to the United States within the period fixed in said contract, with interest at 4 percent per annum until paid: *Provided*, That all interest now due and unpaid on component (1) shall be added to and merged with the principal sum advanced under that component. Nothing herein contained shall be construed as authorizing a modification in said amendatory contract of the interest charges heretofore paid by the district under the contract of August 24, 1931.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 20, after "United States", to insert "without interest", so as to make the section read:

SEC. 2. The amended contract shall provide also that all money advanced or used under section 2, subsections (2) and (3) of the act of July 3, 1930, shall be repaid to the United States without interest within the period fixed in said contract, and in the case of default in the payment when due of any installment fixed by the Secretary for repayment of money advanced or used under said section 2, subsections (2) and (3), there shall be added to the payment unpaid a penalty of one-half of 1 percent of the amount unpaid on the 1st day of each month thereafter so long as such default shall continue.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SUPPRESSION OF PROSTITUTION IN THE DISTRICT

The Senate proceeded to consider the bill (S. 405) for the suppression of prostitution in the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 3, after the words "for any", to strike out "female" and insert "person"; in line 9, after the word "follow", to insert "him or"; in the same line, after the words "her to", to insert "his or"; on page 2, line 1, after the word "any", to strike out "female" and insert "person"; in line 5, after the word "follow", to insert "him or"; in line 11, after the word "any", to strike out "woman" and insert "person"; and in line 12, after the words "ill fame", to strike out "or who associates with women of bad character for chastity, either in public, or at a place which men of bad character frequent or visit", so as to make the bill read:

Be it enacted, etc., That it shall not be lawful for any person to invite, entice, persuade, or to address for the purpose of inviting, enticing, or persuading any person or persons, in or upon any avenue, street, road, highway, open space, alley, public square,

or inclosure in the District of Columbia, to accompany, go with, or follow him or her to his or her residence, or to any other house or building, inclosure, or other place, for the purpose of prostitution, or any other immoral or lewd purpose, under a penalty of not more than $100 or imprisonment for not more than 90 days, or both. And it shall not be lawful for any person to invite, entice, or persuade, or address for the purpose of inviting, enticing, or persuading any person or persons from any door, window, porch, or portico of any house or building to enter any house, or go with, accompany, or follow him or her to any place whatever, for the purpose of prostitution, or any other immoral or lewd purpose, under the like penalties herein provided for the same conduct in the streets, avenues, roads, highways, or alleys, public squares, open spaces, or inclosures.

SEC. 2. Any person who frequents or lives in houses or other establishments of ill fame, or who (whether married or single) engages in or commits acts of fornication for hire, shall be considered a vagrant, and subject to the penalties provided in section 8 of an act entitled "An act for the preservation of the public peace and the protection of property within the District of Columbia, approved July 29, 1892", and as amended by act of Congress approved March 3, 1909.

SEC. 3. Section 7 of the act of Congress entitled "An act for the preservation of the public peace and the protection of property within the District of Columbia", approved July 29, 1892, is hereby repealed.

The amendments were agreed to.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 477) to provide for the appointment of two additional judges for the southern district of New York and two additional judges for the southern district of California was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

DOMINICK EDWARD MAGGIO

The bill (S. 880) for the relief of Dominick Edward Maggio was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy, Dominick Edward Maggio shall be held and considered to have been honorably discharged from the United States Navy on the 24th day of September, 1924: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

ALBERT LAWRENCE SLINEY

The bill (S. 882) for the relief of Albert Lawrence Sliney was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Albert Lawrence Sliney shall be held and considered to have been honorably discharged from the United States Navy on the 19th day of June 1922: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

REIMBURSABLE INDIAN IRRIGATION FUNDS

The Senate proceeded to consider the bill (S. 1531) to credit the Fort Belknap Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Fort Belknap Indian Reservation, Mont., which was read, as follows:

Be it enacted, etc., That the amount of tribal funds of the Fort Belknap Indians heretofore expended for construction and operation and maintenance of irrigation systems on the Fort Belknap Reservation, Mont., shall be reimbursed from the Treasury of the United States and placed to the credit of the Fort Belknap Tribe and be available for such expenditures for the benefit of said tribe as Congress may hereafter direct.

Mr. McKELLAR. Mr. President, that seems to be an important bill. Will the Senator from Montana explain it?

Mr. WHEELER. Mr. President, when certain irrigation projects were built on various reservations throughout the United States, Indian money which was in the Treasury of the United States was used to build the projects which afterward to a large extent were sold to white people. The money originally belonged to the Indians. It was reimbursable, to be paid back to the Indians. Much of it has not been paid back to the Indians, but is still outstanding. This bill provides that the money which was appropriated out of Indian funds shall be paid back by the Government to the Indian tribes.

Mr. McKELLAR. All the money originally was taken from the Indian funds?

Mr. WHEELER. Yes; all the money originally was taken from the Indian funds. The Senator from Arizona [Mr. HAYDEN] has the same proposition from his State, and the Secretary of the Interior is very much in favor of the bill.

Mr. McKELLAR. The next bill is exactly the same.

Mr. HAYDEN. Mr. President, I was just going to suggest that the next bill, Senate bill 1532, and the bill introduced by the Senator from Oregon [Mr. STEIWER], Senate bill 506, are all of the same character. I know of two other Indian tribes which are in the same situation. Generally, this entire Indian reimbursable problem was satisfactorily adjusted a year or two ago, but there seem to be some fag ends left. My thought was to combine all the remaining questions into an omnibus bill and send the measure over to the House of Representatives so that the entire matter may be considered with the care usually exercised by that body.

Mr. WHEELER. I have no objection to it, Mr. President. I agree with the Senator from Arizona that that is what should be done. There are a few odds and ends left.

Mr. McKELLAR. That cannot be done here.

Mr. HAYDEN. I have here an amendment to this bill, which includes the next one on the calendar, referring to the Crow Indians of Montana, and the third bill, relating to the Klamath Indians of Oregon. In that I have included two other sections, which refer to the Fort Hall Indians of Idaho and to the San Carlos Apache Indians of Arizona. Such an amendment will make of the pending measure an omnibus bill so that the Senate can dispose of the entire matter at one time.

I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, at the end of the bill, it is proposed to insert the following new sections:

SEC. 2. That the amount of tribal funds of the Crow Indians heretofore expended for construction and operation and maintenance of irrigation systems on the Crow Reservation, Mont., shall be reimbursed from the Treasury of the United States and placed to the credit of the Crow Tribe and be available for such expenditures for the benefit of said tribe as Congress may hereafter direct.

SEC. 3. That the amount of tribal funds of the Klamath Indians heretofore expended for construction and operation and maintenance of irrigation systems on the Klamath Reservation, Oreg., shall be reimbursed from the Treasury of the United States and placed to the credit of the Klamath Tribe and be available for such expenditures for the benefit of said tribe as Congress may hereafter direct.

SEC. 4. That the amount of tribal funds of the San Carlos Apache Indians heretofore expended for construction and operation and maintenance of irrigation systems on the San Carlos Apache Reservation, Ariz., for which the San Carlos Apache Tribe has not been previously compensated, shall be reimbursed from the Treasury of the United States and placed to the credit of the San Carlos Apache Indians and be available for such expenditures for the benefit of such Indians as Congress may hereafter direct.

SEC. 5. That the amount of tribal funds of the Fort Hall Indians heretofore expended for construction and operation and maintenance of irrigation systems on the Fort Hall Reservation, Idaho, shall be reimbursed from the Treasury of the United States and placed to the credit of the Fort Hall Indian Tribe and be available for such expenditures for the benefit of said tribe as Congress may hereafter direct.

Mr. McKELLAR. Mr. President, may I ask the Senator from Arizona whether all these bills are recommended by the Department?

Mr. HAYDEN. They are all recommended by the Secretary of the Interior, and, so far as I am advised, clear up the entire Indian irrigation reimbursable situation. Heretofore Congress has enacted a general statute which relieved the Indians and gave them considerable sums by way of reimbursement, but that statute did not apply to these Indian irrigation projects. My amendment will put the several proposals all in one bill, and the House can then consider it as one matter.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to credit certain Indian tribes with sums heretofore expended from tribal funds on Indian irrigation works."

Mr. McKELLAR. Mr. President, the other bills should be indefinitely postponed.

Mr. HAYDEN. Yes; Senate bill 1532 and Senate bill 506 should be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 1532 and Senate bill 506 will be indefinitely postponed.

JOSEPH HORACE ALBION NORMANDIN

The Senate proceeded to consider the bill (S. 885) to correct the naval record of Joseph Horace Albion Normandin, which had been reported from the Committee on Naval Affairs with an amendment, to strike out all after the enacting clause and insert:

That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors Joseph Horace Albion Normandin, formerly a seaman, United States Navy, shall be held and considered to have been discharged with an ordinary discharge under honorable conditions as of April 18, 1929, the date on which he was given a bad-conduct discharge from the Navy: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SAC AND FOX (OF MISSOURI) TRIBE OF INDIANS

The Senate proceeded to consider the bill (S. 1723) to authorize payment to the Sac and Fox (of Missouri) Tribe of Indians of certain tribal funds to their credit in the United States Treasury, and for other purposes, which had been reported from the Committee on Indian Affairs, with amendments.

Mr. McKELLAR. Mr. President, does the Department recommend the passage of this bill?

Mr. CAPPER. This bill was referred to the Department, and has its full approval.

The PRESIDING OFFICER. The amendments of the committee will be stated.

The amendments were, on page 1, line 5, after the words "amount of" to strike out "$9,158.20" and insert "$9,153", and in line 6, after the word "plus", to strike out "$273.71" and insert "$268.71", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to pay to the Sac and Fox Tribe of Indians of Missouri the amount of $9,153, representing the amounts remaining in the Treasury in two separate funds, plus $268.71 interest, which have accured to and including December 31, 1934, on the amount of $1,141.70 now in the Treasury, derived from the sale of lands of these Indians on which such interest accrued under the act of February 12, 1929 (45 Stat. L. 1164): *Provided*, That prior to the segregation and payment of the above amount to the Indians, there shall be paid to certain attorneys who have rendered services to the Indians under an informal contract not to exceed $400, to reimburse them for expenses incurred for and on behalf of the tribe.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PEARL HARBOR, HAWAII

The bill (S. 1209) to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to relinquish to the trustees under the will and of the estate of Bernice F. Bishop, deceased, all right, title, and interest of the United States in a perpetual easement granted the United States on August 17, 1921, for a right-of-way across portions of Waialae-nui and Waialae-iki, Pearl Harbor, Hawaii, for a 4-inch cast-iron water main for naval purposes.

POST-OFFICE BUILDING AT JONESBORO, ARK.

The Senate proceeded to consider the bill (S. 2088) to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark.

Mr. ROBINSON. Mr. President, this is a bill introduced by my colleague [Mrs. CARAWAY]. It authorizes the acquisition of sufficient area to provide for an approach to the loading platform of the public building in Jonesboro, Ark. An identical bill, being House bill 6290, has passed the House of Representatives and is now pending in the Committee on Public Buildings and Grounds. I ask that that committee be discharged from further consideration of the House bill to the end that that bill may be considered by the Senate in lieu of the Senate bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. ROBINSON. I ask for the present consideration of the House bill.

Mr. AUSTIN. Mr. President, there may be some peculiar merit in this particular bill, but, upon consideration of this bill and others of a similar nature, a subcommittee was appointed to ascertain what ought to be the policy of the Congress in respect to all those cases which provide for the disposal of lands already owned by the United States Government, either for the sake of obtaining new locations or sites for new public buildings.

Mr. ROBINSON. Mr. President, I think the Senator misunderstands the purpose of this bill. Senate bill no. 2088, being Calendar No. 433, has been unanimously reported by the Senate Committee on Public Buildings and Grounds. The bill relates only to "such portion of the 15-foot public alley north of the site as may be necessary to provide appropriate means of access to a loading platform", and so forth, of the Federal building. It is necessary in order that the post-office authorities in Jonesboro may perform their functions effectively. The bill does not contemplate any change of site or the procurement of a site, but merely the condemnation or purchase of an alley in order to provide access to the public building.

Mr. AUSTIN. Mr. President, I misunderstood the statement of the Senator from Arkansas, and I withdraw my comment on this bill.

Mr. ROBINSON. Very well. I ask unanimous consent for the present consideration of the House bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 6290) to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to acquire by purchase, condemnation, or otherwise, as an addition to the post-office site at Jonesboro, Ark., such portion of the 15-foot public alley north of the site as may be necessary to provide appropriate means of access to the loading platform of the building as extended and remodeled under authority of the act of Congress (46 Stat. 1595) approved March 4, 1931.

The PRESIDING OFFICER. Without objection, Senate bill 2088, being Calendar No. 433, will be indefinitely postponed.

BILL PASSED OVER

The bill (S. 2356) to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920, was announced as next in order.

Mr. McKELLAR. The Senator from Virginia [Mr. BYRD], who introduced the bill, does not seem to be present at the moment. I notice that the Department opposes the bill, and I will ask that it go over for the day.

The PRESIDING OFFICER (Mr. GIBSON in the chair). The bill will be passed over.

JOHN F. PATTERSON

The bill (S. 1783) for the relief of John F. Patterson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army John F. Patterson shall be held and considered to have been honorably discharged as a private, Company D, First Regiment Minnesota National Guard Infantry, on August 14, 1917: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued by reason of this act prior to its passage.

MILITARY INSTRUCTOR OF HIGH-SCHOOL CADETS

The Senate proceeded to consider the bill (S. 1023) to provide for the payment of a military instructor for the high-school cadets of Washington, D. C., which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 3, after the word "law", to strike out "a" and insert "one", and on line 9, after the name "Columbia", to insert "not to exceed $1,800 per annum", so as to make the bill read:

Be it enacted, etc., That, notwithstanding any other provision of law, one retired officer of the United States Army, acting as professor of military science and tactics at the public high schools of Washington, D. C., shall be permitted to receive, in addition to his retired pay, the pay of a teacher in the public high schools of Washington, D. C., not to exceed $1,800 per annum, under appointment by the Board of Education of the District of Columbia and payable from the appropriation for the expenses of the public schools of the District of Columbia.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SCHOOL BUILDINGS IN MONTANA

The bill (S. 1522) to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children was announced as next in order.

Mr. McKELLAR. Mr. President, this bill proposes to appropriate $100,000 for a school building in Montana. Will the Senator from Montana explain it?

Mr. WHEELER. Mr. President, I will be glad to do so. The proposals embodied in this and a number of other bills on the calendar have reference to erecting schools or extending schools in various Indian reservations in the State of Montana. The bills are being proposed because the policy of the present administration of the Department has been to close up the Indian boarding schools, which, in many instances, are found to be both inefficient and extremely expensive to the Government. The cost of sending a child to an Indian boarding school, if my recollection serves me aright, is something in the neighborhood of three or four hundred dollars a year, whereas if the Indian children are placed in the public schools in the community in which they live, it costs the Government much less. At the same time the Indian child goes to school with white children of the community, learns the ways of the white children, and becomes a much better citizen and much better able to take his place in the white community and in affairs generally.

Mr. McKELLAR. How many of these children are there in the community?

Mr. WHEELER. In the particular community covered by the pending bill the figures show that last year 700 Indian children were attending these schools. This year the number has been increased to 810, largely because of the closing of the Cut Bank boarding school which had a capacity of 141 pupils.

Mr. McKELLAR. Will the buildings be erected on Government reservations?

Mr. WHEELER. They will be erected on the Blackfeet Indian Reservation.

Mr. McKELLAR. Will they be built out of the Indian funds; out of money in the Treasury?

Mr. WHEELER. What is done is that the white community and the Government cooperate; the Government puts up a part of the money and the Indian Bureau puts up a part of the money.

Mr. McKELLAR. Ought not that to be provided for in the bill? I do not believe it is. There is no provision that the Indian funds shall be onerated with any part of the cost.

Mr. WHEELER. As I understand, these bills generally are for additions to present public schools in the several communities. We are faced with this situation: The white people have put up these schools; they hire the teachers, and they do not want to drive the Indian children out, but they say to the Government, "We have not the money with which to build additional school facilities; if you want the Indian children to go to the white man's school then you have got to pay to put up some additional buildings so that we may take care of them."

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. VANDENBERG. Knowing the Senator's loyal, enthusiastic support of the President's financial program, I was wondering what his comment would be upon the fact that all these bills seem to violate that program?

Mr. WHEELER. Let me say that the Secretary of the Interior has recommended each and every one of these bills, and said he was in favor of them, but he does say that they are contrary to the financial program at the present time. I will say quite frankly to the Senator that I think what will happen if this bill shall pass will be that the money will be taken out of the public-works fund and not out of direct appropriations. That is my candid opinion of it.

Mr. McKELLAR. Under those circumstances, had not these bills better go over for the day, anyway, and let us look into them, because it hardly seems fair that schools should be built for some Indians unless they are built for all Indians?

Mr. WHEELER. Let me say to the Senator that what they are doing is this: On practically every Indian reservation throughout the United States—for instance, a large part of Glacier County, in Montana, is made up of the Blackfeet Indian Reservation—the Indian lands pay no taxes whatsoever to the county; the property of the Indians there pays no taxes to the county; and the white people living in the community, who have taken up homesteads or have bought some land, simply cannot afford to erect the necessary buildings and educate the Indian children. If the Government does not do it, the Indian children have got to go without education, as last year quite a large number of them did, or other provision has to be made.

Mr. McKELLAR. The Senator is very, very persuasive, but I am going to ask him to let this bill go over until the next call of the calendar, and let us see whether the amount appropriated can be paid out of the other funds or whether they should be taken out of the Treasury. I think it would be better to take the money out of the other funds.

Mr. WHEELER. Under those circumstances, I will consent to have the bill go over.

Mr. McKELLAR. My request also applies to Senate bills 1524, 1525, 1526, and 1530.

The PRESIDING OFFICER. Under objection, Calendar Nos. 437, 438, 439, 440, and 441, being, respectively, Senate bills 1522, 1524, 1525, 1526, and 1530, will be passed over.

STRENGTH AND DISTRIBUTION OF THE LINE OF THE NAVY

The bill (H. R. 5599) to regulate the strength and distribution of the line of the Navy, and for other purposes, was announced as next in order.

Mr. KING. Over.

Mr. TRAMMELL. Mr. President, I hope this bill may be acted upon. It has been very thoroughly considered, and has already passed the House, being a House bill. It is in keeping with the policy of increasing the Navy up to treaty strength. It covers a period of some 6 or 7 years in its operations.

Mr. KING. I ask that the bill go over.

Mr. TYDINGS. As I understand this bill, it would simply provide for manning the new vessels which are being constructed, and without the enactment of the bill there would be ships without sufficient men and personnel to man them? Is that correct?

Mr. TRAMMELL. That is correct.

Mr. KING. Let the bill go over until the next call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED OVER

The bill (S. 2287) to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935, was announced as next in order.

Mr. McKELLAR. Let that bill take the same course.

The PRESIDING OFFICER. The bill will be passed over.

WEARING OF MEDALS IN THE NAVY

The bill (S. 1208) authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That authority is hereby granted to personnel of the Navy and Marine Corps to wear in lieu of commemorative or special medals awarded to them a miniature facsimile of such medal and a ribbon symbolic of the award thereof under such regulations as the Secretary of the Navy may prescribe.

BILLS PASSED OVER

The bill (S. 1492) to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota, under the Swamp Land Act, was announced as next in order.

Mr. McKELLAR. As I understand Calendar Nos. 445, 446, and 447, being Senate bills 1492, 1535, and 1536, are substantially the same as the bill which was discussed a few moments ago by the Senator from Montana [Mr. WHEELER], which, with some others of a similar nature, was passed over. So I ask that the bills, the numbers of which I have given, may also go over.

The PRESIDING OFFICER. Without objection the bills referred to by the Senator from Tennessee will be passed over.

The bill (S. 1426) providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army, and his retirement in that grade, was announced as next in order.

Mr. KING. I should like an explanation of the bill.

Mr. BACHMAN. Mr. President, I will say to the Senator from Utah that the Senator from New Mexico [Mr. HATCH], who introduced the bill, and his colleague, Mr. CUTTING, are absent from the Chamber at the moment.

Mr. KING. Let the bill go over.

Mr. BACHMAN. Very well.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1932) for the relief of the State of California was announced as next in order.

Mr. McKELLAR. Mr. President, that bill, which was introduced by the Senator from California [Mr. JOHNSON], involves a large amount, and I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 215) to establish uniform requirements affecting Government contracts, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

EXTENSION AND COMPLETION OF UNITED STATES CAPITOL

The bill (S. 1129) to provide for the extension and completion of the United States Capitol was announced as next in order.

Mr. McKELLAR. Mr. President, this bill proposes to appropriate three and a half million dollars for the extension and completion of the Capitol. I notice it was introduced and reported by the Senator from Texas [Mr. CONNALLY]. I should like to know something about the measure and its purposes.

Mr. CONNALLY. Mr. President, I shall be glad to explain the bill to the Senator. The report gives a very graphic account of the history of the plan for the extension of the Capitol.

Mr. McKELLAR. If there is a long report, would it not be better to let the bill go over and let those who are interested in its study the report? Then we can consider it promptly on the next call of the calendar.

Mr. CONNALLY. Of course, if the Senator desires the bill to go over I cannot object. We are very hopeful of getting the money for this work out of the joint resolution which recently became a law.

I invite the attention of Senators to the fact that the bill has been before the Senate and the committees of the Senate off and on for a great many years. The original Architect of the Capitol, who constructed the east and north and south wings shortly before the Civil War, desired to make this identical improvement at that time. His report so discloses. Every Architect of the Capitol who has served since that time has recommended this particular improvement. The Committee on Public Buildings and Grounds held extensive and full hearings before a subcommittee, of which the Senator from Massachusetts [Mr. WALSH] is chairman. The main committee reported the bill unanimously.

Mr. McKELLAR. Just what does the bill provide?

Mr. CONNALLY. The north and south wings of the Capitol were added many years after the original structure was built. The dome was added when the new wings were built. In building the dome, apparently the dome protruded over the east front about 20 feet and architecturally there is apparently no foundation whatever for it. The purpose of the bill is to extend the east front of the central portion of the structure so as to bring it beyond the base of the dome and to provide some 20 or 30 additional rooms in the building for Senators; also to provide a corridor on the third floor in order that one may pass on that floor from the Senate wing to the House wing, which cannot be done at this time.

The architecture of the columns and other portions of the facade of the wings does not harmonize with the facade of the central portion. Neither do the materials harmonize. The north and south wings of the Capitol are constructed of marble, whereas the central portion is constructed of sandstone. When the British captured the Capitol and burned it in 1814 the central portion was discolored. As a result it has to be painted from time to time, whereas the wings which are marble do not have to be painted. There is always a difference in color.

Mr. McKELLAR. Mr. President, the Senator has said enough to justify me in withdrawing my objection. I believe the improvements ought to be made by all means.

Mr. CONNALLY. The Senator from Massachusetts [Mr. WALSH] has just entered the Chamber in time to hear me pay a well-deserved tribute to him. In the consideration of this matter the Senator from Massachusetts rendered a very useful and distinguished service.

Mr. WALSH. Mr. President, I thank the Senator from Texas. May I suggest that he have the report of the committee printed in the RECORD for the information of Senators.

Mr. CONNALLY. Complying with the suggestion of the Senator from Massachusetts, I ask unanimous consent, in connection with my remarks that there may be printed in the RECORD the report on the bill.

There being no objection, the report (No. 435) was ordered to be printed in the RECORD, as follows:

The Committee on Public Buildings and Grounds, to whom was referred the bill (S. 1129) to provide for the extension and completion of the United States Capitol, having considered the same, report favorably thereon and recommend that the bill do pass.

The extension of the central portion of the Capitol eastward so as to complete the effect intended at the time when the wings and dome were built has been under consideration since 1863 and has been recommended by every Architect of the Capitol and every consulting architect who studied and reported upon the problem since that time.

Your committee has given this matter earnest and careful study and has held complete hearings on the subject, and in view of the

high degree of importance of this proposed extension to the Capitol it is considered desirable to explain in some detail the history of this proposed change for the benefit of the Members of the Congress.

The present form of the Capitol is the result of a series of successive additions over a long period of time, carried out under the direction of various Architects of the Capitol, each of whom added to and, to some extent, modified the work of his predecessor.

The last important alteration in the design of the building was the construction of the north and south wings and the dome, which was carried out between 1851 and 1865 from designs by Thomas U. Walter, who was Architect of the Capital during this period.

The dome, as then planned and executed, rests upon an octagonal base or skirting which overhangs the east wall approximately 15 feet 6 inches, in such a way that it rests on a void space apparently without support.

It was not intended that this condition should be a permanent one. The reports and sketches left by Mr. Walter show that he proposed as the next step to carry forward the wall and portico of the central portion so as to give the dome an adequate appearance of support.

The advent of the Civil War interrupted the progress of the work being carried on at the Capitol so that this modification was never carried out. The building in its present state, therefore, represents an unfinished stage in the development of what was intended to be a complete and harmonious design and presents, in this overhang of the dome over the wall below, what the various Architects of the Capitol and the consulting architects referred to above have unanimously considered a serious architectural defect.

Thus Mr. Walter, in his annual report, November 1, 1863 (Doc. Hist. Cap., p. 825), states:

"The eastern portico of the old building will certainly be taken down at no very distant day, and the front be extended eastward."

Again, in his annual report of November 1, 1864 (Doc. Hist. Cap., p. 1264), states:

"Now that the new dome and the wings of the Capitol are approaching completion, it must be apparent to everyone that the extension of the center building, on the east, to the line of the new wings, become an architectural necessity. I have therefore prepared plans for thus completing the work in harmony with what has already been done and will place them in the Capitol for future reference."

His successor, Edward Clark, in his report of November 1, 1865 (Doc. Hist. Cap., p. 1264), makes the following comment:

"I respectfully call attention to the necessity of extending the central building and portico out to the line of the porticos of the wings. This is imperatively demanded, in order to give prominence to the central portico, which should be the superior one of the three; whereas at present, owing to its receding, and the encroachment of the dome upon it, it appears to be the inferior. Besides, the lower member of the dome overhangs the eastern wall of the building, giving the dome from some points of view an appearance of insecurity."

Again Mr. Elliott Woods, in a report of March 11, 1902, states:

"For the extension of the east central portion of the Capitol I submit designs made by the late Thomas U. Walter, the former Architect of the Capitol, who built the present north and south wings. The studies were made by Mr. Walter with due regard to bringing the Capitol Building to what he considered completion; * * * an extension which would harmonize with what already existed, which would give additional beauty to the splendid dome he had designed and erected, and which he hoped would some day grace a completed structure."

The Congress, in the Sundry Civil Appropriations Act of April 28, 1904, established a joint commission to investigate and report on the extension of the Capitol Building. This commission appointed the firm of Carrere & Hastings, consulting architects, to study the problem involved. This firm submitted a report to the commission on February 19, 1905, which contained the following comments regarding the necessity for the eastward extension:

"* * * It seems remarkable when considering the history of this building that so beautiful and harmonious a design should have resulted from the successive additions made to the original building, the result of which is certainly a monument to the skill of Mr. Walter. Whatever faults there may be in the design are distinctly the outcome of the limitations which were imposed upon the Architect in adapting the new conditions to the building as it then existed. The dome had to be designed in proportion to the enlarged building, and yet Mr. Walter found himself compelled to place this larger dome upon the masonry foundations and walls of the smaller dome. Owing to the fact that the foundations were built on most unfavorable soil, he very naturally hesitated to add upon these walls any unnecessary masonry weight or to disturb in any way the existing masonry where it could be used and adapted to the new conditions. He felt very strongly, however, as we do; the defect that on the east front the dome does not appear to be supported; in fact, it overhangs the wall of the building and seems to rest partly upon the portico. He was right in wishing to have this defect corrected * * *."

Substantially the same conclusions have been reached by the present Architect of the Capitol, as set forth in his statement in the hearings before a subcommittee of this committee held on January 22, 1935. It is apparent, then, that the consensus of expert opinion is and has been that this change is necessary to remedy the existing architectural defect caused by the overhang of the dome and to complete and perfect the architectural composition of the structure.

The question of the exact distance of the extension which is best calculated to bring about the effect desired has naturally been the subject of some differences of opinion.

Mr. Walter's recommendation was that the central portion be extended at least as far as the line of the wings. Carrere & Hastings in their report expressed the opinion that this amount of projection would be excessive and presented two alternate sketches referred to in the bill as "scheme A" and "scheme B", recommending the adoption of scheme A, which provided the least amount of projection which would provide the desired appearance of support for the skirting of the dome.

Mr. David Lynn, the present Architect of the Capitol, having made further studies of the problem, submits a plan which is a modification of scheme B as proposed by Carrere & Hastings. This plan, while not intended to be taken as final and conclusive, is considered to offer certain advantages both from a practical and aesthetic point of view.

First, except for a slight modification in the width of the central portico and the steps leading thereto (considered desirable in order to give additional emphasis to the central entrances), it preserves without change the original architectural design and detail of the central portion of the building.

Second, it provides for certain practical necessities which were felt even at the time when Carrere & Hastings prepared their report and which have since become of more serious importance.

These are, briefly, the provision of a cross corridor between the wings on the gallery floor, where there is at present no direct means of passage from one end of the building to the other, the provision of additional space for the service of the committees (particularly those of the House of Representatives where the Appropriations Committee now occupies rooms on three separate floors) and by releasing space now used by these committees allows the provision of adequate space for the reception of those having business with Members.

Your committee in reporting this bill reached the conclusion that it is highly desirable that the central portion of the Capitol be extended eastward to correct the architectural defect now existing. It considers that the exact distance to which the front should be extended may best be determined through the preparation of complete architectural drawings and designs as well as scale and full-size models, and that this detail may safely be left to the determination of the commission proposed to be created by the bill.

It further concludes that such portions of the building as are now built of sandstone should be refaced with white marble so that the central portion will conform to the House and Senate wings.

The PRESIDING OFFICER (Mr. McGILL in the chair). Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the central portion of the Capitol shall be extended, reconstructed, and replaced in substantial accordance with either scheme A or scheme B of the architectural plan submitted by the joint commission of Congress and reported to Congress on March 3, 1905 (House Doc. No. 385, 58th Cong., 3d sess.), with such modifications as the commission may determine, except so much of said plan as relates to a sculptural group in the pediment of the House wing, and replacing with white marble the two broad flights of terrace steps on the west of the Capitol. The joint commission hereinafter provided for shall determine whether the substance of scheme A or scheme B shall be adopted.

SEC. 2. The extension, reconstruction, and replacement herein authorized shall be carried out under the direction and supervision of a commission, which is hereby created, to be known as the "Commission for the Extension and Completion of the United States Capitol", and to be composed of the President of the Senate, the Speaker of the House of Representatives, the chairman and the ranking minority member of the Senate Committee on Public Buildings and Grounds, the chairman and the ranking minority member of the House Committee on Public Buildings and Grounds, the minority leader of the Senate, the minority leader of the House of Representatives, and the Architect of the Capitol. Notwithstanding the expiration of a Congress, any Representative who is a member of the Commission, if reelected, shall continue to serve thereon until a successor is selected by the House of Representatives. The Architect of the Capitol shall serve as executive officer of the Commission and shall perform such services under this act as the Commission may direct.

SEC. 3. The construction contemplated under this act, including the necessary traveling expenses, the letting of contracts, advertising, purchase of materials, supplies, equipment, and accessories in the open market, the employment of all necessary skilled architectural and engineering personnel and other services (without reference to section 35 of the act approved June 25, 1910), and the purchase of necessary technical and other books, shall be under the control of the Architect of the Capitol, subject to the direction and supervision of the Commission.

SEC. 4. The total cost of the extension, reconstruction, and replacement herein authorized shall not exceed the sum of $3,500,000, and a contract or contracts for any portion or all of such amount may be entered into in accordance with section 3.

SEC. 5. Appropriations made pursuant to this act shall be disbursed in the same manner as other appropriations under the Architect of the Capitol through the Division of Disbursements, Treasury Department.

The PRESIDING OFFICER. That completes the calendar.

REGULATION OF LOAN BUSINESS IN THE DISTRICT

Mr. KING. Mr. President, when Calendar No. 312, being the bill (S. 1162) to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, and so forth, approved February 4, 1913, was reached in due course during the call of the calendar, owing to the temporary absence from the Chamber of the Senator from Minnesota [Mr. SCHALL], I asked that it be passed over. The Senator from Minnesota is now present. I ask now to recur to that order of business and for its present consideration.

The PRESIDING OFFICER. Without objection, the Senate will recur to Order of Business 312, being Senate bill 1162.

Mr. SCHALL. Mr. President, I have a statement which I wish to have read in relation to the bill and an article which I desire to have printed in the RECORD.

Mr. KING. I withdraw my request. Apparently it is going to lead to debate.

The PRESIDING OFFICER. The request is withdrawn, and the bill will remain on the calendar.

IMPROVEMENT IN BUSINESS CONDITIONS IN IOWA

Mr. ROBINSON. Mr. President, yesterday the Senator from Iowa [Mr. DICKINSON] indicated his readiness to accept the Republican Presidential nomination for the campaign of 1936. Our other highly esteemed colleague, the Senator from Michigan [Mr. VANDENBERG], I think is in the same frame of mind. His action anticipated by a considerable period that of the Senator from Iowa. We have not recently heard anything about the boom of the eminent Senator from Michigan, and I suppose the Senator from Iowa regards this as a very splendid opportunity to enter the race.

I must confess that in the speech of the Senator from Iowa as reported in the press there were some regrettable omissions.

He told his Virginia audience:

> When the weaknesses of the program of the present administration are exposed it will be an easy matter to suggest a substitute program.

How unfortunate it is that the new candidate for President did not take the time to let his hearers know what is the program that it is so simple to suggest. It is no trouble to criticize in glittering generalities, or in generalities that are not glittering; but, somehow, not one of the critics of the new deal has ventured to plant his feet on the earth and tell us what program or programs he proposes as a substitute for it.

Incidentally, we learned from the speech of the Senator from Iowa that—

> It cannot be denied that every detail of our social and business position in this country is worse now than it was in the beginning of 1933.

He declares that "unemployment has not been relieved"; that "industry is still paralyzed"; that banks continue to misbehave; that "money, Treasury notes, insurance policies, stocks, and bonds have all lost their value as securities"; that "the sky is growing darker, and no man knows what the weather will be tomorrow."

From that bad dream, let us turn for a moment to the actual facts as presented by the newspapers of the State represented in part by the Senator from Iowa.

I am not going to read these newspaper editorials and articles. There is quite a number of them, all of them indicating specific facts which, in the opinion of Republican newspaper publishers in Iowa, show that great improvement has occurred in that State in business conditions generally. As already indicated, these clippings are largely from newspapers of the Senator's own political faith.

The Senator from Iowa ought to enlighten his newspapers, and not let them go ahead on the hypothesis that Iowa, in every branch of agriculture and industry, is rapidly advancing toward prosperity, if he intends to base his campaign on some mysterious, undefined substitute for the new-deal measures.

I ask unanimous consent to have these editorials and articles printed in the RECORD.

There being no objection, the editorials and newspaper articles were ordered to be printed in the RECORD, as follows:

[From the Des Moines (Iowa) Register of Apr. 7, 1935]

FARM INCOME IN IOWA GAINS—79 MILLION FOR FIRST 2 MONTHS OF 1935

(By Staff Writer)

WASHINGTON, D. C.—Iowa's income from the marketing of farm products and benefit payments in the first 2 months of this year was more than twice that of the same period in 1933, the Bureau of Agricultural Economics announced Saturday.

The total income was $79,044,000, compared to $36,865,000 in 1933. Iowa's income for January and February was greater than that for any other State, and more than twice that in any other State except Texas, California, Minnesota, Illinois, and Kansas.

CROP SALE GREATER

Benefit payments were responsible for $13,641,000 of Iowa's income for the first 2 months. The cash income from sale of farm products was much greater than for any similar period in the last 4 years. It amounted to $65,403,000, compared to $36,000,000 in 1933 and $55,000,000 in 1932 and 1934.

Iowa's income for the 2 months was a little more than one-twelfth that of the entire national income, including benefit payments which totaled $908,000,000.

NINE-PERCENT GAIN

"When rental and benefit payments are included in the receipts for February in 1934 and 1935," the Bureau said, "total receipts were 9 percent greater than in February 1934."

[From the Davenport (Iowa) Democrat of Mar. 20, 1935]

1,167 GAIN IN QUAD-CITIES' FACTORY EMPLOYMENT

The net increase in the number of persons employed in the factories of the quad-city area March 1 over February 1 of this year was 1,167, according to figures released today by a reliable source.

The new increase on March 1, 1935, over March 1, 1934, was 42½ percent, or 7,202 persons. The total number employed on March 1 this year was 17,335, while a year ago it was 10,133.

It was also found that the number being employed is steadily increasing. One large farm implement manufacturing firm in the quad-cities employed about 700 additional men this month.

Employment conditions are improving so rapidly and steadily in the area that it is predicted that the peak mark of 1929 and 1930 may be reached.

The greatest number of persons ever to be employed in factories in the Quad-city area, which comprises Moline, Rock Island, East Moline, Davenport, Bettendorf, the Silvis shops and the arsenal was 20,500, and that was in 1929 and 1930.

The increases in employment were noted in the farm implement, foundry, machine-shop, wood-working, clothing, and baking lines.

Of the 73 firms reporting for February, 40 reported net increases of 1,930, and 17 firms reported decreases in employment of 763. Sixteen firms reported no change over the previous month.

These figures are only for the persons employed in the mechanical departments of the factories and do not include the many executives and clerical help.

[From the Des Moines (Iowa) Register of Apr. 7, 1935]

JOB PLACEMENT IS UP FOR MARCH—57 PERCENT INCREASE NOTED IN 89 COUNTIES

Placements of workers through the National Reemployment Service in the 89 smaller counties of the State increased 57 percent during March, as compared with the previous 2 months, it was announced Saturday by Hans Pfund, Iowa director.

The gain was attributed by Mr. Pfund largely to inauguration of road work and to hiring of farm hands.

2,393 PLACED

During March there were 2,393 men and women placed on jobs, as against 1,520 in February and 1,530 in January.

The last week in March set a high mark for placements with 900 recorded. In the previous week there were 476.

Of the total placements during March, 2,131 were men and 262 were women. Included among the men were 494 war veterans and 41 disabled veterans.

MORE REGISTERED

A marked increase in the number of applicants registered for work during March were recorded, with 4,919, as against 1,681 in February and 1,537 in January. The increase was attributed to a ruling by the Emergency Relief Administration that all persons on work relief must be registered with the reemployment service.

The total number of active applicants on file in the 89 counties at the end of March was 51,699.

[From the Davenport (Iowa) Times of Feb. 4, 1935]

DAVENPORT BANK PLANS PAYMENT OF 4-PERCENT DIVIDEND

Stockholders of the Davenport Bank & Trust Co. will receive a 4-percent dividend this year, according to present intentions of the board of directors of the bank, E. P. Adler, president of the institution, announced at the annual stockholders' meeting of the bank this morning.

"Your officers and directors believe that reserves now set up and the earnings are on such a sound basis that they have every reason to believe a dividend to stockholders can be paid in 1935", the statement read. "It is therefore the intention of your board to plan for a 4-percent dividend for the year, 2 percent to be paid in July for the first 6 months and 2 percent at the end of the year."

President Adler's statement showed the bank in excellent condition after 2½ years of operation, with deposits having increased approximately 40 percent during the last year.

The fact that the institution should be able to pay a dividend within such a relatively short time is considered an eloquent testimonial of the manner in which it has been operated, the improvement which has taken place in general business and the confidence of the people of this locality in the bank.

[From the Des Moines (Iowa) Register of Mar. 3, 1935]

WATERLOO, IOWA, BUSINESS IS ON THE ROAD BACK—COLLECTING AND SALES GOOD—FARM MACHINE FIRMS REPORT GAINS

WATERLOO, IOWA.—This city is on the way back.

Indicative of Waterloo's relative position on the road back is the February score sheet of collections and sales conditions compiled by Credit and Financial Management, organ of the National Association of Credit Men. Waterloo's collections are "good." So are its sales.

HARD HIT

Waterloo, with its industries devoted almost exclusively to manufacture of farm equipment—tractors, cream separators, manure spreaders, etc.—and to processing farm products, was particularly hard hit when the farmer quit buying, when he decided to get along with the equipment he had. Hundreds of workers were laid off as plants reduced operations and finally closed down entirely in many cases.

Merchants felt the pinch as pay rolls diminished.

MAIN PAY ROLLS

The Rath Packing Co. remained the backbone of Waterloo industry, giving employment to some 2,000 persons, distributing a pay roll that was the principal single source of purchasing power in the city.

Waterloo was a potent example of the fact that "as is the farmer, so is Iowa."

SAME EXAMPLE

Today it remains such an example.

The turn came about a year ago, Waterloo business men estimate. Farmers are buying the products of Waterloo plants and they are trading at Waterloo stores. Workmen are buying again because they have jobs and steady incomes.

FARMER BUYING

The farmer is buying tractors again, and therein lies the greatest single reason for Waterloo's business rejuvenation. The John Deere Co. is employing 3,000 men to build 110 tractors a day and issuing $350,000 a month in a pay roll that flows into every merchant's till in the city. And the company has more orders than it can fill.

POWER EQUIPMENT

Allen Head, vice president and general manager, says the market is a domestic market. Farmers are changing to power equipment, or replacing worn-out tractors. Dealers' stocks have become depleted. He sees indications of a steady demand. At present he can employ no more unskilled labor, but he could use men skilled in tractor production.

[From the Davenport (Iowa) Times of Jan. 30, 1935]

AN UPTREND IN STEEL

Steel is always considered a sure barometer of business. When orders are flowing in, things in practically all lines look up. When the orders slack off it is an indication of a lessening in business.

Those who draw business charts and who make up business statistics rely upon the position of steel. The market reviews always carry a report on steel orders.

Since 1929 the steel trade has been slow. It is now coming back. The latest reports show the industry operating at 51 percent of capacity. This is assuredly an indication that we are drawing out of the slump.

The automobile trade, which affects millions, is leading the way to prosperity, many observers believe. And that industry takes a great output of steel. Estimates on January production of motor-vehicle units place the number at 275,000. The country is in a position to absorb a vast number of cars since the streets and highways are filled with vehicles that their owners would like to replace with new ones.

[From the Des Moines (Iowa) Register of Apr. 5, 1935]

RETAIL TRADE FUTURE BRIGHT—CITY MERCHANTS SEE 15 PERCENT MARCH GAIN

Retail trade is entering the second quarter of 1935 with "excellent prospects", Des Moines merchants said Thursday.

Trade during March was more or less varied, reports showed, although gains for the month as compared to March 1934 in some instances were as high as 15 to 20 percent.

Retail activity for Des Moines territory for the first quarter, including January, February, and March, however, was estimated in practically all lines of trade at approximately 15 percent in excess of 1934.

DEPARTMENT STORES

Des Moines department stores reported "strong gains" for January and February, with trade in March slowing its pace to about that of March last year.

The slowness in comparison was attributed by a number of merchants to the early Easter season of 1934 in comparison with the April 21 date this year.

FURNITURE MERCHANTS

Furniture merchants said trade, after a strong January and February start, about "held its own" with last year's figures through most of March.

During late March and the opening days of April, however, trade in furniture was reported as "looking up again." Prospects for April trade were considered bright.

EASTER TRADE EYED

Stores with units throughout the State reported that trade through March in general had exceeded that of a year ago, although strength was described as "somewhat spotted" rather than uniformly good.

Easter trade, already under way, is expected to carry April sales above April 1934 figures, merchants said. They pointed out that bad weather and poor roads throughout most of the spring had exerted considerable influence on spring trade thus far.

LIFE INSURANCE SEES 36.8-PERCENT GAIN

Sales in March by eight Des Moines home office life-insurance companies averaged 36.8 percent more than in March 1934.

Written examined business for the Equitable Life Insurance Co. totaled $14,890,530 in March, the greatest single month's written business by the company since it was organized, officials said. Paid-for insurance during the month topped the $10,392,182 mark for a gain of 53.1 percent as compared to March 1934.

BANKERS LIFE

The Bankers Life Co. reported sales in March at $5,103,198 as compared to $4,951,165 in 1934, a gain of approximately 3.1 percent. The gain over 1933 was 60 percent, records showed.

Central Life Assurance society preliminary figures for the month indicated a gain of more than 15 percent as compared to March 1934. March production also will bring first quarter year totals for the company to more than 15 percent over the 1934 period, officials said.

YEOMAN MUTUAL

The Yeoman Mutual Life Insurance Co. reported March production at 57 percent above March 1934, with an "excellent start in April", and the Webster Life Insurance Co. reported a 30-percent increase for March and 50 percent for the first quarter year.

The Great Western Insurance Co. reported life insurance sales for the month at $307,216, a gain of approximately 60 percent as compared to the $194,000 figure for March 1934.

NATIONAL LIFE

An increase of 50 percent in March production as compared to 1934 was announced by the American Farmers Mutual Life Insurance Co.

The National Life Co. reported a 25-percent March gain as compared to March 1934, and a 27-percent increase for the year to date.

[From the Davenport (Iowa) Times of Apr. 6, 1935]

BUILDING PERMITS TOTALED $9,916 IN WEEK ENDING TODAY

During the week ending today 32 permits for $9,916 in construction work were issued by City Building Inspector A. S. Bisbee. Only two of the permits were for jobs costing $500 or more. They were issued to the Builders Sand & Gravel Co. for storage bins at 615 East River Street, to cost $5,000; and to the Zoller Brewing Co., 1820 West Second Street, for a loading platform to cost $550.

[From the Cedar Rapids (Iowa) Gazette of Apr. 7, 1935]

BUILDING OF NEW HOMES LIKELY TO STAGE A REVIVAL

Sales of building materials are feeling the healthful seasonal stimulus of spring with every prospect in view that sales increases will be registered in most lines this year, according to I. R. Brooks, manager of the Wisconsin Lumber Co. Not only are remodeling operations and small construction jobs likely to outstrip records for several years but a moderate revival of home construction is indicated, Brooks feels.

Brooks bases his prediction on several factors. Building permits issued for home construction are running ahead of last year, reports have been made of the sale of a number of building lots in

residential areas, credit is loosening up in the face of Government effort to liberalize lending on real estate, and inquiries concerning material costs are more wide-spread than they have been for some time.

Refinancing under the Federal Housing Administration and loans by that agency for new construction are probably the most important influences likely to stimulate home construction this year, Brooks believes. Government lending has forced private agencies to reduce interest rates and extend amortization periods, and a surplus of money seeking sound investments has led many investors to turn to real-estate loans, where interest rates are more favorable and security sounder.

A realization that good loans on homes are the soundest investment possible has spread among investors, who have learned from the depression that such loans have seldom been lost. Brooks cited the record of the Midland Mortgage Co. here, which has not been forced to take over a single piece of city property in Cedar Rapids on which loans have been made by it or for clients during the company's history here.

[From the Cedar Rapids (Iowa) Gazette of Apr. 7, 1935]

SPURT IN IMPLEMENT BUSINESS REPORTED—INCREASED FARMER SPENDING AT MANCHESTER CREDITED TO A. A. A.; 80 TRACTORS SOLD AT VINTON

MANCHESTER.—The year 1935 will be characterized as a power farming year in Delaware County if sales by implement dealers here are any criterion. Dealers report more sales of some types of implements during the last 3 months than for the entire year of 1934.

"Farmers have money and they are paying their bills promptly", dealers declare. "Their buying power has increased several hundred percent since the crop-control program went into effect."

STARTED WITH CORN SEALING

According to these dealers the impetus in farmer spending dates back directly to the inauguration of the corn-sealing program. Within 2 months after corn sealing got under way merchandise which had been displayed throughout the latter part of 1933 and 1934 in an effort to sell at cost without results was immediately purchased by farmers. Approximately 75 percent of the sales were for cash—even tractors sold for cash.

Sales of new tractors have increased greatly, and one dealer reports the sale of a 2-row corn plow with practically every tractor sold. Dealers are finding it difficult to get orders filled and delivered on time. A tractor ordered January 28 is expected to arrive here this week, which date will be ahead of the specified time. Frank Easterly reports the sale of more cream separators this year than for the entire year of 1934.

[From the Cedar Rapids (Iowa) Gazette, Apr. 7, 1935]

MARCH BUSINESS AT IOWA MACHINE CO. GAINS 25 PERCENT

March business this year has been from 25 to 30 percent better at the Iowa Machine Co.'s shop, 40 Eighth Avenue SW., according to proprietors of the establishment, M. Horsky and W. Paseka. The upturn has carried undiminished through the first week in April, they report, and prospects for the best season in several years are bright.

[From the Davenport (Iowa) Democrat, Feb. 4, 1935]

DEERE & CO.'S SALES EXCEED TOTAL IN 1933—IMPROVED CONDITIONS IN AGRICULTURE REFLECTED IN MOLINE REPORT

Sales of Deere & Co., Moline, in 1934 were more than double the sales reported the preceding year, according to the company's annual report mailed to stockholders today.

The report, covering the fiscal year ending October 31, shows an increase in sales month by month as compared with 1933. Collections during the past year improved, showing a gain of 50 percent over the corresponding 12 months.

[From the Davenport (Iowa) Times of Mar. 29, 1935]

MARENGO CANNING FACTORY TO OPEN AGAIN THIS YEAR

MARENGO, IOWA (Special).—After being idle for the past 3 years, the Iowa Valley sweet-corn canning factory, located here, has been leased to the J. LeRoy Farmer Canning Co., of Cedar Rapids, and will be operated by that concern this year. The plant under normal conditions can handle more than 1,000,000 cans of corn in a season.

[From the Sioux City (Iowa) Tribune of Mar. 20, 1935]

COLLECTIONS AND CREDIT SALES IN CITY IMPROVING

Collections in Sioux City averaged higher for February than for the corresponding month of last year and registered about 3 points above normal, while credit sales remained on a par with February of last year, according to a report of the Sioux City Credit Adjustment Bureau.

Conditions in Sioux City retail channels for the month compared favorably with the national retail situation, which showed some improvement.

One of the encouraging factors is the report this is the second February to show an increase in both retail credit sales and collections.

In the national report, 65 cities showed increases in collections out of a total of 76 cities making returns, and 60 of the cities reported increases in credit sales.

[From the Sioux City (Iowa) Tribune of Mar. 7, 1935]

IOWA IN THE CAR MARKET

Survey of the percentage increase in new automobile purchases for the State of Iowa for 1934 over 1933 presents interesting deductions. The State average gain for 1934 over 1933 was 41.5 percent, or 16.5 percent more than the national average, which was 26-percent gain over 1933. The total number of new cars purchased by Iowans during 1934, 38,619.

Now, this presents an interesting set of figures. The increase in income for this State must have been noticeable, at least to motor-car salesmen.

Polk County, containing Des Moines and the largest number of people in any one county, only showed a gain of 14 percent in new-car sales for 1934 over 1933. Sioux City and Woodbury County showed a 43-percent increase, but still lower than some rural communities. In the eastern part of the State, Dubuque County showed 7-percent gain, Scott (Davenport) County 27, and Clinton County 3-percent gain.

Compare these with Plymouth, first county to the north. The increase there was 183 percent. Sioux County shows 128-percent gain and Lyon County 154 percent. It is the same all over the State. The southern counties show smaller gains than the northern tiers, but even there the farm communities outshow the city folk.

In each county where the gain was more than 50 percent the county is made up of farms and farm communities. The Iowa farm income for 1934 has been estimated at $435,000,000, or more than $2,000 per farm family.

The new deal has come to the farmer, it appears, and to northwest Iowa in particular. It is gratifying and pleasing to note Sioux City's trade territory is in the best condition, as far as car sales are concerned. Woodbury County shows a gain of 13 percent more than Potawattomie (Council Bluffs); 29 percent better than Linn (Cedar Rapids); 36 percent better than Dubuque (Dubuque); and 16 percent better than Scott (Davenport).

What do all these figures mean? Why print them? For this reason: The main argument of the Roosevelt administration has been that if the national income can be so redistributed that the farmer, whose pocketbooks have been noticeably clean of any signs of money these past few years, can have money to buy, the depression can be cured. The theory has been, and continues to be, that the pump can be primed.

[From the Des Moines (Iowa) Register of Mar. 24, 1935]

SALES OF FORDS AHEAD OF 1934—135-PERCENT INCREASE IN DES MOINES AREA

Sales of Ford V–8 cars and trucks during January and February showed an increase of 135 percent in Des Moines territory as compared to the same period in 1934, G. F. Nelson, branch manager, said Saturday.

The increased sales carried the February total above the peak sale period of February 1929, and the total for the 2-month period to within 2 percent of the 1929 mark for the same months, Nelson said.

THIRTY-FIVE PERCENT TO FARMERS

Territory covered by the Des Moines branch includes 81 counties of the State. Nelson estimated that at least 35 percent of sales for the 2 months had been to farmers.

"This increase indicates a very substantial improvement in business conditions generally which, with present favorable corn and hog prices, makes Iowa an outstanding business State in the Midwest", he commented.

SIX THOUSAND UNITS PER DAY

The Ford Motor Co., according to Mr. Nelson, now is building 6,000 units a day, with a January total production of 105,230 cars and trucks, 130,000 during February, and a March schedule calling for 160,000.

[From the Des Moines (Iowa) Register of Feb. 10, 1935]

NATIONAL LIFE ASSETS ARE UP—INCREASE $224,062 DURING 1934; TOTAL NOW $6,902,424

Assets of the National Life Co. of Des Moines were increased $224,062 during 1934 to reach a total of $6,902,424, the firm's annual report showed Saturday.

Home offices of the company are located at 114 Eleventh Street.

The firm closed 1934 with an increase in surplus of $28,644; an increase in total income of $115,092; and a 70-percent increase in issued business, William Koch, president, reported.

Farms owned by the National Life Co. and operated for the full year showed a 3.43-percent net cash income after deduction for expenses, repairs, taxes, and cost of improvements, Koch said.

Lapses were 34 percent less than in 1933, while reinstatements of lapsed insurance increased 13 percent. Death claims showed a decrease of $68,527.

[From the Des Moines (Iowa) Register of Apr. 7, 1935]

GAIN SHOWN ON CAR INSURANCE—EMPLOYERS MUTUAL CASUALTY HAS MARKED UPSWING

A marked upswing in automobile-insurance business since the 1st of January was reported Saturday in tabulations for the first quarter of 1935 made public by officials of the Employers Mutual Casualty Co.

President John A. Gunn reported that each of the first 3 months of 1935 has shown an increase of more than 75 percent in automobile insurance written compared with the same months of 1934.

The Des Moines company is extending its field of operations this year into a number of new territories. Branch offices have been opened recently at Chicago, Ill., Wichita, Kans., Omaha, Nebr., and Red Wing, Minn.

[From the Sioux City (Iowa) Journal, Mar. 28, 1935]

BUSINESS AT BANKS BETTER—MARKED GAIN IN CHECK TRANSACTIONS IS SHOWN

A gain of $429,000 in check transactions in Sioux City banks for the week ended March 20 over the corresponding week of 1934 is shown in the report of the Chicago Federal Reserve Bank report released Monday.

Transactions here during that week amounted to $7,786,000, as compared with $7,317,000 for the corresponding week in 1934.

Banks in eight major cities in Iowa for the week showed a gain of $6,357,000 over the corresponding week in 1934. Transactions for the week in the eight cities totaled $41,867,000, as compared with $35,510,000 for the 1934 period, or an increase of 18 percent.

[From the Davenport (Iowa) Democrat of Mar. 26, 1935]

INCREASE IN BANK CLEARINGS

If improved business conditions are to be revealed in bank clearings, and we know of no better barometer, conditions are growing better the country over.

Referring to Dun & Bradstreet as our authority, we find much encouragement. During the week ending March 20, bank clearings took another spurt upward, exceeding those for any preceding week this year.

The total clearings for the 22 leading cities in the United States for that week was $5,988,222,000, against $5,251,441,000 for the same week of last year, an increase of 14 percent. At New York City clearings showed an increase of 13.3 percent over the amount reported last year, while the aggregate for centers outside of New York was 15.8 percent higher.

The large gains continued at some of the cities in the West and the South. A large increase also appeared at Philadelphia and Pittsburgh, as well as at Chicago, Detroit, Cincinnati, Baltimore, Atlanta, New Orleans, Kansas City, San Francisco, and Seattle.

The increased bank clearings are conclusive of two things. They reveal that the people have more money, and are spending more money, than formerly. Both are good signs of better times.

[From the Sioux City (Iowa) Journal of Mar. 26, 1935]

BUSINESS AT SIOUX CITY BANKS BETTER—MARKED GAIN IN CHECK TRANSACTIONS SHOWN

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[From the Davenport (Iowa) Democrat of Mar. 21, 1935]

SIGNS OF BETTER TIMES

That was cheering news contained in the report released yesterday on employment conditions in factories of the Quad-city area.

These figures, declared to be as reliable as it is possible to make them, show an increase of 1,167 employees added to local factories during the past month of February. Averaging three dependents for each man given work, it will be seen that over 3,300 persons are benefited by this pick-up in employment.

That the gain is not merely seasonal is shown in the report for the year. The new increase on March 1, 1935, over March 1, 1934, was 42½ percent, or 7,202 persons. The total number employed on March 1 this year was 17,335, while a year ago it was 10,133. These figures apply to factory help exclusively and do not include other branches of employment, in which there also has been steady gains.

There is no better indicator of returning prosperity than increased employment, for wages are the best stabilizer of good times. In the aggregate the wage earners are the biggest spenders. Upon them the merchants are largely dependent for trade. Increased employment means increased business, a condition wherein both employers and employees are benefited.

The greatly improved employment conditions in the Quad-city area should bring optimism and encouragement to our residents, many of whom have been hard hit by the depression. But the clouds are lifting, the sun is again shining, and better times are on the way. So let's all be cheerful and make the most of the better days that are in store for us.

[From the Davenport (Iowa) Times of Jan. 1, 1935]

A RECORD OF PROGRESS

The year-end edition of the Daily Times of last evening formed an impressive record of progress in this community, despite the depression. Work is proceeding on the Bettendorf-Moline Bridge which, financed by a Government loan of a million and a half dollars, will, when completed, provide an increasingly necessary new traffic link between the cities bordering the river at this point. The project is giving employment to several hundred workmen, and supplies a pay roll of $150,000 monthly.

The introduction of natural gas during the year necessitated an expenditure of $325,000 by the Peoples Light Co., a large part of which went to labor required in the laying of a pipe line which brought the new heating agent into the city.

The installation of dial phones in Davenport during the coming year will call for a heavy investment by the Northwestern Bell Co. At present 50 men are engaged in putting in new equipment at the local exchange.

F. E. R. A. projects provided work for more than 2,000 men in Davenport last year. A number of desirable public improvements have been made possible by Federal aid. While creating a weekly pay roll of $11,000, this relief activity has a permanent value in the completion or carrying forward of civic enterprises which in its lack would not have been realized for years to come.

Work relief in Rock Island County, together with the revival of the farm implement industry has brought about marked improvement in the unemployment situation on the Illinois side of the river. Almost a million dollars was made available for roads, and indications favor the initiation of a number of projects there during the new year which will be of enduring value.

An increase of a million dollars in the income of the farmers of Scott County alone, as made known by Rudolph Koch, chairman of the county corn-hog control committee, in a year which was one of disaster for agriculture in drought-stricken sections constituted perhaps the best news to be found in the special edition.

A 46-percent gain in employment at the Deere & Co. plants in Moline and East Moline is a measure of the improvement which has come about in that important industrial activity and an evidence of the stimilus which enlarged farm income gives to urban manufacturing and the easement of the unemployment situation, particularly in communities where industries supply farm needs.

Rehabilitation of the banking structure of the community and restoration of confidence was the story told in figures revealing an increase in deposits in the financial establishments of the quad cities of more than $8,000,000 during the year, with total deposits approximating $30,000,000. The Davenport Bank & Trust Co.'s deposit gain was nearly $5,000,000, swelling total deposits of the institution to more than $12,000,000.

The increased employment and the larger farm income inaugurated a trade revival which reached its height in a volume of pre-Christmas buying which exceeded the most hopeful expectations. It found the ready-to-wear business leading all lines with a gain of 40 percent, and department-store sales and new cars competing for second place in the recovery race with increases of 25 percent.

[From the Davenport (Iowa) Democrat Leader of Dec. 24, 1934]

REVIVAL OF STEEL GIANT

Just before the financial crash back in 1929 it was generally accepted that the steel industry had overgrown itself. With depressive years, when dozens of plants shut down, the steel giant was adjudged about five times larger than henceforth ever would be necessary.

But now the giant not only reawakens, but assumes such energy as makes him appear a supergiant. He plans a $100,000,000 expansion, with the biggest item in the program $40,000,000 worth of modernization by the United States Steel Corporation in the coming year. Similarly the Ford Motor Co. now has in progress new steel-production equipment valued at $19,000,000, while National Steel announces a $12,000,000 expansion for its subsidiary, the Great Lakes Steel Corporation, and other companies plan new mills.

Automobile manufacturers are the biggest consumers of steel, though railroads are heavy buyers of rails, locomotives, and cars, and are placing orders for this equipment made possible by Government loans. There is a chance, too, that steel may enter a new field of construction of small residential homes. If that eventuates, the industry may find a new and lucrative market almost as valuable as the automotive trade is today.

In any event, the gigantic $100,000,000 program that steel has entered shows how the situation has changed since 1929. With automobile manufacturers expecting 1935 to be much larger than the 2,700,000-car year of 1934, and with railways surging forward with new rail and car orders, the hard-headed business men who direct these industries assuredly believe the country is well on its way to better times.

CHANGE OF REFERENCE

Mr. McCARRAN. Mr. President, on the calendar day April 4 I introduced a bill now known as "Senate bill 2507," to amend Public Law, No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes." On that day it was, by my motion, referred to the Committee on Banking and Currency.

The bill constitutes an amendment to the Silver Purchase Act of 1934. The Silver Purchase Act of 1934, during its course through the Senate, was handled by the Committee on Agriculture and Forestry. Pursuant to what I under-

stand to be the rule, Senate bill 2507, which I introduced on the calendar day April 4, should have been referred to the same committee which handled the original bill. Therefore, I ask unanimous consent that the Committee on Banking and Currency be discharged from the further consideration of the bill and that it be referred to the Committee on Agriculture and Forestry.

Mr. ROBINSON. Mr. President, I do not intend to object to the request of the Senator from Nevada. Neither the Chairman of the Committee on Agriculture and Forestry nor the Chairman of the Committee on Banking and Currency is present; but I wish to say that it seems to me the jurisdiction properly lies in the Committee on Banking and Currency, to which the Senator first had his bill referred.

Mr. McCARRAN. Excepting, Mr. President, that I understand it to be the general rule here that where a bill which afterward becomes a law in passing through this body is handled by a particular committee, a bill constituting an amendment to that law should be referred to the committee which handled the bill in the first instance. I think that is the general rule; at least, that is what I have understood since I have been here.

Mr. ROBINSON. I do not understand that there is any rule on the subject. We frequently find an overlapping of committee jurisdictions. As I stated before, however, I do not intend to raise an objection to the request.

Mr. CONNALLY. Mr. President, if the Silver Purchase Act had originally gone to the Committee on Agriculture and Forestry, it would not have had jurisdiction of it. The only reason why the Silver Purchase Act came within the jurisdiction of the Agricultural Committee was because it was an amendment to an agricultural bill. It seems to me the bill of the Senator from Nevada ought to go to the Committee on Banking and Currency; but I shall not object to his request.

Mr. ROBINSON. I rather think it ought to be considered by that committee. I suggest to the Senator that he let it pass over for the present.

Mr. McCARRAN. I made the request simply in order to follow the general practice.

Mr. ROBINSON. I think the matter had better go over for the present.

Mr. McCARRAN. Very well.

REPORT OR REPORTS FROM COMMITTEE ON BANKING AND CURRENCY

Mr. ROBINSON. Mr. President, I ask unanimous consent that during the recess or adjournment of the Senate the Committee on Banking and Currency may have leave to submit a report or reports.

Mr. McNARY. Mr. President, this matter was called to my attention today. The request is made in order that the Senate may have something to work upon when it reconvenes on Thursday. I have no objection to the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and consent is granted.

ADJOURNMENT TO THURSDAY

Mr. ROBINSON. I move that the Senate adjourn until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 3 o'clock and 30 minutes p. m.) the Senate adjourned until Thursday, April 11, 1935, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 9, 1935

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, we thank Thee that the heart of our Savior is a haven large enough to give anchorage to every human craft that sails the sea of life. By the inspiration of His teaching may we aspire to something nobler, higher, richer, and to something that carries with it more than our daily experience. Heavenly Father, bless us with the best moods of mind in which there are enthusiasms and spiritual raptures which cannot be expressed in words. Oh, bring out of them the very best yearnings, hungers, and heart longings. Strengthen this Congress with the bond of brotherhood that works no ill, heals divisions, softens asperities, promotes friendship, and puts far away all malice. May we associate together as members of a common humanity, living and laboring for the good of our fellow men. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3973. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. THOMAS of Oklahoma, Mr. GLASS, Mr. COPELAND, Mr. KING, Mr. NYE, and Mr. KEYES to be the conferees on the part of the Senate.

WAR PROFITS

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Maryland [Mr. GOLDSBOROUGH] to recommit the bill (H. R. 5529) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace.

The Clerk will report the motion.

Mr. LEE of Oklahoma. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEE of Oklahoma. If this motion to recommit with instructions is passed it will kill the three amendments——

Mr. O'MALLEY. Mr. Speaker, a point of order. The gentleman is not stating a parliamentary inquiry.

The SPEAKER. The gentleman does not state a parliamentary inquiry.

The Clerk will report the motion.

The Clerk read as follows:

Mr. GOLDSBOROUGH moves to recommit the bill to the Committee on Military Affairs with instructions to report the same back to the House forthwith with the following amendment: Page 2, line 9, strike out all of the first sentence of section 3.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. GOLDSBOROUGH and Mr. O'MALLEY) there were ayes 85 and noes 71.

Mr. McSWAIN. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. Evidently there is not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 205, nays 183, not voting 43, as follows:

[Roll No. 50]

YEAS—205

Amlie	Carlson	Darrow	Flannagan
Andresen	Cartwright	Dear	Focht
Andrew, Mass.	Casey	Deen	Ford, Calif.
Ashbrook	Castellow	Dickstein	Ford, Miss.
Ayers	Cavicchia	Dies	Fuller
Biermann	Christianson	Dingell	Gavagan
Binderup	Clark, Idaho	Disney	Gehrmann
Bland	Clark, N. C.	Dockweiler	Gifford
Blanton	Cochran	Doxey	Gilchrist
Boileau	Coffee	Drewry	Gildea
Brennan	Colmer	Duffey, Ohio	Gillette
Brown, Ga.	Cooley	Duncan	Gingery
Brown, Mich.	Cox	Dunn, Miss.	Goldsborough
Buckler, Minn.	Cravens	Dunn, Pa.	Gray, Ind.
Burch	Crosby	Eagle	Gray, Pa.
Burdick	Crosser, Ohio	Eicher	Greenway
Cannon, Mo.	Culkin	Farley	Guyer
Cannon, Wis.	Cummings	Fernandez	Hamlin

Hancock, N. C.	McClellan	Perkins	Stefan
Healey	McGehee	Peterson, Fla.	Stewart
Hennings	McGrath	Peterson, Ga	Stubbs
Higgins, Mass.	McGroarty	Pettengill	Sutphin
Hildebrandt	McKeough	Pierce	Sweeney
Hill, Knute	Maas	Powers	Taber
Hill, Samuel B.	Mahon	Rabaut	Tarver
Hoeppel	Maloney	Ramsey	Taylor, Tenn.
Hollister	Mapes	Ramspeck	Terry
Hook	Marcantonio	Rankin	Tinkham
Hope	Marshall	Reece	Tobey
Huddleston	Martin, Colo.	Reilly	Truax
Hull	Mason	Robertson	Turpin
Jacobsen	Massingale	Robinson, Utah	Umstead
Johnson, Okla.	Maverick	Robsion, Ky.	Underwood
Johnson, Tex.	Mead	Rogers, Okla.	Vinson, Ky.
Johnson, W. Va.	Merritt, Conn.	Romjue	Wadsworth
Keller	Miller	Ryan	Wallgren
Kennedy, N. Y.	Mitchell, Tenn.	Sabath	Wearin
Kenney	Monaghan	Sadowski	Weaver
Kleberg	Moran	Sanders, Tex.	Welch
Kniffin	Moritz	Sauthoff	Werner
Knutson	Mott	Schneider	Whelchel
Kocialkowski	Murdock	Schulte	White
Kopplemann	Nelson	Scott	Williams
Kvale	Nichols	Scrugham	Wilson, Pa.
Lambertson	O'Brien	Sears	Withrow
Lambeth	O'Malley	Secrest	Wolfenden
Lemke	Owen	Sirovich	Wolverton
Lewis, Md.	Parks	Sisson	Wood
Luckey	Patman	Smith, Va.	Woodrum
Ludlow	Patterson	Smith, Wash.	Zimmerman
Lundeen	Pearson	Smith, W. Va.	Zioncheck
McAndrews			

NAYS—183

Adair	Dietrich	Jenkins, Ohio	Quinn
Allen	Dirksen	Jones	Randolph
Arends	Dobbins	Kahn	Ransley
Arnold	Dondero	Kelly	Reed, Ill.
Barden	Dorsey	Kennedy, Md.	Reed, N. Y.
Beam	Doughton	Kerr	Rich
Beiter	Driver	Kimball	Richards
Berlin	Duffy, N. Y.	Kinzer	Rogers, Mass.
Blackney	Eaton	Kloeb	Rogers, N. H.
Bloom	Eckert	Kramer	Rudd
Boehne	Edmiston	Larrabee	Russell
Boland	Ekwall	Lea, Calif.	Sanders, La.
Bolton	Ellenbogen	Lee, Okla.	Sandlin
Boylan	Engel	Lehlbach	Schaefer
Brewster	Englebright	Lesinski	Shanley
Brooks	Evans	Lewis, Colo.	Short
Brunner	Faddis	Lloyd	Smith, Conn.
Buck	Fenerty	Lucas	Snell
Buckbee	Ferguson	McCormack	Snyder
Bulwinkle	Fiesinger	McFarlane	Somers, N. Y.
Burnham	Fitzpatrick	McLaughlin	South
Caldwell	Fletcher	McLean	Spence
Carden	Fulmer	McLeod	Stack
Carmichael	Gasque	McMillan	Starnes
Carpenter	Gassaway	McReynolds	Sullivan
Carter	Gearhart	McSwain	Sumners, Tex.
Cary	Goodwin	Mansfield	Taylor, Colo.
Chandler	Granfield	Martin, Mass.	Thom
Church	Green	May	Thomason
Citron	Greenwood	Merritt, N. Y.	Thompson
Claiborne	Greever	Michener	Thurston
Colden	Gwynne	Millard	Tolan
Cole, Md.	Haines	Montet	Tonry
Cole, N. Y.	Halleck	O'Connell	Treadway
Collins	Hancock, N. Y.	O'Connor	Turner
Connery	Harlan	O'Day	Utterback
Cooper, Ohio	Hart	O'Leary	Vinson, Ga.
Cooper, Tenn.	Harter	Oliver	Warren
Costello	Hess	O'Neal	Whittington
Crawford	Higgins, Conn.	Palmisano	Wigglesworth
Cross, Tex.	Hill, Ala.	Parsons	Wilcox
Crowther	Hobbs	Patton	Wilson, La.
Cullen	Holmes	Pfeifer	Wolcott
Daly	Houston	Pittenger	Woodruff
Delaney	Imhoff	Plumley	Young
Dempsey	Jenckes, Ind.	Polk	

NOT VOTING—43

Andrews, N. Y.	Darden	Hoffman	Rayburn
Bacharach	DeRouen	Igoe	Richardson
Bacon	Ditter	Kee	Schuetz
Bankhead	Doutrich	Lamneck	Seger
Bell	Driscoll	Lanham	Shannon
Buchanan	Fish	Lord	Steagall
Buckley, N. Y.	Frey	Meeks	Taylor, S. C.
Celler	Gambrill	Mitchell, Ill.	Thomas
Chapman	Gregory	Montague	Walter
Corning	Griswold	Norton	West
Crowe	Hartley	Peyser	

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Corning (for) with Mr. Gregory (against).
Mr. Hoffman (for) with Mr. Andrews of New York (against).
Mr. Ditter (for) with Mr. Thomas (against).
Mr. Doutrich (for) with Mr. Chapman (against).
Mr. Celler (for) with Mrs. Norton (against).

General pairs:

Mr. Bankhead with Mr. Bacharach.
Mr. Buchanan with Mr. Bacon.
Mr. Steagall with Mr. Lord.
Mr. Rayburn with Mr. Seger.
Mr. Lanham with Mr. Andrew of Massachusetts.
Mr. Montague with Mr. Fish.
Mr. Taylor of South Carolina with Mr. Hartley.
Mr. Crowe with Mr. Gambrill.
Mr. Lamneck with Mr. Walter.
Mr. Bell with Mr. West.
Mr. Schuetz with Mr. Driscoll.
Mr. Griswold with Mr. Shannon.
Mr. Darden with Mr. Buckley of New York.
Mr. Meeks with Mr. Frey.
Mr. DeRouen with Mr. Kee.
Mr. Igoe with Mr. Peyser.

Mr. MOTT, Mr. CANNON of Missouri, Mr. RABAUT, and Mr. CANNON of Wisconsin changed their vote from "no" to "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

Mr. McSWAIN. Mr. Speaker, by instructions of the House and as Chairman of the Committee on Military Affairs, I report back to the House the bill (H. R. 5529) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense, and promote peace, amended in accordance with the motion to recommit.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Strike out the first sentence of section 3, beginning on line 13, page 2, down to and including the word "wage" in line 9, page 3.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. McSWAIN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 368, nays 15, answered "present" 1, not voting 47, as follows:

[Roll No. 51]

YEAS—368

Adair	Cartwright	Dorsey	Greenwood
Allen	Cary	Doxey	Greever
Amlie	Casey	Drewry	Guyer
Andresen	Castellow	Driscoll	Gwynne
Andrew, Mass.	Cavicchia	Driver	Haines
Arends	Chandler	Duffey, Ohio	Halleck
Arnold	Christianson	Duffy, N. Y.	Hancock, N. Y.
Ashbrook	Church	Duncan	Hancock, N. C.
Ayers	Citron	Dunn, Miss.	Hart
Bacharach	Claiborne	Eagle	Harter
Barden	Clark, Idaho	Eaton	Healey
Beam	Cochran	Eckert	Hennings
Beiter	Coffee	Edmiston	Hess
Berlin	Colden	Ekwall	Higgins, Conn.
Biermann	Cole, Md.	Ellenbogen	Higgins, Mass.
Binderup	Cole, N. Y.	Engel	Hildebrandt
Blackney	Collins	Englebright	Hill, Ala.
Bland	Colmer	Evans	Hill, Knute
Blanton	Cooley	Faddis	Hill, Samuel B.
Bloom	Cooper, Ohio	Farley	Hobbs
Boehne	Cooper, Tenn.	Fenerty	Hoeppel
Boileau	Costello	Ferguson	Hollister
Boland	Cox	Fernandez	Holmes
Bolton	Cravens	Fiesinger	Hook
Boylan	Crawford	Fitzpatrick	Hope
Brennan	Crosby	Flannagan	Houston
Brewster	Cross, Tex.	Fletcher	Hull
Brooks	Crosser, Ohio	Focht	Imhoff
Brown, Ga.	Crowther	Ford, Calif.	Jacobsen
Brown, Mich.	Culkin	Ford, Miss.	Jenckes, Ind.
Brunner	Cullen	Fuller	Jenkins, Ohio
Buck	Cummings	Fulmer	Johnson, Okla.
Buckbee	Daly	Gasque	Johnson, Tex.
Buckler, Minn.	Darrow	Gassaway	Johnson, W. Va.
Bulwinkle	Dear	Gearhart	Jones
Burch	Deen	Gehrmann	Kahn
Burdick	Delaney	Gifford	Keller
Burnham	Dempsey	Gilchrist	Kelly
Caldwell	DeRouen	Gillette	Kennedy, Md.
Cannon, Mo.	Dickstein	Gingery	Kenney
Cannon, Wis.	Dies	Goldsborough	Kerr
Carden	Dietrich	Goodwin	Kimball
Carlson	Dirksen	Granfield	Kinzer
Carmichael	Dobbins	Gray, Ind.	Kleberg
Carpenter	Dockweiler	Green	Kloeb
Carter	Dondero	Greenway	Kniffin

Knutson	Mead	Rayburn	Sumners, Tex.
Kocialkowski	Merritt, N. Y.	Reece	Sutphin
Kopplemann	Michener	Reed, Ill.	Sweeney
Kramer	Millard	Reed, N. Y.	Tarver
Kvale	Miller	Reilly	Taylor, Colo.
Lambeth	Mitchell, Tenn.	Rich	Taylor, Tenn.
Larrabee	Monaghan	Richards	Terry
Lea, Calif.	Montet	Robertson	Thom
Lee, Okla.	Moran	Robsion, Ky.	Thomason
Lehlbach	Moritz	Rogers, Mass.	Thompson
Lemke	Mott	Rogers, N. H.	Thurston
Lesinski	Murdock	Rogers, Okla.	Tobey
Lewis, Colo.	Nelson	Romjue	Tolan
Lewis, Md.	Nichols	Rudd	Tonry
Lloyd	O'Brien	Russell	Treadway
Lucas	O'Connell	Ryan	Truax
Luckey	O'Connor	Sabath	Turner
Ludlow	O'Day	Sadowski	Turpin
Lundeen	O'Leary	Sanders, La.	Umstead
McAndrews	Oliver	Sanders, Tex.	Underwood
McClellan	O'Malley	Sandlin	Utterback
McCormack	O'Neal	Sauthoff	Vinson, Ga.
McFarlane	Owen	Schaefer	Vinson, Ky.
McGehee	Palmisano	Schneider	Wallgren
McGrath	Parks	Schulte	Walter
McGroarty	Parsons	Scott	Warren
McKeough	Patman	Scrugham	Wearin
McLaughlin	Patterson	Sears	Weaver
McLean	Patton	Secrest	Welch
McLeod	Pearson	Shanley	Werner
McMillan	Peterson, Fla.	Short	Whelchel
McReynolds	Peterson, Ga.	Sirovich	White
McSwain	Pettengill	Smith, Conn.	Whittington
Maas	Pfeifer	Smith, Va.	Wigglesworth
Mahon	Pierce	Smith, Wash.	Wilcox
Maloney	Pittenger	Smith, W. Va.	Williams
Mansfield	Plumley	Snell	Wilson, La.
Mapes	Polk	Snyder	Wilson, Pa.
Marcantonio	Powers	Somers, N. Y.	Withrow
Marshall	Quinn	South	Wolcott
Martin, Colo.	Rabaut	Spence	Wolfenden
Martin, Mass.	Ramsay	Stack	Wolverton
Mason	Ramspeck	Starnes	Woodruff
Massingale	Randolph	Stefan	Young
Maverick	Rankin	Stubbs	Zimmerman
May	Ransley	Sullivan	Zioncheck

NAYS—15

Connery	Gray, Pa.	Merritt, Conn.	Tinkham
Dunn, Pa.	Harlan	Perkins	Wadsworth
Gavagan	Huddleston	Stewart	Wood
Gildea	Kennedy, N. Y.	Taber	

ANSWERED "PRESENT"—1

Sisson

NOT VOTING—47

Andrews, N. Y.	Dingell	Hartley	Peyser
Bacon	Disney	Hoffman	Richardson
Bankhead	Ditter	Igoe	Robinson, Utah
Bell	Doughton	Kee	Schuetz
Buchanan	Doutrich	Lambertson	Seger
Buckley, N. Y.	Eicher	Lamneck	Shannon
Celler	Fish	Lanham	Steagall
Chapman	Frey	Lord	Taylor, S. C.
Clark, N. C.	Gambrill	Meeks	Thomas
Corning	Gregory	Mitchell, Ill.	West
Crowe	Griswold	Montague	Woodrum
Darden	Hamlin	Norton	

So the bill was passed.

The Clerk announced the following additional pairs:

On the vote:

Mr. Gregory (for) with Mr. Corning (against).
Mrs. Norton (for) with Mr. Celler (against).
Mr. Andrews of New York (for) with Mr. Hoffman (against).

General pairs until further notice:

Mr. Buchanan with Mr. Bacon.
Mr. Steagall with Mr. Lord.
Mr. Montague with Mr. Fish.
Mr. Taylor of South Carolina with Mr. Hartley.
Mr. Woodrum with Mr. Seger.
Mr. Chapman with Mr. Doutrich.
Mr. Doughton with Mr. Thomas.
Mr. Eicher with Mr. Lambertson.
Mr. Mitchell of Illinois with Mr. Ditter.
Mr. Dingell with Mr. Crowe.
Mr. Bell with Mr. West.
Mr. Meeks with Mr. Frey.
Mr. Lamneck with Mr. Hamlin.
Mr. Griswold with Mr. Shannon.
Mr. Darden with Mr. Buckley of New York.
Mr. Gambrill with Mr. Richardson.
Mr. Kee with Mr. Clark of North Carolina.
Mr. Lanham with Mr. Robinson.
Mr. West with Mr. Schuetz.
Mr. Igoe with Mr. Peyser.

Mr. DOBBINS. Mr. Speaker, my colleague, the gentleman from Illinois, Mr. MEEKS, is unable to be present. He has authorized me to state that were he present he would vote "aye."

Mr. IMHOFF. Mr. Speaker, my colleague, the gentleman from West Virginia, Mr. KEE, is unable to be present. Were he present he would vote "aye."

The result of the vote was announced as above recorded.

On motion of Mr. MCSWAIN, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—TAKE THE PROFIT OUT OF WAR

Mr. MICHENER. Mr. Speaker, this country wants no more war. Under no circumstances should we ever engage in a war of aggression. If a referendum vote of the people were taken before a declaration of war, there would be no war. This is impracticable, however, because defensive wars may be necessary. The best way to avoid war is to be prepared; and I am satisfied that a majority of the American people are thoroughly convinced that we should at all times be prepared to meet any kind of aggression.

The purpose of this resolution is to equalize the burdens of war. If we must have war, then it should be a people's war; and regardless of our occupation, our station, or our position in life. we owe our respective obligations to the defense of our country. It is not possible that we all engage in the same activity, but it is possible and necessary that we all engage in some activity to carry on the common cause.

No more wars will be fought by this country by volunteers only. The man power of the country should be drafted and all within the class should contribute.

Ever since the World War the ex-service men of the country have been insisting on a universal service law. Numerous resolutions have been introduced, every one of which has had the solid backing of patriotic organizations and service men's organizations. However, never before has this type of legislation progressed to that stage where the House is permitted to vote.

If we must have war, then I believe in drafting not only the young men of the country but industry, agriculture, labor, capital, transportation, and communication. It is unfair to take the young men of the country and place them in the trenches at $30 a month and permit labor in the factory back home to draw $15 to $20 a day. It is unfair to these men who are doing the fighting to permit industry to profit by the suffering of those in the front lines. Legislation bringing about the objectives sought in this bill would have been enacted long ago, were it not for the fact that labor wants to be exempted from any governmental regulation in time of war; and by the same token capital and industry insist on the right to make such profits as are possible in time of national emergency. Both labor and capital are wrong. The masses of the people know of no reason why either of these groups should be exempted from their proportionate share of responsibility when it is necessary for the country to bear arms.

Anything that will take the profit out of war will lessen the chances of war. In short, in my judgment no profits in ninety-nine out of one hundred cases will mean no war. I think we all realize that in the last analysis any general legislation passed in peace times providing for the carrying on of war is at most but a declaration of policy. If war does come, the constitutional powers of the Executive cannot be abridged and he will have the power to do those things which are necessary to meet the occasions arising. It is well, however, to announce to the country and to the world that the policy of this Government and the inclination of our people is against war. And it is just as important to announce to our own people that it is the policy of the Government to take away all profit from war. The very announcement itself will have a salutary effect.

I think we all realize that this legislation as drafted is very incomplete and imperfect. It does, however, blaze the trail, and if war does come, a path will be marked out and a policy settled upon. Better that this be done in calm deliberation in peace time rather than be prompted by the hysteria which always accompanies armed conflict.

There can be no war without a declaration by the Congress. Congress will then of necessity be in session, and

common sense tells us that that particular Congress will pass such legislation as is necessary to meet the emergency then existing. If the present bill becomes a law, it can readily be remodeled or amended to accommodate the circumstances.

We must not forget that we are attempting in this legislation to discourage war and not encourage war. Possibly some of the provisions of this bill as amended are drastic. Possibly some of them would work injustices. Possibly some of the provisions are impracticable. Yet, with all its faults, the underlying principle is made plain; that is, that each and every citizen must do his part, and the loss and the suffering which must accompany any war will be equalized insofar as possible. Let us forget our selfish interests and pass this bill.

Mr. FORD of California. Mr. Speaker, I am voting for H. R. 5529 because I think it is a long step in the right direction.

Coming as it does from the Military Affairs Committee, the bill cannot go into the realm of taxation. This must be left to another bill coming from the Ways and Means Committee. I am hopeful that just as soon as the overworked Ways and Means Committee can do so it will report a companion bill that will deal drastically with the whole subject of taxation in time of war. I believe that only by placing the cost of war on those who in the past have profited from war can war be prevented. When the munition makers and the armament manufacturers and all the others who look to war as a gala event that multiplies their millions and increases their power find that unmistakably and irrevocably war profits are abolished and made forever unattainable we shall have an end to war propaganda and to all the heavy burden of taxation that goes with it.

Private profit made in war materials or in the supplying of services to the Government in the prosecution of the war is blood money. So long as the manhood of the Nation must bare its breast to the bullets, the shells, the poison gas, and the bayonets of the foe, those who stay behind the lines in safe and secure enjoyment of life must be prevented from making money out of disaster. I think there is merit in the provision of the bill for the fixing of a ceiling of prices in time of war. This should be an effective method of preventing profiteering. But more effective is that amendment offered by the able chairman of the committee and now numbered section 8 of the bill. That amendment is sound and far-reaching. Here it is:

That upon the declaration of war there shall be imposed a tax of 100 percent of all excess war profits that may be earned during the period of war as defined by this act.

This amendment, in short, says: "Let the profiteers pay for the war." And that, I believe, is what the American people say.

Another far-reaching provision of the bill we are about to pass is the one that makes the pay of soldiers in war time equivalent to that of labor. Still another conscripts the management of industry, transportation, communications, and commerce in time of war.

While I am confident that this Congress will in another bill take care of the taxation problem as it relates to war, and thus effectively and completely abolish war profits, I am glad to support the present bill as a first step and a long step toward a most desirable goal.

But let us not stop here. Let us here and now decide to put an end to all profiteering, in peace as well as in war. We can go a long way toward accomplishing this by a drastic tax revision which places the burden of taxation on those with high incomes and large profits. A surtax on corporation profits is an essential step in our program. I hope this will be one of the accomplishments of this Congress.

Mr. SMITH of Washington. Mr. Speaker, on Saturday, the 6th day of April, it was 18 years ago since our declaration of war against the Imperial Government of Germany, and after this long delay, we are now finally about to enact legislation designed and intended to take the profit out of war. The very fact that it has required all these years of agitation and education to arrive at the present stage when we are at last legislating on the subject is sufficient proof in itself of the strong opposition and insidious propaganda which has had to be overcome and the numerous obstacles which have thus far thwarted our efforts. For that reason, I am of the opinion that the gentleman from South Carolina [Mr. McSWAIN], the distinguished Chairman of the Committee on Military Affairs, and his colleagues on that committee, are entitled to a great deal of credit for bringing this bill before the House.

The measure, even as amended, is probably not perfect and undoubtedly contains imperfections the same as all other legislation; and while I personally prefer the Nye bill, nevertheless, this is the first legislative proposal to end war by taking the profits out of war which I have had an opportunity to support and vote for, and I am going to embrace the opportunity. To my mind, it is significant that the American Federation of Labor and the American Legion are in favor of this bill, as amended, and I hope and trust that these powerful organizations will give their support in the future, as I intend to do, to legislation to tax the profits out of war, which I am inclined to believe will be the most effective method to insure the demonetization of war.

SENATE DOCUMENT NO. 259, SIXTY-FIFTH CONGRESS, SECOND SESSION

Mr. Speaker, I have recently obtained from the library of the House of Representatives one of the few copies which are still extant of Senate Document No. 259, Sixty-fifth Congress, second session, Corporate Earnings and Government Revenues, which shows the earnings of some 31,500 corporations which earned in excess of 50 percent on their capital stock during the war period, many of them as high as several hundred and thousand percent. This report proved so astonishing in its revelations and disclosures that Congress feared to make it public, and it was immediately surpressed and withdrawn from circulation. It is without doubt the most damnable and damning indictment of profiteering in war time to be found anywhere in the history of the world, and very few persons know of its existence. I had the document called to my attention recently by a friend who held a high position in the service of our Government during the war, and who is of the opinion that its resurrection and republication as a public document would do more to educate the public and the Members of Congress to the evils of war profiteering than any single thing that could be done, and I agree with him. This document presents in its many thousands of columns of cold figures a lurid tale of perfidy, avarice, greed, high crime, and treason which cannot fail to arouse the indignation, anger, and hatred of every normal human being.

It presents, indeed, a diabolical and hellish contrast to the casualty lists, lists of the names of the wounded and killed who sacrificed life, limb, and health, and the myriads who sustained financial and material losses as a result of the war, which President Woodrow Wilson, after his sad experience with the diplomats and statesmen of Europe, declared in his disillusionment was nothing but a commercial war after all.

Mr. Speaker, this bill is at least a forward stride in the right direction, and I hope it will be followed by others until we have trod the full distance to our ultimate destination and demonetized war and rendered it forever impossible for a few human monsters and ghouls to profiteer and coin millions of dollars out of the tears, blood, and sacrifices of multitudes of their fellow men.

Mr. GRAY of Pennsylvania. Mr. Speaker, is it a mark of the bizarre intemperance of our age that we should seriously consider a bill of such untimely and irrelevant character as is this immature offspring of the House Committee on Military Affairs?

In this day of civilization the common people of all countries are in opposition to war—that is, until such time as they are whipped into a rage and fury that knows no reason

and destroys every semblance of sound judgment, lashed into a caged animal's destructive fury that overrides the sense and restraints of prudence. There are, however, in all countries and at all times those peculiar types of humanity, both male and female, who seem only to be able to swim when the waters are turbulent—agitators; eagle-pluckers; patrioteers; profiteers; flag fliers; bombastic, self-seeking, and pompous country savers; politicians of every color and every hue whose last recourse to self-aggrandizement is to try to walk up the ladder of importance by building it out of the bleaching bones of their dead brothers.

The bill H. R. 5529, reported from the Committee on Military Affairs, is labeled "to prevent profiteering in war." What an alluring name! What a delightful title! But what a misnomer and what a farce!

Why waste time with such nonsense? As if it were possible to regulate the conduct of war or define the national policy for war when peace, the antithesis of war, prevails. The very men who are proposing this declaration of national policy would probably be the first to destroy that declared policy if war clouds darkened the horizon.

Peace and war are two entirely different states of mind. They are two directly opposing attitudes of thought and conduct; and, being such, it is as ridiculous to talk about a fixed war policy in time of peace as it is to talk about peace policy in time of war—excepting always the hypocritical pretensions and sinister purposes of a nation's self-imposed leaders, who, by dark and devious plans and deceptive preachments, must need mislead and misdirect the popular opinion.

This much is easily predictable: That when the time comes again—and let us pray to God it never does come again—that this Nation shall engage in the slaughter of its own and other men and women, those who are in the position of governmental authority will slaughter this piece of legislation as quickly and as ferociously as a lion slays a lamb.

Why bother about a declaration of policy by act of Congress when we have the recent spectacle of a national referendum on a declaration of policy which meant nothing to an administration elected in November 1916, because it kept us out of war, and immediately thereafter the people who had by popular vote so nobly and publicly and nationally vocalized a declaration of policy that the world might hear and see and understand were outraged by every manner of means in the furtherance of engaging in the very war which they had voted to keep out of?

This bill on final passage is battered into a caricature of its appearance when it first came from the committee. In the first place, the bill contained a provision that its provisions should be applicable in case of war or when Congress declared an emergency existed. This emergency wording was stricken from it. It originally contained a conscription of man-power clause in the words "all the unorganized militia between ages of 21 and 31."

What is the meaning of unorganized militia? The militia consists of those enrolled and drilled in military organizations other than the regular military forces. The militia is an organized body. What kind of an animal is an unorganized organization? Is it a hamlet with no hamlet? Is it some sort of a milkless cheese? Or a legless quadruped? The Committee of the Whole House increased the age to 45 years, and then on a motion to recommit struck the whole provision from the bill. The mere declaration of a conscript army for the whole country in time of peace could not possibly be considered as other than a warlike measure. The bill, instead of being a gesture for peace, is a movement toward war; at least that is how it will be construed by the world.

The bill provides that from and after a date prior to a declaration of war, which date the President is authorized and directed to determine, prices may not be increased. It proposes to freeze prices. It does freeze labor. What kind of language is that? If this means anything, it means that if war were declared on March 1, 1936, the President might determine by retroactive proclamation that no prices should be raised since January 1, 1936. What confusion worse confounded that would be! Under the provisions of the bill my grocer who sold me a can of baked beans for 15 cents on January 1, 1936, and later, say, February 1, 1936, charged me 16 cents might be subject to a fine of $100,000 and 1 year's imprisonment.

Further, the bill provides that during the period of war the President is empowered to designate any person to exercise his powers under the act. It is bad enough to be compelled to enact such legislation in time of war, but it is tragical to give serious consideration to the creation of arbitrary dictatorial and autocratic powers in peace time. Must we Napoleonize the state in perpetuity? Must we forever stand on the brink of absolutism waiting to be toppled into its abysmal depths?

Furthermore, this bill could very easily be used, and perhaps would be so used, to enslave the workingmen of the country, to disorganize every unit of united labor, to destroy on the moment the fruits that generations of hardship and struggle and deprivation have brought to labor, both organized and unorganized. This is the foremost reason why I shall vote against it.

For confusion of thought, for cloudiness of language, for uncertainty and aimlessness of purpose, for waste of time in consideration, and for utter failure to register, this bill, alleged to prevent profiteering in time of war, has in all likelihood never been equaled in the legislative halls of this or any other nation. It will be no surprise to me if its destiny is the standing joke of the ages.

I would not debase my intelligence by voting for it, even on the plea that it is intended to prevent profiteering and would help to keep us out of war.

When the country has again been whipped and threshed and lashed into a war craze, this puerile and measly attempt, if it becomes a law, will immediately be wiped off the statute books and incontinently buried beneath the enactments of that dread day and hour.

EXTENSION OF REMARKS

Mr. McSWAIN. Mr. Speaker, on last Friday unanimous consent was granted to all Members of the House to extend their own remarks upon this bill for a period of 3 legislative days. This is the third legislative day. Since that time considerable water has passed over the wheel and doubtless Members who then did not extend their remarks now would like to do so. So, Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days, beginning tomorrow, within which to extend their own remarks on this measure.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes for the purpose of making a statement.

Mr. PARSONS. Mr. Speaker, reserving the right to object—I shall not object to this request, but if there are further requests for time to speak out of order I shall be constrained to object.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, inasmuch as there may be confusion in the minds of some as to the effect of the motion to recommit, I merely wish to read a statement which appears in my remarks in yesterday's RECORD to this effect:

> Of course, if the motion to recommit amending the bill as contemplated should by any possibility prevail, the other provisions of the bill are so vital that I would urge every Member of the House to vote for it, and to send it to the Senate with a well-nigh unanimous support, in the belief that when the Senate amends the bill in such form and manner as shall appear to the Senate wise and proper, it will still be possible for us in conference to work out a bill that will stop profiteering, tend to discourage war, thus promote peace, and greatly assist in equalizing the burdens of war.

So I still think, Mr. Speaker, that the bill has great possibilities for accomplishing the results for which all Members of the House except 15 have voted.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. HILL of Alabama. It should be borne in mind, too, that the matter stricken out by the motion to recommit was not in the bill as originally introduced by the gentleman from South Carolina.

Mr. McSWAIN. Yes; but I amended for what I regarded as good and sufficient reasons.

Mr. HILL of Alabama. And it did not relate to the great purpose of taking the profits out of war.

Mr. McSWAIN. Exactly, not directly, but concerns equalizing the burdens of war, and of promoting peace, but discouraging some other nation from attacking us, and provoking war. I am glad only about 15 Members voted against this bill which now goes to the Senate with this powerful indorsement.

COMMITTEE ON MILITARY AFFAIRS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may have permission to sit during the session of the House this afternoon on an important hearing.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DINGELL. Mr. Speaker, at the time the bill H. R. 5529, the McSwain bill, was passed, I was sitting in the back of the room but failed to hear my name either on the roll call on the motion to recommit or on the roll call on final passage of the bill. On the motion to recommit I failed to vote. If I could be permitted to vote on the passage of the bill, I would vote "aye."

BANK RECEIVERSHIPS

Mr. STEAGALL, from the Banking and Currency Committee, submitted a privileged report (Rept. No. 630) on House Resolution 185, as follows:

House Resolution 185

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to transmit to the House of Representatives the following information: The methods of selecting and appointing receivers and attorneys for closed national banks; the costs of receivers' salaries, legal and other expenses involved in the liquidation of each of the closed national banks now in process of liquidation; the amounts due depositors of each such bank at its date of closing; and the amounts paid depositors of each such bank since closing.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the report of the committee may be read.

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understand it, the resolution simply calls for information; is my understanding correct?

Mr. STEAGALL. That is correct.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, I want a little information. Can the gentleman from Alabama tell us anything about the present status of the Home Owners' Loan bill in the Senate?

Mr. STEAGALL. I hope the gentleman will present his inquiry at some other time.

Mr. COCHRAN. I want it simply as a matter of information.

Mr. STEAGALL. I have not heard from the Senate today on the Home Owners' Loan Corporation Act. I cannot give the gentleman any information on it. I am sorry.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the report, as follows:

[H. Rept. No. 630, 74th Cong., 1st sess.]

Adverse report [to accompany H. Res. 185]

The Committee on Banking and Currency, to whom was referred the resolution (H. Res. 185) directing the Secretary of the Treasury to transmit to the House of Representatives certain information relating to closed banks, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

STATEMENT

The resolution in question requests information as to the cost of receivers' salaries, legal, and other expenses involved in the liquidation of such closed banks, the amount due depositors of each such bank at its date of closing, the amounts paid depositors of each such bank since closing, and method of selecting receivers and attorneys for closed national banks.

Section 333 of the Revised Statutes requires the Comptroller of the Currency to make an annual report to Congress, which report, among other things, is required to give a statement of the national banks which have been closed during the year. It is the custom of the Comptroller of the Currency to include in such annual report and the appendix thereto information and figures relative to the affairs of closed banks to such extent that the report of January 3, 1934, embraced nearly 700 pages, including over 100 tabulated statements in the appendix covering the affairs of both open and closed banks; 205 pages of said report are devoted to giving detailed information relative to the affairs of national banks in liquidation, together with 11-page textual summary covering same. The appendix to the current report of the Comptroller is at the present time in the hands of the Government Printing Office and should soon be available. The number of pages in same devoted to information involving closed national banks will be found to embrace an even greater number of pages than that of the appendix to the previous report above referred to. There will be found in this report tables showing the cost of liquidation of each national bank by name, including receivers' salaries, legal, and other expenses. There will also be found therein the amounts due the depositors and creditors of each such bank at its date of closing and the amount paid said depositors and creditors of each such bank since the date of its closing. There accordingly appears no need for the adoption of House Resolution 185 in order to obtain this information.

In addition to the foregoing specific items of information relative to closed national banks requested by said resolution, the report of the Comptroller of the Currency is so inclusive as to embrace the following additional information relative to such closed banks:

Name and location of bank. Charter number. Date of organization. Capital at date of organization. Total dividends paid during existence as a national banking association. Capital at date of failure. Date receiver appointed. Lawful money deposited with Treasurer of the United States to redeem circulation. Circulation outstanding at date of failure. Total deposits at date of failure. Borrowed money (bills payable, rediscounts, etc.) at date of failure.

Book value of assets at date of failure: Estimated good, estimated doubtful, estimated worthless.

Additional assets received since date of failure. Total assessment upon shareholders. Total assets and stock assessment.

Progress of liquidation to date of report: Cash collections from assets, cash collections from stock assessment, unpaid balance R. F. C. loan, offsets allowed and settled, total collections from all sources—including offsets allowed and unpaid balance R. F. C. loan, loss on assets compounded or sold under order of court, book value of remaining uncollected assets, book value of remaining uncollected stock assessment.

Disposition of proceeds of liquidation: Conservators' distributions—to secured creditors; to unsecured creditors. Dividends paid by receivers—on secured claims; on unsecured claims. Secured and preferred liabilities paid, except through dividends, including offsets allowed. Cash advanced in protection of assets. Conservators' expenses. Receivers' salaries, legal and other expenses. Cash in hands of comptroller and receivers.

Amount of claims proved. Dividends (percent). Interest dividends (percent). Date finally closed or restored to solvency.

Statement showing summary of the financial operations of the Division of Insolvent National Banks for the year.

Table showing summary of status, progress, and results of liquidation of all national banks placed in hands of receivers from the date of the first national-bank failure in year 1865 to date of report.

The report shows with respect to unlicensed national banks the following:

Name and location of bank. Charter number. Date of organization. Capital at date of organization. Conservators' appointments: Date, capital, total assets, total deposits, bills payable and rediscounts. Deposits released through reorganizations and sales of assets, at par value plus accrued interest, to date of report. Date licensed. Date receiver appointed. Otherwise in liquidation.

The report shows also the following:

National banks restored to solvency after having been placed in charge of receivers: Title and location of bank, date receiver appointed, capital stock.

National banks restored to solvency which subsequently became insolvent: Title and location of bank, date receiver appointed, capital stock.

Dividends paid to creditors of insolvent national banks and Washington, D. C., State banks under the supervision of the Comptroller of the Currency during year: Title and location of bank, date receiver appointed, dividends paid during the year—amount; percent. Total percent of dividends paid to creditors.

Summaries of failed national banks the affairs of which have been closed, by years and by States, since 1865.

These annual reports of the Comptroller of the Currency are as a matter of course furnished to every Member of Congress, may be purchased by others from the Government Printing Office, and are available through most of the libraries in the country which are on the mailing list for such reports.

As respects the matter of the methods of selecting and appointing receivers and attorneys for closed banks, the law provides that such receivers are to be appointed by the Comptroller of the Currency, and the courts have recognized his right to retain the services of attorneys in connection with liquidation of such banks.

The committee is informed that there has gradually developed in the office of the Comptroller a staff of expert receivers with many years' experience in liquidating banks. During the recent banking crisis banks failed in such large number as to require the appointment of additional receivers in some cases. Generally speaking, however, an experienced receiver already on the staff was placed in charge of a newly closed bank of substantial size. These receivers had developed assistants over the years who were deemed capable to handle the smaller institutions as receivers thereof, subject, of course, at all times to the supervision and direction of the Comptroller of the Currency and in certain respects to the court. Where additional appointments were found necessary the Comptroller of the Currency was able to draw from a large list of applications always on file in his office of men which, after due investigation, he determined were capable.

As regards attorneys appointed to handle various receivership matters, the committee is informed that the Comptroller of the Currency has found through the past years' experience that many of the complicated legal questions pertaining to national-bank receiverships are outside the normal experience of the average attorney, and that the interests of the depositors of the banks in question require particular care in selecting attorneys with such experience as far as possible. The committee is further informed that usually when a bank fails a large number of recommendations for the appointment of firms of attorneys are received. The standing of these various firms is carefully investigated from the standpoint of legal ability and standing in the community. The best of the firms in question are then referred to the receiver for investigation to ascertain whether or not their previous connection with the bank or as debtors to the bank or shareholders therein might operate as a disqualification. The receiver advises which of the firms are not so disqualified and further investigates as to their local standing in the community. The Comptroller of the Currency then selects from those firms not disqualified by personal interest a legal representative for the receiver of the particular bank involved.

The Comptroller of the Currency recently appeared before this committee and testified freely with respect to all information requested of him, and this committee has found a disposition on his part to freely and frankly give to it and to its individual members any information requested of him pertaining to closed banks and which is available in his office. The committee accordingly concludes that there is no reasonable basis for calling upon the Secretary of the Treasury for the information requested in House Resolution 185.

Mr. STEAGALL. Mr. Speaker, I move to lay the resolution on the table.

Mr. MAPES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAPES. Is this motion subject to debate?

The SPEAKER. A motion to table is not debatable.

Mr. MAPES. Mr. Speaker, will the gentleman from Alabama permit me to ask a question before he presses his motion?

Mr. STEAGALL. I hope the gentleman will not ask me to do that.

The SPEAKER. The question is on the motion to lay the resolution on the table.

Mr. MAPES. Mr. Speaker——

Mr. BLANTON. Mr. Speaker, I ask for the regular order.

Mr. MAPES. Mr. Speaker, I make the point of order there is not a quorum present.

Mr. BLANTON. That will not bring an automatic vote.

Mr. MAPES. It would take less time to submit to a question.

The SPEAKER. Evidently there is not a quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

Mr. SNELL. Is this a vote on the motion?

The SPEAKER. This is a call of the House to get a quorum.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 52]

Andrew, Mass.	Colmer	Fish	Igoe
Andrews, N. Y.	Cooley	Focht	Jenckes, Ind.
Bacharach	Corning	Frey	Kee
Bacon	Crowe	Fulmer	Keller
Bankhead	Darden	Gambrill	Kerr
Bell	Dempsey	Gasque	Knutson
Berlin	DeRouen	Gingery	Lamneck
Brewster	Dickstein	Gray, Pa.	Lanham
Buckley, N. Y.	Dirksen	Gregory	Lehlbach
Casey	Ditter	Griswold	Lord
Celler	Doutrich	Haines	McMillan
Chapman	Driver	Hancock, N. C.	Meeks
Clark, Idaho	Duffy, N. Y.	Hartley	Mitchell, Ill.
Coffee	Eicher	Hoffman	Montague
Collins	Farley	Huddleston	Nichols
Norton	Peyser	Seger	Thomas
O'Day	Rayburn	Shannon	Werner
Oliver	Richards	Sisson	West
O'Malley	Richardson	Stack	Williams
Owen	Romjue	Taylor, S. C.	Zimmerman

The SPEAKER. Three hundred and fifty Members have answered to their names. A quorum is present.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

Mr. CASTELLOW. Mr. Speaker, my colleague the gentleman from South Carolina [Mr. TAYLOR] is unavoidably detained. Had he been present, he would have voted "aye" on the passage of the McSwain bill to take profits out of war.

The SPEAKER. The gentleman from Alabama [Mr. STEAGALL] moves to lay the resolution on the table.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 133, noes 51.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-five Members are present, a quorum.

So the motion was agreed to.

A motion to reconsider was laid on the table.

HOME OWNERS' LOAN CORPORATION

Mr. STEAGALL, from the Committee on Banking and Currency, submitted a privileged report (H. Rept. No. 631) on House Resolution 190, as follows:

House Resolution 190

Whereas there is pending before the Committee on Rules of the House of Representatives House Resolution 46, to investigate the Home Owners' Loan Corporation; and

Whereas in an effort to assist said committee in its endeavor to determine whether or not sufficient evidence justifying the Rules Committee of the House of Representatives reporting a rule authorizing an investigation of the activities of the Home Owners' Loan Corporation, there was dispatched to John Fahey, Chairman of the Home Owners' Loan Corporation, a communication registered under date of February 28, 1935, asking for specific information, to wit:

First. A transcript of the weekly and monthly meetings of the legal staff of the Home Owners' Loan Corporation, Washington, D. C., for the period from January 1, 1934, to the date of said letter, February 28, 1935.

Second. Requesting all bulletins issued by the chairman of the Board or the general manager of the Corporation, and copies of all resolutions issued by the Board pertaining to eligibility of questionable loans.

Third. Copies of all opinions rendered by the Loan Review Division and those rendered by Wilbur Thompson, legal adviser of the Loan Division, from September 1933 to date, February 28, 1935.

Therefore be it

Resolved, That the Chairman of the Home Owners' Loan Corporation be, and he is hereby, directed to furnish to the House of Representatives the following information:

1. A transcript of the stenographic notes taken by Helen Johnson at the weekly and monthly meetings of the legal staff of the Home Owners' Loan Corporation for the period from January 1, 1934, to February 28, 1935.

2. Copies of all bulletins issued by the chairman of the Board or the general manager of the Corporation, and copies of all resolutions issued by the Board pertaining to eligibility of questionable loans from the period January 1, 1934, to February 28, 1935.

3. Copies of all opinions rendered by the Loan Review Division and those by Wilbur Thompson, legal adviser of the Loan Division, from September 1933 to February 28, 1935.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the Clerk may read the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the report, as follows:

[H. Rept. No. 631, 74th Cong., 1st sess.]

[To accompany H. Res. 190]

The Committee on Banking and Currency, to whom was referred the resolution (H. Res. 190) directing the Chairman of the Home Owners' Loan Corporation to furnish certain information to the House of Representatives, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

The committee is advised that a resolution has been introduced and referred to the Committee on Rules of the House of Representatives providing for an investigation of the administration of the Home Owners' Loan Corporation, upon which hearings have been conducted and which resolution is now pending before that committee. The Banking and Currency Committee is in receipt

of a letter from Hon. John H. Fahey, chairman of the Federal Home Loan Bank Board. The letter follows:

Hon. HENRY B. STEAGALL,
Chairman Banking and Currency Committee,
House of Representatives, Washington, D. C.

DEAR MR. STEAGALL: House Resolution No. 190 has been called to my attention, and I understand that you desire a report on the matter.

The resolution calls, first, for information, as follows:

"1. A transcript of the stenographic notes taken by Helen Johnson at the weekly and monthly meetings of the legal staff of the Home Owners' Loan Corporation for the period from January 1, 1934, to February 28, 1935."

I am informed that the legal staff of Home Owners' Loan Corporation has conducted periodical meetings from time to time at which the legal work of the Corporation has been discussed and that no official minutes have been kept of such meetings. It is my understanding, however, that a stenographer has been present at some of these meetings and that she has made short stenographic notes of the principal rulings affecting title examination and other technical matters which have been used by the legal staff in the conduct of loan examinations and in the supervision of the legal procedure in closing the loans. These stenographic notes are of informal meetings and have not been written out in full and cannot be made available on short notice. I will be glad to have the head of the legal department come before your committee or any other committee of the Congress to explain these matters if the committee requests it, and, of course, I assume, these notes can be written out in full and submitted if the committee request it.

In the second place the resolution requests information as follows:

"2. Copies of all bulletins issued by the chairman of the board or the general manager of the Corporation, and copies of all resolutions issued by the board pertaining to eligibility of questionable loans from the period January 1, 1934, to February 28, 1935."

The bulletins issued by the chairman and those issued by the general manager and the resolutions of the board pertaining to eligibility of questionable loans have been incorporated in the Manual of Rules and Regulations which is in printed form and which will be made available to the committee if it desires it. The question of eligibility is dealt with in chapter VI, section 4, of the manual.

In the third place the resolution calls for:

"3. Copies of all opinions rendered by the Loan Review Division, and those by Wilbert Thompson, legal adviser of the Loan Division, from September 1933 to February 28, 1935."

The Loan Review Division has reviewed more than 12,000 closed loans in an effort to improve loan procedure, but the results of this review were put in statistical form and would require explanation to be understandable. The Loan Review Division has reviewed a very large number of cases at the request of State managers and on appeal from applicants, but the results of these reviews, after being submitted to the board, were incorporated in the loan files, and such loan files have been returned to the States, and it would be extremely difficult and expensive to assemble such files or to secure space for them. Mr. Wilbert Thompson served for a limited time as special adviser to the Loan Review Division and gave innumerable oral opinions and some written opinions which were incorporated in such files. I will be glad to have the Loan Review Adviser report to the Committee on these matters if the committee requests it, and to secure such information on these subjects as the committee may request.

Very truly yours,

JOHN H. FAHEY, *Chairman.*

Under the circumstances it is the opinion of the Banking and Currency Committee that it would not be in the public interest to incur further expense in this connection.

Mr. STEAGALL. Mr. Speaker, I move to lay the resolution on the table.

Mr. SWEENEY. Will the gentleman withhold that a moment?

Mr. Speaker, I make a point of no quorum.

The SPEAKER. The Chair will count.

Mr. SWEENEY. Mr. Speaker, I withdraw the point of no quorum.

The question was taken; and on a division (demanded by Mr. SWEENEY) there were—ayes 140, noes 67.

So the motion was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Mr. Speaker, the resolution that has just been tabled was proposed by me because of the fact that in February, I dispatched a communication to the Honorable John Fahey, Chairman of the Home Owners' Loan Corporation, soliciting certain information. I received from an authentic source information that if we could secure from Mr. Fahey a transcript of the meetings of the legal division, wherein the legal staff passed upon the eligibility of applications for loans, we might secure information upon some loans that were illegal in character and I might present the matter to the Committee on Rules, that has before it my resolution which now seeks to check upon the administration of the Home Owners' Loan Corporation.

The information I solicited was merely asking Mr. Fahey to give to me copies of all bulletins issued by his department and a transcription of the testimony taken in the legal division at their weekly or monthly meetings covering a certain period.

On April 2, in the absence of a reply from Mr. Fahey, I took advantage of the rules of the House, the only advantage a Member has, to present a resolution of inquiry asking Mr. Fahey as a public servant to submit to the House of Representatives certain information to which the country and this House is entitled. This resolution I understood would be referred to the Committee on Rules, but I was informed that the Committee on Rules had no jurisdiction over resolutions of inquiry, so the Speaker very properly referred this resolution to the Committee on Banking and Currency, which has jurisdiction over the Home Owners' Loan Corporation and all matters pertaining to banking legislation. There comes back now the report that this information will not be furnished and that there are good grounds for not furnishing the information. The Chairman of the Banking and Currency Committee comes before the House today, probably at the advice of his committee or probably on the advice of the administration, and takes advantage of a parliamentary situation which precludes debate on a motion to table in order that the House may not be informed as to why Mr. Fahey refuses to give Congress this information. By this action he shuts off the right to secure this information under the established rules of the House.

I say to the Members of this House that you resolve yourselves into mere rubber stamps, because the integrity of this House is at issue when you table any such resolution.

Mr. BLANTON. Will the gentleman yield?

Mr. SWEENEY. I yield to the gentleman from Texas.

Mr. BLANTON. As a Member of the House of Representatives of the Congress of the United States the gentleman from Ohio has a right to go down to any of these departments and demand to see any of their records. Whenever I go down there and demand it they show me their records. I would suggest to the gentleman that whenever he desires data from any department that he go down there and make them show the records to him.

Mr. SWEENEY. I may say to the gentleman from Texas that up to the time I introduced the resolution to investigate the Home Owners' Loan Corporation, many of the Members of the House received nothing but discourteous treatment from that department. Many of us knew that to be a fact. They have a man up there now, an ex-Member of Congress, Mr. Ellzey, of Mississippi, who is there for just one purpose, and that is to serve the Congressmen, to be courteous to them, and to give them the information to which they are entitled. Mr. Ellzey is a fine gentleman and he knows the problems of the average Congressman. Prior to the introduction of this resolution, I may say to the gentleman from Texas, we never received that treatment.

Mr. Fahey was before the Rules Committee and read a lengthy statement that took an hour and a half. When he concluded, I sought to interrogate him, and I was precluded from asking him any questions.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SWEENEY. I yield to the gentleman from New York.

Mr. O'CONNOR. I may say the gentleman was precluded from asking questions because it has been a long-standing rule of the Rules Committee that witnesses appearing before the Rules Committee cannot be interrogated except by a member of the committee. This is for orderly procedure.

The gentleman was not treated any differently from any other Member.

Mr. SWEENEY. I find no fault with the order of procedure when it is orderly, but it is high time to change some of our procedure.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. BLANTON. I will say to my friend from Ohio that he rendered valuable service to every Member of Congress by introducing and pressing his resolution, because he finally waked up this arrogant Home Owners' Loan Corporation Board. If he wants to interrogate Mr. Fahey and his high-hatted Board, I would suggest that he do as some of us did. Not long ago a committee representing the Texas delegation, composed of Mr. PATMAN, Mr. DIES, and myself, went down there and we had Mr. Fahey and his Board sitting at the table for about an hour and a half while we did some interrogating of him.

Mr. SWEENEY. And he did all the talking?

Mr. BLANTON. No; he did not. He tried to do it, but before we got through he let us do the talking.

Mr. SWEENEY. That is unusual. [Applause.]

[Here the gavel fell.]

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1936

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6718) making appropriations for the Department of Agriculture, for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SANDLIN, CANNON of Missouri, TARVER, BUCHANAN, THURSTON, and BUCKBEE.

LET'S GET DOWN TO "BRASS TACKS"

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, after all the flowery and rhetorical oratory to which we have listened in recent weeks—yes; in recent months—I want to suggest a proposal that is somewhat hard-boiled, practical, and even—in the judgment of some—"radical."

Let us get down to brass tacks!

If that is radicalism, please make the most of it!

Every Member of this Congress will agree with every other Member that he believes in "life, liberty, and the pursuit of happiness." All of us have sworn a thousand times to uphold the principles enunciated in the Declaration of Independence. The basic beliefs of the Democrats, Republicans, Progressives, Farmer-Laborites, Socialists, and even of other so-called "third parties" are not materially different. Why, then, do not these parties get together and stand for the same legislation?

I will give you the answer to this interrogation: Because the profiteers and exploiters are ruling this country and intend to continue ruling it; because they do not care a rap how frequently legislators, politicians, and Congressmen endorse abstract principles that everybody acknowledges to be correct; and because they expect to continue to keep these officials divided when it comes to practical action that would put these principles into effect.

There is enthusiastic endorsement of spread-eagle speeches in favor of patriotic generalities. But there is a significant coolness when we try to "get down to brass tracks"—when we seek to translate those generalities into realities. Yet no party can expect to stay long in power that confines itself to abstractions. The people are not so dumb as superficial politicians may think. They know that they are being robbed, they know who is doing the robbing, and they want the robbing to stop. Just who will be their leader or leaders, is still unsettled—be it our beloved President or some other dynamic chief, will depend on circumstances. Much as we revere Franklin D. Roosevelt, most of us will concede that the people, seeking emancipation from capitalistic domination, will rally behind any sufficiently capable and influential leader when the final conflict comes—preferably Roosevelt, to be sure, but the individual will be less considered than the militancy and the clarity of his program.

The people want to "get down to brass tacks"!

If present plans and leadership will not take them where they want to go, they will, naturally enough, seek another route under other leadership.

Army Day has come and gone, and we have listened to customary patriotic speeches in which the orators reasserted their fixed determination to stand by their country, right or wrong. The usual psychology of militarism was utilized by the participants. I doubt if many people were profoundly moved. I doubt if they paid much attention to reiteration of patriotic slogans that everybody believes in and that are repeated mainly by hypocrites and profiteers when they want to get somebody else to go forth to battle and be shot for the sake of their investments.

For my part I have no fear of the "reds"—of the aggressive left wing of the labor movement that is getting tired of inactivity and hypocrisy—but I do consider that the extreme right-wingers, the die-hard reactionaries, the ultraconservatives, are a menace that cannot be ignored.

It is as I have said, a time to get down to "brass tacks." It is a time to stand for the honest, human patriotism of Jefferson and Jackson and of everybody else who believes that democracy should apply to industry as well as to political formalities. We do not yet have genuine democracy. Let us make an honest attempt to establish it instead of hounding men and women who show us the unmistakable proof that so far we live under a sham democracy—an iron plutocracy cleverly camouflaged with the veil of "democratic institutions."

I have voted for various relief measures for the simple reason that I wanted to save men and women from starving. I was certainly in favor of using Federal funds to that end. So long as there is money in the Treasury and so long as there are American citizens who tramp the streets and highways without food and shelter, I endorse giving them some of that money so they can eat and sleep. But we cannot forever go on handing out doles. Even if we can, we ought not. If our prevailing system necessitates continual charity, it is high time we got rid of that system. The common sense of the most conservative Congressman ought to coincide with this position.

From the "right wing" will come the customary accusations of "radicalism." Let them come. If Jefferson could stand such charges in 1800 and 1804, and if Jackson could survive them in 1828 and 1832, the really democratic Democrats of 1935 need not worry. Every pioneer in the endless struggle between the robbers and the robbed has been abused in similar language. The terminology will not frighten us.

Years ago William Jennings Bryan, who was often called a "radical", although he was never a Socialist, and throughout his life attempted to humanize the old system which many of us feel is now beyond saving, said:

> Heads of railroads and other big corporations meet in secret and reach conclusions which are to be supported by united action, and they expect the government to furnish the army to carry out these private conclusions.

Georges Clemenceau, who later became Prime Minister of France, replying to the argument that the government should keep "hands off", remarked:

> Economists argue that the state has no right to interfere in the relations between miners and mine owners. The mine owner is at home on his own property. Certain securities for life and limb may be demanded, nothing more. But no sooner does a strike begin than the state, which 5 minutes before had no right to interfere, is called upon to bring in horse, foot, and artillery on the side of the coal owners. Then the miners have no rights left and the judges decide against them on shameless pretexts and condemn them to prison, when they cannot bear false witness in support of the police and military.

Daniel Webster, foreseeing the inevitable tendency of government—a tendency against which progressive and socially minded statesmen must always struggle—pointed out:

The object of society is the protection of something in which the members possess unequal shares. * * * It seems to me to be plain that in the absence of military force political power naturally and necessarily goes into the hands which hold the property.

In modern times, reverting to a clearer interpretation of the basic principles upon which the Republic was founded, we have endeavored to make society something different than an organization that aimed to protect the possession of "unequal shares" and to take care of a favored few.

After the deprivation and desperation of the Hoover regime and the obvious near collapse of the whole capitalistic system, we agree that a new deal was needed. The producers—the people who do the work and produce the wealth—felt that they wanted no more of the "old deal." In electing Franklin D. Roosevelt and his associates, they were not giving a blanket endorsement to the Democratic Party, to any party, to any name, or to any slogan. They voted for them because of the conviction that Roosevelt and his coworkers were committed to a social reconstruction program that meant economic freedom for the masses. It is unnecessary for me to state—for it is a truth that is obvious to all who can run and read—that if the social liberation thus sought does not come through President Roosevelt and his administration, the long-suffering people of our beloved land will seek it through some other party or movement.

As a Democrat, I prefer to see the historic party of democracy stay true to its traditions and to its nomenclature. But I am, first of all, for actual democracy. And so are the great millions of the people of America who provide the food, shelter, clothing, and fuel for the Nation.

I tremble for my country when I reflect that God is just—that his justice cannot sleep forever—

Said Thomas Jefferson. Very probably he would have said the same thing if he had lived in these latter days and seen the cruelty and rapacity of the capitalist system.

No better answer to the claim that Americanism, per se, consists of approving everything now embodied in existing legislation can be found in the splendid statement of Edward A. Steiner. I quote from it with full-hearted approval:

There are two Americas. One in which we are living and the other that which we hope to make it. Of the one we are the guests; of the other we are with the builders. Builders must be idealists, men who are not only dissatisfied with the present, but have great plans and hopes for the future. Frankly, I am not satisfied by what we have, though I know the value of what we have, and I am passionately eager for a greater, stronger, finer America.

TAKE THE PROFIT OUT OF WAR

Mr. HIGGINS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HIGGINS of Massachusetts. Mr. Speaker, during the past week the House has considered the merits and demerits of a bill, the subject matter of which, in my opinion, is comparable in importance to the so-called "security bill" that this House will discuss within the next legislative week. The bill, drafted by Chairman MCSWAIN, and before us today for final consideration, is, as it appears to me—although I do not agree entirely with all of its provisions—no makeshift, haphazard, or hurriedly drafted bill, but rather the result of many years of thought by Mr. MCSWAIN merging, if you will, his thought with that expressed by many former Members of Congress. No man has been more devoted to the cause of taking the profit out of war than the Chairman of the Committee on Military Affairs, who introduced his first resolution on this subject on his first day in Congress 14 years ago.

The purpose of the bill is both evident and praiseworthy. I know of no man who would in conscience and with deliberation visit another war upon us. Every man and woman in this House is in agreement that the bill has a laudable purpose and is anxious to obtain legislation that will prevent profiteering in time of war and place the burdens of war equally upon all citizens, and by so doing obtain the best guarantee we can have for the continued promotion of peace. As has been said, this bill merely approaches the ideal, but can in no manner attain the ideal, because the equalization of the hardships, sufferings, and sacrifices of war is impossible. No money in any amount in the nature of a contribution by way of tax by any individual can approach the priceless value of one human life lost on the field of a battle.

Men who have experienced war favor a measure of this type as a peace measure. Preparedness as provided for in this or any like act does not encourage war, nor does action by this House anticipate war, but it can be viewed as a peace movement or a vehicle by which the probability of war is lessened.

The title of the bill, "to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace", might invite an inquiry as to how far statute law can go in taking the profit out of war by preventing profiteering and stabilizing prices in time of war. The War Policies Commission that reported in 1932, the creation of which was provided for by congressional resolve in 1930, recommended that "a constitutional amendment be adopted clearly defining the power of Congress to prevent profiteering and to stabilize prices in time of war."

However, until that amendment was submitted to the several States the Commission recommended a program, the provisions of which are embraced, in their essentials, in the bill now before the House. The necessity for consideration of a constitutional amendment has, in the opinion of many, changed with the times; so that today, a brief period of 2 years after the submission of the report by the War Policies Commission, whose membership comprised some of the ablest men in American public life, some of whom were lawyers, believed that the attitude of the Supreme Court toward emergency legislation would sustain such war-time legislation in the interest of national defense. These advocates of the present bill advise us that "the Supreme Court of the United States will, and should, sustain any act of Congress reasonably and logically appropriate to the preservation of the life of the Nation in a war emergency." The opinion in the case of *United States* v. *MacIntosh* (283 U. S. 205, 222 (1931)), an excerpt from which is quoted below, is ample justification for the belief that it is within the power of Congress to legislate on the subject matter of the bill before the House for consideration. In the MacIntosh case the Supreme Court said:

From its very nature the war power, when necessity calls for its exercise, tolerates no qualifications or limitations, unless found in the Constitution or its applicable principles of international law. In the words of John Quincy Adams, "This power is tremendous; it is strictly constitutional, but it breaks down every barrier so anxiously erected for the protection of liberty, property, and life." To the end that war may not result in defeat, freedom of speech may, by act of Congress, be curtailed or denied so that the morale of the people and the spirit of the Army may not be broken by seditious utterances; freedom of the press curtailed to preserve our military plans and movements from the knowledge of the enemy; deserters and spies put to death without indictment or trial by jury; ships and supplies requisitioned; property of alien enemies, theretofore under the protection of the Constitution, seized without process and converted to the public use without compensation and without due process of law in the ordinary sense of that term; prices of food and other necessities of life fixed or regulated; railways taken over and operated by the Government; and other drastic powers, wholly admissible in time of peace, exercised to meet the emergencies of war.

By this bill the President is empowered to establish a maximum price at the time a war or an emergency is declared to exist by Congress. This is not an attempt to fix prices, but to stabilize prices by the establishment of a maximum price for all commodities. Provisions are made to take over such private property which, in the opinion of the President, is needed to promote the national defense. This provision, it is said, is not in violation of the fifth amendment to the Constitution, if just compensation is paid the owner of that property.

The bill by no means is perfect, and in certain of its provisions is quite fantastic, yet it is, in my opinion, a step in the right direction. It is not by any means as exhaustive in its provisions and details as the bill of Senator NYE, yet with all that I feel that with perfecting amendments prior

to its final enactment, we shall have at least a foundation upon which to build a structure of adequate defense in the event of war with the burden of that war as equitably distributed among our citizens as is possible to do by legislation.

I am not in accord with the provisions of the bill that enable the President to set the wage standard of the ordinary workingman at a level where his initiative is stifled, and his ambition to do an honest day's work, particularly in war time, is bottled up in a blanket code of wages for his trade or occupation. When Congress removed the objectionable draft of man-power clause it was my hope that liberal benefits should be allowed to labor. The act is intended to take the profit away from individuals and corporations similar to those individuals and firms as the evidence before the War Policies Commission disclosed, who made millions of dollars in selling the necessaries of life to the public, and war products to the Government, and not in any sense intended to be aimed at the ordinary man or woman who works for a day's pay and finds much difficulty supporting a family on the pittance in the form of wages that he or she receives for labor. There was never a time during any war when an application of this theory "take the profits out of war" could be applied to the ordinary laboring man, working for a day's pay, because profit out of any war, no matter how long it lasted, was not forthcoming to him. In brief, he generally has all he can do to make his weekly pay check purchase the goods of the profiteer manufacturer at much inflated prices in order to care for his home and family needs.

War in every instance is paid for by one of two methods: (1) By excess-profit tax, (2) by bond issue. Our sad experience with the latter method during the recent war, the inheritance of which will be paid for by generations to come, turns our attention to financing all wars of the future by an excess-profit tax. The evidence submitted to the War Policies Commission in March 1931, that disclosed that the Bethlehem Steel Co. made a 43-percent profit in 1917, the Atlas Powder a 27-percent profit, Colts Patent Fire Arms Co. a 60-percent profit, Savage Arms Corporation a 65-percent profit, Bethlehem Loading Co. a 63-percent profit in 1918, Winchester Arms Co. a 63-percent profit in 1919, Newport News Shipbuilding & Drydock Co. an 86-percent profit in 1917, and many other large corporations with unusually excessive profits, convinces me that the excess-profit tax is the soundest and most justifiable way to help pay the expenses of war.

The amendment offered by Mr. McSWAIN, calling for 100-percent excess-profit tax in time of war and accepted by the House without any Member raising a point of order that would of necessity have held that the amendment was not germane to the bill, by this legislative move, now permits the Senate to amend the bill to include a detailed excess-profit amendment. It is understood that this was the only means available for the Senate to insert such provisions because revenue on tax-raising measures must originate in the House. Now it is within their rights to amend the McSwain amendment and insert the tax provisions of Senator NYE'S bill.

As I have indicated previously, the bill is far from being perfect and will undoubtedly be improved upon in the Senate, but at least it coordinates and mobilizes in the event of war the essentials to the success of any war, namely, capital and control of industry, its prices and profits. The control of these elements must of necessity be exercised promptly upon our entrance into war in order to be of benefit and as a factor in war.

RIVERS AND HARBORS

Mr. MANSFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6732), with Mr. ARNOLD in the chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, considering a rivers and harbors bill always brings a personal reminiscence to me. I commenced my service in this House as a member of that committee in the Sixty-third Congress and served on the committee in the Sixty-third and Sixty-fourth Congresses.

The chairman at that time was the Honorable Mr. Sparkman, of Florida, a very delightful gentleman and a very genial and pleasant man to serve under. Later on I saw service with two succeeding chairmen—they were on the committee with me, but not as chairmen—but there was included in the service of that committee at that time a young man who for twenty-odd years has stayed young. He has stayed young, perhaps, because he has so diligently attended to his duties in connection with this great committee.

As a rule our clerical employees are very likely to follow the political party of the chairman or the majority members. I did not learn, 20 years ago, the politics of the assistant clerk at that time. I have known him these 20 years or more and I do not know his politics today, and I do not care what his politics may be, because he has given such faithful service to this committee that proper credit should be brought to his door. He has honorably served this committee for 33 years, and the fact he has served under chairmen of both political parties is the highest endorsement the House can give Joseph H. McGann, the efficient clerk of the Committee on Rivers and Harbors. [Applause.]

I want to add just one further word in connection with this committee, with a reference to the various chairmen. I need not name them. They have belonged to both political parties, and if it were not for the fact that today we so willingly recognize the fact that the Democratic Party is in control of this Congress we would not know the politics of the present chairman, because he has followed the long line of succession on this very important committee and has served it faithfully and well, and in such service the Honorable JOSEPH MANSFIELD qualifies with any of his predecessors in the chair. [Applause.]

So I want to bring this word of reminiscence in appreciation of as important a committee as the Rivers and Harbors Committee has always been and in appreciation of its clerk, its dignified, its able, its efficient and popular chairman, our colleague, JOE MANSFIELD. [Applause.]

Mr. FADDIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FADDIS: On page 14, between lines 5 and 6, insert a new paragraph as follows:

"Completion of such projects to prevent erosion of the banks of the Monongahela River, in the State of Pennsylvania, as have been approved by the Corps of Engineers of the United States Army."

Mr. CARTER. Mr. Chairman, I reserve a point of order against the amendment.

Mr. FADDIS. Mr. Chairman and members of the Committee, the Monongahela River, as all of you know, is one of the most important commercial rivers in the territory of the United States. The territory that lies along the Monongahela River in the State of Pennsylvania is perhaps the most highly industrialized section of the United States.

The valley of the river is very narrow and the sites for industrial plants in this valley are very limited. If you go into the Monongahela Valley you will see cities built on what I believe are the steepest hillsides upon which cities are built in the United States. You will see streets closed because they are entirely too steep for traffic to go up or down in safety.

The Monongahela River for many years has been eating into the banks along the river and washing away valuable property. It has been depositing the products of erosion in the channel of the river, making continual dredging necessary in order to keep the channel open.

In the summertime when the river reaches its low stage the sediment deposited from this erosion, in the form of bars, seriously interferes with navigation.

This river was developed in the interests of business and is used almost exclusively by a few steel and coal companies. Surely the citizens who own homes and property along this river are entitled to protection from the ravage of this stream, which is now subsidized for industrial interests. The common citizen is as much entitled to the consideration of this committee as are the industrial barons.

I know of one town where a street is actually being carried away. I know of another right along the river where the road is jeopardized every year. I know of houses that are being moved every 3 years to keep them away from the banks of the river. That is the reason for this amendment. The money necessary to carry out this project will go, I believe, almost 90 percent to labor. There is abundant local stone for riprapping the banks, and there is much unemployment in the region. Many can be removed from the relief rolls and furnished honest labor.

We have endeavored to get help from the Engineer Corps, but they claim they have no funds. We have failed to get funds from the P. W. A. This is the first river and harbor bill since I became a Member of Congress. For years I have been interested in this matter as a matter of justice to owners of private property. I ask a serious consideration of my amendment and its adoption.

Mr. CARTER. Mr. Chairman, I make the point of order that the gentleman's amendment is not germane. It is not germane to section 1, which provides for improvement of rivers and harbors, and has nothing to do with the control of erosion. It is purely a navigation matter and provides for the development of rivers and harbors.

The CHAIRMAN. Does the gentleman from California take the position that the protection of the banks of the river from erosion is not within the jurisdiction of the Rivers and Harbors Committee?

Mr. CARTER. No; I do not contend that, but as far as section 1 is concerned there is absolutely nothing in it to make this amendment germane, because there is nothing in that section in any way providing for protection against soil erosion.

Mr. CULKIN. If the Chair will turn to section 1 of this bill he will find that it has reference to the carrying out of certain projects set forth in certain documents, and that the specifications and details set forth in a particular document are the improvement or betterment to navigation that is authorized. The subject matter of the gentleman's amendment contains no such specifications. In other words, it is not germane to this section, even remotely. Might I suggest that the gentleman's amendment might be germane to the second section of this bill, where surveys are provided for.

Mr. FADDIS. We have already secured the surveys many times, but we have never obtained any results from the surveys.

Mr. CULKIN. In other words, the United States engineers have turned down the propositions of these betterments?

Mr. FADDIS. No; they never turned them down. A great many of them have been approved, but they have not been carried out because of lack of funds. To illustrate, take the instance I mentioned where the street of a town was being carried away, and also a public road. That was several years ago. Because of lack of funds they came in there and drove some piling down to the water's edge, and deposited with hoists dredgings from the river, which is nothing more than gravel, which will go away with the first high water.

Mr. CULKIN. The engineers apparently accepted the jurisdiction of this erosion?

Mr. FADDIS. Yes; but what they placed in there was absolutely valueless, because there is so much sulphur in that river that it will eat steel piling up in no time.

Mr. CULKIN. I thought all the sulphur was in Texas.

Mr. FADDIS. Oh, no. Not even a catfish can live in the Monongahela River.

Mr. McCORMACK. Mr. Chairman, without passing on the amendment itself—which, of course, is a separate question—but confining myself to the point of order raised by the gentleman [Mr. CARTER] who made the point of order, in response to the Chair Mr. CARTER did not deny that the committee had jurisdiction over such matter. This is a bill which includes several hundred items. Two or more of them are in this section. If the committee has jurisdiction over this subject matter, it would seem to me, two or more items being incorporated in the section, a Member has a right to offer an amendment which will include another item. The question of whether the Army engineers have passed on it may be one of policy with the committee, but it is not binding on a Member of the House on the floor. For these reasons, the committee not denying it has jurisdiction over soil erosion with reference to a river, and this bill including a number of items, I submit that the amendment is in order.

Mr. FADDIS. I wish to add further, Mr. Chairman, in support of my contention that this amendment is germane to the bill and to this section, that the erosion of banks of a river has a very definite relation to the channel of the river, insofar as the material eroded is deposited in the channel. There is a great deal of matter in this bill regarding dredging of channels. It is germane for that reason. Another reason I contend it is germane is that on page 11, at the end of line 20, the bill contains a similar provision to this, insofar as it refers to a dike or retaining wall. The bill undoubtedly contains matter of a similar nature. Line 3 of the bill reads as follows:

> That the following works of improvement of rivers, harbors, and other waterways are hereby adopted and authorized—

And so forth. Where two or more propositions are concerned, a proposition which is relevant can be further added. For these reasons, I maintain, Mr. Chairman, that this amendment is germane to the bill and to section 2 of the bill.

The CHAIRMAN. The Chair is read to rule. The gentleman from California [Mr. CARTER] makes the point of order that the amendment of the gentleman from Pennsylvania [Mr. FADDIS] is not germane in that it applies to erosion on the banks of a river. Of course, soil erosion generally would not be within the jurisdiction of the Committee on Rivers and Harbors, but it is conceded, and the Chair thinks properly conceded, that erosion along the banks of streams that are under consideration for improvement are properly within the jurisdiction of the Committee on River and Harbors. The Chair therefore thinks the amendment is germane and overrules the point of order.

Mr. MANSFIELD. Mr. Chairman, I desire to be heard in opposition to the amendment. We have here a proposition for expenditures upon the Monongahela River. We do not know what those expenditures will amount to. We have no report upon them. No report has been made by the engineers and submitted to Congress. We are entirely in the dark so far as the amendment is concerned. In regard to expenditures upon the Monongahela River, we have expended upon that river already $47,789,057. Very few rivers in the United States have received so much money, and today it is in a finer state of improvement than any other river in the United States.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. FADDIS. I am not denying the superlative quality of the improvements that have been placed in there, but my amendment is to preserve those improvements because the eroded material is constantly filling the channel of the river. It is entirely in line with the policy of the committee.

Mr. MANSFIELD. That is all very true, and we are always willing and glad to submit surveys or resolutions wherever any stream or its improvements are in danger, and have the matter investigated and brought before Congress in such a way that we may all be able to understand it. We now have 15 locks and dams on that river. It is under a higher state of improvement today than any other river in the world—not only in this country but in any country

on earth. It carries more tonnage, it is true. It has carried as much as 28,000,000 tons in 1 year, and it is performing that service and performing it well, and no further expenditures are needed at this time, so far as we know.

Furthermore, the Public Works Administration is just now completing a $12,000,000 project near the head of that river, 4 miles above Grafton, W. Va., the Tygart River Dam, to increase the navigability of the river, which will also have an effect on the floods and currents in the river. I say this amendment is entirely unnecessary at this time.

Mr. PARSONS. Will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. PARSONS. Is it not true that the Chief and the Board of Engineers has not passed upon this proposition, and that there are no projects in this bill except those that have been approved by the Chief and the Board of Engineers?

Mr. MANSFIELD. No other reports have come to Congress on this river.

Mr. PARSONS. And, therefore, for that reason, the amendment should be voted down.

Mr. MANSFIELD. Undoubtedly.

Mr. MEAD. Will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. MEAD. I think it is perfectly proper that a committee of this Congress, dealing with work that is both engineering and construction, should have the valuable aid of the Board of Army Engineers; but it is not necessary that we yield the supremacy and power of the Congress of the United States to a subordinate branch of the Government. Even though they made a survey and their report be adverse, I still believe it is possible for us and proper for us to give our approval to such a project, if we believe it to be meritorious. But I am in thorough accord with the committee insofar as seeking the assistance and aid of the Board of Army Engineers before making its decision. I still hold that the committee should make the final decision, if, in their judgment, it is wise, even though contrary to the Board of Engineers.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FADDIS].

The amendment was rejected.

Mr. MITCHELL of Tennessee. Mr. Chairman, I move to strike out the last word. In this report I notice that for the Cumberland River there has been provided an appropriation of some $800,000. I should like to ask the Chairman of the Committee on Rivers and Harbors if that includes both the upper Cumberland and that portion south of Nashville? Is it for the entire Cumberland River?

Mr. MANSFIELD. The authorization recommended in the bill is for the Cumberland River below Nashville. It is embraced in what is known as a "308" report, investigating rivers and harbors for various purposes. In former years there were quite a great many improvements placed above Nashville. They are dams of more or less obsolete type under present conditions of navigation. The Engineers, in reporting under Document 308, have recommended at this time that nothing be done on the river above Nashville, but that the improvements below Nashville should be included as being urgent and necessary at this time. Now, there was this situation in the case: At the time this report was made it was supposed that private interests would cooperate with the Government in placing power dams on the upper Cumberland. It was held in abeyance with the hope that they would do so, and thus contribute largely to the expense of improving the river. At this time, since the Tennessee Valley Authority has been created, I do not know whether or not private interests would want to install those dams so near the Tennessee Valley power plants.

Mr. MITCHELL of Tennessee. The chairman is aware of the fact that recently there has been introduced a bill to include the Cumberland River within the T. V. A. development. That is pending before the Committee on Military Affairs at this time. I am greatly interested in the Cumberland River, especially the upper Cumberland section, and I am anxious to know whether or not under this appropriation of $800,000 it is possible to conduct further surveys to determine the advisability of future appropriations or otherwise?

Mr. MANSFIELD. I believe we ought to include a provision for a survey of that section of the river above Nashville in the bill, because the reports were made before the creation of the Tennessee Valley Authority, and that action has very materially changed conditions as to the sale of power. As I have said, probably private interests would not want to compete with the T. V. A. at a point so near to the location of that river.

Mr. MITCHELL of Tennessee. With that statement on the part of the chairman, which I greatly appreciate, do I understand that that is within the purview of the present bill, and that it may be done?

Mr. MANSFIELD. We will be glad to accept that as a committee amendment, if the gentleman from California [Mr. CARTER] will agree, and put in a survey for the river above Nashville.

Mr. CARTER. I have no objection to a survey being placed in the bill for the section of the Cumberland River above Nashville.

Mr. MITCHELL of Tennessee. I am grateful to the members of the committee.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. MITCHELL] has expired.

Mr. PARSONS. Mr. Chairman, I move that all debate on section 1 and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. McCORMACK. Mr. Chairman, I should like to ask the distinguished chairman of the committee whether or not within the last day or two a report has been received from the Chief and the Board of Engineers recommending a small project in Boston Harbor?

Mr. MANSFIELD. I will say the report was received this morning. We have not yet had time to examine it, nor has it yet been printed, but it recommends the deepening to 40 feet of that part of the approach channel to the United States Navy Drydock No. 3 between the main ship channel and the United States harbor line, at a cost of $128,700.

Mr. McCORMACK. May I ask of my friends, the chairman of the committee and the distinguished gentleman from California [Mr. CARTER], the ranking minority member, if the committee would try to give this item consideration before the bill passes the Senate, so that if the House committee is agreeable, I may undertake to have that put into the bill?

Mr. CARTER. I would be glad to cooperate to have that done.

Mr. MANSFIELD. We will be glad to do so.

[Here the gavel fell.]

Mr. BOYLAN. Mr. Chairman, I wish to congratulate the House on having such an efficient Chairman of the Committee on Rivers and Harbors as the gentleman from Texas [Mr. MANSFIELD]. [Applause.]

This bill has shown the minute attention which the gentleman has given to every detail. As has been exemplified here this morning, the chairman is able to answer any question about any project in this bill, and seems to know the matter intimately. That is the type of man we want to preside over our committees. But I rose particularly to say that I congratulate the chairman and the committee upon the allotments made for New York Harbor. I am greatly interested in that port. It has the largest commerce of any seaport in the world. Within the lines of my district, practically 90 percent of the European passenger traffic that enters and leaves the port of New York, docks. We have just completed three immense piers, each 1,100 feet in length and 200 feet wide, where we can berth the largest ships that the world has yet built.

These piers are situated at the foot of city streets, so that within 10 minutes after landing on a pier one can be within the precincts of one's hotel. From these piers, where there is a depth of 40 feet of water, there is a channel approximately 2,000 feet wide, extending all the way to Sandy

Hook and the ocean. The result of the work of the committee and their allotment of funds to us will insure this channel for the passenger and freight traffic of the world. This passageway is in the lordly Hudson that sweeps majestically to the sea.

While we are proud of our port, yet the port of New York does not belong to us alone, it really is the port of the United States; it belongs to the entire country. While we, of the empire city of the world, receive with open arms and welcome those who travel over the seven seas, we do so representing not the city of New York or the State of New York, but representing the entire country. I know that all of you will be just as proud of the progress and development of our port as we ourselves are, because it is the port of these great United States.

Mr. MANSFIELD. And there are 554 miles of docks there.

Mr. BOYLAN. And as the chairman has reminded me, we have surrounding the greater city approximately 554 miles of docks and wharves. In part of the city, particularly in the Borough of Manhattan, where the district I have the honor to represent is located, the city owns the entire water front. We have a wide marginal street. We have not yielded our water front to railroads. On the Staten Island shore we have 2 miles of docks known as the "Stapleton Docks" where the largest ships in the world can find safe anchorage. We welcome the day that sees the return of our foreign trade, when every one of these docks of the city will be occupied by vessels bringing products in to us and taking away our own surplus products, both of agriculture and manufacture, because this means a renewed and a greater prosperity for our beloved land.

So, again, I compliment the House on having such an able, such an efficient, and such a competent chairman of this great committee as the distinguished gentleman from Texas [Mr. MANSFIELD]. [Applause.]

Mr. CITRON. Mr. Chairman, I desire also to commend the committee, its able clerk, Mr. McGann, and its very efficient and capable chairman, the gentleman from Texas, the Honorable JOSEPH J. MANSFIELD, for its excellent report on this fair and all-inclusive bill, which is national in scope.

I am particularly pleased because of the just consideration shown my own State of Connecticut. This bill authorizes five large projects in Connecticut, and only one of these is conditional upon prior action by private, municipal, or State enterprises before any undertaking by the Federal Government. This particular project is the tremendous plan of making the Connecticut River navigable between Hartford, Conn., and Holyoke, Mass., and is dependent upon action by private or municipal interests in connection with the building of a dam at Enfield, Conn.

The Thames River project particularly pleases me. The bill authorizes improvements at an estimated cost of $820,000 to that part of the Thames River extending from New London to Norwich, Conn. Next to the Connecticut River this is the most important tributary in my State. It means a great deal to the eastern section of the State, which is both a farming and manufacturing region, and I know it will mean much to the cities of Norwich and New London when the authorized projects are finally completed.

Incidentally, the committee and its chairman believe that each and every one of the authorized public works on rivers and harbors mentioned in its bill is so meritorious as to deserve the receipt of an allotment from the Public Works Administration.

Mr. Chairman, I want to ask the distinguished chairman of the committee a few questions. On page 10 of the report of the Rivers and Harbors Committee the Thames River project is shown. It provides $820,000 for dredging from Allyn's Point, New London, to Norwich. Does it include any work in the New London Harbor?

Mr. MANSFIELD. No; it does not.

Mr. CITRON. But the committee has passed a resolution upon which there will be a hearing to see if anything should be done in New London Harbor.

Mr. MANSFIELD. That resolution has been passed and sent to the Chief and Board of Engineers. Upon receipt of their report we shall be pleased to consider it and take such action as we feel is justified.

Mr. CITRON. On March 13, 1935, I appeared before this committee, which, upon my urgent request, passed a resolution authorizing the Board of Engineers for rivers and harbors to review the reports of preliminary examination and survey of New London Harbor authorized in the River and Harbor Act of July 3, 1930, with a view to determining whether any modification in the recommendation contained therein is advisable at the present time. I have already communicated this information to various interested parties in Connecticut, particularly the business, manufacturing, labor, and farming interests in that section of my State. I have likewise informed the railroads and others who might be interested. It is expected that the Board of Engineers will hold hearings soon. Should the findings lead the Board to conclude a modification of its previous recommendation is desirable, it would mean the Board favors some improvements. If this Board reports favorably for some public works in New London Harbor, I would respectfully ask the esteemed chairman whether in his opinion, funds might be allotted from the Public Works Administration for this purpose?

Mr. MANSFIELD. I am not in position to say what the Public Works Administration will do; that will have to go to the President; but I hope they will see it in the light the gentleman sees it.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. CITRON. I yield.

Mr. MEAD. I would like to ask if the Public Works Administration later will approve projects that have not been approved by the Board of Engineers and by the gentleman's committee? Is there a possibility that they will take on such projects as are not approved by the gentleman's committee and by the Board of Engineers?

Mr. MANSFIELD. It has been done.

Mr. MEAD. I was wondering if there is still that possibility.

Mr. MANSFIELD. Yes; there is that possibility; they have full power.

Mr. MEAD. Then, the gentleman from Connecticut has that avenue open to him?

Mr. MANSFIELD. Certainly.

Mr. CITRON. I thank the chairman for the information.

At this point I insert a copy of the report of this committee on the Thames River:

THAMES RIVER, CONN.

Rivers and Harbors Committee Doc. No. 18, 74th Cong.

The Thames River is a tidal estuary extending northward from Long Island Sound at New London, Conn. Under the existing project a channel 25 feet deep and 200 feet wide to Allyns Point, a distance of 6 miles, thence a channel 18 feet deep and 200 feet wide to Norwich, a further distance of 6 miles, has been provided. The commerce averages over 400,000 tons annually. It consists of coal, petroleum, lumber, and miscellaneous freight. Norwich is the business center of an area which produces annually over $100,000,000 worth of manufactured products. Much of the tonnage destined for this area is now carried in deep-draft tonnage to New London or Allyns Point, where it is transshipped by barge, rail, or truck. The bill provides for the extension of the 25-foot channel from Allyns Point to Norwich. The estimated cost is $820,000, with an increase of $5,000 per annum in the annual cost of maintenance.

The above report and the several reports on the other projects briefly review the plans and recommendations of this committee. I also desire to call attention to the fact that this bill includes the project on the upper Connecticut River between Hartford, Conn., and Holyoke, Mass., the report upon which is as follows:

CONNECTICUT RIVER BETWEEN HARTFORD, CONN., AND SPRINGFIELD AND HOLYOKE, MASS.

(H. Doc. 27, 73d Cong.)

Projects heretofore adopted have provided a channel 12 feet deep and 100 feet wide to Hartford. Under the River and Harbor Act of 1930 the extension of this channel to Holyoke, a distance of 32½ miles, was authorized on condition that private interests would construct a lock and dam at Enfield Rapids. At the time

the project was adopted the Northern Connecticut Power Co. was licensed by the Federal Power Commission to construct a dam and modern power works at this locality, but no construction work has been done, and the license was terminated by the Commission. The provision in the bill modifies the condition precedent in the existing project so as to provide for the construction of the said lock and dam by State, municipal, or private interests under license issued by the Federal Power Commission.

Now, with regard to the Connecticut River between Hartford and Holyoke, can the chairman tell me how much is estimated will be expended to dredge the river from Hartford, Conn., to Holyoke, Mass., providing as a condition precedent some private concern or the State would build a dam at Enfield, Conn., as your report explains?

Mr. MANSFIELD. I will say to the gentleman that in a former rivers and harbors bill a project was adopted for that section of the river conditioned upon certain things being done by local interests. The local interests have not yet complied with those terms, consequently the War Department is not authorized by law to proceed until they are complied with, unless the gentleman by resolution has it resubmitted. It might come up for future action.

Mr. CITRON. If the local interests comply with the conditions precedent, the improvements will be quite extensive, will they not?

Mr. MANSFIELD. They will be quite extensive; the gentleman is correct. The project is for a channel 12 feet deep, 32½ miles long, and the estimated cost is $3,384,000.

Mr. CITRON. I am also pleased to call attention to the consideration given to the Connecticut River below Hartford. This is a very important river, and it is hoped that its commerce will increase in the future. In the days of the sailing ships it was one of New England's most enterprising commercial arteries. Today it is again being used for important commercial traffic.

I am offering for your observation the committee's reports on the Connecticut River and on New Haven Harbor, which is located somewhat west of the mouth of the Connecticut River. Incidentally, this harbor is growing in the extent and activity of business. I also add the report upon Stamford Harbor, because it evidences the value of the projected improvements in this place.

I assure this Committee that with all these plans, involving several million dollars, the State of Connecticut will be fairly and materially benefited.

The committee's reports on the Connecticut River below Hartford, on New Haven Harbor, and Stamford Harbor follow:

CONNECTICUT RIVER BELOW HARTFORD, CONN.

(H. Doc. 49, 73d Cong.)

This river enters Long Island Sound at Saybrook, about 14 miles west of New London. Hartford is 51.3 miles above the mouth. The existing project provides for a channel 100 feet wide and 12 feet deep to Hartford. The commerce on the river in recent years has consistently increased from 516,600 tons in 1925 to 703,300 tons in 1931. It consists of coal, petroleum products, lumber, fertilizer, and miscellaneous commodities. Over 80 percent of the total tonnage is coal and petroleum products, carried in barges. The available depths are such that, except during freshet stages, these barges are loaded to but 70 to 80 percent capacity. The provision in the bill provides for a channel 15 feet deep at mean low water, 300 feet wide from the mouth to the Lyme railroad bridge, thence generally 150 feet wide to Hartford, to be obtained by dredging and by the construction of additional dikes, training walls, and revetments, at an estimated cost of $530,000 for new work, with maintenance estimated at $33,000 annually in addition to that now required.

NEW HAVEN HARBOR, CONN.

(H. Doc. 479, 72d Cong.)

The commerce of this port averages over 2,000,000 tons annually. Improvement in order to accommodate larger ships was recommended in the above report, as follows: Provide a depth of 25 feet in the main channel, with a width of 400 feet in the outer portion and 500 feet in the inner portion, at an estimated cost of $292,000, with maintenance estimated at $1,500 annually in addition to that required. The Public Works Administration allotted $352,000 for the prosecution of this project.

STAMFORD HARBOR, CONN.

(Rivers and Harbors Committee Doc. No. 8, 74th Cong.)

Located on the north shore of Long Island Sound, 36 miles east of New York City. The commerce in 1929 amounted to 450,655 tons; in 1933 it was 216,312 tons. It consists principally of coal, petroleum products, and building material. Because of the increasing size of the barges used in the transportation of these commodities, it is proposed to improve this harbor as follows: Modify the existing project so as to provide an entrance channel 15 feet deep and 200 feet wide; for a channel in West Branch 15 feet deep and 125 feet wide; for enlargement of the basin at the head of the branch by dredging to the same depth and of such widths as to exclude extensive rock excavation along the northeast side of the basin; and for dredging and anchorage area north of buoy no. 6 and east of the entrance channel 8 feet deep. Estimated cost, $186,000 for new work and $8,400 annually for maintenance, provided that the anchorage area shall be dredged only after local interests contribute one-half of the first cost thereof.

Mr. PARSONS. Mr. Chairman, I ask unanimous consent that the reading of section 2 be dispensed with, but that this section be printed in the RECORD at this point. Everybody is familiar with the section.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(Sec. 2 is as follows:)

SEC. 2. The Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys to be made at the following-named localities, the cost thereof to be paid from appropriations heretofore or hereafter made for such purposes: *Provided*, That no preliminary examination, survey, project, or estimate for new works other than those designated in this or some prior act or joint resolution shall be made: *Provided further*, That after the regular or formal reports made as required by law on any examination, survey, project, or work under way or proposed are submitted no supplemental or additional report or estimate shall be made unless authorized by law: *And provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this act until the project for the proposed work shall have been adopted by law:

Plum Island and Parker Rivers, Mass.
Rock Harbor, Mass.
Shore at Manomet Point, Plymouth Harbor, Mass., with a view to constructing a breakwater.
Cape Cod Canal, Mass.
Boston Harbor, Mass.: Navigable waters adjacent to the shores of Winthrop and East Boston.
The Race, between Block Island Sound and Long Island, Conn., with a view to removing Valient Rock and other obstructions.
Ash Creek, Conn.
Westcott Cove, Stamford Harbor, Conn.
Noank Cove, Conn.
New London Harbor, Conn., including Shaws Cove.
Providence River and Harbor, R. I.
Moriches Inlet, Long Island, N. Y.
Goldsmith Inlet, Long Island, N. Y.
Long Island Intracoastal Waterway, from East Rockaway Inlet to Great Peconic Bay, N. Y.
Nissequogue River, Long Island, N. Y.
Hashamomuck (Arshamomaque) Creek, Long Island, N. Y.
Irvington Harbor, N. Y.
Eastport Harbor, Maine.
Frenchboro Harbor, Maine.
Harbor at Cuttyhunk, Mass.
Plum Island and Parker Rivers, Mass.
Shore at Gay Head, Mass., with a view to preventing further erosion.
Rock Harbor, Mass.
Shore at Manomet Point, Plymouth Harbor, Mass., with a view to constructing a breakwater.
Westport River, Mass.
The Race, between Block Island Sound and Long Island, Conn., with a view to removing Valient Rock and other obstructions.
Westcott Cove, Stamford Harbor, Conn.
Noank Cove, Conn.
Moriches Inlet, Long Island, N. Y.
Goldsmith Inlet, Long Island, N. Y.
Long Island Intracoastal Waterway, from East Rockaway Inlet to Great Peconic Bay, N. Y.
Nissequogue River, Long Island, N. Y.
Hashamomuck (Arshamomaque) Creek, Long Island, N. Y.
Irvington Harbor, N. Y.
Channel between Travers Island and Glen Island, N. Y.
Lake Montauk Harbor, Long Island, N. Y.
Waterway from the Hudson River at or near Piermont, N. Y., to a point at or near the headwaters of the Hackensack River, N. J.
Delaware and Raritan Canal, N. J.
Sandy Hook Bay, off Atlantic Highlands, N. J., with a view to providing an anchorage area.
Shark River, N. J.
Passaic River, N. J., from the Eighth Street Bridge, Wallington, to the Passaic Street Bridge at Garfield.
Menantico Creek, Cumberland County, N. J.
Cedar Run Creek, N. J., from the Main Channel to Wire Creek.
Keyport Harbor, N. J.
Way Cake Creek, N. J.
West Creek, N. J.

Waterway across Cape May County, N. J., to connect the New Jersey State Inland waterway with Delaware Bay.
Delaware River, between Easton and Stroudsburg, Pa.
Chesapeake and Delaware Canal at Chesapeake City, Md., with a view to providing an anchorage basin; also to determine if street improvements, in connection with changes of bridges under the existing project, should be made.
Construction of a sea-level waterway between Great Choptank Waterway and Little Choptank River, Md.
Wicomico River, Md., from Chaptico Wharf to Budds Landing.
McCreadys Creek, Elliott, Dorchester County, Md.
Goose Creek, Md.
Channel connecting Plain Dealing Creek and Oak Creek, Md.
Back Creek, Anne Arundel County, Md.
St. Marys River, Md.
Drum Point Harbor, Md.
Plum Point Creek, Calvert County, Md.
Lake Conoy, Md., and entrance thereto from Potomac River.
Channels to Lake Ogleton and Walnut Lake, Anne Arundel County, Md.
Farm Creek, Md.
Little Creek, Queen Annes County, Md.
Little Island Creek, Talbot County, Md.
Head of Northeast River, Md.
Channel in Southeast Branch of Fox Creek, Dorchester County, Md.
Rockhall Harbor, Kent County, Md.
Broadwater Creek, Md.
St. Jeromes Creek, St. Marys County, Md.
Channel from George Island Landing, Md., to deep water in Chincoteague Bay.
Waterway from Little Annemessex River to Tangier Sound, Md., by way of Cedar Creek, a land cut, and Flat Cap Creek.
Waterway between Cambridge Creek and Fishing Bay, by way of Little Blackwater River, Md.
Black Walnut Harbor, Talbot County, Md.
Channel at the entrance of the Claiborne-Annapolis Ferry at Matapeake, Md.
Jones Creek, Wicomico County, Md., and Nanticoke River at and in the vicinity of Waterview.
Waterway from Pocomoke River, at or near Snow Hill, Md., to Chincoteague Bay.
Dogue Run, Va.
Coan River, Va.
Winter Harbor, Va.
Occupacia Creek, Va.
Chincoteague Bay, with a view to establishing a harbor of refuge at Greenbackville and Franklin City, Accomac County, Va., and protection of adjoining shore from storm depredation.
Inland waterway from Chesapeake Bay to Chincoteague Bay, Va.
Onancock River, Va.
Waters connecting Cherrystone Channel with Cape Charles, Va., with a view to establishing a harbor of refuge at Cape Charles with a minimum depth of 10 feet.
Channel from Pamlico Sound to Mill Creek, N. C.
Channel from deep water in Back Sound, N. C., through Shackleford Banks, to deep water in Lookout Bight.
Ashley River, S. C.: Municipal yacht basin and connecting channels.
Waterway from the St. Johns River to the Kissimmee River, Fla., and thence to the Okeechobee Cross-Florida Canal Channel.
Waterway from Banana River to Mosquito Lagoon, Merritt Island, Fla.
Waterway from the mouth of Tampa Bay, Fla., to the mouth of the Manatee River; thence up the Manatee River to approximately its source; thence easterly to Fort Pierce Harbor.
St. Lucie, West Palm Beach, Hillsboro, North New River, and Miami Canals, Fla.
Side channels or basins at Palm Beach, Courtenay, and Eau Gallie, Fla., with a view to providing connections with the intracoastal waterway.
Clearwater Harbor, Fla., including Big Pass and Little Pass.
Hillsboro Inlet, Broward County, Fla.
New River Inlet and Sound, Fla.
Sarasota Bay, Fla.
Deepening of the present channel at the northeasterly end of Charlotte Harbor and Peace River from Punta Gorda, Fla., to Cleveland, Fla.
Cut-off from Lemon Bay to Gulf of Mexico and the opening of Lemon Bay for inland waterway purposes.
Channel beginning at terminal of Seaboard Airline Railway and extending through the Bay of Naples and adjacent waters to Gordon's Pass and the jettying of Gordon's Pass. Also inside route from Seaboard Airline Railway terminals through the Bay of Naples, Dollar Bay, and adjacent waters to Big Marco Pass with the deepening of Little Marco Pass and the entrance of the pass into Rookery Bay.
Intracoastal waterway from the Caloosahatchee River to the Withlacoochee River, Fla., with a view to securing a waterway of suitable dimensions, and for the purpose of affording suitable exit to the north for craft using the Okeechobee Cross-Florida Canal.
Intracoastal waterway from Apalachicola Bay to the Withlacoochee River, Fla.
Keaton Beach, Taylor County, Fla.
Keaton Beach Harbor, Fla.
Carrabelle, Crooked, Ochlockonee Rivers, and Ochlockonee Bay, Fla.
Wakulla River, Fla.
Waterway from a point in the Grand Lagoon by way of Bayous Grand and Chico to Pensacola Bay, Fla., as an extension of the intracoastal waterway.
Waterway from Bon Secours Bay, Ala., to the Gulf by way of Oyster Bay.
Waterway to connect the Tombigbee and Alabama Rivers with the Perdido River, Ala. and Fla.
Channel to Point Chugae, Dauphin Island, Ala., and channel from Point Chugae to the old basin, or Indian Mounds, with a view to providing a harbor of refuge.
Mississippi Sound in the vicinity of Pass Christian, Miss.
Boston Canal, Vermilion Parish, La.
Ship Canal from Houma, La., to the Gulf of Mexico.
Bayou DuLarge, La.
Vinton Waterway, La.
Lake Charles Deep Water Channel, La.
Bayous La Loutre, Saint Malo, and Yscloskey, La.
Bayou Rigaud, La.
Bayou Sennette, La.
Waterway from White Lake to Pecan Island, La.
Waterway from the Intracoastal Waterway, by way of the Florence Canal, to Gueydan, Vermilion Parish, La.
Bayou St. John, La.
Houma-Terrebonne Ship Canal, La.
Greens Bayou and Pass Palacios (Cotton Bayou), Tex.
Arroyo Colorado, Tex., from Llano Grande Lake to its mouth.
At and in the vicinity of Lynns Bayou, Tex., including channel to deep water connecting with the harbor basin at Port Lavaca in Lavaca Bay.
White River, Ark.
Caney Creek, Grayson County, Ky.
Lewis Creek, Ohio County, Ky.
Grand Traverse Bay, Mich.
At mouth of Black River or Little Girls Point (Ohmans Creek), Gogebic County, Mich.
Big and Little Suamico Rivers, Wis.
Pensaukee Harbor, Wis.
Fond du Lac Harbor and vicinity, Lake Winnebago, Wis.
Waterway from Lake Michigan through Black Lake, by way of Zeeland, Hudsonville, and Jenison, to a point on Grand River near Grandville, thence up Grand River to Grand Rapids, with a turning basin at Grand Rapids.
Cheboygan Harbor and Cheboygan River, Mich.
Waiska River, Mich.
Crooked and Indian Rivers, Mich.
Naubinway Harbor, Mackinac County, Mich.
At or near Marblehead, Ohio, with a view to establishing a harbor.
At or near Put-in-Bay, Ohio, with a view to establishing a harbor.
Vermilion Harbor, Ohio.
Cattaraugus Creek, N. Y.
Barcelona Harbor, N. Y.
Cayuga Creek and Little River, Niagara Falls, N. Y.
Port Ontario Harbor, N. Y.
Olcott Harbor, N. Y.
Redondo Beach Harbor, Calif.
Santa Monica Harbor, Calif.
Palo Alto Harbor, San Francisco Bay, Calif.
Southampton Bay, Calif.
Richardson Bay, Calif.
Russian River, Calif.
Old River, Calif.
Alsea Bay, Oreg.
Yamhill River at Lafayette, Oreg.
Columbia River, Oreg. and Wash., from Tongue Point to the sea.
Seaside Harbor, Oreg.
Columbia River, at and near Hammond, Oreg., with a view to preventing erosion caused by the construction of the south jetty, and providing a protected harbor near the mouth of said river.
Willamette River, Oreg., from Eugene to Springfield.
Sandy River, near Troutdale, Oreg.
Trask River, Oreg.
Miami River, Oreg.
Kilchus River, Oreg.
Wilson River, Oreg.
De Poe Bay, Oreg.
Columbia River, Lake River, and Vancouver Lake, near Vancouver, Wash.
Elokomin Slough, or River, Wash.
Chehalis River, from the mouth of Skookumchuck River to the Grays Harbor County line, Wash.
Shelton Harbor, Wash.
Bethel Harbor, Alaska.
Douglas Harbor, Alaska.
Haines Harbor, Alaska.
Juneau Harbor, Alaska.
Kake Harbor, Alaska.
Metlakatla Harbor, Alaska.
Ship canal across Prince of Wales Island, Alaska.
Sitka Harbor, Alaska.
Unalaska Harbor, Alaska.
Valdez Harbor, Alaska.
Skagway Harbor, Alaska.
Aguadilla Harbor, Puerto Rico.
Guayanes Harbor, Yabucoa, Puerto Rico.
St. Thomas Harbor, Virgin Islands.

Mr. MANSFIELD. Mr. Chairman, we have a number of committee amendments.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 25, line 12, strike out all of line 12.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 25, strike out lines 8 to 25, inclusive; and on page 26, strike out lines 1 to 5, inclusive, and insert in lieu thereof the following paragraphs:

"Long Cove, Maine."

"Chandler River, Maine."

"Ile au Haut Thoroughfare, Maine."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 26, line 6, strike out all of line 6:

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 26, between lines 16 and 17, insert the following paragraphs:

"Boston Harbor, Mass.: Navigable waters adjacent to the shores of Winthrop and East Boston.

"The Merrimack River, Mass.: with a view to making the river navigable from Lowell to the sea.

"Ash Creek, Conn."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 26, between lines 21 and 22, insert the following paragraphs:

"Providence River and Harbor, R. I.

"Blackstone River, from Narragansett Bay at Providence, R. I., to Worcester, Mass.

"New York State Barge Canal from Three Rivers Point to the city of Syracuse, N. Y."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: At the end of page 28, insert the following paragraph: "Harbor at the mouth of Fishing Creek, at the north end of Calvert County, Md."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 30, strike line 18 after line 17 and insert in lieu thereof the following: "Lower Altamaha River at Darien Harbor, Ga."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 30, between lines 15 and 16, insert the following paragraph:

"Vandemere Harbor and Bay River at Oriental, N. C."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 30, line 17, after the word "channels", strike the period, insert a comma, and add the following: "and channel to the grounds of the South Carolina Military Academy (the Citadel)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 31, between lines 4 and 5, insert the following paragraphs:

"Melbourne Harbor and Crane Creek, Fla.

"Miami Harbor, Fla.

"Waterway from Ponce de Leon Springs to St. Johns River, Fla.

"An inlet or ship channel connecting the Atlantic Ocean with the Intracoastal Waterway at or near Eau Gallie, Fla.

"Channel from Oklawaha River into Lake Griffin, Fla."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 32, after line 24, insert the following:

"Pascagoula Harbor and Horn Island Pass, Miss."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 33, between lines 18 and 19, insert the following paragraphs:

"Franklin Canal, St. Mary Parish, La.

"Sabine-Neches Waterway, Tex., with a view to constructing revetment work to retain the spoil deposited in Sabine Lake."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 34, between lines 1 and 2, insert the following paragraphs:

"Arkansas River, Ark. and Okla.

"Black River, Ark. and Mo., and waterway connecting the Black River with the Mississippi River at or near Cape Girardeau.

"Hatchie River, Tenn.

"Obion and Forked Deer Rivers, and South Fork of Forked Deer River, Tenn.

"Cumberland River above Nashville, Tenn.

"Ohio River below Ironton, Ohio, with a view to the construction of a dam."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 34, between lines 6 and 7, insert the following paragraphs:

"At the mouth of Tobacco River near Gay, Mich., with a view to providing a harbor of refuge for small vessels.

"A ship canal connecting Lake Superior and Lake Michigan from Lake au Train in Lake Superior to Little Bay de Noc in Lake Michigan.

"At mouth of Black River and at Little Girl's Point (Ohman's Creek), Gogebic County, Mich.

"With a view to establishing a harbor of refuge at Manitowoc and Two Rivers, Wis., and protection of adjoining shores from storm depredation."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 34, between lines 23 and 24, insert the following paragraph:

"Rocky River Harbor, Ohio."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 35, after line 4, insert:

"Wilson Harbor, N. Y."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 35, between lines 2 and 3, insert the following paragraphs:

"Alexandria Bay Harbor, N. Y.

"Morristown Harbor, N. Y."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 36, between lines 22 and 23, insert the following paragraphs:

"Hilo Harbor, Hawaii.

"Port Allen, Hawaii."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: On page 36, after line 2, insert two new paragraphs, as follows:

"Chetco Cove, Oreg.

"Columbia River at Rainier, Oreg."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. DONDERO: On page 34, between lines 15 and 16, insert the following paragraphs:

"New Buffalo Harbor, Mich.

"Port Austin Harbor, Mich.

"Port Sanilac Harbor, Mich.

"Fair Haven Harbor, Mich.

"Port Huron Harbor, Mich.

"Clinton River, Mich.

"Detroit River, Mich, with a view to providing a navigation channel of suitable width and depth located entirely on the American side of the river, and to provide a channel 200 feet wide and 8 feet deep from deep water in Detroit River, in the vicinity of Grosse Isle Light, to deep water at Sugar Island, passing east of Grosse Isle and west of Stony Island."

The committee amendment was agreed to.

Mr. PARSONS. Mr. Chairman, I ask unanimous consent that the various paragraphs may be placed in their proper order if there have been any mistakes made in the offering of the amendments as to lines and insertions.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DUFFEY of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at noon tomorrow, April 10, there will be a public hearing held in the city of Toledo, Ohio, by Maj. R. C. Crawford, who is the United States district engineer, Corps of Engineers, War Department, and whose office is 605 Federal Building, Detroit.

The purpose of this hearing tomorrow arises through the resolution of the Committee on Rivers and Harbors and the authorized report that was made for the Toledo Harbor. The original report, dated June 1, 1932, contemplated the deepening of the channel of the Maumee River in Toledo, and this hearing is with a view to determining the advisability of modifying the existing project so as to provide for the construction of a mooring basin. This mooring basin was not at first contemplated, but does come under the general terms of the Toledo harbor original survey.

This survey or hearing is being held tomorrow in Toledo, Ohio, and I want to ask the chairman of the committee, the gentleman from Texas [Mr. MANSFIELD], whether or not, because this is a modification, it is necessary that a report be made by Maj. R. C. Crawford and approved by the Engineer Corps of the War Department before the mooring basin can be considered as coming under the terms of this present legislation. Is the gentleman familiar with the situation?

Mr. MANSFIELD. In reply to the gentleman from Ohio, I may say that the regular course is for the district engineer to make his report on the investigation of which the hearing referred to is a part, and it will follow the regular course of procedure and come to the Board and Chief of Engineers and the final results, with their recommendations, will be submitted to the Committee on Rivers and Harbors in due time.

Mr. DUFFEY of Ohio. Does the gentleman from Texas understand that this is not a new project, but is a modification of the original survey which has already been approved?

Mr. MANSFIELD. That is true.

Mr. DUFFEY of Ohio. So, if they recommend a modification or even if they made it supplemental or additional, it would be possible, by amendment in the Senate, to have this project approved?

Mr. MANSFIELD. If they make their recommendation and it is favorable and comes in before this bill passes the Senate, the gentleman from Ohio can have every opportunity to have it presented for approval to the Committee on Commerce of the Senate as an amendment to the bill.

Mr. DUFFEY of Ohio. I thank the gentleman.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. DUFFEY of Ohio. I yield.

Mr. MEAD. I have asked the gentleman to yield so that I may ask the chairman a question. A hearing was held in Buffalo a few days ago on a matter similar to the one just brought to our attention by the gentleman from Ohio [Mr. DUFFEY]. The report has not yet arrived at the Board of Engineers. It has to do with the improvement of the Buffalo River and the inner harbor. If this report should be favorable, will it receive the same consideration as the gentleman from Texas has suggested to the gentleman from Ohio?

Mr. MANSFIELD. Certainly; there is no question about that.

Mr. KENNEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this bill is broad in scope and one which should commend itself to the approval of the country. Personally, I am deeply indebted to the chairman of the committee, one of the finest gentlemen of this House, and to the members of the committee for listening graciously to the pleas of those interested in the matters set forth in this bill.

The bill affects the area I represent. But the propositions for the area provided for are not local. They are of Federal consequence and importance.

While the Hudson River courses the easterly boundaries of my congressional district where the palisades begin and the George Washington Bridge joins New York to the mainland, it is the great North River of New York and the country's most picturesque and beautiful and extremely important navigable waters. The bill will assure a widening of the channel at Edgewater, N. J., giving us a channel 750 feet wide and 30 feet deep. The project is absolutely necessary for navigation on the New Jersey side of the Hudson. Besides, the bill incorporates the provisions of a bill introduced by me for a survey of a waterway from the Hudson, at a point near Piermont, N. Y., to the headwaters of the Hackensack River in New Jersey which runs parallel to and not far distant from the Hudson River in my district. Such a connecting link would give us an inland waterway, if found feasible, from Newark Bay to the upper part of the North River, which, after it leaves New York City, is termed the Hudson.

Running parallel with the Hackensack to the west and a few miles away is the Passaic River. This bill would pave the way for dredging that river from the Eighth Street Bridge in Wallington, which is in my district, to the Passaic Bridge at Garfield, improving that river. There is no provision for a canal connecting the Passaic with the Hackensack. Perhaps that will come later, affording ideal waterways for a great section of this country.

These waterways when completed will add materially to our national defense; they will likewise give sustenance to a great industrial area of the United States.

The people of my district, progressive people, are now also advocating a system of rapid transit through the area to be affected by these waterways. There is a plan now proposed and urged for a rapid transit that would leave New York City running across the Hudson to Hackensack, the county seat of Bergen, to Paterson, county seat of Passaic, thence to Newark, the seat of Essex County, and thence running to Jersey City, Hudson County seat, and then under the Hudson again to lower New York.

The prediction of Alexander Hamilton may soon be fulfilled for this unsurpassed part of our country. Hamilton, a man of vision, avowed that some day a greater metropolis would come into being on the west bank of the Hudson—greater than the great metropolis of New York. It seems predestined that this will come to pass.

Alexander Hamilton, the greatest Secretary of the Treasury, before and after the greatest Secretaries of the Treasury since Alexander Hamilton, hit upon this part of New Jersey as the center of all industry in the United States. There were reasons that appealed to him. It was well populated—provisions there were plentiful and reasonably priced. The State had little external commerce, scarcely any waste lands to be settled, and the people were friendly to industry.

Immediately after the Revolutionary War Hamilton declared that, having gained our political independence, we should forthwith establish our economic independence. He contributed to the latter by proposing two courses: First, to instruct our people in manufactures, and, second, to pass effective Federal legislation. It was his objective to supply the domestic market with the aid of a protective tariff and to follow through with a bid for world trade.

Selecting the northern part of New Jersey for the great industrial community of our country, he caused a corporation to be formed under an act of the State of New Jersey to carry on industrial enterprises in which he interested men of importance of that time. Accordingly in 1791 New Jersey granted a charter for the Society for Establishing Useful Manufactures. "S. U. M." it was commonly called. The capital of the company was $500,000, divided into 5,000 shares of $100 each.

In writing of this great plan, Hamilton had this to say:

> When application shall be made for an act of incorporation it ought to include a request that provision may be made for incorporating the inhabitants of the district within a certain defined limit which will be chosen by the company as the principal seat of their factories, and a further request that the company may have permission to institute a lottery or lotteries in each year for a term of 5 years for a sum or sums not exceeding in 1 year $100,000. The State of New Jersey, if duly sensible of its interest in the measure, will not refuse encouragement of this nature. * * *

The lottery will answer two purposes. It will give a temporary command of money, and the profit arising from it will go toward indemnifying for first unproductive efforts.

This comes from the greatest Secretary of the Treasury this country has ever known, Alexander Hamilton, whom all Secretaries of the Treasury have emulated.

Now, Mr. Chairman, at Edgewater on the Hudson are located many of the most important industries of the country. I might mention some: National Sugar Refining Co., Ford Motor Co., Corn Products Co., Spencer-Kellogg Co., Valvoline Oil Co., General Chemical Co., Lever Bros., Colgate & Co., Archer Daniels Midland Co., and Aluminum Co. of America. Navigation along the river front used by these industries is obstructed and the channel is badly in need of dredging at the present time. Some of these companies have expended large amounts of money doing their own dredging, and the Government has done some; but owing to a peculiar current, caused perhaps by the New York tower of the George Washington Bridge, the silt, which is removed by a suction process and discharged farther out in the river, finds its way back into the channel. Last summer, when the members of the Bergen County Woman's Democratic Organization, Inc., wished to conduct a boat ride up the Hudson, none of these companies had a pier where the water was deep enough to dock except the Ford Motor Co. Mr. Henry Ford granted permission for the use of his dock to the ladies, and he has their everlasting gratitude and mine. This is some indication of the necessity of permanent dredging there.

The total commerce of the frontage involved is large. The drafts of boats trading at this point varies from 24½ to 29 feet. The River and Harbor Act of 1925 authorized a channel 30 feet deep and 750 feet wide on certain conditions. The improvement of the channel is warranted without further assurances or conditions, and this bill undertakes to care for this.

[Here the gavel fell.]

Mr. FADDIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FADDIS: Page 34, between lines 1 and 2, insert the following paragraph:

"That portion of the Monongahela River in the State of Pennsylvania with the view of determining what provisions can be made to prevent the erosion of the banks and the destruction of valuable property and the consequent filling of the channel by deposition from the erosion."

Mr. FADDIS. Mr. Chairman, just a word to explain this amendment. Mr. BERLIN and Mr. SNYDER, whose districts join mine along this river, and myself have appointed a committee to aid in securing an allotment of funds from the Public Works appropriation to carry out these needed protections, and this survey will aid us in this matter. We would like to have a survey of the banks of the river, as the amendment states, to prevent the destruction of private property and to prevent the deposit of eroded matter in the river channel, which fills up and interferes with navigation during low water.

The Monongahela Valley has been made a great artery of commerce and has developed the coal and steel industry at the expense of the taxpayers of the Nation. Why should the tonnage moved upon this or any other river maintained by public money not pay sufficient tolls to maintain the river in a state suitable for use? Why should the taxpayers furnish improvements on a river for competition with railroads which consume such large quantities of steel and coal and employ so much more labor in proportion?

Now I am asking that something be done for the poor property owner who is having valuable property taken away, because of the erosion of the banks of the river caused by the locks and dams, in the interest of navigation. I know of the interest of the distinguished chairman of this committee in navigation and protection of property, and I sincerely hope he will approve of my amendment.

Mr. MANSFIELD. Mr. Chairman, I see no objection to the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. PARSONS. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 7 minutes.

The CHAIRMAN. The gentleman from Illinois moves that all debate on this section and all amendments thereto close in 7 minutes.

The motion was agreed to.

Mr. WILCOX. Mr. Chairman, I rise for the purpose of asking the chairman of the committee, Mr. MANSFIELD, two questions. On page 9, in section 1, the committee has reported a provision for Lake Worth Inlet, Fla. That is based on a report by the Chief of Engineers which was submitted 2 years ago. I am glad that item is in the bill, because it sanctions what has already been done. Since that time, however, the Public Works Administration has allocated funds for this improvement, and now under a survey which the committee ordered by subsequent resolution the district and division engineers have recommended an additional improvement which is now pending before the Board of Engineers and awaiting the recommendation of the Chief of Engineers.

In the event that the new proposal of the district and division engineers has the approval and recommendation of the Board and of the Chief of Engineers, will the committee give further consideration to that report, and if found to be proper have it included in the bill in the same manner that the gentleman from Texas, the chairman, has said it would do with other recommendations?

Mr. MANSFIELD. The committee will be glad to do so. However, my information is that the Public Works Administration has allotted more money for the project than was contemplated. The channel was to be 16 feet, and they have made it 20.

Mr. WILCOX. The improvement has been extended beyond that. But this was done by public-works money after the filing of the original report. Since then the commerce of the port has increased to the point that the district engineer and the division engineer have recommended that the channel be deepened to 24 feet. It is this new proposal which I hope will be approved by the Board and later put into this bill by the committee.

Now, one other question. In the River and Harbor Act of 1930, I think it was, there was a provision that the Chief of Engineers could expend up to a thousand dollars in his discretion developing side channels and other improvements adjacent to or connecting navigable waters. Is there anything in this bill which will interfere with the provisions of that act, or with the exercise of that discretion by the Chief of Engineers?

Mr. MANSFIELD. Nothing that I know of.

Mr. SNYDER. Mr. Chairman, I desire to say a word in support of the amendment just adopted, offered by my colleague from Pennsylvania [Mr. FADDIS].

My district borders on the Monongahela River. Just this morning I received a letter from my State saying that the river had backed up to such an extent that the concrete road was covered to a depth of 4 feet, and they could not use it for 2 or 3 days, or until the water subsides.

Since these locks are built we must maintain them. However, we should at the same time riprap the river banks and build such walls as necessary along the Monongahela River in order to keep the floods from destroying many homes each year. Not only the homes but thousands of dollars' worth of property are destroyed each year because the river banks are not properly protected.

I am not in favor of the Government building any more locks, unless they are placed on a self-liquidating basis. In other words, if we would charge so much a ton for the freight that goes over the locks built by the Government we could then replenish the Treasury for the amounts expended in building the locks.

The building of the locks on the Monongahela River, for instance, threw thousands of railroaders and other men out of employment. It seems to me that in making these improvements and adjustments we should keep in mind that we must put our men back to work and keep them at work if we are going to have stable prosperity.

I hope, Mr. Chairman, that this particular amendment will be kept in the bill in the Senate and that we may have this survey as soon as possible.

Mr. MANSFIELD. Mr. Chairman, I have a very deep interest in the Monongahela River. I have a sister and several other quite near relatives living on the banks of that river, and I feel almost as much interest in it as the gentleman himself.

Mr. SNYDER. My friend from Buffalo said the Nation spent quite a bit of money on the Monongahela River to date. I know we spent $15,760,000 to build the 10 locks, but since it carries a greater tonnage of freight than any other one river in the United States, and since the locks are already built, we must care for the homes and property along the shores.

Mr. DINGELL. Mr. Chairman, I am keenly interested in the lower Detroit River, that portion that has been pointed out to the distinguished Chairman of the Committee on Rivers and Harbors, which lies east of Grosse Isle and the mainland. I have directed an inquiry to the Committee on Rivers and Harbors to find out whether the survey would be possible in order that sometime in the future we might ask an appropriation for what we believe to be a much-needed improvement to benefit the heavy industries located there. There is provision in this bill allowing $17,000 for the dredging of a shoal by making a channel 21 by 300 feet. Does the gentleman think that 21 feet would be sufficient?

Mr. MANSFIELD. When was that provided for?

Mr. DINGELL. In this bill before the committee, but the dredging allowed for is only 21 feet. The general plan followed on the Lakes is to allow for 26 feet on the new Livingstone Channel, and this limitation would permit ships of only limited draft to enter the all-American channel, and it would not be of any particular relief, as I see it.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes.

Mr. FADDIS. It has been my experience with navigation on streams that no sooner do you construct a channel for a boat of a certain draft than they begin to build a boat of a much greater draft, and call for a deeper channel.

Mr. DINGELL. In this instance that is not so, because we measure the draft of the ships on the Great Lakes by the depth of the Livingstone Channel, which is a hard-rock channel, which is being dredged to 26 feet. I should like to see this particular channel which I refer to dredged to 26 feet.

Mr. MANSFIELD. Mr. Chairman, the depth for boats of 24 feet draft was intended for boats bound down channel. They are loaded with ore and require a greater draft than boats loaded with coal or wheat or other commodities. If this is on the main channel where the down-bound traffic goes, of course, it should be of corresponding depth.

Mr. DINGELL. It is so stated that it would provide for down-bound ships.

Mr. MANSFIELD. Is the channel now used by those ships?

Mr. DINGELL. It is not being used for entry from the north, but ships do go around Grosse Isle and back up north after making a dangerous turn.

Mr. MANSFIELD. We might have to authorize a survey to determine that.

Mr. DINGELL. Will this resolution which was passed by the Committee really provide for a survey to be made on that so-called "all-American channel?"

Mr. MANSFIELD. Yes. I am informed that is what it is.

Mr. DINGELL. That it positively covers a survey being made on which the engineers would report and then subsequently we could make a request for a suitable appropriation?

Mr. MANSFIELD. Yes.

Mr. DONDERO. That is included on page 21 of the bill.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to address the Committee for 1 minute to ask the chairman of the committee a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CONNERY. Mr. Chairman, take the navigable waters adjacent to the communities of Winthrop and East Boston, where we see in the moving pictures the waters surge in and demolish homes and destroy the breakwater and tear up streets along the shore line. Has the United States Government the power to do anything to prevent that property damage on the shore, or is the United States Government confined to navigable waters?

Mr. MANSFIELD. If it affects navigation, we have jurisdiction. If it does not affect navigation, it would doubtless come under the regular category of beach erosion. We caused an investigation to be made into those matters in the river and harbor bill of 1930. A beach erosion board has been appointed and acts in conjunction with the Chief of Engineers. They have submitted reports on a great many matters of this kind. No provision has been made as yet for financing these matters.

Mr. PARSONS. Mr. Chairman, I ask unanimous consent that those who have spoken on the bill yesterday and today shall have 3 legislative days in which to extend their remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CITRON. Reserving the right to object, I suggest that the gentleman include in his request permission to include extracts which someone may want to include, from reports.

Mr. PARSONS. We cannot do that except by the gentleman's own remarks. We should confine this extension to the gentleman's own remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. PARSONS]?

There was no objection.

Mr. CITRON. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks and to also include some extracts from the report of the Committee on Rivers and Harbors.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BUCK. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks on this bill.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BUCK. Mr. Chairman, since all the navigable rivers within the State of California, with the exception of the upper reaches of the Sacramento River and a few small creeks, lie within the territorial limits of the Third Congressional District, which I have the honor to represent, it is only natural that I should be particularly interested in legislation proposed by the Rivers and Harbors Committee of the House. This bill is the first general river and harbor bill to be seriously considered by the House since 1930. Many changes in the conditions of both rivers and harbors have since taken place. Trade currents have changed; new ports even have been developed. It is high time, therefore, that such a bill be considered and passed.

I desire to compliment the committee, and its chairman in particular, for the thorough study that they have given the projects embraced in this bill. Each project included in section 1, which authorizes the prosecution of works of improvement under the direction of the Secretary of War, has been recommended by the Chief of Army Engineers and his board, and has then been thoroughly and painstakingly reviewed in hearings before the committee itself.

Some of these projects have already received allotments from the Public Works Administration. In my district the Public Works Administration early allotted $1,158,347.99 to deepen the San Joaquin River and Stockton Channel to a depth of 30 feet at mean lower low water and to widen the channel bottom to 150 feet above Venice Island, and to a width of 300 feet below. Part of this sum was also used to modify the then existing project for Suisun Bay Channel to provide a 300-foot width and 30-foot depth at mean lower low water through Bulls Head Point, Point Edith, and Middle Ground Shoals to the mouth of New York Slough. This work has already been completed and it may appear that it is surplusage to include an authorization in this bill for work already done. The committee, however, has wisely felt that

in order to provide for the permanent maintenance of this project and all others undertaken with public-works funds, that they should be specifically authorized by act of Congress. The enactment of this legislation will now give the authority of Congress to the maintenance of the Suisun Bay Channel and San Joaquin-Stockton Channel in their revised and present form.

The bill also authorizes the improvement of Napa River by increasing the depth of the channel from 6 to 8 feet with increased widths at the bends in the river. The report upon which this authorization is based requires certain cooperation by local interests. No expense is to be incurred by the United States for the acquiring of any lands required by the improvement. The lands referred to are those necessary for straightening out certain of the more severe bends in the river. It is interesting to note that approximately 54 percent of the total commerce of Napa Valley moves normally by way of this river. The annual tonnage is approximately 200,000 tons, and in the year of 1934, with the increased movement of crushed rock for the San Francisco Bay bridges, this tonnage was greatly increased. When effective, it is estimated that there will be an annual savings due to the improvement of $15,000. The cost, according to the engineer's report, will be $62,500.

The bill also carries an authorization to provide a channel 9 feet deep and 100 feet wide in Middle River, San Joaquin County, below Borden Highway Bridge in Latham Slough and in Empire Cut, Whiskey Slough, and Turner Cut between Middle River and San Joaquin River at an estimated cost of $6,500. The tonnage on this waterway, part of the San Joaquin River delta, amounts to in excess of 260,000 tons annually, commodities transported being principally sugar beets, potatoes, and other vegetables.

In addition to these three river improvements, the bill authorizes the Secretary of War to cause preliminary examination and survey to be made of two other projects in the Third District. The first is a survey of Old River, San Joaquin County, Calif. Old River is another one of the delta waterways, and its navigability is partially maintained by the Federal Government under present laws, but it has never been classed as an authorized project and hence the amount of money available for actual maintenance is limited to $1,000 per year. Along Old River, Grant Line Canal, and the canal running from the latter to the sugar plant north of Tracy, a very considerable tonnage of sugar beets is now transported. Additional quantities of barley, onions, potatoes, and other vegetables are available and will be transported over this route if the survey report is favorable to further improvement and the project authorized later.

The bill also calls for a survey of Southampton Bay, a natural deep-water harbor, which lies between the cities of Benicia and Vallejo. Development of this harbor would effect a very considerable saving in transportation to producers of all kinds of horticultural and agricultural products in that great region of California lying north of San Pablo Bay clear to the Oregon line. In addition thereto, a considerable amount of manufactured products would be available if this project is authorized. It has long been the dream of the citizens of Vallejo that this development should be undertaken. Preliminary examination and reports by engineers have been made, financed by the county of Solano, and are now available. It is hoped that the survey by the Board of Army Engineers may find this project feasible.

But by far the most important item in the entire bill, not only from the viewpoint of the Third Congressional District, but from that of the State of California as a whole, is the authorization for the improvement of the Sacramento River as outlined in Rivers and Harbors Committee Document No. 35 of the Seventy-third Congress. While a portion of this authorization goes to the improvement of the Sacramento, to provide a depth of 6 feet between Sacramento and Colusa, and 5 feet between Colusa and Chico Landing, the great bulk of the authorization, $12,000,000, will be a Federal Government contribution toward the construction of Kennett Dam, 315 miles above the mouth of the Sacramento River. Kennett Dam will be the principal factor in the Central Valley water project. Behind it will be stored the winter supply of flood waters that now goes wastefully to the sea, and this water will be used to maintain a stable and increased flow down the river. It will be used to release the water of the San Joaquin and its tributaries for irrigation purposes in the San Joaquin Valley. The dam will help solve the problem of flood control, which has always been present along the Sacramento, and toward which the Federal Government is now contributing. It will prevent the intrusion of salt water into the lower Sacramento and the San Joaquin Delta, and it will assure free and open passage for the highly important navigation through the delta.

Full investigation and complete hearings were held before the Board of Army Engineers, and they have unanimously reported that the Government is justified in making this contribution. Those of us who have been active in pressing the cause of the Central Valley water project, therefore, hail the passage of this bill as the first concrete evidence of our ultimate success.

While I have two bills before the Flood Control Committee, on which hearings have been held, which are designed to have Congress make direct appropriations and loans for the completion of this project, I am very hopeful with the passage of the works-relief bill, that when the new administrative set-up for the huge sums that we have voted is completed, an allocation may be secured directly from the public-works money, which, added to this $12,000,000, will enable a start to be made at once. To that end the entire California delegation is bending every effort, knowing that the success of this project is necessary for the preservation of our existing orchards and farms and for the final and best development of the State as a whole.

Mr. Chairman, I repeat that the representatives of the citizens of California, interested in her welfare, are grateful to you for these provisions in the bill you have presented.

The Clerk read as follows:

SEC. 4. That when any land which has been heretofore or may be hereafter purchased or acquired for the improvement of rivers and harbors is no longer needed, or is no longer serviceable, it may be sold in such manner as the Secretary of War may direct, and any moneys received from such sale shall be deposited in the Treasury to the credit of miscellaneous receipts.

Mr. GIFFORD. Mr. Chairman, I had expected there would be a committee amendment, but in the absence of it I will offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIFFORD: On page 37, line 11, after the word "of," insert the word "canals" and a comma.

Mr. GIFFORD. Mr. Chairman, I do not think there is any objection to the amendment, but, lest there be objection, this bill was not allowed a privileged status because the word "canals" was in the bill, not included in rivers and harbors. Of course, we know that in the purchase of canals much land has been acquired which is absolutely useless to the Government and should be sold. The simple addition of this word "canal" should, I think, be made.

Mr. MANSFIELD. Mr. Chairman, I have no particular objection to the amendment, if it should be deemed necessary. We have consulted the War Department and the War Department construes this as already being included. They furthermore state that they do not anticipate any lands in connection with the Cape Cod Canal, at least, will be sold.

Mr. GIFFORD. May I answer that? In relation to this canal the Government forced the private company which built the canal to give up all lands owned by it. It included a large area where it was first contemplated the canal might be dug. Certainly there is a large area that never would be used for the present location of the canal.

In talking with others on the parliamentary procedure this bill could not have a privileged status because the word "canal" was in there. I wanted to make it perfectly clear that this land could be disposed of in the same manner as other land contiguous to rivers and harbors.

Mr. MANSFIELD. I do not believe the amendment is necessary, but still I have no objection to it. If it will clarify the matter, we might just as well adopt it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. GIFFORD].

The amendment was agreed to.

The Clerk read as follows:

SEC. 5. That any amounts collected from defaulting contractors or their sureties under contracts entered into in connection with river and harbor or flood-control work prosecuted by the Engineer Department, whether collected in cash or by deduction from amounts otherwise due such contractors, hereafter shall be credited in each case to the appropriation under which the contract was made.

Mr. HULL. Mr. Chairman, I move to strike out the last word for the purpose of inquiring of the chairman or some other member of this committee whether it is possible, previous to the adoption of the treaty between this country and Canada, for anything further to be done in the way of surveys which may expedite action in the development of the St. Lawrence waterway when that treaty is ratified?

Mr. SNELL. Would the chairman yield to me for a moment?

Mr. MANSFIELD. I yield to the gentleman from New York.

Mr. SNELL. Mr. Chairman, I am very glad the gentleman from Wisconsin [Mr. HULL] has asked that question, because I am very much interested in that whole proposition, as the international section where all this work is to take place is in my district.

As far as I know, the House of Representatives has done everything in its power toward making the St. Lawrence waterway complete in every respect. As the gentleman knows, we have already authorized, and the work has been completed, a 27-foot channel from Lake Ontario down to Ogdensburg. That is the main part of the international section. I think everything in connection with this waterway that has ever come before the House of Representatives has been done with the ultimate end in view of completing that waterway, and that was what I had in mind when I advocated the 27-foot channel in the international section of the river.

I should like to say while I am on my feet, with reference to a question that was asked by the gentleman from Missouri [Mr. SHORT] on yesterday, who stated that he hoped when this was done the United States would not pay the entire bill or lose control of the waterway, that question is asked by a great many people who do not understand the conditions of this treaty; and most of the opposition comes from those who know very little about the treaty. As a matter of fact, if this waterway is completed under the present plan, the United States and Canada divide the expense 50-50 from start to finish, and there is no other question in the treaty.

Furthermore, if we should go through with the present treaty, we do not give to Canada a single power or right that we have at the present time, either in reference to withdrawal of water or sovereign rights over our territory. The treaty in itself is absolutely fair and equitable between the two countries, as far as those conditions are concerned. I am glad to have an opportunity to put that in the RECORD at this time.

In further answer to the gentleman from Wisconsin, who is also interested, as I am, in the development of the St. Lawrence River waterway, as far as the House of Representatives is concerned, we have provided every step that we know of for the ultimate and complete development of the St. Lawrence seaway. [Applause.]

Mr. HULL. I thank the gentleman.

Mr. MANSFIELD. I want to thank the gentleman from New York for the information he has given us.

Mr. HULL. I thank the gentleman from New York and I yield back the balance of my time.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 7. That that portion of the West Fork of the South Branch of the Chicago River in Cook County, Ill., lying between the west line (produced north) of the Collateral Channel of the Sanitary District of Chicago, in the northwest quarter of section 36, township 39 north, range 13 east, third principal meridian, and the east line of South California Boulevard, being a line 283 feet east of and parallel to the west line of the southeast quarter of section 25, township 39 north, range 13 east, third principal meridian, in the city of Chicago, Ill., is hereby declared to be a nonnavigable stream within the meaning of the Constitution and laws of the United States.

The right to alter, amend, or repeal this section is hereby expressly reserved.

Mr. MANSFIELD. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD: Page 38, after the word "meridian" in line 10, strike out "and the east line of South California Boulevard, being a line 283 feet east of and parallel to the west line of the southeast quarter of section 25" and insert in lieu thereof the following: "and a line 1,300 feet east of and parallel to the west line of section 30 (section line in South Western Avenue)"; and after the word "Illinois" in line 14 insert the following: "as the same now exists or may hereafter be extended."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 8. That the pier constructed along the west coast of Lake Huron, Mich., at Greenbush, Mich., by Carl E. Schmidt, of Oscoda, Mich., be, and the same is hereby, legalized to the same extent and with like effect as to all existing or future laws and regulations of the United States as if the permit required by the existing laws of the United States in such cases made and provided had been regularly obtained prior to the construction of said pier.

That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. GRAY of Pennsylvania. Mr. Chairman, I noticed that in the interchange of words between the gentleman from Wisconsin and the gentleman from New York, the gentleman from New York explained the virtues of the St. Lawrence waterway very much to my satisfaction, and I was glad that these remarks came from so distinguished a source, a gentleman recognized as one of the foremost leaders of the Republican Party in the United States of America.

The peculiar thing about it, however, is that during the campaign in Pennsylvania last fall the Republican national chairman, and my opponent, and those Republicans who were opposed to the Democratic principles and the further extension of work on the St. Lawrence waterway, made a tremendous campaign against the Democratic Party and Democratic principles as advocated, particularly, the St. Lawrence waterway project.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question right there?

Mr. GRAY of Pennsylvania. I yield.

Mr. SNELL. As a matter of fact, this never has been entirely a partisan proposition. I have followed this question very closely for the last 15 or 20 years. Both parties have favored it. As a matter of fact, each one of the last four Presidents of the United States has been very strongly in favor of the St. Lawrence Waterway, including the present President. This matter never has been a party proposition. It has been a geographical proposition more than anything else. Is not this correct?

Mr. GRAY of Pennsylvania. I rather think so. I am glad, however, that the gentleman has explained the attitude of the Republican Party on this particular question.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield.

Mr. MILLARD. It is not the Republican Party. I happen to be a Republican, but I am strongly against the waterway.

Mr. GRAY of Pennsylvania. I was put to it different times to defend against Republican attacks on the Democratic policy. In fact, had to ask for data from the Democratic National Committee in support of the project. The gentleman talks like an insurgent.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. Certainly.

Mr. CULKIN. I take it from the statements of the gentleman here today that the St. Lawrence waterway was endorsed in his district.

Mr. GRAY of Pennsylvania. It was not the paramount issue.

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield.

Mr. BEITER. Reference has been made to the President as being in favor of the St. Lawrence waterway. I, a Democrat, am opposed to the St. Lawrence project.

Mr. GRAY of Pennsylvania. It is a Democratic prerogative to be in opposition.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield.

Mr. CHRISTIANSON. The gentleman will admit also that if the Democrats in another body of the Congress had not voted against the St. Lawrence Waterway Treaty it would have been ratified?

Mr. GRAY of Pennsylvania. I think that is probably true.

Mr. HULL. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield.

Mr. HULL. As a matter of information I would like to know, in view of the message the President sent to Congress last year, whether those on that side of the aisle who opposed the President's policy as to the St. Lawrence waterway are insurgents or merely mavericks?

Mr. GRAY of Pennsylvania. I cannot characterize them, Mr. Chairman.

[Here the gavel fell.]

The Clerk concluded the reading of the bill.

Mr. MANSFIELD. Mr. Chairman, I desire to express my thanks for the courteous treatment and consideration we have received by the Committee of the Whole House on the state of the Union.

Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with amendments, with the recommendations that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ARNOLD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. MANSFIELD. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MANSFIELD, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—RIVER AND HARBOR BILL

Mr. CARTER. Mr. Speaker, we are considering today H. R. 6732, commonly referred to as the "river and harbor bill." One of the items in this bill, you will note, is Rivers and Harbors Committee Document No. 35, Seventy-third Congress, Report No. 424, which has to do with an investigation made by the Chief of Engineers of the Central Valley water project of California. A hearing was held on this report before the Rivers and Harbors Committee, of which I am a member. Mr. Edward Hyatt, State Engineer, Department of Public Works of California, and Maj. Gen. Edwin M. Markham, Chief of Engineers, United States Army, explained in detail the Central Valleys project. The Rivers and Harbors Committee unanimously voted to make a grant of $12,000,000 toward the construction of this project. This item is included in the bill under consideration. This is a most meritorious measure, and in order that the House may fully understand it, I desire to explain to the Membership somewhat in detail this particular project.

Report No. 424, which accompanies the river and harbor bill, states in part as follows regarding this improvement:

> The State of California has enacted enabling legislation for the construction of the Central Valley project and for issuance of bonds in the amount of $170,000,000 therefor. This project provides for the stabilization and development of the water resources of the valley for purposes of navigation, flood control, salinity control, irrigation, domestic and industrial use, and hydroelectric power. * * * As a part of this project it is proposed to construct a dam at Kennett, on the Sacramento River, about 315 miles above its mouth. * * * The construction of the Kennett Dam will directly benefit navigation by providing a steady and increased flow, and flood control by the storage of flood waters. It will also prevent the intrusion of salt water into the lower Sacramento, thereby eliminating from consideration Federal participation in the construction and operation at great cost of locks and structures to prevent such intrusion; and it assures a free and open passage for the highly important navigation through the delta. These benefits, it is estimated, warrant the Federal Government in contributing $12,000,000 toward the construction of this dam. * * *

The Central Valley project of California, of which this improvement is a part, was thoroughly considered by the Rivers and Harbors Committee at a hearing held April 13, 1934. At this hearing General Markham, Chief of Engineers, said that he believed this great system to be as well devised as anything that had come to his engineering attention, and stated further:

> I think that briefly represents my attitude and the occasion of my recommendation that in that vast program the Federal Government's interests are represented, I think, conservatively and not excessively to the extent of $12,000,000.

The Central Valley project of California, of which the Kennett Dam storage is the largest unit, is a comprehensive plan for the stabilization, control, and use of the water supplies of the Sacramento and San Joaquin Valleys which, taken together, form the Central Valley of California. There is no finer body of land anywhere in the world than the Central Valley of California. Picture, if you will, a valley 500 miles long and 40 miles wide encircled by mountains on all sides, except at one point where the river breaks through into San Francisco Bay. The land is flat and fertile, the climate equable and with irrigation a wide variety of crops can be raised profitably. Nine hundred thousand people live in this valley and 3,000,000 acres of land are under irrigation. However, agriculture in this valley depends on irrigation as the summers are rainless and practically all crops must be irrigated, which requires storage dams, distribution works, and above all a natural water supply sufficient to meet the irrigation needs. A large part of the territory is irrigated from wells drawing on underground water. Over the last two decades water shortages have developed in the Central Valley which have passed the stage of being critical and are desperate, and lands are being abandoned, and farmers are having to leave their homes and go elsewhere in search of livelihood. There are two principal reasons for this water shortage which are, first, the depletion of underground waters originally thought to be inexhaustible, and, second, the gradual up-stream movement of salt water from San Francisco Bay as the rivers entering the bay were diverted and put to use. If this condition of water shortage cannot be corrected, destruction of land by salt water and abandonment from water shortage will continue until half a million acres of the best lands in the valley will have taken place and 50,000 American citizens have lost not only their jobs but their farms and homes which have been built up through half a century of effort. Putting aside the loss of labor and capital already invested, it is not possible for these sections to go back in a large part to their original desert condition without a great toll of human misery and suffering. This misery and suffering will just as surely be present as if the calamity were one of earthquake or flood, and the occasion is as truly one which justly calls for governmental assistance if the communities themselves cannot bear the burden alone.

In addition to the agricultural lands facing ruin by reason of water shortage, there are many other interests affected, not only in the State but in the Nation. One important item is the industries located on the south shore of Suisun Bay, Contra Costa County, a very desirable industrial section near the city of San Francisco. Here are located more than 100 industrial plants of different kinds which produce $112,000,000 worth of manufactured products per year and whose pay rolls run into many millions of dollars

annually. Formerly these industries had fresh water easily available, but the salt-water invasion has cut this off and made them dependent on inadequate and expensive wells and other expedients, with the result that this great manufacturing center is seriously endangered as to its water supply.

This condition of water shortage in the Central Valley has not occurred suddenly in the last year or two, but has been developing slowly for nearly 20 years. It was recognized in 1921 when the State of California undertook an investigation to determine the best means of meeting it. After some 12 years of study and an expense of more than $1,000,000 the study perfected the Central Valley project which will store water on the Sacramento River where surplus is available, regulate it and transport it southward to overcome the conditions now existing. The main storage will be at the Kennett Dam on the Sacramento River at the northern end of the Sacramento Valley. The dam will be 420 feet high and will store 3,000,000 acre-feet of water. The first use of the dam will be for flood control by withholding space in the upper part of the river to absorb the floods, whereby the flood flow of the Sacramento River for its full length through the valley will be materially reduced. The second use of the dam will be for power. A large power house will be built immediately below the dam and the water released from the dam will pass through it, thereby generating a large amount of hydroelectric power which will be taken by a main transmission line to San Francisco Bay.

The next use will be for navigation. The Sacramento River has been, since the admission of the State in 1850, one of the important inland waterways of the Nation, and navigation has extended upstream more than 100 miles above the city of Sacramento. During the dry years of the last decade it has been necessary to abandon navigation above Sacramento in the summertime on account of low water. With the Kennett Dam in operation the flow in the river will be maintained at not less than 5,000 second-feet at all times, thereby making dependable all-year navigation available nearly 200 miles above Sacramento. The navigation, salinity, and flood control value of the Kennett Dam, to the National Government is estimated at $12,000,000 as provided in the river and harbor bill now before you.

Enough water will be released from the Kennett storage to take care of the irrigation needs in Sacramento Valley and also for the domestic uses of the towns and cities, including Sacramento, the capital of the State. The water will flow down the channel of the Sacramento River into the great delta area at the junction of the Sacramento and San Joaquin Rivers, which is now being slowly destroyed by the inroads of salt water, and furnish enough fresh water to drive the salt from the delta and protect this area from further damage. A canal will be built to provide abundant fresh water for the great industrial region of Suisun Bay. It will be known as the "Contra Costa County Industrial Conduit", and will take care of the needs of this section.

In addition, there will be sufficient water released to provide for the parched lands in the southern San Joaquin Valley where abandonment and destruction are now proceeding most rapidly. The water will be available by gravity in the delta near Stockton, and the engineering problem of how to transport it to the place of need in the San Joaquin Valley over 200 miles south will be overcome by a pumping system which will lift water to an elevation of 160 feet. A second large dam will be built on the San Joaquin River north of the city of Fresno. This will be known as the "Friant Dam", will be 250 feet high, and store 400,000 acre-feet of water. From it large gravity canals will be run north and south above the stricken areas in the southern San Joaquin Valley. The southerly one of these two canals will reach the Kern River near Bakersfield and be over 150 miles in length.

The central valley project will thus regulate and conserve the flood water in the Sacramento River which now wastes into the ocean, provide flood control and navigation, and correct the water shortages in the valley. It has been most carefully worked out over a term of years by the State, with the cooperation of the War Department, the Reclamation Bureau, and other Federal agencies, and has been widely endorsed as being the best possible plan to meet the needs. Its cost is large, nearly $170,000,000. However, the revenues which will be developed by it through the sale of water and electric power will also be large, about $10,000,000 a year when in full operation. With reasonable governmental assistance in participation in the costs, it is financially feasible and will return to the Government all money borrowed in full at a reasonable rate of interest.

The water situation in the central valley and the project plans have been exhaustively reviewed by many different Federal departments, including the War Department, the Department of Agriculture, the Reclamation Bureau, the Federal Power Commission, the Public Works Administration, the Federal land bank, the President's Water Flow Committee, the National Resources Board, by the Senate Committee on Irrigation and Reclamation and by House of Representatives Committees on Rivers and Harbors, Flood Control, and Appropriations, and by a joint commission appointed by the President of the United States and the Governor of the State of California. All such national investigating bodies have endorsed the pressing need of a solution of the water problems of central valley, and all which have reported on the central valley project have endorsed it, many in the highest terms.

Permit me to quote from a few of these reports:

The California Joint Federal-State Water Resources Commission in its report to the President of the United States and the Governor of California, dated December 27, 1930, concluded that—

"In the way of what might be termed direct benefits, that is, benefits directly to the land receiving the water, the cost will exceed any increment of value it will bring. When, however, the indirect benefits are taken into consideration, the values that will accrue to the whole area affected, to the cities and towns it contains and which are dependent upon its prosperity, to its merchants, bankers, and business men in general, to its transportation and other public-utility companies, to all who are immediately affected by its general prosperity or decadence, your commission feels it is fully justified in recommending the project as one that is economically sound. This it does."

An inspection of the project was made by the Department of the Interior subcommittee of the Committee on Appropriations of the House of Representatives in 1932. Unfortunately, there was no report made covering the visit that subcommittee made to the project; but the unanimous expression of the members on that trip was that the situation was most serious and should be remedied immediately. In fact, those gentlemen commented extensively on what they called the "creeping paralysis" of the falling water levels. They endorsed the project personally in the highest terms, although there was no printed report.

The United States Senate Committee on Irrigation and Reclamation, pursuant to Senate Resolution No. 177, made an investigation and study of the project in 1932 and rendered a favorable report thereon in March 1933, in Senate Document No. 1325, Seventy-second Congress, second session. On page 15 of its report, the committee concludes in part as follows:

"It is the conclusion of the committee that Congress is warranted in giving very careful consideration to participation in and assistance in the financing of this Great Central Valley project of California. Direct contributions are warranted in the interest of improvement of navigation and flood control, the amount of which must be determined by careful investigation of the constituted agencies of the Federal Government and careful consideration by the appropriate committees of both Houses. It is further believed that the project is a particularly meritorious one for consideration by Congress of furnishing interest-free funds in the interest of irrigation, and incidentally, funds at a low interest rate for the power features."

The United States Bureau of Reclamation made a very intensive study of the project in cooperation with Department of Public Works of California, covering a period of 3 years, and rendered a comprehensive report on its investigation.

Its conclusions on pages II-30 and II-31, are in part as follows:

"The works proposed in the plan for complete initial development are physically feasible of construction and operation. The water supply to be provided in that plan is ample to meet existing deficiencies in present developed areas in the Upper San Joaquin Valley, deficiencies on the Sacramento River, and in the delta of the Sacramento and San Joaquin Rivers.

"The Great Central Valley project designed primarily for the relief of highly developed, settled, and producing lands suffering from shortage of water supplies, is meritorious and worthy of financial assistance from the Federal Government through the loaning of non-interest-bearing reimbursable funds in accord with the Federal reclamation policies and precedents.

"The lands to be benefited under the plan are fertile, planted largely to specialty crops, settled, and adequately equipped, and with a normal price relation between the products of the soil-

marketed and finished products purchased by the farmer, have the ability to pay a fair and equitable rate for water.

"With Federal financing of the project through the employment of non-interest-bearing funds for irrigation features, interest-bearing funds for the power features, and justified direct contributions from the State and Federal Governments in the interest of flood control, navigation, and other purposes, and with fair and reasonable revenues from the sale of electric energy and water, the project, for complete initial development is economically and financially feasible."

In the final report of the Chief of Engineers on the Central Valley project, Rivers and Harbors Committee Document No. 35, Seventy-third Congress, second session, in paragraph 10, pages 4 and 5, General Markham concludes:

"The Federal interest in the conservation of water by the construction of the Kennett Dam largely exceeds, in my opinion, that evaluated by the division engineer and the Board, since by remedying the intrusion of salt water into the delta of the Sacramento and San Joaquin Rivers, it eliminates from consideration Federal participation in the construction and operation at great costs of locks and structures to prevent such intrusion, and assures a free and open passage for the highly important navigation through the channels of the delta. Based on this aspect of the case, as well as the direct benefits to navigation and flood control on the Sacramento River, I find that the general and Federal benefits from the construction of the Kennett Dam on the plans now proposed by the State warrants a special direct participation of the Federal Government of $12,000,000 in the cost of this structure."

The Department of Agriculture issued in 1934 a report entitled "Drought Conditions in Irrigated Sections." Quoting from the section of this report relating to California:

"Sacramento Valley: Due to shortage of water anticipated in early spring months there has been some curtailment of plantings. The rice acreage is about 100,000 acres, which is probably the full allotment under the A. A. A. agreement. Serious losses in the production of irrigated crops in this valley are not anticipated. There will be additional pumping costs over a normal season estimated at $100,000 because of the lower river levels. The unirrigated grain and other crops have not suffered materially because of lack of rain.

"Sacramento-San Joaquin delta: In years of low run-off from the higher lands surrounding the delta, salt water from San Francisco Bay finds its way into the 500 miles of channels in the delta, thus rendering the water in the river channels unfit for use on the irrigated crops on 300,000 acres of delta land. This year the loss from this cause will approach $1,000,000 on a total crop value of about $20,000,000.

"Lower San Joaquin Valley: It is estimated that the losses due to curtailment of plantings and crop production for both irrigated and nonirrigated crops will amount to $5,000,000 in the lower San Joaquin Valley.

"Upper San Joaquin Valley: In the Upper San Joaquin Valley the precipitation has been way below normal, varying from 46 percent of normal at Fresno to 26 percent at Bakersfield. Crops dependent on rainfall did not mature. The run-off from the Sierra Nevada watershed, which is the source of the irrigation supply, is about 35 percent of normal. However, about two-thirds of the 1,250,000 acres under irrigation are equipped to pump water from wells in a dry year. Ground water levels therefore, will continue to recede because of increased pumping which, of course, means increased costs and added financial burdens. It is estimated that the crop losses and the increased cost of crop production due to drought conditions in this area will aggregate $15,000,000."

The President's water-flow committee issued in 1934, a comprehensive report on water projects in the entire United States in House Document No. 395, Seventy-third Congress, second session. The water-flow committee consisted of the Secretaries of Interior, War, Agriculture, and Labor and an intensive study was made of the six regions of the United States. The Pacific region comprised the area west of the Rocky Mountains, and in the report of the Pacific region technical committee, page 313 of House Document 395, is given a list of the 10 best projects in the region in priority. The Sacramento-San Joaquin or central project is listed no. 1, or as the best project in the Pacific region.

The report of the water-flow committee to the President, on page 5 of House Document 395 states:

TEN SELECTED PROJECTS

"In spite of the serious lack of information and plans disclosed in the reports of the technical committees, and fully realizing the preliminary and tentative character of any recommendations based on available facts, it is still possible to select the 10 most promising projects or drainage basins for further development when comprehensive plans shall have been prepared.

"The 10 selected river basins, in order of priority, are:
"1. Tennessee Valley.
"2. St. Lawrence-Great Lakes Basin.
"3. Mississippi—main stem.
"4. Missouri, including the Platte.
"5. Sacramento-San Joaquin.
"6. Delaware River Basin.
"7. Columbia River Basin.
"8. Colorado River Basin.
"9. Ohio Valley.
"10. Great Salt Lake Basin."

Therefore, the Central Valley project is rated fifth best in the United States by the water-flow committee; and it is to be noted that of the four listed ahead of the Central Valley, three—the Tennessee Valley, the Mississippi, and the Missouri—are under construction at the present time, and the St. Lawrence is held up by treaty negotiations. Therefore, as to new water projects to be started, the Central Valley stands practically at the head of the list, after a thorough and competent investigation by the water-flow committee.

On page 7 of House Document 395, the committee says:

"The comprehensive plan previously developed by the California State plan for water conservation and Federal agencies has already been adopted by the State of California. 'It is the most carefully considered and complete plan of its kind ever drawn up', according to the technical subcommittee on the Pacific region."

Regarding water shortage, House Document 395, on page 379, states:

"The interior valley of California, comprising the Sacramento and San Joaquin Basins, had the most acute water shortage of any part of the United States. Disregarding the warnings of engineers and irrigators, the irrigated area of the San Joaquin Valley has been extended far beyond what the available water supply will serve. This is especially true of that section of the basin that is irrigated from wells. Large tracts of citrus orchards and vineyards have been destroyed by exhausting this underground supply."

The National Resources Board report, dated December 1, 1934, deals generally with the subject of water projects. On pages 29 and 30 the report states:

"While this recommendation implies that planning the uses of water resources should continue indefinitely, it does not imply that all construction work relative to water should be postponed to an indefinite future. Even on the basis of the present inadequate knowledge, it is justifiable to draw up a considerable list of projects that merit priority of consideration. The 17 projects in 11 major drainage basins or regions selected by the water-planning committee and named above constitute such a list."

A footnote states that the 11 major drainage basins are "almost identical with the 10 basins selected by the President's committee on water flow in April 1934, House Document 395, Seventy-third Congress, second session."

The list of 17 projects in 11 major drainage basins is given on page 28 of the National Resources Board report and includes the Sacramento-San Joaquin.

The National Resources Board is at the present time making an exhaustive economic investigation of the Central Valley project, and its conclusions are expected soon.

From the reports of the Federal agencies just quoted, it is apparent that the Central Valley project is one of overwhelming necessity and also one of great merit. It is to be noted that the agricultural loss also during last year—1934—was found by the Department of Agriculture to be $21,000,000 from water shortage. The project conforms in every way to national requirements and national ideals. It will prevent abandonment of farms, relieve distress, and put thousands of men to work. Plans for the project are complete. If started at once, 10,000 men will be at work directly on the project within 6 months and 15,000 within a year, which, with the employment in the mills and factories thereby created in other parts of the country, this will mean more than 25,000 men at work and a living for possibly 100,000 people. If it is not built, 50,000 people will lose their present means of livelihood and thereby increase the relief burden. It will not aggravate the agricultural marketing situation by bringing in large new areas of land, as it is designed as a rescue project to save lands now irrigated, and new acreage irrigated will be incidental to the main purpose. It will produce 300,000 horsepower of electrical energy, which can be sold at prices below those now paid by the people of the valleys.

Summarizing, Mr. Speaker, the Central Valley project is a comprehensive development for navigation, flood control, salinity control, irrigation, electric power for industrial, domestic, mining, and other uses. It is ready to start. Plans are complete. Ten thousand men can be at work within 6 months and 15,000 in 1 year after money is available. It will create employment for more than 25,000 men for 3 years, one-third of which will be in the Middle West and East. Much of the employment will be near Los Angeles, one of the most distressing relief centers in the United States. It will save 50,000 American citizens from abandoning their homes and loss of livelihood, and save the National and State relief rolls by that number of persons. It will provide dependable navigation facilities for 200 miles on the

Sacramento River and will materially reduce the flood hazard on the Sacramento River. It will provide a large amount of hydroelectric power which can be sold below existing prices. It will save one-half million irrigated acres from returning to desert, restore another half a million acres to a self-sustaining basis, and prevent a present annual loss of $20,000,000 to agriculture alone. It will prevent a loss to the State and the Nation in taxes, railroad earnings, and business amounting to millions of dollars annually. It will not interfere with private enterprise in any way, since this project can be built only by the United States or by the State. It is not a new-land project but a rescue or relief enterprise for large areas now settled and developed. It is endorsed by many Federal agencies, by all which have reported upon it. It is financially sound and, with the Public Works Administration plan of financing, will pay back every cent due the United States at reasonable interest.

Mr. Speaker, this valley is a national asset, and must be saved for the State and Nation. There is no project in the entire United States of greater merit or economic value and no similar development which can repay to the United States as large a part of the cost. It is an emergency project for the protection of life and property; it will prevent tragedy, create employment, and permanent wealth-producing works; it is financially sound, ready to start, endorsed by all.

Mr. Speaker, while the Central Valley of California has critical water shortages in many sections, the investigations and reports of the State and Federal departments have shown that there is plenty of fresh water available in the Sacramento River which now wastes into the ocean in winter months which can be regulated and used to remedy these problems. The project as worked up by the State and Federal engineers will do this. The river and harbor bill, which I expect will be passed by this House today, provides an important item of assistance for this great water-relief plan, and will constitute the first official action by the Congress of endorsement of the Central Valley project. I ask for your favorable consideration of this project which means so much to the future destiny of the State of California.

Mr. BOLTON. Mr. Speaker, the recent action of the House in the passage of H. R. 6732, the river and harbor bill, offers a most interesting and illuminating comparison with the action of Congress of only a few days ago on the so-called "relief bill", and only emphasizes the extreme to which the present administration has gone in its efforts to force economic recovery, when that portion of the huge appropriation having to do with rivers and harbors is considered.

On the river and harbor bill just passed, the House acted in accordance with established custom; the committee having charge of the measure recommending only projects which had been given careful study and consideration, and in many instances had been recommended only after extended public hearings. These projects, in each and every instance, had been subject to a detailed study and criticism of the district engineer, the division engineer, the Board of Army Engineers for Rivers and Harbors, and finally the Chief of Engineers of the Army, and had met with their approval. They represented months of thought and consideration of all the factors believed necessary to make the projects practical, and in a determination as to whether the costs of establishing and maintaining these projects were justified in view of the commerce existent or to be developed. As can be assumed, the recommendations were made not only after consideration of the many factors which go to make up the commercial life of this country, but with the broad national plan of the development and use of our waterways and harbors in the interest of commerce and navigation constantly in mind.

The able and highly regarded chairman of the Rivers and Harbors Committee, Judge Mansfield, whose many years as a member of that committee has made his knowledge of these facts of our national life much respected, explained in detail the development and study of a project before it can be given consideration by Congress. He called attention to the splendid work the Corps of Engineers of the Army had given this subject for well nigh 100 years, the understanding of our waterway problem which had been gained from this experience, and the freedom from political or selfish interest which has resulted from this established practice. He emphasized the fact that the projects recommended were chosen only after their merit had been established and they were known to be in conformity with our national policy.

As has been commented upon many times, transportation is one of the major problems of our Nation, and in endeavoring to develop our waterways and ports to meet the demands of commerce, recommendations are made not only for the purpose of meeting the transportation problem, but for the further purpose of benefiting both producer and consumer through making the products of the factory and the farm more readily available, in creating greater opportunities for reaching foreign markets, and in endeavoring to more properly equalize the problem of distribution, which today in the minds of many is more important than that of overproduction.

It was with the full realization of these policies and these purposes that the Committee on Rivers and Harbors prepared its bill, and the action of the House in accepting the recommendations of this committee indicates not only confidence in the judgment of the committee but a desire to see the recommendations carried forward and made effective.

How does this action compare with that portion of the so-called "relief bill", in one subdivision of which is appropriated $350,000,000 for rivers and harbors, together with other activities such as soil erosion and flood control? This sum is proposed to be expended under the direction and at the discretion of the President, without any restriction as to congressional action on the subject or any approval by the Chief of Engineers or his assistants either as to the desirability or feasibility of a project or as to its place in the national plan of development of our waterway systems. The National Industrial Recovery Act of 2 years ago, which also placed funds for river and harbor work in the hands of the President, carried a limitation that all projects should have the authorization of Congress or at least the approval of the Chief of Engineers. This was the beginning of a breakdown of a tried and proven practice, which under the relief resolution, House Joint Resolution 117, is entirely disregarded. When the reason for the removal of the limitation of approval by the Chief of Engineers on river and harbor projects was asked on the floor of the House in a discussion of the conference report, one of the leaders of the House on the majority side stated such action was proposed because it was expected to have a supervisory central control of this expenditure, and that while the President would have the benefit of the experience and expert knowledge of the Engineer Corps, he would decide the proper course.

No one having the most exalted ideals of the ability of the Chief Executive can with the slightest degree of reason believe the President will personally direct or even have knowledge of the details of the expenditure of this colossal amount. The duty of making expenditures for river and harbor improvements, like other activities, must be delegated to subordinates responsible to the Chief Executive, not to the taxpayer, for these expenditures and the wisdom of them. If past practice is followed this will result in river and harbor improvements being authorized by the Public Works Administration, directed by Mr. Ickes. If Mr. Ickes follows past practice he will receive recommendations from the Chief of Engineers, but under the Relief Act he will not be obliged to follow these recommendations. Past practice reveals the fact that in several instances the Public Works Administration did not depend on the recommendations of the Chief of Engineers, but followed their own judgment in making allocations of funds, and in some instances the authorization of Congress was ignored. If some new supervisory central control is to direct these improvements and expenditures, this would indicate another body even more unfamiliar with navigation problems than Mr. Ickes and his advisers, and because of the removal of the previous limitations would result in an even greater disregard of the practice and experience built up during the past year.

Is the development of our water-borne commerce, with all that it entails, of sufficient importance to place its execution under governmental authorities most familiar with it, or is it of so little consequence as to warrant placing it under the guidance and decision of comparatively new and unfamiliar heads, however high may be their ideals or theories? Is the tremendous cost of this activity of our Government of so little importance in these days that those whose training of many years has made them most efficient in this field should be subordinated or even ignored? Is legislative action by the duly elected representatives of the people of so little importance today that Congress must surrender its right and duty in determining where and in what amounts the taxpayers' money may be properly expended on river and harbor development?

A comparison of the practice resulting in the recent river and harbor bill and the practice proposed in that portion of the Relief Act will give a very clear understanding of which procedure is more orderly, more in the interest of sound expenditure, and more in keeping with the duty of Congress in its responsibility of appropriation. Perhaps this comparison will make clear the reason why so many of the Members of the House voted so willingly for the river and harbor bill and likewise opposed the relief measure because of its many unsound and extravagant features. It is to be hoped the action of the House will serve as a guide to those responsible for the administration of that portion of the Relief Act providing expenditures for river and harbor projects and that due notice will be taken of the procedure on which the House has favorably expressed itself with such unanimity.

JOINT COMMITTEE ON THE DISPOSITION OF EXECUTIVE PAPERS

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 173.

The Clerk read as follows:

Resolved, That clause 44 of rule X is amended to read as follows:

"44. On the Disposition of Executive Papers, to consist of two members."

Clause 44 of rule XI is amended to read as follows:

"44. All proposed legislation concerning the disposition of useless executive papers to the Joint Committee on the Disposition of Executive Papers."

Those Members of the House elected to the Committee on Disposition of Useless Executive Papers are hereby elected to the Committee on the Disposition of Executive Papers, and all records and papers of the Committee on Disposition of Useless Executive Papers are hereby transferred to the Committee on the Disposition of Executive Papers.

All bills, resolutions, papers, documents, petitions, and memorials heretofore referred by the House to the Committee on Disposition of Useless Executive Papers are hereby transferred to the Committee on the Disposition of Executive Papers.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

The SPEAKER. The gentleman from Massachusetts is recognized for 30 minutes.

Mr. O'CONNOR. Mr. Speaker, this is a very important matter. It is a resolution from the Committee on Rules changing the name of a committee of the House of long standing, technically a joint committee acting with a committee of the Senate. Heretofore this committee has been known as the "Committee on the Disposition of Useless Executive Papers." The nomenclature was not exact, because the word "useless" itself was not exact, and the use of this particular word in the name of the committee has caused some ridicule for a number of years and has deterred Members from serving on the committee. It has for some time been thought that the real standing of the committee could be enhanced by this proposed change in its title, the striking out of the word "useless." It is not a "useless" committee.

The Standard Dictionary defines "useless", in part, as follows:

Being of no use, not serving, or not capable of serving, any beneficial purpose. Abortive, bootless, nugatory, null, unserviceable, vain—

And so forth. All those synonyms pertain to the papers to be disposed of—not this particular committee or its members.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MARTIN of Massachusetts. I was wondering if before the gentleman moved the previous question he would accept an amendment that page 1, line 9, be amended to read:

Those Members of the House elected to the Useless Committee.

Would an amendment of this nature be satisfactory to the gentleman? [Laughter.]

Mr. O'CONNOR. I might say to the very useful gentleman from Massachusetts that there has been a suggestion that certain other committees might be consolidated with this committee. [Laughter.]

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SNELL. I want to congratulate the chairman of the committee on bringing a very important matter into the House. I think, considering the fact we have nothing very important before Congress at the present time, the gentleman has done well to bring this in.

I want to ask the gentleman one question: Is he absolutely sure that the President of the United States is in favor of this change? [Laughter.]

Mr. O'CONNOR. I have heard that he may have been consulted by wireless—collect and uncensored.

Mr. SNELL. That is what I wanted to know. If he has been consulted, it is perfectly agreeable to us; I wanted to be sure about it, however, before we passed the bill.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. CONNERY. As a matter of fact, has not this committee saved a great deal of money to the United States Government, and is it not held responsible for a great deal of money in the matter of the disposition of papers every year?

Mr. O'CONNOR. Yes, indeed. This is the committee which has to do with preserving the valuable and historical papers of the Government, papers which finally will go into this very beautiful, ornate building down there, the Archives Building, the building which gave rise to the new title "Archivist", which we learned to properly pronounce for the first time last year. This committee determines which papers shall be disposed of. If they are useless they are sold for waste paper and the money is covered into the United States Treasury. If the papers are valuable as Government documents, they are preserved. This committee has to scrutinize these papers very carefully. Only recently, I understand, some papers were offered for destruction which were original reports only 5 days old, and, of course, should have been preserved for some longer time.

Mr. CONNERY. How much money does the sale of these old papers amount to in a year?

Mr. O'CONNOR. I have no idea.

Mr. CONNERY. I have heard it said it was a very great amount of money that is realized from the sale of these papers. This is a saving to the Government.

Mr. O'CONNOR. Does the gentleman from Massachusetts desire to use some time?

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, this is a very important matter, and it occurs to me there may be danger in adopting the proposed amendment to the rules.

As I understand the history of this committee, it is about as follows: When Grover Cleveland was President, the Congress requested the President to furnish the Congress with certain information. The President replied somewhat brusquely that he found it incompatible with the public interest to furnish Congress with this information; whereupon Congress passed a resolution demanding the production of certain papers which it was believed contained this information. The President replied that those papers, being

useless executive papers, had been destroyed; whereupon the Congress passed an act or resolution which prohibited the destruction of useless executive papers until the Congress, through a joint committee or through some other agency under its control, had examined those papers to see whether they were truly useless or not. So the practice is now that when the waste barrels are filled with useless executive papers from the various departments, before they are carted out and disposed of a committee of Congress rummages through them to see whether they are all useless or not; hence the present title of the committee, Committee on Disposition of Useless Executive Papers, is descriptive exactly of the functions of the committee.

Mr. Speaker, suppose you leave out the word "useless", what would be the result? It will be a committee presumably authorized by Congress to dispose of executive papers, whether they are useless or not. Now, it would be a pretty how-do-you-do if the Committee on the Disposition of Executive Papers, without any limitation as to the kind of executive papers, should go to the State Department and begin to dispose of various treaties that were in force and other documents like that.

For this reason, Mr. Speaker, I am somewhat constrained to oppose the amendment striking that significant and descriptive word "useless" out of the title of the committee because of the great danger to the violation of the separate functions and the independence of the executive from the legislative, and, of course, from the judiciary, that this might entail. Does not the gentleman from New York on reflection think this matter ought to be studied with a great deal more exhaustiveness?

Mr. O'CONNOR. I may say to the gentleman from New Jersey that we have given this important matter a great deal of consideration and deliberation. The gentleman is unduly alarmed because the gentleman realizes that what we do only goes to the veneer. We change the title, but the jurisdictional matter contained in the rule still provides that the committee has jurisdiction only of disposing of useless executive papers.

Mr. LEHLBACH. I noticed that in the amendment to clause 11, section 44, the qualifying word "useless" is retained.

Mr. O'CONNOR. The gentleman will admit that that is a very valuable word at times?

Mr. LEHLBACH. Surely, particularly when one has to describe certain colleagues, and so forth. [Laughter.]

Mr. Speaker, with the assurance that the gentleman from New York gives me, and particularly as he has called my attention to the fact the word "useless" is to be retained in that part of the rule which describes the function of this committee, I shall not move to recommit this resolution.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I sympathize with the members of this committee. I can well realize the handicap under which they are working. There are many bureaus of the present administration engaged in destroying useful things, such as cotton, cattle, hogs, and so forth. So I do not blame the committee members for resenting that they should be restricted to the destruction of useless things. I believe there should be full harmony and all should be given an equal opportunity. Why not the destruction of useful books and papers as well as commodities? I am not going to oppose the resolution, because I have profound sympathy for the committee.

Mr. O'CONNOR. Mr. Speaker, I make the "useless" motion ordering the previous question.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. FORD of Mississippi. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. FORD of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a bill which I have introduced in Congress, together with a table explaining it and showing its various benefits.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. FORD of Mississippi. Mr. Speaker, on March 4 I introduced House bill 6370, a copy of which is as follows:

A bill to establish a permanent policy of financial cooperation by the Federal Government with the several States and Territories in promotion of the benefits of public education, and for other purposes

Be it enacted, etc., That the several States and Territories are entitled to the establishment of a permanent policy of Federal financial assistance in the maintenance, operation, and improvement of their public schools of less than college grade, and it is the intention of Congress by the passage of this act to declare the establishment of such a policy.

SEC. 2. (a) Funds provided by the operation of this act shall be apportioned annually by the United States Commissioner of Education to the several States and Territories on a basis of $2 per annum for each person 6 to 17 years of age, inclusive, as shown by the most recent Federal census.

(b) In addition to the $2 per annum apportionment for each person 6 to 17 years of age, inclusive, as provided in subsection (a) of section 2 of this act, there is hereby created an equalization fund which shall be apportioned annually by the United States Commissioner of Education to the several States and Territories on the following basis: (1) The educational needs of the respective States as shown by sparsity of population, and by the application of appropriate standards for the maintenance and further improvement of the systems of public education in the respective States; and (2) the economic ability of the respective States as indicated by the ratio of adults to children and by appropriate measures of the financial resources of the respective States and Territories.

(c) For the execution of the provisions of this act there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000.

SEC. 3. The disbursement of all sums now and hereafter made available to carry out the provisions of this act shall be made by the Secretary of the Treasury of the United States to the treasurers of the several States and Territories upon requisition of the United States Commissioner of Education. The funds so paid to any State or Territory shall be paid out of the State or Territorial treasury upon requisition of the chief administrative officer in charge of education in the particular State or Territory.

SEC. 4. The treasurer and the chief administrative officer in charge of education in each State or Territory receiving funds under the provisions of this act shall make reports to the Commissioner of Education as often as he may require, showing the disposition of the funds theretofore paid to them under the provisions of this act. The United States Commissioner of Education shall make an annual report to Congress showing the disposition of said funds now and hereafter made available under this act, together with such other information as may be considered pertinent to the maintenance of the policy herein declared.

SEC. 5. There is hereby authorized to be appropriated for each fiscal year beginning with the fiscal year ending June 30, 1937, such sum as may be necessary to carry out the provisions of this act.

SEC. 6. Nothing in this act shall be construed to empower any Federal officer to interfere with or in any way control the instruction in or the administration of education in any State or Territory.

SEC. 7. This act may be cited as "the Education Act of 1935."

Mr. Speaker, I subscribe to the unquestioned principle that free public instruction should be one of the major objects of government. I take this position because I know that popular education is the basis of freedom and justice, in that it offers the fullest opportunity for every person to rise in the world in keeping with democratic ideals. It causes a people to think clearly, distinctly, firmly, and sympathetically, and to act charitably. It means the development of sturdy, self-reliant citizenry, in which character, as well as knowledge is at a premium.

I wonder if many of us recall the words spoken by Thomas Jefferson when he said:

I do most anxiously wish to see education given to all, so that they may read and understand what is going on in the world and keep their part of it going right.

These words were spoken in the early days of our Republic by the most famous champion of democracy with which the world has ever been blessed. He wrote the Declaration of Independence, founded the University of Virginia, and served 8 years as President of a nation during its hardest days. He knew the real meaning of education, and he understood the meaning of democracy for a democratic people,

and above all he realized that education is the true basis of a successful democracy.

Mr. Speaker, in announcing the great truth, which I have just mentioned and which is no less applicable today than then, this defender of liberty and the right of our people to the pursuit of happiness was but voicing the words of a famous old Roman, spoken almost a hundred years before Christ, now more than 2,000 years ago. Cicero had asked a question which had only one possible answer. His inquiry was, "What greater or better gift can we offer the republic than to teach and instruct our youth?"

The real importance of education is well proven by the fact that the schoolhouse and the church have always been the two earliest and most fundamental enterprises in the development of our country.

No one doubts the advisability of Government provision for free public schools. The best methods for their operation have been scientifically determined by experts, and there is a large number of available well-trained teachers. The only impediment, and that is a serious one, is the lack of sufficient financial support for the schools in thousands of communities in many States of the Union. This is the difficulty that so dangerously threatens our educational structure as to make its present benefits and future operation matters of doubt and speculation. We have the statesmanship in this country, and we have sufficient funds, to solve this problem and remove this menace. The children, the teachers, and the parents in many homes scattered over the broad area of the United States are wondering if those who represent them in the councils of the Nation will perform their duty and eliminate this dread danger. What they want, and what they should have, is a sound permanent program that will insure the future security of public education. They are entitled to it, and those who are intrusted with the direction of this Government should grant it as speedily as possible.

In our country and in these troubled times no one should be called "statesman" who is not willing to work with the needs of our school children at heart.

Mr. Speaker, you will notice that the bill which I have introduced authorizes an appropriation of $100,000,000 for Federal aid for the year ending June 30, 1936. This sum is to provide for the needs growing out of the well-recognized existing situation which obtains in the public schools of our country. There is also a clause providing that beginning with June 30, 1937, such sums shall be appropriated as will be necessary for the continuation of the permanent policy established by the bill.

It is provided by the bill that the annual Budget, as a matter of law, will carry a yearly appropriation for school needs. This money will be disbursed to the heads of the departments of education in the several States by the order of the United States Commissioner of Education. The head of the department of education in each State will then have control of the expenditure of the money in that State. The establishment of a permanent policy to be operated in this manner will eliminate the necessity of constantly appealing to Federal relief agencies for help. It will put an end to the uncertainty that is now the common characteristic of Federal aid.

The method of alloting the Federal funds may be a question in the minds of some, but the proposed legislation requires that each State shall receive an allotment of $2 per year for every person within its borders whose age is between 6 and 17 years, as shown by the most recent Federal census. At the last census there were a few over 29,000,000 of these children, thus indicating that the $2 allotment will cost a little over $58,000,000. The remainder of the appropriation, in excess of fifty-eight million, will be used as an equalization fund and will be apportioned annually by the United States Commissioner of Education to the States on the basis of educational need as shown by the sparsity of population, and by the application of appropriate standards for the maintenance and further improvement of the existing public-school systems in that State. The other required standard will be the economic ability of the respective States as indicated by the ratio of adults to children and by appropriate measures of financial resources of the respective States and Territories. This equalization fund is to guarantee that the educable children in poor States will not be penalized by being forced to grow up without the proper education to which they are entitled. The standards set for the expenditure of this money are equitably prepared with this one view in mind: Where help is the most needed, increase the amount of the assistance. There can be no question that this will be a practical plan, as well as one that will bring justice to all concerned.

There have been attacks on the idea of Federal aid by those who profess a fear that the Federal Government would control our educational system if aid were extended. This fear should be allayed by the following provision of the bill I have introduced:

> Nothing in this act shall be construed to empower any Federal officer to interfere with or in any way control the instruction in or the administration of education in any State or territory.

The bill also specifies that the expenditure of the funds is to be left entirely with the State departments to be used as they see fit. In the third place, we must remember that the whole proposition is under the legislative control of Congress, and Congress is answerable to the people. That in itself would be a sufficient guaranty against Federal usurpation, even if all the other safeguards had not already been erected. Attacks on Federal control are attempts to becloud the issue and defeat the real merit of the proposition. There will be no Federal control. Education will remain primarily a State function, but some needed help will come from the Federal Government.

My friends, Federal aid should be provided as a permanent policy because many sections of the country are very poor while others are very rich. Wealth has flown into the rich centers from the poor ones. From the rich centers some of this money finds its way into the Treasury of the United States. It is only fair that part of the taxes realized from this wealth should go back to the States from which it originated. This principle is applied to Federal aid for roads and other items that formerly were restricted entirely to State maintenance. I believe it is sound governmental policy to build dams and drain rivers, as well as build roads in the States, but I also believe in the application of the same policy to education, so far as it is actually needed.

I believe this because I know that good roads and other improved transportation facilities have almost erased State boundary lines. Our people have a right to look to Washington for help because they are citizens of the United States as well as of the State in which they reside. The responsibility for public education does not end with the State, and the Federal Government cannot escape its obligation. The Nation as a whole has the responsibility for guaranteeing educational facilities that will train its young people to assume the complex responsibilities of citizenship. In this connection let me remind you that every year the Federal Government spends large sums of money for the apprehension and punishment of criminals. This is a wise expenditure for the protection of organized society, but real education is a well-known weapon in the prevention of criminality. It is my contention, with which I believe all will agree, that we had better provide teachers and schoolrooms for the boy instead of wardens, cells, and scaffolds.

The majority agree that the Federal Government is under the duty of providing some assistance for the social security of everyone in this country. This being true, I would remind them that the best type of social security ever devised was a sound system of education of the masses.

The States have been struggling very hard to carry the whole burden of education. Some measure of success was attained by weighing down the people with high taxes. The severity of the depression has in many cases prevented the paying of any local taxes. In the face of these conditions, the Federal Government has usurped practically the entire field of taxation. This usurpation has made it even more

difficult for the States to obtain sufficient revenues for any purpose, thus making Federal assistance more imperative and just.

Another reason for the present distress is the declining inadequacy of the real-estate tax, one of the main sources of State revenue. Formerly, when we were an agrarian Nation, the tax was probably an equitable one. Now that more than half our people live in cities, and the major portion of our wealth is industrial, property owners should not be made to bear the entire burden. In many of our States the property tax is the only source of revenue. It is so completely overworked that it is absolutely an impossibility to obtain additional funds. No State can rise any higher than its maximum source of revenue, hence the imperative need for outside assistance. The educational system must be improved and maintained, but the increase of local taxes is out of the question.

Only 1 income dollar out of every 33 in this country goes to education. The Federal Government can well afford to extend help as a permanent policy. The school teachers who have been giving their time and services for inadequate pay, or no pay at all, should have the benefit of Federal assistance. The men who have furnished their own capital to supply school busses, and then operated them, should be given adequate pay, and they should not have to wait for it. Paying the school teachers and the bus drivers would be a fine investment for any money.

Mr. Speaker, education was once considered a parental responsibility. This responsibility was in turn assumed by the church, by the locality, and then by the State. There is nothing to prevent the assumption by the United States Government of its just share of this great enterprise. It is no new idea that decrees that this should be done. It cannot be denied that over a century ago the first five Presidents of the United States advocated Federal aid for education. They realized that the foundation of every nation is the education of its youth. [Applause.]

Mr. Speaker, the following table will show the estimated approximate benefits that will go to the schools in each State of the Union if $100,000,000 is appropriated:

Tentative distribution of a proposed Federal grant of $100,000,000 to the States for the support of public education, on the number of children to be educated, and economic ability of the several States

States	Number of persons 6 to 17 years of age	Number of persons 21 to 65 years of age	Ratio of adults to children	Square of ratio of adults to children	Square divided by 4	Reciprocal of square divided by 4	Index of ratio of adults to children
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Continental United States	29,066,072	66,960,952	2.30	5.29	1.32	0.76	2.17
Alabama	750,590	1,260,329	1.68	2.82	.71	1.41	4.03
Arizona	106,735	229,781	2.15	4.62	1.16	.86	2.46
Arkansas	513,794	900,296	1.75	3.06	.77	1.30	3.71
California	1,047,263	3,524,985	3.37	11.36	2.84	.35	1.00
Colorado	240,326	567,709	2.36	5.57	1.39	.72	2.06
Connecticut	373,105	903,052	2.42	5.86	1.47	.68	1.94
Delaware	53,417	133,995	2.51	6.30	1.58	.63	1.80
District of Columbia	80,989	316,237	3.90	15.21	3.80	.26	.74
Florida	348,616	802,424	2.30	5.29	1.32	.76	2.17
Georgia	825,211	1,398,010	1.69	2.86	.72	1.39	3.97
Idaho	117,446	226,563	1.93	3.72	.93	1.08	3.09
Illinois	1,635,445	4,462,107	2.73	7.45	1.86	.54	1.54
Indiana	719,734	1,790,095	2.49	6.20	1.55	.65	1.86
Iowa	567,130	1,337,299	2.36	5.57	1.39	.72	2.06
Kansas	438,812	1,011,205	2.30	5.29	1.32	.76	2.17
Kentucky	688,959	1,294,535	1.88	3.53	.88	1.14	3.26
Louisiana	557,200	1,068,300	1.92	3.69	.92	1.09	3.11
Maine	179,594	423,962	2.36	5.57	1.39	.72	2.06
Maryland	370,291	911,622	2.46	6.05	1.51	.66	1.89
Massachusetts	922,537	2,442,327	2.65	7.02	1.76	.57	1.63
Michigan	1,096,427	2,707,618	2.47	6.10	1.53	.65	1.86
Minnesota	606,753	1,390,036	2.29	5.24	1.31	.76	2.17
Mississippi	562,343	964,522	1.72	2.96	.74	1.35	3.86
Missouri	792,170	2,047,417	2.58	6.66	1.67	.60	1.71
Montana	131,042	294,619	2.25	5.06	1.27	.79	2.26
Nebraska	329,809	733,526	2.22	4.93	1.23	.81	2.31
Nevada	17,452	56,533	3.24	10.50	2.63	.38	1.09
New Hampshire	100,439	256,132	2.55	6.50	1.63	.61	1.74
New Jersey	911,617	2,334,230	2.56	6.55	1.64	.61	1.74
New Mexico	115,960	201,995	1.74	3.03	.76	1.32	3.77
New York	2,580,891	7,551,622	2.93	8.58	2.15	.47	1.34
North Carolina	942,466	1,436,891	1.52	2.31	.58	1.72	4.91
North Dakota	188,751	330,582	1.75	3.06	.77	1.30	3.71
Ohio	1,472,379	3,757,016	2.55	6.50	1.63	.61	1.74
Oklahoma	638,516	1,198,847	1.88	3.53	.88	1.14	3.26
Oregon	198,709	560,370	2.82	7.95	1.99	.50	1.43
Pennsylvania	2,350,699	5,204,079	2.21	4.88	1.22	.82	2.34
Rhode Island	156,408	386,004	2.47	6.10	1.53	.65	1.86
South Carolina	544,284	770,049	1.41	1.99	.50	2.00	5.71
South Dakota	180,279	351,912	1.95	3.80	.95	1.05	3.00
Tennessee	690,063	1,309,537	1.90	3.61	.90	1.11	3.17
Texas	1,496,039	3,008,654	2.01	4.04	1.01	.99	2.83
Utah	141,197	244,021	1.73	2.99	.75	1.33	3.80
Vermont	80,669	191,889	2.38	5.66	1.42	.70	2.00
Virginia	658,326	1,196,714	1.82	3.31	.83	1.20	3.43
Washington	331,179	917,598	2.77	7.67	1.92	.52	1.49
West Virginia	475,273	834,610	1.76	3.10	.78	1.28	3.66
Wisconsin	685,826	1,594,018	2.32	5.38	1.35	.74	2.11
Wyoming	52,912	125,078	2.36	5.57	1.39	.72	2.06

States	Index of economic ability [1]	Ratio to poorest State	Index of need	Index of ratio of adults to children	Product of indexes
(9)	(10)	(11)	(12)	(13)	(14)
Continental United States	5,383	3.34			
Alabama	1,988	1.23	0.81	4.03	3.26
Arizona	3,895	2.41	.41	2.46	1.01
Arkansas	2,386	1.48	.68	3.71	2.52
California	7,860	4.87	.21	1.00	.21
Colorado	5,062	3.14	.32	2.06	.66
Connecticut	6,181	3.83	.26	1.94	.50
Delaware	5,799	3.60	.28	1.80	.50
District of Columbia	10,482	6.50	.15	.74	.11

[See footnotes at end of table]

Tentative distribution of a proposed Federal grant of $100,000,000 to the States for the support of public education, on the number of children to be educated, and the economic ability of the several States—Continued

States	Index of economic ability	Ratio to poorest State	Index of need	Index of ratio of adults to children	Product of indexes
(9)	(10)	(11)	(12)	(13)	(14)
Florida	3,189	1.98	0.51	2.17	1.11
Georgia	2,815	1.75	.57	3.97	2.26
Idaho	3,821	2.37	.42	3.09	1.30
Illinois	6,233	3.90	.26	1.54	.40
Indiana	4,289	2.66	.38	1.86	.71
Iowa	4,394	2.72	.37	2.06	.76
Kansas	4,155	2.58	.39	2.17	.85
Kentucky	2,685	1.66	.60	3.26	1.96
Louisiana	2,719	1.69	.59	3.11	1.83
Maine	3,914	2.43	.41	2.06	.84
Maryland	5,115	3.17	.32	1.89	.60
Massachusetts	7,030	4.36	.23	1.63	.37
Michigan	5,082	3.15	.32	1.86	.60
Minnesota	4,750	2.94	.34	2.17	.74
Mississippi	1,613	1.00	1.00	3.86	3.86
Missouri	5,251	3.26	.31	1.71	.53
Montana	4,034	2.50	.40	2.26	.90
Nebraska	5,593	3.47	.29	2.31	.67
Nevada	5,905	3.66	.27	1.09	.29
New Hampshire	4,540	2.81	.36	1.74	.63
New Jersey	6,253	3.88	.26	1.74	.45
New Mexico	2,497	1.55	.65	3.77	2.45
New York	12,101	7.50	.13	1.34	.17
North Carolina	2,857	1.77	.56	4.91	2.75
North Dakota	3,520	2.18	.46	3.71	1.71
Ohio	5,026	3.12	.32	1.74	.56
Oklahoma	3,235	2.01	.50	3.26	1.63
Oregon	4,981	3.03	.33	1.43	.47
Pennsylvania	5,448	3.38	.30	2.34	.70
Rhode Island	5,667	3.45	.29	1.86	.54
South Carolina	1,999	1.23	.81	5.71	4.63
South Dakota	3,882	2.41	.41	3.00	1.23
Tennessee	2,624	1.63	.61	3.17	1.93
Texas	3,706	2.30	.43	2.83	1.22
Utah	3,936	2.44	.41	3.80	1.56
Vermont	4,306	2.67	.37	2.00	.74
Virginia	3,107	1.93	.52	3.43	1.78
Washington	5,126	3.18	.32	1.49	.48
West Virginia	3,276	2.03	.49	3.66	1.79
Wisconsin	4,732	2.93	.34	2.11	.72
Wyoming	5,327	3.30	.30	2.06	.62

States	Number of persons 6 to 17 years of age	Product of indexes	Column 16 by column 17	Percentage distribution of column 18	Population 6 to 17 years, by $2	Distribution based on percents in column 19	Total columns 20 and 21
(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Continental United States	29,066,072		32,636,157	100.00	$58,132,144	$41,867,856	$100,000,000
Alabama	750,590	3.26	2,446,923	7.50	1,501,180	3,140,089	4,641,269
Arizona	106,735	1.01	107,802	.33	213,470	138,164	351,634
Arkansas	513,794	2.52	1,294,761	3.98	1,027,583	1,666,341	2,693,929
California	1,047,263	.21	219,925	.67	2,094,526	280,515	2,375,041
Colorado	240,323	.66	158,615	.48	480,652	200,966	681,618
Connecticut	373,105	.50	186,553	.57	746,210	238,647	984,857
Delaware	53,417	.50	26,709	.08	106,834	33,494	140,328
District of Columbia	80,989	.11	8,909	.03	161,978	12,560	174,538
Florida	348,616	1.11	386,964	1.18	697,232	494,041	1,191,273
Georgia	825,211	2.26	1,864,977	5.71	1,650,422	2,390,655	4,041,077
Idaho	117,446	1.30	152,680	.47	234,892	196,779	431,671
Illinois	1,635,445	.40	654,178	2.00	3,270,890	837,357	4,108,247
Indiana	719,734	.71	511,011	1.56	1,439,468	653,138	2,092,606
Iowa	567,130	.76	431,019	1.32	1,134,260	552,656	1,686,916
Kansas	438,812	.85	372,990	1.14	877,624	477,294	1,354,918
Kentucky	688,959	1.96	1,350,360	4.14	1,377,918	1,733,329	3,111,247
Louisiana	557,200	1.83	1,019,676	3.12	1,114,400	1,306,277	2,420,677
Maine	179,594	.84	150,859	.46	359,188	192,592	551,780
Maryland	370,291	.60	222,175	.68	740,582	284,701	1,025,283
Massachusetts	922,537	.37	341,339	1.04	1,845,074	435,426	2,280,500
Michigan	1,096,427	.60	657,856	2.02	2,192,854	845,731	3,038,585
Minnesota	606,753	.74	448,997	1.38	1,213,506	577,776	1,791,282
Mississippi	562,343	3.86	2,170,644	6.65	1,124,686	2,784,212	3,908,898
Missouri	792,170	.53	419,850	1.29	1,584,340	540,095	2,124,435
Montana	131,042	.90	117,938	.36	262,084	150,724	412,808
Nebraska	328,809	.67	220,972	.68	659,618	284,701	944,319
Nevada	17,452	.29	5,061	.02	34,904	8,374	43,278
New Hampshire	100,439	.63	63,277	.20	200,878	83,736	284,614
New Jersey	911,617	.45	410,228	1.26	1,823,234	527,535	2,350,769
New Mexico	115,960	2.45	284,102	.87	231,920	364,250	596,170
New York	2,580,891	.17	438,751	1.34	5,161,782	561,029	5,722,811
North Carolina	942,466	2.75	2,591,782	7.94	1,884,932	3,324,308	5,209,240
North Dakota	188,751	1.71	322,764	.99	377,502	414,494	791,994
Ohio	1,472,379	.56	824,532	2.53	2,944,758	1,059,257	4,004,015
Oklahoma	638,515	1.63	1,040,781	3.19	1,277,032	1,335,585	2,612,617
Oregon	198,709	.47	93,393	.29	397,418	121,417	518,835
Pennsylvania	2,350,699	.70	1,645,489	5.05	4,701,398	2,114,327	6,815,725
Rhode Island	156,403	.54	84,460	.26	312,816	108,856	421,672
South Carolina	544,284	4.63	2,520,035	7.72	1,088,568	3,232,198	4,320,766
South Dakota	180,279	1.23	221,743	.68	360,558	284,701	645,259
Tennessee	690,063	1.93	1,331,822	4.08	1,380,126	1,708,209	3,088,335
Texas	1,496,039	1.22	1,825,168	5.59	2,992,078	2,340,413	5,332,491
Utah	141,197	1.56	220,267	.67	282,394	280,515	562,909
Vermont	80,669	.74	59,695	.18	161,338	75,362	236,700
Virginia	658,326	1.78	1,171,820	3.59	1,316,652	1,503,056	2,819,708
Washington	331,179	.48	158,966	.49	662,358	205,152	867,510
West Virginia	475,273	1.79	850,739	2.61	950,546	1,092,751	2,043,297
Wisconsin	685,826	.72	493,795	1.51	1,371,652	632,205	2,003,857
Wyoming	52,912	.62	32,805	.10	105,824	41,868	147,692

[1] The index of the economic ability is obtained by giving equal weight to each of the following factors: (1) Personal income; (2) value of farm income, plus value of miner products, plus value added by manufactures; (3) spendable income; (4) bank debits; (5) retail sales; (6) luxury sales; (7) average of wealth, true valuation of property, and assessed valuation of property.

REHABILITATION ADMINISTRATION OF PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I have been informed that some representatives, political or otherwise, of the island have expressed the idea and requested of functionaries of the administration in Washington that, when the machinery for the rehabilitation and relief in Puerto Rico be organized, it should be placed in the hands of a body of "responsible Puerto Ricans" who have no political affiliations and who will be free from insular governmental supervision.

I do not know how this proposal can be accomplished when a large body of men and women will be called to duty for the prosecution of the extensive program which has been announced the President contemplates to carry out for the benefit of the people of Puerto Rico. This proposal of the appointment of a "responsible body of Puerto Ricans" outside the functions of the representative government is something unexpected in the island. Anyone knows that such a group of "responsible Puerto Ricans" could belong to any political party under the camouflage of nonpartisan men, as has happened time and again.

The majority of the people down there believe and have the greatest confidence in the expressed democratic ideas of having representatives of every responsible governmental agency, as well as representatives of the economic organizations of the island, take part in such a program to assure the greatest integration and coordination of all administrative authorities in such a way that no one will have the opportunity to create any supergovernment, overtopping the authorities of the insular government. Coordination and teamwork should prevail under the organic act of the island.

From the point of view of carrying out a reconstruction program in Puerto Rico, it is particularly important to know that some experts outside the island have recommended the establishment of administrative machinery which—

> Will enlist the services of individuals and groups who, under traditional forms of representative government, have been virtually excluded from political power.

After years of advice that the Puerto Rican people should strive for honorable elections, these same intellectual persons, referring to such a program, say that leading to this end it might be possible to establish some independent body, aloof from the vicissitudes of partisan politics and dominated by nonpolitical members, to whom the task of a reconstruction program could be intrusted. How this can be done without a complete change of our democratic governmental institution, or where in the island the type of citizen just referred to can be found, nobody knows.

The following cables received from the president of the senate, Hon. Rafael Martinez Nadal, and the speaker of the house, Hon. Miguel A. Garcia Mendez, of the Puerto Rican Legislature, strongly indicate that something is wrong in Puerto Rico.

Because of the foregoing, I consider it my inescapable duty to have the above-mentioned cablegrams, which set forth some of the existing evils there, inserted in the RECORD as part of my remarks.

SAN JUAN, P. R., *April 4, 1935.*

Hon. SANTIAGO IGLESIAS,
Resident Commissioner, Washington, D. C.:

By resolution of the house I have just transmitted the following cable to Senator TYDINGS and to the President of the Senate: "The House of Representatives of Puerto Rico respectfully petitions you to ask congressional investigation of activities of the P. R. E. R. A. It is respectfully suggested that for this purpose the powers granted to the senatorial commission, already appointed under your chairmanship for investigation in the Virgin Islands, be extended to cover investigation of P. R. E. R. A. The emergency administration, extended to Puerto Rico by the national administration with such good wishes, is going to result in, and has already resulted in, a complete failure under the direction of Administrator James R. Bourne because of his having permitted, notwithstanding the protests and continuous complaints being received from all the municipalities of the island censuring the political partisan control exercised by the greater part of his associates, directors, and subordinates; that the truly needy affiliated with all the parties of the country be prejudiced by the discontent created among the poor classes because of the constant practice of appointing wealthy persons, in violation of the purpose of the Federal Emergency Act; by putting into effect practices showing a total lack of knowledge of the factors which constitute the structure of each Puerto Rican family, and a complete ignorance of the emotional and intellectual make-up of our people, and by continually offending the sentiments and the dignity of the representative entities of the country; ignoring the precepts of the Federal act in force in order to experiment with human suffering in order to avoid that, the public sentiment of deep protest may be badly interpreted, and in order that the people who are desirous of being able to enjoy the advantages of a true rehabilitation with the assistance of that administration may preserve their faith and their confidence therein, the house asks that you give prompt attention to this petition."

MIGUEL A. GARCIA MENDEZ,
Speaker House of Representatives.

SAN JUAN, P. R., *April 4, 1935.*

Hon. SANTIAGO IGLESIAS,
Resident Commissioner for Puerto Rico,
Washington, D. C.

The Senate of Puerto Rico respectfully asks that a congressional investigation be made immediately of the activities of the Puerto Rican Emergency Relief Administration. We suggest that the same delegation of the Congress already appointed to investigate the affairs of the Virgin Islands come to Puerto Rico for said purpose. James R. Bourne, administrator, Puerto Rican Relief Administration, is a person not desired by the people of Puerto Rico, because as such administrator, he has allowed the control of the relief to be exercised almost exclusively and openly by a determined political party of Puerto Rico which extends privileges to its affiliates, and said relief is not extended impartially and justly to the truly needy. Said James R. Bourne is also directing openly a campaign offensive and hostile to the Legislature of Puerto Rico. There is a public sentiment of bitter protest against the party activities of James R. Bourne.

RAFAEL MARTINEZ NADAL,
President of the Senate of Puerto Rico.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LANHAM (at the request of Mr. JONES), for 1 day, on account of illness.

ORDER OF BUSINESS

Mr. SNELL. May I ask what will come up tomorrow? Are we going to consider Calendar Wednesday business tomorrow?

Mr. O'CONNOR. I do not know whether there are any bills ready or not. We have some rules of importance that we may bring up.

Mr. SNELL. Does the gentleman think he may be able to find some?

Mr. CONNERY. May I say that our committee is ready for action anytime we can get a Calendar Wednesday.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 57 minutes p. m.), the House adjourned until tomorrow, Wednesday, April 10, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Thursday, Apr. 11, 11:30 a. m.)

Subcommittee on Judiciary will hold hearings on bill H. R. 6510 and other bills pertaining to the amendment of the Alcoholic Beverage Control Act.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WARREN: Committee on Merchant Marine and Fisheries. H. R. 65. A bill to provide for the establishment of a Coast Guard station on the coast of Virginia at or near the north end of Hog Island, Northampton County; without amendment (Rept. No. 624). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Merchant Marine and Fisheries. H. R. 2015. A bill for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass.; with amendment (Rept. No. 625). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Merchant Marine and Fisheries. H. R. 3975. A bill to provide for the establishment of a Coast Guard station on the coast of Georgia at or near Sea Island Beach; without amendment (Rept. No. 626). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Merchant Marine and Fisheries. H. R. 7131. A bill to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes; with amendment (Rept. No. 627). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Merchant Marine and Fisheries. H. R. 7132. A bill to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.; without amendment (Rept. No. 628). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAAS: Committee on Naval Affairs. H. R. 5731. A bill to amend in certain particulars the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve", as amended, and for other purposes; with amendment (Rept. No. 629). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 6673. A bill providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and for participation in the meetings of the International Technical Committee of Aerial Legal Experts and the commissions established by that Committee; with amendment (Rept. No. 633). Referred to the Committee of the Whole House on the state of the Union.

Mr. RYAN: Committee on Indian Affairs. H. R. 6963. A bill to amend an act entitled "An act setting aside Rice Lake and contiguous lands in Minnesota for the exclusive use and benefit of the Chippewa Indians of Minnesota", approved June 23, 1926, and for other purposes; with amendment (Rept. No. 634). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 6651. A bill to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children in the village of Queets, Jefferson County, Wash.; without amendment (Rept. No. 637). Referred to the Committee of the Whole House on the state of the Union.

Mr. HEALEY: Committee on the Judiciary. H. R. 4665. A bill to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell; without amendment (Rept. No. 638). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEAVER: Committee on the Judiciary. H. R. 5455. A bill to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended; with amendment (Rept. No. 639). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 3574. A bill for the relief of Nellie T. Francis; without amendment (Rept. No. 632). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 7254. A bill for the relief of Lily M. Miller; without amendment (Rept. No. 635). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. S. 799. An act for the relief of Yvonne Hale; without amendment (Rept. No. 636). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 7283) granting an increase of pension to Louise E. Van Norden, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Michigan: A bill (H. R. 7367) to amend section 191 of title 12, United States Code; to the Committee on Banking and Currency.

Also, a bill (H. R. 7368) to provide for a consolidation of the examination of banks and trust companies by agencies of the Federal Government, and for other purposes; to the Committee on Banking and Currency.

By Mr. CONNERY: A bill (H. R. 7369) to require contractors with the Government to pay fair wages, and for other purposes; to the Committee on Labor.

Also, a bill (H. R. 7370) to recognize the high public service rendered by soldiers who volunteered and served in trench-fever experiments in the American Expeditionary Forces; to the Committee on Military Affairs.

By Mrs. NORTON: A bill (H. R. 7371) to amend section 1 of the act of Congress entitled "An act to fix the salaries of officers and members of the Metropolitan Police force, the United States Park Police force, and the fire department of the District of Columbia", approved May 27, 1924; to the Committee on the District of Columbia.

By Mr. O'CONNOR: A bill (H. R. 7372) to repeal the excise tax on manufactures of furs; to the Committee on Ways and Means.

By Mr. TONRY: A bill (H. R. 7373) to amend section 602 of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. UMSTEAD: A bill (H. R. 7374) to amend section 98 of the Judicial Code to provide for the inclusion of Durham County, N. C., in the middle district of North Carolina, and for other purposes; to the Committee on the Judiciary.

By Mr. UNDERWOOD: A bill (H. R. 7375) to establish a Department of Veterans' Affairs, with a Secretary of Veterans' Affairs at the head thereof, to abolish the Veterans' Administration and transfer its functions pertaining to veterans' affairs to such department, to adjust and equalize pensions of veterans and widows and dependents of veterans, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. GRAY of Pennsylvania: A bill (H. R. 7376) to provide for the restoration of benefits for Spanish-American War veterans and for the widows and dependents of such veterans; to the Committee on Expenditures in the Executive Departments.

By Mr. LLOYD: A bill (H. R. 7377) to authorize the erection of an addition to the existing Veterans' Administration facility, American Lake, Wash.; to the Committee on World War Veterans' Legislation.

By Mr. MAAS: A bill (H. R. 7378) to amend the provision in the act approved June 10, 1896, prohibiting the employment of officers of the Navy or Marine Corps on the active or retired list by persons or companies furnishing naval supplies or war material to the Government; to the Committee on Naval Affairs.

By Mr. SABATH: A bill (H. R. 7379) to prevent the excessive loss of assets in connection with reorganizations and compositions involving bonds and other obligations secured by real estate, to amend sections 74 and 77B) of the National Bankruptcy Act, to authorize the Reconstruction Finance Corporation to make loans to finance real-estate

reorganizations, compositions, bondholders, and for other purposes; to the Committee on Banking and Currency.

By Mr. KOCIALKOWSKI: A bill (H. R. 7380) authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes; to the Committee on Insular Affairs.

By Mr. LEWIS of Maryland: A bill (H. R. 7395) authorizing M. R. Carpenter, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Potomac River between Old Town, Md., and Green Spring, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. HOBBS: Joint resolution (H. J. Res. 241) to provide for the observance and celebration of the one hundredth anniversary of the founding of Prattville, Ala.; to the Committee on the Library.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Illinois, supporting the Wheeler amendment to the Farm Credit Act; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Montana, regarding the Buffalo Rapids reclamation project; to the Committee on Irrigation and Reclamation.

Also, memorial of the Legislature of the State of North Dakota, regarding the construction of a Missouri River Dam; to the Committee on Flood Control.

Also, memorial of the Legislature of the State of North Dakota, regarding financial aid in the aid of school children; to the Committee on Education.

Also, memorial of the Legislature of the State of Texas, regarding the erection of a monument to General Goethals; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Divisional Code Authority No. 20; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Iowa, regarding a program of rehabilitation; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Vermont; to the Committee on Rivers and Harbors..

Also, memorial of the Legislature of Puerto Rico, regarding an amendment to the Organic Act; to the Committee on Insular Affairs.

Also, memorial of the Legislature of the State of California, regarding complete and adequate antiaircraft equipment and personnel for the Pacific coast; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Maine, regarding an investigation of the interstate and international commerce of the port of Portland; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Maine, regarding the dredging of Long Cove Channel; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 7381) for the relief of Harvey Hultz Verner; to the Committee on Military Affairs.

By Mr. BOLTON: A bill (H. R. 7382) for the relief of Emanuel Hribal and Marie Hribal; to the Committee on Claims.

By Mr. CHAPMAN: A bill (H. R. 7383) for the relief of Robert Sievers Rubarts; to the Committee on Naval Affairs.

By Mr. CHRISTIANSON: A bill (H. R. 7384) for the relief of W. F. Mackay; to the Committee on Claims.

Also, a bill (H. R. 7385) for the relief of W. F. Mackay; to the Committee on Claims.

Also, a bill (H. R. 7386) for the relief of W. F. Mackay; to the Committee on Claims.

By Mr. COLE of New York: A bill (H. R. 7387) granting an increase of pension to Harriet Brownrigg; to the Committee on Invalid Pensions.

By Mr. CROWE: A bill (H. R. 7388) granting a pension to Ernest P. Garlach; to the Committee on Invalid Pensions.

By Mr. DOCKWEILER: A bill (H. R. 7389) for the relief of Robert L. Hamman; to the Committee on Claims.

By Mr. HAINES: A bill (H. R. 7390) granting a pension to Hattie R. Weirman; to the Committee on Invalid Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 7391) granting a pension to Mamie Cartmell; to the Committee on Invalid Pensions.

By Mr. RICH: A bill (H. R. 7392) granting an increase of pension to Clara E. Denius; to the Committee on Invalid Pensions.

By Mr. TOLAN: A bill (H. R. 7393) for the relief of Ralph P. Kellogg; to the Committee on Claims.

By Mr. WELCH: A bill (H. R. 7394) granting a pension to Georgiana Peckham; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6810. By Mr. ROGERS of Oklahoma: Petition headed by J. B. McCormick, of Parma, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6811. Also, petition headed by Richard Lawrence, of Camden, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6812. Also, petition headed by Dan Collins, of Tunica, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6813. Also, petition headed by W. H. Spence, of Brickford, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6814. Also, petition headed by J. Richards, of Plaquemine, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6815. Also, petition headed by L. R. Morris, of Stamford, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6816. Also, petition headed by Frank C. Roberts, of Nashville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6817. Also, petition headed by M. Miller, of Dallas City, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6818. Also, petition headed by O. S. Shackelford, of Shannon, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6819. Also, petition headed by H. B. Cook, of Nacogdoches, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6820. Also, petition headed by Todd H. Pryor, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6821. Also, petition headed by Walter M. Kirkland, of Humble, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6822. Also, petition headed by George Glass, of Marvell, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6823. Also, petition headed by N. Goodwin, of Goodlettsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6824. Also, petition headed by Lawrence C. Glenn, of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6825. Also, petition headed by Henry Lee Ramsey, of Smithdale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6826. Also, petition headed by M. M. Reynolds, of Olney, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6827. Also, petition headed by F. Hardeway, of Ponta, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6828. Also, petition headed by M. E. Murray, of St. Louis, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6829. Also, petition headed by Isadore Sutton, of Silver Creek, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6830. Also, petition headed by F. Webster, of Caddo Mills, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6831. By Mr. BOYLAN: Petition signed by residents of New York, protesting against conditions in Mexico; to the Committee on Foreign Affairs.

6832. Also, petition signed by residents of Yonkers, N. Y., regarding conditions in Mexico; to the Committee on Foreign Affairs.

6833. Also, resolution adopted by the Sodality Union of the colleges and high schools of the District of Columbia, in conference assembled, regarding conditions in Mexico; to the Committee on Foreign Affairs.

6834. Also, resolution adopted by the National Code Authority for the Retail Tobacco Trade, New York City, N. Y., favoring the extension of the National Recovery Administration for a period of 2 years; to the Committee on Appropriations.

6835. By Mr. BUCK: Memorial of the Assembly and the Senate of California, jointly, urging the President and the Congress of the United States to favorably consider and submit to the States an amendment to the Constitution enabling Congress to grant suffrage to residents of the District of Columbia; to the Committee on the District of Columbia.

6836. Also, memorial of the Assembly and Senate of the State of California, jointly, urging the President and the Congress of the United States to enact legislation for complete antiaircraft equipment and personnel on the Pacific coast; to the Committee on Military Affairs.

6837. By Mr. BUCKLER of Minnesota: Petition of Frank Labine, town clerk, and Louis Larson, R. F. D., Argyle, Minn., in behalf of the voters of the township of Bloomer in Marshall County, praying for passage into law of the Frazier-Lemke farm refinancing bill; to the Committee on Agriculture.

6838. Also, petition of George Phillipson, chairman of the City Council of Bemidji, Minn., praying for the passage of the Workers Unemployment Old Age and Social Insurance Act (H. R. 2827), by Mr. LUNDEEN, which provides for the establishment of unemployment, old-age, and social insurance, and for other purposes; to the Committee on Labor.

6839. By Mr. COLE of New York: Petition of citizens of the Thirty-seventh Congressional District of New York, protesting against House bill 5423 and Senate bill 1725; to the Committee on Interstate and Foreign Commerce.

6840. By Mr. DOCKWEILER: Petition of the State of California; to the Committee on Military Affairs.

6841. Also, petition of the State of California; to the Committee on the District of Columbia.

6842. By Mr. DRISCOLL: Petition of the Securities Protective League, signed by Alva H. Gregory and 56 other citizens of Johnsonburg, Pa., petitioning Congress to defeat Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

6843. Also, petition of the Securities Protective League, signed by Lewis J. Smith and 54 other citizens of St. Marys, Pa., petitioning Congress to defeat Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

6844. Also, petition of the Securities Protective League, signed by Helen Overholser and 24 other citizens of Ridgway, Pa., petitioning Congress to defeat Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

6845. Also, petition of the Securities Protective League, signed by Michael May and 22 other citizens of Ridgway, Pa., petitioning Congress to defeat Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

6846. Also, petition of the Securities Protective League, signed by Reuben J. Thompson and 28 other citizens of Ridgway, Pa., petitioning Congress to defeat Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

6847. Also, petition of the Securities Protective League, signed by Floyd D. Roof and 25 other citizens of Ridgway, Pa., petitioning Congress to defeat Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

6848. By Mr. HALLECK: Petition of citizens of Syracuse, Ind., and vicinity, favoring the Townsend old-age-pension plan; to the Committee on Ways and Means.

6849. By Mr. KING: Concurrent resolutions of the Legislature of the Territory of Hawaii, memorializing the Congress of the United States to include the Territory of Hawaii in the unemployment-insurance legislation; to the Committee on Ways and Means.

6850. By Mr. LEHLBACH: Petition of Michael H. Scanlon and others, favoring a memorial stamp for Commodore John Barry; to the Committee on the Post Office and Post Roads.

6851. By Mr. MORAN: Memorial of the Legislature of the State of Maine; to the Committee on Foreign Affairs.

6852. By Mr. PFEIFER: Petition of Arthur W. Brockway, Muirson Label Co., Inc., Brooklyn, N. Y., concerning the Fish bill, to save the railroads from Government ownership and amend the price-fixing power of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

6853. Also, petition of Arthur W. Brockway, Muirson Label Co., Inc., Brooklyn, N. Y., concerning the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

6854. Also, petition of the National Code Authority for the Retail Tobacco Trade, New York City, urging continuation of the National Industrial Recovery Act; to the Committee on Appropriations.

6855. By Mr. PLUMLEY: Petition of Jessie Jackman and 32 other residents of Websterville and Barre, Vt., favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6856. By Mr. ROGERS of New Hampshire: Petition of the Manchester (N. H.) Chamber of Commerce, urging the passage of an act restricting importation of textiles; to the Committee on Ways and Means.

6857. By Mr. SADOWSKI: Petition of Group No. 90 of the Polish National Alliance, endorsing House bill 2827; to the Committee on Labor.

6858. Also, petition of Charles Schoor Post, No. 796, Veterans of Foreign Wars, indorsing the establishment of a Veterans' Administration hospital in Michigan; to the Committee on World War Veterans' Legislation.

6859. By Mr. TRUAX: Petition of West Side Boosters Club, Warren, Ohio, by their president, W. L. Zedaker, and secretary, Edith Ferrell, going on record as approving the regulation of public-utility holding companies to the end that such companies be abolished within 5 years as insidious and false propaganda is being circulated throughout the Nation, State, and even their own county and city to urge Representatives in Congress to work and vote against such legislation; to the Committee on Interstate and Foreign Commerce.

6860. Also, petition of Women's Non-Partisan Club of Howland, Ohio, by their president, Eva A. Fuller, endorsing the national labor-relations bill, as they believe it to be in the interest of American labor and humanity; to the Committee on Labor.

6861. Also, petition of Women's Non-Partisan Club of Howland, Ohio, by their secretary, Lillian Biery, endorsing Senate bill 87, by Senator BLACK, providing for the 30-hour week, as it would be the means of providing employment for those of our people now unemployed; to the Committee on Labor.

6862. Also, petition of Elmer C. O'Dowd and 185 other citizens of Newark, Ohio, urging the support of House bill 6288, known as the "Connery labor-disputes bill", and Senate bill 87, known as the "Black 30-hour week bill", and will stand for no compromise; to the Committee on Labor.

6863. Also, petition of E. C. Thomas and 85 other citizens of Youngstown, Ohio, endorsing the Workers' Unemployment, Old Age, and Social Insurance Act (H. R. 2827) as it becomes effective immediately upon enactment; provides $10 weekly for each individual, plus $3 more for each dependent; benefits during the entire period of unemployment; derives funds from Government funds not otherwise appropriated, plus a tax on inheritances, gifts, and incomes of $5,000 and over; provides for payment to part-time workers of the difference between wages earned and the regular benefits; and provides for sickness and gives benefits 8 weeks prior to and 8 weeks following childbirth; to the Committee on Labor.

6864. Also, petition of Elmer E. Cady and 185 other citizens of Newark, Ohio, urging support without compromise of the Wheeler-Rayburn bill for abolition of holding companies; to the Committee on Interstate and Foreign Commerce.

6865. Also, petition of Mrs. E. J. Schrag and 77 other citizens of Cleveland, Ohio, respectfully urging support of House Joint Resolution 167, by Mr. LUDLOW, as they deem it the most important and meritorious matter before the United States Congress; to the Committee on the Judiciary.

6866. By the SPEAKER: Petition of Jose H. Cora and others; to the Committee on Appropriations.

6867. Also, petition of the Chattanooga Chamber of Commerce; to the Committee on Agriculture.

6868. Also, petition of the Rugby Branch, American League Against War and Fascism; to the Committee on the Judiciary.

6869. Also, petition of the Fellowship of Reconciliation, Boston, Mass.; to the Committee on Military Affairs.

6870. Also, petition of Colonel John Jacob Astor Camp No. 6, United Spanish War Veterans; to the Committee on Pensions.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 10, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father and our God, with the deepest gratitude may we thank Thee that we are still the children of Thy providence. There are no words that can express the fullness of divine love, whose height, depth, length, and breadth can never be measured nor revealed. Lift our souls heavenward, and may we be led to enlarge, enrich, and cleanse our own little world. Hear us for our country's sake; come to our social, economic, and soul need; and save our land from ill-advised patriotism. Regard the necessities of our understanding. Deepen the spiritual life of our Nation's heart and all that goes to make up a good, happy, and prosperous people. O put the fear of God in all hearts. Abide with our homes and our loved ones, and as long as there is sorrow to be assuaged, shadows to be lifted, and aspirations to be developed, Father of Mercies, bless them. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate has passed without amendment bills of the House of the following titles:

H. R. 2128. An act for the relief of Rosetta Laws;

H. R. 5576. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

H. R. 5577. An act to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve; and

H. R. 6290. An act to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 81. An act to provide for the collection and publication of statistics of peanuts by the Department of Agriculture;

S. 405. An act for the suppression of prostitution in the District of Columbia;

S. 553. An act to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War;

S. 566. An act for the relief of George Yusko;

S. 880. An act for the relief of Dominick Edward Maggio;

S. 882. An act for the relief of Albert Lawrence Sliney;

S. 885. An act to correct the naval record of Joseph Horace Albion Normandin;

S. 925. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower;

S. 946. An act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana";

S. 993. An act directing the Comptroller General to adjust the account between the United States and the State of Connecticut;

S. 1023. An act to provide for the payment of a military instructor for the high-school cadets of Washington, D. C.;

S. 1129. An act to provide for the extension and completion of the United States Capitol;

S. 1208. An act authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award;

S. 1209. An act to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii;

S. 1305. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects;

S. 1402. An act providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles;

S. 1404. An act to promote the efficiency of national defense;

S. 1469. An act to transfer lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona;

S. 1531. An act to credit certain Indian tribes with sums heretofore expended from tribal funds on Indian irrigation works;

S. 1723. An act to authorize payment to the Sac and Fox (of Missouri) Tribe of Indians of certain tribal funds to their credit in the United States Treasury, and for other purposes;

S. 1726. An act to authorize the Secretary of War to grant a right-of-way for street purposes upon and across the San Antonio Arsenal, in the State of Texas;

S. 1783. An act for the relief of John F. Patterson;

S. 1789. An act for the relief of Walter L. Rosasco;

S. 1817. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island;

S. 1988. An act to extend the time for the construction of a bridge across the Missouri River at or near Rulo, Nebr.;

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan;

S. 2035. An act to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes;

S. 2045. An act for the relief of Stephen Sowinski;

S. 2105. An act to provide for an additional number of cadets at the United States Military Academy;

S. 2197. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 2241. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484);

S. 2394. An act to authorize the transfer of certain military reservations to other departments of the Government, and for other purposes; and

S. 2395. An act to authorize exchange of lands at military reservations, and for other purposes.

FORMATION AND AIMS OF THE LIBERAL GROUP

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting radio addresses delivered by myself and the gentleman from Wisconsin [Mr. BOILEAU] last night.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio addresses delivered last night by the gentleman from Wisconsin, Mr. BOILEAU, and myself:

ADDRESS OF HON. PAUL J. KVALE

Good evening. First, may I express my cordial thanks to the National Broadcasting Co. for its generous invitation to Congressman BOILEAU and myself to accept this time, so that we may acquaint you with the reasons for the formation of the group of liberal Members of the House of Representatives, and to sketch briefly what we hope to accomplish.

Mr. BOILEAU and I both affiliated with a similar group in the Seventy-second Congress in the last 2 years of the Hoover administration. Many of you will remember the constructive work that was done by that handful of 20 men, under the leadership of Major LaGuardia. The division of the House at that time was very close between the two large parties; there were Republicans and Democrats in almost equal number, giving the group an actual balance of power at times.

The House at present, however, is overwhelmingly Democratic. When that group of more than 300 Members meet in caucus, determine a policy, and carry it out, leaders can naturally feel reasonably sure of a strong majority. In such a situation, no small group of Members can expect to wield any numerical strength. We are not organizing a bloc with the idea of holding any voting strength. We are in no sense a new political party.

Ever since the opening of the session, however, I have been approached by progressive-minded Representatives from all political parties, and all of them urged a meeting to see whether it would not be possible to draw up a resolution which would outline fundamental beliefs on the major economic issues, and which would include recommendations for the essential contents of bills which must be considered before the success of the new deal can be attained. Therefore, I took the responsibility of calling the meeting, notifying only those whom I knew to be interested. No effort has been made to solicit Members other than those who made their interest known.

We met, 35 of us, and unanimously approved a resolution, which Mr. BOILEAU will discuss with you in a few minutes. In addition to the 10 Progressive and Farmer-Labor Party Members from Wisconsin and Minnesota, you accordingly see that there was a good sprinkling of liberals from both major parties, representing all sections of the United States, in the group.

They have dubbed us "mavericks", because one of our number is San Antonio's scrappy Representative, MAURY MAVERICK. Down in Texas, I understand, the name is applied to unbranded strays. To that extent it is applicable to this group, for, by adopting the resolution which Mr. BOILEAU is going to tell you about, they gave evidence that they are more interested in economic issues than they are in party politics. The resolution itself stresses the need for an unpartisan and nonpolitical forum of Members of the House, where liberal and progressive principles and issues can be discussed and methods can be devised, if possible, for incorporating them into law.

As evidence of this lack of partisan political influence, I might tell you that we propose to have no permanent chairman or definite organization, but the duties of the presiding officer will rotate, going from one to the other of the various political parties represented. Meetings will be held whenever the group feels the desire to discuss pending legislation. We meet this coming Thursday afternoon, for instance, after adjournment of the House, to discuss the administration's social-security bill.

Broadly speaking, we propose to do all we can to further the aims of the new deal for economic and social justice and to fight special privilege. Sixteen specific principles are laid down. Many more might have been added, but these are sufficient to bind the group together informally without demanding pledges as to how they will vote on any measure. Such a group will also be able to cooperate with the several independent Senators who have fought for these principles for years.

It is no secret that the majority party leadership in the House is conservative. Nor is it a secret that the House rules and procedure are such that it will be a tedious and difficult task to secure action on many of these proposals. We shall try to encourage sentiment for making those rules more liberal. And in the meantime we can resist the reactionaries within both major parties who look with disfavor on a new deal that holds out promise of security and justice to the great masses of unemployed and their dependents. We want to help the new deal keep those promises. We are interested in prompt and adequate action to that end. I think we agree to a man, we "mavericks", that without some such concerted and continuing effort the conservative elements on both sides of the aisle will be able, either by refusing to act at all or by devitalizing the measures to which the country looks for recovery and relief, to prevent the new deal from attaining its stated goal.

Those of our colleagues who are to be classified as conservatives are not bounded by party lines. They have a perfect right to their beliefs and convictions. We disagree with them, however, and shall sincerely and conscientiously try to secure consideration of the measures in which we are all interested. We are certain that if the leadership would permit various of these measures to come up, a majority would vote for them, and the statements publicly made by the President would seem to assure his approval when the measures reached his desk. But when the bills are locked in committee, or are considered under gag rules in the House, they naturally represent something completely different from what the Nation thought it had been promised.

This roughly sketches the background of the progressive activity, and now it is my genuine pleasure to turn the microphone over to Representative GERALD BOILEAU, militant Progressive Representative of Wisconsin. Since he served as chairman of a committee that drew up the resolution embodying our views, it is fitting that he be the one to tell you about its contents.

ADDRESS BY HON. GERALD J. BOILEAU

Ladies and gentlemen, Congressman KVALE, of Minnesota, has just told you why a group of liberal and progressive-minded Members of the House of Representatives have decided to unite their efforts behind a definite legislative program for the immediate consideration of Congress. This nonpartisan group is committed to a program that is progressive and far-reaching. We are neither pro- nor anti-administration. We have adopted a resolution which clearly sets forth our views on 16 broad economic principles. First of all, we take the position that the Federal Government should regulate the country's credit system, and that the power to issue money and regulate its value should be restored to Congress. We believe that the practice of issuing tax-exempt securities on the part of the various units of Government is fundamentally unsound and that such practice should be abolished. In recognition of the principle that the burden of taxation should be carried by those best able to pay, we have declared in favor of a sharp increase in income, inheritance, and gift taxes upon a graduated basis.

Recognizing the fact that there can be no genuine and permanent prosperity in the Nation until such time as a substantial purchasing power is restored to American agriculture, we are united in our demand that the farmer be guaranteed the average cost of production for farm commodities, including a reasonable profit. We believe it to be the duty of the Federal Government to enact legislation that will accomplish this objective. Realizing that the farmers are now burdened with debts that cannot be repaid without a more liberal farm-credit system, we advocate the enactment of the Frazier-Lemke farm-mortgage refinancing bill, which would refinance farm indebtedness with interest at the rate of 1½ per-

cent per annum with 47 years in which to pay off the loan. The money for this purpose should be made available through the issuance of additional currency and not through the sale of additional tax-exempt bonds. We also favor reduced interest rates on home loans.

We favor a limitation of the hours of labor in industry to the end that the maximum number of people can be given employment at a saving wage, and demand appropriations for public works in amounts adequate to provide employment for those in need of employment at a wage sufficient to maintain a decent standard of living. We shall exert every effort to protect labor's inherent right to bargain collectively through representatives of its own choosing, such representatives to be free to act in the interests of labor without domination on the part of employers.

The present tendency to reduce local taxes by reducing expenditures for the public-school system is abhorent to those of us who believe in free, adequate educational facilities for the youth of our country. We therefore favor Federal aid to public education in the employment of teachers and the building and modernization of educational institutions.

No individual can rightly or justly claim ownership to the great natural resources of the country given to all of us by our Creator. Neither should any individual or group of individuals be permitted to own and control the railroads, public utilities, and similar industries which so vitally affect all of the people of the country. We therefore have gone on record in favor of Government ownership of all natural resources and monopolies vested with a public interest.

It is our opinion that we can best develop American prosperity and promote international peace by avoiding all foreign entanglements and by enacting such legislation as will remove all profits from war.

The social, economic, and industrial development of the Nation has been such that no one State can, acting independently, adequately provide for the social and economic security of its citizens. It is therefore incumbent upon the Federal Government to provide an adequate system of sick benefits, unemployment insurance, and old-age assistance. Such systems must be sufficiently liberal to provide a decent standard of living for those who, through no fault of their own, are unable to provide for themselves.

We are firmly convinced that the preservation of our form of government demands the enactment of a legislative program embodying these progressive principles. We cherish our constitutional right to speak our views openly and freely and pledge ourselves to protect others in the fundamental right of freedom of speech and freedom of the press.

Since this group has been organized only one Member of Congress has had the temerity to unfavorably comment upon our action. It was unfortunate that this Member of Congress happened to be the chairman of the House patronage committee. His remarks contained veiled threats against the Democratic members of this group if they continued to function with this nonpartisan liberal group. Even this gentleman did not dare to publicly criticize the principles enunciated in our program. I am very happy to state, however, that his expressions were not concurred in by any of the recognized leaders in the House, and that the threat of losing the right to name postmasters did not prevent the Democratic members of this group from continuing to cooperate with the progressives of other parties in advancing the interests of liberal and progressive legislation.

We believe our statement of principles to be fundamentally sound, and we invite the cooperation of our fellow citizens, both in and out of Congress, to the end that real relief may be afforded the masses of our people and that the blessings bestowed upon us by our ancestors may be preserved for this and future generations.

THE CURTAILMENT OF GOVERNMENTAL EXPENDITURES, WITH PARTICULAR REFERENCE TO THE TENNESSEE VALLEY AUTHORITY

Mr. McLEAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a radio address made by myself yesterday afternoon.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. McLEAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by myself yesterday afternoon:

I am going to use the brief time allotted to me to suggest the necessity of giving some attention to our national debt, and how and when it is going to be paid.

I voted against the so-called "public works relief bill" appropriating $4,880,000,000 for the reason, among others, that I do not believe that such an inordinate amount of money should be appropriated without some coherent account of what it is to be used for. I favor and would vote for any measure appropriating money for necessary relief, but I cannot see the wisdom of a large building program which will be soon completed and leave us with the burden of maintenance. Other countries have experimented with a program of made work to relieve economic distress, recently and in times past, and have pronounced it a failure. In solving our difficulties we must not overlook the fact that borrowed money must be repaid and governments are no different than individuals who borrow. Our spending program has reached such proportions that it is time we began to think of retrenchment and a balanced Budget. We should make a survey of our situation and curtail expenditures wherever possible.

One place where money can be saved is by retrenchment of the expenditures being made in connection with the Tennessee Valley project, more familarly known to most of you as the Muscle Shoals development. Primarily, the purpose of this movement was to salvage an investment which the Government had in the Wilson Dam, started during the war and finished afterward for reasons difficult to understand. Some of us thought our first loss was our best loss, and voted against the project. In the spring of 1933, as a part of the so-called "recovery program", Congress passed an act appointing a commission of three men to be known as the "Tennessee Valley Authority", to improve the navigability and to provide for the flood control of the Tennessee River, to provide for reforestation and the proper use of marginal lands in the Tennessee Valley, to provide for the agricultural and industrial development of the said valley, to provide for national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama. It was planned to provide a yardstick for use in determining the cost of development of electrical power which would govern the price to be paid by consumers throughout the country, and to improve the quality of fertilizers, and develop cheap methods of production for the benefit of the farmers. I state all these matters because I want to be fair in my criticisms and give you the entire picture.

The gentlemen put in charge of this undertaking were Dr. Arthur E. Morgan, former president of Antioch College; Mr. Harcourt E. Morgan, president of the University of Tennessee; and Mr. David E. Lilienthal, a lawyer who had attracted attention by conducting proceedings against public-utility and telephone companies in Wisconsin.

The first appropriation made by Congress was $50,000,000. There was allotted from the emergency relief funds $25,000,000. The act under which they were incorporated authorized an issue of bonds for $50,000,000, and the Commission is now asking that this authorization to issue bonds be increased to $100,000,000. Their budget for the next fiscal year asks for $56,785,520. They received an allotment of $1,000,000 for one of their subsidiaries to finance the purchase by individuals of electrical equipment, and for the same purpose a credit of $10,000,000 has been set up by the Reconstruction Finance Corporation. For another subsidiary, to increase cooperation among the farmers, they have received an allotment of $300,000, making a total of $243,000,000, or, if we deduct certain of these items because they are not yet finally determined upon, such as the privilege of issuing $50,000,000 of bonds, the budget request for $56,785,520 for the next fiscal year, and the credit set up by the Reconstruction Finance Corporation, they will have had at their disposal more than $126,000,000 since June 1933.

This amount may not seem large when we talk in billions, but if continued for a number of years it will take a very large amount of public credit to carry the load. Other items will increase this amount considerably. For instance, 25 civilian conservation camps were set up in the Valley, and the 5,000 members were placed at the disposal of the Tennessee Valley Authority. There was a substantial amount spent by the Civil Works Administration. The expense of these civilian conservation camp and Civil Works Administration workers came from appropriations other than those for the Tennessee Valley Authority activity. They also spent $824,892.11 received from the sale of electric power. Approximately 12,000 people are employed in connection with this development. The Official Register of the United States shows that 250 of them require a pay roll of upward of $1,132,000 annually, or approximately $100,000 per month. This amount is confined solely to the executive staff and their assistants, who receive salaries ranging upward of $3,000 annually, and does not include the office force or construction gangs. It is apparent, therefore, that the monthly pay roll must be enormous.

Of course, if all the activities of the Tennessee Valley Authority—and I have mentioned only a few—were to produce sufficient money to carry them on, the picture would be different; but in their budget request they show anticipated revenue from sale of electric power for the fiscal year amounting to $2,208,000. Seventy-five percent of the fiscal year has already expired and since July 1, 1934, there has been realized only about $241,000. In other words, they are at least $2,000,000 short of the estimated revenue for the fiscal year and there will be a shortage in other items. Blame for this is based on contingencies which the Tennessee Valley Authority could have foreseen. Their plans call for a large construction program of additional dams for the purpose of creating electric power for which they have yet to find a market.

These gentlemen are now before Congress asking for more authority and more money to spend on the visionary program they have embarked upon. They construe their job to be not only the items enumerated above but they have read into the act and imply many other activities, including the regimentation and rehabilitation of every individual in the Tennessee Valley, as well as others who may become residents attracted by their utopian dreams.

They have built a town called "Norris", at a cost of upward of three and one-half million dollars, with 350 houses, farm plots, parks, recreation facilities, and all modern conveniences. These homes are occupied now by the families who are on the Government pay rolls building the Cove Creek Dam, but they tell the Committee on Military Affairs that when the dam is completed there will be only 20 men required for the operation of the dam and the power houses, and will be all that will remain in the town of Norris unless industries can be developed in the neigh-

borhood. They now have an agent going about the country in an effort, as board of trade secretaries say, to sell the town of Norris and the Tennessee Valley Authority development to industrialists. Thus does the Government enter into competition with the boards of trade of every progressive town in the country. Perhaps in the not far distant future a modern Goldsmith will be telling the story of the deserted village in the mountains of Tennessee.

They have embarked upon a program contrary to the spirit and intention of the law, the unfortunate effect of which will be to jeopardize every dollar invested in companies furnishing electric power in the Southeastern States. They have organized a corporation under the laws of the State of Delaware to encourage people to purchase electric appliances on the installment plan, one of the practices which experts say helped to bring on the depression. Their estimate is that $11,000,000 of Government funds will be used for this purpose. The Government must take the loss of all unpaid installments. In this matter they have flagrantly exceeded their authority because, had Congress intended that they should undertake such an enterprise, such authority would have been given them. Congress has the power to create corporations and designate their activities and exercise some control of expenditures, but Congress will find it difficult to control the activities of a Delaware corporation created by gentlemen who are themselves the creatures of Congress. This activity is wholly illegal and yet, if I understand their purpose correctly, they intend to further offend against the law by extending their activities throughout the country in competition with established manufacturing and financing companies.

So far as being useful in national defense the proposition is a subterfuge. It remains to be seen what benefits will result in navigation, flood control, fertilizer experiments, and other objectives. One thing is certain, they are expensive experiments for times like these. It is fair to say that all the money to which I have referred may not have been spent, but it has been made available and it will all be spent, and much more, if I understand Dr. Morgan's testimony before the Committee on Military Affairs and the attitude of himself and his associates.

My interest in this matter is because it has been repeatedly said by Directors of the Tennessee Valley Authority that the responsibility for their activities is with Congress, who intrusted them with this undertaking, and that how far they will go will depend upon the attitude of Congress. Therefore, Congressmen should know what their responsibility is, how much this project has cost, how much more it is going to cost, how much longer these large expenditures must continue, and the relation of it all to the public debt and the resulting burden of taxation on the whole American people.

The Tennessee Valley project is another proof of the error of Congress in delegating its powers. The control of policy is lost, yet the bills contracted are the obligations of the United States, which Congress must raise the money to pay, no matter how unwise the activities of other agencies may be; and the people of the country have a right to complain, and Congress must take the responsibility, if this abrogation of its prerogative and delegation of its authority result in disaster.

CALENDAR WEDNESDAY

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that business in order today, Calendar Wednesday, may be dispensed with.

Mr. CONNERY. Mr. Speaker, I am very sorry, but I shall have to object to that request. I think the committees should have their day.

COMMITTEE ON MILITARY AFFAIRS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may be authorized to sit during sessions of the House today, tomorrow, and the next day.

The committee is now having extended hearings on the Tennessee Valley Authority, and I am making this request by direction of the chairman and the Committee on Military Affairs.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, there has been quite a little comment in the House recently about this practice of committees sitting during sessions of the House. The practice has grown to such an extent that it may ultimately interfere with the conduct of the business of the House. Fundamentally, no committee is supposed to sit during sessions of the House, the idea being that the Members should be here on the floor. It has even been called to the attention of the Speaker that some committees are sitting afternoons for weeks, and especially one of our leading committees, without any authority whatsoever. Members on that committee have themselves complained that they were prevented from being on the floor to participate in debates in which they were interested. I have no personal interest in the matter, but the committees really ought to hold their hearings in the morning and not extend this practice so that there will be fewer Members in the House in the afternoon. The committees often conduct their afternoon hearings to accommodate outsiders who wish to testify.

Mr. THOMASON. May I say in reply to the gentleman that the Committee on Military Affairs has met almost every day for the last 2 or 3 weeks and has also met on Saturday afternoons, not only to hear important local witnesses but they have a number of witnesses who are here from a long distance, and the testimony of many of the witnesses has been very long. The committee is anxious to hasten this particular hearing as much as it can, and in asking me to come here to make the request, the chairman has announced that if any important legislation should come up on the floor of the House, the committee will promptly adjourn or recess and come here for the consideration of any important business.

Mr. SNELL. Mr. Speaker, further reserving the right to object, I think the suggestion made by the gentleman from New York, Mr. O'CONNOR, the Chairman of the Rules Committee, is absolutely correct. This practice has grown up more during the last session than any other session of recent years; and, eventually, if we let this go on, all of the Members will be engaged in committee hearings and there will be no one on the floor of the House. I think this is a matter that the majority is entirely responsible for, and the gentleman from New York should make the objection if he wants to carry out his suggestion.

Mr. BLANTON. Mr. Speaker, unless consent for a committee to sit during House sessions is granted by the House, as both the gentlemen well know, a point of order made in committee at any time will stop the committee session. Any Member can stop a committee from sitting during sessions of the House simply by making a point of order, unless special permission has been granted by the House for the committee to sit.

Mr. SNELL. I understand that; but the gentleman is asking for such special permission.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON]?

There was no objection.

NEW YORK CHAMBER OF COMMERCE

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, on Friday last, April 5, 1935, I received a letter, and doubtless every Member of the House also received a copy of the same letter, headed "New York Chamber of Commerce, 65 Liberty Street, New York, N. Y." I shall just quote a few of the paragraphs contained in the letter:

> In an address in 1839, Lincoln said: "Many free countries have lost their liberty, and our's may lose her's; but, if she does, be it my proudest plume not that I was the last to desert her, but that I never deserted her."

The letter continues—

> And we will not desert our country in this hour of her wreckage and degredation.
>
> Countries are wrecked, not by the people but by officeholders. When officeholders want to wreck a country or do vast injustice to the citizens they select some word to mislead the people; so it was with the inquisitors. The inquisition had men sawed asunder, drawn apart on the rack, burned at the stake, gouged their eyes out, and committed other horrible deeds; and as a cloak used the name of religion.
>
> So it was on March 4, 1933, when the Members of Congress began wrecking our country. In order to mislead the people as to what they were doing they used the word "emergency." Of course, no emergency existed at that time. There have been but two occasions in our country when an emergency existed; one was in the days prior to 1777, when the question arose whether our country should seek to be by itself and the other was at the time of the Civil War when the question was whether our country should be divided or not.
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> There is no limit to the harm that has come to our country by the legislative interference with the affairs of the people. The Members of Congress are continually saying they are going to take

people's money away from them. Throughout this country there are many thousands of cases where a man and his wife had saved money for their declining years, the man had died leaving the widow enough to live modestly and comfortably. They have taken the money away from these widows until now they are coming to want.

* * * * * * *

The Members of Congress deceive the people by making them believe that the business men make vast profits. The fact is that 95 out of every 100 men who go into business fail and the profits of the business of the country taken one year with another is barely 6 percent.

Then the Members of Congress are itching to get control of the industries and utilities of our country. One of the expressions they use to deceive the people into letting them get control of the industries and utilities is "Government ownership." Now, what the legislators call "Government ownership" means taking the industries and utilities out of the hands of men who have spent a lifetime in their upbuilding and turning them over to the control of their henchmen for the purpose of building up their political organization.

The framers of the Constitution planned to have the Members of Congress decide how the money for which they taxed the people should be spent. This was done up to March 4, 1933. Since March 4, 1933, the Members of Congress have shirked this duty, and have turned billions of dollars of the people's money over to the political accident in the White House for him to juggle with as suits his whims.

Mr. Speaker, the members of the New York Chamber of Commerce in the city of New York are some of our foremost citizens, leaders in industry, leaders in banking, leaders in welfare work, and I did not believe that this letter was published with the sanction of the officers of the New York Chamber of Commerce. So I addressed the following telegram to its President:

APRIL 5, 1935.

Mr. THOMAS I. PARKINSON,
President Equitable Life Insurance Co.,
New York City:

Received printed letter this morning with heading "New York Chamber of Commerce, 65 Liberty Street", of which you are president. Statements in it are false, scurrilous, un-American, and without foundation in fact. Please advise if you authorized its publication and distribution?

JOHN J. BOYLAN, M. C.

A few hours later I received this reply:

NEW YORK CITY, N. Y., *April 5, 1935.*

Hon. JOHN J. BOYLAN,
House of Representatives:

This leaflet has been sent out without the knowledge of the officers of the chamber. A proposal was recently made and placed before the executive committee that the chamber publish and distribute a series of leaflets setting forth fundamental principles of the Federal Constitution and our system of government. This proposal, however, was unanimously rejected by the executive committee. The publication and distribution of this leaflet is entirely without sanction of the chamber. The president and other officers deny any connection or responsibility for it. The use of the chamber's name is absolutely unauthorized.

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
CHARLES T. GWYNNE, *Executive Vice President.*

[Here the gavel fell.]

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the gentleman may have 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOYLAN. Now, I call the attention of the House to this letter and the telegrams on account of the high standing of the chamber of commerce, an organization that is over 100 years old in our State, and I know from acquaintanceship with its members that they would not permit or authorize a letter of this kind to be published or distributed.

Mr. CARPENTER. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. CARPENTER. The copy I received of the letter similar to the one that the gentleman has just read did not have any name signed to it. I think it is a reprehensible act to send out a letter of that kind without a name attached to it. I have great respect for the Chamber of Commerce of New York, and I thank the gentleman for his contribution.

Mr. BOYLAN. I called attention in my telegram to the president, Mr. Parkinson, who is a splendid man and president of the Equitable Life Insurance Co., that it was not signed.

Mr. COLDEN. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. COLDEN. The gentleman referred to the age of the New York Chamber of Commerce. Is it not a fact that the charter was granted during colonial days, by Cadwalader Colden, who was acting Governor of the Province of New York?

Mr. BOYLAN. I think that is correct.

Mr. DUFFY of New York. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. DUFFY of New York. I am glad to supplement the statement of my good friend the distinguished gentleman from New York [Mr. BOYLAN]. When I read the statement referred to I was astounded, for I could not believe that such a responsible and patriotic organization as I know the Chamber of Commerce of the State of New York to be, could sanction such an irresponsible and demagogic appeal. Then I notice that the statement was not signed and that the title at the top of the first page was not accurate, for there is no such organization as "the New York Chamber of Commerce." Further, the address, 65 Liberty Street, apparently was being used to convey the impression that the statement had the sanction and approval of the Chamber of Commerce of the State of New York.

Because of these circumstances, I wrote immediately to my friend, Charles T. Gwynne, its executive vice president, as follows:

The enclosed statement, dated March 30, 1935, was received in last night's mail. Although it is not signed, still the title at the top of the paper upon which the statement is printed attempts to cloak around the statement the sanction of the Chamber of Commerce of the State of New York. The language is so intemperate that I just cannot believe that it has the approval of your chamber.

The following day I received a reply from Mr. Gwynne's secretary, Mr. Gwynne being out of town, enclosing a denial, which has just been read by the gentleman from New York [Mr. BOYLAN]. Yesterday I received a letter from Mr. Gwynne, enclosing correspondence between Alonzo B. See, of Brooklyn, and Thomas I. Parkinson, president of the Chamber of Commerce of the State of New York. This correspondence indicates clearly that the 25,000 circulars were printed and mailed by Mr. See on his own responsibility.

It is just such irresponsible statements as these referred to that help to destroy confidence. Mr. See possibly would appreciate how destructive such statements are if it was a matter that concerned the relationship among the people within his own business organization.

May I ask Mr. See to turn to the Book of Leviticus and ponder on the words:

Thou shalt not be a detractor nor a whisperer among the people.

Mr. BOYLAN. I thank the gentleman for his contribution.

Mr. SABATH. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. SABATH. In view of the denial on the part of the chamber of commerce that it authorized the issuance of the letter, has the gentleman made an effort to find out who is the responsible party?

Mr. BOYLAN. The gentleman from New York [Mr. DUFFY] has just read a letter in which he says that Mr. See, of the Brooklyn Elevator Manufacturing Co., is the responsible person.

Mr. SABATH. He is the same Mr. See who furnished so many useless elevators for the buildings here.

Mr. BOYLAN. Yes; I believe he is the same individual.

Mr. SABATH. I think it is said that he furnished about $70,000 worth of useless elevators.

Mr. BOYLAN. Mr. Speaker, I thank the House for its indulgence. I thought this matter should be brought before you in order that our wonderful chamber of commerce in the city of New York, which has done so much good work during all the years toward the upbuilding of the city and its residents, should not be placed in a false light before the Members of this House and the American people. [Applause.]

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to proceed for 5 minutes. Is there objection?

Mr. CONNERY. Mr. Speaker, I reserve the right to object. In spite of the fact that my friend on various occasions has objected to my speaking, I shall not object.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, I certainly appreciate the courtesy extended to me by my colleague from Massachusetts [Mr. CONNERY].

I rise to call the attention of the House to the fact that I noticed in the newspapers this morning that appointment of conferees in the Senate in the future would be made by the Vice President of the United States, and that he would appoint those who are interested in trying to further bills sent here by the administration in order that they may pass. I also noticed in the newspapers this morning that the Speaker of the House had visited the White House to get orders on what kind of a rule we are going to have on the securities bill. It is really appropriate now for those in authority on the majority side of the House to get their orders from the President in the White House. I certainly appreciated the speeches that have been made by the President of the United States for social security and for things that are for the welfare of the people of the country. If we could appropriately and sensibly as well as soundly put those things into effect, I would be in favor of them because I am interested in seeing that every man, woman, and child may be happy and contented. I believe, however, that everybody should be employed and earn their happiness rather than to receive a Federal hand-out because I think everybody ought to work and at least 8 hours a day. I think if men can have all the money they want to spend and enjoy themselves to the fullest extent, that would be the kind of life many people would like, but I question the advisability of all play and no work. I was taught in my boyhood days that we had to work and that the only way we will ever have a satisfied and happy and contented people is by work.

Therefore, Mr. Speaker, I think many of the things advocated by the administration are dangerous, very, very dangerous to the welfare of the country. They are destroying initiative and confidence. And I tell you, my colleagues on the majority side now, that it is time for you to assume your authority and responsibility; it is time for you to decide on what kind of legislation is going to be passed in the House of Representatives, and, if you do not do it, the responsibility is on you; and that the President of the United States is going to lead you into trouble, if you do not watch out. He does not do as he promised the people he would do.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes.

Mr. RABAUT. How is it that the gentleman is giving us advice, when he has objections to our taking advice from the Chief Executive of the country?

Mr. RICH. I think you Democratic Members of Congress have at least some degree of intelligence, and I hope you will use that intelligence; but you do not display it in doing what the Chief Executive demands you to do, as is evidenced by the legislation passed since he became President.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent for time to answer the gentleman from Pennsylvania, if the gentleman is through——

Mr. RICH. But I am not through. I want to call attention now to some of the promises made by the Chief Executive at Chicago, when he said:

> I am for the Democratic platform, that admirable document; the platform which you have adopted is clear; I accept it 100 percent.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to my colleague, if he will give me more time.

Mr. COCHRAN. I will give the gentleman more time, if I can.

Mr. RICH. Then I yield.

Mr. COCHRAN. What condition does the gentleman feel the country is in at the present time?

Mr. RICH. I think the country today is in a very serious and dangerous condition and getting worse, not better. I think that we, as representatives of this country, should try in every way we possibly can to educate the people of the country to be self-supporting, to try to do those things that will help them maintain themselves, and support the Government, like our citizens before this generation, without having most everybody coming to the Federal Government asking relief. We must restore confidence in the individual.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the gentleman have 5 minutes more.

The SPEAKER. Is there objection?

Mr. DEEN. Mr. Speaker, I reserve the right to object. The gentleman objected to my request the other day to insert certain remarks in the RECORD.

Mr. RICH. We should not have anything in the RECORD but proceedings of House and Senate.

Mr. COCHRAN. Oh, I hope the gentleman will not object.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Did not the gentleman from Pennsylvania last night tell me that his corporation made more money in 1934 than it had ever made in its history? [Applause.]

Mr. RICH. I tell the gentleman——

Mr. COCHRAN. I have asked the gentleman a question.

Mr. RICH. And I shall answer that question.

Mr. COCHRAN. The gentleman can answer that with "yes" or "no."

Mr. RICH. No; I did not make such a statement. I made a statement that we manufactured more goods last year than we have in 104 years, but we did it in spite of the N. R. A. and not with the assistance of the N. R. A. That is what I told the gentleman.

Mr. BLANTON. Will the distinguished gentleman yield to me?

Mr. RICH. I yield to my colleague, the gentleman from Texas, whom I like and admire for many good qualities he possesses.

Mr. BLANTON. The gentleman said a moment ago that he thought the country is in a very dangerous condition right now. The gentleman means while he is speaking, does he not?

Mr. RICH. I made the same statement that was made to me by my colleague when we were walking through the tunnel the other day. He said, "We are in a dangerous position." That is the statement made by my colleague and friend from Texas [Mr. BLANTON]. So he thinks the same as I do. I want to assist in changing those conditions.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. RICH. I want to say some things now to the gentleman from Texas [Mr. BLANTON].

From 1789 to 1913, or in 124 years, this country expended $24,000,000,000. In 1934, 1935, and 1936 Mr. Roosevelt is asking for the expenditure of $24,000,000,000 of Federal funds. In looking at the Treasury statement issued on the first of this month, we find the Treasury is in debt $28,822,048,000.73. Add to that the $2,000,000,000 that we devalued the gold dollar last year, and which the Treasury charged off, we find that is about $31,000,000,000 now, the greatest debt we ever had. If we add the billions of dollars we are going to spend in the next 2 or 3 years, by Mr. Roosevelt, you are putting a mortgage on the children of this country that they will never be able to pay off. You will overburden them and wreck the country. You are not talking anything in the way of raising taxes today to meet this orgy of reckless, ruthless spending. You will swamp this country if you do not stop it. I tell you it is a serious situation. You ought to give every consideration to doing things in a business way.

Now, I am going to quote a statement that was made by Mr. Roosevelt at the Chicago convention, when he said:

I accept the Democratic platform 100 percent.

Just one word or two on taxes, the taxes that all of us pay toward the cost of government of all kinds.

Well, I know something of taxes. For 3 long years I have been going up and down this country preaching that government—Federal and State and local—costs too much. I shall not stop that preaching. As an immediate program of action we must abolish useless offices. We must eliminate actual functions of government—functions, in fact, that are not definitely essential to the continuance of government. We must merge, we must consolidate, subdivisions of government, and, like the private citizen, give up luxuries which we can no longer afford.

By our example at Washington itself, we shall have the opportunity of pointing the way of economy to local government, for let us remember well that out of every tax dollar in the average State in this Nation 40 cents enters the Treasury in Washington, D. C., 10 or 12 cents only go to the State capitals, and 48 cents out of every dollar are consumed by the costs of local government in counties and cities and towns.

I propose to you, my friends, and through you, that government of all kinds, big and little, be made solvent, and that the example be set by the President of the United States and his Cabinet.

Now, if there was ever a promise made to the people of the United States that is being betrayed, that is it. I want to tell you that he is not doing what he said he would do, and it is time that you Members of Congress wake up. If any private citizen made such a promise as the President made, and then do what he is now doing, what would you call it? [Applause.]

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to speak for 5 minutes to reply to the gentleman from Pennsylvania.

Mr. BLAND. Reserving the right to object—I am not going to object to this 5 minutes—but we have several bills on the calendar, and I am going to object to any further requests to address the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, as a successful country banker our distinguished friend from Pennsylvania [Mr. RICH] has no equal in the United States. As an educator and trustee of various colleges he is a remarkable success. In handling the finances and conducting the affairs of his local water company, and various manufacturing plants, he has an outstanding record of accomplishment. In fraternal matters he has climbed the topmost rungs of the ladder. From his remarks here today one who did not know him well would imagine that he knew absolutely nothing whatever about legislative matters and the proper procedure to stop unwise and unsalutary amendments that could wreck needed and sound legislation.

The people of the United States have absolute confidence in their President. They know that he is honest. They know that he is sincere. They know that he deeply sympathizes with them in all of their present problems. They know that he is earnestly working to solve all of the ills that now beset them. They realize that connected with the expenditure of all large sums of public money there is always, unfortunately, waste, extravagance, and possibly graft. That is because he must have and rely upon many helpers, and all of them are not always dependable. Some of them are not always loyal to the President.

But the people all realize that the President is doing everything that it is humanely possible for one man to do in their behalf.

The gentleman from Pennsylvania criticizes the administrative leaders of the House for considering the advisability of bringing in a proper rule under which to debate and pass the security bill. The gentleman would not have any rule. He would have it wide open on the floor, to all kinds of unwise and destructive amendments, when he knows that for almost 2 solid months there have been numerous persons appearing before the Ways and Means Committee advocating the passage of the Townsend plan that would pay out to every person in the United States over 60 years of age $200 a month, that would require this Government to raise $24,000,000,000 annually to pay it, which would wreck and bankrupt this Government, so that it could not pay the aged one single dollar. He would have it wide open when he knows that there would be proposals made to take property away from some people and give it to others so that it would not be necessary for people to work any more.

He knows that last year, from every form of taxation, income taxes, inheritance taxes, gift taxes, nuisance taxes, all taxes on liquors and tobacco, the 2-cent extra postage, the 2-cent tax on bank checks—from every source, last year this Government was able to collect revenues totaling only $3,700,000,000. All of the governments on earth put together could not raise this extra $24,000,000,000 a year needed to pay old-age pensions of $200 per month to every person over 60 years of age.

Mr. RICH. I think that is just what the gentleman said it was, a crazy bill. I think the membership of this House have too much intelligence to put through a bum bill like that.

Mr. BLANTON. Yet there is now a demagogue making speeches all over my district, to meetings of the advocates of this Townsend plan, leading them to believe that it is feasible, just, and right, when he knows that it is not possible, and that he is just fooling them.

The gentleman from Pennsylvania says it is a crazy bill, yet he knows, or he ought to know, that if there were not a rule, if there were not some orderly procedure on that security bill, there would be numerous amendments offered on this floor to put in just such impossible proposals to kill the bill, which would wreck the Government financially and put it into bankruptcy if they were passed. If you want to consider unwise and impossible amendments like that, the Government would not be able to pay a 5-cent piece in old-age pensions to anyone in the United States. I am in favor of this old-age pension provided in this bill and which the Government can pay, and I wish that it could be larger.

Mr. RICH. I agree with the gentleman. That Townsend bill would be a crazy bill to enact into law.

Mr. BLANTON. I thought he would agree with me, yet he wants to open up the securities bill to every kind of unwise proposition in the world, which might kill the bill or wreck the Government.

Mr. CONNERY. Will the gentleman yield?

Mr. BLANTON. In just a moment, if I have time, I will yield to my friend. I want to see the administrative officials of this House take steps to protect this security bill so we may pass it through the House in a proper form, in the form that our eminent and able Committee on Ways and Means, which has been studying it for 3 months, brings it in here.

Mr. BULWINKLE. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. BULWINKLE. If the Membership of this House would put the Townsend bill on in Committee of the Whole, then why would they not vote down a rule which would not permit amendments?

Mr. BLANTON. Why, of course, they would. But they are not in the majority here and they will not pass any such bill.

Mr. BULWINKLE. Then what is the use fooling with a rule? [Applause.]

Mr. BLANTON. The House could not pass the rule if a majority of the House do not want the rule; but they will pass it if they want it. If the majority of the Members want orderly procedure that will cut out all of these unwise propositions, they will pass some rule. That is what they ought to do, in my judgment.

Mr. KELLER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. KELLER. The gentleman is not answering the gentleman from Pennsylvania [Mr. RICH]. I wanted to hear that answer.

Mr. BLANTON. I have answered him to his satisfaction. He agrees now with everything I said.

Mr. RICH. I agree with the gentleman from Texas; I think he is absolutely right on the old-age-pension bill for $200 a month, and I think he agrees with me in the foolish

expenditure of Government money, which the taxpayers some day must pay. And when that day does come, there will be weeping and wailing and gnashing of teeth.

THE SOCIAL-SECURITY BILL

Mr. KNUTSON asked and was given permission to revise and extend his remarks.

Mr. KNUTSON. Mr. Speaker, the social-security bill will probably come before the House for consideration within a few days. Title I, the section having to do with old-age pensions, contemplates setting up a dual contributory system whereby the Government will match the State dollar for dollar up to $15 per month for each pensioner.

After having given much study to this set-up I am firmly convinced that it would work a great injustice in a number of States that are bankrupt or nearly so. I attach herewith table no. 2, taken from the majority report on the social-security bill, which enumerates the States now having an old-age-pension system. It will be noted from this table that two of these States are in default in the payment of the pension.

In this connection I desire to call particular attention to the situation in North Dakota where a yearly pension calling for $150 was settled in the sum of $3.96 for the year 1934. No doubt there are other States in the same financial condition as North Dakota and West Virginia, and in such States the pension plan of the administration could not be made operative. Therefore, the plan is discriminatory and not workable.

I trust that the membership of this body will give this phase of the old-age-pension proposal of the administration most serious consideration before the measure is taken up for consideration by the House.

Operation of old-age-pension laws of the United States, 1934

State	Type of law	Number of pensioners	Number of eligible age, 1930	Percentage of pensioners to number of eligible age	Average pension	Yearly cost
Alaska	Mandatory	446	3,437	11.1	$20.82	$95,705
Arizona	do	1,974	9,118	21.6	9.01	200,927
California	do	19,300	210,379	9.2	21.16	3,502,000
Colorado	do	8,705	61,787	14.1	8.59	172,481
Delaware	do	1,610	16,678	9.7	9.79	188,740
Hawaii	Optional	(1)	(1)	(1)	(1)	(1)
Idaho	Mandatory	1,275	22,310	5.7	8.85	114,521
Indiana	do	23,418	138,426	16.9	6.13	1,254,169
Iowa	do	3,000	184,239	1.6	13.50	475,500
Kentucky	Optional	(2)	(2)	(2)	(2)	(2)
Maine	Mandatory	(3)	(3)	(3)	(3)	(3)
Maryland	Optional	141	92,972	.2	29.90	50,217
Massachusetts	Mandatory	20,023	156,590	12.8	24.35	5,411,723
Michigan	do	2,660	148,853	1.8	9.59	306,096
Minnesota	Optional	2,655	94,401	2.8	13.20	420,536
Montana	do	1,781	14,377	12.4	7.28	155,525
Nebraska	Mandatory	(4)	(4)	(4)	(4)	(4)
Nevada	Optional	23	4,814	.5	15.00	3,320
New Hampshire	Mandatory	1,423	25,714	5.5	19.06	298,722
New Jersey	do	10,560	112,594	9.4	12.72	1,375,693
New York	do	51,228	373,878	13.7	22.16	13,592,080
North Dakota	do	(5)	(5)	(5)	(5)	(5)
Ohio	do	24,000	414,836	5.8	13.99	3,000,000
Oregon	do	(6)	(6)	(6)	(6)	(6)
Pennsylvania	do	(7)	(7)	(7)	(7)	(7)
Utah	do	930	22,665	4.1	8.56	95,599
Washington	do	2,239	101,503	2.2	(1)	(1)
West Virginia	Optional	(5)	(5)	(5)	(5)	(5)
Wisconsin	do	1,969	112,112	1.8	16.75	395,707
Wyoming	Mandatory	643	8,707	7.4	10.79	83,231
Total		180,003	2,330,390	7.7	16.48	31,192,492

[1] No information available or not computed.
[2] Not in operation.
[3] Not yet in effect.
[4] Not much being done due to lack of funds.
[5] No pensions being paid now.
[6] Administered by counties; no information available for State.
[7] Law just being put into effect.

Source: Data collected by the Committee on Economic Security.

PRESENCE OF A QUORUM

Mr. HESS. Mr. Speaker, inasmuch as there is very important legislation to come before the House today, I think the Members should be present. I make the point of order, therefore, that there is not a quorum present.

The SPEAKER. The Chair will count.

Mr. RANKIN (interrupting the count). Mr. Speaker, I move that the House do now adjourn, and on that I demand tellers.

Mr. BLAND. Mr. Speaker, I hope the gentleman from Ohio will not insist upon his point of order.

Mr. RANKIN. If the gentleman from Ohio insists on his point of no quorum, I will insist upon my motion.

Mr. HESS. Mr. Speaker, I insist upon my point of no quorum.

The SPEAKER. One hundred and sixty-five Members are present, not a quorum.

Mr. RANKIN. Mr. Speaker, I move that the House do now adjourn, and on that I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. HESS and Mr. RANKIN.

The House divided; and the tellers reported that there were—ayes 15, noes 123.

So the House refused to adjourn.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 53]

Allen	Cummings	Higgins, Mass.	Sanders, La.
Bankhead	Darden	Jenckes, Ind.	Seger
Bell	Dempsey	Kennedy, N. Y.	Shanley
Berlin	DeRouen	Lambertson	Shannon
Biermann	Doutrich	Lamneck	Sisson
Brooks	Driver	Marshall	Smith, Conn.
Buckbee, Ill.	Dunn, Miss.	Meeks	Stewart
Buckley, N. Y.	Farley	Montague	Sweeney
Cannon, Wis.	Fish	Norton	Thomas
Carter	Gambrill	Oliver	Underwood
Casey	Goldsborough	Perkins	West
Chapman	Griswold	Peyser	Wood
Crosby	Hartley	Rayburn	Zimmerman
Crowe	Higgins, Conn.	Reece	

The SPEAKER. Three hundred and seventy-six Members have answered to their names, a quorum.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

CORRECTION

Mr. HOFFMAN. Mr. Speaker, yesterday's RECORD shows that I was paired against the McSwain bill upon final passage. That pair was correct, but had I known that certain amendments had been agreed to, I would have voted for the bill upon final passage had I been present.

INCOME-TAX PUBLICITY

Mr. DOUGHTON, from the Committee on Ways and Means, presented a conference report on the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income for printing under the rule.

THE CIVILIAN CONSERVATION CORPS HAS PROVED ITS WORTH

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks upon the subject of the Civilian Conservation Corps program and to include therein certain editorial comments.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, the President of the United States has indicated that the C. C. C. would have its personnel increased to approximately twice the present size and in so doing he reflected the wide-spread approval of this new-deal conservation program which has brought about worth-while results during its 2 years of existence.

The opposition press has been critical of the administration's program in most of its phases, but editorial comment indicates clearly that the continuation and enlargement of the C. C. C. meets approval from a partisan press. To quote from an editorial in the Washington Star:

The C. C. C. camps have been a godsend to hundreds of thousands of young men. They have provided a livelihood. They have developed the men physically and built up their morale. But that is not all. The wages paid the workers of the Civilian Conservation Corps have gone in great part to care for the members of the families of these men. And beyond all the benefit to the men themselves and their families, the work which has been done

has been of real value to the country. The corps has been of great benefit to the men themselves. It has taken thousands of them off the streets and put them to work; given them a chance to be self-respecting citizens. It has given thousands of young men of the cities a chance to learn something about the country. When to all this is added the support which these men have been able to give their dependents, and the benefit of the conservation work to the whole country, the advantages of the C. C. C. far outweigh the cost.

Reading the headlines in the Washington Post of a few days ago we find the following:

C. C. C. is solving two of Nation's great problems; it is saving America's forests and its young men.

In the article we find:

As the C. C. C. starts on its third year of operation and talk goes around about the possibility of making it a permanent activity of the Government it is interesting to examine its results from all angles. Generally speaking, it has more than fulfilled the hopes of some of its most sanguine advocates.

In the Washington News of April 9 there is an editorial entitled "Better Men, Better Land", which is quoted, in part, as follows:

Few new-deal agencies have proved as successful as the Civilian Conservation Corps. Few are as well prepared to go forward in our recovery program. Few are as certain to become permanent in our Government structure.

With general public approval and a fresh congressional appropriation of $600,000,000, the C. C. C. starts its third year with plans to increase its enrollment immediately from an average of 340,000 to 600,000 and to expand its useful work in conserving soil, forests, and wildlife.

In 2 years more than a million young men have found jobs in the C. C. C. From their basic pay of $30 a month they have sent home an average of $25, contributing directly to the support of approximately 3,000,000 persons, most of whom otherwise would have been dependent upon doles.

The number of incendiary fires in national parks and forests has been reduced by half, millions of dollars' worth of valuable timber has been saved, great forests for the future have been insured by new plantings, killing of wild game in public preserves has practically ceased. Besides policing and reconstructing public lands, the C. C. C. has helped launch vast soil-erosion control demonstrations, and has started work designed to save the western plains country from the dust menace.

The C. C. C. is conserving human as well as natural resources. Young men, green, underfed, and untrained, are rescued from street-corner idleness and placed in camps, where they get the benefits of discipline, good food, medical care, and vocational and liberal courses of education. They are learning to use their hands and their brains and helping to rebuild the country for theirs and future generations.

As expressed in the foregoing editorial, real benefits are coming to the young men who are working in these camps, and the following article from the Washington Herald shows this to be true.

YOUTH THANKS C. C. C. FOR WORK

Leland Winchester is one youth who some day may say, "I owe it all to the Civilian Conservation Corps."

Winchester recently got a job as a result of his C. C. C. experience. He voiced his gratitude in a letter to John R. White, superintendent of Sequoia National Park. White forwarded the letter to Robert Fechner, director of Emergency Conservation Work. He wrote:

"I am now working on the San Gabriel Dam, getting $7 a day doing the same work as I did while in the C. C. C. The work is very hard and very dangerous in comparison to that I did while in camp.

"Had I not had the training I received there I would have been unable to have had this opportunity. I am writing each of my foremen who were in our camp to thank them personally for their patience and kindness toward teaching me the work and to thank the officers of the C. C. C. camp."

Winchester is a native of Hollywood, Calif.

There are few men in the present administration who are more hard working, earnest, or capable than Robert Fechner, who has successfully directed for its first 2 years the far-reaching program of the C. C. C. He and his associates are beginning now to whip plans into shape looking toward 600,000 enrollees being placed by July 1.

I have personally visited many of the C. C. C. camps in my State. I have talked to members of the supervisory staffs and to hundreds of the boys themselves. I have seen the concrete results of their labors, and I feel certain that the coming 2 years will find this program meeting with even more wide-spread approval than it did during its initial trial.

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by Mr. N. K. Carnes, district manager of the Central Cooperative Association, of South St. Paul, Minn., on the subject of the marketing of livestock.

Mr. TABER. Mr. Speaker, the man referred to is not a Member of the House.

Mr. RYAN. I may say to the gentleman from New York that this is a matter on which the Department of Agriculture has recently reported, and it is of great importance. It is believed that the report of the Department was incorrect, and this address gives the true situation.

Mr. TABER. That is beyond the rules. I object, Mr. Speaker.

MOTOR VEHICLE FINANCIAL RESPONSIBILITY

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, S. 408, to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes, insist upon the House amendments, and agree to the conference asked by the Senate.

Mr. BLAND. Mr. Speaker, reserving the right to object, will this take any debate? Is it anything more than agreeing to a conference asked by the Senate?

Mr. PALMISANO. That is all.

The SPEAKER. Is there objection to the request of the gentleman from Maryland? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PALMISANO, PATMAN, and DIRKSEN.

COMMITTEE ON RULES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

Mr. MONAGHAN. Mr. Speaker, reserving the right to object, may I ask the gentleman from New York what the nature of the rule under consideration is?

Mr. O'CONNOR. It relates to the social-security bill.

Mr. MONAGHAN. May I ask further what the nature of the rule is; that is, what the gentleman thinks it will be?

Mr. O'CONNOR. The Rules Committee has never considered it and is hearing the Ways and Means Committee this afternoon. Then the Rules Committee, with its accustomed deliberation, will arrive at the form of the rule.

Mr. MONAGHAN. I read in the newspapers that the committee has been conferring at length on it, and I should like to have some light on the subject.

Mr. O'CONNOR. I cannot predict what will happen.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. TRUAX. I hope the distinguished Chairman of the Rules Committee will not bring out a gag rule and attempt to force it down the throats of the Members.

Mr. MONAGHAN. Mr. Speaker, the social-security legislation is no doubt the most important legislation that we shall consider at this session of Congress.

The regular order was demanded.

Mr. MONAGHAN. I believe it should be considered under an open rule and without assurance to that effect I am constrained to object.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

COAST GUARD STATION, CAPE COD CANAL, MASS.

Mr. BLAND (when the Committee on Merchant Marine and Fisheries was called). Mr. Speaker, I call up the bill (H. R. 2015) for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass., and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to designate the present Manomet Point Auxiliary Boathouse, at the eastern entrance to the Cape Cod Canal, Mass., as a Coast Guard station.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Secretary of the Treasury be, and he is hereby, authorized to establish a Coast Guard station at the eastern entrance to the Cape Cod Canal, Mass., in lieu of the present Manomet Point Auxiliary Boathouse."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST GUARD STATION AT SEA ISLAND BEACH, GA.

Mr. BLAND. Mr. Speaker, I call up the bill (H. R. 3975) to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to establish a Coast Guard station on the coast of Georgia, at or near Sea Island Beach, at such point as the Commandant of the Coast Guard may recommend.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST GUARD STATION NEAR HOG ISLAND, VA.

Mr. BLAND. Mr. Speaker, I call up the bill (H. R. 65) to provide for the establishment of a Coast Guard station on the coast of Virginia, at or near the north end of Hog Island, Northampton County, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to establish a Coast Guard station on the coast of Virginia, at or near the north end of Hog Island, Northampton County, at such point as the Commandant of the Coast Guard may recommend.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCHANGE OF PORTION OF NAVAL STATION AND LIGHTHOUSE RESERVATION AT KEY WEST, FLA.

Mr. BLAND. Mr. Speaker, I call up the bill (H. R. 7132) to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla., and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to transfer to the Secretary of Commerce buildings nos. 1 and 39, coal sheds nos. 29 and 29X, store shed no. 29A, and coal wharf A, together with the lands under and around these structures, including a strip 13 feet in width along the south side of building no. 1, containing, in all, an area of approximately 113,000 square feet.

SEC. 2. The Secretary of Commerce is hereby authorized and directed to transfer to the Secretary of the Navy in exchange for the land and buildings referred to in section 1 hereof the old post-office building with land under and surrounding it and extending west to the road on the quay wall. The area to be transferred is approximately 51,000 square feet.

SEC. 3. The boundaries of the foregoing premises are to be in accordance with plat identified as drawing no. 643, office of superintendent of lighthouses, seventh district, Key West, Fla., dated July 1, 1932, on which plat the areas are shown in colors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

AMENDING SHIP MORTGAGE ACT, 1920

Mr. BLAND. Mr. Speaker, I call up the bill (H. R. 7205) to amend the Ship Mortgage Act, 1920, otherwise known as "section 30" of the Merchant Marine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons.

The SPEAKER pro tempore (Mr. MCCORMACK). This bill is on the Union Calendar. The House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7205, with Mr. EDMISTON in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 30, subsection D, subdivision (a), of the act of June 5, 1920, known as the "Ship Mortgage Act, 1920", be amended by striking out the words "of 200 gross tons and upwards", and adding immediately following the words "vessel of the United States" the following: "(other than towboat, barge, scow, lighter, car float, canal boat, or tank vessel, of less than 200 gross tons)", and as so amended be reenacted so as to read as follows:

"A valid mortgage which, at the time it is made, includes the whole of any vessel of the United States (other than a towboat, barge, scow, lighter, car float, canal boat, or tank vessel, of less than 200 gross tons), shall, in addition, have, in respect to such vessel and as of the date of the compliance with all the provisions of this subdivision, the preferred status given by the provisions of subsection M, if—

"(1) The mortgage is endorsed upon the vessel's documents in accordance with the provisions of this section;

"(2) The mortgage is recorded as provided in subsection C, together with the time and date when the mortgage is so endorsed;

"(3) An affidavit is filed with the record of such mortgage to the effect that the mortgage is made in good faith and without any design to hinder, delay, or defraud any existing or future creditor of the mortgagor or any lienor of the mortgaged vessel;

"(4) The mortgage does not stipulate that the mortgagee waives the preferred status thereof; and

"(5) The mortgagee is a citizen of the United States."

The CHAIRMAN. Under the Calendar Wednesday rule the gentleman from Virginia [Mr. BLAND] is entitled to 1 hour and the gentleman from New Jersey [Mr. LEHLBACH], is entitled to 1 hour.

Mr. BLAND. Mr. Chairman, I yield such time as he may desire, not to exceed one-half hour, to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, during the last session of the Seventy-third Congress various delegations of fishermen representing the Atlantic and Pacific coasts, the Great Lakes, and the Gulf of Mexico, appeared before the Merchant Marine and Fisheries Committee pleading, imploring, and beseeching us to help them in this their great tragic hour of depression. These hardy farmers of the sea, who for decades and generations past have been the sturdy pioneers of our Republic, were in dire and terrible financial straits. Storms, winds, hurricanes, and blizzards had destroyed their nets, seines, tackle, and gears, as well as their fishing boats. They were the victims of penury, hunger, and want. The meager resources that their arduous labor had enabled them to save in the past had now all been eaten up. They had nothing left to hypothecate. Their credit was exhausted. They did not know where to turn for relief and assistance. Others had lost their money in banks and financial institutions. Because of the pitiful cry of their dependent children they were compelled, much against their will, to accept the munificence of our Nation through the medium of relief. These hardy fishermen who had always been self-supporting and self-respecting Americans are now the gross victims of our economic depression, unable to secure any relief from private banks or any organization or institution that might come to their aid. In addition to these contributory factors that I have just enumerated that broke their morale, the price of fish that Japan has been dumping into our country has demoralized the great fishing industry of our Nation. These unfortunate fishermen have been unable to repair their vessels, fix their nets, and reequip their boats as the conditions of the time require. To help and

assist these humble citizens of our coastline to carry on their business, the House and Senate last year passed a bill enabling the Government to loan $2,000,000 to these sturdy fishermen to carry them through this frightful economic debacle. The President vetoed the bill because he thought the Reconstruction Finance Corporation had enough funds to loan these fishermen and utilize their gear, nets, and boats as adequate collateral security. Unfortunately, the Reconstruction Finance Corporation found that the Shipping Act of 1920, amended and reenacted in 1928, did not permit them to loan money on ships that were under 200 tons.

It only allowed these benefits to be enjoyed by the owners of vessels in the United States of more than 200 gross tons. To overcome this limitation I was requested by Commissioner Frederic H. Taber, one of the most lovable, gracious, and humane members of the Reconstruction Finance Corporation, to introduce the bill now under discussion before the membership of this House, which would give the same rights, privileges, and prerogatives to ships under 200 tons that ships above that tonnage now enjoy. The bill now under discussion, according to the sentiments expressed to me by that distinguished representative of New England in the Reconstruction Finance Corporation, Mr. Taber, will bring the desired relief to the fishermen of our country.

The only change suggested by our bill from the old Ship Mortgage Act is the deletion and elimination of "200 gross tons and upward", so that the bill will apply to any vessel of more than 5 tons, which would adequately safeguard the interests of any fisherman who is desirous of securing a loan, using his fishing boat as ample security and giving reasonable assurance that the loan will be repaid to the Government.

This bill, when considered before the Merchant Marine and Fisheries Committee, was passed unanimously. It met with only one objector, and that was the New York Tow Boat Association. They were afraid that liens for towing that they might have against boats under 200 tons would have to be subordinated to governmental loans, which would be a great injustice to them. The old Ship Mortgage Act, which has been upon our statute books for 15 years, gave priority rights to liens for salvage, seamen's wages, stevedore bills, and tort claims. They had preferential consideration over a Government mortgage. This same principle will now apply to ships under 200 tons. However, to please the New York Tow Boat Association, we accepted an amendment of theirs which eliminated from consideration in this bill towboats, barges, scows, lighters, floats, canal boats, or tank vessels of less than 200 gross tons. This amendment satisfied everyone, and the bill has had no opposition from any other group or organization.

Mr. Chairman, if we pass this bill of mine, with this additional amendment, we will be bringing happiness into the hearts of fishing men of our country and contentment in the minds of members of the Reconstruction Finance Corporation, who are ready to assist these humble and deserving citizens of our Republic. Through the Reconstruction Finance Corporation we have been lending money to railroads, life-insurance companies, banks, and business and commercial enterprises of every conceivable nature. Through the Agricultural Adjustment Administration we have come to the rescue of the farmers of our Nation who have been caressing the bosom of nature to bring forth products that are necessary to sustain human life. Through the passage of this legislation we will be heeding the pitiful cry of the farmers of the sea—sturdy, honorable men and women who have been working in the most hazardous enterprise known to mankind, the raging sea with all its ramifications. Let us heed their cry. Let us tell these fishermen, the lineal descendants of our sturdy pioneers who helped to found this Nation, that we will never forget their offspring. Let us do justice to this inarticulate group, who want no charity, who seek no relief, who desire no dole, but plead for the opportunity to have the Reconstruction Finance Corporation lend them money against their fishing boats with the reasonable assurance to our Government that as honorable men they will repay it in time. They have a right to appeal to us for this humane assistance. Justice demands that we heed their call and grant their request. [Applause.]

Mr. Chairman, I would be remiss in my duty as a Member of this House if I failed to pay the tribute of my homage and respect to the distinguished chairman of our committee, Judge BLAND, of Virginia, and the other members of our committee, who have cooperated with me in every way to make it possible to secure adequate consideration of this measure that will enable the fishermen of our Nation to secure the same consideration in their hour of need that has been granted to every other agricultural, industrial, commercial, and financial institution in our country that sought assistance from it. [Applause.]

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. DONDERO. As I understand, the provisions of the bill do not apply exclusively to the fishermen on either the Atlantic or Pacific coasts, but would include fishermen on the Great Lakes as well?

Mr. SIROVICH. Everywhere.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. ZIONCHECK. Is it not particularly desirable that this legislation be passed now because of the great demand for fish on account of the condition in the drought area and the decrease in the production of meats, like pork and beef? It is anticipated that prices will go up and this will give the fishermen an opportunity to make a living in their industry.

Mr. SIROVICH. Not only make a living, but it will save money for the Government by taking them off the relief roll and giving them work. These men not only want to be self-supporting, but the only way they can retain their self-respect is by having the money to reequip themselves and buy the mechanical devices that will enable them to go out as fishermen should.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. FLETCHER. Has there been an estimate of the total amount of loans required?

Mr. SIROVICH. From the statements that have been made by the Reconstruction Finance Corporation and those who have appeared before us, it will not take more than $1,000,000, or $2,000,000 at the most.

Mr. Chairman, I thank the members of the Committee, and yield back the balance of my time.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, I simply wish to endorse what the gentleman from New York [Mr. SIROVICH] has so well said. Under existing law vessels of the fisherman type, which average about 60 to 80 tons burden, are incapable of procuring any loan, because under the present law it is impossible to get a prior lien.

The gentleman from Washington [Mr. ZIONCHECK] has just stated that fish will play a most important part in the national diet from now on. This, in my judgment, by reason of some of the procedure of the A. A. A.

Mr. ZIONCHECK. If the gentleman will yield, I made no such statement. It is caused by the drought.

Mr. CULKIN. I did not ascribe it to my friend—I made it on my own responsibility; but what he said was true—from whatever cause, the matter of an adequate fish diet for the American people becomes of the first importance.

This is a step in that direction and will give relief to a group of men who to my mind are the hardest worked men in America at the present time. They face stress of weather in the summer and the winter, and get small returns for their efforts. This law will establish their status and enable them to make necessary loans. In my judgment it is extremely sound legislation and has the support of the members of the Committee on Merchant Marine on this side of the House.

Mr. Chairman, I yield back the balance of my time.

Mr. LEHLBACH. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. ANDREW].

Mr. ANDREW of Massachusetts. Mr. Chairman and members of the committee. The reasons for this measure have been very simply and clearly and appealingly stated by the author of the bill, Dr. SIROVICH, of New York.

I want to say, coming from a fishing town, Gloucester, Mass., that this bill, although it sounds very technical, involves a very human proposal, and means a great deal to the life and welfare of the fishing population in that community.

We have passed a great many measures during the depression for the relief of one and another group in this country, particularly those who till the soil, but no measure has been passed in the interest of these people who till the sea in winter and summer amid great hardships, with little or no reward, and heavily burdened with debts.

We have appropriated billions of dollars in the way of relief, but as yet not a dollar has gone for the relief of the fisherman. Last year, in the "loans to industry" act, special provision was made for loans by the Reconstruction Finance Corporation to the fishing industry which might be used to finance the production, storage, processing, packing, and orderly marketing of fish. But as yet not a single dollar has been loaned in aid of the fishermen. The reason is that under this loans to industry act adequate security is, as is natural, required for these loans, and the fishermen had no such security to offer. They have no inventories, such as other industries have, to give as security. The fish may or may not be caught and when caught deteriorate very rapidly. Of course, that does not offer adequate security for a loan. They have no pay roll because most of the fishing is carried on upon a share-the-profit basis. Virtually the only thing that they could offer for security was their vessels and equipment, and here they encountered a curious legal obstacle.

It appeared that for some reason which no one today recalls, when the Merchant Marine Act was passed 15 years ago, provision was made for the validating of mortgages only on vessels of 200 tons and upward. No one knows why an arbitrary discrimination was made between vessels of 200 tons and upward upon which mortgages could be placed, and vessels of lesser tonnage on which mortgages could not be placed. So the Reconstruction Finance Corporation, unable to obtain a mortgage on those small vessels, yet desiring to help the fishing industry if it could, evolved the principles of this bill which Dr. SIROVICH has introduced in the House and has spoken so eloquently for today. It proposes a very small change in the Ship Mortgage Act, providing for the validation of mortgages on vessels of less than 200 tons. If the bill is passed, the Reconstruction Finance Corporation has stated that they would be able to make loans upon these smaller vessels which they have not hitherto been able to do. The owners of those vessels that sail from my town of Gloucester, which until a few years ago was the leading fishing town in the world, are in very straitened circumstances at the present time. They are unable to obtain loans from the banks and unable to obtain assistance from the Government during this period of hard times. So they have not been able to repair their ships. They have not in many cases been able to take out insurance, which is very expensive, in view of the hazards of the sea. They have not been able to buy new nets. The nets which they use in catching fish have grown smaller and smaller as they have been used, and mended, and reused with the passage of the years. There are many ships there tied up at the docks unable to go on with their business. There are literally hundreds and hundreds of families without a livelihood. It seems to me that the Membership of this House should be very glad to make this slight change in the law, which would bring assistance to these people and would help to keep alive an industry which is so appealing to our imagination, with its risks and its hardships, and which at best yields but little return to the people who follow its hazardous course. With its passage we hope that they will be able to get loans and support from the banks in the towns from which they come and go and from the great Reconstruction Finance Corporation in Washington. [Applause.]

Mr. BLAND. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. DELANEY] and ask unanimous consent that he be permitted to speak out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DELANEY. Mr. Chairman, last Monday the whole world was shocked by the news of the death of Adolph S. Ochs, the owner and editor of the New York Times. The best evidence of the high esteem in which he was held by everyone who knew him, either personally or through the New York Times, is the very many expressions of regret that have been voiced by every important personage and newspaper throughout the world.

While I did not know Mr. Ochs personally, still the columns of the New York Times have so well indicated the high standard he established that I feel we must all concede that he was a man of great sincerity, earnestness, and ability. Of course, it is beyond the power of my words to express in an adequate manner just to what extent Mr. Ochs was loved and admired by all those with whom he came in contact, but I probably could not better illustrate his slant on life than to read to you the answer he gave to Mr. Will Durant when the latter asked him his opinion of life and how it should be lived. The letter reads as follows:

NEW YORK, *October 22, 1931.*

DEAR MR. DURANT: * * * You ask me what meaning life has for me, what help, if any, religion gives me, what keeps me going, what are the sources of my inspiration and my energy, what is the goal or motive force of my toil, where I find my consolation and my happiness, where in the last resort my treasure lies.

To make myself clearly understood, if I were able to do so, would take more time and thought than I can give the matter now. Suffice it for me to say that I inherited good health and sound moral principles; I found pleasure in work that came to my hand and in doing it conscientiously; I found joy and satisfaction in being helpful to my parents and others, and in thus making my life worth while found happiness and consolation. My Jewish home life and religion gave me a spiritual uplift and a sense of responsibility to my subconscious better self, which I think is the God within me, the unknowable, the inexplicable. This makes me believe I am more than an animal and that this life cannot be the end of our spiritual nature.

Yours faithfully,

ADOLPH S. OCHS.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial on the work he so well accomplished.

The CHAIRMAN. Is there objection?

There was no objection.

The editorial is as follows:

[From the New York Times of Apr. 9, 1935]

ADOLPH S. OCHS

The story of Adolph S. Ochs is one of a career which, in poverty and wealth, in obscurity and eminence, was all of one piece. The qualities that his employers and associates noted when he began his newspaper career as office boy and printer's devil in Knoxville, Tenn., were the qualities he manifested throughout his life. The principles he announced and put into practice when at the age of 20 he took charge of a bankrupt small-town newspaper were the principles he announced and put into practice 18 years later when he took charge of the bankrupt New York Times and carried it to influence and prosperity. He knew how to publish; he believed in publishing only one single kind of paper; and his great achievement was the proof that the publishing of that kind of paper—"clean, dignified, trustworthy, and impartial", as he phrased it in his announcement in the Times on August 18, 1896—was practically possible; was not an exercise in altruism, but could be made economically as well as ethically successful.

That he made it successful was due no doubt to native ability, to a mind which, strong in its grasp of organization, also was unusually intuitional and in flashes of inspiration covered in an instant ground that slow-thinking men might labor over for months; but also very largely to the fact that he learned the newspaper business from the ground up, was in it all his life, and never wasted his time or his ambitions on outside enterprises or on the political aspirations that have proved a curse to so many other newspaper makers (not least to his predecessor, Henry J. Raymond, founder of the New York Times). The poverty of his parents cut short his formal schooling; but, as he told the National Editorial Association in its convention of 1916, the printing office was his high school and university; and something of

the impress of the old-time printing shop and of that unique and salty breed, the old-school printers, stayed with him all his life.

PRINCIPLES LEARNED AT HOME

But the principles were his before he learned how to put them into practice; he learned them at home. He was born in Cincinnati March 12, 1858, eldest of the six children of Julius and Bertha Levy Ochs. Both his parents belonged to the group of German liberals and intellectuals who had been driven from home by the repressive measures of autocratic governments against which the revolution of 1848 was an ineffectual protest. Julius Ochs, born in Furth, Bavaria, in 1826, came to the United States at the age of 18, possessor of an excellent education and fluent in six languages—German, French, English, Spanish, Italian, and Hebrew. He taught languages in various southern schools, a career only briefly interrupted by his volunteering for the Mexican War, as his regiment was never called into active service. In Natchez, in 1853, he met Miss Levy, and they were married in Nashville 2 years later. Adolph Ochs' mother, born in Rhenish, Bavaria, of a family with distinguished connections in France and Alsace, had had to leave Germany in haste in 1848 to escape arrest for her connection with revolutionary committees. She traveled by sailing ship to New Orleans, where an uncle lived. The influence of this brilliant and cultured woman on her son was immense and lasting. At the age of 70 his telegram of congratulation to Alfred E. Smith on his nomination to the Presidency took this characteristic form:

"Every good mother's son is inspired and encouraged by this well-earned climax to an extraordinary career."

Until she moved to Cincinnati after her marriage, Mrs. Ochs' American residence had been in the South; her sympathies were with the South in the Civil War that presently broke out, and her brother served in the Confederate Army. Julius Ochs, however, despite his southern connections and his residence in Kentucky and Tennessee, was a Union man; he enlisted in an Ohio regiment in 1861 and served throughout the war, rising to the rank of captain. The division in politics did not affect the harmony of the family; but when Captain Ochs died in Chattanooga in 1888, the Grand Army of the Republic was prominent at his funeral; when his wife died in New York in 1910, a similar part was played by the Daughters of the Confederacy.

FAMILY MOVES TO KNOXVILLE

After the war Captain Ochs found himself in the position of a good many demobilized soldiers; he had to start again from the beginning. With his growing family he moved to Knoxville, Tenn., a town that had been somewhat battered in the war, but seemed to have bright prospects for future growth. That expectation was justified; but Julius Ochs, scholar and idealist, lacked the talent for material success that would have enabled him to share in the town's prosperity. He served as justice of the peace and United States commissioner, and later for a short time as probate judge; his continuing enthusiasm for clean and progressive politics, in an age when such ideas had fallen out of favor, carried him as a delegate to the Liberal Republican convention which nominated Greeley in Cincinnati in 1872. Active in lodge work, he was universally popular and respected; deeply pious and a student of the religious writings of the Hebrew faith, he served his unorganized coreligionists in Knoxville as what one of his Tennessee friends later called "a first-class emergency rabbi." But his material fortunes did not prosper, and his sons grew up in the realization that as soon as possible they must begin to contribute to the family income.

Adolph, the oldest boy, went to work at the age of 11 as office boy to Capt. William Rule, editor of the Knoxville Chronicle. This Republican paper, successor of Parson Brownlow's Knoxville Whig of pre-war days, never succeeded in winning its newest employee to its politics; Adolph Ochs grew up in sympathy with the conservative Democrats of the reconstruction period. But Captain Rule became one of the determining influences of his life and inspired a loyalty and affection that were enduring. Fifty-two years later, when all Knoxville declared a holiday to celebrate the eighty-second birthday of Captain Rule—then, and until his death in his ninetieth year, still in active service as an editor—the publisher of the New York Times was a sort of secondary guest of honor; and Captain Rule recalled that "he swept my sanctum and cleaned up the papers and trash so methodically that he was promoted to delivery boy", getting up long before dawn to deposit the Chronicle on the doorsteps of subscribers for $1.50 a week.

After a year or so of this the family decided that the boy might have a better chance in a larger city, so he was sent to Providence, R. I., where his mother's two brothers had a grocery in which he worked as cash boy. But the next year he was back in Knoxville, working in a local drug store, where (tradition has it) he lost his job some 6 months later by selling a customer borax in mistake for sal soda. Early in 1872 he returned to the Chronicle, this time as "printer's devil"—the old-time printer's term for the boy who did the odd jobs and dirty work about the composing room; and this established him in the newspaper business, where he was to remain for the rest of his life.

KEEN IN QUEST OF KNOWLEDGE

In the chaotic conditions of a town recovering from the Civil War through the handicaps of reconstruction it would be hard to say whether a boy worked outside of school hours or went to school outside of working hours. Adolph Ochs had got the beginnings of his school education at Bradford's Hampden-Sidney Academy, a Knoxville day school, and during his next 3 years in the Chronicle composing room he attended classes when he could in the preparatory department of the East Tennessee University (now the University of Tennessee), where he impressed his teachers, as he impressed his employers, with his diligence and quickness. The few years he actually spent in a schoolroom might not have amounted to much, however, had it not been for what he learned outside; as an office boy, a carrier, a grocery or drug-store clerk, he was always asking questions—an acquaintance of those days described him as "a human interrogation point"; and the deficiencies of his formal education were compensated by the advantages of a cultured home and the private tuition of a scholarly father.

There remained the printing office, his high school and university, as he later described it; but the thorough grounding in the newspaper business which he got in the Knoxville Chronicle shop came to him largely by accident. When the 13-year-old boy became a printer's devil he still had no idea of making the newspaper business his life work; he went after the job because he needed the money and was hired because his services as office boy and carrier had impressed the editor of the Chronicle with his trustworthiness. Now, it happened that the printer's devil had to work at night and that his duties were finished earlier than those of the journeyman printers, who were the aristocracy of the composing room. He had to go home alone, and the way home, along unpaved poorly lighted streets, led past the graveyard of the First Presbyterian Church. A boy of 13 who had grown up in a town where there were plenty of superstitious residents, both white and colored, might be excused for sometimes forgetting the information he had no doubt received at home; that a graveyard was nothing to be afraid of. He hated to go home alone in the dark; and because the foreman of the composing room, Henry C. Collins, lived near him, little Adolph Ochs used to stay in the shop after his own day's work was over till Mr. Collins had finished and could walk home with him.

Staying in the shop, he had to occupy his time, and the natural way to do it was by learning more about the printing trade than would come the way even of an alert and observant printer's devil during his ordinary and well-filled working hours. He learned and he learned fast; and in later years the proprietor of the New York Times was not ashamed to admit that what really made a newspaper man of him was the need of company when he walked past the graveyard late at night. Half a century later, when Mr. Ochs returned to Knoxville for the Rule celebration, he and Mr. Collins went over that route again. Most of the landmarks had vanished, but the friendship that sprang up in the composing room still endured.

Those years as devil and later as apprentice were busy ones for young Adolph Ochs; learning his trade in the printing office, going to school as he found opportunity, and acting as usher, with his younger brothers, George and Milton, in Mayor Peter Staub's Opera House, where traveling companies played the Two Orphans, Monte Cristo, and Hazel Kirke, and ushers picked up a little extra money by selling candy between the acts.

STARTS OUT IN WIDER FIELD

And so it went till October 1875, when Adolph Ochs, 17 years old, decided to go out and see what he could do in a larger field. There is a tradition that he had some idea of settling, eventually, in California, but his immediate objective was Louisville; and the letters of recommendation that he took with him when he left his home town were considered more than perfunctory discharges of obligation; they were curiously prophetic. Captain Rule, the editor of the Chronicle, wrote that he had found him "honest, zealous, reliable, and trustworthy * * * quick to comprehend and faithful to execute", and "endowed with an intellect capable of reaching the highest point of mental achievement." Collins, his foreman, said that "He is to a foreman what money is to a miser—a necessity, hard to part with." His associates in the composing room presented him with a volume of Hood's poems—he kept it all his life—with an inscription on the flyleaf over all their signatures expressing the hope that "some day we shall be able to note you among the Nation's honored sons." And Mayor Staub, losing a valuable usher from his opera house, chose to speak in his civic rather than his private capacity: "For the mayor of any city such a loss as your departure, my young and worthy friend, is quite serious."

Armed with these testimonials the young printer went to Louisville and found work in the job-printing department of the Courier Journal. But 6 months later he was back in Knoxville; and as Edward H. Edwards, a printer who worked with him there, has put it, "If there ever was a turning point in the life of Adolph S. Ochs it was when, having gone out from his father's roof to seek his fortune, he so sorely felt the loss of family ties and the personal contact of those near and dear to him that he was impelled to return home." Ambition as well as homesickness was a motive, however; a new paper, the Tribune, had just been established in Knoxville, and it offered perhaps a better opportunity to a boy who was indeed trusted and admired by his old employers on the Chronicle, but might never have lived down the fact that he started at the very bottom, might never have seemed to them any more than Adolph, the office boy grown up.

ATTRACTED BY CHATTANOOGA

His year and a half on the Tribune gave him a more varied experience. He worked at first in the composing room, then as a reporter, and was presently made assistant to the business manager, Franc M. Paul—a rehearsal in each of the three departments

of newspaper making which he was soon to find invaluable. For already his ambitions, and those of some of his associates on the Tribune, were looking southward to Chattanooga. The strategic importance of this city, so great in the military operations of the Civil War, had not yet been appreciated commercially; the center of a number of railroads, with rich mineral deposits lying in the mountains roundabout, Chattanooga had only some 12,000 people and was still in spirit a small town. Yet there were a few persons, including Adolph Ochs, who realized its possibilities; and this town of promise was served by only a single newspaper, the Times, an organ miserably inadequate from every point of view which was living from hand to mouth. Young Ochs and Col. J. E. MacGowan, an editorial writer on the Knoxville Tribune, were planning to establish a new paper in competition with the Chattanooga Times when they discovered that their colleague Franc Paul had anticipated them and started the Chattanooga Dispatch, to which he brought them both in the fall of 1877, Colonel MacGowan as editor and Adolph Ochs as advertising solicitor.

But the Chattanooga Times, feeble as it was, refused to fold up in the face of competition. The outcome has been succinctly described by William M. Stone, a Chattanooga printer, who was afterward for many years on Mr. Och's staff:

"In less than 6 months the Dispatch, despite Paul's planting and Adolph's watering, proved a hopeless failure. But this, unfortunate as it seemed at the time, proved a great blessing to Chattanooga, as it left Adolph so poor that he could not leave town."

Paul went back to Knoxville, Colonel MacGown stayed in Chattanooga and got another job, and Adolph Ochs was made receiver of the Dispatch, and eventually managed to liquidate its debts. But meanwhile he had to eat; and discovering that Chattanooga had no city directory, he set to work on this his first publication. He himself did all the work on it but the binding; he got the information, wrote it, set it up in type, read the proof, and printed it on a hand press. And this directory had two consequences besides the urgent and immediate one of enabling its publisher to eat—it gave him a comprehensive and thorough acquaintance with all the population and all the business of Chattanooga, and it awakened the citizens to the realization that their town had possibilities that they had overlooked, but which were plain to the eyes of an observant (and hungry) young immigrant from Knoxville.

TAKES OVER THE LOCAL TIMES

The directory not only made Ochs acquainted with Chattanooga but made Chattanooga acquainted with Ochs. The Times had been able to outlast the competition of the Dispatch; but it was about ready to give up the ghost, and its editor offered to sell it to Mr. Ochs for $800, provided he would assume the paper's debts, amounting to $1,500 more. The young man from Knoxville would have been glad to accept the offer, but for one insuperable difficulty: he did not have $800. Indeed, he had almost nothing; but he had made acquaintances and established his personal standing in Chattanooga, and after further negotiations he discovered that he could borrow $250. With that borrowed $250 he bought a half interest in the Chattanooga Times, stipulating that his half should carry with it the control of the paper; he assumed the paper's $1,500 debt in addition to the $250 he had borrowed to buy it; and with his own private fortune of $37.50 as working capital he became publisher of the Chattanooga Times on July 2, 1878.

The salutary of the new publisher announced the theme around which his whole life was to be woven. The Times intended to become "the indispensable organ of the business, commercial and productive, of Chattanooga and of the mineral and agricultural districts" surrounding the town; it would get all the news it could at home and abroad (the earlier Times had had no telegraph news at all), and would support conservative Democratic principles while reserving independence in State politics, "being cognizant of the need of and the strongly expressed desire for such a newspaper in Chattanooga as the above outline indicates the Times to be, we have taken the people at their word and shall give them a chance to support that which they have been asking for."

But, it was added, "in this matter of patronage we shall make no appeals, but rely upon that sense of propriety and justice which must teach every intelligent citizen that the obligation between himself and the paper is a mutual one, ours to print and circulate such a journal as we have described, his to see that he contributes his share, in proportion to the benefits such a paper confers on him as a citizen, the means to sustain it and promote its growth. * * * In short, we shall conduct our business on business principles, neither seeking nor giving sops and donations."

TASK A FORMIDABLE ONE

Chattanooga knew what this meant. The Chattanooga Times before Mr. Ochs' day had, in the words of Henry M. Wiltse, "dragged itself from pillar to post and had to lean heavily against the one or the other whenever it desired to cast shadow or take a long breath." It was a failing not uncommon in the small-town journalism of the seventies, a precarious trade whose practitioners, unless they were unusually able or unusually lucky, were likely to find that they could keep afloat only by giving sops to local interests, or by accepting donations of one sort or another which were rarely disinterested.

The young man who had turned his back on this sort of thing, who had announced that he would give Chattanooga what he thought it needed and would accept from it only what he thought he had earned, had nothing behind him but his abilities and his knowledge of his trade. He had been a resident of the town for less than a year; despite the mustache which he then wore to give himself an air of maturity, he could hardly conceal from his fellow-citizens that he was not yet old enough to vote. He had a newspaper plant fit for hardly anything but the junk heap, publishing a four-page paper with a circulation of 250; he owed $1,750, and his working capital amounted to just about 2 percent of his debts. Yet from that slender beginning came not only the Chattanooga Times, but the New York Times of today.

Colonel MacGowan, another immigrant from Knoxville left behind after the collapse of the Dispatch, was hired to serve as editor of the Times in such time as he could spare from his other job, at a salary of a dollar a day. There was one reporter and a business office staff of one; five men in the composing room, besides a foreman who also acted as proofreader and pressman; and the proprietor and publisher, besides being general editorial supervisor, was also business manager and advertising solicitor. The pay roll even of this modest force, even in those times, was somewhat over $100 a week, without allowing any compensation for the publisher; and the problem of meeting the pay roll in the first year was often an acute one. But it was always met, and met without any compromise with the principles announced by the new publisher in his first issue. His first year with the Chattanooga Times was perhaps the hardest, certainly the most critical, in Mr. Ochs' whole career; but the end of the year saw him on the road to success.

PROFITS PUT INTO BUSINESS

His total receipts that year were $12,000; but his expenses were only $10,000, including $900 withdrawn for his own living, and the profit was plowed back into the business. From the first he had given the Times the telegraph service of the old Western Associated Press; this was expanded as rapidly as possible, and Colonel MacGowan was soon engaged as full-time editor, a post he held until his death 25 years later. When it became apparent that the new venture was going to be successful the publisher brought his family down from Knoxville, and his brothers, George and Milton, presently took their turn as reporters on the Times, thus beginning newspaper careers that were later to bring distinction to both. Two years after he had bought the control of the Times Mr. Ochs was able to buy the other half interest in the paper that had been beyond his reach in 1878. At that time he could have bought it for $400, or probably even less; by 1880 he had to pay $5,500 for it, every cent of the increment in value being the result of his own success with the paper.

The newspaper which was thus succeeding was fulfilling its promise of impartiality and disinterestedness. To L. G. Walker, on his appointment as editor of the Chattanooga Times years later, Mr. Ochs said: "Your only policy is to have no policy—no policy; that is, except to be right." It was on that principle that the Times was conducted from the very first, in a day when newspapers, especially in the smaller cities, were far more likely to be affected by outside influence than they are at present; and it was that same principle that Mr. Ochs later put into practice in New York. But it never meant a weak policy or an absence of policy. It meant independence and a sense of civic duty. The Chattanooga paper prospered and the town prospered with it. In the language of William M. Stone, Mr. Ochs "took the dirty, poverty-stricken village by the nape of the neck and by sheer force of magnetic optimism and courageous enterprise lifted it to where it is today." One of his own contributions to the upbuilding of the city was the erection, in 1892, of the substantial building of the Chattanooga Times.

Captain Rule years before had noted that his young employee was not only honest but zealous; and it was that zeal that Chattanooga was feeling now—the zeal of a young man who had picked out a town that he thought had a future, and was resolved to make that future a pleasant reality. There was no civic improvement of those years in Chattanooga that the Times did not promote—indeed, often it started them—the opera house, the firemen's fountain, the dredging of a channel in the Tennessee River. More important, perhaps, was the Chickamauga National Park, of which Mr. Ochs was one of the originators, and which served to get him started in the park movement which was to prove one of the great interests of his life.

HIS ONLY PUBLIC OFFICE

It was, perhaps, this zeal for promotion of his home town that led him to accept the only public office he ever held in his life—membership on the Chattanooga school board in 1884 and 1885.

Mr. Och's leadership in the boosting of his home town had a number of consequences, one of which was not altogether pleasant. Chattanooga was flourishing, largely because of the vigorous work of the Times; and in 1888 the town paid the inevitable penalty of a real-estate boom. The publisher of the Times later admitted that he ran wild like everybody else and bought up a lot of land which for years afterward ate its head off in taxes; but the boom turned out to be only an anticipation of values that were really there, and ultimately Mr. Ochs lost no money by this demonstration of his faith in Chattanooga.

Another byproduct of Mr. Ochs' civic leadership had more agreeable and, as it turned out, more fruitful consequences. By common consent the publisher of the Times, young, affable, and abundantly enthusiastic, was accepted as the unofficial reception and entertainment committee for distinguished visitors to the town. He was the better able to discharge this function since he had been married in Cincinnati on February 28, 1883, to Miss Effie Miriam Wise, daughter of the Reverend Dr. Isaac M. Wise, founder of the Hebrew Union College and the Union of American Hebrew Congregations. Marriage brought him not only an invaluable helpmate but a brilliant connection. In the early days when the whole Ochs family was collaborating in getting out the Chattanooga

Times, Mrs. Ochs did her part as book reviewer and dramatic critic, besides presiding over the household, at which eminent visitors to Chattanooga were entertained. To this union was born some years later a daughter, Iphigene Bertha, who was married in 1917 to Arthur Hays Sulzberger.

All sorts of people passed through Chattanooga in the later eighties and earlier nineties, and the publisher of the Times met most of them. There was President Cleveland; there were Governors, Senators, bankers, bishops, and railroad presidents. A young Republican editor from Ohio named Warren G. Harding came to town on his honeymoon, and confessed to the publisher of the Times that he wasn't satisfied with his prospects back home and had some idea of starting a Republican paper in Chattanooga. This notion was promptly dropped when Mr. Ochs pointed out to him that the only Republicans in Chattanooga were colored people, few of whom in those days could read.

CASUAL REMARK PROPHETIC

Another caller, in 1890, was Harry Alloway, a Wall Street reporter for the New York Times, who was writing a series of articles on the industrial development of the South, to whom Mr. Ochs remarked casually that he thought the Times, then in the beginnings of decay, offered the greatest opportunity in American journalism. This remark was forgotten by the young publisher; but Harry Alloway remembered it, and the rehabilitation of the New York Times was the fruit of that passing comment.

The outcome of all this entertainment of distinguished visitors, unintended but inevitable, was that the publisher of the Chattanooga Times was acquiring a national acquaintance far larger than falls to most small-city publishers, and the time was at hand when he would find it useful. In his trade, too, he was becoming widely and favorably known. Invited to address the meeting of the National Editorial Association at St. Paul in 1891, he put his finger on the great change American journalism was undergoing at the time and foretold the tendency of the future. Through the mid-nineteenth century the great papers had been essentially political and essentially personal; they were the platforms on which great editors could display their personal brilliance, and the news columns were usually as biased and argumentative as the editorial page. But Mr. Ochs told the assembled editors at St. Paul: "The day of the organ, if not past, is rapidly passing. A journal conducted as a newspaper (with the emphasis on the news) is the newspaper of the future."

Many newspapers of the South, the Chattanooga Times included, were at that time getting their telegraph news from the old Associated Press, an Illinois corporation composed chiefly of middle western newspapers, with the New York World as its principal eastern member. In opposition, the other New York papers were maintaining, at heavy cost, the old United Press. Southern papers were not altogether satisfied with the service they were getting, and in 1891 Mr. Ochs, as secretary of the Southern Press Association, called a meeting which organized the Southern Associated Press, of which he became general manager and later chairman of the executive committee. But the division of newspaper territory among three competing organizations did not prove successful. In 1894 the majority of southern papers threw in their lot with the United Press. Mr. Ochs thought that the western organization had a better prospect of surviving the struggle than the eastern; the Chattanooga Times went into the Associated Press; and the connections there formed were presently to prove of immense value to its publisher and to the greater enterprise which he was about to undertake, as well as the Associated Press itself.

HIS FIRST CALL TO NEW YORK

Early in 1896 Mr. Ochs received a telegram from a friend in New York—Leopold Wallace, a lawyer—informing him that "the opportunity of your life lies before you." To an ambitious young man of 38 who had already explored and realized on about all the opportunities that were offered in Chattanooga the information was too alluring to be overlooked; Mr. Ochs went to New York to see what it was all about.

The reality was disillusioning. This great opportunity was only the business managership of the New York Mercury, a small paper, dealing chiefly in theatrical and sporting news, which a group of politicians who favored free silver were planning to buy in order to give New York a silver newspaper in the Presidential campaign of 1896, in which it was already evident that the currency issue would play a large part. Mr. Ochs, however, was a believer in the gold standard, which the Chattanooga Times was valiantly supporting, even though the majority of southern Democrats had abandoned it. With the management of a silver paper, in New York or elsewhere, he would have nothing to do; but when the silver group presently gave up its plan to buy the Mercury the owner of that paper, anxious to get rid of it before it died on his hands, offered to sell it to Mr. Ochs direct.

This was rather more of a temptation. Mr. Ochs believed that in New York at the time there was an opening for a compact paper devoting itself strictly to the presentation of news and selling at 1 cent, a price then represented in New York only by the flamboyant "yellow" papers of the time, the World and the Journal. The paper he envisioned was very much the sort of thing that another ambitious young man, Alfred Harmsworth, was just then beginning to publish in London; and it was Mr. Ochs' notion that the Mercury could be developed into what he had in mind. But all depended on the Mercury continuing to receive, as it was then receiving, the service of the United Press; and when he found that its owner could give him no assurance of that, Mr. Ochs returned to Chattanooga.

Hardly had he reached home before he had a telegram—on his thirty-eighth birthday, as it happened—from that Harry Alloway, of the New York Times, to whom he had remarked 6 years before that the Times offered the greatest opportunity in American journalism. Since 1890 the Times had sadly declined, there was talk of an imminent reorganization, and Alloway—purely on his own account, and without any authority—wired to Mr. Ochs that if he were interested in the Times it could probably be bought cheap. In Mr. Ochs' early years in New York rumor kept insisting that he had been brought to town by various personages, from President Cleveland on down, to rehabilitate the Times; but the fact is that the only man who "brought him to town" was the Times reporter who wanted to see the paper set on its feet and believed that the Chattanooga publisher had the ability to do it.

At the moment Mr. Ochs did not take the idea very seriously; but it happened that the next day business took him to Chicago. There, at lunch, he mentioned the matter to his friend Herman Kohlsaat, publisher of the Chicago Times-Herald, who exclaimed, "Ochs, there's your opportunity." "But," Mr. Ochs protested, "I don't believe I'm a big enough man for the job." This argument failed to impress Mr. Kohlsaat. "Don't tell anybody," he advised, "and they'll never find it out."

BECOMES INTERESTED IN THE TIMES

Thus encouraged, Mr. Ochs went to New York and began to investigate the situation, which was to prove not only his opportunity, but the Times', too.

George Jones, who had joined with Henry J. Raymond in founding the New York Times in 1851 and had conducted it since Raymond's death, had died in 1891. The antiquated organism, which he knew how to operate, his children were unable to conduct successfully, and within 2 years of his death his heirs were prepared to save themselves further losses by selling the Times to anybody who would pay the price. As it turned out, only one purchaser was willing to pay the $1,000,000 they asked for nothing but the paper's name and good will—a company hastily organized by the editors of the paper, with all the money they had themselves and all they could get from their friends, to prevent an institution of great and honorable tradition from falling into unworthy hands. The company thus established, under the presidency of Charles R. Miller, editor of the Times since 1883, never had a fair chance to get started. Almost at once the panic of 1893 struck a paper which had no working capital, and the only marvel is that the organization managed to keep going for 3 years longer.

By the spring of 1896 the circulation of the Times had dwindled to 9,000 (the paper was printing 19,000 copies a day, but more than one-half of them were coming back unsold); it had outstanding obligations of $300,000, and was losing $1,000 a day. Mr. Miller, a brilliant scholar, thinker and stylist, but no business man, who would never have tried to be anything but an editor except under the pressure of necessity, had endeavored to interest other New York editors and newspaper managers in the rescue of the Times, but these men who were on the spot, who knew all the details of the situation, were of the unanimous opinion that it could not be done. A plan of reorganization—involving, of course, the raising of more money to be thrown into what began to look like a bottomless pit—was being formulated by Charles R. Flint and Spencer Trask, already heavily involved in the Times Co.; but it was generally recognized that what the plan needed was a man to work it, and every man in New York who might have been supposed to see in the Times the opportunity of his life had declared the thing was impossible.

A MOMENTOUS INTERVIEW

In this situation the young publisher from Chattanooga came to town, and through Alloway arranged an interview with the editor and president of the Times. Mr. Miller, hard driven and worried, had so little hope of finding a solution for his troubles in this encounter that he arranged for a meeting at his home and decided to squeeze it in between dinner and a trip to the theater on which he had promised to take his wife and children to forget the troubles that the Times had brought down on their heads. But it needed only a few minutes to make it clear to the editor that, as Fraser Bond puts it in his life of Miller, this small-town newspaperman had forgotten more about the business than most metropolitan executives ever knew. Theater time arrived and Mr. Miller told his family to go on, that he would join them later. But he never did join them; they came home after the play to find him still deep in discussion with Mr. Ochs; and when the two men parted after midnight, Mr. Miller was convinced that the Times had found the man.

Meeting Mr. Flint and Mr. Trask the next day, Mr. Ochs impressed them so favorably that he was invited to join their syndicate. He was compelled to decline, for their plan would have required him to invest more money than he had or would have cared to try to borrow. Mr. Flint then proposed that if the plan were carried out, Mr. Ochs should become the manager of the paper. He mentioned a salary of $50,000 a year—a staggering amount for a man from Chattanooga. But Mr. Ochs had decided that he could not rescue the Times unless he owned and controlled it. The Flint-Trask project thereupon collapsed, and another group of stockholders came forward with a proposal to consolidate the Times with the Recorder, another daily newspaper then also in difficulties and which went out of existence the same year. But Mr. Miller and his associate editor, Edward Cary, felt sure that Mr. Ochs could save the paper as an independent publication if he only had a little time. They therefore obtained

the appointment of a receiver, who kept the Times going while Mr. Ochs worked out his own plan, obtained the approval of stockholders and creditors, and raised the needed funds.

TAKES OVER THE TIMES

Now at last his service as greeter and entertainer of distinguished visitors to Chattanooga bore fruit. An unknown young man from a small city, however sound his plans and heartening his enthusiasm, might have had some trouble persuading wary creditors that he could do what all the newspaper executives in New York had pronounced impossible. But, headed by a letter from President Cleveland, the Chatanooga publisher was able to produce a mass of recommendations from men whose names meant something in New York. President Cleveland's letter, in his own handwriting, said of Mr. Ochs:

"* * * In your management of the Chattanooga Times you have demonstrated such a faithful adherence to Democratic principles and have so bravely supported the ideas and policies which tend to the safety of our country as well as our party, that I should be glad to see you in a large sphere of usefulness."

With such references behind him, and with the soundness of his own ideas to prove that the testimonials were not perfunctory, Mr. Ochs managed to gain acceptance of his own plan for the reorganization of the Times, which was transferred to him on August 18, 1896.

The new plan was briefly this: The New York Times Co. was organized with 10,000 shares of capital stock and a bond issue of $500,000. Two thousand shares of stock were exchanged for the shares of the old company on a 1-for-5 basis; holders of the old company's notes received in exchange bonds of the new company, dollar for dollar, and $200,000 worth of bonds were sold at par to provide working capital. (The new publisher discovered when he took charge that the paper had about $100,000 worth of unfunded obligations, so half of that working capital was eaten up before Mr. Ochs got started.) As a needed incentive, each purchaser of a thousand-dollar bond got 15 shares of stock with it; and Mr. Ochs himself, with all the money he had and all he could borrow—most of it was borrowed—bought $75,000 worth of bonds, carrying with them 1,125 shares of stock. Of the rest of the stock, 3,876 shares, just enough to make an absolute majority, were put into escrow, to be delivered to the publisher whenever the paper had paid its way for 3 consecutive years. His control, however, was to be absolute from the first.

This, of course, was a gigantic gamble; but it was a gamble in which nobody but the purchasers of bonds for cash stood to lose anything which was not hopelessly lost already; and of these bonds the new publisher had bought nearly half. The rest were purchased mainly by capitalists who considered them a good if speculative investment, but would not have been seriously discommoded if the venture had failed. Almost the only man who stood to lose much, in other words, was Adolph S. Ochs. He had mortgaged his achievements of the past and his prospects of the future; but if he won, everybody else would win with him.

COMPETES WITH YELLOW PRESS

At the moment it seemed almost incredible that he could win; he had bought the Times with $75,000 and his abilities, but all he had bought was a great name (of late somewhat shopworn) and a deficit. Dominating New York journalism of the period were the Herald, the World, and the (morning) Journal, now the American; the former with an excellent and costly foreign service which the Times could not hope to rival for years, the latter two wildly sensational, according to the ideas of that day, with immense circulations built up at a price of 1 cent, while the other morning papers, the Times included, sold for 3 cents.

It is evident in retrospect, as it was clear to Mr. Ochs at the time, that to have imitated any of these successful competitors would have been suicidal; but he would not have done it anyway. There was only one sort of paper that he knew how to or cared to publish, the sort of paper the Chattanooga Times had been ever since he took it over, and the sort of paper the New York Times had been in the best days of Raymond and Jones. His salutatory announcement on August 19, 1896 (published in full elsewhere in this issue), promised "to conduct a high-standard newspaper, clean, dignified, and trustworthy", for "thoughtful, pure-minded people." Impartial news was promised and the opening of a forum for opinion, and the continuation of the editorial policies which the paper had previously advocated, with Mr. Miller still in the editor's chair. Despite the prosperity of the "yellows" Mr. Ochs believed that there was still a public for the sort of paper the Times had been in its best days, and he meant to seek that public out.

His influence was instantly apparent in the news columns of the Times, which in the late unhappy days had made room for items that were free publicity rather than news, and had injected some editorial bias into news reporting, which the new publisher promptly stopped. Columns of dull matter left in from mere tradition were dropped from the paper, and the policy of printing news for "thoughtful, pure-minded people" was emphasized as against the sensationalism of the World and the Journal, by the adoption on October 25, 1896, of the motto "All the News That's Fit to Print", which the Times carries to this day. This definition of the Times' purpose was Mr. Ochs' own; it has been much criticized, but the criticisms deal usually with the phraseology rather than with its practical interpretation, and the phraseology was simply an emphatic announcement that the Times was not and would not be what the nineties called a "yellow newspaper." In place of the comic supplements of the "yellows" the Times soon offered a pictorial Sunday magazine; and a few months after Mr. Ochs took charge the Saturday Review of Books, later shifted to the Sunday issue, became a permanent feature of the paper. Letters to the editor controverting the paper's editorial policy were admitted to the rejuvenated Times on a scale not previously known. The Times of 1896, smaller and simpler, as was necessitated by its constricted resources and by the less advanced newspaper technology of the period, was essentially the Times of today.

ROAD TO SUCCESS A HARD ONE

The new paper found favor; in the first year of Mr. Ochs' proprietorship the circulation more than doubled, and the deficit, which had been $1,000 a day when he took charge, averaged less than a fifth of that at the end of the year. But there was still a deficit; and after the years of prosperity in Chattanooga the publisher had been suddenly flung back to the conditions of his beginnings as a newspaper proprietor when each week's pay roll was a problem. All the other prominent papers in New York had millions behind them; Mr. Ochs had nothing, and his personal credit had been strained to what seemed at the time the uttermost in obtaining the money to buy the paper. It turned out to be capable of extensions, because there were men in New York who began to realize what he was doing with the Times, and to see that the paper was a good commercial risk. But it was years before that problem was definitely a thing of the past; and it was years before some of the men whose investments in the Times, old and new, Mr. Ochs was saving for them, began to realize how fully he deserved their trust.

Some of them knew it from the first; the faith inspired in Mr. Miller at that first interview endured, and personal friendship came to reenforce it. Another man whose confidence in and affection for the new publisher proved of immense value was Col. Marcellus Hartley, a member of the reorganization committee, who did perhaps more than anyone else to teach the young man from Tennessee his way around New York and the technique of dealing with New Yorkers.

If Mr. Ochs' way was pretty hard in the first years, it was made hard partly by his own principles. The volume of advertising in the Times did not increase as fast as the increase in circulation warranted, because the new publisher had brought to New York not only some novel ideas about the treatment of news but an unusually rigorous conscience about advertising. Certain types of objectionable advertising that were commonly carried in the papers of the nineties were excluded from the Times from the first, and a censorship system was established to investigate all offered advertising in which there was suspicion of fraud and to exclude questionable matter. In Mr. Ochs' opinion all good and honest advertising was in its way news and he regarded his paper—editorial columns, news columns, advertising columns—as all of one piece.

BIG TAMMANY OFFER REJECTED

Furthermore, he was alert from the first to reject advertising which seemed to have strings to it. A notable instance occurred in his first year in New York when the city government (then, as usual, under Tammany control) offered all its regular advertising to the Times. This amounted to $150,000 a year—a sum sufficient to insure success to Mr. Ochs' venture, at a time when it seemed highly probable that otherwise it would end in disaster. Furthermore, the Times was assured that the offer was not expected by the Tammany leaders to change the Times' customary attitude toward that organization; it was made simply because they felt that it was a good idea to support a conservative Democratic paper in New York in the general interest of the party.

Nevertheless, the offer was refused. It was Mr. Ochs' opinion that regardless of the effect such a contribution to a paper of small circulation and dubious stability might have on the staff, it would be taken by the general public as proof that the Times had been bought by Tammany, and that the paper could not afford for a moment to let that belief, however unfounded, be spread abroad. Moreover, he wished to avoid that subtle and almost unrealized influence which Tammany might wield by the mere threat of withdrawing its advertising once the paper had adjusted itself to that much-needed revenue. A similar feeling led him 4 years later to reject the proposal of the Republican National Committee to buy a million copies (at a time when the paper's circulation was little more than 80,000) of an issue containing an especially urgent editorial supporting the Republicans on the national issues of 1900.

The early years were frequently enlivened by controversies with advertisers who thought they were buying more than advertising space. To one such gentleman, who wanted certain guaranties from the management of the Times about its advertising policies, Mr. Ochs wrote:

"You must excuse me from discussing with you the policy of the New York Times. That is a subject we do not care to discuss with an advertiser. * * * We are seeking to secure the good will and confidence of intelligent, discriminating newspaper readers. The advertiser is a secondary consideration. * * * If your advertisement remains out of the New York Times until you have some assurance, other than the paper as it appears every day, as to the policy of the publisher, the Times, so long as it is under its present management, will endeavor to get along without your business."

In the course of time the advertiser in question discovered, as did others who raised similar issues, that the Times could get along without him better than he could get along without the Times, and he returned with the understanding that what he

bought was space in the paper and no more. These advertising policies, like the policy in treating news which Mr. Ochs announced in 1896 and followed ever afterward, are now the commonplace practice of all respectable newspapers. But in the nineties they were not commonplace, and newspapers then and now counted respectable did not always adhere to them—until Mr. Ochs had demonstrated that it was possible to publish a paper of those principles, and make it pay.

TWO ALARMING SET-BACKS

Despite what many practical newspapermen of the nineties must have regarded as the handicaps of honesty and dignity, the Times was steadily, though slowly, going ahead in circulation and advertising. But in Mr. Ochs' first 2 years came two external calamities, each of which in turn all but ruined the new venture before it was fairly started. In 1897 the old United Press, which most of the New York papers had been supporting at heavy cost, collapsed. Mr. Ochs, whose Chattanooga Times was a member of the Western Associated Press, immediately applied for membership in that organization for the New York Times, as did the other New York papers. The World had previously been the only member of the Associated Press in New York, and Joseph Pulitzer had the power of veto over new applicants in the city. He readily agreed to admit the Sun, the Herald, and the Tribune; but at first he would not have the Associated Press service extended to the Times. The paper was dying, he said, and there was no use in prolonging the agony. Refusal of Associated Press service at a period when the Times could afford very little special correspondence would have ruined the paper; but eventually Mr. Pulitzer was persuaded to let it come into the Associated Press with a class B nonvoting membership, which, though it carried a derogatory implication with it, did give the Times the Associated Press news.

A few years later the Associated Press had to be reorganized under a New York charter; and Mr. Ochs, whose paper could no longer be stigmatized as "moribund", became a full member, a director, and member of the executive committee. He held these offices for the rest of his life, and was one of the three or four men who practically made the Associated Press of today.

The second and more disastrous external event was the War with Spain. It was largely made by the newspapers, and was perhaps the greatest opportunity for newspaper showmanship that has ever been offered. The immense expenditures for staff writers, staff artists, special dispatch boats, and cable tolls in which the other New York papers competed were beyond the capacity of the Times; it had to be content with the Associated Press news, supplemented by a little mail correspondence, and consequently could not hope to share in the fantastic rise in circulation which partially compensated some of its more prosperous rivals for the money they poured out. But inevitably the Times lost advertising when the other papers did; and a loss that the Hearst, Pulitzer, Reid, and Bennett fortunes could bear threatened to be fatal to the publisher of the Times, who had used up his meager working capital and had absolutely nothing else.

The deficit in Mr. Ochs' second year was $78,000—larger than in the first year; the circulation had been pushed up to 25,000, but the advertising linage of 1898 showed only a 10-percent gain over 1896. Something had to be done. Mr. Ochs was advised to raise the price of the paper from 3 cents to 5 cents a copy, on the theory that people who wanted his kind of paper would as soon pay 5 cents for it as 3. To the astonishment of everyone, Mr. Ochs proposed instead to cut the price to 1 cent.

FAITH IN PUBLIC VINDICATED

This was to prove one of the most brilliant of his inspirations; but it had behind it the solid faith of a lifetime—the faith that there was a public for the only kind of paper Mr. Ochs could or would publish, and a larger public than the Times then enjoyed. Mr. Ochs believed that there were many people in the city who bought the yellow journals only because they cost a third as much as the other papers and that they would buy a different sort of paper if they could get it for the same price. He was well aware that the 1-cent price was regarded as the badge of the yellow press and that some people would suppose, when the Times went to that price, that it was going to that manner, too; he knew that there would be—as, indeed, at first there were—suspicions that some outside interest had subsidized the paper. His only defense against these suspicions would have to be the paper as it appeared every day; and he had faith that people who could now get for 1 cent the same kind of paper that they had formerly paid 3 cents for would realize that the suspicions were baseless.

They did. Despite the universal belief among New York newspapermen (outside the Times) that the cut in price was the beginning of the end, it was, in fact, the beginning of victory. The circulation of the paper instantly began to leap; the public for that kind of paper at a lower price, which Mr. Ochs alone had discerned, was actually there. A year after the change the circulation of the Times had trebled, rising from 25,000 to 76,000, and, except for a brief recession after the World War, it has been rising ever since, even though in 1918, when all newspapers had to face increased production costs, the price per copy was raised to 2 cents. Mr. Ochs' third year as publisher showed a profit of $50,000, and from then on the success of the Times was assured. So obvious was this that the reorganization committee of 1896, which was to continue until the paper was firmly on its feet, was dissolved at the end of the second year. The original agreement had stipulated that the 3,876 shares held in escrow should be turned over to Mr. Ochs when he had made the paper pay for 3 successive years. On July 1, 1900, he had fulfilled this condition and became the owner of a majority stock interest in the Times, which he retained ever afterward, with some increase.

GROWTH FINANCED WITH PROFITS

The great fight of Mr. Ochs' life was won, therefore, by 1900, and he won it by himself. Other men, before and afterward, made great contributions to the paper, the value of which he was always the first to acknowledge. But he was the man who (as A. E. Bradford, a veteran of the editorial room, put it) "found the paper on the rocks and turned them into foundation stones." Another editorial veteran, F. J. Mortimer, amplified this a little:

"The rest of the paper, plant and men, was just the same the day before he took command and the day afterward. He was the only difference; and from the moment he came in a paper that had been steadily going down turned right around and started going up."

That it kept on going up was due very largely, in Mr. Och's opinion, to the fact that most of the profits were plowed back into the business—plowed back, needless to say, in a wise and productive fashion. The Times paid its way out of its own earnings. On Mr. Ochs' twenty-first anniversary, August 18, 1921, he announced that the gross income of the paper for that quarter century had been about $100,000,000, of which only $3,750,000—an average of $125,000 a year—had been withdrawn as dividends. The rest of the profits had gone into financing the growth of the paper.

The story of Adolph S. Ochs during those years was the story of the New York Times. The two are inseparably woven. He had already laid down his fundamental code of integrity, soundness and completeness, and from this he never varied. But new inventions, new ideas and the broadening horizon of world events made necessary a constantly widening interpretation of "All the news that's fit to print." As the Times grew, Mr. Ochs grew with it, seizing upon every improvement in technique that would enable his paper to get the news more quickly and more fully and to print it and get it to the reader in the best possible form and with the least possible lapse of time. The development of the Times carried the double threads of constantly improved newspaper making and of world-shaking events which put an unprecedented strain upon every facility a newspaper had.

An account of the mechanical improvements in the production of the Times since Mr. Ochs took over the paper would be a long story in itself. In 1896 the Times was still being published on Park Row, in a building which, at its completion 8 years earlier, had been regarded as the last word in newspaper housing. With the paper's growing prosperity this building became too small. Realizing the northward drift of business and population, Mr. Ochs resolved to build in what is now known as Times Square, then a decidedly second-rate neighborhood. The design chosen for this structure, which is still one of New York's landmarks, was derived from the celebrated Giotto Campanile at Florence, and it was regarded as one of the architectural triumphs of its decade. Pressrooms and editorial rooms were newly equipped and enlarged, and in January 1905 the paper was moved uptown without missing an edition.

NEW QUARTERS SOON OUTGROWN

Perhaps nothing so dramatically indicates the growth of the Times during this period as does the fact that this spacious building, planned with all the foresight that proprietor, architect, and staff possessed, became too small in exactly 7 years. The Times grew out of its quarters, then and afterward, somewhat as a healthy boy grows out of his clothes. From the Times Building, which still bears that name, the paper migrated, in 1913, to the Times Annex, at 229 West Forty-third Street, just off the square. In 1924 and again in 1931, additions had to be made to the Annex. In each case Mr. Ochs took pride in erecting a dignified, appropriate, and beautiful building.

Meanwhile the development of rotogravure made necessary a separate plant for that process, constructed at 636 West Forty-fourth Street, in 1925. A new building was erected in Brooklyn in 1931 to print the paper's Brooklyn and Queens edition. The processes of setting type, of stereotying, and of printing were continually being improved, and the Times, under Mr. Ochs' direction, never lagged in taking advantage of each new improvement. Mr. Ochs, who had set type by hand and had done some of his first printing on a hand-operated press, took a personal interest in each forward step in the mechanical department. In becoming a newspaper proprietor he took pride in not ceasing to be a printer, and a good one.

In 1926 he found it necessary to become, by proxy, a papermaker as well as a printer. In that year the Times became a large stockholder in the Spruce Falls Power & Paper Co., with holdings of approximately 5,000 square miles of timber rights in northern Ontario, and subsequently one of the greatest paper-making plants in the world was erected by the company at Kapuskasing, Ontario. From this mighty plant comes now all of the newsprint used by the Times.

The mechanics of communication were always important in Mr. Ochs' eyes. He was early interested in Marconi's experiments with the wireless, and arranged with Marconi, in cooperation with the London Times, for the first regular trans-Atlantic wireless news service in 1907. For a time most of the Time's European news was transmitted in this fashion. Mr. Ochs was also a pioneer enthusiast for aviation, encouraged some of the first cross-country flights, and made use of airplanes for carrying photographs and delivering papers.

He saw, too, that improved means of communication and higher-speed presses would be of little value without a well-organized world-wide news service, and this he set out to get, just as he had earlier done on a smaller scale in Chattanooga. In 1901 he arranged with the London Times for an exchange of services which gave him the dispatches of that paper from all parts of the earth. It was this cooperation that gave the Times the first wireless account of a naval battle—that sent by Capt. Lionel James from a dispatch boat 150 miles at sea during the encounter between the Russian and Japanese fleets in 1904. Mr. Ochs had a keen interest in exploration, both for its own sake and for its value as news, and showed it in practically every expedition of importance from Peary's journey to the North Pole to Admiral Byrd's flight over the South Pole, and afterward. He realized, too, the value of scientific news of all kinds, and the Times gave much space to it, especially after the World War. But complete presentation of all news worth printing, whether routine or otherwise, continued to be his ideal.

The World War was a severe test not only of a paper's ability to get and print the news, but of its editorial soundness and of the impartiality of its news columns. Editorially the Times decided that the German Government was in the wrong. In the news columns and in the Sunday editions it aimed to present not only all the actual events of the war without bias, but also to give every point of view a chance for expression. Mr. Ochs took it as a tribute to the success of this latter policy that the Times was accused by German sympathizers of favoring the Allies and by allied sympathizers of favoring Germany. The Times organized its European news service so thoroughly that it sometimes published more special foreign dispatches than all other American newspapers combined. Of particular value to students of the war was its practice of printing all important documents in full, no matter what their length.

At the end of the war Mr. Ochs had the satisfaction of knowing that his newspaper had reached a peak of prestige and prosperity which in the earlier years he had hardly dared dream of. In June 1918 the Times had received the first award of the Pulitzer Gold Medal for "disinterested and meritorious service" for publishing in full so many official reports, documents, and speeches by European statesmen relating to the progress and conduct of the war. Advertising, circulation, and the size of the paper had expanded greatly, though the records of 1918 were to be far surpassed in later years. Mr. Ochs was not the man to take this success as a purely personal triumph, and he was generous in his appreciation of the men who had worked with him to bring it about. His material success probably meant less to him than the demonstration that his ideals of journalism and his faith in the fundamental decency of human nature were sound.

IN FIGHT FOR WORLD PEACE

The post-war period did nothing to shake either his ideals or his faith, though it culminated in the depression of 1929. Editorially the Times threw itself into the fight to bring about world peace through the League of Nations just as it had fought for the same end in a different way during the war. The post-war news was just as important and almost as exciting as that of the war itself, and the Times expanded its news-gathering network in Europe and all over the world. It continued to print important documents in full, beginning with the full text of the Versailles Treaty, which was the first paper in the world to publish it completely. It retained its interest in science and exploration.

It adhered to its old policy of presenting the news without bias. Its success in this field was illustrated in 1932, when Walter Duranty, the Times correspondent in Moscow, received the Pulitzer prize. Editorially the Times had as little sympathy as a newspaper could have with the ideas and policies of the Soviet government, yet it was able, through Mr. Duranty, to give the news of the Communist experiment so impartially that it gained the confidence of readers of all shades of opinion. In May 1930 the Times received the first award of the medal of the University of Missouri School of Journalism "for distinguished service in journalism."

The success of the Times might have suggested to another man than Mr. Ochs the possibility of a chain of newspapers based on the same idea, which, as it always seemed to him, would work not only in Chattanooga and New York but in any other American city. In 1899 Mr. Ochs did contemplate buying the New York Telegram, then owned by James Gordon Bennett. Later, in 1901 and 1902, he bought the Philadelphia Times and Ledger and amalgamated them, his brother, the late George W. Ochs Oakes (who took the added name of Oakes in 1917), becoming editor. In 1913 Mr. Ochs sold the Ledger to Cyrus H. K. Curtis. In 1918 he had almost completed arrangements to buy the Herald and the Telegram when the death of Mr. Bennett put an end to the negotiations. In the end Mr. Ochs came to regard the management of the New York Times, with its growing circulation, not only in New York but throughout the world, as a big enough job for any man. As related but independent enterprises, however, he established the Annalist, a weekly financial review; Current History, a monthly survey of world affairs, long edited by George W. Ochs Oakes, and the Midweek Pictorial, an illustrated review of the week's news. As component parts of the Times he developed the weekly Book Review, the Times Magazine, and the Sunday feature section.

STEADY RISE IN CIRCULATION

The steady growth of the paper is reflected in the circulation statistics over a period of years. The figures by 2-year periods from 1896 to 1934 are as follows:

	Week day	Sunday
1896	21,516	22,000
1898	25,726	34,041
1900	82,106	39,204
1902	100,738	48,354
1904	109,770	46,991
1906	124,267	59,511
1908	158,692	86,779
1910	178,708	113,325
1912	220,139	158,539
1914	270,113	231,409
1916 [1]	327,711	376,933
1918 [1]	339,238	434,157
1920 [1]	327,275	499,924
1922 [1]	344,596	542,039
1924 [1]	345,149	576,321
1926 [1]	356,471	610,041
1928 [1]	405,707	700,925
1930 [1]	437,577	757,028
1932 [1]	467,296	780,470
1934 [1]	466,470	716,135

[1] Averages as reported to Post Office Department.

Mr. Ochs often spoke of this circulation growth as "a vindication of the newspaper reader", in that it proved that there was a public interested in a clean, dignified newspaper. There was nothing perfunctory in his relation to anything that the Times did. He was interested in every activity as an exemplification of the ideal that he, as a publisher, was trying to carry out. He took a similar interest in the business policies of the paper, a field in which he was just as much at home as in the news and editorial departments. In his eyes the Times was a unified enterprise, with operating distinctions between the different departments, but with no difference as to fundamental principles among them. Truth in advertising was as important to him as truth in the news columns and integrity in the editorial columns, as he proved again and again, at whatever sacrifice of revenue. The Times' censorship of advertising set a standard for American journalism. In the field of circulation, Mr. Ochs never had any sympathy with artificial devices to bring in new readers. He relied on the paper itself to be its own circulation getter, and the circulation department did its work without any offer of premiums or other special inducements.

Mr. Ochs made much of his conception of the New York Times as the accepted newspaper of record. It was the obligation of a newspaper, he thought, to present a complete record of its time. An important and logical part of this conception was the inauguration, in 1913, of the New York Times Index, listing and cross-referencing every news item in the Times' columns. In 1927, to make the record in its files imperishable, the Times began printing each day a limited edition upon pure rag-paper stock for indefinite preservation in bound files.

The personality of Mr. Ochs dominated his newspaper. Probably few other journals have ever reflected the personality of their publishers more definitely and completely than the Times has Mr. Ochs'—but in a different way from that generally associated with such a reflection. He placed an imprint of character upon the organization. He did not permit the Times to exploit himself, his personal interests, antipathies or likes, or to swerve in the slightest degree because of his own opinions from the balance of impartial news presentation. His name rarely appeared in its columns.

Mr. Ochs believed that a single authority should control and direct a newspaper. He thought that committee management was fatal, ineffective. But though he was supreme, he welcomed the frank expression of opinions contrary to his own. He once said that one of the most valuable men on his staff was one who rarely agreed with him. Mr. Ochs always could count upon this man for a strong, reasoned statement of the other point of view.

PIONEER IN MANY WAYS

Mr. Ochs' eager, active mind, devoting itself constantly to the Times, was generally so far in advance of others that some of his associates felt their task was to serve as a brake upon his audacity.

Generally, he was looked upon as a conservative. Yet it was he who pioneered in many fields of newspaper building. He was the first to bring rotogravure printing for newspaper picture sections to the United States. He looked upon this beautiful process of printing as the best means of presenting news in pictures to readers. The Times rotogravure section has not shown oddities and notorious persons, but has accepted its task as gathering the important news of the world in pictures. The Times' own Wide World Photo Service, with bureaus and correspondents all over the world, for the purpose of assembling the best news pictures, was Mr. Ochs' idea of what such a department of a newspaper should be.

Again, Mr. Ochs was a pioneer in the improvement of newspaper printing. He developed the idea of the Times' typographical standards, which forbids display advertisements to use unlimited areas of crude blacks in type or illustration of bizarre arrangements of type—a forward step now adopted by more than a score of other important newspapers.

Mr. Ochs had a habit of making friendly and unostentatious tours of the building, often with some distinguished visitor. His use of power had nothing of arbitrariness; rather was it exerted as an influence. The editorial page, for instance, commanded his keenest interest, and when at the office he was accustomed to

interrupt his executive duties at noon each day to preside over the editorial conference which argued out and decided on the editorials for the following issue. In consonance with his general theory of newspaper policy he believed that an editorial page should be temperate in statement and should recognize that there is usually something to be said on both sides of a question. Coming up from Chattanooga he had described himself as a conservative Democrat, a term which had some meaning in Grover Cleveland's day. Mr. Ochs had a whole-hearted admiration for Woodrow Wilson, as he had had for Cleveland. But his Democratic principles did not prevent him giving support to the President of whatever political faith so long as the administration policies warranted it.

CONSISTENTLY BROAD-MINDED

In this and other matters of policy the editorial page was a reflection of Mr. Ochs' personality. Naturally, he did not bring to the Times editorial writers who were not in sympathy with its general principles; he did not believe that it would be fair to the writers or to the Times to do so. Yet the Times editorial staff under Mr. Ochs' direction had room not only for the full freedom of the individual writer's conscience but for a considerable variety of temperament and opinion. On points not involving his fundamental principles Mr. Ochs was always ready to listen to argument; in fact, he enjoyed the clash of opinions. On certain issues which he felt keenly he did not yield, but even then no man ever had to write against his own convictions. The power of Adolph S. Ochs was not that of the money which had come to him but of his personality and his ideas. To the Times he was more than a proprietor; he was what he had been to Foreman Collins, of the Knoxville Chronicle—"a necessity, hard to part with."

The least pretentious of men, he refused to make a mystery of his own success. The principles he had followed seemed to him self-evident, and he believed that they would have the same results if they were followed anywhere else. To a newspaper man who observed in later years that Mr. Ochs had come to New York and taught New York journalists something new he remarked that he had only reminded them of something they had forgotten. Speaking at the convention of the National Editorial Association in 1916, he said that he had practiced no new journalism in New York—only the old journalism, the kind that succeeded best in small towns. The policy of having no policy except to be as right as you know how—this had been his sole admonition to a new editor of his Chattanooga paper—was what he had followed in Chattanooga and in New York as well. It means that clear, honest thinking, not expediency or partisanship, dictated the editorial decisions.

He seemed hardly aware that high principles, though they make success a public good instead of a public evil, do not guarantee success; and that his own achievement was due not only to the ideas and ideals which he cherished but to his boundless energy, his supreme confidence, his willingness to stake everything on what he believed to be right and sound, and the confidence he inspired in other men. He had the qualities of a born leader. He had the rare ability, as he showed in 1896, to win victories with a defeated and discouraged army.

PAPER'S LEADER TO THE END

Mr. Ochs continued to direct the Times all his life, keeping in close touch by telephone or cable whenever he was away from the office. As one of his subordinates testified before a Senate committee which once had some suspicions of absentee influence on the Times, he was, when in town, "there every day." His town house was for many years at 308 West Seventy-fifth Street until in the fall of 1931 he bought an estate in White Plains. During the war Mr. Ochs purchased the country seat of George Foster Peabody, Abenia, on Lake George, and there used to spend his summers in a colony where he had many friendships and where he could enjoy a daily game of not very laborious or too serious golf; but even during the summer absences at the lake he was in communication with the Times by telephone morning, afternoon, and evening. In his later years he traveled in Europe more frequently than he had done before the war, became acquainted with virtually all the leaders of politics and public opinion, and devoted himself with all his private energies as well as those of his paper to the endeavor to smooth out misunderstandings and promote a better relation between Europe and the United States.

The publishing of the Times was his avocation and his hobby as well as his vocation. He put into it the best that he had to give to his fellow men, with a high seriousness and an unremitting sense of responsibility. He was a religious man in his daily work as well as outside of it, and many of his statements bore testimony thereto. Not only by tradition but by conviction he was a firm adherent of the reformed Jewish faith. He said at the Cleveland convention of the Union of American Hebrew Congregations in January 1927:

"What we as a religious people have preserved through centuries of oppression is rapidly becoming the accepted concept of the fatherhood of God and the brotherhood of man. It is called modernism, but it harks back to the underlying faith of an ancient people, who gave to civilization the Ten Commandments, the prophets, and the Psalms."

It was in keeping with his conception of his faith and of his people's place in history that he was opposed to Zionism. In a statement in the American Israelite in 1922 he said that "the greatest heritage of the Jew is his religion. * * * As a distinctive race the Jews need no place in modern civilization." Nevertheless, he was open-minded enough to be immensely impressed during his travels in Palestine by the achievements and the spirit of the Zionist pioneers, however much he questioned the ultimate validity of their objective.

ACTIVE IN WELL-BEING

For many years he was a trustee of Temple Emanu-El in New York, and in 1924 he gave to the congregation in Chattanooga a new building which was named, in honor of his parents, the Julius and Bertha Ochs Memorial Temple. In 1926 he undertook the chairmanship of the committee which succeeded in raising more than $4,000,000 for the Hebrew Union College, which his father-in-law had founded.

One of the principal interests of his later years was the park movement, in which he had been active long before as one of the advocates of the proposal for the Chickamauga National Park, near Chattanooga. It was due chiefly to him that the Lookout Mountain National Park was later instituted to preserve this historic battlefield nearer the city; he was active also in the organization which preserved the battlefield of Saratoga. The Times' consistent endeavors to protect New York City parks against encroachment is, of course, well known. In recognition of this stand the Park Association of New York City awarded its medal to Mr. Ochs in 1931.

Of his contributions to public causes, perhaps the most notable was the gift of $500,000 which he caused the New York Times to make to finance the preparation of the manuscript of the Dictionary of American Biography, whose successive volumes have met a need of American scholarship which had long been felt. The New York Times also began in 1928 the preparation and publication of the American Yearbook.

Of the numerous foreign decorations which he might have had Mr. Ochs accepted only one—membership in the French Legion of Honor, in which he was later promoted to be commander. He made an exception of the Legion because it was so universally looked upon as being free from political significance. To the acceptance of academic honors, fittingly bestowed on a publisher who had done his best to make his paper an educational institution, he was more hospitable. He was made an honorary master of arts by Yale in 1922, and in subsequent years received honorary doctorates from Columbia University, the University of Chattanooga, New York University, Dartmouth, and Lincoln University. In 1927 he received the gold medal of the National Institute of Social Sciences; in 1929 he was one of seven citizens of New York cited for distinguished service by the chamber of commerce; and in 1931 he became a member of the American Philosophical Society.

No honor gratified him more, however, than the title of Citizen Emeritus of Chattanooga, which was formally conferred on him in July 1928, at the conclusion of a 3-day celebration of his semicentennial as proprietor of the Chattanooga Times. This celebration was organized by the city and county governments and attended by deputations from the Associated Press, the American Newspaper Publishers' Association, the newspaper publishers, and the Advertising Club of New York City and the Chamber of Commerce of the State of New York. He always retained an affection for Chattanooga and an interest in its affairs, and the friendships which he had made there as a struggling young man were broken only by death.

WELFARE OF THE STAFF

Of the welfare of the army of employees required to get out the Times, Mr. Ochs was always solicitous. On March 12, 1918, he celebrated his sixtieth birthday by the establishment of group insurance for all employees, increasing the maximum amount on later anniversaries. His quarter-centennial as publisher of the Times was marked by the institution of a system of sick benefits and a retirement pension fund. For Mr. Ochs' unusual thoughtfulness and generosity in individual instances hundreds of the Times staff in both important and humble positions had cause to be grateful. An incident illustrates his unvarying thoughtfulness. Junior employees of the Times receiving less than $18 weekly have a lunch card which permits them to purchase a complete 50-cent lunch for 10 cents. When the Times annex was enlarged in 1931 it was necessary to close the restaurant for 2 weeks, and due notice was given. Upon the reopening of the restaurant every employee having a lunch card was surprised to receive, at Mr. Ochs' orders, a check to cover the extra cost of their lunches for the period of closing.

THE HUNDRED NEEDIEST CASES

A charity which came close to Mr. Ochs' heart and engaged his warm personal interest was the collection of funds, each year at the Christmas season, for "the hundred neediest cases." This feature was inaugurated by him in 1912, when a fund of $3,630 was collected to be distributed to persons in direct need chosen from lists furnished by the leading charitable organizations of the city. The appeal was and still is made solely through the publication of brief individual narratives in the Times. In this way Mr. Ochs tried to bring home to his readers the poignant facts of destitution and to enlist their cooperation in relieving it. There was no personal solicitation; the contributions were wholly spontaneous, sometimes coming from readers who did not even give their names; and every cent collected went to relieve want, the expense of administration being met by the charitable organizations sending in the lists of cases and the other expenses by the Times. No feature of the paper had more importance in Mr. Ochs' eyes during the Christmas season than this. He followed the campaign closely, even in its details, and rejoiced as the totals mounted.

The number of cases relieved during the first 20 years totaled more than 5,000 and the number of individuals nearly 18,000. For the Christmas season of 1930 the total of gifts was $345,790. In many instances contributions came from persons who were themselves out of work and limited as to funds. Trust funds, gifts given in memory of the dead, and repeated contributions from readers who took pride in keeping up the annual totals made "the hundred neediest cases" a notable institution, and its success was a source of real joy to Mr. Ochs.

MONUMENTS HE LEAVES

Mr. Ochs leaves behind him two newspapers—he retained his controlling interest in the Chattanooga Times—the building of which occupied nearly all his energies for nearly all the working years of his life. Both were close to his heart. He could not have existed without intimate daily contact with their affairs. Each was created out of next to nothing by his personal efforts, in the face of discouragements which would have defeated most men and of obstacles which seemed insuperable. These newspapers are his monuments, and he would now be willing to be judged by them.

But his greatest monument is invisible—the principle of clean, temperate, and impartial presentation of news and of higher standards in advertising. These are now such commonplaces of decent newspaper practice that many newspaper men of today may think they have obtained from time immemorial. But they did not secure a foothold easily or automatically; they did not prevail in New York City until Adolph S. Ochs came to town from Chattanooga and risked everything he had on his faith that not only could such a newspaper be published but that there was a public which wanted it.

Mr. Ochs was more than a publisher. He was a man who had faith in humanity and who backed that faith by all the intelligence, all the energy, and all the fighting spirit that was in him.

Mr. BLAND. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, Dr. SIROVICH, the gentleman from New York, author of this bill, has accurately stated to the committee the purposes of the bill. It is true that it is technical in character, but with the explanation which he has made I am sure that the bill will be perfectly understood by all. Those of you who were in the last Congress will recall the bill authorizing the Reconstruction Finance Corporation to extend loans to small industry. You will remember the able fight made by the gentleman from Massachusetts [Mr. MCCORMACK], together with others, to secure an amendment requiring that loans should be made to persons engaged in the fishing industry. A deplorable condition was depicted.

In the closing hours of the last Congress I think the last bill passed under suspension of the rules was one which came from the Committee on Merchant Marine and Fisheries, or at least a counterpart of it which was introduced in the Senate. That counterpart passed the Senate and came over to the House. That bill authorized $2,000,000, as I recall, to be loaned to persons engaged in the fishing industry. It passed the House by an overwhelming vote, and it passed the Senate unanimously. However, it met with a Presidential veto. I do not criticize that veto, but I mention it now to show the need for this legislation, for, as I recall, that bill was vetoed because the Congress had already authorized loans to be made to fishermen in the Reconstruction Finance Corporation Act.

Mr. FIESINGER. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. FIESINGER. Was there any different status in these loans than other industrial loans? I do recall loans that could be made to fisheries under the Reconstruction Finance Corporation Act. Was there any difference between those loans and general industrial loans?

Mr. BLAND. There was no difference under the law as enacted at that time, but—that brings us to this bill—there was a different character of security to be offered for the loan. In the Ship Mortgage Act which was passed in 1920, known as "section 30 of the Merchant Marine Act of 1920", there was a provision whereby a mortgage created under the conditions of that act should be given a preferred status over certain maritime liens.

Mr. FIESINGER. Would the gentleman pardon another interruption?

Mr. BLAND. I yield.

Mr. FIESINGER. Those loans authorized by the Reconstruction Finance Corporation were made not only to vessels, but they could be made upon fishing property; that is, upon their fish houses, their twine, nets, and whatever paraphernalia they may have had.

Mr. BLAND. That is true; but the gentleman will recall that the twine and the nets which go into the water are subject to be destroyed by wind and wave and passing vessels. That security is so precarious that the Reconstruction Finance Corporation found it could not make loans on that security?

Mr. FIESINGER. They did find that?

Mr. BLAND. Yes.

Mr. FIESINGER. Now, this bill, as I understand it, provides for lending entirely upon watercraft; is that true?

Mr. BLAND. Yes.

Mr. FIESINGER. And they may now loan on vessels that are less than 200 tons?

Mr. BLAND. Yes; under this bill, with the exception of those mentioned in the bill. A lien on a vessel is a very peculiar thing. It is so peculiar that without the passage of the Ship Mortgage Act there was difficulty in getting a lien on vessels even of larger size. The maritime laws are different from other laws. Towage and various other liens take priority over the mortgage on the vessel. The result was that when a man had a lien on a vessel he did not know what sort of a lien he had. Other liens were liable to come in and supplant that lien. Therefore, when the Ship Mortgage Act was passed it provided that the lien on vessels over 200 tons should be good against any liens, except against those defined in that act as a preferred maritime lien. A preferred maritime lien is defined in the Ship Mortgage Act as—

A lien arising prior in time to the recording and endorsement of a preferred mortgage in accordance with the provisions of this section; or (2) a lien for damages arising out of tort, for wages of a stevedore when employed directly by the owner, operator, master, ship's husband, or agent of the vessel; for wages of the crew of the vessel; for general average; and for salvage, including contract salvage.

Thus many liens that were previously prior to a mortgage on a vessel were made subordinate to the lien created under the Ship Mortgage Act.

Mr. SUTPHIN. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. SUTPHIN. Is this applicable to the pound fishermen, a great many of whom are located in the gentleman's district in Virginia, as well as in my own district?

Mr. BLAND. It is applicable to any vessel of the United States, and any vessel of the United States is a vessel over 5 gross tons.

Mr. SUTPHIN. Would that include those boats which those fishermen use? Are they of 5-ton registry?

Mr. BLAND. I am not sure as to what the tonnage is.

Mr. SUTPHIN. But it applies to the industry in general?

Mr. BLAND. It applies to the industry in general.

Mr. DONDERO. Will the gentleman yield that I may make an observation?

Mr. BLAND. Yes.

Mr. DONDERO. The mortgage of a mortgagee of a ship is really placed in no worse position than a mortgagee holding a lien on real estate, because he, too, is subject to the subsequent lien of taxes.

Mr. BLAND. That is true; but the real-estate owner has not so many liens that may acquire priority such as arise in a ship's operations, as, for instance, liens for supplies and other things, that ordinarily would have priority. The result was that before the passage of this Ship Mortgage Act, 1920, any man who had a mortgage on a ship occupied a rather precarious position. This was stated by the admiralty lawyer who appeared at the hearings.

Mr. DONDERO. He could be wiped out by subsequent liens accruing against a ship?

Mr. BLAND. Yes. Now, when the fishermen went down to the R. F. C., after we passed this act, and wanted to get a loan, the R. F. C. desired to make the loans as far as they could within the terms of the act that we passed.

This is the statement of the lawyer who had charge of that particular business in the R. F. C. It appears that when

authority was given in the law to make loans to fishermen, Mr. Taber, of the Reconstruction Finance Corporation, who had charge of these matters, called upon Mr. Albert T. Gould, a distinguished admiralty lawyer of Boston, Mass., to advise him.

At the hearings Mr. Gould said:

I was retained some time ago by Mr. Taber in behalf of the R. F. C. to advise them with respect to how they could carry out the authority granted to them by Congress to aid the fishing industry. One of the conditions, as you know, is that the R. F. C. should have reasonable assurance—at one time it was expressed as "adequate security"—for the loans that they make to assist the fishing industry. The first problem then was to determine in what reasonable way the Reconstruction Finance Corporation would be able to have adequate security or reasonable assurance that the loans would be paid.

The first thought was that some means would be devised by which they should be secured on the vessel itself, because, in most cases, the owners of the fishing vessels are not in a position to give mortgages on real estate or to pledge collateral for these loans. Their property consists principally of the vessel. So feeling there was no reasonable distinction between a vessel of over 200 tons and a vessel of under 200 tons, no reason why an arbitrary distinction should be made, and in view of the fact that most of the fishing vessels of New England and possibly other parts of the country are of less than 200 tons, I advised the R. F. C. that the best approach, the first step necessary, would be to change the Ship Mortgage Act so as to allow a preferred mortgage to be placed on these fishing vessels; and at their suggestion, I drew a bill which Dr. SIROVICH has introduced.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. FIESINGER. I am very much interested in this subject because my people have hundreds of thousands of dollars invested in this kind of property. I read in one of the fishermen's magazines probably 2 months ago that the R. F. C. was then prepared to make loans upon property devoted to the fishing industry. I was just wondering whether this bill facilitates the making of those loans, or whether it is a proposition that stands by itself. My point is that the R. F. C. may have considered that it could make no loans even including the classes of property included in this bill, and this bill gives the R. F. C. specific authority to loan upon the classes of property enumerated, but not upon any other property.

Mr. BLAND. The vessel is about the only thing some of them have. The testimony given to our committee a year or two ago was to the effect that their homes were mortgaged, and that they were dependent for credit largely upon the people who sold them twine, the people who furnished their supplies, and the people who dealt with them in marketing their fish; that they were able to get credit for a while from the banks, but the depression came on, and so precarious was their security that, as Mr. Gould said, they cannot now get loans even from private banks without the passage of this law. Why? Because that deed—that mortgage—might be subordinated to other liens arising later. If this bill passes, then a mortgage can be recorded in the office of the collector of customs and a memorandum of it will be carried as a part of the ship's papers, which the vessel's owner may produce. The R. F. C. said that until there was something to make the vessel secure except against the preferred maritime liens, as defined in the Ship Mortgage Act, they could not take the risk of making the loan.

Mr. O'LEARY. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. O'LEARY. The evidence before the committee showed the average weight of these fishing vessels was between 40 and 90 tons. Am I not correct?

Mr. BLAND. Yes; I think so. Let me read this language of Mr. Gould:

Without taking any more time, unless there are questions, I would like to say in conclusion, I think there are many very sound reasons why this bill should be enacted for the general benefit of the shipping industry, regardless of the R. F. C.'s particular problem, and further—

And this is the part to which I call particular attention:

and further, that unless the bill is enacted it will be impossible for the R. F. C. to give relief to the fishing industry as they very much desire to do, because, unless this act is changed, they cannot get the security which Congress has required them to get.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield further?

Mr. BLAND. I yield.

Mr. FIESINGER. It would seem, then, that the R. F. C. does not regard these fishermen as having any property which they can put up as collateral except these vessels that are enumerated in this bill.

Mr. BLAND. It is a fact that the R. F. C. does not regard these fishermen as having sufficient collateral. I may add that the evidence presented before this committee at its hearings last year shows that if there is any group in America today whose individuals may be considered as the "forgotten man" it is the group of men engaged in the sea-food industry.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. KLEBERG. Under this bill I take it, then, fishing vessels used definitely in the fishing business, regardless of their tonnage, would be admissible as collateral.

Mr. BLAND. They must be over 5 tons.

Mr. KLEBERG. They must be over 5 tons?

Mr. BLAND. Yes; because they must be vessels of the United States, and a vessel of the United States is a vessel over 5 tons.

Mr. KLEBERG. I wanted the gentleman to make that clear.

Mr. BLAND. Mr. Chairman, it was shown in the evidence presented before the committee some years ago—and I wish to impress the House with this fact because it is going to come up in the future until relief is granted to the fishing industry—that the American fisheries today are competing with subsidized foreign fisheries. Their operations are in subsidized vessels and their fish are brought to our markets in subsidized vessels. Evidence was given by men from New England that Japan was subsidizing her fisheries, that Canada was subsidizing her fisheries, and that other foreign nations were subsidizing their fishing fleets. The sardine meal that comes into this country from Japan comes in from a subsidized industry and is shipped to this country in subsidized vessels; yet we expect our fishermen to compete with those men.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. McFARLANE. What would be the average cost of the smaller vessels that would be aided under this act?

Mr. BLAND. I am unable to say just what the cost would be.

Mr. SIROVICH. Mr. Chairman, if the gentleman will yield, fishing vessels between 40 and 80 tons cost between $25,000 and $50,000. The smaller vessels cost about $10,000.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. COLDEN. The gentleman from Virginia mentioned the fact that Japan is subsidizing her fishing industry which competes with American fishermen. It is true also that they pay very low wages and that their currency is depreciated. All of these factors enter into their competition with the American fishing industry on the Pacific coast particularly.

Mr. BLAND. Yes.

Mr. FIESINGER. I did not know that Canada subsidized her fisheries; but there is great feeling in my country along the Great Lakes that one reason Canadian fisheries were able to get business here against our fisheries was because we have a very low tariff.

Mr. BLAND. That is true also. In many cases we have low tariffs and in some cases no tariff at all on fishery products. I would urge the gentleman, if he is interested in the subject, to consider the hearings we held last year under the head of rehabilitation of the fishing industry in which the representative of the Tariff Commission appeared and set out in detail the subsidies that were being granted in other countries.

As I recall, there was mentioned particularly some of the bids that Canada is giving to her fishing people with whom we are in competition.

So far as the possibility of these loans being made, I have here in the hearings distinct, definite, positive, and unequivocal statements on the part of the attorney employed to represent the Reconstruction Finance Corporation that applications had been made and considered; that the Reconstruction Finance Corporation was desirous of granting the applications, and the only reason they have been unable to grant them is because without the passage of this bill adequate security does not exist.

Mr. FIESINGER. Can the gentleman say in just a word what the representative of the Tariff Commission said about Canada subsidizing their fishermen and why we have such a low tariff as against those fishing interests?

Mr. BLAND. I do not recall just now. When I say "subsidy", I mean that there were certain aids of some kind that were given. It has been some time since those hearings were held. I set out those aids in the report on the bill that passed last session but which met with a Presidential veto. I pointed out in that report the aid that Canada was giving. It amounted to quite a sum. As I recall, there is also some money that we had to pay to Canada for some obligation, and all of that or the interest on it goes to the fishing industry.

Mr. COLDEN. Is there any distinction in connection with these loans between fishing vessels owned by individuals and fishing vessels that may be owned by a cannery that may have a number of fishing vessels?

Mr. BLAND. Not so far as this bill is concerned. I do not recall the definite language now of the Reconstruction Finance Corporation on that matter. The definite language is in the bill authorizing these loans.

Now, a word about the exception. The only reason any exception is in the bill is because there was some opposition on the part of some towboat operators. We had a conference with Mr. Gould representing the R. F. C.; Mr. Hunter, counsel for the American shipbuilders; and Mr. Tyrer, inspector, Bureau of Navigation. Mr. Tyrer stated he did not know why that 200-ton limitation was written in the original law. Mr. Hunter said he was present at all the hearings and that it was on account of the objections of towboat and other interests of that character. He stated, furthermore, that the bill in the form as introduced should not pass, but there ought to be these exceptions. We said to them, "All right, Mr. Gould and Mr. Hunter; you get together and write your exception which will take care of harbor craft." They had told us that towboats would be placed to considerable trouble. We said, "All right; we will take that into consideration, but we want to take care of these deserving people who need help." Then Mr. Gould and Mr. Hunter wrote this exception. We found that it covered the case of harbor craft and also permitted the loans we desired to be made.

[Here the gavel fell.]

Mr. BLAND. I yield myself 1 additional minute.

Mr. COLDEN. This bill does not exclude loans to ferryboats, as I understand it?

Mr. BLAND. The exception is "towboat, barge, scow, lighter, car float, canal boat, or tank vessel."

Mr. COLDEN. It does not exclude ferryboats?

Mr. BLAND. I should say not under this exception.

[Here the gavel fell.]

Mr. LEHLBACH. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, the gentleman from Massachusetts [Mr. ANDREW] has shown a great interest in this bill because he represents Gloucester, Mass., where vessels of this sort more generally hail from. The gentleman from Boston [Mr. MCCORMACK] represents a city where more fish are landed than any other port in the United States.

However, Mr. Chairman, I perhaps represent a larger and a more diversified fishing interest. If you will visualize the southeastern coast of Massachusetts, and the islands and peninsulas thereof, on which are a variety of types of fishing industries, including the shellfish, you will well understand why I feel that I should say something when we are discussing these matters.

Fisherman are the bravest people on the face of the earth. If you do not believe that, I wish you would pay a visit to our section; go with those fishermen at 4 o'clock in the morning out of the harbors and onto the broad ocean, sometimes in rather small dories, and help them with their nets. Help them throw the net overboard in the freezing cold water and later pull them in while the waves are rolling and rocking the boat continuously. You would then have to agree that this is alike a laborious and dangerous procedure.

Observe the fishermen's hands, bruised and cracked from this operation. When you see these bleeding hands you might well say, "Indeed, hard is the lot of a fisherman." He not only suffers hardships but he really braves the elements, and I desire to pay a tribute to him today. At the same time he seems to be the "forgotten man." Many of the past-mentioned "forgotten men", you know, a little later on will wish they have never been remembered when the bills start to come in. [Laughter.] However, we tried to assist these fishermen a year ago. A measure was passed and we thought the R. F. C. would help them, but, of course, immediately its attorneys found how difficult it would be to secure what might be termed "adequate security" for loans. This year the committee has amended the act so that the R. F. C. may demand simply reasonable assurance that they will be paid. Cannot the R. F. C. understand that this Congress has tried to tell them, in no uncertain language, that they might well play the part of the Red Cross, even in giving assistance to some of our needy industries? Do not let us absolutely give away billions of dollars and then feel that the R. F. C. should be overcautious in trying to help suffering industry.

Let us now hope that in cases where the owner of a vessel, small though it may be, wants to borrow perhaps only $100, which may mean much to a fisherman, even though he must pay the cost of examination, the writing of the mortgage, and fees for recording, so that, as the Treasury itself states, he will pay enough in fees so that there would be no loss to the customs department, he may now get that loan. I presume he will be willing to pay such fees even on a loan of $100 or $200, as the banks today do not take this sort of business. Hence I am expressing my hope that you have written this bill so carefully and so liberally that the attorneys for the R. F. C. will now be able to approve loans of this nature. I suppose they will demand a preferred mortgage like other mortgages, will they not, rather than a simple mortgage; and the R. F. C. will require a priority lien? But, Mr. Chairman, in my few remarks I must say it is high time for fish to be welcomed to your table even if a drought and high prices of other foods have to bring this about. If the Almighty must do something to attract our attention to the lot of the fisherman, well and good; but it is time that the fisheries were recognized and that we have help in bringing about some cooperative method of selling fish. Of what advantage is it for the fishermen to catch fish if when they are brought in they have only a Boston or New York market? Until recently, in New York many of our boats were held up at times for $50 or $100 before they even let them unload their fish. We have pleaded for years that an end might be put to occurrences of this sort, but the fishermen could never seem to get any protection or help from their Government.

Mr. Chairman, I am in earnest about this. I would like to attract the attention of the House to the lot of the fishermen, because a little later on I understand there really is a bill of some importance coming before this House which relates to the fishing industry by which the Government will help it to set up some sort of cooperative organization so that in St. Louis and Kansas City and in other inland cities there will be a proper market and by which inspectors of the Government will see to it that the fish are in proper condition when they arrive and before they are sold, so that the confidence of the public may be restored as a result of improved marketing conditions. The marketing of fish is

the main trouble of our fishermen today. They must have wider distribution. When this proposition comes before your committee, I plead with you to give it very careful and sympathetic consideration.

Mr. SCHNEIDER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. SCHNEIDER. What would the gentleman say about the competition of the fishermen with reference to the importation of fish?

Mr. GIFFORD. I filed a bill the other day, Mr. Chairman, providing for 7½ cents a gallon tax on sea scallops that the Japanese are bringing in. We are worrying about these trade compacts now under consideration. We have been down before a committee of some sort, although we do not understand what sort, which apparently merely hears Senators and Congressmen when they wish to appear. That committee said to the Maine Senators and the New England Congressmen, "We will listen to you and we will hand the information on, if anybody wants it, but we have no particular authority in the matter." Our fishermen today on the Maine coast and on the Massachusetts coast are worrying about all this. Will Canada be allowed to send their products in, while we have no place to which we can go to state our case and obtain relief? This is an invisible sort of Government that is supposed to protect us in the way of tariffs, but does not.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. FIESINGER. What did my good friend from Massachusetts mean when he said that it cost from $50 to $100 in New York to even unload their fish?

Mr. GIFFORD. Mr. Chairman, I trust it is past history, but if the gentleman will read about the organizations, or whatever they may be called, in New York——

Mr. FIESINGER. Racketeering?

Mr. GIFFORD. Racketeering, yes; and I appealed to the Federal Trade Commission not merely once but many times. But I do understand that New York has cleaned house in respect to these things.

Mr. FIESINGER. I am in sympathy with what the gentleman has stated.

Mr. GIFFORD. After pleading and writing the agencies of the Government, it seemed they could not overcome this sort of racketeering, but I hope, and I think, Doctor, these conditions are somewhat remedied and will not be allowed to continue.

Mr. SIROVICH. They have been eliminated.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MARCANTONIO. May I say to the gentleman that the department of markets under the present administration of Mayor LaGuardia has cleaned up the Fulton Street Market situation thoroughly.

Mr. GIFFORD. But the gentleman does not deny that that situation existed formerly.

Mr. MARCANTONIO. I do not deny it. I agree with the gentleman about that. Previous to the present administration in New York City the conditions in the Fulton Street Market were terrible.

Mr. GIFFORD. And the Government for years was of no help.

Mr. SIROVICH. If the gentleman will yield, for the benefit of my friend the gentleman from New York [Mr. MARCANTONIO], for whom I have the highest admiration, I want to correct him by stating that the Department of Justice, before Mr. LaGuardia was ever elected mayor, had gone into this situation and stopped it.

Mr. FIESINGER. I understood there are some lawsuits in New York with reference to this matter that will be decided in a short time.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MARCANTONIO. The Department of Justice went in there and procured some indictments, but it was actually the Department of Markets of New York City, under Mayor LaGuardia, that went in there with a strong arm and cleaned out the racketeers.

Mr. GIFFORD. Mr. Chairman, in closing my remarks, I repeat that this bill is a small matter, but let us hope that finally, after waiting a whole year, some of these fishermen may be helped through it. I am sure there is unanimity of opinion on this bill, but I want to say to the farmers of the country: Let us arrange it so that we can have an exchange of commodities, so that you will be able to get fish, and the more fish you eat, we promise you, the more we can afford to pay for your meats. It will simply be a fair exchange of commodities, one not being in competition with the other. [Applause.]

Mr. WELCH. Mr. Chairman, I yield to the gentleman from Massachusetts 2 minutes more.

Mr. CULKIN. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CULKIN. The gentleman stated that these tariffs were written for a committee that had no power—or was referred to a committee that had no power. The fact is that these tariffs are now handled by the distinguished Secretary of State, Cordell Hull, whom we all love and who served with us here. But Secretary Hull is an avowed free trader, unashamed and unafraid. Is not that so?

Mr. GIFFORD. If the gentleman from California will yield me 4 or 5 minutes, I would like to emphasize that.

Mr. WELCH. I yield the gentleman 5 minutes more.

Mr. GIFFORD. In common with other Representatives and Senators from New England, we went to the Post Office Building not long ago. We appeared before a committee, and the United States Senators from the New England States started to relate the conditions that existed in New England. The chairman of the committee, instead of listening to these Senators, said, "We have no authority over that here. This is simply a committee to assemble information, and we will pass it on to somebody representing the State Department who would look into it." It seems to me that this committee was simply a face-saving device.

Then the Senators withdrew, and I imagine that they felt rather humiliated.

The committee had stated that they wanted detailed information. To whom the committee was to give the information was not disclosed to us.

Has it got so bad that United States Senators can go only before a committee without authority and cannot go directly to the authority itself by which the decisions are made? It seems to me that it is a very remarkable situation with which we were confronted.

We do not know who is to make the decision. But we do know that bargaining with Canada is going on, and that if a general bargain can be made it will be "never mind about the New England fisherman or other small interests", so long as it is regarded as satisfactory by the State Department.

Mr. FIESINGER. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. FIESINGER. I do not want to leave the question of racketeering in New York as it stands, but I will say that the Federal Government is trying to clear up the situation but it has not yet cleared it up, I do not think, in the city of New York.

Mr. MARCANTONIO. If the gentleman will yield, I believe that the gentleman's information is incorrect. The city administration went into the markets, especially the Fulton Market, and every racketeer organization was cleaned out of there by the deputy commissioner of markets, Hon. Michael Fiaschetti, and now there is not a single person who goes in there who has to pay tribute to the racketeers or anybody else.

Mr. FIESINGER. Is the Fulton Street Market a market for salt-water fish?

Mr. MARCANTONIO. Yes.

Mr. FIESINGER. My information relates more particularly to the fresh-water-fish business in the city of New York.

Mr. MARCANTONIO. Then you have to go after the people who control your cold-storage plants, which do not come under control or jurisdiction of the city administration.

Mr. FIESINGER. Do racketeers control the storage plants?

Mr. MARCANTONIO. No; but the storage plants are controlled by your profiteers who should be regulated by Congress. The city administration has no authority or jurisdiction over them.

Mr. FIESINGER. I do not see how that relates to the racketeering business.

Mr. MARCANTONIO. So far as the racketeering that existed in the Fulton Street Market is concerned, that situation was cleaned up. Credit for that cannot be taken away from the LaGuardia administration.

Mr. FIESINGER. I do not know anything about the Fulton Street Market. I am talking about the fresh-water-fish markets.

Mr. CULKIN. Mr. Chairman, will the gentleman from Massachusetts yield?

Mr. GIFFORD. Yes.

Mr. CULKIN. Does not the gentleman believe that the solution of the conditions to which he refers, writing these tariffs in camera, in the dark, would be cured by Congress itself taking over its constitutional duties and writing the tariffs here?

Mr. GIFFORD. Of course, I believe it, even though the present party is in control.

Mr. CULKIN. And does not the gentleman believe there are a good many men on the other side of the aisle who also believe that?

Mr. GIFFORD. Oh, when I speak on the floor against present conditions I think I speak for a large number on the other side of the aisle who would like to say what I do, but who do not feel they ought to because of party loyalty. If I had the time I would like to read a statement from a morning newspaper containing a statement from the Governor of Georgia, but it is outside the question that we are discussing here, and I do not wish to enter into a political debate, except insofar as it bears on the formulation of these tariffs which affect the fishing industry seriously. I also wished to show you the picture of the United States Senators and Representatives spending their valuable time talking to a committee which had no authority. I merely wanted to bring to mind this humiliating situation.

Mr. FIESINGER. What is the difference between a racketeer and a profiteer?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BLAND. Mr. Chairman, I yield myself 1 minute to say that the Department of Commerce is so interested in trying to get the surplus fish off the market to the end that the price may be increased that an advisory committee has been appointed, which is working on that problem at the present time.

I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I am very much pleased to see this bill up for consideration, and I congratulate our distinguished colleague, the Chairman of the Committee [Mr. BLAND], and the author of the bill, the gentleman from New York [Mr. SIROVICH], as well as the other members of the committee on both sides, for their consideration of the bill and for the consideration they have given to all bills referred to the Committee on Merchant Marine and Fisheries. I consider this committee one of the finest committees of the House. I have never talked with any Member who has appeared before the committee who does not express the same sentiment that I briefly express on this occasion.

I am very much interested in the fishing activities of the country, the same as my distinguished friend from Massachusetts [Mr. GIFFORD]. I am not interested because there are any fishermen living in my district, because there are very few, if any, living there. I am interested not only in the fishermen of the district of my distinguished colleague [Mr. GIFFORD], but also in the fishermen of the Great Lakes and of the west coast, the fishermen of the Gulf; not only the fishermen of the South and North Atlantic but the fishermen of all parts of the country. The fishing activity contributed greatly toward the settlement of the Western Hemisphere. It was the fisheries of the North Atlantic which, prior to settlement in any part of the Western Hemisphere, attracted those hardy spirits from European lands to come here and catch fish for sale and take them back to the country from which they came.

They led the way to those who came over later and settled the original Colonies. The fishing activities played a very important part from that angle in bringing to these shores the early settlers, and has also played an important part as one of the basic industries of not only the Colonies but of our country under constitutional government. It is an industry which should receive consideration, and it is very pleasing to me to know that the Congress under a Democratic administration is giving to this basic industry consideration which was denied to it from 1920 to 1933. It is pleasing to know the minority Members have cooperated with the majority Members in their desire to do something for one of the basic activities of our country. I make this brief reference because of the partisan remarks made by my distinguished friend from the cape section of Massachusetts. This bill should pass; it is going to pass. However, I am interested in trying to help the fishing industry on a broader scale. We of New England know the value of fish as a food. I commend it to the people of all of the country. I am informed—and I am a layman—by competent medical authority that fish is more conducive to the health of the consumer than meat. I see here our distinguished colleague, an outstanding member of the medical profession, Dr. SIROVICH, and would like, if he will, to ascertain his professional opinion on that particular question.

Mr. SIROVICH. Will the gentleman yield?

Mr. McCORMACK. I yield, with pleasure.

Mr. SIROVICH. It might interest my distinguished colleague from Massachusetts to know that cancer, which is ravaging our country more than ever before, is only found amongst the meat-eating nations of the world, whereas amongst the fish-eating nations of the world very little cancer is found, and amongst the vegetable-eating nations of the world we find no cancer; but those people who live upon vegetables are always the servants or slaves of the fish-eating and meat-eating nations. [Laughter.] Therefore I would like to call the attention of my distinguished colleague to the fact that I would recommend to the people of the United States to have at least 1 or 2 days a week devoted to fish eating in order to help the fishermen of our nation.

Mr. McCORMACK. I think the fishermen of all parts of the country are going to be grateful to our distinguished colleague, Dr. SIROVICH, for his contribution.

[Here the gavel fell.]

Mr. BLAND. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. McCORMACK. I am particularly interested in considering our problems from a national angle. I dislike to look at things from a sectional angle. We all have our sectional problems; but, somewhere in this wide country of ours, somewhere in the Congress, there is a road which we can travel which will represent the road of national interest and national welfare.

That road exists for finance, for industry, for fishing activities, for employer and employee, for all. Having that in mind, I introduced legislation last year to give to the fishing industry of the United States—not New England or Massachusetts but the fishing industry of the entire country—consideration which prior thereto had been denied. Those amendments were adopted when we passed the Reconstruction Finance Corporation Act of last year. This bill is along the same line. This bill gives to the fisherman and the owners of fishing boats considerations which have been denied to them and extended to others owning vessels of 200 gross tons or more, consideration which they should have received before, and to which they are entitled.

I commend Dr. SIROVICH for drafting and introducing this bill. I particularly commend the chairman of the committee and all the members of the committee for the consideration they have extended to what I consider a very meritorious piece of legislation. However, I cannot let my remarks close without the suggestion that the Reconstruction Finance Corporation could do a great deal of good in the administration of this law, and all provisions of the Reconstruction Finance Corporation Act, if considerable of the difficulties of obtaining loans are removed. I do not like to be a critic. It is the easiest thing in the world to be a critic. Whatever I may say is not in the nature of criticism but in the nature of what I consider to be a constructive suggestion.

The Reconstruction Finance Corporation has regional offices in the various parts of the country. If an application for a loan is made to a regional office, no matter how small, it is examined and investigated, and the regional manager makes his recommendation to the Washington office. Every loan must come to Washington. When it comes down here it is reexamined, so I am reliably informed. After its reexamination, if approved, it goes to a review board. After it goes to the review board it goes to the full board, whether the application is for millions or for a few thousand dollars.

The appointment of a regional manager presupposes confidence in his integrity, his knowledge, and his experience, and it seems to me that the Reconstruction Finance Corporation should permit the regional managers to have discretion and authority in the making of all loans—loans under this act as well as all other provisions of the Reconstruction Finance Corporation Act—up to at least $10,000, if not $25,000. The main purpose of that act, which was first passed upon the recommendation of former President Hoover and which has been extended under the present administration, and which is a very fine piece of legislation, was for the purpose of assisting in reemployment, in addition to saving our banks, our railroads, and our insurance companies. If we are going to assist in reemployment and carry out effectively the amendments which we have made, we must make it attractive for the small business man to make application for a loan.

Mr. CULKIN. Has the language of the statute been changed? The law says the loan shall be made on adequate security.

Mr. McCORMACK. That has been changed this year to "reasonable assurance." It has been liberalized.

Mr. CULKIN. Has that legislation been passed?

Mr. McCORMACK. That has been passed, but what I am addressing myself to is that regional managers should have authority up to a certain amount, to make and disburse loans without the necessity of sending them down to Washington and going through three steps, together with the delay and expense which ensues. If that is done we will help the small business man in the way that Congress intended. He will make his application for loans where he cannot get them from a bank, for reemployment and for capital purposes, and it will be of tremendous assistance. It will be an incentive to the small business man to make applications, and it is going to place the responsibility where it belongs, to at least a limited extent, namely, upon the regional manager, who is acquainted with local conditions and the character of the applicant, whose appointment, as I have said, presupposes confidence in his integrity, his knowledge, his honesty, and his experience. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. BLAND. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. COLDEN].

Mr. WELCH. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. COLDEN. Mr. Chairman, living in one of the principal fishing sections of the Pacific coast, I have been very deeply interested in this measure. San Pedro, Calif., is the center of an extensive fresh-fish market and also of a very important tuna-canning industry. Tuna is known as the "chicken of the sea." It is the kind of fish that is preferred for salads, sandwiches, and things of that sort.

We also have important sardine fishing at San Pedro, including the canning industry, and the development of it is one of the most interesting romances of industry that I have ever heard. Some years ago one of the Van Camps, of Indianapolis, Ind., of pork-and-bean fame, came to San Pedro and bought a tuna cannery. This cannery was only operated a few months during the year for the reason that the tuna season is short.

As an observer of that community, Mr. Van Camp noted that fishermen during the dull season were busy bringing in sardines that were used for fish meal, chicken feed, and fertilizer. He observed that was great waste and loss of a very valuable food. He made inquiries as to why the canners of our community were not canning sardines. The answer was that at that time sardines were preserved in olive oil and that it was rather an expensive article on the Pacific coast in quantities sufficient for canning. In driving around the country he noticed also that many acres of tomatoes were going to waste. The larger tomatoes were sold on the market, but there were tons and tons of smaller tomatoes rotting in the fields. So he put his chemists to work on research and evolved a system of preserving and canning sardines in tomato sauce.

This method proved a success, and he began to put them on the market with the result that the California sardine packed in tomato sauce was so much cheaper than the olive-oil-packed product that it soon supplanted the other brands in our market. In course of time the market expanded throughout the United States, and a number of canners engaged in this new business. Because of careless packing the market was demoralized for a time until the canners got together and set up a standard for this product. During the World War the canned sardine from San Pedro invaded the eastern markets, principally New York, and the attention of the fishermen on the New England coast was called to this new industry. The New England canners sent a committee to investigate this industry at San Pedro, and the result was that they built a large cannery for canning sardines at San Pedro. This product was so popular it finally invaded the markets of Europe. The Norwegian sardine canners took notice and sent investigators to inspect the industry at San Pedro and on the Pacific coast; and they also built a large sardine cannery at San Pedro at Los Angeles Harbor. Today it is a very important industry, and the tomato-packed product enjoys a world-wide market.

Great quantities of these sardines are shipped to South America, Africa, and to the Orient, including the tin mines of the Malay Peninsula where we have the peculiar spectacle of the tin workers sending their tin to the United States and the tin in turn, or at least a portion of it, being shipped back to them in the form of containers for the California sardines, which is a staple article of their food.

I am informed by the Honorable WILLIAM I. SIROVICH, the ranking member of the Committee on Merchant Marine and Fisheries, and also the eminent physician of New York City, that the sardine product of our canneries is much superior to that of the imported product, particularly that of Spain and Portugal. Dr. SIROVICH informs me that the sanitary condition of the American canneries is far superior to that of their competitors. The fish in the American canneries is handled very largely by machinery while that in many of the foreign canneries by the hands of human beings, many of whom are lacking in cleanliness and others afflicted with disease. For this reason he highly recommends the American product as far more wholesome for human consumption.

One of my colleagues referred to the hardships and the dangers of the fisherman of our country. He speaks of their courage and their ability to breast the storms of the seas. This reminds me of a tragedy that occurred to the fishermen of my home town.

One of the vessels of the fishing fleet of San Pedro was known as the *Belle Isle*. It departed from San Pedro and stopped at San Diego for a brief period and left that port

on June 11, 1934. This fishing vessel had embarked for the Panamanian waters with 12 men, 10 of whom were American citizens, including Captain Gabelich, all residents of San Pedro. Although this vessel was equipped with a radio, no word has ever been received as to the fate of this vessel and its crew of 12. Ten of these men were married, and today there are 10 widows and 18 fatherless children in San Pedro waiting for their loved ones who, in all probability, will never return. This is but an example of the tragedies of the seas with which our fishermen are constantly confronted.

Not only because of their great contribution to the supply of a valuable food and its various byproducts but also because of their heroic nature and the hazardous traditions of their vocation do I wish to support this measure and enable the owners of the vessels of from 5 tons to 200 tons to have the same privileges of our R. F. C. loans as the greater companies engaged in the commerce of the seas. I see no good reason why any discrimination should exist against the American fisherman who occupies such an important place in our economic life.

The competition of foreign countries has been discussed today. The California fishing industry, both canners and fishermen, feel keenly the unfair competition from Japan. The Japanese Government not only subsidizes the fishing industry but the wage scale and the standard of living is so utterly low in Japan as to be able to economically destroy the tuna industry of California. In addition, the depreciated currency of Japan has made ineffective our tariff barriers to a great extent. I have heard the Members of Congress from various States, particularly those of Massachusetts, speaking of the Japanese competition in the textile industry. They are only beginning to realize the deadly competition from Japan with which the fishing industry of California has had to contend for some time. While the proper tariff protection of our California fishing industry is not germane to this bill, yet it is of such deep significance that I refer to it at this time as an imperative necessity.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, since coming here in January and having for the first time the privilege of associating with the members of the committee having charge of this bill, especially with the chairman of that committee, I have learned the value of humility. The broadness of knowledge of the subject in hand and the sincerity of the chairman and those who have served previously on the committee, their ability to determine the necessity for, and apply the remedy, is so apparent that we may well be guided by their counsel.

Anything that may be said is not offered by way of criticism of any kind, and it is only a long, broad, general principle, which seems to be the popular method. Any suggestion made here is in the spirit of helpfulness and is directed, not to the attention of the committee nor even perhaps to the Members of the House, but more especially to the gentlemen at the other end of the Avenue, because, although it seems impossible, it does appear that they may have neglected one or two opportunities to spend a little more money, to help the "underprivileged", to do something for those who are not leading "the more abundant life."

The Democratic platform of 1932 was something to excite the admiration of every citizen and, when the President announced that he was for it 100 percent, when he went about the country seeking renomination upon the principles there laid down and pledging adherence thereto, even Republicans were tempted to, and did, in large numbers, by the millions, we may say, desert their party, agreeing with the Democratic candidate and his policy as announced, and, relying thereon and having faith in his ability to carry out those plans, elected him to the high office he now holds.

Unfortunately, a change has come about. It is not for me to say that he has changed his mind, that he has forgotten the manner in which he secured his election, but someone with different ideas seems to have charge of the legislation. It does not, at least, follow the lines which were laid down in that platform, the ideas advocated in his campaign speeches. Much was said about economy in Government affairs, about the balancing of the Budget, about the "underprivileged." We all remember it, even though the platform itself, with all its fine declarations, has been abandoned, if not forgotten.

Today I wish to take a leaf from his book and for one moment speak to you about the lowly fishermen. I hold no brief for the trout fishermen.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. WOODRUFF. Is the gentleman referring to the lowly fishermen as being among the class known as the "forgotten man"?

Mr. HOFFMAN. The gentleman from Michigan has been here longer than have I.

The fisherman to whom I refer belongs to that class which has been partially, not wholly, forgotten. The gentleman may know others, although there cannot be many who have not received benefits from Government money. The only man I know of who has been completely forgotten is the taxpayer.

I was not referring to the boy with the cheek of tan, but to the boy with the tomato can, the boy who carries the angleworms in a little tin can. True, he has not always, in all places, been forgotten. In Michigan, if he sells angleworms along the roadside, he needs a license and he pays a sales tax; and if some of the legislation now proposed by Members here is enacted, he will need a Federal license and he will pay a tax on his little financial transaction.

Some Member—I think it was one of the minority members of the committee—said that the hand that rocked the cradle was the hand that ruled the Nation; but I have always thought that it was the boy who carried the fishpole and the bait can who was called upon to save the Nation.

Let me repeat: I hold no brief for the trout fisherman—the man with the fancy rod, the creel, the reel, the landing net; the man who buys his fish of the boy who catches them from the stream along which they are both fishing. You gentlemen who fish know how it is; I am sure the gentleman from Michigan does.

Nor do I hold a brief for the fellow who fishes off the Florida Keys from the power yacht; the millionaire who fishes in style. He does not belong to the class which leads a "more abundant life."

True, the President fishes in that vicinity during his vacation, which he so richly deserves, and I am not referring to him, for the last election gave him a catch the handling of which entitles him to not one but several vacations. He and the gentlemen on that side of the House who attempt from day to day to have the members of their party follow a consistent course have troubles, difficulties, which must try the patience of a Job—and vacations are theirs by right.

Gentlemen who have spoken here have referred to the fishermen who own and operate small boats in the fishing business along the eastern coast; and all that they have said, tending to point out the respect which is due to those men, their hardships and their needs for assistance, we can well endorse and adopt.

Michigan has a little water of its own. In fact, there are lakes on the north, the south, the east, and the west of it, even though it has Indiana on the south and Wisconsin on the northwest.

The fishermen of Michigan who ply their trade on the Great Lakes, especially those who fish in Lake Superior, earn all they are able to get and, at small cost, supply thousands of tons of food to the markets of surrounding States. Their hardships are as great as, the dangers which surround them equal to, those of any other fishermen on any body of water, and they, too, are entitled to the relief which this bill will give, if it be adopted.

But it is not to them that reference is now made. This angleworm fisherman is the one in mind. Has that subject been investigated by the gentlemen at the other end of the Avenue? Have any of them ever tried to dig angleworms

out of dry ground in hot weather, while the mosquitoes gathered 'round? Have any of the gentlemen over on the other side of the Capitol investigated the possibilities of creating employment by buying fishing tackle for all the boys and girls of the Nation who would like to go fishing? Why fool around with some of these other plans for the spending of the taxpayers' money? Here is a class that offers unparalleled opportunities for spending.

I understood the gentleman from Texas to say a while ago that his State was being neglected. But they have boys and girls in Texas. Surely they have water on the south. The Rio Grande River still must have water in it.

Nor is it so very far to the Mississippi. Think of all the colored brethren along all the docks and wharves and landings of the Mississippi and the Missouri Rivers, the ideal, contented, long-suffering but ever-patient and persistent catfish fisherman. Does he need help? Should he be given assistance? There is also the "kingfish", but I am not in favor of appropriating any money for the "kingfish."

Mr. EKWALL. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Oregon.

Mr. EKWALL. Is it not a fact that in Michigan the men who tell the biggest fish stories are sent to Congress?

Mr. HOFFMAN. The gentleman from Oregon was born and brought up at Ludington, in Michigan. He perhaps knows more about the subject to which he refers than do I. From what I have heard the gentleman say while here in Congress, I think perhaps his view is true. I also believe that he has never strayed, although he is a member of the judiciary of his adopted State, from the lessons he learned as a boy fishing from the piers along Lake Michigan. Whether his version of the veracity of a fisherman is the true one, whether that is the reason the people of Oregon sent him to Congress, I know not.

Mr. Chairman, I read in my home papers the advertisements where dancing and bridge lessons are being provided at public expense. The daily tells us that over in New York they are spending or have spent $3,000,000 for the same purpose. Do I have that right?

Mr. SIROVICH. That is the administration of the present mayor of New York doing that.

Mr. KNUTSON. It is Government money.

Mr. SIROVICH. It is money given to the mayor of New York.

Mr. HOFFMAN. Is that the taxpayers' money, or is that some more of your printed money?

Mr. KNUTSON. That is the money that Hopkins said was spent for things that we were "too damned dumb to understand" so far as the finer things in life were concerned.

Mr. HOFFMAN. That is what I am getting at.

Now, take this fishing business. You can buy a cane pole for 10 cents; you can buy 40 or 50 feet of linen line for 20 cents; you can buy a nickel's worth of sinkers and a dime's worth of fishhooks and with this equipment send these boys out along the streams to fish. They are out in the sunshine or the rain growing healthy and strong, learning lessons from nature; and you will be keeping them out of the reform schools and out of prison by giving them an outdoor education.

Mr. KNUTSON. They spent $250,000 preparing a relief map showing the movement of the people in the second millennium.

Mr. HOFFMAN. Is the gentleman talking about money or something else?

Mr. KNUTSON. I am talking about the money that was spent over in New York.

Mr. HOFFMAN. I do not know anything about the matter to which the gentleman refers.

Mr. KNUTSON. I am talking about the second millennium. I had never heard of it before either.

Mr. HOFFMAN. The gentleman is never going to get there anyway. Do not the Members know that we are on our way to national bankruptcy? That, in fact, we are already there?

Mr. KNUTSON. We are there now and do not know it.

Mr. HOFFMAN. But we are happy about it.

Mr. CULKIN. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from New York.

Mr. CULKIN. I do not know whether the gentleman is in favor of the disbursement of $30,000 or $42,000 in order to furnish a symphony orchestra for South Carolina.

Mr. HOFFMAN. The gentleman asks the question, Am I?

Mr. CULKIN. Yes.

Mr. HOFFMAN. No; I am in favor of giving this money to the boys who want to go fishing. The buildings housing the symphony orchestra may get burned down. Why put the orchestra in there? Keep them outdoors, put them along the streams so they can fish, and incidentally they can go swimming. Think of the saving in bathtubs and soap!

Mr. FLETCHER. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Ohio.

Mr. FLETCHER. My understanding is that the gentleman advocates that the money shall be used to buy fishpoles for the boys?

Mr. HOFFMAN. No; no. Far be it from me to make that recommendation! What am I advocating?

Mr. FLETCHER. Yes.

Mr. HOFFMAN. I am trying to offer the suggestion to the fellows over here who are wasting the people's money that we quit all this foolishness. If I had my way about the matter, we would balance the Budget. That is my theory of government.

I was just thinking that if they wanted to spend money and did not know what to do with it, they might follow this plan. For instance, there is a billion dollars left over from the last appropriation which they cannot spend. They are appropriating almost $5,000,000,000 more, and I am afraid we are getting too dumb to understand how to spend it.

The Congress, 2 years ago, appropriated more money for welfare and work relief than the departments have been able to spend, if the information we receive is correct. The committee having charge of these bills apparently had more time than it could use, hence these observations. It was just another thought on how more money might be spent.

My suggestion would be to cut it all out; go back to the old-fashioned, if hard, way of keeping our national expenditures within our national income; of living up to the President's statement, in substance, that any other course meant disaster. Let big business be regulated, but not in such a way as to destroy the small business man. Let the Government abandon the effort to control nature and the production of crops and cease levying tribute upon those willing in a decent, honest manner, to work and pay their own way through this world.

Let us be not content with merely acknowledging the truth of the President's statement that he was not willing—

> That the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves, or picking up papers in the public parks.

Let deeds follow the thought and the words and create here once more a nation of independent workers.

Mr. FLETCHER. According to the RECORD, over half of the Members on that side voted for the $4,000,000,000.

Mr. HOFFMAN. I do not think so; no.

Mr. KNUTSON. No. There are not as many fools as that over here.

[Here the gavel fell.]

Mr. LEHLBACH. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I was greatly interested in what the distinguished and able chairman of the committee [Mr. BLAND] had to say about the life of the fishermen along the Atlantic coast. I might add that everything that was said about the life of those men can be said of the life of the fishermen on the Great Lakes. They all face the perils of wind and wave.

Mr. Chairman, I am not only interested in this bill but I am going to support it, and I am going to support it because it liberalizes the law and makes it possible for the little man to obtain a loan.

On the Great Lakes I wonder if there is a single fishing boat of 200 tons or more. They are practically all smaller boats; and under the law as it now stands I doubt if any ship on the Great Lakes could get a loan. However, this bill will make it possible for the owner of such a boat to get a loan.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. SIROVICH. The testimony before our committee shows that pretty nearly every fishing boat is between 40 and 90 tons.

Mr. DONDERO. I think that is correct.

Not long ago we had a bill before this House to appropriate money to preserve the oyster industry of this Nation. I have not an oyster bed within 500 miles of my district in Michigan. I supported that bill for the reason that the question of food for mankind was involved in the measure. I think that same question enters into this bill, because any bill that makes it possible for a man to earn his living by the collection of food is a bill in which I know the public is interested.

I was interested in the statement regarding the competition with Canada. Canada is just across the river from my district. I am wondering whether this Nation can afford even to consider a reduction of the tariff on fish when it comes to this great industry which affects nearly every State of the Union. Perhaps the tariff is not high enough in this particular regard, and what applies to Canada applies to some of the foreign nations of the world.

I want to direct the attention of the chairman to section 5 of the bill and ask him a question. What would happen if a fishing industry was a partnership or an association or a corporation? Could it obtain a loan under this bill, which, as it now stands, simply applies to an American citizen? Did the committee give that question consideration?

Mr. BLAND. The committee did not give consideration to the applicant, because the bill simply amends existing law.

Mr. DONDERO. The reason I ask this question is this. On the Great Lakes many of the fishing industries are corporations, partnerships, or associations made up of citizens of Michigan and I am wondering whether the language would exclude them, and also those along the Atlantic and the Pacific and the Gulf coasts.

Mr. SIROVICH. If the gentleman will permit, the language of the bill is the same language, word for word, as the language in the Ship Mortgage Act of 1920, as modified in 1928, and the only change in verbiage is with reference to the tonnage of less than 200 tons and the excluding language, "other than a towboat, barge, scow, lighter, car float, canal boat, or tank vessel, of less than 200 gross tons." This is the only new language in the bill.

Mr. DONDERO. The question still remains, if a corporation asked for a loan under this bill could they get it?

Mr. SIROVICH. Of course, they could.

Mr. BLAND. I have not the slightest doubt of that, because we are amending the Ship Mortgage Act, which is the act under which these ship companies get their money. I do not think there is any doubt about that.

Mr. DONDERO. That is the only question I have in mind and I understand there is no question about it and none will be excluded so long as they are worthy.

Mr. BLAND. I do not think they will be.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. FIESINGER. There is one matter I would like to have clarified. It is not the purpose of the Government, as I understand, to reduce the tariff on fish, but I thought this might have been implied or inferred from what the gentleman has said.

Mr. DONDERO. No; not necessarily. The statement was prompted by what was said this afternoon regarding the competition of the fishing industry of this country with Japan and with Canada, and, I think, also, with some European countries.

Mr. BLAND. I think what the gentleman refers to is the reciprocal tariff agreement and the statement that no such agreement should be made whereby large importations of fish might come into this country. I may say that so far as that is concerned, while the committee has taken no action on it, I registered, in due and formal course, my protest against any such action.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from California.

Mr. COLDEN. Does not the gentleman believe that the competition with Japan, with its subsidized fishing industry, its extremely low wages, and its depreciated currency, is much more of a menace to American fishermen than the Canadian industry?

Mr. DONDERO. Very much more so. There is no comparison at all between the laboring man of Canada and the laboring man of Japan.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 30, subsection D, subdivision (a), of the act of June 5, 1920, known as the "Ship Mortgage Act, 1920", be amended by striking out the words "of 200 gross tons and upwards", and adding immediately following the words "vessels of the United States" the following: "(other than towboat, barge, scow, lighter, car float, canal boat, or tank vessel, of less than 200 gross tons)", and as so amended be reenacted so as to read as follows:

"A valid mortgage which, at the time it is made, includes the whole of any vessel of the United States (other than a towboat, barge, scow, lighter, car float, canal boat, or tank vessel, of less than 200 gross tons), shall, in addition, have, in respect to such vessel and as of the date of the compliance with all the provisions of this subdivision, the preferred status given by the provisions of subsection M, if—

"(1) The mortgage is endorsed upon the vessel's documents in accordance with the provisions of this section;

"(2) The mortgage is recorded as provided in subsection C, together with the time and date when the mortgage is so endorsed;

"(3) An affidavit is filed with the record of such mortgage to the effect that the mortgage is made in good faith and without any design to hinder, delay, or defraud any existing or future creditor of the mortgagor or any lienor of the mortgaged vessel;

"(4) The mortgage does not stipulate that the mortgagee waives the preferred status thereof; and

"(5) The mortgagee is a citizen of the United States."

Mr. BLAND. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the recommendation that it be passed.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JOHNSON of Texas, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 7205) to amend the Ship Mortgage Act of 1920, otherwise known as "section 30" of the Merchant Marine Act of 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons, and had directed him to report the same back with the recommendation that it do pass.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BLAND, a motion to reconsider the vote whereby the bill was passed was laid on the table.

FEDERAL OLD-AGE BENEFIT, ETC.

Mr. O'CONNOR. Mr. Speaker, by direction of the Committee on Rules, I present the following privileged report for printing under the rule.

The resolution is as follows:

House Resolution 197

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 7260, a bill to provide for the general welfare by establishing a system of Federal old-age benefits, etc. That after general debate, which shall be confined to the bill and shall continue not to exceed 20 hours, to be equally divided and controlled by the Chairman and ranking minority member of the

Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SNELL. Mr. Speaker, will the gentleman state if he is going to call this bill tomorrow?

Mr. O'CONNOR. Yes; I will call it up the first thing in the morning.

NATIONAL DEFENSE

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a speech made by my colleague, Mr. HARTER, of Ohio, before the members of the Jewish War Veterans Association, on the subject of national defense.

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of my colleague, Mr. HARTER, of Ohio, before the members of the Jewish War Veterans' Association April 7, 1935:

Commander, members of the Jewish War Veterans, including those who are in full health and those who are hospitalized as a result of their unfortunate experiences during the World War, and their friends everywhere:

It affords me great pleasure to participate in your program in celebrating what has come to be known as "Army Day", and is also the eighteenth anniversary of the entrance of the United States into the World War.

Much has happened since that eventful day in early April of 1917 when our country entered the conflict against Germany. We engaged in that struggle hoping that the World War would be the last war and that we were fighting to make the world safe for democracy. Unfortunately, wars are not at an end, and the world has never been so unsafe for free nations as it is today. Members of patriotic societies, like the Jewish War Veterans, doubtless will continue to seek information with which to combat the misleading propaganda of those ill-advised persons who would make our Nation defenseless.

The Chairman of the Military Affairs Committee of the House of Representatives, Hon. JOHN J. MCSWAIN, of South Carolina, is one of the stanchest friends of a safe-and-sane policy of national defense. He was to have been your guest speaker upon this program, but his duties require him to be in constant attendance upon the session of the House of Representatives this afternoon. Doubtless he is engaged at this minute in urging the passage by the House of Representatives of the McSwain bill to prevent profiteering during a war period.

Mr. MCSWAIN has given years of study to the elimination of excessive profits during periods of national emergency, and the bill which he sponsors, and which may be passed in the House of Representatives yet today, represents his earnest effort to keep the United States out of war.

As a member of the House Military Affairs Committee, Mr. MCSWAIN has requested me to extend to all those who believe in adequate national defense, and yet wish to prevent, insofar as possible, the entrance of this country into war, his greetings and felicitations.

All of us who have any connection with our national defense take a justifiable pride in the very marked progress that has been made in recent months in building up the strength and morale of the Army. There is constant agitation for more and better planes, with higher performance in speed and ceiling; for modernization of the service of supply for the Army; for motorization and for giving us a small but highly developed, fully equipped Army which is capable of large expansion upon short order and which, when so expanded, will provide us with a national defense force sufficient for most any national emergency. A majority of our citizens are in accord with these plans. They realize the conditions of unrest existing in the world today.

We have fire and police departments in our cities so as to prevent conflagration and crime. We must be prepared from the standpoint of national defense, so that we may not become involved in a world-wide war, nor so poorly prepared that we might be at the mercy of some aggressor nation.

Safe, sane, reasonable, and efficient national defense preparedness is necessary for the promotion of true and lasting peace. Money wisely spent for an adequate defense may prevent war and will go a long way toward maintaining our national integrity.

When we see the leading nations of the world preparing for war, and when we realize that through dictatorships and forms of government, absolute in nature, people of many nations do not have the right to express themselves, through their elected representatives, upon this grave matter of a declaration of war, we have some conception of how easily the world could become embroiled in a major conflict.

The storm clouds of war hover over Europe. We covet the territory of no nation, but we must be alert to the realities of the situation. As a great democracy, believing in the principles of constitutional government and free institutions, we know that we must have adequate national defense.

Those of us who had an opportunity to view the armed forces of our country today and saw the demonstration given by the general headquaters air force and the inspiring sight of the thousands who belong to other branches of the service as they marched down Constitution Avenue here in Washington felt that our military forces truly represent the spirit of America. They are to preserve peace, not to make war; they are for your defense and my defense, not for the purpose of waging aggressive warfare.

We know that in years gone by, when we have been faced with war, our unpreparedness was apparent to everyone. Most of us are familiar with what occurred upon our entrance into war with Spain in 1898. Our inadequate and failure of supply led to many hardships and much suffering among our troops.

At the time of our entrance into the World War, while we took measures that resulted in the training and production of the finest troops available anywhere, the cost and the profiteering that took place is well known to all of us.

We who are interested in national defense wish to see it achieved in such a way that it is adequate; that it is efficient and economical. Should we ever be faced with another war, forced upon us because of the aggression of some foreign power, let us take from the pages of history and the past the lesson of the necessity of being prepared should such an emergency arise.

The purpose of this day and the anniversary which we celebrate is not for the glorification of war. Rather it is to focus attention on our national-defense forces and to call to the attention of the people the constitutional duty of our Government to maintain an adequate common defense.

Since the World War many of the veterans who were participants have kept up their interest in problems of national defense by becoming members of the Officers' Reserve Corps, or have identified themselves with various veterans' groups and organizations, which are among the finest influences we have in promoting national defense and the cause of lasting and enduring peace.

May I express the hope that all veterans will use their influence in the various communities throughout the United States to the end that elected representatives of the people will provide adequate appropriations for a well-developed army and plan of national defense.

With all of the turmoil and uncertainty that exists the world over, it is particularly heartening to be able to tell the American people that at no time since the World War has Congress been so much alert to the dangers of inadeqaute national defense and so ready to make the appropriations and sacrifices to put our Nation in a position of being able to protect itself, no matter what may happen.

Let us approach the future with the same spirit that has emanated a liberty-loving nation ever since the adoption of our Constitution. Fortunately we are isolated geographically from Europe and we have not inherited the age-old animosities and racial differences that exist between the various people of Europe.

We want to be a good neighbor to all the world, but above all, we wish to be a self-respecting nation, one that has the interest of its own citizens at heart, and a nation that will provide for its own people the immunity from attack, protection from disturbance, so that they may enjoy their liberties and follow their vocations in safety and security.

I have been privileged this afternoon to address you under the auspices of the Jewish War Veterans of the United States, through the courtesy of the National Broadcasting Co.

This organization of veterans of our wars, founded in 1896 by veterans of the War between the States, today numbers among its members survivors of all our wars. I am privileged to bear testimony to the true patriotism, loyalty, and devotion of these citizens of the Jewish faith, in war and peace, to our country.

Mr. BLAND. Mr. Speaker, I call up the bill (H. R. 7131) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes, and I ask that it be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The bill is as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to convey to the State of California, for public-park purposes, the Morro Rock Lighthouse Reservation located at the entrance of Estero Bay, Coast of California, comprising about 30.56 acres, with the exception of three areas each 100 feet square located, respectively, on the northern side, the highest point of the rock, and the southerly side, together with rights of ingress and egress thereto as may be necessary for the establishment and maintenance of future aids to navigation at these points. The deed of conveyance shall describe by metes and bounds insofar as practicable the portion of the reservation transferred, and the conditions imposed by section 35 of this act.

SEC. 2. The Secretary of Commerce is authorized to reconvey to the State of Delaware the abandoned lighthouse reservation about 10 acres in extent, known as the "Delaware Breakwater Range Rear Lighthouse Reservation", Del., the land being no longer required for lighthouse purposes, as stipulated in the original deed of conveyance to the United States.

SEC. 3. The Secretary of Commerce is authorized to convey to the City Commission of the City of St. Augustine, Fla., for public park purposes, that portion of the Anastasia Island Lighthouse Reservation, Fla., which is not required to be retained for lighthouse purposes, consisting of lots 1 and 2, section 21, township 7 south, range 30 east, Tallahassee, Fla., excepting that part of lot 2 between the 5-acre lighthouse tract and the hard-surfaced road, together with a perpetual easement for beams of light across any part of the land that may be between the lighthouse and the sea: *Provided*, That no conveyance of the property shall be made until such time as the City Commission of the City of St. Augustine shall have agreed in writing to relieve the United States from being a party to any claims or litigation through the acquisition of the land in question by the city of St. Augustine, and that satisfactory agreements are reached with holders of record to subdivided lands in said lots 1 and 2 prior to 1923. The deed of conveyance shall describe by metes and bounds the exact portions of the reservation transferred, and the conditions imposed by section 35 of this act.

SEC. 4. The Secretary of Commerce is authorized to convey to the State of Florida for public-roadway purposes that portion of the Crooked River Range Lighthouse Reservation, Fla., near the southern boundary of the reservation, which is not required to be retained for lighthouse purposes, consisting of a strip of land approximately 66 feet in width and 500 feet in length. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 35 of this act.

SEC. 5. The Secretary of Commerce is authorized to convey to the city of Evanston, Ill., for public-park purposes, the Grosse Point Lighthouse Reservation, comprising an area of about 100 feet by 535 feet, and appurtenant structures thereon with the exception of the brick light tower and the plot of land surrounding same about 45 feet by 65 feet, together with the rights of ingress and egress, for the purpose of maintaining the light. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 35 of this act.

SEC. 6. The Secretary of Commerce is authorized to convey to the town of Castine, Maine, for public-park purposes, that portion of the Dice Head Lighthouse Reservation, Maine, which is not required for lighthouse purposes, containing about 3 acres and including appurtenant structures thereon, excepting the light tower and the plot of land surrounding same 100 feet square, together with the rights of ingress and egress as may be necessary for the maintenance of the light. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 35 of this act.

SEC. 7. The Secretary of Commerce is authorized to transfer to the Navy Department, for naval operations, the Blakistone Island Lighthouse Reservation, Md., which is no longer required for lighthouse purposes, comprising an area of approximately 3 acres.

SEC. 8. The Secretary of Commerce is authorized to convey to the town of Chatham, Mass., for public-park and roadway purposes, the following portion of the Chatham Lighthouse Reservation no longer required for lighthouse purposes: Starting at a stone bound where land now or formerly of Luther E. Hammond meets the westerly line of Main Street, Chatham, the line runs north 75°34'40" W. by land of said Hammond 222 feet to a stone bound; thence turning, runs south 0°10'40" E. by land of said Hammond 162 feet to a stone bound; thence turning, the line runs north 87°8' E. 149 12/100 feet by land of the United States Government to a stone bound; thence turning, the line runs south 26°15' W. 189 5/100 feet by the United States Government land before mentioned to a stone bound; continuing on a gradual curve by the same United States Government lot 119 5/10 feet to a stone bound; continuing on a course south 38°43'20" W. to a stone bound; thence turning, runs south 75°34'20" W. to a stone bound; then turning, runs south 75°34'40" E. by land of the Chatham Beach Club to low-water mark, thence along low-water mark in a generally northeast direction to a junction of low-water mark and an extension of the first-named course; including all interest of the United States Government in the shifting sand beach easterly of the lagoon. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to the town and the conditions imposed by sections 35 of this act.

SEC. 9. The Secretary of Commerce is authorized to transfer to the War Department the Marblehead Lighthouse Reservation, Mass., reserving unto the Department of Commerce the light tower and an area of 100 square feet surrounding same, together with a right-of-way by land and sea for the purpose of maintaining the light.

SEC. 10. The Secretary of Commerce is authorized to convey to the town of Cohasset, Mass., for public-roadway purposes that portion of the Minots Ledge (Shore) Lighthouse Reservation, Mass., which is not required to be retained for lighthouse purposes, consisting of a strip of land approximately 35 feet in width and 650 feet in length lying adjacent to the present roadway known as "Border Street." The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to the town and the conditions imposed by section 35 of this act.

SEC. 11. The Secretary of Commerce is authorized to convey to the city of Newburyport, Mass., for public-park purposes that portion of the Newburyport Harbor Lighthouse Reservation which is no longer required for lighthouse purposes, containing an area approximately 200 feet by 200 feet. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to this city and the conditions imposed by section 35 of this act.

SEC. 12. The Secretary of Commerce is authorized to convey to the State of Michigan for public-roadway purposes that portion of the Forty-Mile Point Lighthouse Reservation, Mich., which is not required to be retained for lighthouse purposes, comprising about 0.445 acre. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to the State and the conditions imposed by section 35 of this act.

SEC. 13. The Secretary of Commerce is authorized to convey to the State of Michigan for public-roadway purposes that portion of the Grand Island Harbor Range Lighthouse Reservation, Mich., which is not required to be retained for lighthouse purposes, consisting of a strip of land approximately 150 feet in width and 2,692 feet in length. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to the State and the conditions imposed by section 35 of this act.

SEC. 14. The Secretary of Commerce is authorized to transfer to the Department of Agriculture for inclusion within the Marquette National Forest Purchase Unit, Government Island Lighthouse Reservation, otherwise known as "Island No. 6", in the Les Cheneaux Group in the north end of Lake Huron, no longer required for lighthouse purposes, containing an area of approximately 214.25 acres; reserving a small proportion of the protected water front for construction operations of the Lighthouse Service and right to reoccupy any portion thereof for lighthouse purposes.

SEC. 15. The Secretary of Commerce is authorized to transfer to the Treasury Department for use as a patrol base by the Customs Service the Grosse Ile Lighthouse Reservation, Mich., comprising eleven one-hundredths of an acre and appurtenant structures thereon, the reservation being no longer required for lighthouse purposes.

SEC. 16. The Secretary of Commerce is authorized to convey to the city of Muskegon, Mich., a portion of the Muskegon Lighthouse Reservation, Mich., consisting of 1 acre, located at the foot of Beach Street in the said city of Muskegon, formerly occupied by light keeper's dwelling, in exchange for a parcel of land 80 feet wide north and south by approximately 500 feet long extending to the shore of Lake Michigan, containing ninety-two one-hundredths of an acre, lying adjacent on the south to property now occupied by light keeper's dwelling. The city of Muskegon will be required to furnish a fee-simple title, good of record and free of all encumbrances, together with abstract of title acceptable to the Attorney General of the United States.

SEC. 17. The Secretary of Commerce is authorized to convey to the county of Huron, State of Michigan, for public-park purposes, that portion of the Pointe aux Barques Lighthouse Reservation, Mich., which is not required to be retained for lighthouse purposes, comprising an area of about 56.6 acres and including approximately 1,450 feet of shore frontage on Lake Huron. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to the county, and the conditions imposed by section 35 of this act.

SEC. 18. The Secretary of Commerce is authorized to convey to the city of St. Joseph, State of Michigan, for public-park purposes, the St. Joseph Lighthouse Reservation, Mich., which is no longer required for lighthouse purposes, comprising an area 132 feet by 132 feet and appurtenant structures thereon. The deed of conveyance shall describe by metes and bounds the portion of area transferred and the conditions imposed by section 35 of this act.

SEC. 19. The Secretary of Commerce is authorized to convey or exchange with the Board of Chosen Freeholders of Atlantic City, State of New Jersey, the present Rum Point Depot site for a more suitable site for lighthouse purposes.

SEC. 20. The Secretary of Commerce is authorized to convey to the township of Cape May County, State of New Jersey, for public-roadway purposes, that portion of the Cape May Lighthouse Reservation, N. J., which is not required to be retained for lighthouse purposes, comprising a strip of land 50 feet in width and approximately 217 feet in length extending from the southeasterly to the northwesterly boundaries of the reservation. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 35 of this act.

SEC. 21. The Secretary of Commerce is authorized to convey to the town of Southold, State of New York, for public-park purposes, that portion of the Horton Point Lighthouse Reservation, N. Y., which is no longer required for lighthouse purposes, including appurtenant structures, reserving unto the United States the rights of ingress and egress by land and water for purposes of maintaining the light. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 35 of this act.

SEC. 22. The Secretary of Commerce is authorized to convey to the village of Old Field, State of New York, for public-park purposes, that portion of the Old Field Point Lighthouse Reservation, N. Y., which is no longer required for lighthouse purposes, containing about 7.5 acres and including appurtenant structures thereon, reserving unto the United States the rights of ingress and egress by land and water for purposes of maintaining the light. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 35 of this act.

SEC. 23. The Secretary of Commerce is authorized to convey to the State of Oregon, for public-park purposes, all lands comprising

the Cape Lookout Lighthouse Reservation not required for lighthouse purposes. The deed of conveyance shall describe by metes and bounds the lands so transferred and the conditions imposed by section 35 of this act.

SEC. 24. The Secretary of Commerce is authorized to convey to the State of Oregon, for public-park purposes, that portion of the Heceta Head Lighthouse Reservation, Oreg., which is not required to be retained for lighthouse purposes, comprising an area of about 7.49 acres. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to the State and the conditions imposed by section 35 of this act.

SEC. 25. The Secretary of Commerce is authorized to transfer to the Department of Agriculture the unused portion of the Hilton Head Lighthouse Reservation, S. C., excepting the light tower and rights of ingress and egress for purposes of maintaining the light in the tower.

SEC. 26. The Secretary of Commerce is authorized to transfer to the War Department the unused Mount Pleasant Lighthouse Reservation, S. C., including appurtenant structures.

SEC. 27. The Secretary of Commerce is authorized to transfer to the War Department the unused Bolivar Point Lighthouse Reservation, Tex., including appurtenant structures.

SEC. 28. The Secretary of Commerce is authorized to convey to the park commission of Door County, State of Wisconsin, for public-park purposes, the Baileys Harbor Range Lighthouse Reservation, Wis., which is no longer required for lighthouse purposes, containing about 30.10 acres and including certain appurtenant structures. The deed of conveyance shall describe by metes and bounds the land transferred and the conditions imposed by section 35 of this act, and further provide that no part of the land shall be commercialized or otherwise objectionably used.

SEC. 29. The Secretary of Commerce is authorized to convey to the State of Wisconsin, for public-park purposes, that portion of the Eagle Bluff Lighthouse Reservation, Wis., which is not required to be retained for lighthouse purposes, including certain appurtenant structures. The deed of conveyance shall describe by metes and bounds the exact portion of the reservation transferred: *Provided*, That the Secretary of War may enter upon and utilize for the purpose of obtaining stone for river and harbor work and other uses of the Department any area within said tract which he may determine to be necessary for such purpose. Authority is also hereby granted to lease to the State of Wisconsin that portion of the reservation not transferred, for a period of 25 years, subject to revocation at any time by the Secretary of Commerce.

SEC. 30. The Secretary of Commerce is hereby authorized to sell to the city of Port Angeles, State of Washington, that portion of the Ediz Hook Lighthouse Reservation, Wash., now leased to the city for a term of 99 years under authority contained in the act of March 9, 1914 (38 Stat. 293).

SEC. 31. The Secretary of Commerce and the Secretary of the Treasury are hereby authorized to acquire by transfer from the War Department certain unused property located adjacent to the South Pier, Buffalo Harbor, N. Y., which is now reserved for military purposes but not required for such purpose by the War Department, excepting therefrom the United States South Pier. Two parcels of the land containing 5.36 acres and 8.68 acres, respectively, may be transferred to the Secretary of Commerce for lighthouse purposes, and one parcel of land containing 14.55 acres may be transferred to the Secretary of the Treasury for Coast Guard activities.

SEC. 32. That the act of February 18, 1931 (46 Stat. 1172), entitled "An act to reserve for public use rocks, pinnacles, reefs, and small islands along the sea coast of Orange County, Calif.", is hereby amended to reserve for lighthouse purposes the San Juan and San Mateo Rocks and the two rocks in the vicinity of Laguna Beach, off the coast of Orange County, Calif.

SEC. 33. The Secretary of Commerce is authorized on behalf of the United States, upon receipt of payment in the amount of $550, to convey by quit-claim deed to Charles E. Robinson, of Isle au Haut, county of Knox, State of Maine, the Isle au Haut Lighthouse Reservation, Maine, together with the dwelling and the structures located thereon, excepting the lighthouse tower, the footbridge thereto, and its other appurtenances and attachments. The deed of conveyance shall describe by metes and bounds the exact portion of the reservation so conveyed.

SEC. 34. The Secretary of Commerce is authorized to transfer to the Secretary of Agriculture for use of the Bureau of Biological Survey the Sapelo Lighthouse Reservation, Ga., which is no longer required for lighthouse purposes, comprising an area of approximately 195 acres with appurtenant structures thereon.

SEC. 35. Each conveyance authorized by sections 1, 3, 4, 5, 6, 8, 10, 11, 12, 13, 17, 18, 20, 21, 22, 23, 24, 28, and 29 shall be subject to the express condition that the grantee assumes the obligations imposed by such sections, including carrying out the purposes of the grant. The Secretary of Commerce may at any time, by letter addressed to its chief executive officer or officers, notify any such grantee which has not begun to perform any such obligation that the property so conveyed will revert to the United States; and if such grantee does not begin or resume the performance of such obligation within a period of 6 months from the date of such notice, such property shall, upon the expiration of such period, revert to the United States without further notice or demand or any suit or proceeding. The United States reserves the right to resume ownership, possession, and control, for Government purposes, of any of the property so conveyed, at any time and without the consent of the grantee.

With the following committee amendments:

On page 15, after line 16, add the following new section:

"SEC. 35. The Secretary of Commerce is hereby authorized in his discretion to dispose of the lighthouse reservation in the village of Fairport, Ohio, in the manner and under the conditions indicated:

"(1) To convey to the village of Fairport, Ohio, for public purposes all of the lighthouse reservation located at Second and High Streets in the said village and extending from Second Street north to the shore of Lake Erie, except that portion hereinafter described adjacent to Second Street, on which the present lighthouse buildings are located: *Provided*, That as a condition precedent to such transfer the village of Fairport, Ohio, shall first convey to the United States of America, free of all encumbrances, the following-described parcel of land situated in the said village:

"Beginning at the southwest corner of lot 53, which point is 132 feet north 89°40' east from an iron pin at the intersection of the east line of High Street and north line of Second Street; thence due north a distance of approximately 129 feet along the east line of lot 54 to its intersection with the southerly line of Prospect Street; thence north 59°55' east along the south line of Prospect Street, a distance of approximately 76 feet, to its intersection with the west line of lot 52; thence southerly along the west line of lot 52, a distance of approximately 167 feet to the north line of Second Street; thence 66 feet south 89°40' west along the north line of Second Street to the place of beginning, being all of lot 53 of original plat of Grandon, now known as the 'village of Fairport, Ohio.'

"The portion of the lighthouse reservation to be reserved from the above is rectangular in form and lies adjacent to Second Street with a frontage of 200 feet, more or less, on the west side of High Street and of such depth along Second Street as shall be fixed by the Secretary of Commerce to adequately include all existing buildings and improvements of the Lighthouse Service on the said property.

"(2) To convey to the village of Fairport, Ohio, for public purposes, the remainder of the lighthouse reservation, together with the buildings thereon reserved in condition (1) upon conveyance to the United States by the village of Fairport, Ohio, free of all encumbrances, of a parcel of land in said village, and the construction thereon without cost to the United States of a brick dwelling and necessary appurtenances to replace the buildings now used by the Lighthouse Service: *Provided*, That the size and location of the site shall be satisfactory to the Secretary of Commerce and that the proposed buildings shall be constructed and satisfactorily completed in accordance with plans and specifications to be furnished by the Secretary of Commerce.

"SEC. 36. The Secretary of Commerce is authorized on behalf of the United States, upon receipt of payment of the amount of $1,200, to convey by quitclaim deed to the town of Islesboro, Maine, the Grindel Point Lighthouse Reservation, Maine, containing 2.16 acres, more or less, above mean high-water line, except a tract 12 feet square between the tower and shore line which is required for lighthouse purposes, together with wooden frame dwelling and other buildings and structures thereon, except the lighthouse lantern atop the lighthouse tower, which will be removed by the Government. The Government reserves the privilege of landing at the reservation and the right to pass and repass between the shore and the plot upon which the tower is to be erected. The deed of conveyance will contain a metes and bounds description of the property to be conveyed. The said parcel of land was acquired by the United States by warranty deed dated July 11, 1849, which was recorded on July 12, 1849, in book 66, page 526, Waldo County, Maine."

Page 18, line 12, change section 35 to 37.

Mr. BLAND. Mr. Speaker, I move to amend by striking out section 5.

The Clerk read as follows:

On page 3, line 19, strike out all of section 5.

The amendment was agreed to.

Mr. HART. Mr. Speaker, I offer the following amendment: Page 10, line 8, after the word "Atlantic", strike out the word "City" and insert the word "County."

The Clerk read as follows:

Page 10, line 8, after the word "Atlantic", strike out the word "City" and insert the word "County."

Mr. HART. Mr. Speaker, this is merely a change of unit from city to county. The purpose of the bill is to convey this property to the chosen freeholders of Atlantic County. The way the bill reads it refers to the Board of Freeholders of Atlantic City. There is no such board. The Bureau of Lighthouses informs the committee it should read "Atlantic County."

The SPEAKER. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was agreed to.

Mr. HART. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. HART: Page 10, line 12, after the word "to", strike out the word "the" and insert in lieu thereof the word "Lower."

Mr. HART. Mr. Speaker, the section authorizes the Secretary of Commerce to convey to the Township of Cape May County, in the State of New Jersey, certain property. There is no such township as Cape May County. It was the intention of the Department that the conveyance should be made to Lower Township, in Cape May County. That is the effect of the amendment.

The SPEAKER. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was agreed to.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the numbering of the paragraphs up to section 35 be changed in accordance with the amendment.

The SPEAKER. Without objection, it will be so ordered.

There was no objection.

The Clerk reported the committee amendments.

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the numbers of the paragraphs in the last section of the bill be changed to conform with the amendments.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RIGHT OF CERTAIN VESSELS TO ENGAGE IN COASTWISE TRADE

Mr. BLAND. Mr. Speaker, I call up the bill (H. R. 115) to amend section 27 of the Merchant Marine Act, 1920.

The SPEAKER. The gentleman from Virginia calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that it be considered in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 27 of the Merchant Marine Act, 1920 (U. S. C., title 46, sec. 883), is amended to read as follows:

"SEC. 27. That no merchandise shall be transported by water, or by land and water, on penalty of forfeiture thereof, between points in the United States, including Districts, Territories, and possessions thereof embraced within the coastwise laws, either directly or via a foreign port, or for any part of the transportation, in any other vessel than a vessel built in and documented under the laws of the United States and owned by persons who are citizens of the United States, or vessels to which the privilege of engaging in the coastwise trade is extended by sections 18 or 22 of this act: *Provided*, That no vessel having at any time acquired the lawful right to engage in the coastwise trade, either by virtue of having been built in or documented under the laws of the United States, and later sold foreign in whole or in part, or placed under foreign registry, shall hereafter acquire the right to engage in the coastwise trade: *Provided further*, That this section shall not apply to merchandise transported between points within the continental United States, excluding Alaska, over through routes heretofore or hereafter recognized by the Interstate Commerce Commission for which routes rate tariffs have been or shall hereafter be filed with said Commission when such routes are in part over Canadian rail lines and their own or other connecting water facilities: *Provided further*, That this section shall not become effective upon the Yukon River until the Alaska Railroad shall be completed and the Shipping Board shall find that proper facilities will be furnished for transportation by persons citizens of the United States for properly handling the traffic."

Mr. BLAND. Mr. Speaker, this bill is to prevent certain ships that have been sold to foreign owners—ships which were American-built, some built during the war, since operating abroad—from being brought back into this country and reentering the coastwise trade.

I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BLAND: Strike out the final period, insert in lieu thereof a colon, and add the following:

"*Provided further*, That this section shall not apply to the transportation of merchandise loaded on railroad cars or to motor vehicles with or without trailers, and with their passengers or contents when accompanied by the operator thereof, when such railroad cars or motor vehicles are transported in any railroad-car ferry operated between fixed termini on the Great Lakes as a part of a rail route, if such car ferry is owned by a common carrier by water and operated as part of a rail route with the approval of the Interstate Commerce Commission, and if the stock of such common carrier by water, or its predecessor, was owned or controlled by a common carrier by rail prior to June 5, 1920, and if the stock of the common carrier owning such car ferry is, with the approval of the Interstate Commerce Commission, now owned or controlled by any common carrier by rail, and if such car ferry is built in and documented under the laws of the United States."

Mr. BLAND. Mr. Speaker, the House, by unanimous consent, passed a few days ago an amendment to section 27. That amendment has gone to the Senate. This bill also amends section 27. The amendment that was passed was an amendment that provided in respect to the Great Lakes car ferries. This is the same section that is amended, and this repeats the section just as if that amendment were not in. If we were to pass this bill, and it should go over to the Senate, and it should be passed there, after the other bill had passed, we would undo all that we have done in the passage of the other bill. This simply tacks onto this bill section 27, the amendment that passed this House by unanimous consent.

The SPEAKER. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF TIME FOR CONSTRUCTION OF BRIDGE ACROSS OHIO RIVER NEAR CAIRO, ILL.

Mr. KELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1308) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the times for commencing and completing the construction of the bridge across the Ohio River at or near Cairo, Ill., authorized to be built by the Cairo Bridge Commission by the act of Congress entitled "An act creating the Cairo Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the Ohio River at or near Cairo, Ill.", approved April 13, 1934, are hereby extended 1 and 3 years, respectively, from April 13, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REVIEW OF THE BIG PARADE

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to insert in the RECORD a small poem by Mr. Fucci in relation to the veterans of the World War.

The SPEAKER. Is there objection?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following poem, by Mr. Louis V. Fucci, in relation to the veterans of the World War:

REVIEW OF THE BIG PARADE

1917–1935

By Louis V. Fucci

'Twas only yesterday your sons,
Sons of liberty and democracy,
Came marching down our main streets
To the tune of martial air.

These boys of the ghetto and social world
Ne'er gave thought of self
As onward they carried with dauntless courage
To fight for your sake and my sake.

Here and there along the curb
Thousands of voices heard rejoicing, crying:
"Nothing's too good for our boys;
We shall ne'er forget them; e'er remember them."

Time and peace healed all ills!
The knell of war hath ceased!
Soldiers of peace returning, chanting:
"Peace on earth, good will to men."

Here they come! See them!
Shell shocked and shrapnel torn,
Gassed, maimed, and weaponless,
From the slimy trenches returning.

Here, there, everywhere—o'er the land—
Millions of voices heard rejoicing, saying:
"Nothing's too good for our boys;
We shall care for them as in war and in peace."

United to family ties again,
Among loved ones together brought;
Some made happy; some to grieve;
But saddest of all were they to be forgot,
By those for whom they fought,
That democracy might live forever!

America! Can't you hear their bugle call
From the poppy fields, end on end?
Heed their call! Can't you recall?
Haven't they fought your battles?
And battles, too, won for you!
Haven't they earned their bounty,
Each and every one of them?
America! Stand by your boys of the Khaki and Blue!

L'ENVOI

Tho seventeen years since have passed,
Gratitude slow they have won,
Though arm in arm they fought as one!
Lest we forget, have they not served?
Do they not deserve to be served?
America! Stand by your boys of the Khaki and Blue—
Let them know that our flag is still there,
In grateful appreciation for a debt that is fair.

GRADED TAX LAW OF THE CITY OF PITTSBURGH

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting two radio addresses by the mayor of Pittsburgh.

The SPEAKER. Is there objection?

There was no objection.

Mr. MORITZ. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of Hon. William N. McNair, mayor of Pittsburgh, April 5, 1935:

Pennsylvania has a different tax system than any other State in the Union. This is due to our folkway, which was originated by leaders such as Ben Franklin, Henry George, and a long line of students of their philosophy.

Pennsylvania does not have a State income tax, nor does it have a sales tax, and in this respect we think it has an advantage over other States. It also has a flat rate of 2 percent for direct inheritance taxes. The economic idea back of this is the proposition that industry and thrift should not be burdened by the government.

Pittsburgh has taken a step further in that direction by adopting what is known as the "graded tax law." In 1913 the legislature directed the Council of the City of Pittsburgh to reduce the tax rate on improvements 10 percent each 3 years, until 1925, when the rate then would be 50 percent of the rate on location values in the city. The tax rate in Pittsburgh is $10 a thousand on buildings and $20 a thousand on land. The purpose of this law was twofold: First, to encourage the construction of more and better buildings and make it easier for those living in the buildings to keep them; and, second, to discourage the holders of available locations, which were coming on the market for building sites, either for residences or factories or stores, from holding these locations idle and preventing the erection of new buildings.

This plan does not apply to school taxes or county taxes and has not gone far enough to permit me to say that these results have been achieved. We now have bills in the present legislature to extend these laws to school taxes and to make another cut in city taxes, so that the tax rate will be 5 mills on buildings and 25 on land.

Pittsburgh being the only city to try this experiment, I have come to the conclusion that the results have been postponed because of the fact that we are placed in a competitive situation and site owners are capitalizing the advantage which the lower tax on improvements afford.

I also include the following radio address of Hon. William N. McNair, mayor of the city of Pittsburgh, on April 6, 1935:

TAX SYSTEM OF THE CITY OF PITTSBURGH

One advantage which home rule for cities gives in the United States is that wherever a community thinks out a new idea, they do not have to submit it to a higher authority but they can start to experiment. Thus we have thousands of experiment stations in political economy all over the country.

Pittsburgh is one of those stations as far as taxation is concerned. Other cities have tried local income taxes, licenses, sales tax, tax on personal property, but Pittsburgh has kept to the one tax throughout its history, and that is a tax on the location or site value. True, we have a small tax on improvements, but we are gradually trying to get rid of that also. Our present tax on land values in Pittsburgh which are, by the way, assessed at some $600,000,000, amounts to $20 a thousand, and the tax on improvements is $10 a thousand.

This tax on improvements has gradually been reduced by 10 percent every 3 years, so that now a peculiar situation exists in Pittsburgh in that the tax is lower this year than almost any time during the last 20 years, and the school board, which does not apply this graded tax principle, as we call it, taxes the home more than the city taxes, and the county taxes are almost as high for county purposes as our city tax.

Some 10 or 12 years ago New York tried a similar experiment with great success, in that it removed the tax on new homes for a period of 10 years. We feel that eventually we should have the same success in our plan of reducing the rate on all homes.

The philosophy back of this idea is that taxes retard industry, and if you can remove the tax burden from anything like home building or factory building or store building, it will help bring back recovery.

THE ROOSEVELT ADMINISTRATION

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. MORITZ. Mr. Speaker, I wish to call to the attention of the Congressmen that there seems to be a determined and definite effort at the present time to create public sentiment against the Roosevelt administration. This is being done by pamphlets, letters, radio addresses, and in the newspapers. Of course, we have free speech and everyone is entitled to express his or her opinion, but it seems to me that it is time for all Roosevelt rooters to defeat these efforts by calling to the attention of the people of the United States that when the Ship of State was driven aground by circumstances, the Republican administration simply folded their arms and let financial ruin do its utmost, whereas our great President has been successful in getting the Ship of State off the rocks of destruction, even though one of his lieutenants pulled some "dumb tricks", such as killing pigs and plowing cotton under. The people at large must not have sand thrown in their eyes by some subtle politicians.

LAUDS ADMINISTRATION

Mr. JOHNSON of Texas. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting in the RECORD a short article by Hon. Stewart Appleby, a former Member of this House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JOHNSON of Texas. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by Hon. Stewart Appleby, a former Member of this House from New Jersey:

STEWART APPLEBY LAUDS UNITED STATES ADMINISTRATION—FORMER PROMINENT SHORE REPUBLICAN TELLS OF PROGRESS

Former Congressman Stewart Appleby, Republican Member of the House of Representatives from 1925 to 1927, succeeding his father, the late Congressman T. Frank Appleby, of Asbury Park, in a statement to the Monmouth American indicates admiration of President F. D. Roosevelt, comparing him and his achievements with those of former President Hoover.

Mr. Appleby, who has voted in the West since his retirement from New Jersey politics, says:

"We are now entering the third year of the progressive Roosevelt administration, and it is well to take time to reflect what has happened since March 4, 1933, when Hoover stepped down and out and Roosevelt up and in.

"Two years ago banking and commercial failures were our besetting plague. Like the March snow, they have rapidly disappeared, and the bank depositors' money is guaranteed up to several thousand dollars. Commercial failures have stopped. Employment has increased, and confidence has returned under a kind and firm leadership of an able President.

"The right to peacefully petition Congress has been restored. Under the Hoover administration the hardships and deaths that resulted in the war veterans' fracas have disappeared into past history, but not forgotten. The veterans who assembled at Wash-

ington and vicinty had a perfect right, under our Constitution, to do so.

"Child labor in sweatshops, mines, and factories has been abolished under the Roosevelt administration. We still have the poor with us and always will, through no fault of theirs. It is far better to have employment wherever possible instead of temporary relief. Employment is based upon ability to buy and sell in the world's markets. Production is being gradually increased, and if the foreign nations ever pay us anything but tokens we will be surprised; but the Roosevelt administration is even making an effort to accomplish the repayment of money after the foreign nations have consumed our goods and used our money.

"STEWART APPLEBY."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LESINSKI, for 2 days, on account of important official business.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 35 minutes p. m.) the House adjourned until tomorrow, Thursday, April 11, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PLUMLEY: Committee on Military Affairs. S. 1803. An act to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games; without amendment (Rept. No. 663). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARPENTER: Committee on the District of Columbia. H. R. 3462. A bill to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes; with amendment (Rept. No. 665). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. EKWALL: Committee on Claims. H. R. 351. A bill for the relief of Jane B. Smith and Dora D. Smith; with amendment (Rept. No. 641). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 670. A bill conferring jurisdiction in the Court of Claims to hear and determine the claim of George B. Gates; without amendment (Rept. No. 642). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 810. A bill for the relief of Fred Epps; with amendment (Rept. No. 643). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 971. A bill for the relief of the Tevis Motor Co.; with amendment (Rept. No. 644). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 1540. A bill for the relief of Lester I. Conrad; with amendment (Rept. No. 645). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 3162. A bill for the relief of the Allegheny Forging Co.; with amendment (Rept. No. 646). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3559. A bill for the relief of John L. Alcock; with amendment (Rept. No. 647). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 4226. A bill for the relief of Floyd Hull; with amendment (Rept. No. 648). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 4406. A bill for the relief of Anna Farruggia; with amendment (Rept. No. 649). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4841. A bill for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; without amendment (Rept. No. 650). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 4997. A bill for the relief of the George R. Jones Co., a corporation organized under the laws of the State of New Hampshire; with amendment (Rept. No. 651). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5393. A bill for the relief of Moses Israel; with amendment (Rept. No. 652). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5521. A bill for the relief of Frank Williams; without amendment (Rept. No. 653). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 43. An Act for the relief of Lucile A. Abbey; without amendment (Rept. No. 654). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 148. An act for the relief of the estate of Donnie Wright; without amendment (Rept. No. 655). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 391. An act for the relief of Ralph E. Woolley; without amendment (Rept. No. 656). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 547. An act for the relief of Alfred W. Kliefoth; with amendment (Rept. No. 657). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 560. An act for the relief of the Western Electric Co., Inc.; without amendment (Rept. No. 658). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1051. An act for the relief of the Western Union Telegraph Co.; without amendment (Rept. No. 659). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 1585. An act for the relief of Stefano Talanco and Edith Talanco; with amendment (Rept. No. 660). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1860. An act for the relief of the Tampa Marine Co.; without amendment (Rept. No. 661). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1863. An act for the relief of Trifune Korac; with amendment (Rept. No. 662). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7245) for the relief of the city of New York; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 6297) for the relief of Leon Frederick Ruggles; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 6882) for the relief of the heirs of William H. Peters and Washington Reed; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 704) for the relief of Thelbert Davis; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 5899) for the relief of Helen Niehaus; Committee on Claims discharged, and referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER (by request): A bill (H. R. 7396) to encourage inventive genius by amending the income-tax laws with respect to the incomes of inventors; to the Committee on Ways and Means.

By Mr. KENNEY: A bill (H. R. 7397) to authorize the Reconstruction Finance Corporation to make loans direct to municipalities and other governmental subdivisions organized pursuant to State law; to the Committee on Banking and Currency.

By Mr. MERRITT of New York: A bill (H. R. 7398) holding members of the Custom Intelligence Bureau of the port of New York to have served in the military service of the United States; to the Committee on Military Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 7399) to establish the United States Housing Authority; to provide modern, large-scale housing for families of low income; to provide employment in the building and allied trades; to stimulate and stabilize the building industry; to increase consuming power; to further national recovery; and to promote the public health, safety, morals, and welfare; to the Committee on Banking and Currency.

By Mr. MAAS: A bill (H. R. 7400) to authorize the construction and use of underground pneumatic-tube service; to the Committee on the Post Office and Post Roads.

By Mr. WHITE: A bill (H. R. 7401) to add certain lands to the Salmon National Forest; to the Committee on the Public Lands.

By Mr. BUCKLER of Minnesota: A bill (H. R. 7402) providing for the payment of $15 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States; to the Committee on Indian Affairs.

By Mr. CONNERY: A bill (H. R. 7403) to amend subdivisions (a) and (b) of section 400 of the Revenue Act of 1926, as amended, relating to taxes on cigars and cigarettes; to the Committee on Ways and Means.

By Mr. SMITH of West Virginia: Resolution (H. Res. 198) for the consideration of H. R. 2077; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACKNEY: A bill (H. R. 7404) granting an increase of pension to Isabelle Call; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7405) for the relief of Frederic C. Johnston, alias Fred M. Johnson; to the Committee on Military Affairs.

By Mr. BRUNNER: A bill (H. R. 7406) authorizing the President of the United States to appoint Arthur A. Klein to the position and rank of second lieutenant in the United States Army and immediately retire him with the rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

By Mr. HARTER: A bill (H. R. 7407) granting a pension to Mary Hanchett; to the Committee on Pensions.

By Mr. KIMBALL: A bill (H. R. 7408) for the relief of Elmo P. Dean; to the Committee on Claims.

By Mr. KINZER: A bill (H. R. 7409) granting a pension to Maude Isabel Schuler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7410) granting an increase of pension to Helen Gallagher; to the Committee on Invalid Pensions.

By Mr. KLOEB: A bill (H. R. 7411) granting an increase of pension to Caroline Risk; to the Committee on Invalid Pensions.

By Mr. McSWAIN: A bill (H. R. 7412) to authorize the payment of retired pay to William Mitchell; to the Committee on Military Affairs.

By Mr. SOMERS of New York: A bill (H. R. 7413) for the relief of the Concrete Steel Co.; to the Committee on War Claims.

By Mr. WOLVERTON: A bill (H. R. 7414) for the relief of John Norman Westcott; to the Committee on Naval Affairs.

Also, a bill (H. R. 7415) for the relief of Archibald Gibson; to the Committee on Naval Affairs.

Also, a bill (H. R. 7416) for the relief of Christy Gnazzo; to the Committee on Military Affairs.

Also, a bill (H. R. 7417) for the relief of Elmer Leibfried; to the Committee on Naval Affairs.

Also, a bill (H. R. 7418) for the relief of William R. Brashear; to the Committee on Military Affairs.

Also, a bill (H. R. 7419) for the relief of Timothy J. Devine; to the Committee on Military Affairs.

Also, a bill (H. R. 7420) for the relief of Ord Rogers; to the Committee on Military Affairs.

Also, a bill (H. R. 7421) for the relief of Charles C. Flippen; to the Committee on Military Affairs.

Also, a bill (H. R. 7422) for the relief of Samuel C. Simpkins; to the Committee on Military Affairs.

Also, a bill (H. R. 7423) for the relief of Robert L. Sheppy; to the Committee on Military Affairs.

Also, a bill (H. R. 7424) for the relief of James Taylor; to the Committee on Military Affairs.

Also, a bill (H. R. 7425) for the relief of James Smith; to the Committee on Military Affairs.

Also, a bill (H. R. 7426) granting an increase of pension to Lydia R. DuBois; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7427) granting an increase of pension to Josephine Bier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7428) granting an increase of pension to Martha Weiser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7429) granting an increase of pension to Anna J. Flick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7430) granting an increase of pension to Mary Jane Cooper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7431) granting an increase of pension to Catherine Ann Page; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7432) granting an increase of pension to Carrie A. Eagin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7433) granting an increase of pension to Kate Schnetzler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7434) granting an increase of pension to George W. Kelley; to the Committee on Pensions.

Also, a bill (H. R. 7435) granting an increase of pension to Margaret C. Lee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7436) granting an increase of pension to Catherine C. West; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7437) granting an increase of pension to Mary A. Pendergrast; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6871. By Mr. ANDREW of Massachusetts: Petition signed by William Scott and 37 other residents of Salem, Mass., urging the passage of House bill 6472, to prevent compulsory block booking and blind buying of motion pictures; to the Committee on Interstate and Foreign Commerce.

6872. By Mr. AYERS: Memorial of the twenty-fourth session of the Legislative Assembly of the State of Montana, requesting that the Department of Agriculture of the United States be urged to withdraw Orders G20A and T8½T, issued under date of March 29, 1934, which orders relate to fish, game, and fur-bearing animals lying within the boundaries of national forests; to the Committee on Agriculture.

6873. Also, memorial of the twenty-fourth session of the legislative assembly of the State of Montana, relative to the Buffalo Rapids project in Montana and requesting the aid of the Federal Government in the construction of said project; to the Committee on Irrigation and Reclamation.

6874. By Mr. BACHARACH: Resolution of the Cape May County (N. J.) Fish and Game Protective Association, Cape May courthouse, protesting against a closed season on waterfowl; to the Committee on Agriculture.

6875. By Mr. BOYLAN: Letter from the Real Estate Board of New York, Inc., New York City, protesting against the passage of the Wheeler-Rayburn public-utility bill (H. R. 5423); to the Committee on Interstate and Foreign Commerce.

6876. By Mr. BUCKLER of Minnesota: Petition of R. Reierson, chairman; Emil Sonstelie and John H. Johnson, supervisors; members of the Board of Supervisors of Sletten Township, near McIntosh, Minn., praying for the passage of the Frazier-Lemke farm-refinancing bill; to the Committee on Agriculture.

6877. Also, petition of William Douville, president, and E. R. Pederson, secretary, of the Workmen's Protective Association of Thief River Falls, Minn., praying for the passage of the workers' unemployment, old-age, and social insurance act (H. R. 2827) by Mr. LUNDEEN, which provides for the establishment of unemployment, old age, and social insurance, and for other purposes; to the Committee on Labor.

6878. By Mr. CLARK of Idaho: House Joint Memorial No. 1, regarding price of commodities; to the Committee on Agriculture.

6879. By Mr. CONNERY: Resolutions of General Court of Massachusetts, memorializing Congress in favor of the passage of national unemployment insurance legislation; to the Committee on Ways and Means.

6880. By Mr. GRANFIELD: Resolution of the Ancient Order of Hibernians of Hampden, relating to religious intolerance in Mexico; to the Committee on Foreign Affairs.

6881. By Mr. HANCOCK of New York: Petition of Edward O'Neill and other residents of Syracuse, N. Y., favoring the issuance of a special commemorative stamp in honor of Commodore John Barry; to the Committee on the Post Office and Post Roads.

6882. By Mr. HOEPPEL: Petition of certain citizens in the California Christian Home of San Gabriel, Calif., urging enactment of House Joint Resolution 89, and expressing their opposition to war; to the Committee on the Judiciary.

6883. By Mr. LAMNECK: Petition of W. L. Butler, vice president, Ohio Railroad Employees & Citizens League, and employees and members of the league of Columbus, Ohio, urging the passage of Senate bill 1629 and House bill 5262, providing for regulation of interstate highway transportation; to the Committee on Interstate and Foreign Commerce.

6884. By Mr. LUCKEY: Petition of the Nebraska State Senate, regarding the reporting out of committee House bill 2066; to the Committee on Agriculture.

6885. By Mr. McLAUGHLIN: Petition memorializing the Committee on Agriculture of the House of Representatives of the United States, to immediately report out of the committee the Frazier-Lemke farm refinance bill (H. R. 2066); to the Committee on Agriculture.

6886. By Mr. MAPES: Petition of Henry Feenstra, Zeeland, Mich., signed jointly with other residents of Ottawa County, Mich., recommending the passage of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

6887. By Mr. MERRITT of New York: Resolution of the Mutual Paper Box Manufacturers' Association, unanimously endorsing the continuance of the National Industrial Recovery Act; to the Committee on Appropriations.

6888. Also, resolution of the National Code Authority for the Retail Tobacco Trade, New York City, N. Y., placing itself on record as unanimously supporting the extension of the National Industrial Recovery Act for 2 years; to the Committee on Appropriations.

6889. By Mr. RUDD: Petition of Colonel John Jacob Aster Camp, No. 6, United Spanish War Veterans, Washington, D. C., favoring the passage of House bill 6995; to the Committee on Pensions.

6890. By Mr. SHANLEY: Petition of Emma Davis and 24 others, of New Haven, Conn., registering approval of House bill 2827; to the Committee on Labor.

6891. By Mr. STEFAN: Resolution adopted by the Nebraska State Senate, memorializing the Committee on Agriculture, House of Representatives, to report the Frazier-Lemke farm finance bill (H. R. 2066) at the earliest possible time; to the Committee on Agriculture.

6892. By Mr. TOLAN: Resolution by Oakland City Council, favoring House bill 6766, by Congressman JOHN H. TOLAN, to establish United States Shipping Board Fleet Reserve vessels at Wake and Midway Islands; to the Committee on Merchant Marine and Fisheries.

6893. Also, resolution by Oakland City Council, favoring House bill 6767, by Congressman JOHN H. TOLAN, to remove coral reefs obstructing harbors at Wake and Midway Islands; to the Committee on Rivers and Harbors.

6894. Also, resolution by the Oakland City Council, urging Congress to investigate the Townsend plan for old-age pensions; to the Committee on Ways and Means.

6895. Also, resolution by the Oakland City Council, urging the passage of House bill 5583, to provide for expansion of Government-owned motor-vehicle service in the Postal Service; to the Committee on the Post Office and Post Roads.

6896. Also, resolution by the Senate and Assembly of the State of California, presented by Gov. Frank F. Merriam, memorializing Congress to enact the required legislation for complete and adequate antiaircraft equipment and personnel as defensive measures for the Pacific coast; to the Committee on Military Affairs.

6897. Also, resolution by the Senate and Assembly of the State of California, presented by Gov. Frank F. Merriam, memorializing Congress to amend the Constitution and submit the amendment to the States to grant Federal suffrage to residents of the District of Columbia; to the Committee on the Judiciary.

6898. By Mr. TRUAX: Petition of the Federation of Women's Clubs of Greater Cleveland, Ohio, by their corresponding secretary, Mrs. James F. Branch, favoring legislation similar to that introduced by Congressman MATTHEW A. DUNN, into the Seventy-third Congress, which is designed to permit the blind to operate news stands in Federal buildings; to the Committee on Labor.

6899. Also, petition of Grant Dukes and others of North Baltimore, Ohio, favoring the Government take up all mortgages on homes and farms at their true value by printing money, not issuing interest-bearing bonds, and paying them off, and holding said mortgages as security at a low rate of interest, about 3 percent, as this would make home-owning more attractive and thus would raise the value of homes and would make the Government an income of about 2 percent, which would help to make the Government self-supporting by taking over the electricity and telephones at a reasonable rate, and that our Government should not issue interest-bearing bonds when it has the printing press and the credit; to the Committee on Banking and Currency.

6900. Also, petition of Kline F. Leet and numerous other citizens of Cleveland, Ohio, deeming House Joint Resolution 167, by Mr. LUDLOW, the most important and meritorious matter before the United States Congress, and urging support of said resolution; to the Committee on the Judiciary.

6901. Also, petition of F. W. Griffith and numerous other citizens of Toledo, Ohio, urging support of Senate bill 87, known as the "Black 30-hour-week bill", and the "Connery labor-disputes bill"; to the Committee on Labor.

6902. Also, petition of C. Wagner and numerous other citizens of Garrettsville, Ohio, urging that they all get their citizenship papers at one time, because since the war they have no country to call their own and all of them are anxious to make this their home for the future, and they are an honest, hard-working farmer people and will make good citizens and taxpayers; to the Committee on Immigration and Naturalization.

SENATE

THURSDAY, APRIL 11, 1935

The Reverend Harry Lee Doll, assistant rector of the Church of the Epiphany, Washington, D. C., offered the following prayer:

O Lord God, creator of us all, who hast committed unto us the solemn trust of building Thy kingdom in this our generation, Thou knowest that we can do no good thing of ourselves. Sanctify us in Thy truth that we may live worthy of the trust Thou hast given us. Open our eyes that in the issues and events of our time we may see Thy footsteps; that, following in them without haste, without sloth, and without fear, confusion may be put to flight and we may become fellow workers in Thy unfolding purpose. Make us alive to the glory of struggle and adventure. We do not ask that Thou wilt keep us safe, but that Thou wilt keep us loyal. In the name of Him who for our sakes didst face death unafraid, Thy Son, Jesus Christ our Lord. Amen.

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 9, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1308) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.

The message also announced that the House insisted upon its amendment to the bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia, to prescribe penalties for the violation of the provisions of this act, and for other purposes, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PALMISANO, Mr. PATMAN, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SANDLIN, Mr. CANNON of Missouri, Mr. TARVER, Mr. BUCHANAN, Mr. THURSTON, and Mr. BUCKBEE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 65. An act to provide for the establishment of a Coast Guard station on the coast of Virginia, at or near the north end of Hog Island, Northampton County;

H. R. 2015. An act for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass.;

H. R. 3975. An act to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach;

H. R. 5529. An act to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense, and promote peace;

H. R. 6732. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes;

H. R. 7131. An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes;

H. R. 7132. An act to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.; and

H. R. 7205. An act to amend the Ship Mortgage Act, 1920, otherwise known as "section 30" of the Merchant Marine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 2128. An act for the relief of Rossetta Laws;

H. R. 2881. An act authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes;

H. R. 5576. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

H. R. 5577. An act to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve; and

H. R. 6290. An act to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark.

COMPARISON OF BUDGETARY AND FISCAL CONDITIONS

Mr. LONERGAN. Mr. President, during our debates on the work-relief joint resolution, I was impressed with the statements of various Senators regarding the present status of our Budget, and particularly by the warnings from some that our recent huge appropriations for emergency projects threaten the very foundation of our Budget system unless we prevent diversions from emergency funds for regular departmental expenditures, and otherwise maintain a sane system of Budget accounting.

I believe that the debates on this measure, and particularly those relating to our financial structure and the necessity for maintaining an efficient Budget and accounting system, were revealing to most of us and were a valuable contribution to the country. To me a number of questions were raised concerning our present Budget policies, which I have attempted to settle in a practical way by comparing the results of our system with those of other countries during the past 15 years or more.

I have realized since beginning this task that there is no absolutely accurate basis for such comparisons, because of the lack of uniformity in systems of Budget accounting and in the forms of political government throughout the world. Yet, certain fundamental problems are related to all budgets, and the League of Nations and numerous writers have attempted to analyze them in great detail, and several books on the subject have been published. From these we can obtain some conception of the results which can be expected if we adhere very long to certain conservative or inflationary trends on the expenditure side, or to various tax policies on the revenue side.

Much has been said recently about our present system of Budget accounting in the United States, and critics have often charged the administration with keeping two sets of books, one of which presents only the regular expenditures of the Government, and the other the emergency expenditures. It has been said that by separating the two the administration is more or less burying a great many expenditures in the so-called "emergency budget", which, in effect, is a deception.

Whatever faults our Budget accounting system may have, I cannot conclude as a result of my comparisons that there is any intention on the part of the present administration to practice a deception in its system of accounting.

In his opening message to this Congress the President frankly pointed to the huge expenditures we had made, and must make in the future, in order to meet the present crisis. Instead of giving the impression of deceiving anyone, he was so open about the matter that he was charged in some quarters with being too pessimistic. There were many who thought that unwarranted fears would result from his very frank discussion of our expenditures. But we have all

learned by this time that such candor in talking to the American people is one reason why Franklin D. Roosevelt has the confidence that he maintains today.

To infer that he would encourage or even countenance a deceptive accounting system in the Treasury Department is certainly going beyond the bounds of reason. The comparative analysis reports of receipts and expenditures, which are released regularly by the Treasury clearly divide the general and emergency expenditures, as alleged, but they are brought together in the summary, and the total of both can be found in the same report without difficulty. The division is one for convenience in accounting and reporting, and if any criticism is to be made of this method it must be limited to the accounting procedure itself rather than to the purpose for which the division is made.

We must agree that some importance attaches to the accounting system in the Budget, although, as I will show later, the arithmetic of it is not nearly so important as is the underlying governmental policy which upholds the Budget. So far as accounting systems go, they are as different with governments as are the accounting systems of industry. Some governments keep war financing entirely outside their regular budget reports. Others have certain integral parts which are described as "self-balancing", by which departments, such as the Post Office Department, seek to balance their individual budgets by their own revenues. This is in practice in England. Some countries, such as Australia, use a system of accounting resembling the usual industrial system, by which they write off their expenditures for buildings on a depreciation basis. If they spend $100,000 for a new post office building in any one year they do not count it as a total expenditure for that year, as we do in the United States, but count it off in the budget reports over a period of, say, 20 years, covering the life of the building. Such an accounting system might be satisfactory for certain countries, but whether it would operate in the United States is a question I cannot answer. Finally there are countries, such as Denmark and Sweden, which use the current and capital system, by which current expenditures and those listed on long-term programs are distinctly separated.

Lack of uniformity in budget accounting methods can certainly be expected where there are so many different types of government and finance involved. Even when we are dealing with industry instead of governments we find such a lack of uniformity. The Interstate Commerce Commission, after many years of effort in establishing uniform accounting systems on railroads subject to its regulations, still faces great difficulties in using the figures of various railroads as any basis for comparison. There is always involved the difference in location and other factors which are certain to affect the nature and importance of the financial report of each railroad and make it somewhat different from others.

Criticism for dividing annual governmental budgets into distinct parts has been observed wherever we have political parties jockeying for public favor. The "outs" condemn the "ins" and "view with alarm" the manner in which the Budget is being kept. The "outs" endeavor to show that anything can be done with figures and that it is only necessary to inform the accountants what result is desired and they will arrange to get the result. These charges are as prevalent today as they were 20 years ago when Dr. C. F. Bastable, professor of political economy in the University of Dublin, said:

> Recently the system of special budgets in particular kinds of expenditure has been somewhat widely employed, though it is an expedient calculated to confuse the public accounts and to prevent the true situation of finances being understood. The general rule of meeting expenditure out of income should be openly transgressed only by the use of a loan. A surplus on an ordinary budget, with a deficit on one or more extraordinary ones, is a direct infraction of the principle that the finance accounts should be submitted fully, simply, and in unity.

Certain forms of "emergency" or "extraordinary" expenditures and revenues, separated from the regular expenditures and revenues, have been prevalent in government budgets for decades. It is true that the growth of such "extraordinary" revenue and "emergency" expenditures has been criticized as being too rapid and as opening the way for unfortunate budgetary policy. But so far as the arithmetic or accounting of it is concerned there seems to be no genuine cause for alarm when the total results are submitted "fully, simply, and in unity", as Dr. Bastable recommends. I believe that our Treasury Department reports meet these important requirements.

Of much greater concern to me than the mere technicalities of budget accounting are the problems of budget planning. These problems are not mere arithmetic. National finance is a great policy. Without sound finance no sound government is possible; without sound government no sound finance is possible. In seeking my information I have therefore kept in mind the policies underlying the budget in each country and have found that while these change as political administrations change they adhere more regularly to certain groups, such as that of the parliamentary government budgets, with certain definite objectives to be reached.

Prior to 1921, when the United States adopted a budget system, at least 49 other countries had what they described as the national budget system. The general features of this system common substantially to all of these countries at that time were the preparation of the budget estimates by the executive branch of the government; their revision and consolidation by some central organization in the executive government; the submission of the budget to the legislative branch by the executive upon the authority and responsibility of the executive; the consideration of the budget as a single and unified bill by the legislative branch; the influence of executive responsibility for the demands of the budget, causing the legislature to make few changes; the execution of the budget by the executive, and an independent audit of the executive accounts.

A more accurate discussion of the budget systems in various countries, and policies supporting them, is furnished by A. E. Buck, in his book, "The Budget in Governments of Today", published in 1934. In this work he makes the following general comparisons of systems in several countries and discusses the situation in the United States. I have, of course, greatly abbreviated much of this information:

As applied in different governments of the world, the modern budget may be said to have three essential elements: First, a financial plan; second, a procedure for formulating, authorizing, executing, and controlling this plan; and, third, some governmental agency responsible for each successive step in this procedure. When viewed as a plan, the budget sets forth the monetary requirements of a government for a definite future period—usually a year—and in so doing exhibits a balanced relation between anticipated income and estimated outgo. As a procedure, the budget involves certain definite steps: First, in preparing estimates and framing the financial plan; second, in voting or adopting the plan; third, in carrying out the plan as authorized; and, fourth, in auditing and reviewing the resulting fiscal operations.

The governmental agency responsible for each of these steps is determined more or less by the pattern of government under which the budget operates. In the United States, for example, the Executive should be responsible for the first and third steps, while the Legislature should be responsible for the second and fourth. The Executive, by virtue of his authority over the administration, is in the key position not only to prepare the financial plan, but also to carry it out. The Legislature, according to its historic right, holds the purse strings of the Government. It accomplishes this through authorizing the financial plan presented to it by the Executive, and through establishing accountability on the part of the Executive for carrying out this plan. The latter feature, involving an audit and review of financial operations, is as yet far from being properly developed.

The most essential feature of the budget, as a financial plan, is equilibrium; that is, a balanced relation between revenue and expenditure. Under existing economic conditions unbalanced budgets are among the most baffling prob-

lems that governmental authorities have to face. Ordinarily these authorities have attempted to balance their budgets by increasing tax rates, by decreasing expenditures, or by a combination of the two methods. And when they have failed by such methods, as has often happened, they have resorted to borrowing. The policy of contraction—enforced economies in expenditures—has apparently produced balanced budgets in some instances. One of the most successful attempts to apply this policy is embodied in the so-called "Premiers' Plan of Australia", which was carefully worked out on the basis of "equality of sacrifice" and adopted in 1931.

Opposed to the policy of contraction in balancing the budget is the expansionist theory. The latter proposes the use of public credit to increase expenditures for capital improvements and to aid in the planned extension of private production. It is claimed that the effect of applying this theory, once its full force is felt in a country, is to increase revenues and to decrease unemployment relief. Thus the budget is eventually balanced: furthermore, the causes of budgetary disequilibrium are largely removed. The authorities of some governments have apparently accepted this theory at least in part and have provided funds for a program of capital improvements and national development. The United States Government has embarked upon such a program under the new deal.

While many Americans regard the budget, that is, the process of financial planning, as a recent development in government, such is by no means the case. Nearly two centuries ago the budget was fairly well established as an essential part of the mechanism of the British parliamentary system. It was instituted in France more than a century ago. Then it was gradually adopted by other European countries, by Japan, and by the British Dominions. But as late as the beginning of the present century the United States was still without an established budgetary practice in any of its governmental units—national, state, or local. The National Budget and Accounting Act was not passed until 1921. Since that time considerable progress has been made in the development of a National Budget system, although the system is as yet by no means entirely satisfactory. Many improvements are still desirable to lend greater effectiveness to the system and to give it a permanent status in the United States Government. In order to determine the general nature of these improvements it may be well to note briefly the budgetary usage and experience of some of the leading foreign governments.

THE BRITISH BUDGET SYSTEM

This system is applied not only in England but also in the several British Dominions. It is based on certain definite relations existing between the Cabinet or the Executive, on the one hand, and Parliament, mainly the House of Commons, on the other. The Cabinet gets its authority directly from the House of Commons, of which it is, in effect, a great standing committee. But at the same time the Cabinet supplies the leadership for the House of Commons. It accomplishes this through direct contact with the House, where it initiates all important governmental policies, and where its members sit during the session, answering questions or leading the discussions. Thus the Cabinet is made responsible to the House at all times, and its tenure of office depends upon the majority support of that body. When the Cabinet fails to win such support for any of its measures it may either resign as a body or dissolve the House and call an election. If the election returns a favorable majority in the House, the Cabinet remains in office. It is in this constitutional setting that the Cabinet formulates the budget, submits it to the House for approval, and thereupon sees that it is properly executed. As a necessary check on the Executive the House provides for an audit and review of the accounts kept by the administrative departments under the direction of the Cabinet.

According to British practice, the Cabinet is completely responsible for budgetary initiative, and no estimate or proposal can be considered by Parliament without its endorsement. In framing a balanced financial plan the Chancelor of the Exchequer has wide powers of revision over the expenditure estimates, which enable him to control, in a large measure, the requests of the spending ministers. Any unreconciled differences between the demands of these ministers and the allowances of the Chancelor are left to the decision of the Cabinet and the Prime Minister. The Chancelor's main function is to enforce economy on the spending departments. But the Cabinet, as a whole, assumes responsibility for the budget once it has been formulated by the Chancelor and presented to the House of Commons.

In preparing the budget, the Chancellor of the Exchequer is assisted by the staff of the treasury, which is, in reality, under his direction. The financial secretary of the treasury, working as his understudy, takes immediate charge of the expenditure estimates of the civil-service and revenue departments. The Navy and Army estimates are considered separately by the chancelor, since they usually involve broad questions of policy which the Admiralty and the War Office thrash out directly with him. The revenue estimates are prepared for the treasury by the revenue departments, which are directly associated with the treasury.

When the budget is ready to present to the House of Commons, the Chancelor of the Exchequer does so by delivering the "budget speech." Preparatory for this speech, the Speaker leaves the chair, and the House goes into the committee of ways and means, which is a committee of the whole. The chairman of this committee then calls upon the Chancelor, and the House members sit in rapt silence while he proceeds "to open the budget." During this speech, which generally occupies from 2 to 3 hours, and in the discussion which follows it, any member of the House may question the Chancelor. At the conclusion of the speech, some members of the "opposition" usually reply to the Chancelor, often criticizing his budgetary proposals and stating their own views. On the whole, this procedure affords the most perfect staging for the budget which any government has so far devised.

Twenty days are set aside under the British system for discussion of the expenditure estimates by the committee of supply, a committee of the whole House of Commons. These days are scattered through the parliamentary session, usually on successive Thursdays, from February until August. If the Cabinet wishes to, it may allot an additional 3 days to the discussion. The reason for limiting the period of discussion is to prevent the opposition from consuming the entire session on matters of supply, thus preventing the Government from putting through its legislative program. The opposition, through the party whips, generally chooses the votes, or sections of the expenditure estimates, which will be discussed. The committee of supply then considers these votes and adopts resolutions which are reported back to the House as a basis for the appropriations.

Thus the House actually authorizes the proposed expenditures of the budget vote by vote before the appropriation bill—a single bill of only a few pages—is even drawn up. But in order that the votes may be available for expenditure, the amounts must be included in the appropriation bill and passed by Parliament. This is done at the end of the 20 days assigned to discussion of the budget.

Between April 1, when the fiscal year begins, and the passage of the appropriation bill early in August the expenditures of the Government are provided for through so-called "votes on account." During March the financial secretary to the treasury prepares an estimate of the amounts needed to carry on the civil service for the next 4 months. This estimate is authorized by a resolution of the committee of supply passed before March 31. The amounts contained in this resolution are later covered by the grants of the appropriation act.

For the execution of the budget, the British Treasury proper is organized under two main divisions—finance and supply services and establishments—each headed by an officer called a "controller." The controller of finance and supply services deals with all questions relating to departmental estimates and expenditures and all matters coming under the general heading of finance. The departments take

up their expenditure problems with him during the fiscal year. He has authority, together with his chief, the Permanent Secretary to the Treasury, to settle all but the larger issues, which may be appealed to the Chancelor of the Exchequer, and on which the Cabinet itself may have to render a final decision. In addition to these duties, he supervises the national debt, the raising and repayment of loans, banking and currency problems, and fiscal relations with the dominions and foreign governments. The controller of establishments deals entirely with personnel, not only of the treasury but of the whole civil service. His consent must be obtained before any department can increase its staff by even one clerk, and all rates of pay are reviewed by him.

While the British Treasury exercises broad supervision, the actual spending of the money is in the hands of each departmental "accounting officer", who is usually the permanent secretary of the department, a civil servant, and the real departmental head. The accounting officer of each department is named by the Prime Minister after consultation with the Permanent Secretary to the Treasury and the political chief of the department concerned. His duties do not relate to actual account keeping, as his title would seem to indicate, but solely to financial responsibility. He is accountable for all payments made by his department and must assure himself of their correctness and propriety. He also assumes responsibility for the work of his accountants and for the departmental appropriation accounts.

Aside from the Treasury and the departmental accounting officers, the comptroller and auditor general, who is responsible to the House of Commons, also has a part, though a very minor one, in carrying out the budget. To make expenditures it is necessary for the treasury to have his concurrence in transferring money from the exchequer account to the paymaster general, whence it is expended under the supervision of the treasury.

But the principal task of the comptroller and auditor general is auditing. His duty is simply to watch, search, inquire, and report; and he is not concerned with keeping general accounts. His work is directed to three phases, namely, verification of treasury and departmental accounts, audit of expenditures and revenues, and a limited examination of the nature of expenditures to determine how wisely money has been spent.

The results of the various audits are embodied in a report which the comptroller and auditor general makes some time after the close of each fiscal year. This report is presented to the public accounts committee and to the House of Commons. Any irregularities detected in the course of the audits which the departments are unable to justify are featured in the report. They are then taken up for questioning and further investigation by the public accounts committee. If the situation appears to demand it, the comptroller and auditor general may go directly to the Speaker of the House of Commons and get any matter laid before that body without waiting until the close of the fiscal year.

The public accounts committee is appointed annually by the House of Commons at the beginning of each parliamentary session. It is composed of 15 members. Its chairman, according to custom, is a member of the "opposition" in the House, often a former financial secretary to the treasury. The financial secretary to the treasury actually in office is also a member. The other members are usually experienced in public finance. The committee meets privately. The comptroller and auditor general sits with it, and so does a high treasury official. The committee usually follows the report of the comptroller and auditor general. The accounting officer of the department whose accounts are being examined appears before the committee to explain or justify the payments which have been made. At the conclusion of the hearings the committee formulates its decisions, with which the treasury is usually in agreement, since both are interested in enforcing regularity and economy in departmental expenditures. As a result, the treasury often puts the committee's recommendations immediately into effect, as it has full authority to do. When the committee concludes its examination, it reports to Parliament.

THE FRENCH BUDGET SYSTEM

Under the parliamentary system of France, the Ministry, although responsible to the Chamber of Deputies, stands on a very different footing from that of the British Cabinet. It never really controls Parliament, since it has practically lost the power of dissolution over the Chamber. This not only reduces its prestige in the Chamber but also results in frequent and useless changes in the Ministry. Under these conditions, the Ministry can rarely hope to have its budgetary proposals accepted by Parliament, as is uniformly the case in England, and there is not the same clear-cut responsibility for budgeting as between the Ministry and Parliament. Then, too, parliamentary checks on the executive find expression more often through interpellation and overthrow of the Ministry than through audit and review of the administrative accounts, as in England.

Under the French budget system, the Ministry is responsible only for the preparation of the initial financial plan. Parliament reserves the right to change this plan in any way it sees fit, or to substitute a new plan. Until recently, the Ministry left the task of preparing the budgetary proposals in the hands of the Minister of Finance. But in 1930 the office of Minister of the Budget was established to supervise this task. According to present practice, the Minister of Finance and the Minister of the Budget share responsibility for the preparation of the budget, thus presenting the somewhat anomalous situation of two chief finance officers.

The budgetary proposals, when submitted to Parliament, are examined by the finance committee of the two houses, which are the most powerful of the several standing committees. These proposals are first brought out on the floor of the Chamber of Deputies by the Finance Committee of that body. The chairman of this committee has complete control of the budget while it is before the Chamber. He is responsible for defending it and for steering the budget bill through the Chamber. When the debate is finished this bill, already passed section by section, is voted in its entirety. It is then sent to the Senate, where a similar procedure is followed. It may be amended in the Senate within certain limits. When there is a disagreement between the Senate and the Chamber over an amended budget bill, it is not easy to settle, since the French do not use the conference committee. Sometimes this bill is shuttled between the houses as many as a half dozen times before an agreement is finally reached.

Frequently this parliamentary procedure delays the passage of the budget bill beyond the opening of the fiscal year. In order to provide money for the operation of the Government until this bill has been passed, so-called "provisional twelfths" are voted. These are expenditure authorizations by months, similar in some respects to the British votes on account.

In carrying out the budget, the Minister of Finance has charge of the collection, custody, and disbursement of all revenues, the Bank of France serving as the depository for the public moneys. His authority, however, is more limited in the matter of expenditures; considerable responsibility rests with the other ministers. Every month the Minister of Finance estimates the moneys in the treasury which are available for expenditure and notifies each minister of the amount for which he may issue payment vouchers during the following month. These vouchers, with the supporting claims, are examined by an agent of the Minister of Finance assigned to each department, called a "controller of incurred expenditures", who ascertains if there are appropriations to cover them, but who has nothing to say about their expediency. Each minister, therefore, controls the payments which are made by his department through his authority to issue vouchers. If the controller of incurred expenditures refuses to give his approval to the vouchers, an appeal may be taken

to the Minister of Finance, who gives a final decision. A minister who makes expenditures without the approval of the controller is criminally liable for his action, but the law is not enforced in such cases. Hence financial control, as it now exists, is largely that of an interested minister over himself. However, each minister must keep accounts in his department according to the regulations of the Minister of Finance, who examines the accounting statements before they are submitted to the Cour des Comptes for final verification.

The Cour des Comptes is the principal auditing authority of France. It is a court of accounts, which sits in 3 chambers of 7 members each and has the assistance of a staff of accountants and auditors. The functions of the Cour are confined to the investigation of accounts, conducted entirely through a post audit. The Cour exercises no control over the ministers or their subordinates, and it may not interfere with their work. It merely judges the accounts submitted to it and renders a report thereon to Parliament. Practically all accounts of the National Government, both of receipts and expenditures, come under its scrutiny. It also inspects the accounts of all local authorities.

THE BUDGET IN BELGIUM AND SWEDEN

In setting up its parliamentary government, Belgium largely copied the French system. But in so doing it has overcome some of the faults of this system, mainly due to the fact that it has maintained the Cabinet's power of dissolution over Parliament, the lack of which has so greatly weakened the French Ministry. An unusual feature of this power in Belgium is that it may be applied to either or both houses. This support of the executive's position undoubtedly makes the Belgian parliamentary system operate more like that of England than of France.

The Belgian budget is prepared and presented to Parliament by the Minister of Finance. The procedure for handling the budget in Parliament is quite similar to that of France.

In carrying out the budget the financial methods employed are along French lines, except in the matter of auditing control. The Belgian Cour des Comptes has extended its authority beyond simply auditing the accounts to include a scheme of general approval of expenditure obligations before payment, thus insuring that appropriations may not be overexpended by the administrative departments.

In Sweden the King enjoys independent executive power and he may pursue his own policy in the choice of a Ministry. He has only recently followed the common practice of parliamentary governments in allowing the Ministry to be formed along the party lines of the Riksdag or Parliament and to respond to the political changes in that body. Largely for this reason the Riksdag has not limited its action on the budget merely to discussing and approving the financial plan formulated by the Ministry, as has the British Parliament.

In all matters relating to the Swedish budget the executive—King and Ministry—has the right of initiative, but the Riksdag alone has legislative power. If the two houses of the Riksdag cannot agree on a question of finance, it is decided by a joint vote in which the lower house is always assured of more weight because of its larger membership.

The Riksdag, through its auditors, exercises a certain amount of control over the financial operations of the executive. It may, upon investigation by one of its committee, impeach the members of the Ministry, controlling to this extent the personnel of the executive. In this respect there is a marked difference between the Swedish and British systems of parliamentary government.

THE BUDGET IN GERMANY AND ITALY

Following the World War Germany set up a system of parliamentary government which operated until the advent of the Hitler regime in 1933. Under Hitler the Government has become a dictatorship. The budgetary practices of Germany have been greatly influenced by these recent changes. Modifications of the parliamentary methods as applied to the budget, many of them of a most sweeping nature, have necessarily been made by the dictatorship.

Under the parliamentary government of Germany, prior to 1933, the Cabinet was responsible for the formulation of the budget, the actual work of assembling the estimates being done by the Minister of Finance. The budget was submitted to the Reichstag, which could increase or eliminate items in it, or could make increases or add new items with the consent of the Reichsrat. Such action on the part of the Reichstag was not regarded as a lack of confidence in the Cabinet. The execution of the budget was largely in the hands of the Minister of Finance. At the end of each fiscal year the Minister of Finance was required to submit to Parliament a statement of his accounts which had been audited by the Rechnungshof, or court of audit.

From this general scheme of budgetary procedure the Hitler government has, for the time being, eliminated the part played by Parliament. In fact, the Reichsrat was abolished by decree in 1934 and the authority of the Reichstag was suspended until 1937. As to when and in what form the German Parliament's role will be restored, one cannot predict at this time.

The financial system of Germany is quite different from the French pattern. As organized after the World War, it maintained the German tradition, favoring a powerful executive, and thus resembled the British system, particularly in the matter of budgetary control. Since the Hitler regime, it has become even more centralized. The Minister of Finance is now virtually the head of the financial administration of all Germany, both national and local. He exercises broad powers in the assessment, collection, and apportionment of governmental taxes, in the control of expenditures under the budget, in the issuance of public loans, and in the realization of economic policies.

The Rechnungshof, carried over from the Bismarckian era, is the auditing agency of Germany. It is organized as a court and has a staff of auditors and accountants. Its functions include an audit of all accounts, an examination of administrative efficiency, advice and recommendations to the Ministry, and a final report to the Reichstag. The audit, which is in the nature of a post-audit, embraces the legal and budgetary aspects of expenditures, the levying and collecting of taxes and other revenues, and the verification of all administrative accounts, including those of governmental undertakings. At the request of the Ministry, the Rechnungshof will express an opinion in advance on budgetary and accounting problems, so that the authorities may proceed with the assurance that they will not later come into conflict with its decisions.

Under normal conditions legislative control over the execution of the budget is exercised through a review of the report of the Rechnungshof by the Reichstag. If this body finds the report on the accounts satisfactory, it discharges the Ministry from further responsibility. Such, at least, was the practice prior to the dictatorship.

After having tried parliamentary government for half a century, Italy gave it up in 1922, when Mussolini set up a dictatorship. As in the case of Germany, the Italian dictatorship and the idea of the " corporative state " have largely transformed the earlier budgetary practices.

The Italian dictator is a power unto himself, immediately responsible only to the Fascist Grand Council, if to anyone; he does not require the support of the majority of Parliament to make his proposal effective, and Parliament cannot oust him, or vote a lack of confidence, which is tantamount to his overthrow. The budget is formulated by the Minister of Finance, working at the direction of the dictator. It is then submitted to Parliament for examination and approval, without material changes of any kind.

In the execution of the budget, the dictator is without effective audit or legislative criticism; his financial operations are checked, if at all, by party rather than by governmental machinery. The voluntary militia for national

security, operating under the Fascist Grand Council, is rapidly becoming the chief inspecting agency. The importance of the Italian Court of Accounts, a replica of the French Cour des Comptes established during the parliamentary period, has gradually diminished under the dictator. Also the Council of Corporations, created by the Fascist state, now appears destined to supplant one or both houses of the Italian Parliament.

SHOULD WE BALANCE THE BUDGET?

No more fertile field for debate can be found than that surrounding the question of balancing the Budget. It involves not only the question of Budget policy but of a broader concept of governmental activity which might be regarded as purely economic policy. We have, on the one hand, the group which favors a regularly balanced Budget as necessary to maintain national credit. They are usually known as the "contractionists" or "conservatives." On the other, we have a group which believes that the Government should be a balance wheel, serving in times of depression to expend great sums of money for relief and to "prime the pump" for returning prosperity, and which in normal times would finance regular governmental activities and decrease the public debt, while at the same time maintaining the lowest possible tax rate. This group is usually known as the "expansionist group" or "liberals." As shown in the previous discussion of governmental systems, these two groups distinguish themselves throughout the world.

Conservative customs and financial policies will balance a budget, and those with long financial experience, particularly in governmental affairs, point to Great Britain on the conservative side and her success in balancing the budget by economies or "contractions." The expansionists point out, however, that the necessity for a balanced budget varies with the relation between expenditures and national income or national wealth. They say that we have in America a tremendous reservoir of wealth which can be tapped, and a part of which should be used now to start the wheels of industry turning.

In this connection, I have made some investigation, and my best information is that even with our present revenues we have tapped only about 8 percent of our national income as compared with about 21 percent in England. The Britisher begins paying income tax when his income reaches $500 if single, $750 is married. The earned income credit in Great Britain is one-fifth of the net income, with a maximum credit of $1,500. In the United States our earned income credit is 10 percent of the net income, with a maximum credit of $1,400. In this country the corresponding exemptions are $1,000 for single persons and $2,500 for married persons for all classes of income. Take the single case of a bachelor without dependents earning a salary of $5,000 a year. According to careful estimates, he would pay approximately $765 a year income tax under the law as it existed in 1934 in Great Britain, and $685 under the 1935 reduction. In the United States the same bachelor would have paid $140 under the revenue law of 1934. These figures, of course, are based upon the then current rate of exchange and are only approximations.

From the national-wealth standpoint, we find that Great Britain's total revenues represent about 5 percent of the national wealth as compared with a tax approximating 3½ percent of the national wealth of the United States. Because of the impossibility of making anything better than speculative estimates of national wealth, this comparison, however, is of little value. National-income comparisons are more accurate because the tax rates are definitely fixed, and the national incomes can be fairly estimated.

We find the scale of taxes much higher in England in other revenues outside the income tax also. But the point the expansionists make is that budget surpluses and deficits are meaningless unless considered in relation to the total wealth of the country which can be tapped for taxes. France's financial system collapsed primarily because the national income had been drained by taxes, more than because of any particular failure of its system of budget accounting. When we are taxing only a small percent of the national income they say it is obviously less dangerous to throw the Budget out of balance with huge expenditures such as we are making at present, than it would be if we were to keep it unbalanced at a time when we were collecting a much higher tax. The question is, "When have we reached the place when any further taxes, or borrowings to finance our expenditures, will endanger the national credit and invite financial collapse?"

Can it be said that when we are taxing only 8 to 10 percent of our national income we are courting disaster?

I believe most persons would take the view that there is no serious danger in our present status, but that, as various Senators pointed out recently on this floor, we are approaching such a high-water mark in this Congress, with our $4,800,000,000 work-relief appropriation, our situation bears watching. Moreover, it will require that in administering this money and in accounting for it in our Budget financing over the next few years, we must maintain a Budget and a Treasury accounting system which presents an honest picture and leaves no room for suspicion. To accomplish this the Treasury should not hesitate to give statistical information to the public and to the newspapers fully, simply, and in unity, and by the use of accounting methods which will leave no room for inferences. If some criticism is already arising because of certain methods of Budget accounting and diversion of funds from one part of the ledger to another, it stands a chance of being increased as the differences in our national income and taxes become narrower, if such is the result of our present financing.

To friends of the balanced Budget there has seldom been a financial statement on the part of a government which has excited so much interest as the so-called "prosperity" budget of Great Britain, covering the fiscal year from April 1, 1933, to March 31, 1934. Neville Chamberlain, Chancelor of the Exchequer, had a surplus to announce, which is no small achievement in any country these days. The House of Commons received the declaration with loud cheers, but throughout the world there were various reactions to the method by which the so-called "surplus" had been realized. In America and other countries there were criticisms of England's policy in abandoning war-debt settlements, except by making token payments. But generally there was a feeling of appreciation running through editorial comments in this country and abroad, as the following excerpts will show:

Herald Tribune (New York), April 18:

Mr. Chamberlain's budget message is easily the most satisfactory and hopeful since in 1931 a Labor government which had lost the confidence of the world was replaced by a national government determined to put British finances in order and recapture that confidence. There can be little question that it has succeeded in doing so. Not only is British financial prestige higher than it has been in many years, but Great Britain has made much genuine progress along the road to economic recovery.

The same paper in a later issue:

The British achievements are the more solid because they have in them the certainty and permanency which accompany a pay-as-you-go program.

New York Times, April 19:

In a leading article entitled "How the British Do It", the New York Times says "that the budget shows once again how tenaciously the British cling to economic ideas which the Washington of today regards as obsolete. Moreover, it demonstrates that superannuated British methods still produce the goods."

Mr. William Randolph Hearst's New York American, April 20:

Well may Britain rejoice, for it cannot be gainsaid that she has made striking progress along lines of sanity, sobriety, and sound economic and financial principles. She has kept her head when all about her have been losing theirs. As her reward she can now make the truthful claim that she has recovered her primacy as an exporter, practically conquered unemployment, kept the budget balanced, reduced the tax burden, and enlarged her liberality of treatment for unemployed and the aged and infirm. This is a record of great achievement, and what a contrast to the bedlam of our affairs.

Commercial and Financial Chronicle (New York), May 15:

If what is desired is to have industry reassume its own burdens and responsibilities, it ought not to be particularly difficult for the Government at Washington to discern how to go about seeking that end. It ought to take a leaf from the British notebook. Today it is one of the very few countries that can boast a really balanced budget, is probably nearer to stabilized currency than any other, and apparently has been able to show more real progress out of the depths than any important country in the world.

The Goteborgs Handels-och Sjorfarts-Tidning (Sweden), April 18:

He (Mr. Chamberlain) is a cautious general, a typical exponent of that policy which sees in a well-balanced budget the most important condition for a thriving state of trade and a sound national economy. England is thus the only one among the greater powers who has at present got her affairs into such good order as to be able to offer her taxpayers and business world a real alleviation. Behind this success lies no dazzling policy, only a consistent application of sound principles of public finance.

Gazette de Lausanne (Switzerland), April 20:

* * * The British Nation has achieved a remarkable success. The country has made sacrifices and has triumphed over a situation which had been despaired of. The world had begun to doubt her return to prosperity, but she has given a striking proof of her vitality. * * * Mr. Chamberlain has accomplished in two and a half years the task laid before him; he has reestablished his country and once more shown England as an example to the world.

GREAT BRITAIN ALSO BALANCES 1934–35 BUDGET

The results of the British financial policy have again been announced for 1935. The New York Times on Wednesday, March 27, carried the following item predicting that the surplus would approximate 13,360,000 pounds (approximately $62,792,000):

LONDON, March 26.—With just 1 week of the financial year to run, ordinary revenue shows a surplus of 13,359,799 pounds over ordinary expenditure, against 35,493,497 pounds on the corresponding date in 1934. (The pound was quoted yesterday at $4.78.)

However, allowing for the fact that 11,695,360 pounds was used to redeem the debt out of the fixed debt charge of 224,000,000 pounds, whereas the total included in ordinary expenditure was only 211,181,975 for interest and management, there is a surplus as reckoned in the budget of 1,664,439 pounds, against 24,834,008 pounds.

During the past week the income tax has risen above the budget estimate of 219,500,000 pounds, its yield to date being 224,476,000 pounds. As 1934 profits were appreciably larger than those of 1933, the Exchequer will be able to rely on still larger receipts next year.

This makes the second successive depression year in which the British Government has announced a surplus. Since 1920 Great Britain has shown a surplus in 9 years and a deficit in 6 years. The fiscal years ending in 1930 and 1931 both showed deficits as a result of the depression, and in 1932 the revenues and expenditures about evened off, with a very slight margin on the revenue side. Then in 1933 the budget slid back to a deficit, only to rebound in 1934 with a surplus. Whatever criticisms may be showered upon her for the new policies which help balance the budget, such as reduction of war-debt payments to the United States, Great Britain will no doubt receive congratulations again this year as she did when she announced a surplus last year.

The United States had a budget surplus from 1920 until 1931. Since then we have had consistent deficits, due to our huge program of restoration. But, in general, both Great Britain and the United States have maintained an enviable position during the past 15 years as compared with other countries. France, for instance, showed a deficit in 10 of its fiscal years since 1920, and a surplus in 4 years, with a deficit predicted for the present fiscal year. Italy showed a deficit in 8 years and surpluses in 6 successive years, with another deficit predicted this year. Sweden, during the same period, had a surplus in 8 years and deficits in 7 years. Belgium had deficits in 10 fiscal years during the period and surpluses in 4.

No attempt has been made to determine what Germany did prior to the stabilization of her currency, but since 1925 she has been able to show surpluses in only 3 years, with deficits in 7 years.

While statistical comparisons of the trend of the budget revenues and expenditures in various countries are somewhat inaccurate, because of the changing rates of exchange, and the different political factors involved in each government, I have, with the help of the Library of Congress and the European division of the Bureau of Foreign and Domestic Commerce, been able to obtain some very helpful figures showing the trends in these countries which I have just mentioned. In submitting these I wish to conclude my remarks by saying that the time is here when all of us must give more attention to the problems of finance than ever before. Our national credit demands that we proceed on our future legislative course with greatest caution and with greater understanding of national financing than most of us have been able to master in the extremely busy sessions of the past. I think we should carefully consider improvements for our Budget Bureau and our Treasury accounting system, and should welcome proposals which will keep our budget system efficient and free from suspicions or deceptions. But, above all other considerations, we should keep in mind that the sound and safe way to maintain a budget is to have outgo not exceed income.

Mr. President, I ask unanimous consent that certain tables bearing on the subject matter of this discussion may be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Total revenue and expenditures for Great Britain and the United States, by years, 1920 to 1934

Fiscal year[1]	Great Britain					United States	
	Revenue[2]	Expenditure[2]	Conversion value of pound[3]	Revenue[4]	Expenditure[4]	Revenue[5]	Expenditure[5]
	1,000 pounds sterling	*1,000 pounds sterling*		*1,000 United States dollars*	*1,000 United States dollars*	*1,000 dollars*	*1,000 dollars*
1920	1,339,571	1,665,773	$3.67	4,916,226	6,113,387	6,694,565	6,403,344
1921	1,425,985	1,195,428	3.85	5,490,042	4,602,398	5,624,933	5,115,928
1922	1,124,880	1,079,187	4.43	4,983,218	4,780,798	4,109,104	3,372,608
1923	914,012	812,497	4.57	4,177,035	3,713,111	4,007,135	3,294,628
1924	837,169	788,840	4.42	3,700,287	3,486,673	4,012,045	3,048,678
1925	799,436	795,777	4.83	3,861,276	3,843,603	3,780,149	3,063,105
1926	812,062	826,100	4.86	3,946,621	4,014,846	3,962,756	3,097,612
1927	805,701	842,395	4.86	3,915,707	4,094,040	4,129,394	2,974,030
1928	842,824	838,585	4.87	4,104,553	4,083,909	4,042,348	3,103,265
1929	836,435	818,041	4.86	4,065,074	3,975,679	4,033,250	3,298,759
1930	814,970	829,494	4.86	3,960,754	4,031,341	4,177,942	3,440,269
1931	857,761	881,037	4.53	3,885,657	3,991,098	3,317,233	3,779,868
1932	851,482	851,118	3.51	2,988,702	2,987,424	2,121,228	4,861,696
1933	827,031	859,310	4.24	3,506,611	3,643,474	2,238,356	4,845,018
1934	809,379	774,927	5.04	4,079,270	3,905,632	3,277,734	6,883,862

[1] Fiscal year ends Mar. 31 in Great Britain and June 30 in the United States.
[2] Statistical Abstract of the United Kingdom 1912 to 1926, p. 107; 1919 to 1932, p. 135; London Economist, budget supplement, Apr. 14, 1934, p. 2.
[3] Federal Reserve bulletin, January 1928, p. 56; January 1932, p. 54; February 1935, p. 104.
[4] Computed.
[5] Annual report of the Secretary of the U. S. Treasury for 1934, p. 301.
[6] Ibid., p. 305.

FRANCE

National Government revenues and expenditures, 1920–35

Fiscal year	Millions of francs			Millions of dollars[1]		
	Revenues	Expenditures	Surplus (+), deficit (−)	Revenues	Expenditures	Surplus (+), deficit (−)
1920 [3]	20,100	58,100	−38,000	1,415	4,090	−2,675
1921 final	23,570	32,846	−9,275	1,758	2,450	−692
1922 final	35,426	35,187	+239	2,643	2,625	+18
1923 final	26,487	38,293	−11,806	1,610	2,328	−718
1924 final	30,568	30,921	−353	1,602	1,620	−18
1925 final	34,768	36,275	−1,507	1,658	1,730	−72
1926 preliminary	35,540	37,338	−1,798	1,151	1,210	−58
1927 preliminary	41,246	39,540	+1,706	1,617	1,550	+67
1928 preliminary	43,687	42,446	+1,241	1,713	1,664	+49
1929 preliminary	47,780	45,366	+2,414	1,873	1,778	+95
1930–31 preliminary	50,980	53,627	−2,638	1,999	2,102	−103
1931–32 preliminary	47,705	53,212	−5,508	1,870	2,086	−216
1932 preliminary [3]	35,405	41,422	−6,017	1,388	1,624	−236
1933 preliminary	43,652	50,572	−6,920	1,711	1,982	−271
1934 estimate	48,281	50,163	[4] −4,205	1,893	1,966	[4] −165
1935 estimate	46,986	47,581	[4] −3,000	1,842	1,865	[4] −118

[1] At average exchange 1920–33, inclusive; at old gold rate ($0.0392) 1934–35.
[2] No final accounting for years 1917–20; figures shown are from League of Nations: Memorandum on Public Finance, 1922–26.
[3] Budget for 9 months, April–December.
[4] Anticipated deficit according to official statements.

Sources: 1920, see note 2 above; 1921–29, inclusive, Annuaire Statistique (Statistique Générale de la France); 1930–33, inclusive, Projet de loi, Budget Général, 1935; 1934–35, Journal Officiel.

BELGIUM

Government receipts and expenditures

[In millions of francs and dollars]

	Receipts—Total minus loans		Expenditures total		Surplus and deficit	
	Francs	Dollars	Francs	Dollars	Francs	Dollars
1920, 1 franc=0.0738	4,612	340	10,268	758	−5,656	−417
1921, 1 franc=0.0745	5,425	404	8,310	619	−2,885	−215
1922, 1 franc=0.0768	6,059	465	8,449	649	−2,390	−184
1923, 1 franc=0.0522	7,173	374	8,860	462	−1,687	−88
1924, 1 franc=0.0464	8,148	378	9,835	456	−1,687	−78
1925, 1 franc=0.0476	8,483	404	13,709	653	−5,226	−249
1926, 1 franc=0.0326	11,494	375	15,386	502	−3,892	−127
1927, 1 franc=0.0278	10,873	302	9,286	258	+1,587	+44
1928, 1 franc=0.0279	12,442	347	10,747	300	+1,695	+47
1929, 1 franc=0.0278	13,859	385	12,259	341	+1,600	+44
1930, 1 franc=0.0279	11,101	310	12,695	354	+1,594	+44
1931, 1 franc=0.0278	9,801	272	12,074	336	−2,273	−63
1932, 1 franc=0.0278	9,243	257	11,689	325	−2,446	−68
1933, 1 franc=0.0358 [1]	10,353	371	11,318	405	−955	34
1934, 1 franc=0.0466 [1 2]	10,391	484	11,550	538	−1,159	54

[1] Preliminary and incomplete.
[2] Official estimate, Dec. 15, 1934, may be 300 or 400 million francs lower at current level of tax collections.

[At old gold parity $0.0278]

	Receipts	Expenditures	Deficit
1933	288	315	−27
1934	289	321	−32

GERMANY

National Government (ordinary budget)—Revenues and expenditures

Fiscal year[1]	1,000,000 marks			1,000,000 dollars		
	Revenues [2]	Expenditures [2]	Surplus (+) or deficit (−)	Revenues	Expenditures	Surplus (+) or deficit (−)
1921	11,266			2,684		
1922	11,963			2,850		
1923	9,965			2,374		
1924	14,963			3,564		
1925	4,883	4,034	+850	1,127	931	+196
1926	4,628	5,091	−463	1,100	1,210	−110
1927	5,187	5,090	+97	1,238	1,214	+24
1928	6,117	5,807	+310	1,460	1,386	+74
1929	6,218	6,818	−600	1,481	1,623	−142
1930	6,807	7,253	−446	1,623	1,730	−107

[1] Fiscal year ending Mar. 31.
[2] The German budgets of the inflation period, until November 1923, were estimated in paper marks. With the decline of the value of the currency, constant budget revisions were necessary. The accelerating process of mark depreciation renders useless any attempt to use the budgets of this period for comparative purposes, nor do they give any reliable indication of actual revenues and expenditures during this period. Revenue figures as given above for the years, 1921–24, are as estimated in gold marks.

GERMANY

National Government (ordinary budget)—Revenues and expenditures—Continued

Fiscal year	1,000,000 marks			1,000,000 dollars		
	Revenues	Expenditures	Surplus (+) or deficit (−)	Revenues	Expenditures	Surplus (+) or deficit (−)
1931	7,272	8,367	−1,095	1,718	1,978	−260
1932	6,561	7,012	−451	1,558	1,665	−107
1933	5,654	6,196	−542	[1] 1,347	1,476	−129
1934	6,024	6,270	−246	1,435	1,494	−59
1935 [4]	6,458	6,458		1,538	1,538	

[3] Conversions, 1933–35, at old gold par, $0.238.
[4] Estimates.

NOTE.—The above figures do not include taxes collected on behalf of the State governments and paid over to them.

ITALY

Government revenues and expenditures

Fiscal year	Millions of lire			Millions of dollars		
	Effective revenues	Effective expenditures	Balance	Effective revenues	Effective expenditures	Balance
1920–21	18,071	[1] 28,783	−10,712	950.5	1,514.0	−563.5
1921–22	19,701	[1] 35,461	−15,760	1,036.3	1,865.2	−828.9
1922–23	18,803	21,832	−3,029	989.0	1,148.4	−159.4
1923–24	20,851	20,999	−148	1,096.8	1,104.5	−7.7
1924–25	20,440	20,023	+417	1,075.1	1,053.2	+21.9
1925–26	21,043	20,575	+468	1,106.9	1,082.2	+24.7
1926–27	21,450	21,014	+436	1,128.3	1,105.3	+23.0
1927–28	20,072	19,574	+498	1,055.8	1,029.6	+26.2
1928–29	20,201	19,646	+555	1,062.6	1,033.4	+29.2
1929–30	19,838	19,668	+170	1,043.5	1,034.5	+9.0
1930–31	20,387	20,891	−504	1,072.4	1,098.9	−26.5
1931–32	19,324	23,191	−3,867	1,016.4	1,219.8	−203.4
1932–33	18,217	21,766	−3,549	958.2	1,144.9	−186.7
1933–34	17,790	24,609	−6,819	935.8	1,294.4	−358.6
1934–35 (Budget)	17,662	20,636	−2,974	929.0	1,085.5	−156.5
1935–36 (Budget)	17,988	19,645	−1,657	946.2	1,033.3	−87.1

[1] Heavy expenditures in 1920–21 and 1921–22 are largely due to the liquidation of charges due to the war.

NOTE.—Conversions at 1 lira equals $0.0523, the par from 1926 to the abandonment of the gold standard by the United States, fluctuations of the lira having been insufficient to affect appreciably the internal value of the lira on which budget revenues and disbursements depend.
From various official Italian sources.

SWEDEN

Year	Income		Expenditures		Deficit (−) or surplus (+)	
	Thousand crowns	Thousand dollars [1]	Thousand crowns	Thousand dollars [1]	Thousand crowns	Thousand dollars
1920	1,145,197	234,651	944,622	193,553	+200,575	+41,098
1921	1,190,392	268,314	1,154,826	260,298	+35,566	+8,017
1922	937,113	245,242	959,407	251,077	−22,294	−5,834
1923 (Jan. 1–June 30)	345,807	91,812	400,617	106,364	−54,810	−14,552
1923–24	822,722	218,186	796,848	211,324	+25,874	+6,862
1924–25	707,133	185,622	756,084	198,472	−48,951	−12,850
1925–26	752,250	201,302	758,016	202,845	−5,766	−1,543
1926–27	775,926	208,026	809,934	217,143	−34,008	−9,118
1927–28	749,793	200,945	739,830	198,274	+9,963	+2,670
1928–29	787,550	210,906	791,596	211,989	−4,046	−1,084
1929–30	818,066	219,651	811,071	217,773	+6,995	+1,873
1930–31	840,427	212,208	818,510	206,674	+21,917	+5,534
1931–32	878,721	162,300	893,862	165,096	−15,141	−2,797
1932–33	1,068,452	184,629	1,067,050	184,386	+1,402	+242
1933–34	1,054,023	182,135	972,741	168,090	+81,282	+14,045
1934–35	[2] 1,106,000		1,106,000			
1935–36	[2] 1,065,000		1,065,000			

[1] Gold. [2] Estimates.

NOTE.—1920, 1921, 1922 calendar years; 1923–24 on, fiscal year (July 1–June 30).

Conversions at old gold par, $0.268

Year	Income	Expenditures	Deficit (−) or surplus (+)
1930–31	$225,234,000	$219,361,000	+$5,874,000
1931–32	235,497,000	239,555,000	−4,058,000
1932–33	286,345,000	285,969,000	+376,000
1933–34	282,478,000	260,695,000	+21,784,000
1934–35	296,408,000	296,408,000	
1935–36	285,420,000	285,420,000	

Source: Statistisk Arsbok, published by the Statistiska Centralbyran, Stockholm.

NOTE.—In making conversions from local currencies into dollars, fluctuations in exchange rates cause increases and declines in the dollar equivalents which have little or no bearing on the actual situation within the various countries, a decline in dollar values coinciding with an increase in local currency, for example. For this reason, conversions at gold par of exchange, disregarding fluctuations in the actual rate, in most cases give a better picture of the situation as it affects the citizens of the country in question. In the attached tables this fact has been taken into consideration and conversions at par of exchange have been included. For the years 1933 and 1934 the old gold rates of exchange have been used as are the use of the lower dollar rates, since the abandonment of the gold standard by the United States would imply marked increase in the budgets of countries remaining on the gold standard.

Persons sufficiently familiar with budget practice in various countries realize the difficulty of getting really reliable figures on comparable bases. This is particularly the case with countries, such as France, which make no final accounting until several years after the close of a fiscal period. The statistics, therefore, however official, must often be considered as merely approximate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. PITTMAN obtained the floor.

Mr. ROBINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Arkansas?

Mr. PITTMAN. I yield.

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson	Reynolds
Ashurst	Costigan	Keyes	Robinson
Austin	Couzens	King	Russell
Bachman	Cutting	La Follette	Schall
Bailey	Dickinson	Lewis	Schwellenbach
Bankhead	Dieterich	Logan	Sheppard
Barkley	Donahey	Lonergan	Shipstead
Bilbo	Duffy	McCarran	Smith
Black	Fletcher	McGill	Steiwer
Bone	Frazier	McKellar	Thomas, Okla.
Borah	George	McNary	Thomas, Utah
Brown	Gerry	Minton	Trammell
Bulkley	Gibson	Moore	Truman
Bulow	Glass	Murphy	Tydings
Burke	Gore	Murray	Vandenberg
Byrnes	Guffey	Neely	Van Nuys
Capper	Hale	Norris	Wagner
Carey	Harrison	Nye	Walsh
Clark	Hastings	O'Mahoney	Wheeler
Connally	Hatch	Pittman	White
Coolidge	Hayden	Radcliffe	

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the senior Senator from Louisiana [Mr. LONG], the Senator from Connecticut [Mr. MALONEY], the Senator from Idaho [Mr. POPE], the Senator from Virginia [Mr. BYRD], and the Senator from California [Mr. MCADOO] are necessarily detained from the Senate. I ask that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness and that the Senator from South Dakota [Mr. NORBECK], the Senator from Rhode Island [Mr. METCALF], the Senator from New Jersey [Mr. BARBOUR], and the Senator from Delaware [Mr. TOWNSEND] are necessarily detained from the Senate. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

THE PRESIDENT AND SILVER LAWS

Mr. PITTMAN. Mr. President, I desire to make a statement with regard to a very eventful occurrence. Last night the President of the United States issued a proclamation directing that silver which is produced in the United States be received at the United States mint at a price of 71.11 cents an ounce. It is not so much the increase in price that is significant; it is the fact that it conclusively proves to everyone who has doubted in the past that the President of the United States intends to carry out the London agreement and the Silver Act of 1934 fully and completely and in the spirit in which that agreement was entered into and the act was passed by the Congress.

Since the London Conference the world price of silver has steadily risen from below 40 cents an ounce until on yesterday afternoon it was 64⅜ cents an ounce. The question was whether the President was going to issue another proclamation to place the price of silver produced in the United States above the world price. He had agreed, as a result of the London Conference, to take from our mines and off the markets of the world the silver produced, and to coin it, and place it in the Treasury of the United States. It was evident that he could not do this unless he kept the American price above the world price, because the producer could sell his silver wherever he saw fit and unless the American price was raised above the world price, American silver would go abroad.

PRESIDENT CARRIES OUT LONDON AGREEMENT

At the time the 1934 silver law was enacted and after negotiations by a number of Senators and other Representatives with the President covering a period of 6 weeks, he assured that group that he intended to carry out the act enthusiastically and in the spirit in which it was enacted. In this body and in other bodies were many economists and statesmen who did not believe the President would do that for this reason: While the first paragraph was mandatory and directed him to purchase silver until he should have purchased sufficient that there might be 25 percent in silver and 75 percent in gold in our monetary reserve—in other words, one-third as much silver as gold—yet by reason of the fact that in the second paragraph it was left to his discretion as to the time, the manner, and the amount that should be bought, there was a doubt in the minds of many as to whether he would not use the discretionary power for the purpose of nullifying the mandatory provision.

I have already shown that the President is carrying out the London agreement. In his first proclamation of 1933, when silver was 44 cents an ounce, he issued a proclamation providing for paying the miners of this country, engaged in the production of silver, 64½ cents an ounce. When the world price of silver reached 64½ cents an ounce, he issued a proclamation offering for United States produced silver 71.7 cents an ounce.

Let us see how he has carried out the Silver Act of 1934. I was at the Treasury Department yesterday morning discussing this matter and I asked for and obtained a report up to March 29. This report discloses that the President has carried out the Silver Act of 1934 enthusiastically and in the spirit in which it was enacted.

The statement I received from the Treasury Department is as follows:

The Silver Purchase Act was approved on June 19, 1934. On that date the total silver bullion stock in the United States Treasury amounted to approximately 62,500,000 ounces and the monetary stock in the form of silver coin in the Treasury and in the hands of the public amounted to $835,900,000. As of March 29, 1935, the total was 457,500,000 ounces of bullion and $855,200,000 of coin. The increase in bullion, aggregating 395,000,000 ounces, consists of the following:

	Ounces
1. Acquired under Silver Purchase Act:	
a. By purchase	254,900,000
b. By nationalization	111,900,000
Total (Executive order of Aug. 9, 1934)	366,800,000
2. Acquired under the proclamation of Dec. 21, 1933, covering newly mined domestic silver	24,400,000
3. Melting of subsidiary silver coins for recoinage	3,800,000
Total	395,000,000

The total statutory monetary value ($1.29 per ounce) of both bullion and coins on March 29, 1935, was $1,445,375,000.

OVER 50,000 OUNCES MONTHLY PURCHASED

May I invite the attention of the Senate to the fact that the maximum demand made by any of the so-called "silver bloc" in the United States Senate with regard to such purchases was that the President should purchase at least

50,000,000 ounces of silver each month under the act. The statement of the Treasury to which I have just referred discloses the fact that the President has purchased over 50,000,000 ounces of silver a month since the act went into effect.

Mr. LEWIS. Mr. President, will my able friend yield that I may submit an inquiry for information?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Illinois?

Mr. PITTMAN. I yield.

Mr. LEWIS. I ask the Senator from Nevada if he will inform me if this act of the President in his judgment means encouragement in the increase of silver in our own country, or merely an opportunity for purchasing silver from other countries?

Mr. PITTMAN. The purpose of the 1934 act was to restore to our money reserves silver which in quantity had depreciated from 1900. In 1900 one-half of our monetary stocks of gold and silver was in silver. By reason of the increase in the gold stock, and no accretion to the silver stock, at the time of the passage of the 1934 Silver Act only approximately 11 percent of our gold and silver monetary stocks was in silver. It was to restore that balance, to increase our monetary base, to remonetize silver, and to restore its parity that the Silver Act of 1934 was enacted. Those were the chief purposes of the act.

MONETARY PHASE PRIMARY OBJECT OF CONGRESS

Let me say further to the Senator from Illinois that while Senators from the so-called "silver States"—and there are only six States which produce any quantity of silver—had it in their minds, naturally, that their States would be greatly benefited by an increase in the price of silver, as they have been greatly benefited, because there are today thousands of miners who are working who could not work before the price of silver was increased, yet the benefit which might come to the so-called "silver-producing States" was not their primary purpose. It was not the primary purpose of the President of the United States. It was not the primary purpose of the Senate of the United States. It was not the primary purpose of the Congress, I may say. The primary thought in the minds of the President and the Congress was the monetary phase of silver and not the commodity price paid for it.

There was produced in this country last year only 24,000,000 ounces of silver. If we should double the price of silver it would bring no great income to the United States. There was produced in the whole world in 1934 only 180,000,000 ounces of silver, and seventy-million-and-odd ounces of that was used in industry and did not go into monetary reserves.

This matter has been treated, by me at least, and by a majority of the Senate, as a monetary question and not a commodity question.

THE LONDON SILVER AGREEMENT

Now, let us see where we are. Silver had gone below 25 cents an ounce in 1932 and 1933. The President approved an agreement which his commission negotiated at London. That agreement was intended to eliminate the unnatural supply of silver on the market of the world which was beating down abnormally and unnaturally its price. India was melting its silver coins and flooding the world with silver. It was beating down the price. The world production of silver is small—only 180,000,000 ounces a year. Of course, the supply from melting up the silver coins of India destroyed its commodity value, and therefore its monetary value.

There were 66 governments represented at the London conference, and it was there agreed that there should be prevented in the future the debasement or melting of silver coin. That action instantly destroyed the unnatural supply of silver and restored the supply to the normal supply of mine production.

That supply has been substantially uniform and was a fact published to the world.

They further agreed that they would replace their paper money with silver coin. That was another permanent benefit; but they would not agree to that unless India should be permitted to sell, over a period of 4 years, 365,000,000 ounces of silver derived from the marketing of her coins. They said that was redundant silver and that they had to get rid of it. Nor would India agree to limit to 365,000,000 ounces the amount she was to sell over a period of 4 years unless the governments of the producing countries—namely, the United States, Canada, Mexico, Peru, and Australia—would agree to take an equal amount of silver from their mines and put it in their treasuries so that it might be kept off the markets of the world.

That agreement was consummated, and the President carried it out. He carried it out by the proclamation of 1933, when he agreed to take all the production of the mines of this country at 64½ cents an ounce when silver was selling for only 44 cents an ounce in the rest of the world. He agreed that if other governments did not take their part of the silver off the world markets, he would take it off for them, and he has done it; so that is carried out.

PRESIDENT SUCCESSFULLY HANDLES SILVER LAWS

Mr. President, I wish to say that I know of no more successful handling of any question than the handling of the silver question by the President of the United States. He has acquired probably a fifth of the silver that has to be acquired under the Silver Purchase Act without creating any great reactionary movement, without creating a sudden and destructive rise in the price of silver. There is no question that silver being used as money by many countries of the world, and the exchange value of silver with other countries being measured by the intrinsic value of the silver in the coin, the monetary systems of such countries would be affected by any sudden and violent rise in the price of silver.

Now, mind you, the President had another desire. The chief desire of the President of the United States, as I have stated, was to build up our monetary reserves, to enlarge the base of our monetary reserves, to restore to the Treasury the amount of silver which normally should be there, but also, in an orderly manner, to increase the price of silver until it reached $1.29 an ounce. He is accomplishing that purpose; he has accomplished it splendidly, and his administration of that act so far has resulted in tremendous profit to the Government of the United States and its people.

I say to you frankly that if silver had been instantly forced up to $1.29 an ounce from 44 cents—and it was within the power of the President to do it by bidding for silver—he would not have gotten 50,000,000 ounces of silver a month during the past 6 months, because by bidding for silver as it went up he could have forced it to the price of $1.29 an ounce, and above that price he was not allowed to bid and not allowed to buy. Not only that, but every bit of this silver had to be bought from foreigners. We produce only 24,000,000 ounces a year. That silver was coined under his proclamation. To obtain the billion-odd ounces of silver he had to buy it from foreigners.

Up to the present time the President has purchased 254,900,000 ounces of silver abroad at, I should say, roughly speaking, an average price of 50 cents an ounce. Its monetary value is $1.29 an ounce. That profit to the Treasury of the United States was made from no American citizen, no American industry, but made from the foreigner. Had the President instantly run the price up to $1.29 an ounce, the profit would have gone to the foreigner, and the loss would have been here in the United States.

GRADUAL RISE IN SILVER ADVISABLE

From a selfish standpoint, as a Senator who represents a silver-producing State, I should have been happy to see the price run up to $1.29 an ounce, if it could have been accomplished successfully. It probably would have doubled the prosperity we are now enjoying in mining; but, to speak fairly, to speak as a Senator of the whole United States, to consider the matter from a monetary standpoint, I am compelled to approve the course which the President of the

United States took. The price of silver has moved up slowly, very slowly. In 6 months it has risen in world price from 44 cents to 64½ cents. That is not a violent fluctuation. That has not injured China. China today, with the exception of Shanghai, is prosperous. If the price had been suddenly increased to $1.29 an ounce, I admit that it would have disrupted the entire monetary system of China; but that was not done. It is inevitable, however, that this rise in price is going to move on gradually, orderly, until the price of silver throughout the world is $1.29 an ounce, the former parity price of silver with gold. When that point is reached, the President of the United States has the reserve power to maintain it there, because he will not get the silver required at or under $1.29 an ounce. There will always be hanging over an order on his part for silver at the price of $1.29 an ounce. He will have control of it; and when silver shall have been maintained throughout the world for a few months at $1.29 an ounce, the world will realize that it is stabilized permanently at that price, and the mints of the world will be open to the free and unlimited coinage of silver on that ratio, because there will be no longer fear of an over-supply, dumping, and violent fluctuation.

SILVER MEMORANDUM LODGED WITH THE GOVERNMENT

Mr. President, in some respects I am rather disappointed with regard to this last proclamation. On yesterday morning, when I was at the Treasury Department obtaining this information I have just read to the Senate, I lodged a memorandum. I desire to read that memorandum, and then my statement will have been concluded:

The price of silver in the world market today is over 63 cents an ounce.

That was yesterday morning. By yesterday afternoon it was 64½ cents an ounce.

The price has been steadily rising since the approval of the Silver Act of 1934. During the last 2 weeks such rise has been more rapid, although steady and without reaction. There is, in my opinion, substantial reason to justify the belief that this steady and accelerated rise will continue until silver has reached the price of $1.29 an ounce.

This reasoning is based upon natural causes. The President's actions under the Silver Act have been made public by the Treasury Department. The world is now satisfied that the President intends to carry out the mandates of the act to the end that he shall purchase if possible, in an orderly but continuous manner, the amount of silver required under the act to be restored to our metallic monetary reserves.

The world is also now convinced that he intends to carry out the London silver agreement through the withdrawal from the markets of the world of silver produced in the United States for the period stated in the London agreement.

There are also other factors which have influenced, and will continue to influence, the rise in the price of silver. I think it has been demonstrated that there is a lesser amount of floating or speculative silver in the world than was estimated by some economists and monetary experts. The threat of China to abandon the silver standard, while absurd upon its face, was given credence by many high authorities throughout the world. China is now buying silver for its monetary reserves. It may be compelled to nationalize silver as we have nationalized gold. China, however, will remain upon the silver standard. India is also buying silver. Many governments are acquiring silver for currency purposes. The monetary use of silver throughout the world is almost universally recognized as a necessity.

The President has carried out the London agreement and the Silver Act of 1934 in the full spirit intended, and with great success. It was for this reason that both of the Thomas amendments to the work-relief bill were defeated. The report of the Treasury Department disclosed that he has acquired an average of 50,000,000 of ounces of silver per month. The report also shows that he has already caused to be issued silver certificates for a large proportion of such silver.

The rise in the price of silver above 64½ cents an ounce that, under the President's proclamation, is paid for silver produced in the United States is imminent. Emergent action, therefore, is required. Under the London agreement, the President was impelled to take American-produced silver into the Treasury of the United States. The producer is not required to sell to the United States Government. He will sell wherever he can get the largest price for his silver. If the world price of silver is above the domestic price offered under the President's proclamation, he will sell abroad.

When silver was around 44 cents an ounce the President went into partnersip with the American miner to give him half of the bullion he produced in the form of silver dollars and silver certificates, retaining the other half as seigniorage. This was accepted in good spirit by most of the producers as fair treatment. Many, of course, did not understand why the Government should make a profit off of any producers of any commodity in the United States.

Silver at $1.29 an ounce will not be upon the ratio of 16 to 1, as the price of gold has increased approximately 75 percent. In other words, unless the content of the silver dollar is reduced proportionately to the content of the gold dollar, with silver at $1.29 an ounce the ratio would be nearer 28 to 1.

The President has authority under the law, of course, to proportionately reduce the silver content of the dollar. His arbitrary action, based, however, on judgment, in giving the American producer one-half of the bullion, has worked no harm to our monetary system, nor has it adversely affected his administration of the Silver Act of 1934.

I respectfully suggest, therefore, that following the same successful policy, another proclamation be made allotting to the American producer 75 percent of the bullion he produces, retaining 25 percent of the bullion as seigniorage.

This is a memorandum which I lodged with the Government on yesterday morning.

Mr. FLETCHER. The information which is now offered is in harmony with that produced on March 22 and put into the CONGRESSIONAL RECORD, is it not?

Mr. PITTMAN. I have already read it, so I shall not have it printed again. This extends it from February 1 to March 29.

As I have said before, I have always been in favor of the coinage of silver at its natural ratio of 16 to 1. The production of silver throughout the ages has been on the ratio of 16 ounces of silver to 1 ounce of gold, perhaps a little less—indeed, I know it has been a little less—but I did not desire to get into the argument which had been made in 1896 and the years along about that time, when there was so much misunderstanding, but I have said this much because I have never understood why the Government of the United States should make a profit off the silver miner.

THE GOVERNMENT'S LARGE SEIGNIORAGE PROFITS

During the last 40 or 50 years our Government has purchased silver, and it has sold that silver at such an enormous profit to the banks and to business in the form of coin that it has made a profit of over $281,000,000. On the purchase of 389,000,000 ounces of silver under the act of 1934 and the Presidential proclamation, the Government has made a profit, through the difference between 50 cents and $1.29 an ounce; in other words, it has made approximately $300,000,000 in this transaction to date.

It is not impossible to see the President's viewpoint, however. A great majority of the people of our country were imbued with the idea, by reason of the debates in the "Bryan age", that silver was a dishonest money. They had come to the frank, honest conclusion that it was not money. They believed that it was a metal which was probably just as abundant throughout the world as iron, and that if we opened our mints to its coinage, or started to taking the surplus, it would flow into our country like a great flooding stream. Whether they were right or wrong, that was their opinion, and that is still largely the opinion of the majority of the people of this country and a majority of the economists of this country.

Some of us predicted here a year ago, and 2 years ago, and 4 years ago, that there was not over a billion ounces of surplus silver in the world, and that not over a billion ounces could be purchased at $1.29 an ounce. The record of statistics which I have produced here discloses that that is true, and the Government of the United States has purchased only 389,000,000 ounces. The price has increased from 44 cents an ounce to 64½ cents an ounce throughout the entire world.

China is not selling its silver; China is buying silver today. India, which was melting up its silver coins at the rate of about 60,000,000 ounces a year and dumping the silver on the markets of the world at a lower price, even as low as 25 cents an ounce, is now buying that silver back at 64 cents an ounce, because it has dawned upon the statisticians of the world, on the treasury departments of the various governments of the world, that silver is a scarce metal, and that after a while it will be like gold—it will get into the hands of a few.

PRESIDENT'S POSITION REGARDING PRICE OF SILVER

I understand the President's position in the matter. He does not desire to force up the price of silver because he wishes to have the country make a profit in buying off the

foreigner. He desires to restore the monetary base, and, having restored it, he desires to stabilize it on a parity, and from that time on to maintain it at parity as a part of our monetary system.

I do not think it is worth while at this time to further argue with him that we should take no seigniorage from the American producer. He feels that as long as the American producer is getting more than the rest of the world is receiving and the program is working he should be satisfied. I do not argue that any longer. That is the President's position in this matter. We compromised with the President and obtained his powerful and necessary support.

I wish to say this, in conclusion, that all of the talk about China going on a gold basis was pure rot. At the time Professor Kemmerer, of Princeton, recommended to the Chinese Government, back in 1930, that they go on the gold standard they paid him for his advice, but laughed at it. They could not get the gold. If they did get the gold, the people would not know what to do with it. For 2,000 years the people of China have dealt in silver, silver coin, and silver bullion. They know what it means. They cannot use anything else.

The statement that we were ruining China was perfectly absurd. The statements coming from the ministry of China now indicate that, with the exception of Shanghai, where there was a "Florida" real-estate boom which broke pretty nearly every bank and banker in Shanghai, China is prosperous.

EFFECT ON CHINA OF RISE IN SILVER PRICES

It was said it was ruining our trade with China. As the price of silver went down, and the exchange value of silver Chinese used as money went down, they could not afford to buy anything except what was absolutely necessary. Their purchases in our country of raw materials increased, while the purchases of manufactured products went down almost to nothing.

What has happened with the uprise of prices? The statistics of the Department of Commerce disclose that our exports of automobiles to China in 1934 were 300 percent larger than they were in 1933, and a similar increase is shown all the way through manufactured articles and semimanufactured articles. China does not depend solely, for the money with which to buy what she imports, upon what she receives from the sale of exports. Like every new country where people are going in with money to buy land and to buy mines and to build railroads, there is an inflow of capital other than from exports. China is an importing country, and will be an importing country until it is thoroughly developed.

The myth is gone, it is dispelled. The predictions are untrue. The statistics with regard to the rise of silver throughout the world, the buying of silver by governments, the buying of silver everywhere, show that silver is a precious metal, that silver is scarce, and that silver must be had for monetary purposes throughout the world.

The various agreements, like the London agreement and our silver acts, have, in my opinion, solved the problem, and in a comparatively brief time the price of silver throughout the world will be stabilized at $1.29 an ounce, and when stabilized at that price the question of silver will be settled forever, because every country will open its mints to the coinage of silver on that basis.

ORDER OF BUSINESS

The VICE PRESIDENT. The morning business has not as yet been transacted, and all speeches during the morning hour are made by unanimous consent only.

Mr. NORRIS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. Did the Senate adjourn on Tuesday?

The VICE PRESIDENT. It did.

Mr. NORRIS. Then, the morning business must be transacted first.

The VICE PRESIDENT. Yes; and the morning business has not as yet been completed. The Senator from Navada was speaking by unanimous consent of the Senate.

COLLECTION OF PROCESSING TAXES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the President to attach certain possessions of the United States to internal revenue collection districts for the purpose of collecting processing taxes, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry.

IMPORTS OF AGRICULTURAL PRODUCTS (S. DOC. NO. 46)

The VICE PRESIDENT laid before the Senate a letter from the special adviser to the President on foreign trade, submitting, in response to Senate Resolution No. 111—calling for information regarding imports of agricultural products, and cotton and wheat production and consumption—certain data relating to wheat and cotton, which, with the accompanying papers, was ordered to lie on the table and to be printed.

MICHAEL ILITZ—VETO MESSAGE (S. DOC. NO. 47)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and ordered to be printed, as follows:

To the Senate:

I return herewith, without approval, Senate bill no. 488, entitled "An act for the relief of Michael Ilitz."

The bill provides that in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons retired from the United States Army, Michael Ilitz, who served as master sergeant, Hospital Corps, shall be held and considered to have been retired as captain, military storekeeper, United States Army, on June 28, 1916.

An identical bill, S. 3499, was disapproved by me on June 27, 1934, with respect to which I stated that—

> In spite of this man's excellent record as a soldier and civil employee, this bill would single him out for special reward. It must, therefore, be disapproved.

The facts presented in substantiation of Senate bill no. 488 are to the same effect as those pertaining to the previous bill, no. 3499. I find no justification for a reversal of my previous action in this case.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 11, 1935.*

Mr. THOMAS of Utah. I move that the veto message, with the accompanying bill, be referred to the Committee on Military Affairs.

The motion was agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Iowa, which was referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 14

A resolution memorializing the President of the United States and the Congress of the United States with reference to the program of rehabilitation, to include therein a small farm plan to be financed upon easy terms of payment for actual farmers

Whereas there exists in the United States a condition of unemployment whereby millions of its citizens are without the opportunity to maintain themselves and have thereby become charges on society; and

Whereas vast numbers of these are practical farmers, who, by reason of the exigencies of the times, have been deprived of the land on which they have heretofore supported their families; and

Whereas other vast numbers of our citizens could, if afforded small farms of 40 to 80 acres each, again become self-supporting; and

Whereas, by reason of the depression, land prices have decreased to a point far below normal and intrinsic value, and, through foreclosure, vast quantities of such land had passed into the hands of insurance companies and other corporations to their burden and distress; and

Whereas the Government is spending large sums and, through its agencies, is proposing to spend large sums for the rehabilitation of these citizens in distress; and

Whereas the State of Iowa, with its vast areas of fertile land, affords opportunities for subsistence farming, which would not only relieve unemployment conditions permanently to a large extent, but

would likewise in large part solve the problem of overproduction by removing vast areas from competitive production: Therefore be it

Resolved by the Senate of the State of Iowa (the House of Representatives of the State of Iowa concurring), That we recommend to the President of the United States and to its Congress that in the program of rehabilitation to be instituted there be included a small-farm plan under which deserving citizens equipped by experience or temperament therefor may be afforded an opportunity to acquire and equip small farms of 40 to 80 acres on easy terms of payment and at low rates of interest, to the end that the unemployment situation may be permanently relieved and that farming lands may again become the property of those desiring to farm and live upon such land, and that the accumulation of farm land by corporations and speculators may be checked; be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to its Secretary of Agriculture, and to each House of Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Finance:

Whereas Hon. CHARLES A. PLUMLEY, Representative to Congress from Vermont, has introduced a bill in the House of Representatives authorizing the construction of a Veterans' Administration hospital in White River Junction; and

Whereas the need for such a hospital in this State is great: Therefore, be it

Resolved by the senate and house of representatives, That the General Assembly of the State of Vermont respectfully memorializes the Congress to give favorable consideration to said bill; and further

Resolved, That the secretary of state send an engrossed copy of this resolution to the Vice President of the United States, to the Speaker of the House of Representatives, to the Vermont Senators and Representative to Congress in Washington.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on the Judiciary.

Assembly Joint Resolution 7, relative to memorializing the President and Congress to favorably consider and submit to the States an amendment to the Constitution enabling Congress to grant Federal suffrage to residents of the District of Columbia

Whereas the District of Columbia with its half million people is the only community in the United States which is denied representation in the National Government;

Whereas the men and women residing in the District of Columbia have no voice in determining through a vote for President, Vice President, and spokesmen in Congress the policies of the Nation in which they live either in war or in peace;

Whereas the District of Columbia taxpayers must pay what they are assessed without opportunity to determine the nature of their taxes or the purposes for which the money is spent;

Whereas it is a fundamental principle of our Republic that governments derive their just powers from the consent of the governed: Be it therefore

Resolved by the Assembly and the Senate of California jointly, That the President and the Congress of the United States is hereby respectfully urged to set in motion the machinery for correcting this present un-American condition of the residents of the District of Columbia by submitting to the States for ratification the constitutional amendment enabling Congress to make it possible for residents of the District of Columbia to vote for President, Vice President, and Representatives of Congress; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California are hereby respectfully urged to support such legislation.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Military Affairs:

Assembly Joint Resolution 45, relative to memorializing the President and the Congress to enact the required legislation for complete and adequate antiaircraft equipment and personnel as defensive measures for the Pacific coast

Whereas during recent times there has been a great deal of public interest and discussion in regard to the inadequacy of aircraft and personnel defense on the Pacific coast; and

Whereas as a result of such discussion and study on the part of representative organizations of the State of California, and military authorities, it seems clear that there is very apparent weakness in the antiaircraft defense and personnel of the Pacific coast; and

Whereas investigations made and information compiled by Joseph G. McComb Post No. 46, of the American Legion, conclusively demonstrates the inadequacy of the antiaircraft defense on the Pacific coast; and

Whereas California has only one antiaircraft detachment with a complement of 24 officers and 323 men to cover and protect the entire length of the California coast line; and

Whereas at some forts on the Pacific coast there are only 8 fixed antiaircraft guns, and in other instances only 2 such guns; and

Whereas the War Department of the United States has recommended that the minimum number of antiaircraft units, in time of peace, should total 10 complete regiments; and

Whereas antiaircraft equipment and personnel are essential as defense measures for the Pacific coast and form one arm of the military services which cannot possibly be construed as anything but purely defensive in nature: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the President and the Congress of the United States are respectfully urged to enact the legislation required for complete antiaircraft equipment and personnel on the Pacific coast; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senator and Members from California are hereby respectfully urged to support such legislation.

The VICE PRESIDENT also laid before the Senate the following resolution adopted by the Senate of the State of Texas, which was referred to the Committee on Military Affairs:

Senate Resolution 67

Whereas on March 13, 1935, Senator MORRIS SHEPPARD introduced in the Senate of the United States of America a bill known as "Senate bill no. 2294", authorizing the President of the United States, through such person or persons as he may designate, to select an appropriate site within the Canal Zone and to cause to be erected thereon a suitable statue of heroic size of Maj. Gen. George W. Goethals, in commemoration of his signally distinguished services in connection with the construction and operation of the Panama Canal: Now, therefore, be it

Resolved by the Senate of the State of Texas, That it hereby commends the high purpose of Senate bill no. 2294, and directs that copies of this resolution be sent to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives, and to Senator MORRIS SHEPPARD.

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of Puerto Rico, favoring the enactment of legislation amending the organic act of Puerto Rico relative to the issuance of bonds, which was referred to the Committee on Territories and Insular Affairs.

(See resolution printed in full when presented today by Mr. TYDINGS, p. 5409.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by the Society for the Prevention of Cruelty to Animals, of Santa Cruz, Calif., and the City Council of St. Helens, Oreg., favoring the adoption of the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also laid before the Senate petitions of several citizens of the States of Arkansas and Virginia, praying for the enactment of old-age pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by a branch of the Y. W. H. A., of New York City, and the Brighton Beach Parent Teacher Students Committee, both in the State of New York, protesting against the enactment of proposed alien and sedition legislation, which were referred to the Committee on Immigration.

He also laid before the Senate a petition signed by officers, members, and friends of Liberty Council, No. 16, Junior Order United American Mechanics, of Baltimore, Md., praying for the enactment of legislation to deport any alien who at any time after entry is convicted of any offense which may be punished by imprisonment for 1 year or more, to stop illegal immigration by seamen deserting vessels, and to deprive of citizenship and deport naturalized persons convicted of a felony, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by the Civitan Club of Baltimore, Md., favoring the passage of the joint resolution (S. J. Res. 87) authorizing the restoration and preservation of the frigate *Constellation*, and making

Baltimore, Md., her home port, which was referred to the Committee on Naval Affairs.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate resolutions adopted by the Council of the City of Rochester, N. Y., favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. CAPPER presented a memorial of sundry citizens of McPherson, Kans., remonstrating against the enactment of the so-called "Wagner labor-disputes bill", which was referred to the Committee on Education and Labor.

Mr. WALSH presented a resolution adopted at a meeting of Local Union, No. 2382, United Textile Workers of America, Warren, Mass., favoring the enactment of legislation preventing the importation of strike breakers from one State to another, which was referred to the Committee on Education and Labor.

He also presented a memorial of members of the faculty and staff of Worcester (Mass.) Polytechnic Institute, remonstrating against the passage of the so-called "Patman bonus bill", which was referred to the Committee on Finance.

He also presented a memorial signed by members of the Tufts Chapter of the American Association of University Professors, Tufts College, Massachusetts, remonstrating against the enactment of any so-called "soldiers' bonus bills" at the present time, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Jamaica Plain, Mass., praying for the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also presented resolutions adopted by Branch No. 176, of Pittsfield, and Branch No. 252, of Clinton, both of the Workmen's Sick and Death Benefit Fund, in the State of Massachusetts, favoring the enactment of the so-called "Lundeen bill", being the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which were referred to the Committee on Finance.

He also presented a letter from Percival S. Howe, Jr., of Boston, Mass., transmitting copy of a resolution adopted by the Consumers' Goods Industries Committee, relative to the extension of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from the International Plate Printers, Die Stampers, and Engravers Union of North America, in the State of Massachusetts, praying for the enactment of legislation to reduce the tax on 10-cent cigarettes from $3 per thousand to $2.70, but leaving the rate on 13-cent cigarettes at $3 per thousand, which was referred to the Committee on Finance.

He also presented resolutions adopted by the Ancient Order of Hibernians in America, of Hampden County, Mass., protesting against alleged religious persecutions in the Republic of Mexico, which were referred to the Committee on Foreign Relations.

He also presented a memorial of sundry citizens of Cambridge, Mass., remonstrating against the enactment of the so-called "Wheeler-Rayburn public-utilities bill", which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by Barbara Frietchie Council, No. 42, Sons and Daughters of Liberty, of Massachusetts, favoring the enactment of House bill 5921, to strengthen the existing law pertaining to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Boston (Mass.) Group of the Fellowship of Reconciliation, favoring the enactment of legislation to control private profits in time of war, which was referred to the Special Committee on Investigation of the Munitions Industry.

He also presented a letter in the nature of a memorial from John J. Adams, of Worcester, Mass., remonstrating against the enactment of the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

Mr. KEYES presented the following joint resolution of the Legislature of the State of New Hampshire, which was referred to the Committee on Finance:

Joint resolution for the benefit of the cotton textile industry in New Hampshire

Whereas by the provisions of the National Recovery Act the President of the United States alone is empowered, through his proclamation or by his Executive order, to modify or rescind any provisions of any portion of any code which has been set up for any industry under the act of Congress herein cited; and

Whereas the differentials which exist under the said code, which have grown up under long-continued practice, lay an intolerable burden upon the cotton textile industry of New Hampshire and present an insuperable obstacle to the development and even the continuation of this industry in our State: Now, therefore, be it

Resolved by the senate and house of representatives in general court convened, That the President of the United States be requested to exercise the powers which he possesses under the National Recovery Act to the end that the cotton-textile industry throughout the country may proceed under conditions of economic equality and that the readily apparent burdens which are now laid upon the cotton-textile industry in New Hampshire may be removed and that New Hampshire manufacturers and New Hampshire operatives may be assured that no discrimination is practiced against them; and be it further

Resolved, That this resolution be transmitted by the Governor to the President of the United States, with such further representations as His Excellency the Governor may see fit to make, and that the secretary of state be directed to transmit a copy of this resolution, under seal of the State, to our Senators and Representatives in Congress with a request that they act as a unit and with such others as they may induce to join them, to accomplish the results which this resolution seeks to bring about.

Mr. COPELAND presented the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Agriculture and Forestry:

Whereas the Federal Government has embarked upon a program of purchasing marginal and submarginal farm lands in the various States in cooperation with the States; and

Whereas the State planning board in its preliminary survey of New York State has reported that there are some 4,500,000 acres of idle land in this State which should eventually come under governmental ownership; and

Whereas this State has been more progressive than any other State in establishing a reforestation program: Now, therefore, be it

Resolved (if the assembly concur), That the Legislature of the State of New York hereby petitions and requests the President and Congress of the United States to bring it about that the just claims of New York be given consideration in carrying out any Federal program involving the purchase of (marginal and submarginal) farm lands for reforestation, watershed protection, public shooting and fishing, erosion control, public parks, or other conservation purposes; and that these purchases be carried out in such manner that they are in full harmony with the program of conservation in this State.

Mr. COPELAND also presented resolutions adopted by Flatbush Branch, American League Against War and Fascism, of Brooklyn, and Clarte Circle de Travailleurs (de Langue Française), of New York City, both in the State of New York, protesting against the enactment of proposed alien and sedition legislation, which were referred to the Committee on Immigration.

He also presented the petition of members of Wegwagonock Council, No. 64, Junior Order United American Mechanics, of Sag Harbor, N. Y., praying for the enactment of House bills 2008 and 5921, proposing to reduce immigration quotas to 40 percent of the numbers now admitted, which was referred to the Committee on Immigration.

He also presented resolution adopted by Wethered J. Boyd Council No. 326, Knights of Columbus, of New York City, N. Y., condemning communism as anti-American, and favoring the taking of lawful and orderly methods to eradicate all subversive movements in the United States, which were referred to the Committee on Immigration.

He also presented a resolution adopted by Stars and Stripes Council No. 32, Sons and Daughters of Liberty, of Islip, N. Y., favoring the prompt enactment of House bill

5921, to strengthen existing law pertaining to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented resolutions adopted at a meeting of the Society of Officers, United Associations of Railroad Veterans, held in New York City, N. Y., favoring the enactment of legislation to place busses, trucks, waterways, pipe lines, and airplanes under the supervision and regulation of the Interstate Commerce Commission, which were referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Fredonia, N. Y., praying for the enactment of the bill (S. 1629) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Board of Trustees of the City of Attica, N. Y., favoring the enactment of the bill (S. 1629) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by Branch No. 69, of Troy, and Branch No. 198, of Jamaica, both of the Workmen's Sick and Death Benefit Fund, in the State of New York, favoring the enactment of the so-called "Lundeen bill", being the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which were referred to the Committee on Finance.

He also presented a resolution adopted at a meeting of representatives of 30 set-up paper-box manufacturers, held at Troy, N. Y., favoring the continuance of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by the United Infants' and Children's Wear Association, New York City, N. Y., favoring the continuance of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by the convention of the National Building Granite Quarries Association, New York City, N. Y., favoring the continuance of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Young Men's Board of Trade, New York City, N. Y., protesting against the enactment of the so-called "Patman bonus bill", which was referred to the Committee on Finance.

He also presented a resolution adopted by Port Chester Post, No. 67, Jewish War Veterans, of Port Chester, N. Y., favoring the enactment of the so-called "Patman bonus bill", which was referred to the Committee on Finance.

He also presented a resolution adopted by directors of the J. W. K. Political and Social Club, Buffalo, N. Y., favoring the enactment of the so-called "Patman bonus bill", which was referred to the Committee on Finance.

He also presented a resolution adopted by the Board of Supervisors of Franklin County, Malone, N. Y., favoring the elimination of all land taxes of farmers and the imposition of sales and manufacturers' taxes, etc., which was referred to the Committee on Finance.

He also presented a resolution adopted by the Cup and Container Institute, New York City, N. Y., favoring the continuance of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Broome County (N. Y.) Retail Automobile Dealers Association, favoring the extension of the Motor Vehicle Retail Trade Code in substantially its present form, which was referred to the Committee on Finance.

He also presented a resolution adopted by the County Wexford Men and Women's Social, Patriotic, Benevolent Association, held in New York City, N. Y., favoring the enactment of legislation providing a special postage stamp to commemorate the one hundred and fiftieth anniversary of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

Mr. WAGNER presented letters in the nature of petitions from the Watkins Glen Chamber of Commerce and the Greater Cohoes Business Association, both in the State of New York, favoring the enactment of legislation providing for the immediate payment of adjusted-service certificates of World War Veterans, which were referred to the Committee on Finance.

REPEAL OF COTTON-PROCESSING TAX

Mr. WAGNER presented a resolution adopted by the Utica (N. Y.) Chamber of Commerce, which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Resolution adopted by the Utica Chamber of Commerce, April 8, 1935

Whereas the increased cost of manufactured products, due to the cotton-processing tax as imposed by the Federal Government, falls most heavily on those who can least afford to pay—the laboring people of this country; and

Whereas it adds an enormous burden on mill pay rolls that cannot be passed along to the consumer, and that is unjust and indefensible in that it is, in fact, another tax on manufacturers for the privilege of doing business and providing pay rolls: Now, therefore, be it

Resolved, That the Utica Chamber of Commerce urges the Congress of the United States to effect the repeal of the cotton-processing tax, and also that copies of this resolution be transmitted to the President of the United States, Secretary of Agriculture Henry A. Wallace, and to United States Senators COPELAND and WAGNER and Representative FRED J. SISSON.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. WAGNER presented resolutions adopted at a meeting of the Coat and Suit Code Authority, New York City, N. Y., which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Resolved, That the Coat and Suit Code Authority give public expression at this time of its appreciation for the great help which this industry has received through the National Recovery Act in the maintenance of standards of wages and hours, in the elimination of unfair trade practices, injurious alike to the consumer, manufacturer, and retailer, and in the general stabilization of this highly seasonal business. Even the short period in which this act has been in effect has been sufficient to demonstrate convincingly the great value, both present and prospective, reasonably to be obtained from the principle of self-government in industry, which, under this act, this code authority seeks to establish; be it therefore further

Resolved, That this code authority places itself on record as unanimously approving the recommendation of the President of the United States that the National Recovery Act be extended for an additional period of 2 years, and that copies of this resolution be sent to all Members of the House of Representatives and of the Senate of the United States.

BONDS OF PUERTO RICO—MEMORIAL

Mr. TYDINGS. Mr. President, I send to the desk a concurrent resolution originating in the Senate of Puerto Rico, and under the rules of the Senate ask that it be appropriately referred and printed in the RECORD immediately following my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The memorial was referred to the Committee on Territories and Insular Affairs, as follows:

I, Enrique Gonzalez Mena, secretary of the Senate of Puerto Rico, do hereby certify that the following concurrent resolution was unanimously approved by the Senate of Puerto Rico on March 14, 1935, and by the House of Representatives on March 26, 1935:

"Concurrent resolution to request of the Congress and of His Excellency the President of the United States, the Honorable Franklin D. Roosevelt, that the Organic Act of Puerto Rico be amended so that the bonds issued in the name of the people of Puerto Rico for self-liquidating projects, such as the Guayama and Isabela irrigation systems, and other similar projects, shall not be included in computing the borrowing capacity of the insular government, and for other purposes

"Whereas, by virtue of the provisions of the organic act in force relative to bonds issued in the name of the people of Puerto Rico for self-liquidating projects, such as the Guayama and Isabela irrigation systems, and other similar projects, the borrowing capacity of the insular government has been greatly reduced;

"Whereas, by virtue of such reduction in the said borrowing capacity of the insular government, it is not possible to make

the issue of revenue bonds authorized by the act deferring the payment of taxes on real property for a period of 10 years, the proceeds of which, if said issue were possible, would be applied to the restoration of the amortization funds as well as to the relief of the municipalities of Puerto Rico;

"Whereas an increase in the borrowing capacity of the insular government would make possible the aforesaid issue of bonds as well as that of any other bonds which may be authorized in the future by the Legislature of Puerto Rico for the purpose of taking care of undeferrable public services and to give financial aid to the municipalities, which are in a precarious financial condition on account of the damages inflicted on agriculture and industry and on property in general by the hurricanes that have repeatedly swept our island: Now, therefore, be it

"Resolved by the Senate of Puerto Rico (the house of representatives concurring):

"SECTION 1. To request, as it is hereby requested, of His Excellency the President of the United States, the Honorable Franklin D. Roosevelt, and of the Senate and the House of Representatives of the United States, to enact legislation amending the Organic Act of Puerto Rico to the effect that the bonds issued in the name of the people of Puerto Rico for self-liquidating projects such as the Guayama and Isabela irrigation systems, and other similar projects, shall not be included in computing the borrowing capacity of the insular government, so that the latter may make the issue of revenue bonds authorized by the act of the Legislature of Puerto Rico deferring the payment of taxes on real property for a period of 10 years, the proceeds whereof shall be applied to restore the amortization funds and to the relief of the municipalities, as well as any other bond issue which may be authorized by the Legislature of Puerto Rico.

"SEC. 2. That a certified copy of this concurrent resolution be sent to His Excellency the President of the United States, the Honorable Franklin D. Roosevelt, to the President of the Senate and to the Speaker of the House of Representatives of the United States, to the Chairman of the Committee on Territories and Insular Possessions of the Senate of the United States, to the Chairman of the Committee on Insular Affairs of the House of Representatives of the United States, to the Secretary of the Interior, the Honorable Harold L. Ickes, and to the Resident Commissioner of Puerto Rico in Washington, the Honorable Santiago Iglesias."

For transmittal to the Honorable MILLARD E. TYDINGS, Chairman of the Committee on Territories and Insular Possessions of the Senate of the United States, I have hereunto set my hand and caused to be affixed the seal of the Senate of Puerto Rico on this 26th day of March 1935.

[SEAL] ENRIQUE GONZALEZ MENA,
Secretary of the Senate.

REPORTS OF COMMITTEES

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (H. R. 3959) for the relief of the National Training School for Boys and others, reported it without amendment and submitted a report (No. 439) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (H. R. 2353) for the relief of the Yellow Drivurself Co., reported it without amendment and submitted a report (No. 440) thereon.

He also, from the same committee, to which was referred the bill (H. R. 2439) authorizing adjustment of the claim of the Public Service Coordinated Transport, of Newark, N. J., reported it with an amendment and submitted a report (No. 441) thereon.

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 2312) for the relief of the Western Construction Co., reported it with an amendment and submitted a report (No. 442) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 2487) for the relief of the Western Electric Co., Inc., reported it without amendment and submitted a report (No. 443) thereon.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 2530) to protect American and Philippine labor and to preserve an essential industry, and for other purposes, reported it with an amendment and submitted a report (No. 444) thereon.

Mr. AUSTIN, from the Committee on the Judiciary, to which was referred the bill (S. 672) for the relief of the city of Baltimore, reported it without amendment and submitted a report (No. 445) thereon.

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, reported it with amendments and submitted a report (No. 446) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (H. R. 378) for the relief of Gerald Mackey, reported it without amendment and submitted a report (No. 447) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 1446. A bill for the relief of Knud O. Flakne (Rept. No. 448);

S. 1447. A bill for the relief of Mary C. Moran (Rept. No. 449);

H. R. 240. A bill for the relief of Capt. Alexander C. Doyle (Rept. No. 452); and

H. R. 530. A bill granting compensation to the estate of Thomas Peraglia, deceased (Rept. No. 450).

Mr. WHITE also, from the Committee on Claims, to which was referred the bill (S. 684) for the relief of Brown & Cunningham, of Port Deposit, Md., reported it with amendments and submitted a report (No. 451) thereon.

Mr. NORRIS, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933, reported it without amendment and submitted a report (No. 453) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1207. A bill to authorize trial by court martial of any person in the naval service charged with the crime of murder committed without the geographical limits of the States of the Union and the District of Columbia (Rept. No. 454);

S. 1211. A bill authorizing the assignment of two officers on the active list of the United States Marine Corps not below the rank of colonel to duty as assistants to the Major General Commandant of the Marine Corps (Rept. No. 455);

S. 1212. A bill to amend section 1383 of the Revised Statutes of the United States (Rept. No. 456);

S. 1609. A bill for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps (Rept. No. 457); and

S. 1611. A bill to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va. (Rept. No. 458).

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 211. A bill for the relief of John J. Moran (Rept. No. 459);

S. 1539. A bill relating to undelivered parcels of the first class (Rept. No. 460); and

S. 1541. A bill to punish persons knowingly causing the delivery by mail of certain nonmailable matter (Rept. No. 461).

Mr. McKELLAR, also from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 1439) amending the postal laws to include as second-class matter religious periodicals publishing local information, reported it with amendments and submitted a report (No. 462) thereon.

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the bill (H. R. 6457) to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., reported it without amendment and submitted a report (No. 463) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2375) au-

thorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States, reported it without amendment and submitted a report (No. 464) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 1504) authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes, reported it with amendments and submitted a report (No. 465) thereon.

Mr. HATCH, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 7054) to provide for the protection of land resources against soil erosion, and for other purposes, reported it with amendments and submitted a report (No. 466) thereon.

Mr. SCHALL, from the Committee on Indian Affairs, to which was referred the bill (S. 2532) to amend an act entitled "An act setting aside Rice Lake and contiguous lands in Minnesota for the exclusive use and benefit of the Chippewa Indians of Minnesota", approved June 23, 1926, and for other purposes, reported it without amendment and submitted a report (No. 467) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 626) to amend the Agricultural Adjustment Act so as to include hops as a basic agricultural commodity, reported it without amendment and submitted a report (No. 468) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the joint resolution (S. J. Res. 97) authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive, reported it without amendment and submitted a report (No. 469) thereon.

Mr. NEELY, from the Committee on Interstate Commerce, to which was referred the bill (S. 2481) to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a draw-back under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States and to establish a national bituminous-coal reserve; to provide for the general welfare; and for other purposes, reported it without amendment and submitted a report (No. 470) thereon.

MOTHER'S DAY

Mr. COPELAND, from the Committee on Education and Labor, to which was referred the resolution (S. Res. 106) favoring an expression on Mother's Day of our love and reverence for motherhood, reported it without amendment.

RECOMMITTAL OF A BILL

Mr. LOGAN. I ask unanimous consent to have Senate bill 215, Calendar No. 450, entitled "A bill to establish uniform requirements affecting Government contracts, and for other purposes", recommitted to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

A bill (S. 2543) granting a pension to Elijah Stephens; to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 2544) granting a pension to Margaret D. Kaltz (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 2545) to provide funds for acquisition of the property of the Haskell Students Activities Association on behalf of the Indian school known as "Haskell Institute", Lawrence, Kans.; to the Committee on Indian Affairs.

By Mr. WALSH:

A bill (S. 2546) for the relief of William E. Jones, of Newton, Mass., Walter M. Marston, of Newton, Mass., William Ellery, of Brookline, Mass., Richard P. Hallowell, 2d, and Malcolm Donald as executors under the will of Frank W. Hallowell, late of Newton, Mass., and Malcolm Donald as executor under the will of Gordon Donald, late of Wellesley, Mass.; to the Committee on Claims.

By Mr. LOGAN:

A bill (S. 2547) for the relief of John H. Blackburn; and

A bill (S. 2548) for the relief of the Carter County Commercial Bank; to the Committee on Claims.

A bill (S. 2549) to recognize civilian service during period of construction of the Panama Canal in determining rights of officers of the Regular Army; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 2550) to incorporate the American National Institute (Prix de Paris) at Paris, France; to the Committee on the Library.

By Mr. ROBINSON:

A bill (S. 2551) to make immediately available the unexpended balances of certain appropriations for the construction or reconstruction of roads and bridges in the flood areas of Missouri, Mississippi, Louisiana, Arkansas, Kentucky, and Alabama; to the Committee on Agriculture and Forestry.

A bill (S. 2552) for the relief of Alpha Vint; and

A bill (S. 2553) for the relief of C. C. Young; to the Committee on Claims.

By Mr. MINTON:

A bill (S. 2554) for the relief of M. E. Jennings (with accompanying papers); to the Committee on Claims.

By Mr. WAGNER:

A bill (S. 2555) to amend section 4442 of the Revised Statutes of the United States, as amended (U. S. C., title 46, sec. 214), with respect to licenses of pilots of steam vessels; and

A bill (S. 2556) to amend and supplement the steering rules respecting orders to helmsmen on all vessels navigating waters of the United States and on all vessels of the United States navigating any waters or seas, in section 1 of the act of August 19, 1890, section 1 of the act of June 7, 1897, section 1 of the act of February 8, 1895, and section 1 of the act of February 19, 1895; to the Committee on Commerce.

By Mr. HASTINGS:

A bill (S. 2557) for the relief of Lee G. Mason; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 2558) for the relief of Pettus H. Hemphill; and

A bill (S. 2559) authorizing the President of the United States to appoint Warrant Officer Albert A. Fensch (retired) as a captain in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 2560) conferring jurisdiction on the Court of Claims to adjudicate the rights of the Otoe and Missouria Tribes of Indians to compensation on a basis of guardian and ward; to the Committee on Indian Affairs.

By Mr. SCHALL:

A bill (S. 2561) for the relief of Maj. Richard K. Smith; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 2562) to establish a new judicial circuit of the United States, with a circuit court of appeals, hereafter to be called the tenth circuit; to the Committee on the Judiciary.

By Mr. KING:

A bill (S. 2563) to amend an act to provide for a Union Railroad Station in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

APPOINTMENT OF ADDITIONAL JUDGES—AMENDMENT

Mr. McKELLAR submitted an amendment intended to be proposed by him to the bill (S. 477) to provide for the appointment of two additional judges for the southern district of New York and two additional judges for the southern district of California, which was ordered to lie on the table and to be printed.

HOME-MORTGAGE RELIEF—AMENDMENTS

Mr. CLARK and Mr. BANKHEAD each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, which were ordered to lie on the table and to be printed.

ADDITIONAL CLERK FOR INTERSTATE COMMERCE COMMITTEE

Mr. WHEELER submitted the following resolution (S. Res. 117), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Interstate Commerce is hereby authorized to employ for the remainder of the session of the Senate an assistant clerk, to be paid from the contingent fund of the Senate at the rate of $1,800 per annum.

AMENDMENT OF SILVER PURCHASE ACT

Mr. McCARRAN. Mr. President, on the calendar day, April 4, 1935, I introduced a bill to repeal certain sections of the Silver Purchase Act. On that date I transmitted a letter to the Secretary of the Treasury, and had entered in the RECORD a copy of my letter. Today I am in receipt of a reply from the Secretary of the Treasury, and out of courtesy to him, and as I think is right, I ask leave that the letter of the Secretary in reply to my letter be inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington.

MY DEAR SENATOR: I have your letter of April 4, 1935, in which you discuss the advisability of continuing the provisions of sections 6, 7, and 8 of the Silver Purchase Act of 1934. After asking a number of specific questions based upon certain assumptions as to the facts, your letter concludes with a request for my comments upon your thoughts; my correction of any false assumptions; and my suggestions as to any proposed legislation.

I shall begin with the assumptions.

In the first place, the true purpose of the silver program of the Government, as set out in the President's message to the Congress of May 22, 1934, and as embodied in the Silver Purchase Act, is to improve the monetary system of the country, and, immediately and more specifically to increase the proportion of silver in the metallic reserves back of our paper currency. This purpose is explicitly stated in the Presidential message just mentioned and is formally declared in the following language of the Silver Purchase Act of 1934:

"SEC. 2. It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining one-fourth of the monetary value of such stocks in silver."

Moreover, the statute makes perfectly plain what the duty of the Secretary of the Treasury is with reference to its purpose, and the Congress has left in no doubt how he should proceed in carrying out that purpose, because the act provides:

"* * * the Secretary of the Treasury is authorized and directed to purchase silver * * * at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest * * *."

In view of the foregoing, no responsible and just policy could have disregarded the question as to who should reap the advantage flowing from the Government's monetary action with reference to silver. Such was the policy of the legislation which provided that the increased value given to gold by reason of our gold program should revert to the Government for the benefit of all.

At the same time, persons who increase the world's stock of silver as well as gold by mining or refining, may properly be distinguished from people who merely hold or deal in a monetary metal for the purpose of realizing profits from governmental action. Accordingly, people such as the miners and refiners may, on this basis, be accorded a treatment which it would be unfair to accord to the hoarder or to the speculator.

Your first question, whether the authority granted by section 6 of the Silver Purchase Act is not somewhat superfluous when read in the light of the foregoing can lead to only one answer. You ask whether the Congress, in granting such authority to investigate, regulate, or prohibit dealings in silver or the importation or exportation thereof, "did not carry the theory a step too far by selecting one commodity." Have you not overlooked the fact that the Congress has selected two commodities which are subject to such regulation, that those two commodities are the monetary metals underlying our currency system, and that, in the language of the Supreme Court, "there attaches to the ownership of gold and silver those limitations which public policy may require by reason of their quality as legal tender and as a medium of exchange"? To answer your question more specifically, while the international monetary situation continues to be unstable and while we are improving the monetary uses of silver and gold and increasing our stocks of silver, the reserve executive power in section 6 of the Silver Purchase Act, section 3 of the Gold Reserve Act, and section 2 of the Emergency Banking Act should not be disturbed. To do so would paralyze action which the Government may have to take in order to protect our monetary system from possible crises in the international exchange markets and from speculative dealings in the monetary metals and other foreign exchange.

Your next question relates to section 7 of the Silver Purchase Act. You ask if the authority to nationalize silver has not already accomplished the purposes for which it was designed. My thoughts on section 7 are again that the President's authority to call in silver was properly made as broad as his authority to call in gold. By reason of the more stringent regulation of dealings in gold, unnecessary accumulations of that metal in this country are no longer possible. Unless silver were subjected to regulation equally stringent, the authority should remain again to call in silver in the event that a tendency should arise to withhold that metal for nonindustrial purposes. I assume, of course, that you have not overlooked the fact that the order nationalizing silver operated only on silver situated in this country on the date of its promulgation, August 9, 1934.

Your final qustion relates to the so-called "silver tax." You state that you have until recently been "unaware that section 8 levies this tax of 50 percent on silver profits on all transfers and thereby must practically preclude the purchase and sale of this commodity within our jurisdiction." This assumption is not entirely accurate. The tax applies to all transfers but the statute makes adequate provision for abatement or refund of the tax on profits arising from transfers both for industrial purposes and also in hedging transactions in silver foreign exchange. The result is that this tax is payable only where it should be payable, that is, on silver profits arising from an increase in the price of silver due to the purchases which the Secretary of the Treasury is authorized and directed to make.

In the administration of the silver tax, the Treasury has succeeded, I believe, in maintaining this distinction. Opposition to the silver tax can come only from a failure to recognize this distinction. Surely it is not unfair to those whose profits are due to governmental action, that half of those profits should revert to their Government. Failure to preserve at least this much would be unfair to the great majority of our citizens who contribute directly and indirectly to the payment of Government expenditures but who do not deal in silver in anticipation of profits due to governmental action.

The remaining half of your letter assumes that the United States cannot buy silver through domestic brokers because of the silver tax. I can assure you there is nothing in this. It is a standard provision of all transfer taxes that when the transferor fails to pay the tax the transferee shall be contingently liable, but that, where the transferee is the United States, this contingent liability does not apply as it would be useless for the Treasury to pay a tax to itself. The silver tax expressly follows this practice. If the United States is not contingently liable as transferee, brokers, acting on behalf of the United States, need not pay on behalf of their principal a tax which the principal does not have to pay. This is equally true whether the agent is a domestic or foreign broker.

The Treasury makes purchases abroad as well as in the United States to carry out the mandate of Congress to purchase silver upon terms most advantageous to the public interest. Congress, in enacting the mandatory silver-purchase program, contemplated purchases in such quantities as necessarily to involve purchases abroad. Indeed the act specifically refers to purchases "at home and abroad." Foreign sellers prefer to offer their silver in their own markets, which, of course, they have every right to do. By doing this, their sales to the United States fall outside the scope of this tax. In making purchases from them, the United States obviously does not evade or connive in the evasion of the tax, either in form or in spirit.

You ask if the repeal of sections 6, 7, and 8 of the Silver Purchase Act would interfere with operations contemplated under the other provisions of this act. I think those three sections have contributed materially to the success of our silver-purchase program and believe that their repeal would jeopardize the true purpose of the legislation of which they form a part.

Very truly yours,

HENRY MORGENTHAU, Jr.

Mr. McCARRAN. Mr. President, in connection with this letter I ask leave to have printed in the RECORD an article appearing in the New York Times on April 11, together with an editorial from the Salt Lake Tribune of April 8 bearing on the same subject.

There being no objection, the articles referred to were ordered to be printed in the RECORD, as follows:

[From the New York Times of Apr. 11, 1935]

ROOSEVELT RAISES SILVER TO 71 CENTS; WORLD PRICE IS 64—TREASURY CUTS SEIGNIORAGE TO 45 PERCENT FROM 50 PERCENT ON A PROCLAMATION BY THE PRESIDENT—SILVER SENATORS URGENT—DOLLAR VALUE OF GOVERNMENT STOCKS IS $915,613,900, OR FAR SHORT OF 1-TO-3 RATIO

WASHINGTON, April 10.—The Government today raised the price which it will pay for newly-mined silver to 71 cents an ounce from the 64.64-cent rate that has prevailed since December 21, 1933.

The decision was announced tonight by the Treasury, after President Roosevelt had issued a proclamation stating that, beginning today, seigniorage would be 45 percent instead of 50 percent as provided in a proclamation December 21, 1933.

The change, which was forecast by President Roosevelt earlier in the day, indicated that the Government would continue its aggressive policy in the amassing of silver reserves to conform to the act of Congress which held that the ratio of silver to gold in our monetary reserves should be 1 to 3.

Secretary Morganthau, after a conference with the President, issued a statement outlining the new policy. The fact that the world price of silver, gradually rising since the United States started its purchases late in 1933, had reached about 64⅛ cents today, was believed to have caused the decision.

PRICE HAS RISEN FROM 42 CENTS

When the 64½-cent price for newly mined silver was fixed by proclamation, the world price was slightly more than 42 cents. It crept up steadily as the United States bought in the world markets, New York, London, Mexico, and other centers.

In official circles, the increase in the price was interpreted as meaning that the United States had set out upon even a more vigorous policy than was indicated by the fixing of the 64½-cent price late in 1933.

The immediate effect, in the view of many experts, was a probable continuation in the increase in the world price for silver, to the profit of those countries on the silver or partially silver standard of monetary reserve, and likewise to the profit of the silver producers in the United States.

Some observers professed to believe that the administration's action was at least partly induced by influence from the silver States.

The "silver Senators" have for many months conducted an intensive campaign in the direction of higher prices for the metal. After the original fixing of a price far above the world market level, and with the subsequent gain in the world price, the Senators pressed for another increase.

CONSTANTLY WATCHED WORLD PRICE

Senators WHEELER, of Montana, COSTIGAN, of Colorado, and MCCARRAN, of Nevada, Democrats, were especially urgent in attempting to influence the administration to keep the silver price paid by the Government ahead of that for which it might be sold in the world market.

The President, under the law, may raise the price of silver by proclamation to $1.29 an ounce.

Until today 50 percent seigniorage was deducted from the price of $1.29 an ounce. Thus when an ounce of silver was turned over to the Treasury only half of its value would be returned to the seller. That resulted in a 50-percent profit, or seigniorage, to the Government.

With the new policy calling for seigniorage of 45 percent, there will be an increase in the price to 71.1111 cents an ounce.

From the date of the Presidential proclamation of December 21, 1933, to April 8 the Treasury bought about 32,611,000 ounces of silver at 64½ cents an ounce. This represented a payment of about $21,000,000.

NINE HUNDRED AND FIFTEEN MILLION SIX HNUDRED AND THIRTEEN THOUSAND NINE HUNDRED DOLLARS IN THE TREASURY

Under the nationalization order of August 9, 1934, about 112,594,155 ounces of silver were bought at 50 cents an ounce, or around $56,000,000. The nationalization order provided for the taking over of existing stocks.

On April 8 the dollar value of silver as carried on the Treasury books was about $915,613,900.

While the silver stocks, as shown by Treasury figures, were 155,205,000 ounces, including that newly mined and obtained under the nationalization order, it was believed that a much greater amount than that had been obtained through the operation of the Treasury's $2,000,000,000 stabilization fund alone.

Some authorities thought that the Treasury might meet the rising world price by tapering off its purchases of silver to prevent a possible collapse of the silver market should prices go above a reasonable level. To these experts tonight's action by the Treasury was a distinct surprise.

THE TREASURY'S STATEMENT

The Treasury announced the action on silver in the following statement, including the President's proclamation:

"The President issued a proclamation amending his proclamation of December 21, 1933, with respect to coinage of silver so as to provide that the seigniorage on newly mined domestic silver presented to the mints for coinage shall be 45 percent instead of 50 percent, as provided in the proclamation of December 21, 1933. The new rate of seigniorage will be applied to all silver mined on and after today, Wednesday, April 10, 1935.

"The effect of the proclamation will be to increase the net amount returned for newly mined domestic silver from approximately 64.6 cents per fine ounce to approximately 71 cents per fine ounce."

"'By the President of the United States of America:

"'A PROCLAMATION

"'Whereas by proclamation of the twenty-first day of December 1933, as modified by proclamation of the ninth day of August 1934, the United States coinage mints are directed to receive for coinage and addition to the monetary stocks of the United States silver mined subsequent to December 21, 1933, from natural deposits in the United States or any place subject to the jurisdiction thereof; and

"'Whereas such proclamation, as so modified, is subject to revocation or further modification as the interest of the United States may seem to require;

"'Now, therefore, finding that the interests of the United States require further modification of said proclamation of the twenty-first day of December 1933; by virtue of the power in me vested by the act of Congress cited in said proclamation, and other legislation designated for national recovery, and by virtue of all other authority in me vested;

"'I, FRANKLIN D. ROOSEVELT, President of the United States of America, do proclaim and direct that with respect to all silver received by a United States coinage mint under the provisions of the proclamation of the 21st day of December 1933, which such mint, subject to regulations prescribed hereunder by the Secretary of the Treasury, is satisfied has been mined on or after April 10, 1935, from natural deposits in the United States or any place subject to the jurisdiction thereof, the deduction for seigniorage and services performed by the Government shall be 45 percent and there shall be returned therefor in standard silver dollars, silver certificates, or any other coin or currency of the United States, the monetary value of the Silver so received (that is, $1.2929+ a fine ounce), less such deduction of 45 percent.

"'Notice is hereby given that I reserve the right by virtue of the authority vested in me to revoke or modify this proclamation as the interest of the United States may seem to require.'"

[From the Salt Lake Tribune of Apr. 8, 1935]

SILVER ACT REVISION

Silver comes to the fore again as a national consideration, with Senator MCCARRAN, of Nevada, proposing material revision of the Silver Purchase Act enacted at the last session of Congress. The Nevada solon would strike three sections from the act, as now written, in the hope that it would improve the Government's position with regard to the white metal and establish an American silver market.

The sections of the law which Senator MCCARRAN would repeal permit the Secretary of the Treasury, with the approval of the President, to investigate, regulate, or prohibit all trading in silver, enable the Government to impose a 50-percent levy upon all silver profits, and authorize the President to nationalize silver. In a letter to the Secretary of the Treasury, Senator MCCARRAN points out that these particular sections never were satisfactory to the silver-producing sections and were concessions to the Secretary's demands.

Senator MCCARRAN pertinently contends that the existing law has driven the silver market from the United States to Montreal and London. He argues further that it puts a penalty upon American citizenship, which, he believes, is to be removed only by the reestablishment of a free market. The silver-producing sections of the United States will agree with the main arguments of the Nevada solon on the experience of the past year.

Notwithstanding the fact that the silver legislation of the last session was in response to insistent demands for the remonetization of silver, it fell far short of the program which the silver advocates had in mind. Nationalization of the white metal at once defeated the major aims of this program, so far as its advocates had expected it to reflect itself in commodity price levels.

The penalty on silver profits, likewise, became a discouraging factor for the silver producer. As a result, our silver program has suffered disappointments similar to other defeats in the national recovery program. Because of that, the proposals of Senator MCCARRAN should find consistent and growing support, particularly in those ranks where the urge for rejuvenation of the private effort is being stressed.

Denationalization of silver and the elimination of undue penalties in the marketing of silver would be a step in this general direction. It would tend to recreate the incentive to private initiative and effort, for which the Government has been unable to find a substitute in public enterprise. Never before has a nation expended its funds more lavishly and never has the result of the spending been more fleeting or uncertain.

Our economic difficulties still are entrenched in our monetary system. Such changes as have been made have been designed to protect the governmental position, and the private effort has been left more or less bewildered and inactive.

Fundamentally we still are the richest nation in the world. We produce abundantly, so profusely that we have had governmental resort to restrictive processes and destructive practices. In the face of all this we are stagnant, with millions on relief and private initiative dormant, awaiting the next move of the Government. Until we have restored private incentive and initiative we are all wards of a beneficent government. Until the distributive processes of our national wealth are set to work, this restoration is bound to be slow and difficult, if not impossible.

The changes proposed by Senator MCCARRAN are significant of this and designed to realine the private effort with the governmental need. A free silver market, undoubtedly, would help. At least it would point the way to a medium of exchange in which title would be absolute. In this, no doubt, is the elasticity and the fancied security of the metallic bases of our currencies. The McCarran proposals, at least, point to a basic ill and possibly suggest a remedy worth trying.

THE 6-HOUR DAY

Mr. BLACK. I send to the desk and ask unanimous consent to have read an editorial from the Washington Herald dated October 19, 1931. I make this request by reason of an editorial which appears in the same newspaper today entitled "A Quack Remedy", which makes certain statements with reference to all people who believe in a 6-hour day. I desire to have read at the desk the editorial from the same newspaper dated October 19, 1931, which is slightly different from the statement made in the editorial of today referring to the so-called "misguided political efforts" of the proponents of legislation to provide a 6-hour day. The editorial in today's Washington Herald also refers to the legislation for a 6-hour day in the following language:

It would muddle-headedly seek to cure the paradox of poverty amidst plenty by abolishing plenty.

The VICE PRESIDENT. Is there objection to the request of the Senator from Alabama? The Chair hears none, and the clerk will read.

The legislative clerk read as follows:

[From the Washington Herald of Oct. 19, 1931]

SIX-HOUR DAY EVENTUALLY, WHY NOT NOW?

The time has come for American employers and labor leaders to come to grips with the fundamental facts concerning unemployment.

Leaders must be reminded that business exists for the service of men. The ironic maladjustment in industry, with glutted markets on the one hand and undernourished people on the other, constitutes a serious indictment of management in the large.

Business has been depressed because executives were slow to discard outmoded ideas.

In order to sustain prosperity through maintaining an adequate home-consuming market, business must share with workingmen more liberally the fruits of the improved industrial efficiency, resulting from greater use of labor-saving machinery and from improved technique of operations. Failure to do so precipitated the present crisis.

In emphasizing that the time was at hand for another reduction in the hours of labor, William Randolph Hearst yesterday pointed out:

"Labor-saving machinery makes a reduction of hours possible and, in fact, necessary. Otherwise vast numbers of working people will be thrown out of employment.

"It has been the habit of the employing classes to take the full benefit of labor-saving machinery and capitalize it, depriving the working people of their due share of the benefit.

"The advantage of labor-saving machinery should be distributed to the employers in greater profits, to be sure, and to the consumer in cheaper prices; but, above all, to the working people in shorter hours, better wages, and better living conditions."

With the demand and supply of man power out of balance, American industry should immediately consider ways and means of adjusting itself to the 6-hour day.

Routine minds will find many reasons why the proposal will not work. The same negative reaction followed the campaign for an 8-hour day instead of a 10- or 12-hour day.

But in spite of reactionary rhetoric, the inexorable force of economic pressure is already compelling large-scale industrial experiments in spreading jobs among wider groups of men.

A leading industrial statistician estimates that general adoption of the 6-hour day would increase the present number of wage earners in industry alone by at least 2,000,000 persons.

Under the aegis of the Manufacturing Chemists' Association, leading corporations in the chemical industry have recently inaugurated the 6-hour day in order to spread available work among the greatest number of workers.

The president of one of the leading corporations in that industry, in a statement to the Hearst newspapers, declared: "While the immediate cause of our adopting the plan was emergency relief, it may well be that it will become a permanent policy."

Thus, creative leaders use an acute crisis as an opportunity for building sounder and more humane economic policies.

A leading American cereal manufacturer, who pioneered with the 6-hour day, has reported that the productivity per worker has increased 3 percent to 4 percent.

The Hearst newspapers accordingly urge enlightened employers and representatives of trade-unions to confer immediately to discuss conditions under which the 6-hour day in industry may be promptly ushered in.

The proposal is especially timely for public utilities, railroads, foodstuff trades, and other relatively stable industries which are still operating on reasonably full schedules, despite the depression.

Under conditions of prosperity a 6-hour day will enable the worker to enjoy longer leisure and to develop along cultural lines.

Mr. BLACK. I do not desire to ask that the other editorial to which I referred be placed in the RECORD. If Senators are interested in it, I have it on my desk. I also have other editorials from the Washington Herald which strongly favor the 6-hour day, including one by Mr. William Randolph Hearst.

MILITARY AND NAVAL NEEDS—ADDRESS BY SENATOR SHEPPARD

Mr. LEWIS. Mr. President, the able Chairman of the Committee on Military Affairs [Mr. SHEPPARD] in a very commanding address before the Military Order of the World War at the Army Day banquet, Washington, D. C., April 6, 1935, set forth the defense and justification of the military bill and an increase of our Army. I take the liberty to request that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is my purpose to demonstrate tonight the need of an adequate Army and Navy to assure the economic survival of the United States.

In order to maintain the economic well-being, the independence, and the progress of the United States, it is necessary that we continue to draw on foreign sources for a number of essential raw materials, and that we be accorded access on just and proper terms to the markets of the world for inevitable surpluses. We use about one-half of the important raw materials of the entire world. Of some of the most essential of these we do not have an adequate domestic production. In order to secure a steady supply of the articles necessary to our present standards of existence and to our further progress, we must be able to send abroad commodities of our own production to be exchanged for such articles. The lines of transport on sea and land in every part of the globe along which these articles must be conveyed are as much our lines of defense as our land borders. These lines must be kept unbroken and intact if the present status of our civilization, that colossal agricultural, industrial, and financial set-up that has produced for the American people more of the necessities and facilities of modern life than any other people have ever known is, to be preserved, if disintegration, chaos, and subsequent alternatives of barbarism or despotism are to be prevented. It is necessary, therefore, that there shall prevail a definite understanding throughout the earth that any attack upon the processes and sources of the existence of this Republic will find us prepared to sustain our rights. Nothing will contribute more effectively to such an understanding and to world peace than the maintenance by the United States of an adequate military and naval defense.

A brief survey of modern conditions will show that such a defense is not only the most practical assurance against war at present and for many years to come, but that by reason of its function as a preventive of war it is also a fundamental guaranty of our own internal welfare. So long as there is no proper preparation against war, no law we may enact, no step we may take, for development within our own borders may be regarded as safe or permanent. All our efforts within our own boundaries for mutual good, for individual freedom and prosperity, for a more equitable distribution of wealth, for individual ownership of home and means of livelihood, for American standards of existence and progress, may be dissipated and destroyed by our engulfment in the flaming furnaces of war. The principles and institutions of peace are always subordinated to the exigencies of conflict, while losses, panics, dislocations plague mankind for decades following its close. Witness the experiences of this country and the other nations since the last World War. An adequate national defense is one of the principal protections of prosperity and security and of the final beneficiary of that prosperity and security—the American home. In shielding us from war, an effective defense policy also guards us from physical calamities and agonies beyond description. I hardly need to remind you that recent inventions and discoveries in the laboratories and studios of science have developed guns and gases and explosives of such destructiveness that in the event of another struggle they will make the horrors of the last war seem insignificant in comparison.

At this point, let us proceed to a more detailed analysis of the situation I have outlined in reference to the dependence of our country on outside sources and the necessity of a sufficient military and naval force to assure access to such sources. It is true that in the production of the articles, implements, and facilities of current civilization, we far surpass every other realm. Indeed the boast is often made that we are able to live unto ourselves alone without the necessity of looking abroad for indispensable materials of industry and economic life. In truth, however, we are so utterly dependent on lands beyond the seas for so many of these materials that without them our industry and progress would cease on anything like the present scale. Without them disturbances, suffering, crises—social, political, and financial—might seriously imperil that system of free and progressive government which is now the wonder of the time. Consider steel. Is it possible to imagine what we know as American civilization without steel—steel, the basis of the railway, the factory, the production of modern agricultural implements, the giant structures of business, education, art, benevolence, finance? Is it possible to envisage the disastrous results of any interruption in the production of steel in the United States—steel, the very foundation of our supremacy in world industry? And yet, some idea of the dependence of the fabrication of American steel on other countries may be obtained when we recall that not a pound of steel can be

made without ferromanganese, and that more than 90 percent of the ferromanganese used in the United States in making steel must be secured from foreign lands—from Russia, India, the gold coast of Africa, and Brazil. Observe the case of rubber. The mere mention of this article arouses an immediate vision of its fundamental place in our industrial processes and in our everyday life. For practically our entire supply of rubber we must look to the remote reaches of the earth—to Ceylon, the Dutch East Indies, the Malay States, Brazil. We use 70 percent of all the rubber produced in the world but produce almost none ourselves, not more than 1 or 2 percent of our requirements. Of tin, the article on which we universally rely for the preservation and shipment of food on a scale making possible a constant supply for our people, we produce none, but must look for a sufficient quantity to meet our needs to the distant regions of the Straits Settlements and Bolivia.

Half our raw wool comes from distant lands—Argentina, Uruguay, Australia, South Africa, Canada, and certain European countries. Without these foreign sources of supply there would be a dangerous shortage in the United States of wool, that article so necessary to the health and strength of vast numbers of our people. A number of indispensable medical materials must be obtained from the other side of the oceans that beat upon our shores. Let it also be remembered that 50 to 60 percent of our cotton, much of our wheat, tobacco, mineral production, and machinery must be sold abroad if we are to obtain in return the essential commodities we do not adequately produce, if millions of occupations, thousands of plants, and multitudes of investments in this country are to be saved from destruction, our country from economic and financial ruin.

Our position is typical of that of the rest of the world. Virtually all the leading nations must look to foreign regions for many of the necessary materials of industry and life and for the necessary exchange of surpluses. This means that lines of defense which the principal nations, including our own, must maintain, or must be prepared to maintain, in connection with lines of import and export essential to modern existence and development, cross and recross in every part of the world on sea as well as land.

This means that the world is always faced by the danger that the struggles for raw materials and markets, too often characterized by aggressions, exactions, deceptions, retaliations, by distrustful and suspicious bargainings, will become sources of international friction and hostility, increasing provocations of war. Under existing world conditions, war between two or three nations anywhere on the globe may bring to any other nation whose vital transport and trade connections with the outside are suspended, disasters beyond control or calculation, and thus force other nations having no part whatever in the original outbreak of hostilities into the conflict, together with the rest of the world. Under such circumstances the nation without adequate means of preserving and defending its sources of supply will lose its power to maintain for its people decent standards of existence, its power to preserve them from ultimate economic degradation, its power to retain its own independent identity. The possession of that power is the surest safeguard of a nation against war. The possession of such power by the United States is the surest safeguard of the world against war. In making adequate preparation for the defense of its own far-flung lines of supply and of surplus disposal, the United States will establish orderly world conditions, because the entire world is traversed by our lines of import and export. In a protective and defensive system adapted to such an objective lies the chief hope of the peace, the security, and the happiness of mankind. And no other element in our population may be more genuinely relied upon to do its part in connection with such a system than the American soldier, whose path has been a path of service and whose march has been a march of glory from Lexington to Chateau Thierry, from Yorktown to the Argonne.

CONSTITUTIONALITY OF THE N. R. A.

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial from the Kansas City Star entitled "Why Not a Court Test of the N. R. A.?" and also one from the St. Louis Post-Dispatch dealing with the constitutionality of the N. R. A.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From Kansas City (Mo.) Star of Apr. 4, 1935]

WHY NOT A COURT TEST OF THE N. R. A.?

Several Members of the Senate, both Democrats and Republicans, and including the Senate Finance Committee, are calling for a Supreme Court decision on the legality of the Recovery Act before there is further legislative effort to extend it for another 2 years. The position of these Senators seems reasonable. It was taken after the Department of Justice virtually had ceased defense of the act as challenged in the Belcher lumber case, in which a Federal court already had given an opinion adverse to the N. R. A.

A resolution sponsored by Senator CLARK, of Missouri, Democrat, and Senator HASTINGS, Delaware, Republican, is said to have considerable support in the Senate. It states that a Supreme Court decision on the issues raised in the Belcher case "would be of great assistance to the Senate in determining what changes are necessary, or whether a constitutional act should be passed to accomplish the purposes desired."

Why should there be reluctance to submit the act to a high court test, when the attempt is being made to have it extended? Some of the Senators have charged the N. R. A. with bad faith in the matter. At least, there is an evident lack of faith in vital parts of the Recovery Act as it stands. It is evident that in the revised act proposed to Congress there is an effort to avoid such doubtfully legal provisions as are carried in the existing statute. Senator HASTINGS makes the additional charge of an N. R. A. hope to gain time by the extension, to postpone a final show-down in Court until industry became so entangled in N. R. A. regulations that it could be argued an unfavorable decision would create immense and hurtful confusion.

However that may be, the request of the Senators for helpfully clarifying action by the Justice Department and the N. R. A. itself should be answered with something more than silence. That attitude provokes too much curiosity as to what may be behind it.

[From St. Louis (Mo.) Post-Dispatch of Apr. 3, 1935]

THE BELCHER CASE

By its action in the Belcher lumber case, the Government has deferred indefinitely a Supreme Court interpretation of moot phases of the National Industrial Recovery Act. It has exposed itself to the charge of being unwilling to face the issue on the grave constitutional questions involved. It has deprived Congress, which is now being asked to extend the act for another 2 years, of the guidance of a Supreme Court decision.

William E. Belcher, Alabama lumber-mill owner, was charged with violating the wage and hour provisions of the lumber code. His attorneys argued the unconstitutionality of the N. R. A. and were sustained by Federal District Judge Grubb, who held that N. R. A. violated the commerce clause of the Constitution; that it constituted an unlawful delegation of power by Congress; and that it violated constitutional guaranties of right to speedy trial and against infliction of unusual punishment.

Despite the fact that 22 N. R. A. cases are on their way through the courts, the Belcher case was the only one that had reached the Supreme Court stage. It was set for argument April 8. On March 26 the Department of Justice announced it would ask for dismissal of its own appeal. This decision was reached after a 3-hour conference between Attorney General Cummings and Solicitor General Reed.

Their stated reason for this unusual action is that the lumber code "contains administrative provisions peculiar to itself with respect to the extension of discretionary powers to nongovernmental agencies—a fact which was emphasized many times in the recent Senate committee hearings and which sets this code in a class by itself." It was pointed out that other cases not possessing this peculiarity are being pressed for early decision.

The explanation is neither wholly clear nor wholly convincing. If the Belcher case was a peculiar one, it would seem that the Department of Justice might have discovered the fact prior to the eleventh hour. Indeed, under the Department's view, the case should never have been appealed from Judge Grubb's decision. On the other hand, if it be true that the Belcher case possesses characteristics not applicable to other N. R. A. cases, the Supreme Court might have been depended upon to recognize its peculiarity and decide it accordingly.

Regardless of the merit of the Department's explanation, the dismissal of the appeal has created the impression that the Government lacks confidence in the ability of N. R. A. to withstand a Supreme Court test. It has given HUEY LONG the opportunity of telling, in racy language, how the Government "ducked" the issue. It has created confusion in the lumber business, whose code authority has asked for suspension of the code on the ground that the Government has incapacitated the agreement by withdrawing the Belcher appeal.

Further mystification is added by a statement of Donald Richberg, N. R. A. chairman, in which he specifically dissociates himself from the Department of Justice's action. Says Mr. Richberg: "I would like to make it clear that the decision (to withdraw the Belcher case) was made by the Department of Justice. I am not expressing any disagreement with the Department of Justice, but I don't want it understood that withdrawal is made because of pressure by N. R. A."

In fairness to the country, the Department of Justice should have proceeded with the Belcher case.

GOVERNMENT HOUSING CORPORATION—ADDRESS BY H. W. LAIDLER

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address by Dr. Harry W. Laidler, executive director of the League for Industrial Democracy, delivered at the Cosmos Club, Washington, D. C., on Saturday, March 30, 1935, on the subject A Government Housing Corporation.

There being no objection, the address was ordered to be printed in the RECORD as follows:

During the war building had been practically suspended. The housing situation, bad before the war, had become well-nigh intolerable.

The people of the nations waited for some time for private speculative building to supply the needs for the average wayfaring man. They waited in vain.

From those days until today public authorities have put up around a million houses for the workers of England, Scotland, and Wales, some in the form of apartments, some detached homes in

England's famous garden cities. Nearly one-third of the acres of England and Wales are covered by planning schemes or resolutions. The British Labor Party has just adopted a housing program with such objectives as:

"1. A self-contained house for every family of two or more persons, at a rent it can afford to pay.

"2. The abolition of overcrowding.

"3. The elimination of the slums and of every unfit house.

"4. The thorough repair of every house that can be made fit.

"5. And the large-scale replanning of built-up areas, with proper provision for open spaces."

The housing plank of the party calls for two and one-fourth million new houses immediately, and states that between five and six million new houses may be needed during the next decade or two.

This plan of the Labor Party leaves it to Parliament to lay down the general lines of housing policy and finance, but would have the Minister of Health responsible for the size and speed of the program and give him "concurrent powers to undertake local programs where local authorities are unable or unwilling to undertake a housing program."

In constructing 60,000 working-class apartments, Vienna followed certain rules. It required that not more than 50 percent of the land be occupied by an apartment house. The remainder should be given over to courts and to open spaces.

The buildings should be fireproof and the walls soundproof. Every window should be open to the sunlight.

The apartment houses should, furthermore, be equipped with up-to-date electrical machinery for washing and ironing, with central baths, with nurseries, with auditoriums for meeting purposes, with cooperatives and other community services.

Holland has rehoused one-fifth of her population with public assistance since 1915, chiefly since 1920. Swiss cities such as Zurich have done much. The suburbs of Paris contain many a municipal apartment house. Nearly all other European countries have assisted in some way in the building of working-class homes. It has, indeed, even been estimated that some 7,000,000 dwellings have been erected in Europe with public assistance since 1918.

During the world conflict, a housing division of the Shipping Board and a United States Housing Corporation were organized, and the Government appropriated $175,000,000 for these agencies.

But for the most part America, prior to the depression, was one of the few industrialized countries which considered it no concern of the community that a third of its families lived in homes that lowered their resistance to disease. We left the building of homes to private promoters, and during the boom days of 1922 to 1929, speculative builders put up thousands and thousands of apartments.

In the meanwhile, even during days of so-called "unparalleled prosperity", housing conditions for masses of our people were tragic. Nearly 1,700,000 people in the city of New York continued to live in old law tenements built between 1860 and 1900, most of them unimproved, ugly, congested, breeders of disease and crime. Mrs. Edith Elmer Wood, an American authority on housing, maintains that one-third of the houses in the country in this period of the new capitalism were so below modern standards that they ought to be demolished.

Housing conditions have become worse during the depression. Residential building has again been virtually suspended. Although normal national housing needs requires the building of from 400,000 to 600,000 new homes a year, since 1931 the construction of new dwellings has hardly exceeded 50,000 a year.

In 1933, the volume of residential building was, in fact, less than one-tenth of the 1926 volume.

On the setting up of the P. W. A. in 1933, $150,000,000 was appropriated for public projects. Speculative builders and realtors in many parts of the country did much to delay building programs. Thirteen Federal housing projects are now in various stages of development, although most of them are far from completion. These 13 projects will involve the expenditure of $83,000,000 and will provide about 20,000 dwelling units. Sixteen other projects have been authorized. New York City and Chicago are asking for $25,000,000 each, while the New York City housing authority's advisory committee has suggested a 10-year rehousing program involving an expenditure of one and one-half billion dollars to meet the needs of that city. In the President's relief bill it is estimated that $450,000,000 might be made available for housing.

If anything effective is to be done to abolish the slums, to provide decent and comfortable homes for the masses, and to make a real dent on unemployment, a permanent Federal housing authority must be set up equipped to do business on a vast scale. Several bills have been drawn up with a view to do that very thing. Prominent among these is the bill of this organization, the People's Lobby. This bill provides for the establishment of a United States housing corporation with a capital stock of $1,000,000,000, subscribed by the Federal Government. The corporation would be managed by three directors, appointed by the Government for a period of 8 years.

It could issue bonds equal to five times the paid-in capital, buy real estate, and all equipment needed for houses, run factories for the manufacture of needed equipment, construct such dwellings as it may determine, fix standard prices, and determine rents. In order to prevent land speculators from holding up the public, the bill further provides that the unimproved or improved land purchased by the public be acquired at a figure "at which it is assessed by State or local assessment authorities, or on the basis of the average net income of the preceding 4 years, or the anticipated net income of the next 4 years, whichever shall be the lesser sum." It is imperative if the workers are to secure apartments at low rents that some method be devised to prevent the public from paying an unjust tribute to the country's realtors. The Council for Research on Housing Construction in Great Britain wisely maintained: "The control, and so far as is possible with justice, the reduction of land costs is as essential a factor in a sound housing policy as the control and reduction of building costs. The most far-reaching efforts to reduce the cost of building will be to no purpose, if under subsidy stimulus, land costs rise as fast as, or faster than building costs are cut down." Speculators have already been trying to play havoc with the building of low-rent apartments in many sections of the country.

It is essential that the problem of slum clearance and working-class housing be attacked in the boldest and most efficient and imaginative manner possible. The Federal Government should spend several billion dollars a year for a 10-year period on this phase of public works.

THE SOUTH AND COTTON

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Arizona Daily Star of Thursday, April 4, 1935, on the subject "The South and Cotton."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SOUTH AND COTTON

The results which have come from certain marketing policies in the cases of rubber, silk, coffee, and copper forecast definitely what is going to happen to cotton in the future. The same policies which have ruined copper, coffee, silk, and rubber are now being repeated in the case of cotton. The same results are beginning to appear. As the same policies are continued, the same final results are assured.

Take the case of copper as an example. America used to produce more than one-half of the copper used in the world. After the war demand was over, the copper industry adjusted itself to a peace-time basis. The price of copper fell from 32 cents to 12 cents. Even at 12 cents most of the mines of Arizona could make a fair, but not a large profit. Because America produced more than half of the world's copper, the American producers saw a chance to force up the price. So they formed the Copper Export Association under the Webb-Kenyon Act and began a policy of price-fixing. Slowly the price was forced up to 13 cents, then 14 cents, and then, as the demand continued and profits grew, excuses were found to force the price on up to 15 cents, 16 cents, 17 cents, and finally up to 24 cents with a final fixed price of 18 cents.

This artificially high price of copper created tremendous profits for all domestic producers and scandalously high profits for low-cost producers. The inevitable happened. Copper mining became so profitable that new ore deposits were sought. Moreover, they were found, found in huge quantities in Canada, Africa, and South America. Because copper mining was so profitable, financing of the development of these huge deposits was an easy matter. The technical skill was available. In a few years these new mines came into production. They had to sell their copper. The Copper Export Association could not control them. The American producers began storing their production, hoping for better times. Finally the load became too great. The price of copper crashed. An unsold surplus of 2,000,000,000 pounds hung over the market. The mines restricted their production. Many of them closed up and are still closed. In other words, the policy of price fixing made possible the development of more copper production than the world could consume. The closed mines of Arizona, the low prices of the metal throughout the world, the chaotic condition of the market, is the result. Instead of fixing the price when they raised it, the producers literally cut their own throats.

The same thing happened in the case of rubber when the British Government adopted the same fallacious policy. The same thing happened in the case of Brazil when that Government adopted the same policy in the case of coffee, and the same thing happened in the case of silk with Japan. New production and new substitutes in each case permanently ruined the market.

In spite of these glaring examples the new deal has inaugurated the same program in cotton production. The restricted production and the artificially high price of 12 cents inaugurated by the administration is having the same effect. The high price is now stimulating new production in Brazil where last year 1,200,000 bales were produced as compared with 300,000 bales previously. New production is going on in Africa, Russia, and India. In 1934 American manufacturers of ginning machinery exported five times as much machinery as they did the previous year. German chemists are perfecting substitutes out of beech trees. American exports of cotton for 1934 were one-half of what they were the previous year. More than 9,000,000 bales of unsold cotton are in domestic warehouses. The Government, in effect, owns 4,000,000 bales of that amount.

Meanwhile, although cotton landlords are prosperous, the reduction in acreage in the South has created a gigantic new social problem. What is to be done with the millions of Negroes in the South who know almost nothing but cotton farming, and who are now unemployed?

What about the future of the South when this new foreign production comes in? If the South grows other crops in place of cotton, what will their effect be on other parts of the country?

One conclusion is inescapable. The cotton business of America is being ruined and the chances are that 5 years from now cotton will sell for 5 or 6 cents a pound gold. The entire South will be almost as adversely affected as are the desolate and stranded people of the mining camps of Arizona today. A great industry, supporting many millions of people, is deliberately being ruined by official repetition of the same mistake which ruined the copper, the coffee, the rubber, the silk, and the nitrate industries of the world.

CAPITALISM—ADDRESS BY JOHN HENRY KIRBY

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD extracts from a speech by Hon. John Henry Kirby, of Houston, Tex.

There being no objection, the matter was ordered to be printed in the RECORD as follows:

The statement is frequently made by our economic dilettantes that capitalism has proved a failure. In their zeal to introduce some new importations, these freshmen of thought insist that the desired measures of social renovation and community well-being cannot be secured through the existing system. It is argued that there must be some sort of a fusion of interests under Government direction, calling for full control of industry, of agriculture, and of pastoral and personal pursuits.

In other words, the thing sought is a receivership for the brain, brawn, and genius of American men and women.

Capitalism, stripped of popular misconceptions, simply means individual initiative, individual control, and the enjoyment of rewards in the Nation's business life individually earned and won. The United States evolved out of a contest started for the purpose of establishing private property rights in the Colonies and following the safeguarding of those rights in the Constitution, has moved forward rapidly in the happiest front any nation has yet attained. Here one may toil and save, and with his savings buy cattle or houses or mills or forests, and the management of such property is a personal matter. At least that was the conception of the sages who set up this Republic.

The most important victory ever won in armed contest or political controversy is the one that recognized the human right of acquisition and conservation.

It is the keystone in the arch of the temple of liberty.

Under the Constitution and our capitalistic system a wilderness was transformed into an industrial and agricultural empire. Through its heartening incentives flaming stacks have been erected above the Indians' camp fires and new stakes set out beyond the farthest frontier of enlightened progress. It has given the standard in weights and measurements. It has brought vast plains under the plow and found markets for their products. It has built railroads for the distribution of these products in America, and steamships to carry them out through the trade lanes of the world. It has made the Stars and Stripes a familiar sight in every port open to commerce. It has established reservoirs of wealth from which supplies are drawn, to launch new enterprises, and increase employment that labor may have new opportunities and higher rewards.

Prosperity existed under this system until it ceased to exist under every system. There was opportunity here for employment at high wages. Supply and demand were kept in reasonably close adjustment, and most families had a car, a radio, a comfortable home in which to live, plenty of food, and rare educational advantages for their children.

The tendency was constantly upward, and it is folly to say that the system through which our primal situation among the nations was secured suddenly collapsed, and that we must resort to a different plan. Turn to any other country with a different plan and see what you find. It will be darkness instead of light, terrorism instead of democracy, regimentation instead of individualism. The penury and squalor of the hut, the greedy hand of the government snatching bread from the mouths of those who produce it, a vampire of dreadful fear flapping its wings in utter darkness—that is what you will see and that is what is being offered the American as a substitute for the best form of government human wisdom has ever conceived.

In this country, under the capitalistic system, and under the Constitution, the poor of today may become the rich of tomorrow. If we will purge our land of strange and alarming heresies, and cling steadfastly to the old faith of the flag under which we marched to the heights of national attainment, we will witness the sunrise again. Manhood, genius, toil, and merit must be released from the iron hand of the Government with a full restoration of human rights.

Capitalism has not meant "a perfect day." Human frailties have existed and they will always exist, making it necessary to provide certain safeguards against any indifference to the principle of fair play. Progress towards justice has been steadier and has gone farther under our system than under any other system in other lands. We hear vaporings of a finer welding of human interest with the Government, of social face-lifting and benevolent adjustments. But bureaucracy is colder than pagan charity. It cannot be moved by a heartbeat or touched with a tear. In its metallic grasp it crushes hope and liberty.

We don't want it.

The thundering voice of reason calls for the re-Americanization of America. The need is for stalwart, self-reliant, red-blooded, two-fisted men with the jam-poles of liberty, to release the beaver dam of communism obstructing the stream of industry. Fugitive power, exercised outside of the Constitution is as threatening as the lightning bolt hurled angrily from a beclouded sky.

Any system that dynamites the pillars of independent commerce and industry is a deceiving mirage in a fool's desert.

We must have the freedom of energy, the right of skill, the liberty of choice. Every pine that lifts its plume above the level of the forest is a protest from God and nature against collectivism. We do not want a mill-cut subject with a single pattern to replace the American citizen whose character has been shaped by master craftsmen. We must not trade this matchless Government designed for us by immortal patriots whose wisdom has amazed the world, for one raked by political scavengers out of the garbage cans of Europe.

SCOTTISH WAR MEMORIAL AT EDINBURGH

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a very interesting article from the Buffalo Evening News of Saturday, April 6, 1935, entitled "Scotland Builds Defenders' Shrine."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Buffalo Evening News of Apr. 6, 1935]

SCOTLAND BUILDS DEFENDERS' SHRINE—MAJESTICALLY IT RISES ABOVE THE CASTLE WALLS ON THE BEETLING ROCK OVERLOOKING EDINBURGH, A NATION'S TRIBUTE TO SONS WHO FELL IN BATTLE—SENATOR COPELAND MOVES TO HAVE UNITED STATES SIMILARLY MEMORIALIZE HER WAR DEAD

Royal S. Copeland, Senator from New York, has introduced a bill for appointment of a commission to plan a suitable monument to the memory of the United States soldiers, sailors, and marines who died in the World War. It is pending before the Senate Library Committee.

This article by Mr. D. M. Mathieson tells of the Highland fervor and sentiment that went into planning and construction of the Scottish war memorial at Edinburgh. This noble monument might well serve as an inspiration for an edifice in memory of America's World War heroes.

The Scottish war memorial is a symbol of peace rather than war. * * * "The sanctuary of Scotland's anguish and love and pride", a shrine that links the living with the dead, a monument to the folly of war.

(By D. M. Mathieson)

"Scotland, remember these thy sons who fell,
Fighting far over sea,
For they in a dark hour remembered well
Their warfare learned of thee."

These lines reveal the spirit of the Scottish war memorial, raised to 100,000 of Scotland's sons who gave their lives in the Great War, and to the million more who marched out from their peaceful homes to fight on three continents and on five oceans and in every clime in the cause of the world's freedom. Scotland's national war memorial, for beauty and sublimity of design, wild grandeur in situation, and all-comprehensiveness in conception, is unequalled in the war memorials of the world.

Scotsmen in every corner of the earth have contributed to this casket of memories. The kings of Europe—Sweden, Greece, Belgium, and Denmark—the princes of India, the potentates of Egypt and the East, the ruling chiefs of Africa, and more than one Ambassador of the United States to the Court of St. James', have reverently bowed their heads and paid tribute within a memorial which is characteristic of a fighting race whose fierce history is rooted in the era when the Roman tried to conquer Britain.

The memorial is a deliberate and abiding gesture of Scots the world over, a great act of reverence and of love that will hearten generations to come. Never was memorial built that linked so intimately the immediate with the remoter past, that gave to what is new, the dignity that the older lacked. The sanctuary of Scotland's anguish and love and pride, has grown out of the materials of her past, reshaped by the tenderness and the arts of today.

Scotland, for so small a country, has made a far-flung impress upon the world. Its sons are the greatest pioneers and colonists; Canada is peopled by Scotsmen and their descendants, so too, is New Zealand, and India is largely run by Scots. The country has a population of about 5,000,000, less than one-half of the population of the city of London.

Edinburgh, the capital, is one of the preeminent show places of the world; it is of those things of the earth which can never die. There is the calm classicism of the modern city on the one side and the sinister medievalism on the other, and its modern Scots walk in streets like canyons between the tenement cliffs, the progenitor of the modern skyscraper, for before England and Scotland composed their difficulties, which kept the two nations in a perennial state of warfare, the people of the Scottish capital had to crowd themselves on the castle ridge and so the houses were raised, some as high as 20 stories.

In Edinburgh there are dark pools where the old flame and fierceness of the fifteenth century still seem to lurk wherein the reminder of the tragedy of their royal kings and their feudal nobles is eternally mirrored. Above the city towers the great beetling rock upon which is the largest castle in Europe. Within the castle walls the inhabitants of the entire city on more than one occasion found succor and shelter from the English soldiers who beleaguered the city.

It is on this vast tumble and majestic rock whose frowning castle dominated the old town during Edinburgh's fighting days, and now smiles protectingly alike over the ancient city and the new, that stands this fair memorial. The summit of the castle is 500 feet above the level of the Firth of Forth, across which one gazes to the highland hills. It was in the Firth of Forth within view of the castle that the combined fleets of the United States and Great Britain were anchored in the latter stages of the war.

The origin of the castle is lost in antiquity. The oldest building, still in use, the St. Margaret's chapel, was built about 1150 and next is David's tower built in 1367. The more ancient castle buildings, with the exception of the chapel, were completely destroyed in 1314 by the Earl of Moray in pursuance of King Robert the Bruce's policy to make the fortress untenable by the English. For 1,000 years before the castle had been the occupation of the Scots and in modern excavation many secret tunnelings which were used for escaping when the castle was surrounded have been laid bare.

When Scotland's war memorial came to be discussed the national mind turned almost intuitively to the pinnacle of the castle rock. The Duke of Atholl, who is the only noble in the British Isles who retains the ancient right of having an armed regiment of his own quartered at Blair Castle in the Highlands, was the most active protagonist for the memorial, and, curiously, the late Earl of Rosebery, who was recognized as the supreme orator of the British Empire and a great and loyal Scot, opposed the scheme to place the shrine on the castle, which, he contended, was associated not with peace but with all that was warlike in the rugged and bloody history of the nation. The memorial, however, went steadily forward and was completed 9 years ago at a cost of nearly $1,000,000.

All who took part in the war are remembered—the shepherd and the reaper, the sailor and the engineer, the weaver and the clerk, the girls who bravely marched out to serve behind the lines or work amidst the roar and the danger of the shell factories. The carrier pigeons, and the little canaries and mice, were not forgotten and have a niche to themselves. Carved under the replica of the cage of the canaries and the mice are the words "The tunnellers' friends."

Entering the memorial, right and left is the great hall of honor. We are at once impressed by the soaring arch which gives access to the shrine, and through it, for the brooding pendent figure of the great archangel silhouetted against the jeweled windows. The shrine bears much the same relation to the hall of honor as the sanctuary of a church to its nave. The hall is for record and remembrance; the shrine for those deep emotions that transcend individual sorrows and swell into a "sursum corda" for those who see what sacrifice has won for mankind.

Over the casket that enshrines the names of those who gave their lives that freedom might live there soars the central window of a group of seven. The steel casket, given by King George and Queen Mary, is built into a part of the living rock of the castle which was left protruding through the level of the floor.

The figure on the cross is not the dying Christ, but mankind in triumphant resurrection through suffering and sacrifice; the hands and feet are freed from the cross. The whole story of the seven windows in the shrine is less of "war" than of "the warring element in the destiny of man." In that form the qualities evoked by war can be recorded without comment; war is neither glorified nor condemned.

The form of the shrine made it desirable that the idea embodied in the subject should culminate in the central window, and the subject was planned for statement in three window groups, to be read thus:

1. The birth of war, in the two windows on the west wall.
2. Its overthrow, in the corresponding pair on the east wall.
3. Peace and praise, in the group of three facing northwest, north, and northeast.

The purpose of the bronze frieze which comes beneath the windows was to represent, so far as space would allow, the various types of Scottish soldiers and sailors who fought on the world-wide battle fronts, on the sea, and in the air; and to show them not in parade order, but in battle kit and working dress as they lived and died. Great attention has been paid to detail so that the frieze should be a true historical record for the future. All the Scottish regiments are represented and, so far as possible, all the various branches of the Imperial forces in which Scotsmen served. The women's services are also included, and even the animals and carrier pigeons, as mentioned above, have not been forgotten.

Brooding amid this wealth of story and of symbol hovers the impressive figure of St. Michael.

This great archangel is among the noblest of all Christian personages and symbols. The Archangel Raphael engages in kindly acts as guardian of all humanity. Michael is a judge, remote, austere. But his austerity thrills and in no wise repels; his remoteness serves but to add radiance to his majesty; in his might is infinite tenderness.

From earliest times he has been given preeminence over all created spirits as the witness of righteousness overcoming wrong, in the perpetual antagonism between the spirit of good and the spirit of evil. Captain of the heavenly hosts, he is conqueror of the powers of Hell; but he is captain also of all earthly hosts fighting in a just cause. He is conductor and guardian of the spirits of the dead.

And so he broods above the casket where lie written the 100,000 names of those who were faithful unto death.

The hall of honor forms an inner sanctuary. Here we find eight windows, all of pale glass, a practical thought, for there are many inscriptions on the walls to be studied and books of the dead to be read on the bronze lecterns before each regimental bay.

The four large windows include the record of gallant service by the Navy and the air force; the latter with the inscription, "I bare you on eagle's wings and brought you into myself." The four south windows form their complement, those representing war "at the front", these the "war as it manifested itself at home."

The entire series makes a complete presentation of the war as a whole. The main subjects of the south windows are: Guarding Cities from Aircraft (antiaircraft gun team); Embarkation; Return; and the Last Post; but the windows also are designed to symbolize the four seasons, representations of which fill the uppermost medallion in each window; and the ornament is based on flowers proper to each season. The casements contain a series of small medallions depicting Air Raid, Ambulance, Convoy of Ships, Minesweeping, the Manufacture of Cannon and Cartridges, Convalescence, and Guarding the Coast. In all this there is nothing of the waste and cruelty and filth of war; only the majesty of its sacrifices, the burning light of its courage, and the sanctity of its memories.

The long walls are divided into pillared arcades. In each arch is a memorial of a regiment. Here, for example, is seen the tablet to the Black Watch, Scotland's great fighting kilted regiment. The record of the Black Watch takes one in memory upon many of the great battlefields where were laid the foundations of the empire which now embraces nearly one-third of the world and is peopled by 600,000,000 in allegiance to the King. On this memorial are engraved the following, where the Black Watch fought:

Guadaloupe, 1759; Martinique, 1762; Havannah, North America, 1763–64; Mangalore; Mysore; Seringapatam; Corunna; Busaco; Fuentes; D'onor; Pyrenees; Nivelle; Nive; Orthes; Toulouse; The Peninsular War; Waterloo; the South African Wars of 1846–47, 1851–53; Alina; Sebastopol; the Indian Mutiny; the Relief of Lucknow; the Ashante War, 1873–74; Tel-el-Kebir; the Egyptian War, 1882–84; the Nile War, 1884–85; the South African War, 1899–90–1901–2.

On other tablets are given the almost endless battles in Flanders where the British armies fought through terror to triumph. What a majestic record of a regiment! The stranger of other lands as he stands in reverent awe before such a hallowed shrine realizes the unbending loyalty of the British people to noble and unsullied tradition.

The Peninsular War where Spain was broken, lasted 20 years; at Waterloo, Napoleon was finally shattered; at Sabastopol, the Russians were conquered. The South African war was one of the great achievements of the British armies. They fought through the veldt and crossed the mountain range where the Boers occupied picked positions, fortified by the finest implements of war, until they reached the Golden Rand. The Rand at Johannesburg is the greatest gold field ever discovered in the history of the world. It has produced untold millions.

What a record in one regiment! After the South African war, the Black Watch were fighting on the Indian frontier and then came the greatest of all wars.

Scotland is proud of her martial heritage, and has raised to her incomparable dead a monument which shall last through time.

"Their voices shall be heard
When ours are silent forever."

Can America capture the spirit and raise such a memorial at once beautiful and sacred to the honor of her sons who made the supreme sacrifice on Flanders' fields? There is no task before the architect of any country more exacting and more elusive than to recreate the traditions of the past without facing into mere archeological exercises which mean nothing but copyism. Nor is it enough that the architect shall devise on paper, forms that are fitting and beautiful in their own right. It is necessary that living hands, guided by acute intelligence, shall translate into stone and bronze and glass and wood, the conceptions of the architect with a perfect understanding of the limitations of material, in a lively sympathy with the purpose and character of the building as a whole. In a national style, consonant with the many strands in the web woven in the loom of time and which is called the United States, individual artists and individual craftsmen are highly important factors, and their knowledge must extend to the war memorials of Europe of which the one in Edinburgh is transcendently the one which satisfies the fullest range of human emotions.

ADDITIONAL HOME-MORTGAGE RELIEF

Mr. BULKLEY. Mr. President, I move that the Senate proceed to the consideration of House bill 6021.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act,

the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert in lieu thereof the following:

That subdivision (6) of section 2 of the Federal Home Loan Bank Act, as amended, is amended by striking out the word "three" and inserting in lieu thereof the word "four."

SEC. 2. Subsection (k) of section 6 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(k) All stock of any Federal home-loan bank shall share in dividend distributions without preference."

SEC. 3. Subsections (a), (b), and (c) of section 7 of the Federal Home Loan Bank Act, as amended, are amended, effective January 1, 1936, to read as follows:

"(a) The management of each Federal home-loan bank shall be vested in a board of nine directors, all of whom shall be citizens of the United States and bona fide residents of the district in which such bank is located.

"(b) Three of such directors shall be appointed by the Board and shall hold office for terms of 3 years; except that the terms of office of the two such directors heretofore appointed shall expire at the end of the calendar years 1936 and 1937, respectively, and the term of office of the first such director hereafter appointed shall expire at the end of the calendar year 1938.

"(c) Six of such directors, 2 of whom shall be known as class A directors, 2 of whom shall be known as class B directors, and 2 of whom shall be known as class C directors, shall be elected as provided in subsection (d), and shall hold office for terms of 2 years; except that the terms of office of the directors heretofore elected to serve until the end of the calendar years 1936 and 1937, respectively, shall expire at the end of such calendar years."

SEC. 4. The Federal Home Loan Bank Act, as amended, is amended by adding after section 8 a new section, to read as follows:

"FEDERAL SAVINGS AND LOAN ADVISORY COUNCIL

"SEC. 8a. There is hereby created a Federal Savings and Loan Advisory Council, which shall consist of two members for each Federal home-loan bank district, one of whom shall be appointed annually by the Board, and one of whom shall be elected annually by the board of directors of the Federal home-loan bank in such district. Each such member shall be a resident of the district for which he is appointed or elected. All members of the Council shall serve without compensation, but shall be entitled to reimbursement from the Board for traveling expenses incurred in attendance at meetings of such Council. The Council shall meet at Washington, D. C., at least twice a year, and oftener if requested by the Board. The Council may select its chairman, vice chairman, and secretary, and adopt methods of procedure, and shall have power—

"(1) To confer with the Board and board of trustees of the Federal Savings and Loan Insurance Corporation on general business conditions, and on special conditions affecting the Federal home-loan banks and their members and such Corporation.

"(2) To request information, and to make recommendations, with respect to matters within the jurisdiction of the Board and the board of trustees of such Corporation."

SEC. 5. Subsection (a) of section 10 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(a) Each Federal home-loan bank is authorized to make advances to its members upon the security of home mortgages, or obligations of the United States, or obligations fully guaranteed by the United States, subject to such regulations, restrictions, and limitations as the Board may prescribe. Any such advance shall be subject to the following limitations as to amount:

"(1) If secured by a mortgage insured under the provisions of title II of the National Housing Act, the advance may be for an amount not in excess of 90 percent of the unpaid principal of the mortgage loan.

"(2) If secured by a home mortgage given in respect of an amortized home-mortgage loan which was for an original term of 6 years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of 6 years or more, the advance may be for an amount not in excess of 65 percent of the unpaid principal of the home-mortgage loan; but in no case shall the amount of the advance exceed 60 percent of the value of the real estate securing the home-mortgage loan.

"(3) If secured by a home mortgage given in respect of any other home-mortgage loan, the advance shall not be for an amount in excess of 50 percent of the unpaid principal of the home-mortgage loan; but in no case shall the amount of such advance exceed 40 percent of the value of the real estate securing the home-mortgage loan.

"(4) If secured by obligations of the United States, or obligations fully guaranteed by the United States, the advance shall not be for an amount in excess of the face value of such obligations."

SEC. 6. The first sentence of subsection (b) of section 10 of the Federal Home Loan Bank Act, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided*, That the limitations of clauses (1) and (2) of this sentence shall not apply to any mortgage insured under the provisions of title II of the National Housing Act."

SEC. 7. The Federal Home Loan Bank Act, as amended, is amended by inserting a new section following section 10 to read as follows:

"SEC. 10b. Each Federal home loan bank is authorized to make advances to nonmember mortgagees approved under title II of the National Housing Act. Such mortgagees must be chartered institutions having succession and subject to the inspection and supervision of some governmental agency, and whose principal activity in the mortgage field must consist of lending their own funds. Such advances shall not be subject to the other provisions and restrictions of this act, but shall be made upon the security of insured mortgages, insured under title II of the National Housing Act. Advances made under the terms of this section shall be at such rates of interest and upon such terms and conditions as shall be determined by the Federal Home Loan Bank Board, but no advance may be for an amount in excess of 90 percent of the unpaid principal of the mortgage loan given as security."

SEC. 8. The first sentence of section 13 of the Federal Home Loan Bank Act, as amended, is amended to read as follows: "Any and all notes, debentures, bonds, and other such obligations issued by any bank, and consolidated Federal home-loan bank bonds and debentures, shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority."

SEC. 9. Section 19 of the Federal Home Loan Bank Act, as amended, is amended by adding at the end thereof the following new sentence: "The receipts of the Board derived from assessments upon the Federal home-loan banks and from other sources (except receipts from the sale of consolidated Federal home-loan bank bonds and debentures issued under section 11) shall be deposited in the Treasury of the United States, and may be from time to time withdrawn therefrom to defray the expenses of the Board, and the salaries of its members and employees, whose employment, compensation, leave, and expenses shall be governed solely by the provisions of this act, specific amendments thereof, and rules and regulations of the Board not inconsistent therewith; and such receipts shall not be construed to be Government funds or appropriated moneys."

SEC. 10. Sections 2 (c) and 4 (d) of the Home Owners' Loan Act of 1933, as amended, are amended by striking out "upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead, and having a value not exceeding $20,000" and inserting in lieu thereof "upon which there is located a dwelling or dwellings for not more than four families, which is used in whole or in part by the owner as a home or held by him as his homestead, and which has a value of not to exceed $20,000."

SEC. 11. The first sentence of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(c) In order to provide for applications heretofore filed, for applicants who in good faith prior to the date this amendment takes effect, sought relief by formal application, letter, or other written memorandum, and who filed their applications within 60 days after this amendment takes effect, and for carrying out the other purposes of this section, the Corporation is authorized to issue bonds in an aggregate amount not to exceed $4,750,000,000, which may be exchanged as hereinafter provided, or which may be sold by the Corporation to obtain funds for carrying out the purposes of this section or for the redemption of any of its outstanding bonds; and the Corporation is further authorized to increase its total bond issue for the purpose of retiring its outstanding bonds by an amount equal to the amount of the bonds to be so retired (except bonds retired from payments of principal on loans), such retirement to be at maturity or by call or purchase or exchange or any method prescribed by the Board with the approval of the Secretary of the Treasury: *Provided*, That no bonds issued under this subsection, as amended, shall have a maturity date later than 1952."

SEC. 12. Subsection (l) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the last comma therein and the following: "or in any case in which the home mortgage or other obligation or lien is held by an institution which is in liquidation."

SEC. 13. Subsection (h) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided*, That no person shall be allowed to act as appraiser if he is in the employ of any company holding a loan on the property, or if he is interested in the subject matter of the loan."

SEC. 14. Subsection (m) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out "$300,000,000" and inserting in lieu thereof "$400,000,000."

SEC. 15. Section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof a new subsection to read as follows:

"(n) The Corporation is authorized to purchase Federal home-loan bank bonds, debentures, or notes, or consolidated Federal home-loan bank bonds or debentures. The Corporation is also authorized to purchase full-paid-income shares of Federal Savings and Loan Associations after the funds made available to the Secretary of the Treasury for the purchase of such shares have been exhausted. Such purchases of shares shall be on the same terms and conditions as have been heretofore authorized by law for the purchase of such shares by the Secretary of the Treasury: *Provided*, That the total amount of such shares in any one association held by the Secretary of the Treasury and the Corporation shall not exceed

the total amount of such shares heretofore authorized to be held by the Secretary of the Treasury in any one association. The Corporation is also authorized to purchase shares in any institution which is (1) a member of a Federal home-loan bank, and (2) whose accounts are insured under title IV of the National Housing Act, if the institution is eligible for insurance under such title; and to make deposits and purchase certificates of deposit and investment certificates in any such institution. Of the total authorized bond issue of the Corporation, $300,000,000 shall be available for the purposes of this subsection, without discrimination in favor of federally chartered associations, and bonds of the Corporation not exceeding such amount may be sold for the purposes of this subsection."

SEC. 16. Subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*And provided further*, That any such association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter."

SEC. 17. Section 6 of the Home Owners' Loan Act of 1933, as amended, is amended (1) by striking out "$500,000" and inserting in lieu thereof "$700,000."

SEC. 18. Subsection (d) of section 8 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(d) The provisions of sections 29, 30, 32, 35, 37, 39, 112, 113, and 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 73, 74, 76, 82, 83, 88, 91, 202, 203, and 207), insofar as applicable, are extended to apply to the Home Owners' Loan Corporation, its contracts or agreements, and an association under this act which, for the purposes herein shall be held to include advances, loans, discounts, and purchase or repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor."

SEC. 19. Subsection (e) of section 8 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(e) No person, partnership, association, or corporation shall, directly or indirectly, solicit, contract for, charge, or receive, or attempt to solicit, contract for, charge, or receive, from any person applying to the Corporation for a loan, (1) any fee, charge, or other consideration, whether bond or cash, except ordinary fees authorized and required by the Corporation for services actually rendered for examination and perfection of title, appraisal, and like necessary services, or (2) any moneys, check, note, or other form of obligation, representing payment of any difference which may exist between the market value and the par value of the bonds of the Home Owners' Loan Corporation. Any person, partnership, association, or corporation violating the provisions of this subsection shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 5 years, or both."

SEC. 20. Paragraph (5) of subsection (c) of section 402 of the National Housing Act is amended by adding the following sentence at the end thereof: "The Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government, and shall determine its necessary expenditures under this act and the manner in which the same shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds."

SEC. 21. Subsection (b) of section 403 of the National Housing Act is amended (1) by striking out the words "ten years" and inserting in lieu thereof the words "twenty years", and (2) by striking out the period at the end of the subsection and inserting in lieu thereof a colon and the following: "*Provided*, That for any one year dividends may be declared and paid when losses are chargeable to such reserves if the declaration of such dividends in such case is approved by the Corporation."

SEC. 22. Subsection (d) of section 403 of the National Housing Act is amended to read as follows:

"(d) Any applicant which applies for insurance under this title after the first year of the operation of the Corporation shall pay an admission fee based upon the reserve fund of the Corporation, which, in the judgment of the Corporation, is an equitable contribution."

SEC. 23. (a) Subsections (a) and (b) of section 404 of the National Housing Act are amended by striking out "one-fourth" and inserting in lieu thereof "one-eighth."

(b) Section 404 of the National Housing Act is further amended by adding at the end thereof the following new subsection:

"(c) Each insured institution which has paid a premium charge in excess of one-eighth of 1 percent of the total amount of the accounts of its insured members and its creditor obligations shall be credited on its future premiums with an amount equal to the total amount of such excess."

SEC. 24. The last sentence of section 406 (b) of the National Housing Act is amended to read as follows: "The surrender and transfer to the Corporation of an insured account in any such association which is in default shall subrogate the Corporation with respect to such insured account, but shall not affect any right which the insured member may have in the uninsured portion of his account or any right which he may have to participate in the distribution of the net proceeds remaining from the disposition of the assets of such association."

SEC. 25. Section 406 of the National Housing Act is further amended by adding at the end thereof a new subsection to read as follows:

"(f) In order to prevent a default in an insured institution or in order to restore an insured institution in default to normal operation as an insured institution, the Corporation is authorized, in its discretion, to make loans to, purchase the assets of, or make a contribution to, an insured institution or an insured institution in default; but no contribution shall be made to any such institution in an amount in excess of that which the Corporation finds to be reasonably necessary to save the expense of liquidating such institution."

SEC. 26. (a) The first sentence of section 2 of the National Housing Act is amended (1) by striking out "January" and inserting in lieu thereof "April", and (2) by inserting before the period at the end thereof a comma and the following: "including the installation of new equipment and machinery."

(b) The last sentence of section 2 of the National Housing Act is amended to read as follows: "No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions, as the Administrator shall prescribe; and (2) unless the amount of such loan, advance of credit, or purchase is not in excess of $2,000, except that in the case of any such loan, advance of credit, or purchase made for the purpose of such financing with respect to real property improved by or to be converted into apartment or multiple family houses, or improved by hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, churches, or manufacturing or industrial plants, such insurance may be granted if the amount of the loan, advance of credit, or purchase is not in excess of $50,000."

SEC. 27. (a) Subsection (c) of section 203 of the National Housing Act is amended by adding at the end thereof the following new sentence: "In the event that the principal obligation of any mortgage accepted for insurance under this section is paid in full prior to the maturity date specified in the mortgage, the Administrator is further authorized in his discretion to require the payment by the mortgagor of a premium charge in such amount as the Administrator determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured under this section until such maturity date."

(b) The first sentence of subsection (f) of section 205 of the National Housing Act is amended by striking out the words "premium charge" and inserting in lieu thereof the words "annual premium charge."

SEC. 28. Subsection (d) of section 301 of the National Housing Act is amended to read as follows:

"(d) No association shall transact any business except such as is incidental to its organization until it has been authorized to do so by the Administrator. Each such association shall have a capital stock of a par value of not less than $2,000,000, and no authorization to commence business shall be granted by the Administrator to any such association until he is satisfied that such capital stock has been subscribed for at not less than par and paid in full in cash or Government securities at their par value."

SEC. 29. Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., title 12, sec. 1016), is further amended by inserting after the second sentence thereof the following new sentence: "For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan."

Mr. BULKLEY. Mr. President, House bill 6021 is reported in amended form with 29 sections, and is intended to provide the relief necessary to complete the emergency task in the home-mortgage field, and at the same time to encourage and facilitate normal business in this field for the protection of home ownership and the welfare of the country. The statute has placed the responsibility upon the Federal Home Loan Bank Board for the operation of Home Owners' Loan Corporation for immediate and direct governmental relief to individual home owners and also for the operation of the Federal home-loan bank system, the Federal savings and loan system, and the Federal Savings and Loan Insurance Corporation to bring about more normal, sound, and economic financing of homes on a private basis. This bill affects all of these operations and deals with a problem which is vital to continued home ownership. I will undertake to outline the situation with which we are dealing.

When the Home Owners' Loan Act of 1933 was enacted it was estimated that the home owners of the country owed more than $21,000,000,000, secured by their homes; that more than $5,000,000,000 of this debt was hopelessly in default; and that the owners were unable to pay this large sum of de-

faulted debt in cash, and in large measure the mortgagees were unable to grant the necessary extensions. Already at that time many hundreds of thousands of homes had been lost by their owners by foreclosure, and the danger of the loss of more than a million other homes at foreclosure sale and the consequences of such losses necessitated the original legislation in June 1933. The original bill authorized the creation of the Home Owners' Loan Corporation, with $200,000,000 of capital, subscribed by the Secretary of the Treasury, and authorized the issue of $2,000,000,000 in bonds, the interest upon which was guaranteed by the United States. By the act of April 27, 1934, the Corporation was authorized to issue bonds guaranteed as to principal and interest by the United States. By the act of June 27, 1934, known as the "National Housing Act", the authorized bond issue of the Corporation was increased to $3,000,000,000, and the Home Owners' Loan Act was further amended to provide for contingencies which had arisen in the administration of the Corporation. The present bill provides for the further increase of the authorized bond issue of the Corporation by $1,750,000,000 to a total of $4,750,000,000.

At the end of December 1933 the Corporation had received 751,578 applications for a total amount of $2,266,527,835 in loans, and had closed 36,310 loans for $103,257,858. By March 28, 1935, the Corporation had received a total of 1,744,420 applications for $5,677,635,065 in loans and had closed 839,720 loans for a total of $2,536,044,126. On March 28 the Corporation held 530,654 applications which had been either withdrawn or were temporarily held in suspense and had 374,046 applications pending. It is reported that the pending applications have had considerable work done on them, and a high percentage of them will result in loans, and that many of the applications held in suspense will be finally adjusted and will result in loans. Estimates have been given to the committee that there is a probability of closing from 400,000 to 500,000 additional loans. The loans heretofore closed have averaged $3,016 each. It is estimated that the resources provided in this bill will provide for all of the eligible cases and at the same time make provision for the other purposes of the bill.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. BULKLEY. I yield.

Mr. COSTIGAN. Under the provisions of the bill as reported, will priority be given to pending applications?

Mr. BULKLEY. Undoubtedly priority will be given to pending applications; in fact, no new applications are authorized except under certain limited circumstances which the Senator will find set out in the bill. There is a limitation of the circumstances under which new applications may be accepted at all.

Mr. COSTIGAN. By the statement that no new applications are to be considered, does the able Senator from Ohio suggest that no new applications will be received after the date when the bill shall become law, or after the current date?

Mr. BULKLEY. The Senator no doubt knows that last November the Corporation stopped receiving applications, on the ground that a sufficient number had already been received to exhaust all the funds which had been authorized, and no applications have been received since that time.

In the bill as reported to the Senate the following language is found:

> In order to provide for applications heretofore filed, for applicants who in good faith prior to the date this amendment takes effect, sought relief by formal application, letter, or other written memorandum, and who file their applications within 60 days after this amendment takes effect.

Mr. FLETCHER. What section is that?

Mr. BULKLEY. Section 11, page 23. I take it that it is still possible at this time for an application to be filed, which must be refiled formally within 60 days after the passage of the bill, provided, of course, that the language suggested in the bill shall be adopted by the Congress and shall become law.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. BULKLEY. I yield.

Mr. BARKLEY. Does the Senator interpret that language to mean that all those who have heretofore filed applications and have them now pending have got to refile them within 60 days?

Mr. BULKLEY. No; I do not.

Mr. BARKLEY. I did not think the Senator meant that.

Mr. BULKLEY. No; I meant to indicate to the Senator from Colorado [Mr. COSTIGAN] that there was a possibility of further applications being filed at this time.

Mr. BARKLEY. In addition to those already on file?

Mr. BULKLEY. Certainly, in addition to those already on file, because the first clause distinctly provides for applications heretofore filed, and those heretofore filed, no doubt, can be acted on without any further action on the part of the applicant.

Mr. COSTIGAN. Mr. President, will the Senator yield further?

Mr. BULKLEY. Yes.

Mr. COSTIGAN. Is it to be understood that applicants may file at this time, or that the prohibition against filing still attaches, and the new opportunity to file will begin when the bill shall become law?

Mr. BULKLEY. I suppose, technically, that the board has not rescinded its order refusing to take applications; but the language which I have just read provides:

> Who in good faith prior to the date this amendment takes effect, sought relief by formal application, letter, or other written memorandum.

So notwithstanding that the application might not be technically accepted by the corporation, there could be no doubt that the writing of a letter at this time would be effective if the bill should be enacted as proposed by the committee.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BULKLEY. I yield.

Mr. DUFFY. Of course, we all know of many instances where, perhaps, the most deserving people, those who have struggled the longest to keep off the relief rolls and to keep from applying to the Government, have used up all the little resources which they may have saved and who now have come to the point where they need relief just as badly, or more so, than many of those who have received relief. They are mostly at this time under the impression that there is nothing left for them, because of the prohibition that is apparently now in effect and because, as they understand, of the failure of the proposed new law to provide for the granting of any additional applications. I am very glad to hear the Senator say that there is a possibility of them getting in under the wording of the pending bill.

Mr. BULKLEY. The pending bill certainly does not provide in a general way for new applications. It undertakes to cut off new applications, because if we shall not at some time cut them off, there will be almost no limit to the number of applications which may be sent to the Home Owners' Loan Corporation, and we might be in the position of carrying the entire home-mortgage loan business of the country if we did not cut them off at some time. However, the House has thought and your committee has thought that the action on the part of the Corporation last November in refusing to accept further applications was so abrupt that some leeway ought to be given to those who were cut off so sharply at that time.

Mr. COSTIGAN. In other words, Mr. President, if I understand the Senator, if the new applicant is diligent now he may have an opportunity to have his application considered.

Mr. BULKLEY. If this language shall be adopted, and the applicant now files a letter or written memorandum, it does not make any difference whether the Corporation has heretofore received his application or not, but in such case he must renew his effort in the form of a formal application within 60 days after the passage of the proposed act.

Mr. NORRIS. Mr. President, I wish the Senator would be a little more definite, because I am in doubt, after listening to his answers to the queries that have been propounded. If this bill should become a law, would it prevent an appli-

cation being made by some person who had not theretofore made application for a loan?

Mr. BULKLEY. The funds authorized by this bill are available only for applicants, first, who have already filed, and, second, who before the passage of this proposed act shall by formal application, letter, or other written memorandum make an effort to file. That is all.

Mr. NORRIS. What is the idea of the Senator in fixing such a limitation which would prohibit anyone, no matter how worthy, from making an application the next day after this bill should become a law?

Mr. BULKLEY. Unless he had filed a letter or memorandum before that time.

Mr. NORRIS. Does not the Senator believe that there are thousands of persons who would like to apply under the law, and who have no notice and would have no notice until the bill had been passed? Why would it not be much better to fix in the law some date in the future when the applications would be limited?

Mr. BULKLEY. The committee considered that question quite carefully. We believe that the provision we have placed in the bill is sufficiently liberal, because there is public notice of the fact that this bill is under consideration. There is that leeway now to those who apply at this time, and there would be logically no day which we could fix as a date when applications must close. It will always be a matter of opinion, and there will always be some people who will want more time to apply, no matter how long in advance the date might be fixed.

Mr. NORRIS. I am not trying to hunt up people to make applications or induce them to make applications, but I believe it will be found to be absolutely true that a great many worthy persons will be precluded from acting just because they did not have technical notice, as they would have if we put in the bill a reasonable length of time, say, 90 days, or such matter as that. That would be given great publicity, and everybody would understand it. I anticipate that if the bill shall not be amended we will find afterward that there will be a very great number of people who are just as worthy as those who have been accommodated with loans who will importune us to change the law so that they may make applications, and they will be able to say that they never had any notice of the date when this proposed law went into effect and had no way of finding out that it would be necessary for them to make application before the law was passed. That is something out of the ordinary.

Mr. BULKLEY. Mr. President, there is a great deal of force in what the Senator says, of course, but the question is how far do we want to go with this business? We started out to set up a $2,000,000,000 bond issue. Subsequently we increased it to $3,000,000,000. Now, at a time when the Treasury asks us to confine our additional authorization of a bond issue to $1,250,000,000, we are proposing to raise it to $4,750,000,000. A step in the direction suggested by the Senator from Nebraska would undoubtedly still further increase the amount of bonds which it will be necessary to issue.

Mr. NORRIS. It would; but at the same time it would keep our hands clean. We would be fair to everybody, as we ought to be. We cannot afford to do anything else. Here we are asked to enact a law, but I do not know and the Senator from Ohio does not know and no one knows when it will become effective. I never heard before today, and I suppose no one in the United States has ever yet heard that this measure is going to provide that no application shall be received after the bill shall be enacted into law.

Mr. BULKLEY. I think the Senator is mistaken about that, because we have not materially changed the language of the bill as it passed the House. A statement to that effect was carried in the newspapers, and the public has had very reasonable notice of the intention of Congress.

Mr. BARKLEY. Aside from that, the public would have 60 days in which to make application.

Mr. BULKLEY. The 60-day provision does not do any good unless they have done something about the matter before the passage of the act.

Mr. BARKLEY. That is the very point about which I inquired a while ago of the Senator from Ohio.

Mr. BULKLEY. I regret if I did not make it entirely clear. There will be no new applications received after the passage of the act, according to the language of the bill as it is reported; but anyone who, before the passage of the act, made an effort, evidenced by written memoranda that he has tried to get a loan, may, by renewing that effort in the form of a formal application within 60 days after the passage of the act, get his loan.

Mr. FLETCHER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Florida?

Mr. BULKLEY. I yield.

Mr. FLETCHER. How much has the Home Owners' Loan Corporation already loaned?

Mr. BULKLEY. About $2,500,000,000.

Mr. FLETCHER. The time when applications must cease, of course, will be limited by the amount they are authorized to loan, $4,750,000,000. When they shall have exhausted that fund there must be an end to the business. I take it we cannot fix the date when that will occur. It may run for a year or for 2 years. We cannot tell when that fund will be exhausted, but the Board will undoubtedly apprehend when it will be exhausted and will be authorized to give notice that no more applications will be received after a certain time.

Mr. BULKLEY. Mr. President, I believe the Senator from Florida has not caught the purport of the language. If the bill is enacted the way it is reported by the committee there will be no possibility of any further applications after the enactment of the law. The formal applications referred to are to be filed only by those who made a previous effort before the enactment of the law.

Mr. NORRIS. In effect it will be that no new applications will be received and no one can obtain any relief under the measure unless he has tried previously to get relief and failed.

Mr. BULKLEY. That is correct. Further, along the line about which the Senator from Nebraska has inquired, it is fair to say that although applications were terminated very suddenly by the Corporation last November and without any previous notice, the Corporation officers have testified before our committee that they have had very little complaint from people who thought they ought to have had a right to apply.

Mr. NORRIS. I think that would be natural. They do not blame the officers. I myself am not finding fault with them. They had to quit. They exhausted their funds. They had more applications than they had money to loan. The people who did not complain were allowed to believe that Congress, when it convened, would very likely extend the relief, as it would other forms of relief, and there would be ample opportunity then to make application. Thousands of people dropped the matter then and there, waiting for Congress to extend the law, all of whom are going to be shut out if the law is not enacted, as the Senator from Ohio has said.

Mr. BULKLEY. I think those who were encouraged to hope for benefits under the law were rather those who had filed applications which had not progressed into the legal department. The Corporation last November, when it ceased receiving new applications, also ceased to pass on the applications which had already been received but which had not yet reached the legal department on the ground that there was not enough credit available to take care of the applications already filed.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. BULKLEY. I yield.

Mr. BARKLEY. I think the experience of all of us is rather the same with reference to the situation. Practically all letters I have received came from people who had filed applications and had been notified that no further loans were to be made. I do not recall that anyone who had not taken up the matter with the Home Owners' Loan Corpora-

tion, either through the State manager or local district manager, ever wrote to me making any complaint that loans had been shut off.

Mr. BULKLEY. That is precisely the point I was trying to bring to the attention of the Senator from Nebraska.

Mr. BARKLEY. I think we have to draw the line and we have to stop the Home Owners' Loan Corporation lending at some time. I have some doubt whether, as to those who undertook to obtain loans, who wrote in about them, or went to the trouble to go to the district office to inquire about the terms under which they could obtain loans, we ought to require them to renew their applications and take further action within 60 days. I think some injustice might result. By reason of their failure to get loans at the time, they went home not knowing whether they ever could get them, discouraged and disappointed, and abandoning their efforts. If we are going to require them to refile their applications or start anew within 60 days, if they simply wrote a letter or made inquiry and did not file a formal application, I think we ought to require the Home Owners' Loan Corporation to follow up those cases to ascertain whether or not the parties still desire to pursue their applications or their efforts by filing a formal application. That could be very easily cured by some additional language.

Mr. BULKLEY. I have no doubt the Corporation could do it without any additional language in the bill. It would be good practice to do so.

Mr. BARKLEY. But someone who does not know about the technical requirement to start over again within 60 days would not then be left out because of lack of knowledge. If the language is to be left as it is, the Corporation itself ought to be impressed with the desirability of following up the written applications which have been turned down because no more were being received at that time.

Mr. BULKLEY. I am quite in accord with that thought and should have no objection to putting such a provision in the bill, although I do not believe it to be necessary.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. BULKLEY. I yield.

Mr. LEWIS. Keeping in mind the colloquy between the Senator from Kentucky and the Senator from Ohio as to the situation of previous applicants, may I inquire if there is anything in the bill that gives precedence to those who have previously made application, whose applications are pending, or is it possible to recognize them as having precedence in order to avoid new loans or new applications under the bill?

Mr. BULKLEY. I think it wholly unnecessary, because those who have already applied have had their applications progress partly through the works already, and they naturally would be handled first in the regular order of business. No; it is not necessary for them to make any new application.

Mr. MURPHY. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. BULKLEY. I yield to the Senator from Iowa.

Mr. MURPHY. It occurs to me that when the fact became known that the Home Owners' Loan Corporation could make no more loans, many persons in distress thereafter made no applications, because they recognized the futility of doing so. As to them, there is nothing in the files of the Home Owners' Loan Corporation, in any of its offices, indicating their desire to be refinanced. They are given only until the date this measure becomes law to indicate that desire by letter or other message to the Home Owners' Loan Corporation.

The Senator from Ohio has indicated that a great deal of information has gone out to the public about the prospective refinancing, and that the public is informed. I am frank to say that I had no knowledge whatsoever until this morning as to the plan in contemplation by the committee. If I am to be of service and if this organization is to be of service to the people of my State or to the people of the States represented by the other Senators, we must in frantic haste go through our files seeking to send out letters and telegrams to persons who have not applied for loans who are in distress, urging upon them the necessity of getting in immediately a telegram or a letter to make of record the fact that they desire to be refinanced.

Inasmuch as I, who might be presumed as a Senator to have some knowledge of what was impending, had no knowledge of it until this moment, is it not rather violent to presume that people scattered throughout the States will have such knowledge, or already have it? Would it not be possible, would it defeat any good end to admit some period beyond the effective date of this act, a period that might be merely 30 days, to enable people now in distress and who have given no notice of their desire to be refinanced to give some indication of that desire?

Mr. BULKLEY. Mr. President, a Senator is preoccupied with many subjects in his official capacity as a Senator, and all of us know how severe the pressure is. The bill before us passed the House just about a month ago, with the provision in it substantially as reported by your committee here. Clearly, every Member of the other House from the Senator's State must have known, and clearly the newspapers of the Senator's State and of all States must have carried the provisions of the House bill, and must have given notice to prospective borrowers as to what they should do if they desired to protect their possibility of becoming borrowers.

Of course, it is possible to add a few more days; it is possible to add a few more months; but the point is that the longer we keep this privilege open, the more opening we give, the more loans we are going to be obliged to make.

This bill, as it was agreed upon by the Home Owners' Loan Corporation Board and the Treasury Department, who had a conference on the subject by request of the President before the matter was brought up in either House, provided that no new applications should be received under any circumstances, and that the additional amount to be made available by authorization to the Corporation to issue bonds should be confined to a billion and a quarter dollars. It has been agreed between the House on the one hand and our committee on the other that a somewhat more liberal course should be taken. The result has been the language presented here, protecting everybody who heretofore has made a good-faith effort to get a loan, protecting the prospective borrower even up to the time of the enactment of this measure, and increasing by half a billion dollars the amount of credit available. There is no magic in any one particular date or in any one particular figure; but unless the Senator advocates going on without limit we must put a limit somewhere, and I submit that the limit we have provided in the bill is as reasonable as any limit that anybody can suggest.

Mr. DUFFY. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Wisconsin?

Mr. BULKLEY. I do.

Mr. DUFFY. Assuming that the applications on file, which were shut off, will be granted in the same proportion that applications were granted theretofore, about how much money is it estimated will be required to take care of those loans? In other words, does the one and three-quarter billion dollars the Senator is talking about automatically practically limit the loans to the applications which are now on file, rather than opening up to any considerable extent the opportunity for new applications to be filed?

Mr. BULKLEY. It is difficult to be certain as to so large an amount; but the fact is that on March 28 the Corporation had 374,046 applications pending which were presumed to be good applications which would result in loans. In addition to that, there were 530,654 applications which were in suspense; that is to say, they were held up perhaps by a question of title, perhaps by the refusal of the mortgagee to accept the bonds of the Corporation and go through with the transaction, or for some other reason. A large proportion of those applications will be renewed and will be adjusted and will be eligible for loans, but nobody can tell how many. The best estimate that the Home Owners' Loan Corporation has been able to make is that about a billion and a half dollars will be required to take care of applications already on file. We are also providing author-

ity for the Corporation to buy debentures of the home-loan banks, and to invest in savings-and-loan associations for the purpose of providing more local funds for loaning on homes; and we have made available $300,000,000 of this amount for that purpose. We have not so segregated it that they are obliged to subtract the $300,000,000 from the funds otherwise available for home loans, but we do make that amount available, and they estimate that they are going to need about that much for that purpose; so, as nearly as it can be estimated by those in authority, the amount provided by the bill is just about enough to take care of the situation.

The liberalization which we have already made here by permitting the filing of written memoranda, to be followed by formal application within 60 days after the enactment of the law, will somewhat increase the legitimate demand on the Corporation; but the officers have testified that so far as they can estimate it, they think they will be able to take care of it within the limits here provided; but I do not think we would be justified in extending the limit without also increasing the amount of the credit which we make available.

Mr. VANDENBERG. Mr. President——

Mr. BULKLEY. I yield to the Senator from Michigan.

Mr. VANDENBERG. I desire to be sure that I understand the Senator. Is it true that a home owner who has heretofore made no application whatever can write a letter, between the time this bill passes the Senate and the time the President signs it, indicating his desire for a loan, and if he follows it with a formal application within 60 days after the signature of the President he is eligible within this restriction? Is that correct?

Mr. BULKLEY. He is eligible so far as this restriction is concerned. Of course, he would have to be otherwise eligible, too.

Mr. VANDENBERG. I understand that.

Mr. BULKLEY. Yes; that is correct.

Mr. VANDENBERG. Now I desire to ask the Senator another question. I think I heard him say that the Treasury Department officials testified that they wished the committee would limit this particular draft upon the public credit to a billion and a quarter dollars additional of bonds.

Mr. BULKLEY. That is correct.

Mr. VANDENBERG. Did the Treasury undertake to sustain that proposition? Did they submit any argument upon it?

Mr. BULKLEY. No; there was no argument about it.

Mr. VANDENBERG. I should like to ask the Senator whether any inference is to be drawn from this suggestion by the Treasury that we are approaching the exhaustion of the Government's borrowing capacity?

Mr. BULKLEY. I do not think it is so much a question of exhausting the Government's borrowing capacity. I think it is rather a question of the time when bonds might be marketed, and whether it would interfere with other operations of the Treasury.

Mr. VANDENBERG. The Senator does not read into this request any suggestion that we are close to a danger signal?

Mr. BULKLEY. My own inference is what I have stated.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BULKLEY. I yield.

Mr. LA FOLLETTE. I desire to reinforce the statement made by the Senator from Iowa [Mr. MURPHY]. I believe there are many people who have looked to the enactment of this proposed legislation for relief from the situation confronting them so far as their home ownership and the refinancing of their loans is concerned. I agree completely with what the Senator from Iowa has said, that the people in the States are not upon notice that applications filed either in the form of letters or in the form of written memoranda would place them in the position of being eligible to make formal application within 60 days after the enactment of this bill.

Mr. BULKLEY. In that connection, what does the Senator consider notice?

Mr. LA FOLLETTE. I am not criticizing anybody. Perhaps I did not choose my words well. What I meant is that I do not believe there is general information current among home owners in this country that this particular provision is in the bill, and that they would place themselves in the position of being eligible for consideration of their formal applications if they had filed letters or written memoranda indicating their desire to come under the terms of the bill.

The Senator from Ohio and all other Senators must be aware of the fact that so far as the average citizen is concerned, the language contained in a bill of this nature and its provisions do not become matters of common knowledge. It is true that there may be some little story about it in the newspaper in the citizen's home town, but as I have gone about my own State and about other States, what has impressed me concerning the varied activities of the Government in connection with efforts to meet these tragic economic conditions is the fact that people are not aware, even after the long-continued activities of various agencies, of their rights or privileges or opportunities under those various agencies.

Therefore I believe that in all justice some provision should be made along the lines suggested by the Senator from Iowa, to afford the people additional time, some reasonable time, after the enactment of the bill, within which to file their applications.

I venture the assertion that if we were able to contact the average home owner in need of this type of relief in Ohio, or in Wisconsin, or in any other State, we would find that a great majority of them are under the impression and are hoping that when this bill shall be enacted, there will be some limited and reasonable opportunity for them to make application to secure the benefits of the act. I hope that before the bill shall be acted upon some amendment will be proposed which will extend for a reasonable period after the enactment of the law the time within which persons may file applications and have them considered.

Mr. BULKLEY. Mr. President, as I have said, there is no magic date which must be right and all other dates wrong. I quite agree with that. I do think that this is a different case from the publicity attaching to the mere introduction of a bill, or even to the report of a committee, because this bill passed the House more than a month ago containing almost exactly the same provisions now in it, and I do believe it has been very well publicized, and that if the newspapers have been to any extent negligent, they will make up for it now as a result of the debate we are having here.

I think also that if we should provide a 30-day leeway, there would still be worthy borrowers who would come around and find out about it on the 31st day, after their rights had expired. There is no absolute limit to be found which will satisfy everyone. I believe we have suggested as reasonable a limit as can be suggested.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BULKLEY. I yield.

Mr. VANDENBERG. May I simply submit, by way of evidence, that I have just inquired of every Senator within reach of my voice as to whether he knew this provision was in the bill, and none of the Senators knew it, nor did I.

Mr. BULKLEY. I have just indicated that I think Senators are more engrossed in other matters than are the home owners.

Mr. LA FOLLETTE. Mr. President, I venture the assertion that not one-half of 1 percent of the home owners in any State in the Union who are in such a situation as that they would need relief under the terms of the bill have any knowledge of its provisions, and that they are going to be estopped from having any consideration accorded them after the bill shall be enacted.

Mr. BULKLEY. How will they find out about it if we give them 30 days?

Mr. LA FOLLETTE. If 30 days shall be given, that will be a reasonable length of time within which those who are

interested may find out about it. In other words, it will be printed and published that an opportunity will be afforded them. As a matter of fact, I may say to the Senator that I think the moment this bill becomes law, the agencies of the Home Owners' Loan Corporation will be called upon by thousands of people all over the United States who are under the impression that the enactment of the bill will have given them further opportunity, following the sudden cutting off of applications in November, to have considered their applications for refinancing their homes.

Mr. LEWIS. Mr. President, will the Senator yield to me?

Mr. BULKLEY. I yield.

Mr. LEWIS. I say to the Senator from Ohio, in charge of the pending measure, that I am still greatly concerned as to whether there is any provision in the bill which will give some assurance to those whose applications are already on file that it will be themselves who will be given precedence, and whether, under the bill, we can prevent new applications, referred to by the Senator from Wisconsin and the Senator from Michigan, from being filed in sufficient number to absorb the whole fund before those whose applications have been already filed will have been able to be served?

Mr. BULKLEY. Frankly, I cannot conceive of the Corporation displacing applications which are already in process of examination in favor of new applications. It seems to me that those whose applications are already on file have a natural advantage, and that in the normal course of business they would be taken care of first.

Mr. VANDENBERG. How can new applications crowd out old applications if there are not to be any new ones?

Mr. BULKLEY. Of course, there is authority for the taking of a limited number of new ones under the provision we have just been discussing.

Mr. VANDENBERG. It is limited?

Mr. BULKLEY. It is limited.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income.

The message also announced that the House had passed a bill (H. R. 115) to amend section 27 of the Merchant Marine Act, 1920, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill, and it was signed by the Vice President:

S. 1308. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.

REPEAL OF PUBLICITY SECTION OF REVENUE ACT OF 1934—CONFERENCE REPORT

Mr. HARRISON. Mr. President, will the Senator from Ohio permit me to present the conference report on the so-called "pink slip" bill and have it considered at this time? I would not ask the Senator to yield, except that I must go to a committee meeting in a few minutes. I may say to the Senator that I do not think there will be any extended discussion of the report; indeed, there may not be any discussion, because practically the amendment adopted in the Senate was agreed to in conference.

Mr. BULKLEY. Mr. President, I understand that the consideration of the conference report would not displace the pending business.

The VICE PRESIDENT. It would not. It is a privileged matter.

Mr. BULKLEY. I yield.

Mr. HARRISON. I submit the report and ask that the Senate proceed to its consideration.

Mr. NORRIS. I ask that the conference report be read.

The VICE PRESIDENT. The conference report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"amended to read as follows:

"'(b) (1) All income returns filed under this title for any taxable year beginning after December 31, 1934 (or copies thereof, if so prescribed by regulations made under this subsection), shall be open to inspection by any official, body, or commission, lawfully charged with the administration of any State tax law, if the inspection is for the purpose of such administration or for the purpose of obtaining information to be furnished to local taxing authorities as provided in paragraph (2). The inspection shall be permitted only upon written request of the governor of such State, designating the representative of such official, body, or commission to make the inspection on behalf of such official, body, or commission. The inspection shall be made in such manner, and at such times and places, as shall be prescribed by regulations made by the Commissioner with the approval of the Secretary.

"'(2) Any information thus secured by any official, body, or commission of any State may be used only for the administration of the tax laws of such State, except that upon written request of the governor of such State any such information may be furnished to any official, body, or commission of any political subdivision of such State, lawfully charged with the administration of the tax laws of such political subdivision, but may be furnished only for the purpose of, and may be used only for, the administration of such tax laws. Any officer, employee, or agent of any State or political subdivision, who divulges (except as authorized in this subsection, or when called upon to testify in any judicial or administrative proceeding to which the State or political subdivision, or such State or local official, body, or commission, as such, is a party) any information acquired by him through an inspection permitted him or another under this subsection shall be guilty of a misdemeanor and shall upon conviction be punished by a fine of not more than $1000, or by imprisonment for not more than one year, or both.'"

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

PAT HARRISON,
WM. H. KING,
WALTER F. GEORGE,
HENRY W. KEYES,
JESSE H. METCALF,
Managers on the part of the Senate.

R. L. DOUGHTON,
SAM B. HILL,
THOS. H. CULLEN,
ALLEN T. TREADWAY,
ISAAC BACHARACH,
Managers on the part of the House.

Mr. LA FOLLETTE. Mr. President, before the conference report is considered, may I inquire of the Senator from Mississippi whether or not he has conferred with the Senator from Colorado [Mr. COSTIGAN] and discussed the matter with him?

Mr. HARRISON. I have, and the Senator from Colorado is very much in favor of the report.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

There being no objection, the Senate proceeded to consider the conference report.

Mr. HARRISON. Mr. President, there was nothing in disagreement with reference to the repeal of the so-called "pink slip" provision of the law. The only matter in disagreement was the so-called "Costigan amendment", and the Costigan amendment sought to give certain subdivisions of the various States the right to look over income-tax returns.

The Senate will recall that under an Executive order of the President, upon the request of the Governor of a State, any State officer charged with the duty of tax enforcement could, under such rules and regulations as should be prescribed by the President, examine income-tax returns. The Costigan amendment sought to enlarge the provision so that

the representatives of cities might have that opportunity. In conference that was agreed to. The only difference was that the representatives of the cities must make requests to the Governors of the States, and obtain the reports through the Governors, just as other State officers would have to do.

The other change is that providing that the law shall become operative next year and not this year. The reason for that was that it was pointed out by the Treasury authorities that if it should become immediately operative, there might be so many persons coming at one time to examine tax returns that it might hamper the administration of the law; that the returns now being made might not be in the Department here, but might be in the offices of the collectors in the particular districts in which the taxpayers lived, and that that might result in some confusion. So it was suggested, and finally agreed to, that so far as the Costigan amendment was concerned, the law should begin to operate the first of next year.

It was pointed out to the Treasury officials—and we would have written it into the law if we had had power, but we were afraid it might subject the report to a point of order if we did it—that duplicate returns might be made, and that one of the returns should remain in the office of the collector in the particular district, the other being forwarded to Washington, the one being kept in the collector's office in which the resident might live for the convenience of the local officials, so as to save them from having to come all the way to Washington.

The Treasury officials have promised that that procedure will be started next year. They have a right to do it under the rules and regulations dealing with policy provided in the present law. So that is practically the only change which was made in the Costigan amendment.

Mr. NORRIS. Mr. President, it seems to me the conference report has not made a penalty severe enough for the crime. As I heard it read, anyone who divulges any information which he derives from a taxpayer's return must pay a fine of $1,000 and go to jail for 6 months.

Mr. HARRISON. I may say to the Senator that the Costigan amendment provided for a fine of not less than $500 as a minimum nor more than $1,000 as a maximum, for divulging information, except as prescribed in the amendment; namely, when called upon to testify in the courts, and so on, or to do so in the collection of taxes. The only change which was made in that case was that we fixed no minimum for the fine. We made the provision as it is in the law today in similar cases. The provision runs through the law that the maximum punishment may be a year in prison, or a fine of $1,000, leaving it to the discretion of the trial judge to fix the fine down to the minimum if he sees fit.

We did not feel that it was proper simply to provide a fine. We thought there might be provision for imprisonment. We did not think it was particularly fair to say that a fine should be not less than $500. We thought there might be cases where the defendant might show such extenuating circumstances that the fine should be less than $500.

Mr. NORRIS. I should think there might be, and there would be in most cases, a necessity of increasing the fine and increasing the imprisonment. This is a serious matter, Mr. President. We have departed from the secrecy with which we have heretofore enshrouded income-tax returns by permitting some Governor or some tax official authorized by the Government to look behind the scenes and see what the returns really are. It is a serious proposition that these sacred things should be looked at by the inquiring eyes of those who perhaps are seeking to levy a tax upon some millionaire who has not fully disclosed his income. That ought to be guarded against by a more serious penalty; and if secrecy is violated, if these holy secrets are made public or get out in any way, the violator can be fined only a thousand dollars, and cannot be sent to jail for more than a year.

Mr. President, I should like to inquire of the Senator from Mississippi whether he is now satisfied that the law provides sufficient safeguards so that there is no danger of kidnapers getting hold of taxpayers and kidnaping them? Has he safeguarded it so that the country may be free from this danger of kidnaping on account of information which might go out about a man's income-tax return?

Mr. HARRISON. If the Senator will permit me, I will say that his sarcasm is always refreshing to me, but I have never made that argument, because I have never believed in it.

Mr. NORRIS. I do not know whether or not the Senator from Mississippi made it. It has been made very often. It has been made on the floor of the Senate by a number of Senators, and it has been made in the newspapers. Hundreds of letters have come to Senators containing that argument. In fact, it has had a great influence. I suppose that is what brought about the passage of the law repealing the "pink slip" provision, because there have been so many cases of kidnaping lately. It was my idea, and it has been the idea, I think, of others, that we have now saved the country from the danger of kidnaping, and have now ended the kidnaping epidemic, unless it shall be revived by the provision of the bill which enables a Governor and his appointees to snoop around, engage in the snooping business, and find out something which is sacred and which ought never to be divulged to anyone.

Mr. HARRISON. I move the adoption of the conference report.

Mr. COSTIGAN. Mr. President, may I ask the Senator from Mississippi whether in his judgment the language as reported by the conference committee is subject to the construction which I give it, that the Governor by one request may secure access for the appropriate official to all the returns for his State? Or does the Senator construe the language as requiring a separate request in the case of each individual income-tax return?

Mr. HARRISON. My construction is that it would require a separate request.

Mr. COSTIGAN. That is not my interpretation.

Mr. HARRISON. I may be wrong in that construction, but if the Senator will note the request, in the end, is subject to such rules and regulations as the Secretary of the Treasury may prescribe, but I do not believe that the Treasury Department would accept a blanket request from a Governor who wrote with respect to every tax assessor in every city in the State of Colorado or in the State of Mississippi, "I hope that you give him access to the returns." I think there ought to be separate requests, and I think the Treasury would construe the language to mean that there should be separate requests.

Mr. COSTIGAN. The language of the conference report, as I read it, if I have a correct copy, is as follows, in part:

> All income returns filed under this title for any taxable year beginning after December 31, 1934, shall be open to inspection by any official body or commission.

The words just read are followed by a clause in the second subdivision reading in part:

> Any information thus secured by an official body or a commission——

Which "information" I assume refers to information in all returns, or in separate returns—

> may be used only for the administration of the tax laws of such States, except that upon written request of the Governor of such State any such information may be furnished to any official body or commission.

My construction is that, by a single request addressed to the Secretary of the Treasury, or the Commissioner, all returns would be opened to the properly authorized representative of State tax officials.

Mr. HARRISON. I may say that our expert thinks that the requests may come in groups or by special classifications, but in the end, as the Senator will see, it is up to the regulations of the Secretary of the Treasury. I suppose that he would take into consideration the definiteness of the request.

Mr. COSTIGAN. If group requests may be made, I am even more strongly fortified in the construction of the language which I have been attempting to state.

May I add that if separate requests are necessary the amendment, in my judgment, will be shorn of much of the

advantage which I interpret it as having, as reported by the conference committee. In part, my support of this conference report is related to the fact that I have long been an advocate of both proper knowledge and publicity of income-tax returns, and that my position has always been in support of as much publicity as possible.

The substitute for "pink slip" repeal, if not unduly hampered by regulations or restrictions caused by excessive caution of the Treasury Department, will constitute a constructive contribution to our present taxation system, especially at the base; and, by amendment or otherwise hereafter, the congressional intention expressed in this amendment to promote Federal, State, and local cooperation, and the needed and sound reorganization of our taxation system from top to bottom, will be greatly helped toward realization by the action being taken today.

In general, on the assumption that I correctly read the conference report, I conclude that the conference committee is enabling us to make a noteworthy contribution to our legislative record.

Finally, I ask unanimous consent to place in the RECORD certain telegrams recently sent to the Secretary of the Treasury, Representative A. J. SABATH, of Illinois, and the Interstate Commission on Conflicting Taxation, commendatory of the amendment which is the subject of the conference report.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The telegrams referred to are as follows:

APRIL 3, 1935.

Hon. HENRY MORGENTHAU,
Secretary of the Treasury,
Department of the Treasury, Washington, D. C.:

On behalf of those larger cities throughout the United States which by law are charged with the public responsibility of assessment and collection of both tangibles and intangibles, we urge you to vigorously support the action of the Senate in passing the Costigan amendment to the so-called "pink-slip-repeal bill." This matter is now in conference and undoubtedly the Treasury will be consulted by the conferees. We know that powerful interests do not want the Costigan amendment approved, because without such a provision these interests are evading local assessment and taxation. The Treasury of the United States is being called upon to finance relief and other activities in every community of the Nation. Certainly the Federal Government should do everything possible to help cities and States to help themselves. If tax evasion can be stopped, local revenues will be materially increased and substantial local contribution for relief and public works would be possible.

Respectfully,

DANIEL W. HOAN,
Mayor of Milwaukee, President of the United States Conference of Mayors.
PAUL V. BETTERS,
Executive Director, United States Conference of Mayors.

CHICAGO, ILL., *March 29, 1935.*

Hon. A. J. SABATH,
House of Representatives, Washington, D. C.:

Regarding Costigan amendment to H. R. 6359 I am vitally interested that this amendment do pass. Its effect on uniform assessments makes it highly desirable to all assessing officials; however this information to be restricted to them. This information, if available to the Cook County assessor, would result in a large rate reduction to the owners of real estate and other forms of tangible personal property such as machinery which is used in industry and merchandise. It will revive business in these activities and by so doing create more employment.

JOHN S. CLARK, *County Assessor.*

Mr. COSTIGAN. The following telegrams were received by the Interstate Commission on Conflicting Taxation in response to the Commission's request for views on the matter of the right of examination of Federal income-tax returns by State and local officials as provided for in the Senate amendment to H. R. 6359:

ARIZONA

I feel it of the utmost importance that confidential examination by State and local tax officials of Federal income-tax returns be made possible. By coordinating efforts of Federal and local officials much greater efficiency will be possible.—B. B. MOEUR, *Governor, Phoenix.*

CALIFORNIA

California State Board of Equalizations gives unqualified endorsement of amendment authorizing confidential examination by State and local tax officials of Federal income-tax returns as contemplated by H. R. 6359. In our opinion such a measure is essential for effective administration of State income taxes.

STATE BOARD OF EQUALIZATION,
DIXWELL L. PIERCE.

CONNECTICUT

Favor Senate amendment authorizing confidential examination by State officials Federal income-tax returns. Not authorized to speak for local tax officials but believe they would favor such authority.—WM. H. HACKETT, *Tax Commissioner, Hartford.*

FLORIDA

Legislation permitting State and local tax officials examine Federal income-tax returns essential. Will greatly reduce cost of administering Florida's intangible tax law and contribute much to eliminating tax evasions now practiced.—DAVID SHOLTZ, *Governor, Comptroller, Tallahassee.*

Legislation opening Federal income-tax returns to inspection of State and local officials is essential to secure fair and impartial administration Florida's intangible tax law and other tax measures. Will be invaluable in eliminating tax evasions and avoidances and reduce costs of administering local tax laws.—J. M. LEE, *Comptroller, Tallahassee.*

IDAHO

Believe State and county tax officials should have privilege of examining Federal income reports so all units may base tax levy upon same facts and valuations.—C. BEN ROSS, *Governor, Boise.*

MAINE

Am of the opinion that confidential examination of Federal income-tax returns would be helpful in assessment and collection of State income tax.—FRANK H. HOLLEY, *State Tax Assessor, Augusta.*

MINNESOTA

Minnesota Tax Commission favors authorizing confidential examination by State of Federal income-tax return.—GEORGE E. WALLACE, *Chairman, St. Paul.*

MISSOURI

We strongly protest against withdrawing confidential examination by State officials of Federal income-tax returns. This information produced $400,000 to Missouri last year.—FORREST SMITH, *State Auditor, Jefferson City.*

NEW JERSEY

The Senate amendment to House bill 6359 is sound and would be extremely helpful to administration of State income tax. I approve of this measure.—HAROLD G. HOFFMAN, *Governor, Trenton.*

NEVADA

Confidential examination of income-tax returns by State and local tax officials is heartily endorsed provided heavy penalties are imposed for such officials violating this confidence.—RICHARD KIRMAN, *Governor, Carson City.*

TEXAS

I favor adoption amendment permitting confidential examination by State or local tax officials of Federal income-tax returns. Practically all of State laws provide for examination franchise reports, etc., and it has proved of inestimable value to State departments in past. Examination income-tax reports has proved most beneficial to our State departments since same generally show discrepancies between valuations set for income-tax purposes and State tax purposes.—JAMES V. ALLRED, *Governor, Austin.*

VIRGINIA

Virginia Department of Taxation heartily in favor Senate amendment authorizing confidential examination by State and local tax officials of Federal income-tax returns, House bill 6359.—C. H. MORRISSETT, *State Tax Commissioner, Richmond.*

OKLAHOMA

It will be of great help to the Tax Commission of Oklahoma to be able to inspect Federal income-tax rates made by taxpayers in this State. I can see no reasonable objection to the so-called "Costigan amendment."—E. W. MARLAND, *Governor, Oklahoma City.*

NEW YORK

Unfamiliar with contents of House Resolution 6359. Nevertheless, am firm believer in strict secrecy provisions in all income-tax laws, provided, however, that such laws Federal and State should contain provisions making possible confidential inspection of and confidential exchange of information in respect to such returns by constituted authorities of the States and the Federal Government. Information so exchanged should, of course, be protected by

secrecy provisions in the hands of the recipient official to the same extent as in the hands of the original official.—MARK GRAVES, *Albany.*

NORTH CAROLINA

Acknowledging your wire, I favor Congress authorizing confidential examination by State and local tax officials of Federal income-tax returns as an essential act of cooperation between the Federal and State Governments.—J. C. B. EHRINGHAUS, *Governor, Raleigh.*

SOUTH CAROLINA

Just returned from Washington. Found your telegram. State and local tax officials charged with enforcement of State income-tax laws would be greatly benefited by examinations of Federal income-tax returns.—W. G. QUERY, *Chairman South Carolina Tax Commission, Columbia.*

RHODE ISLAND

Approve Senate amendment authorizing confidential examination by State and local tax officials of Federal income-tax returns, House Resolution 6395.—EDWARD L. LEAHY, *Department of Taxation, Providence.*

UTAH

(Telegram sent to Senator WILLIAM H. KING)

While I have not at hand information as to exact terms of House Resolution 6359 I am convinced that it would be highly desirable for Utah income-tax officials to have access under proper regulations to Federal income-tax returns. Our State law binds such State officials to secrecy.—HENRY H. BLOOD, *Governor, Salt Lake City.*

WISCONSIN

I favor Senate amendment authorizing such examination of income-tax returns.—PHILIP F. LA FOLLETTE, *Governor, Madison.*

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

ADDITIONAL HOME-MORTGAGE RELIEF

The Senate resumed the consideration of the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes.

Mr. BULKLEY. Mr. President——

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. BULKLEY. I yield.

Mr. BARKLEY. Being a member of the subcommittee which considered this bill, I am frank to say that the language we have been discussing troubles me somewhat. In the House bill the language is this:

In order to provide for applications heretofore filed—

Then, there is a semicolon, which separates the two classes to themselves—

and for applicants who in good faith prior to the date this amendment takes effect, sought relief by formal application, letter, or otherwise, who file their applications within 60 days after this amendment takes effect.

So that there is no question that the 60-day provision is limited to those who have simply filed letters and memoranda or telegrams; but the change of punctuation in the amendment which we have reported, I am afraid, puts the applications heretofore filed, together with informal letters and memoranda, all on the same basis, because the semicolon is changed to a comma, and the word "and" is stricken out, so that it reads:

In order to provide for applications heretofore filed, for applicants who in good faith prior to the date this amendment takes effect, sought relief by formal application, letter, or otherwise, and who filed their applications within 60 days after this amendment takes effect.

That seems to me to put the old applications and the memoranda all on the same basis so as to require the refiling—at least it is open to the construction of requiring the refiling—by those who have already filed formal applications. I believe that the semicolon ought to be restored and the word "and" put in.

Mr. BULKLEY. I quite agree with the Senator, and I hope that the semicolon may be restored at the proper time.

The PRESIDING OFFICER (Mr. LEWIS in the chair). Will the Senator from Kentucky, with the indulgence of the Senator from Ohio, permit the present occupant of the chair to ask him to be so good as to repeat his suggestion? The present occupant of the chair was not able to hear it, and he is very much interested in the subject. What was the change which the Senator from Kentucky suggested in the language of the bill?

Mr. BARKLEY. The sugggestion I made was that the amendment which we have reported strikes out the semicolon, which changes the meaning of the sentence so as possibly to make the 60-day provision apply to applications already formally filed and now under consideration; and I suggest the restoration of the punctuation so as to set aside in one group all applications which have heretofore been formally filed and make the 60-day provision apply only to informal memoranda and letters looking to the filing of applications but not followed up by the actual formal filing of the application.

The PRESIDING OFFICER. The present occupant of the chair thanks the Senator from Kentucky; he is very much interested in that phase of the bill.

Mr. BULKLEY. Mr. President, the operations of the Home Owners' Loan Corporation were greatly expedited by the guarantee by the Government of the principal as well as the interest on its bonds in the early part of 1934, and by the summer of that year the Corporation was refunding the debts against as many as 20,000 homes per week, involving a total refunding of as much as $60,000,000 per week, and these operations continue at the rate of many thousands of loans each week, involving many millions of dollars. The applications now on hand have been in the main considered, and loans can be closed rapidly with the additional resources provided in this bill, so that within a few months the relief to be extended by the Corporation should be substantially completed. When this task is done the Corporation expects to hold more than 1,000,000 loans on individual homes scattered throughout the United States, including the District of Columbia, Alaska, Hawaii, and Puerto Rico. These loans will average about $3,000 each, and provide for a monthly payment which pays all interest and some principal each month in an average amount of about $24 per month, and these payments are payable over a period of 180 months.

The loan procedure of the Corporation involves the refinancing of the debt of the applicant in a new mortgage payable in monthly installments over 15 years, and the delivery to the mortgagee or mortgagees or other lienholders of the bonds of the Corporation at face value in settlement of their claims, and the payment of taxes, assessments, and incidental cost of the transaction in cash. As of July 1, 1933, the Corporation authorized the issuance of 18-year 4-percent bonds guaranteed by the United States as to interest only, callable at any interest-payment date after 30 days' published notice, and prior to the act of April 27, 1934, which authorized the Corporation to issue bonds bearing 4-percent interest, guaranteed as to principal, $635,361,150 of which had been issued or committed.

As of November 27, 1934, approximately half of said 4-percent bonds had been refunded by the issuance of 3-percent 18-year fully guaranteed bonds. The Corporation, after April 27, 1934, began the issuance of 3-percent 18-year fully guaranteed bonds for refunding outstanding 4-percent bonds, for exchange for mortgages and other liens, and for sale. Since the 27th day of July 1934 the Corporation has issued 2¾-percent 15-year fully guaranteed bonds for exchange for mortgages and other liens. In order to provide cash in addition to the capital funds of the Corporation necessary for the expenses of organization and operation, and for cash loans and for cash advances for taxes, assessments, incidental costs, repairs, and improvements, a total of $87,121,900 of said 3-percent bonds have been sold, and in addition there was authorized, issued, and sold $49,736,000 of 1½-percent 2-year bonds, $49,843,000 of 1¾-percent 3-year bonds, and $49,532,100 of 2-percent 4-year bonds.

After deduction of $10,628,200 of bonds retired out of payments from borrowers on principal account, the Corporation

had outstanding on April 8, 1935, bonds in the total sum of $2,549,823,425.

If there be no objection, I should like to extend in the RECORD a break-down of that total, showing the different series of bonds.

The PRESIDING OFFICER. There being no objection, it is so ordered.

The matter referred to is as follows:

HOME OWNERS' LOAN CORPORATION,
Washington.

Treasurer's daily report of bonds issued at U. S. Treasury Department Apr. 8, 1935

BOND DEPARTMENT

Total bonds outstanding	$2,549,823,425
Total 4-percent bonds outstanding	324,262,025
Total 3-percent bonds, series A, outstanding	1,115,713,725
Total 2¾-percent bonds, series B, outstanding	960,736,575
Total 1½-percent bonds, series C, outstanding	49,736,000
Total 1¾-percent bonds, series D, outstanding	49,843,000
Total 2-percent bonds, series E, outstanding	49,532,100
Interim receipts for 4-percent bonds outstanding per books (not included above)	21,800
Bonds retired and canceled (not included in outstanding totals):	
Total 4-percent bonds	2,547,575
Total 3-percent bonds, series A	152,600
Total 2¾-percent bonds, series B	7,928,125

Mr. BULKLEY. Mr. President, after payment of organization and operating costs through December 31, 1934, the Corporation had a deficit of $10,384,859.91 as is shown by its annual report to Congress. The Corporation has experienced a heavy expense in the quick acquisition of so many loans, and it is too early to determine with any reasonable degree of accuracy its operating cost after its task of acquisition of loans is completed. We may reasonably hope that, after the payment of normal operating costs, a substantial interest income will accrue to extinguish the existing deficit, and to provide for offsetting substantial losses.

To provide for anticipated losses the Corporation has passed to a reserve for losses on loans a sum equivalent to one-fourth of 1 percent per annum of the outstanding balances on loans, in the sum of $5,276,200.70, and has provided a reserve for liability insurance of $100,000, which, of course, resulted in increasing the deficit referred to above by that amount. More than half the deficit was due to the setting up of these reserves. On the other hand, attention should be called to the fact that the financial statement here referred to as of December 31, 1934, which appears in the annual report, includes accrued interest on loans whether such interest was collected or not, and the total of such accrued interest is reported to have amounted on December 31, 1934, to $63,931,132.26. When a reserve is provided for delinquent interest, of course, the deficit will be increased accordingly. The Corporation has followed the practice of charging all its organization and operating costs to expense and not capitalizing any of it. It is clear, therefore, that a very large expenditure was incurred in organization and in work on loan applications and in operation before any substantial interest income began to accrue. It is clear also that there is an initial cost involved in acquiring loans, and all of this cost has been carried into operating expenses, whereas some of it might very well have been amortized over a period of years and thus the current deficit would have been decreased. When the acquisition of loans is completed, many of the heaviest expenses of the Corporation will be discontinued, and at that time the Corporation will have its maximum volume of loans and, therefore, its maximum interest income.

It appears that the Corporation has developed an effective process for the investigation of applications and the applicants and the security, and for the closing of loans. Earnest efforts appear to have been made to develop the procedure for servicing these loans, including the collection of loan payments, but much remains to be done in this direction.

The Corporation maintains its principal office in Washington for the executive direction of the Corporation, and maintains 11 regional offices at strategic points throughout the United States at which the principal loan records are kept, and from which certain supervision is maintained. There is a State office in each State and more than 300 district offices at the points of principal concentration of loans. These State and district offices have not only had the principal responsibility for the making of loans but also must be maintained for the servicing of the loans and the collection of delinquent loan payments.

Many difficulties have been confronted in the administration of the Corporation, including the problem of securing satisfactory personnel, the problem of determining properly eligible applicants and security as provided by the statute, and, of course, many problems will be met in providing for adequate servicing of these loans and the collection of payments. It is believed that the efficient administration of the Corporation will be possible under the law as it is proposed to amend it by this bill.

The other agencies of the Federal Home Loan Bank Board, namely, the Federal Home Loan Bank System, the Federal Savings and Loan System, and the Federal Savings and Loan Insurance Corporation are intended to stabilize and promote normal mortgage lending on a sound and economical basis, and all of these agencies are affected more or less by amendments incorporated in this bill.

The Federal Home Loan Bank System was establishd by the act of July 22, 1932. On December 31, 1933, it had 2,086 member institutions, and it is estimated that these institutions held more than $1,500,000,000 of home mortgages. On March 30, 1935, the system had 3,203 member institutions, and it is estimated that they hold nearly $3,000,000,000 of home mortgages. Nearly all of these member institutions are local building and loan associations although there are a few mutual savings banks which are members, and a few insurance company members. The 12 home-loan banks provide long-term credit for these mortgage institutions as well as necessary short-term credit and are intended not only to stabilize the local institutions and make them better able to serve their savers who provide the funds for their financing of homes, but also, by the extension of long-term credit, to provide a larger volume of money to accommodate home owners over a longer term, so that home-mortgage debts may be paid off in monthly installments out of family income. It is reported that out of this large number of members, which are entrusted with several billion dollars of the savings of the people and which hold so large a volume of the home mortgages of the country, only 6 are in receivership and only 6 others are in any kind of public custody or control.

The home-loan banks have made, up to March 30, 1935, 6,007 loans to member institutions for a total of $139,038,-261.50, of which $66,206,909.29 has been repaid, and $72,831,352.21 remains outstanding. Member institutions have an established line of credit with the home-loan banks of several hundred million dollars which is available for these local member institutions for mortgage lending. The operation of these banks is expected not only to bring about better practices for the benefit of home owners, but also to provide stability and to provide large additional funds for home building.

It is believed that the proposed amendments of the Federal Home Loan Bank Act in this bill will contribute to a more wholesome development of the system.

The Federal Savings and Loan System was authorized in sections 5 and 6 of the Home Owners' Loan Act of 1933, and provision was there made for the Federal Home Loan Bank Board to charter, organize, examine, and supervise these associations in territory not adequately served by local thrift and home-financing institutions. Fifty million dollars has been appropriated for the purchase of shares by the United States in these associations, to encourage their development and to provide funds locally along with local savings for the financing of homes.

Up to March 31, 1935, 527 new charters had been granted, and 225 State chartered institutions had been converted into Federal Savings and Loan Associations, making a total of 752 such associations, which were reported to have $212,-849,536 in assets. On the same date, the Secretary of the

Treasury had paid $19,843,500 for shares in these associations. It will be seen that the investment of the Secretary of the Treasury in the aggregate is less than 10 percent of the total investment, although the statute authorizes the Secretary of the Treasury to invest in the associations up to 75 percent of their total outstanding shares.

It is reported, in addition, that there are 4 applications pending for new charters and 313 applications pending to convert from a State charter to a Federal charter. Testimony before the committee indicated that the new Federal savings and loan associations are engaged in making long-term monthly amortized loans; that the new associations have increased their net mortgage holdings more than 15 percent each month for the past several months; and that the converted associations were also receiving a substantial flow of new savings, and in nearly all cases are actively engaged in financing homes. The pending bill provides for the continuation of this program.

Title IV of the National Housing Act, approved June 27, 1934, created the Federal Savings and Loan Insurance Corporation and required it to insure accounts in Federal savings and loan associations up to $5,000 and authorized it to insure, upon application, accounts in building and loan associations and similar institutions operating under State charter. On March 31, 1935, the Insurance Corporation had received 904 applications from institutions for the insurance of their accounts, which institutions had share and creditor liability of $465,890,839 and assets of $517,136,847. Examinations had been completed and 693 institutions insured on that date for an annual premium of a total of $587,770. Evidence before the committee indicated that this form of insurance of the savings accounts in these institutions is contributing substantially to confidence and is providing not only protection to the small savers in these institutions, but also is inviting a substantial flow of money into these institutions to provide more adequate capital for the long-term financing of homes.

The operation of this insurance fund is intended not only to stimulate confidence and provide more adequate capital, but also to attract funds at lower rates, to provide mortgage money for home owners at lower rates, and to provide such funds on a more stable basis, so that home owners may be more adequately financed over suitable terms, and thus may pay their home-mortgage debts from the family income. Adjustments are being made in this program by the pending bill which are calculated to facilitate the operation of the Insurance Corporation and to contribute substantially to recovery and normal operation of business in this field.

The Federal Housing Administration was created by the National Housing Act, approved June 27, 1934. Title I of that act provided for the insurance of modernization loans for the purpose of financing alterations, repairs, and improvements upon real property, the amount of each insured loan being limited to $2,000 and the Housing Administration insurance being limited to 20 percent of the amount of such loans made by each insured lender. Up to the sixth of April, 123,149 of such modernization loans have been insured, the total amount of such loans being $51,854,986. Arrangements have been made for the acceptance of such insurance contracts by 13,098 lending institutions with resources of nearly $45,000,000,000. The number of these institutions actually reporting insurance loans is 4,669.

It has been estimated, with some care, by the Housing Administration, though the estimate may be open to some doubt, that 750,000 men have been put to work as a result of the operations of title I of the National Housing Act.

Under title II of the National Housing Act, providing for the insurance by the Housing Administrator of mortgages on homes, 4,337 applications have been received up to April 6, in the total amount of $18,444,608. Commitments have been issued to the number of 1,889 for the aggregate amount of $8,385,513, and the number of applications still under consideration is 1,868, aggregating $7,856,666.

Title II also provides for the insurance of low-cost housing projects, and under this heading 65 applications have been received in the aggregate amount of $192,969,018, and of these tentative approval has been given to 6 projects aggregating $9,283,678.

No national mortgage associations have yet been formed pursuant to title III of the act. It is believed that with the modification of that title, which is carried by the bill now pending, it will be possible to secure the incorporation of at least a few of these national mortgage companies.

The bill, as presented to the Senate, has for its main purpose the increase of available credit to the Home Owners' Loan Corporation; and the section which we have already discussed at some length today is by all odds the most important section of the bill. Most of the other 28 sections of the bill deal with technical corrections. All of them have some value, but none is of any interest comparable to the interest in section 11, which has been discussed.

Section 4 provides for a Federal savings and loan advisory council, and gives to the home-loan banks a representation on the Federal advisory council which they have not heretofore had.

Section 21 liberalizes the provisions respecting the building up of reserves by Federal savings and loan associations, and gives them 20 years instead of 10 years to build up the required reserves.

Section 23 reduces the premiums which may be charged to member institutions for insurance in the Federal Savings and Loan Insurance Corporation.

The other provisions of the bill are so fully outlined in the committee report that I do not feel justified in taking the time of the Senate to explain the bill, section by section. I understand there are several Senators who wish to offer amendments to the bill; and in order that adequate opportunity may be had, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson	Reynolds
Ashurst	Costigan	Keyes	Robinson
Austin	Couzens	King	Russell
Bachman	Cutting	La Follette	Schall
Bailey	Dickinson	Lewis	Schwellenbach
Bankhead	Dieterich	Logan	Sheppard
Barkley	Donahey	Lonergan	Shipstead
Bilbo	Duffy	McCarran	Smith
Black	Fletcher	McGill	Steiwer
Bone	Frazier	McKellar	Thomas, Okla.
Borah	George	McNary	Thomas, Utah
Brown	Gerry	Minton	Trammell
Bulkley	Gibson	Moore	Truman
Bulow	Glass	Murphy	Tydings
Burke	Gore	Murray	Vandenberg
Byrnes	Guffey	Neely	Van Nuys
Capper	Hale	Norris	Wagner
Carey	Harrison	Nye	Walsh
Clark	Hastings	O'Mahoney	Wheeler
Connally	Hatch	Pittman	White
Coolidge	Hayden	Radcliffe	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

Mr. BULKLEY. Mr. President, I call the attention of the Senate to the fact that the committee has reported only a single amendment to the whole bill, to strike out all after the enacting clause and to insert a redrafted bill, so any amendments must necessarily be offered to the committee amendment.

Mr. RUSSELL. Mr. President, I offer the amendment which I send to the desk and ask to have read.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia to the amendment reported by the committee will be stated.

The CHIEF CLERK. In the committee amendment on page 24, between lines 13 and 14, it is proposed to insert the following new section:

SEC. 12. Subsection (j) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended, effective 90 days after the date of enactment of this act, by adding at the end thereof the following new sentence:

"No person shall be appointed or retained as an officer, employee, agent, or attorney at a fixed salary in any regional or State office of the Corporation who is an officer or director of any firm, corporation, or association engaged in lending money on real estate."

It is also proposed to renumber the sections.

Mr. RUSSELL. Mr. President, I regard it as being a very well settled principle that no public servant should also represent a private interest dealing with the Government agency by which he is employed. This amendment is designed to prevent an officer or director of a company lending money upon real estate from occupying a position in the Home Owners' Loan Corporation where he would be clothed with authority to pass upon the loans that are made by that organization.

The Secretary of the Treasury is required to divest himself of all his banking interests before he is eligible for appointment and confirmation to that office. No one would think of permitting the president of a railroad to serve on the Interstate Commerce Commission; yet there are instances where those who have fiduciary relations with enormous lending agencies lending money on real estate are serving in important positions in the Home Owners' Loan Corporation.

There is an additional reason why this practice should not be longer permitted. The representative of the Home Owners' Loan Corporation is not only a representative of the Government of the United States, and ostensibly devoted to seeing that the Government does not acquire a great many bad loans in taking over all these mortgages, but he is the trustee for the borrower. It is his duty, in connection with the loans which the borrower makes, whereby the holder of the mortgage takes over Government bonds that are absolutely the safest security on earth in lieu of a mortgage on real estate, to see that the borrower, when his papers have run all of the course through the Home Owners' Loan Corporation, does not owe more than the actual value of the property on which he is borrowing. In other words, if John Jones has given a mortgage for $5,000 to some private mortgage company, and he desires to refinance that mortgage with the Home Owners' Loan Corporation, and his property is worth only $3,000, the private mortgage company should not obtain bonds in an amount greater than $3,000, because that is all they could get if they took over the man's property.

I do not charge that there has been any malfeasance. I do not think it necessary to establish any specific bad practices. As a matter of sound public policy, those who administer this act should not be dealing with themselves as representatives of banks or mortgage corporations or building and loan associations that are transferring their paper wholesale to the Government agency. Stock in building and loan associations today should be the best stock on earth. Thirty-five percent of the total loans that have been made by the Home Owners' Loan Corporation have been for the purpose of taking up the loans made by such associations.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CONNALLY. I should like to ask the Senator from Georgia whether his amendment would prevent service on the Board, not of the Home Owners' Loan Corporation but on the home-loan boards of the regional banks?

Mr. RUSSELL. As I construe the amendment, it would relate only to the Home Owners' Loan Corporation; those engaged in taking over mortgages of distressed property owners.

Mr. CONNALLY. What I have in mind is that the governing boards of these regional banks have on them a number of men who are officers in building-and-loan associations. They themselves do not make any direct loans, but they do supervise the local home-loan banks, who rediscount paper.

Mr. RUSSELL. I will say very frankly to the Senator from Texas that, in my opinion, the same rule should apply in both cases, but, as a matter of fact, the provisions of the amendment do not go that far, and it applies only to the officers and employees of the Home Owners' Loan Corporation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I gladly yield.

Mr. BARKLEY. The Senator understands, of course, that the home-loan banks, being separated entirely from the Home Owners' Loan Corporation, have no relationship whatever to it, except that the same board here in Washington operates both prongs of this double-barrelled institution. But the law requires that the stockholders of the home-loan banks shall be lending agencies, building associations, and others making up the home-loan banks. So it might be an injustice to require that anybody who served on a board of a home-loan bank, whose component parts are building and loan associations, could not do so because of his interest in a lending institution. There is no connection between the two at all.

Mr. RUSSELL. I appreciate the fact stated by the Senator from Kentucky. The amendment reads:

> That no person shall be appointed or retained as an officer, employee, agent, or attorney at a fixed salary in any regional or State office of the Home Owners' Loan Corporation, who is an officer or director of any firm, corporation, or association engaged in lending money on real estate.

It would not apply to the circumstances related by the Senator from Kentucky. I cannot see how there could be any possible valid objection to the amendment.

Mr. WALSH. Mr. President, will the Senator yield to me?

Mr. RUSSELL. I yield.

Mr. WALSH. The words "at a fixed salary" would apply only to officers or employees?

Mr. RUSSELL. They would apply to all—officers, agents, and attorneys.

Mr. WALSH. The Home Owners' Loan Corporation employs a good many appraisers at fixed fees to appraise particular parcels of property where applications are made for loans. Would not the Senator's amendment prevent a person who himself had a mortgage on some other property being connected with the Home Owners' Loan Bank as an employee?

Mr. RUSSELL. I do not so construe the amendment. I particularly charged the legislative counsel to so draft the amendment that it would not affect a case such as that outlined by the Senator from Massachusetts.

Mr. WALSH. Let us take another case. Suppose in a small community the chief and only appraisers are officers of what is known in my State as a cooperative bank but is known in other States as a home-building association. Such associations lend money on real estate. Would not the Senator's amendment prevent one of the officers of such an institution being employed to appraise property for the Home Owners' Loan Corporation?

Mr. RUSSELL. It would not. The amendment provides that "no person shall be appointed or retained as an officer, employee, agent, or attorney at a fixed salary in any regional or State office of the Home Owners' Loan Corporation." Unless he is receiving a fixed salary, he would not be barred.

Mr. WALSH. The provision as to a fixed salary, I understood the Senator to say, applies to others than attorneys.

Mr. RUSSELL. It applies to all of them.

Mr. WALSH. The fixed-salary provision, then, applies to officers and employees?

Mr. RUSSELL. Officers, employees, agents, and attorneys.

Mr. WALSH. So anybody employed per diem or employed to appraise a particular piece of property would not be subject to the terms of the proposed amendment?

Mr. RUSSELL. He would not be.

Mr. WALSH. The Senator's amendment, therefore, simply seeks to prevent any permanent employee or permanent officer or permanent attorney being engaged in the business of lending money on real estate?

Mr. RUSSELL. It only attempts to establish the policy that no officer of the Home Owners' Loan Corporation should occupy a dual relation, to serve as such officer or employee and at the same time be an officer or director of a corporation that is lending money on real estate and transferring its doubtful mortgages to the Home Owners' Loan Corporation.

Mr. WALSH. It occurred to me, in reading the amendment casually, that the provision "at a fixed salary" applied only to attorneys, and not to the officers or employees.

Mr. RUSSELL. It applies to all the agents, officers, employees, and attorneys.

Mr. BARKLEY. Mr. President, will the Senator yield to me again?

Mr. RUSSELL. I yield.

Mr. BARKLEY. I understand it applies only to regional offices and State offices.

Mr. RUSSELL. It does.

Mr. BARKLEY. That is, to the headquarters of the region or the headquarters of the State. It does not apply to district offices, established within the boundaries of a State, where there is a district manager and a district appraiser and a district attorney. Is that correct?

Mr. RUSSELL. It is limited to regional and State offices. Frankly, I am of opinion that it should apply to district and all other offices, but I did not seek so to extend it at this time.

Mr. TRAMMELL. Mr. President, I suggest that the amendment be amended to provide "or branch offices of State or district offices", because the officers managing a branch are the ones who originally pass upon an application and fix the appraisement, and then make a recommendation that a loan be approved or disapproved. While, of course, it is rechecked at the State headquarters, the initial action on the part of the branch office has a great influence when the matter is passed on by the State headquarters. I think it should include also the branch State offices.

Mr. RUSSELL. Mr. President, of course final action on these loans is to all intents and purposes taken in the State offices, and in my judgment the amendment would go a long way toward preventing what might be a very unsavory situation in regard to these loans from developing at a future date. I have no objection, however, to the suggested modification.

Mr. TRAMMELL. I move that the amendment be amended by adding the words "or branch State offices or district offices."

Mr. WALSH. Does not the Senator think that the language "Home Owners' Loan Corporation" includes branch offices?

Mr. TRAMMELL. It does not so state. It defines it by referring to regional or other State offices.

Mr. WALSH. An employee of the Home Owners' Loan Corporation is an employee, whether he is in a branch office in a State or in the home office here in Washington.

Mr. RUSSELL. In my judgment, this language would apply to anyone engaged in what might be called a branch agency, if such person were an employee of the State office of the Home Owners' Loan Corporation.

Mr. TRAMMELL. I desire to have that matter taken care of. I think the amendment is a very desirable one, and I am glad the Senator has offered it. It is unfortunate, in my opinion, that the original law did not contain such a provision.

Whether true or not true, I have heard it repeatedly stated that these agencies are largely controlled by people who have an interest in building-and-loan companies and have mortgages of their own which they want to unload, and that as a rule they get preference. The amendment, I think, is very timely under the circumstances and conditions. The only thing is that I would go so far as to say that no such persons as those enumerated shall be stockholders in one of these companies. There are plenty of capable, experienced men in the country who have no connection with these companies, who might allow prejudice in behalf of their own companies or favoritism to control them in filling all these positions. I desire to see these offices removed so far as possible from the possibility of being manipulated and handled by people who may have some selfish interest in view. Allow the average applicant for a loan to get a fair deal upon the merits of his application and not be pushed aside, as is done in many instances, so that some building-and-loan company, or some bank, which holds mortgages, may unload all its mortgages before the individual citizens have an opportunity to get relief. I could not establish by proof at this moment that that has been done, but I am confident, from what I have heard from time to time, that it has been done in a great many of these agencies, and we should try to check it.

I am heartily in favor of the amendment, though it is probably not so broad as I should like to see it.

Mr. BARKLEY. Mr. President, will the Senator from Georgia yield to me again?

Mr. RUSSELL. I yield.

Mr. BARKLEY. I do not like to interrupt the Senator so frequently, but I want to be sure just what the effect of the amendment would be.

I can see no objection to any provision of law which would prevent officers or agents of building-and-loan associations or other lending agencies which have mortgages on property that are distressed unloading on the Government. I have in mind, though, this kind of situation at a branch office: A man is employed as the district appraiser; that is, he supervises the appraisements which come in from the counties to the branch office. He is in the real-estate business, and is an expert real-estate man; he knows the value of real estate in the territory in which he serves. His main business is real estate, but as frequently happens in the sale of property, and in the negotiation of sales, it might be necessary to negotiate a loan on a piece of property in order to enable a person to buy. A real-estate agent frequently will act as a sort of go-between between the prospective purchaser and a bank, or some other institution which lends money.

The real-estate man whom I have in mind is not a lender; he is not employed by any insurance company or by any bank or by any building-and-loan association, but, as an incident to his real-estate business, he does help negotiate loans to purchasers upon property which they propose buying.

Mr. RUSSELL. Such a man would not be remotely affected by the amendment.

Mr. BARKLEY. Would it bar that sort of man being employed at an annual salary as an appraiser for a district?

Mr. RUSSELL. It would not affect him in any way, unless he was "an officer, employee, agent, or attorney at a fixed salary in any regional or State office of the Home Owners' Loan Corporation." A man and likewise an officer or director in a corporation lending on real estate in the situation outlined by the Senator from Kentucky would not be even remotely affected by the amendment.

Mr. BULKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. BULKLEY. I desire to speak when the Senator from Georgia shall have concluded.

Mr. RUSSELL. I yield the floor.

Mr. BULKLEY. A provision similar to that offered by the Senator from Georgia was contained in the bill as it passed the House. In the hearings before our subcommittee officers of the Corporation appeared and testified very earnestly that the adoption of such a provision as this would seriously cripple the personnel at the State and regional offices. It should be made clear that by regulation no officer or employee is permitted to act, representing the Corporation, in any matter in which he may be interested on the other side. That is to say that if there are any dealings with any corporation or firm engaged in lending money on real estate in which he has any interest whatever he is prohibited from acting on that matter for the Corporation. I can well understand how the Senator from Georgia might think that was not quite an adequate limitation, and yet it is a practical one which is, I dare say, prevalent in the operation of most business concerns. The officers of the Home Owners' Loan Corporation tell us that many of their employees and officers are also directors, perhaps, of corporations lending on real estate. That the salaries offered by the Home Owners' Loan Corporation are not such as to justify them in severing their other connections, and perhaps in some instances they would not want to terminate connections of many years' standing, even if a higher salary were paid them by the Home Owners' Loan Corporation.

It has not been too easy for the Corporation to secure men adequately trained in the real-estate business, and I submit that the amendment offered by the Senator from Georgia should not be agreed to because it will very seriously hamper the operations of the Corporation.

Mr. RUSSELL. Mr. President, I cannot see how it can possibly hamper the operations of the Corporation. Surely enough men are available in this country to administer the Home Owners' Loan Act without the Corporation being required to go and get the officers and directors of building-and-loan associations and commercial banks to handle the loans.

In the testimony of the chairman of the Federal Home Loan Bank Board there was shown the distribution of this enormous bond issue which has been authorized by Congress, to assure the repayment of which the full faith and credit of the United States Government is pledged. It was shown that 35 percent of all the bonds which have been issued and loans that have been made by the Corporation has gone to building-and-loan associations; that 30 percent of those loans has gone to savings banks; that 13 percent has gone to commercial banks; and that less than 3 percent has gone to individual mortgagees.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. There is nothing suspicious about figures of that sort. We all know that the vast majority of loans on small homes in cities throughout the country which are being held, are held either by building-and-loan associations or by savings banks or other banks which make a specialty of lending money on real estate, and I dare say that the proportion of loans held on such small homes throughout the country by private individuals, if the total number of loans should be allocated to each particular group, would not be out of line with the proportion of refinancing which has gone on under the Home Owners' Loan Corporation Act.

Mr. RUSSELL. I did not intend to infer either directly or by innuendo that there had been any wrongdoing, but I am submitting that, as a matter of sound public policy, it is improper to have any individual representing the private interests and at the same time filling a position of public trust. While we might not have any occasion to doubt the integrity or the patriotism of the president of some huge banking institution of this country faithfully to serve as the Secretary of the Treasury of the United States, certainly the Senate would not confirm him so long as he occupies that position.

It is not sound in principle or in public policy to have the officials of these private institutions representing themselves and their institutions while at the same time representing the Government which has pledged its faith and credit behind this enormous bond issue, and also representing the poor borrower who must sweat to repay those loans.

When we wrote the original Home Owners' Loan Act we specifically provided that in an effort to relieve the distress of the home owner he should not be compelled to issue a new mortgage for more than the value of his property. In that difference between inflated values of thousands of mortgages held on homes in this country and the real market value today, without there being any intentional wrongdoing on earth, a huge debt burden which should be wiped out can be left on the borrowers unless someone who considers himself to be the agent and the representative of the borrower and the Government alone handles these loans. I submit that there is not a sound reason on earth why the personnel of this agency should be crippled by this amendment. Let those who occupy this dual relation resign one or the other of their positions, so there can be no suspicion that any one has been unfair in this matter.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. REYNOLDS. I wish respectfully to invite the Senator's attention to the amendment which he intends to propose, which reads as follows:

> No person shall be appointed or retained as an officer, employee, agent, or attorney at a fixed salary in any regional or State office of the Corporation who is an officer or director of any firm, corporation, or association engaged in lending money on real estate.

If this amendment is to be adopted, I think it ought to go a great deal further; otherwise, it will work a great hardship upon the Home Owners' Loan Corporation itself.

Let us assume that an individual from the State of Kentucky, who is an officer of a building-and-loan association engaged in lending money upon real estate in Kentucky, has been so fortunate as to secure a position with the Home Owners' Loan Corporation at the regional office in Atlanta, Ga. According to the interpretation which has just been placed on the amendment of the Senator from Georgia, the assumed Kentuckian who is an officer of a corporation in Kentucky could not hold a position with the Home Owners' Loan Corporation in the State of Georgia.

If the Senator from Georgia would go further and provide in his amendment that no officer of any lending corporation lending money upon real estate shall be connected with the Home Owners' Loan Corporation in the region wherein he is a member of the Corporation, I think it should be accepted; but, according to the language of the Senator's amendment, a man from Illinois who is an officer in a lending corporation there, and who goes to Atlanta, Ga., where he is employed by the Home Owners' Loan Corporation, could not hold the latter position.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK. A great many of us are opposed to having officials appointed from North Carolina and sent out to Missouri, for instance. Every one recognizes the great facility of the Senator from North Carolina in securing employment for his constituents; but section 11 of the House bill was designed to prevent the very practice of sending employees and agents and lawyers and officers from North Carolina, for instance, to administer the regional offices in Missouri. It seems to me the amendment of the Senator from Georgia very properly does not make the exceptions suggested by the Senator from North Carolina.

Mr. REYNOLDS. The amendment offered by the Senator from Georgia does not deal with the specific subject which the Senator from Missouri has mentioned. The Senator from Missouri is talking about another section of the bill, which was stricken out in the Committee on Banking and Currency of the Senate. The Senator is talking about something which is not before the Senate at the present time.

If the Senator from Missouri will pardon me, the Senator from Georgia has offered an amendment prohibiting any officer of a building-and-loan association from being an officer or an employee of the Home Owners' Loan Corporation, feeling as he does that such a man would be more thoroughly interested in his company, perhaps—I assume that is the intimation—than he would in the affairs of the Home Owners' Loan Corporation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. CLARK. I understand precisely what is before the Senate, but the Senator from North Carolina, as I understand, now comes back with an objection to the amendment of the Senator from Georgia and makes the observation that while it might be proper to have this limitation as to an officer of any corporation in North Carolina exercising such functions in North Carolina, if he moves over to the State of Georgia he ought to be permitted to function.

Mr. REYNOLDS. The point I make is that under the provisions of the amendment of the Senator from Georgia, if a man in Kentucky, as I explained, is an officer in a building-and-loan association there, this amendment would prohibit his serving with the Home Owners' Loan Corporation anywhere in the United States.

Mr. RUSSELL. Mr. President, I realize that there might be some individual cases such as suggested by the Senator from North Carolina in which a hardship might be worked, but I am not concerned here with individuals. It is a well-recognized principle, as old as our Government itself, that no public official should in his public capacity deal with a private agency in which he has an interest. That is what this amendment seeks to secure. I hope the amendment will be adopted.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. REYNOLDS. Fundamentally I agree with the Senator. I do not believe that any man who has a real financial interest in any building-and-loan organization should be permitted to interest himself in the affairs of the Government insofar as the Home Owners' Loan Corporation is concerned in the community in which he has that private, personal, financial interest. But I wish to say, Mr. President, that in my opinion, if this amendment should be enacted as proposed by the Senator from Georgia in its present form, the probabilities are that it would work a hardship upon the officers of the Home Owners' Loan Corporation for this reason: I have no doubt that there are in many departments of the Home Owners' Loan Corporation men of experience who have financial interests in building-and-loan organizations, and because of their experience no doubt they are of great benefit to the Home Owners' Loan Corporation. To adopt this amendment——

Mr. BARKLEY. Mr. President——

Mr. REYNOLDS. In just a moment I will be glad to yield to the Senator from Kentucky. To adopt this amendment as proposed would probably take from the service of the Government many well-versed and experienced men who have, no doubt, rendered excellent service to the Corporation. I now yield to the Senator from Kentucky.

The PRESIDING OFFICER. The Chair will inquire if the Senator from Georgia has yielded the floor?

Mr. RUSSELL. I have yielded the floor.

The PRESIDING OFFICER. Does the Senator from North Carolina express himself as holding the floor?

Mr. REYNOLDS. Yes.

The PRESIDING OFFICER. Then, does he yield to the Senator from Kentucky?

Mr. REYNOLDS. I yield.

Mr. BARKLEY. Is it not true that when the Home Owners' Loan Corporation was first set up it was necessary to search the country over in order to find experienced men who had knowledge of the business of making loans upon real estate and especially upon small homes?

Mr. REYNOLDS. That is unquestionably true.

Mr. BARKLEY. And that had to be done rather hastily. My experience has been that there has been no complaint on the part of the public that it has been too easy to refinance loans under the Home Owners' Loan Corporation.

Mr. REYNOLDS. The contrary has been true in many instances.

Mr. BARKLEY. The only complaints I have ever received have been to the effect that it has been too difficult for the applicant to receive the approval of the Home Owners' Loan Corporation of applications for the refinancing of loans. That has grown out of many things one of which was the decline in the value of real estate so that the appraisal at the present time of the home was not sufficiently high to take care of the mortgage which already existed.

Mr. REYNOLDS. That is true of mortgages which had been placed on properties prior to the depression.

Mr. BARKLEY. As a matter of fact, the bill we now have before us is in the nature of winding up the activities of the Home Owners' Loan Corporation insofar as loans are concerned. In this bill we limit the granting of loans to cases where applications have already been filed or to cases where memoranda or letters have been written looking toward the filing of a formal application, and in that case they must be filed in a formal way within 60 days after the passage of this proposed act. So it seems to me, if the Senator from North Carolina will yield further——

Mr. REYNOLDS. Certainly.

Mr. BARKLEY. That an effort is now being made to bring about a situation where it may be necessary for the Home Owners' Loan Corporation to discharge or dismiss or relieve many of its experts, valuable men, who up to this time have performed valuable service, who have been honest and conscientious in undertaking to help enforce the law, and to do that at a time when we are providing only for winding up the remaining applications now on file which could not be acted upon because of the lack of funds, and that in all likelihood we will do more harm than good by the adoption of such an amendment as is now proposed.

I concede that, as a matter of theory, it is wise never to have anybody acting in a dual capacity, but the situation was peculiar and it is now peculiar, and if we shall adopt this amendment it will probably make it necessary for the Home Owners' Loan Corporation to dispense with the services of some of the best experts, of some of the most conscientious men, who have aided them in building up the organization under which this great refinancing operation has been carried on.

Mr. REYNOLDS. I thank the Senator from Kentucky for his valuable contribution, and I am in thorough accord with what he has said. It merely confirms the argument I was making relative to the injustices that might be done present employees of the Corporation.

Mr. TRAMMELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Florida?

Mr. REYNOLDS. I yield.

Mr. TRAMMELL. I should like to ask the Senator if he does not think the general public should be entitled to some consideration in the matter of relief? If employees of private institutions have gotten in and honeycombed this system and have used it, in many instances, to favor companies they represent, I think the great general public, the individual who borrows money, is entitled to some consideration. I, myself, was astounded when I found that the Home Owners' Loan Corporation, when they went out into the field to select men to take charge of their offices in the States, for instance, picked out some who were vitally and very materially interested in some private loan company and made them the heads of the State organizations. If they have done that, should not Congress remedy the situation and place its stamp of disapproval upon turning the administration of the law over to a lot of money lenders, to people who themselves have mortgages which they wish to dispose of, instead of getting entirely disinterested people who would deal with the situation purely from an unprejudiced and unselfish standpoint? That is all I wish.

I think it is all a bugaboo to talk about the Government not being able to get efficient and capable agents to represent it except by going out and picking them from some private institution which is vitally interested. If they are not extremely honest and unusual men, on account of their environment or on account of their interest, they will perform their duty in the interest of their own companies first.

We have seen that happen in other matters. Times have progressed in this country very wonderfully during the last few years, and I am glad that has been so. At one time the railroad lawyer, who came to Congress on a pass, could get elected to the United States Senate. The lawmaking body said, first, "We will clip his wings by taking his passes away from him." That was done in my State.

Later on, the voice of the people throughout this country practically decreed that the man who would go into a public office, legislative or otherwise, and represent first his private interest should no longer be elected to public office. I am not in favor of allowing an appointive power to go contrary to that public conscience which exists in America today, certainly in most of the States. I do not think public officers should have any private interests. If this board has so far violated the proprieties of the situation, in view of a sentiment which I think is a wise and correct one among the American people, that interested people should not occupy these important positions, then I say Congress should drive them from those positions of importance, regardless of the fact that some man from North Carolina may hold a position in Missouri or some man from Kentucky may hold a position in Atlanta. The same environment, the same selfish interest that would induce a man in North Carolina at the head of a North Carolina association to show favoritism to some company in which he is interested will still be within that man's breast and within his mind, whether he is in Kentucky or in Missouri.

I am not criticising any particular individual; I am merely commenting upon the principle involved; and I say, drive from these positions those who have private interests which

will be sure to becloud their judgment and their performance of public duty.

I am heartily in sympathy with the purpose of the amendment offered by the Senator from Georgia. We will have to let the chips fall where they may, if some person happens to be in a position he should not be in on account of his private interest.

Mr. REYNOLDS. I might say to the Senator, in answer to his very able argument, that I am in thorough accord with the amendment proposed by the junior Senator from the State of Georgia insofar as it goes, but I wish to say further to the Senator that, in my opinion, the amendment does not go far enough; and I hope to impress my views upon my colleague from the State of Florida by making mention of a concrete example which I shall endeavor to cite. Let us suppose that a man from the Senator's State of Florida, living in Jacksonville, is an officer of a building-and-loan corporation there; he has been successful in securing a position with the Home Owners' Loan Corporation and has been stationed in Chicago, Ill. Does the Senator think, because that man of good character from the State of Florida and the city of Jacksonville, is an officer or stockholder, or interested financially in a building-and-loan corporation in Jacksonville, that he would be influenced selfishly in his duties in the city of Chicago, in the State of Illinois?

Mr. TRAMMELL. Mr. President, I am not referring to any particular personality, but I think, on account of the colored glasses he wears, on account of his environment and his interest, being in the money-lending business, that he probably would be much more favorable toward the loan companies and the insurance companies than would a person who did not have such an interest.

I wish to have the law administered by those who have no interests of such character. People cannot get away from their environment; they cannot get away from their interest. The average person connected with a building-and-loan association or a loan agency places that above everything else. His idea is that that is a proper institution to perpetuate.

Take this very bill we have before us; the building-and-loan companies and the mortgage-loan companies and probably the banks of the country have persuaded the committee that the thing to do is to wind up the activities of the Government in loaning money to individuals and turn them entirely over to the loan companies of the country. Therefore the bill contains an amendment—and I was surprised at the provision—that no one except those who already have applications on file and those who have written notes or have made memoranda in regard to a desire to make application for loans, shall have any right whatever to obtain a loan under this bill, the idea being, of course, to switch all of them over to the loan and mortgage companies.

Mr. REYNOLDS. If the Senator will yield there, I will say that I am under the impression that the Senator is in error in regard to that.

Mr. TRAMMELL. No; I am not in error; the bill specifically so provides.

Mr. REYNOLDS. When the bill was originally drafted and presented——

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. REYNOLDS. I yield.

Mr. NORRIS. On that point, let me suggest that if the Senator is looking for the provision it is on page 23. I have an amendment, however, which I am going to offer which will modify that provision so that there will be 60 days' leeway for any application to be made.

Mr. TRAMMELL. Let me say in that regard——

Mr. REYNOLDS. Mr. President, if the Senator from Florida will indulge me for just a moment, I will say that I am grateful to the Senator from Nebraska.

The PRESIDING OFFICER. The Chair must remind Senators to please address the Chair if they desire to interrupt, so that the Chair may know which Senator is recognized and has the right to the floor.

Mr. REYNOLDS. Mr. President, in answer to the statement made by the Senator from Florida, let me say that he was not properly advised as to the requirement for obtaining a loan out of the additional $1,750,000,000. As the bill was originally drafted, it was the intent of the drafters thereof not to permit anyone to participate in the additional $1,750,000,000 who had not prior thereto written a letter or filed an application for participation in the new money. But recognizing, as I did, that that would work an injustice on many worthy home owners in the country who were in distress, I appeared before the Subcommittee on Banking and Currency, presided over by the Senator from Ohio [Mr. BULKLEY], and there made a recommendation in line with the statement made by the Senator from Nebraska, urging at that time that anyone who should have filed an application 60 days after the passage of the bill should be given the same opportunity for participating in the fund as had been given those who had filed applications prior to the exhaustion of the original $2,000,000,000.

Mr. TRAMMELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Florida?

Mr. REYNOLDS. I yield.

Mr. TRAMMELL. The Senator and I are entirely in accord on that point, but unfortunately on page 23 of the bill, section 11, subsection (c), it will be seen that the privilege is limited to those applications which were filed previously or to the applicants who had previously made inquiry in regard to loans, and does not permit anyone else to file an application. That is the reason why I raised the question. We are thoroughly in accord on the proposition, but unfortunately the committee did not adopt the Senator's suggestion.

Mr. REYNOLDS. I made that suggestion to the committee, and I am very happy, indeed, to know that the Senator from Nebraska has in mind offering an amendment to take care of worthy individuals who probably will want to make application for relief under the new appropriation.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. REYNOLDS. Certainly.

Mr. BORAH. I have been very much impressed with the argument which has been presented in favor of the amendment of the Senator from Georgia based upon the principle that a public officer should not be situated so that private interests might possibly affect his judgment. I think it is a sound principle. I wonder if the Senator from Georgia would accept an amendment to his amendment providing "That no Senator, Representative, or Delegate in Congress, after his election and during his continuance in office, shall act as attorney or counsel for any person, corporation, or association engaged in interstate commerce"?

Mr. RUSSELL. Mr. President, I fear if I were to accept the amendment suggested by the Senator from Idaho it might decrease the chances of adoption of the amendment as it is now written. Therefore, I prefer not to accept it.

Mr. BORAH. It is upon the same principle exactly as the Senator's amendment.

Mr. RUSSELL. I concede it to be, but it is not exactly germane to the subject matter before us.

Mr. BARKLEY. Mr. President, why not go further and provide that no one elected to the United States Senate shall retain any property he ever owned or acquire any more property so long as he remains in the Senate, because his property might be indirectly affected by some legislation which should be enacted by his vote?

Mr. BORAH. I do not think the Senator from Kentucky is serious in his analogy.

Mr. BARKLEY. Oh, yes, I am; just as serious as the Senator is in his suggestion.

Mr. BORAH. If the Senator is serious, then his application needs revision, as he will appreciate after he has more time to reflect on it. I am simply proposing a rule which has been applied in all other instances by the Senate, over and over again, that there shall not be any conflict of inter-

ests between a public official and his private interests. If we are going to apply the rule to private individuals and to business, shall we hesitate to apply it to ourselves? I, of course, cannot offer the amendment, as it would be in the third degree. I appreciate that the Senator from Georgia does not want to imperil his amendment.

Mr. REYNOLDS. Mr. President, in pursuance of the matter which we recently had under discussion, and in particular answer to the Senator from Florida [Mr. TRAMMELL], I desire to make a statement. I have been informed that prior to the exhaustion of the $2,000,000,000 originally appropriated for use to relieve distressed home owners in the country additional applications for more than $1,000,000,000 had been filed with various offices of the Home Owners' Loan Corporation throughout the United States. In view of the fact that the Senator from Nebraska [Mr. NORRIS] will offer an amendment providing that others may have an opportunity to file their respective applications, I am of the opinion that the greater majority of those applications filed prior to the exhaustion of the fund will no doubt be given preference in consideration and be first given favorable consideration. That being the case, the Home Owners' Loan Corporation will not be called upon to do as much work as formerly it had to do for the reason that it already has applications sufficient to absorb the additional $1,750,000,000 of funds without considering any more applications. The amendment to be offered by the Senator from Nebraska, which is a good one and one for which I shall vote, would contemplate additional applications.

I desire to say in conclusion that, so far as the amendment of the Senator from Georgia [Mr. RUSSELL] goes, I am in accord with it; I am in favor of it; I am in agreement with him; but I do not believe the amendment goes far enough. I think some injustices would be done, and the Corporation in many instances would be injured. I hope the Senator from Georgia will add to his amendment a provision so that it shall not affect the present employees of the Home Owners' Loan Corporation who are not officers of building-and-loan associations within the confines of the district in which they are now working as employees of the Government.

Mr. RUSSELL. Mr. President, the Senator from North Carolina appreciates the difficulties which we encounter when the Senate undertakes to deviate from sound general principles to provide for individual cases. I cannot accept the suggestion of the Senator from North Carolina. I believe it would be inadvisable to do so.

Mr. BULKLEY. Mr. President, before we vote on the pending amendment, I desire to read briefly what was reported to the committee by the Home Owners' Loan Corporation:

> The last clause in reference to persons connected with mortgage institutions is objectionable because, in the opinion of the members of the Board, the Corporation needs employees who know the mortgage business, and has such employees throughout the country, and would be extremely handicapped if it were required that the Corporation be operated without such men, some of the best of whom would leave the service of the Corporation if this legislation is passed. The land operations of the Corporation will in a few months be completed, and no objection can be seen to the employees of the Corporation serving as directors, or in some other capacities of Federal savings and loan associations and similar institutions. The Corporation has at all times by regulation prohibited any of its employees interested in any way in any mortgage institution from passing upon mortgages in which the institution was interested.

So far as specific cases are concerned, the regulation of the Corporation goes much further than the amendment of the Senator from Georgia [Mr. RUSSELL]. It applies to all employees, including those employed in district offices. It applies also to all transactions.

Let me read briefly from what Mr. Fahey said before the committee:

> As I have already stated, any employees of that class are in no position in any way to influence loan applications which affect institutions with which they may be connected. We have in the employees of the Corporation a very substantial number of men of long experience in banking and in the mortgage business who may be directors of certain savings and loan associations or of banks or even of mortgage corporations of one sort or another, or insurance corporations.
>
> Senator STEIWER. Well, are not those men among your more valuable employees?
>
> Mr. FAHEY. Most valuable people we have, Senator, and the suggestion that their presence in the organization means that they can promote selfish interests is quite unwarranted, because the Corporation from the beginning has thrown all sorts of safeguards around that. Besides that, the Corporation would not knowingly employ men of that character, anyway.
>
> Now, we have in the employ of the Corporation a considerable number of business men of long financial experience and knowledge of the mortgage business, who are interested in this particular work to a very considerable extent, not from the standpoint of salary but from the standpoint of public service. We have many men in this work who would not undertake the same kind of work in private employment at the compensation that we are able to offer them. It would be a very serious loss to the Corporation to be obliged to dispense with the services of men of that sort, and a reflection on their character and integrity is wholly unwarranted.

I call the attention of the Senate to the fact that no specific instance is mentioned where any damage has happened to the Corporation or to the public as a result of the officers and employees being employed on the present basis. The objection is entirely a theoretical one, but the argument of the Chairman of the Home Owners' Loan Corporation is an exceedingly practical one.

I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee. (Putting the question:) According to the response, the Chair is somewhat in doubt.

Mr. RUSSELL. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. McNARY. Mr. President, may the amendment be stated?

The PRESIDING OFFICER. The request is that the amendment may be stated. There being no objection, it will be stated, pending the roll call.

The LEGISLATIVE CLERK. On page 24, between lines 13 and 14, it is proposed to insert the following new section:

> SEC. 12. Subsection (j) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended, effective 90 days after the date of enactment of this act, by adding at the end thereof the following new sentence:
>
> "No person shall be appointed or retained as an officer, employee, agent, or attorney at a fixed salary in any regional or State office of the Corporation who is an officer or director of any firm, corporation, or association engaged in lending money on real estate."

It is also proposed to renumber the sections.

The PRESIDING OFFICER. The roll call will proceed.

The legislative clerk resumed the calling of the roll.

Mr. CUTTING (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. McKELLAR (after having voted in the negative). I understand that my pair, the Senator from Delaware [Mr. TOWNSEND], is not present. I transfer my pair with him to the junior Senator from California [Mr. McADOO], and will allow my vote to stand.

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the Senator from North Carolina [Mr. BAILEY], and will vote. I vote "nay."

Mr. ROBINSON. I desire to announce that the Senator from Arizona [Mr. ASHURST], the Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. BILBO], the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Virginia [Mr. GLASS], the Senator from Louisiana [Mr. LONG], the Senator from Connecticut [Mr. MALONEY], the Senator from California [Mr. McADOO], the Senator from Indiana

[Mr. MINTON], the Senator from Nevada [Mr. PITTMAN], and the Senator from Idaho [Mr. POPE] are unavoidably detained from the Senate.

I also announce that my colleague the junior Senator from Arkansas [Mrs. CARAWAY] is detained from the Senate by illness.

Mr. AUSTIN. The Senator from New Jersey [Mr. BARBOUR], has a general pair with the Senator from Virginia [Mr. BYRD].

The Senator from Maine [Mr. WHITE] has a general pair with the Senator from Colorado [Mr. COSTIGAN].

The Senator from Minnesota [Mr. SHIPSTEAD] has a general pair with the Senator from Idaho [Mr. POPE].

These Senators are necessarily detained. I am not advised how any of them would vote on this question.

The Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness. I am not informed how he would vote on this question.

The Senator from South Dakota [Mr. NORBECK] is necessarily absent.

The result was announced—yeas 43, nays 30, as follows:

YEAS—43

Bachman	Couzens	Lewis	O'Mahoney
Bankhead	Duffy	Lonergan	Overton
Black	Frazier	McCarran	Russell
Bone	George	McGill	Schwellenbach
Borah	Gibson	McNary	Thomas, Utah
Brown	Gore	Moore	Trammell
Bulow	Guffey	Murphy	Truman
Byrnes	Hatch	Murray	Vandenberg
Capper	Johnson	Neely	Van Nuys
Clark	King	Norris	Wheeler
Connally	La Follette	Nye	

NAYS—30

Adams	Dickinson	Hayden	Sheppard
Austin	Dieterich	Keyes	Smith
Barkley	Donahey	Logan	Steiwer
Bulkley	Fletcher	McKellar	Thomas, Okla.
Burke	Gerry	Radcliffe	Wagner
Carey	Hale	Reynolds	Walsh
Coolidge	Harrison	Robinson	
Copeland	Hastings	Schall	

NOT VOTING—22

Ashurst	Costigan	Maloney	Shipstead
Bailey	Cutting	Metcalf	Townsend
Barbour	Davis	Minton	Tydings
Bilbo	Glass	Norbeck	White
Byrd	Long	Pittman	
Caraway	McAdoo	Pope	

So Mr. RUSSELL'S amendment to the amendment of the committee was agreed to.

Mr. COPELAND. Mr. President, I desire to ask the Senator in charge of the bill a question. As I understand, the number of directors has been reduced from the number provided under the present arrangement regarding local representation.

Mr. BULKLEY. The committee has reported an amendment to the existing law providing for a reduction in the number of directors of each home-loan bank from 11 to 9. Of the 11 directors under existing law, 9 are elected by the member banks, and 2 are appointed as public-interest directors by the Home Loan Bank Board. The amendment proposed by the committee provides for having 6 elected by the member banks, and 3 appointed as public-interest directors by the Home Loan Bank Board.

Mr. BYRNES. Mr. President, will the Senator from New York yield to me to offer an amendment on that subject?

Mr. COPELAND. I yield.

Mr. BYRNES. I move to amend the committee amendment by striking out section 3.

The PRESIDING OFFICER. The Senator from South Carolina submits an amendment which the clerk will state.

The CHIEF CLERK. In the committee amendment, on page 17, after line 14, it is proposed to strike out section 3, as follows:

SEC. 3. Subsections (a), (b), and (c) of section 7 of the Federal Home Loan Bank Act, as amended, are amended, effective January 1, 1936, to read as follows:

"(a) The management of each Federal home-loan bank shall be vested in a board of nine directors, all of whom shall be citizens of the United States and bona fide residents of the district in which such bank is located.

"(b) Three of such directors shall be appointed by the Board and shall hold office for terms of 3 years; except that the terms of office of the two such directors heretofore appointed shall expire at the end of the calendar years 1936 and 1937, respectively, and the term of office of the first such director hereafter appointed shall expire at the end of the calendar year 1938.

"(c) Six of such directors, two of whom shall be known as class A directors, two of whom shall be known as class B directors, and two of whom shall be known as class C directors, shall be elected as provided in subsection (d), and shall hold office for terms of 2 years; except that the terms of office of the directors heretofore elected to serve until the end of the calendar years 1936 and 1937, respectively, shall expire at the end of such calendar years."

Mr. BYRNES. I ask the Senator from New York to yield to me to make a statement about the amendment to the amendment.

Mr. COPELAND. I yield.

Mr. BYRNES. I make the motion for this reason: As the Senator from Ohio has stated, there are upon the Board 11 members, 2 representing the public interest, appointed by the Board in Washington, 9 being elected by members of the local boards.

The proposal of the Board is to reduce the number to 9 and to provide that 3 of the 9 shall be appointed by the Board and 6 be elected by the local members. The effect would be to increase the number of members appointed by the Board from 2 to 3, and to reduce the number elected by the local members from 9 to 6.

The purpose of the board, as I gather it from the testimony of Mr. Fahey, is twofold. They state that, because the Government has approximately 80 percent of the funds in the institution, it should have a greater representation upon the board; and, in the second place, their assertion is that the building and loan associations were among the first to become members of the organization, and therefore they have a greater interest in the board than possibly is wise.

Mr. CLARK. Mr. President, will the Senator from New York yield to me to ask the Senator from South Carolina a question?

Mr. COPELAND. I yield.

Mr. CLARK. Is not another effect of the committee amendment, as drawn at present, automatically to legislate out of office one whole class of directors now in office, and might it not well be that the class legislated out of office by law automatically might be composed of very able and the most experienced and most desirable members who are now on the board of directors?

Mr. BYRNES. The Senator from Missouri has stated the case exactly as I see it, because under the terms of the amendment the directors whose terms expire this year are to all intents and purposes legislated out of office. There are 11 members at this time. The three whose terms expire this year may be the most efficient and the ablest members on the board, but by the provision now in the bill they would be legislated from the board.

If that is to be done, it seems to me it would be better if the members of the organization had the power to determine which of the nine directors should remain on the board. They have no such power. By the pending legislation the three whose terms expire this year will no longer serve upon the board.

As I understand, this proposal was submitted to the House of Representatives, and the House did not include it in the bill. The Senate committee has included it.

The testimony shows that the Senator from Ohio inquired as to the reason for it. Among other things, Mr. Fahey said this:

Of course, the safe conduct of these institutions and the extent to which they are being managed in the public interest depends upon the local supervision to a very large extent. The experience with them thus far has been highly successful. There is no doubt about that.

Mr. President, if the Chairman of the Board says that the experience with the Board as now constituted has been highly successful, and that there is no doubt about it, then I submit that there is no reason for changing a situation which, in the opinion of the Chairman of the Board, has been highly successful and as to the success of which he has no doubt.

I think we are asked to do something which would be unnecessary. No complaint is made. We have no urging from anybody that the public interest is being neglected or disregarded. The statement by the Chairman of the Board is solely that he believes, taking into consideration the large holding of stock by the Government, that it would be wiser to increase its representation.

If we should take such action, we would run the risk of demoralizing the local situations? Nine directors are provided for, and it is necessary to get rid of three of them, with no charge that they have been neglectful, and if the membership shall be reduced as provided it will be reduced by legislation, and not by the exercise of discretion on the part of those who are interested in the organization.

Mr. CLARK. Mr. President, will the Senator yield again?

Mr. BYRNES. I yield.

Mr. CLARK. In other words, we would not give the electors a chance to make a selection of the directors they would retain. Congress, by virtue of its power, would make a selection for them.

Mr. BYRNES. Mr. President, that is one of my chief objections. If it is determined that for some reason there must be a change in the organization, if the stockholders are to be told that they cannot have nine directors, I think the language ought to be so changed as that the stockholders would be permitted to say who would remain. But under this language, because those whose terms expire this year are not eligible for reelection, their places having been abolished, the only members of the board will be those whose terms will expire next year and the year succeeding.

If there were any great or important reason presented showing the necessity for this proposed action, I might be disposed to think Mr. Fahey was correct, but when he, himself, said that the experience with the present organization had been highly successful, I think it extremely unwise to make a change at this time.

Mr. COPELAND. Mr. President, I have listened with great interest to what the Senator from South Carolina [Mr. BYRNES] has said, and he has voiced the views I myself hold.

If we were initiating this plan, it would be all very well to do what is proposed, but, as a matter of fact, in the territory where I live it would mean that the three men who would be legislated out of office would be the three men from New York State, and there would be left only one man from New York State——

Mr. WAGNER. And I might say to my colleague that those three men have rendered an exceptional public service.

Mr. COPELAND. I agree with my colleague; they have rendered wonderful service.

Mr. WALSH. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. WALSH. I understand the Government investment in these banks is 80 percent. Am I correct?

Mr. COPELAND. Yes.

Mr. WALSH. My information and observation have been somewhat different from the Senator's. I know of some instances where Government authorities have sought to make suggestions to the directors of these banks which were in the public interest, but they have not been followed.

I assume, from the action of the committee, that the officials of our Government have realized that having merely two directors out of 11 gave them a very meager influence in directing the policies and management of a bank where the Government's stake is 80 percent. I should like to know what other group of people in the world would put 80 percent of their money into a banking institution and allow themselves to be represented by 2 out of 11 directors in the management of the bank.

I know of instances where suggestions have been made in the public interest to change policies, which have been disregarded, and the Government, with its 80 percent of the funds in these banks, has been powerless, and has had to fold its arms and say nothing. The proposal here is to get a little more Government influence, and Government control, and Government management of 80 percent of the money in these banks, and I cannot see how anybody representing the Government can refuse to increase its representation on the boards.

It may be unfortunate that the text of the language in section 3 is such as to remove good members whose terms are expiring, but I wish to say, and I think the Senator from New York will agree with me, that we should not be satisfied with 2 out of 9 members when 80 percent of the money is the money of the Government, the people's money. We ought to be responsible for the management, and not leave it to private individuals. I assume that is the reason for the proposal.

Mr. ROBINSON. That argument would require that the Government have a majority.

Mr. WALSH. Exactly; but the committee does not ask that. The committee asks only for 3 out of 9.

Mr. BARKLEY. Mr. President, will the Senator from New York yield in order to permit me to make a suggestion in that connection?

Mr. COPELAND. I yield.

Mr. BARKLEY. In the Federal land bank, the Government has 4 out of 7 directors, and its ownership of stock is nothing like 80 percent. In the Federal Reserve banks the Government has 3 out of 9, with no ownership of stock in the Federal Reserve banks. Here we are asking that out of 9 the Government have only 3, which would still give these institutions a representation of 2 to 1 as compared with the Government.

Mr. WALSH. I can well understand Mr. Fahey, whom I know intimately and for whom I have the highest regard, making the cautious statement which he made before the committee. I do not think it would be becoming of him, in his position, to make any criticism of the management of these banks, but I have reason to know that this situation of a hopeless minority representation on the part of the Government has not been helpful in many instances. I do not desire to criticize the management of the banks, because I think on the whole they have been very well managed. However, I do know that there have been instances where the Government has not been able to lay down a policy and administer these banks as it would choose to do.

Mr. COPELAND. When the Senator speaks about 80 percent, I assume he means 80 percent of all the investment made all over the country.

Mr. WALSH. Yes, sir.

Mr. COPELAND. Because in my State of New York alone the building-and-loan associations own 40 percent of the stock of the bank.

Mr. WALSH. Perhaps the Senator's State can have 40 percent of the directors and no more.

Mr. COPELAND. What is being proposed here would mean that we would have left in New York one director, despite the fact that New York owns 40 percent of the stock. That is not fair.

Mr. WALSH. I cannot follow the Senator. If the provision recommended by the committee shall be adopted, the New York banks which are members of this bank will have 6 representatives and the Government will have 3.

Mr. COPELAND. Ultimately; that is true.

Mr. WALSH. The Senator's position is that he wants the Government to have only 2 representatives, and to have 9 representatives on the part of the banks which are members of this bank.

Mr. COPELAND. I said a moment ago that if we were considering this legislation de novo, I should be in favor of this proposal; but as it will work out practically with our bank it will mean that New York State, owning 40 percent of the stock in the bank in our region, will have one director, and the fairness of the Senator from Massachusetts will, I am sure, indicate to him that that is not right.

Mr. BULKLEY. Mr. President, I should like to ask the Senator the basis for his statement. How many directors has New York now?

Mr. COPELAND. We now have four.

Mr. BARKLEY. How many States are in the district served?

Mr. COPELAND. Two—New York and New Jersey. New York has 4 directors and New Jersey has 5.

Mr. WALSH. The two States, then, have 9 out of the 11.

Mr. BYRNES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from South Carolina?

Mr. COPELAND. I yield.

Mr. BYRNES. I desire to say to the Senator from New York that I think the point he makes is entitled to some consideration. The Congress enacted this law and fixed the local representation of the stockholders, and upon that basis they came into the institution, and the stockholders have the representation. Now that they have come into the institution it is proposed to say, "We got you to join it and told you that you would have this supervision, but now we want to take away the supervision which was offered to you when the law was enacted."

I desire to say to the Senator also that the Board has supervision over all the banks and can protect the public interests. That matter was discussed, and I do not think it is quite fair to Mr. Fahey to say that he does not know what is going on in the banks, because he is one of the most efficient of administrators. As chairman of the Board, he is in touch with the organization; and he says there can be no doubt that the experience with the present organization has been highly successful.

Mr. COPELAND. Mr. President, the building-and-loan associations in my State have given loyal support to this law, and have endeavored in every possible way to make it a success. We had to amend our State law in order to permit our building-and-loan associations to participate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. With a total membership of 9 on the board of directors, 4 from New York and 5 from New Jersey, can the Senator explain how it happens that all 3 of those who would be left off are from New York?

Mr. COPELAND. It just happened that in the rotation of appointments the three from New York would be the ones left off the board.

Mr. BARKLEY. That situation would be only temporary, until there could be a readjustment of the six who would be left representing the institutions.

Mr. COPELAND. I suppose the Senator is consoling me with the thought that since New York deserves all the directors, it ultimately will have all of them.

Mr. BARKLEY. If there is any consolation in that. I doubt very much if it would be acceptable to New Jersey to admit that New York would be entitled to all of them. I do not see how New Jersey could get the majority.

Mr. COPELAND. We concede that New Jersey is in the Union. I do not suppose the Senator would concede that.

Mr. BARKLEY. Oh, yes; the Senator not only concedes it, but he knows it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. It seems to me the argument advanced on behalf of this amendment is precisely the same as if it should be proposed by law to reduce the size of the United States Senate one-third, and automatically retire all the Senators whose terms happen to expire next year.

Mr. COPELAND. That is exactly the same thing.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. The difference is that the Senate would have no jurisdiction to reduce the number of Senators. It would take a constitutional amendment to deprive a State of a Senator. It could not be done by an amendment of this sort.

Mr. COPELAND. But the principle involved is exactly the same.

Mr. President, I make the point that in New York we have loyally supported this movement. We believe in it. We changed our law in order that we might participate; and yet, by the turn of the wheel of fate, it means that if this amendment shall be adopted as proposed, the New York building-and-loan associations, owning 40 percent of the stock, will have one representative on the Board.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina [Mr. BYRNES] to the amendment of the committee.

Mr. STEIWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEIWER. I do not understand the purpose of the motion of the Senator from South Carolina. Is it the purpose to strike out the section?

The PRESIDING OFFICER. The motion is to strike out section 3 of the committee amendment.

Mr. STEIWER. Has the committee amendment been agreed to?

The PRESIDING OFFICER. The committee amendment has not been agreed to.

Mr. STEIWER. Then, why does not the question recur upon the committee amendment?

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. ROBINSON. The committee reported a single amendment in the nature of a substitute for the House bill. The Senator from South Carolina moved to amend the committee amendment by striking out section 3. The effect of the amendment of the Senator from South Carolina, if I am correctly informed, will be to leave the law as it now is with respect to directors, the number and the manner of their selection.

Mr. STEIWER. I think that is correct.

Mr. President, I desire to say just a word with respect to the pending amendment. The subcommittee gave very careful consideration to this proposal, and in agreeing to the amendment I think it had in mind some objectives which have not yet been referred to.

In the first place, this bank has not been an entire success because of the reluctance of the mutual savings banks and the other mutual institutions to come in. They have not come in chiefly for the reason that the building-and-loan associations have dominated the banks almost completely in every banking district in the United States. The Board believes, and the subcommittee concurred in that belief, that it was the part of wisdom, and that it would be greatly to the benefit of the institution if it could be so set up that the dominance of the building-and-loan associations would not be quite so complete in the long run.

It is most desirable, from the standpoint of the successful administration of these banks, that the mutual savings societies of the country be induced to become members of the home-loan bank. The structure of the old Board was not favorable from that standpoint. It is believed that the new proposal for a board of nine members will be far more favorable from that standpoint; and we reached the conclusion that we should be serving the cause of the banks by adopting the proposed amendment.

The argument is made here that such a course will destroy the representation of New York, or possibly of other individual States. I think temporarily that argument is sound. Until the readjustment period shall be over it will disturb the representation of some States; but I suggest to those who are interested in the correct conclusion with respect to this matter that these boards were not set up on a State basis in the first instance. They were not set up on a regional basis in the first instance. It would have been most unfortunate if the boards had been selected purely on a State or a regional basis. They were selected an a basis of representation for the members of the institution; and that basis will not be disturbed by the pending amendment, even though tempo-

rarily the State or regional distribution will be adversely affected.

The institutions owning the stock of the banks will be better served under this amendment than under the existing law, and the interest of the Federal Government will be more logically represented under the amendment than under the existing law, and the mutual savings institutions and other savings institutions will have more inducement to come into the system under this amendment than under existing law.

The Senate can, of course, vote down the committee's recommendation, if it desires so to do; but I hope the Senate will not vote down the committee's recommendation on any argument made on the floor up to this time. All those factors were taken into account by the Board and by the subcommittee, and all were rejected in yielding to what we thought was a stronger argument.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. COPELAND. Is there any doubt in the mind of the Senator that these banks have been well operated?

Mr. STEIWER. In the main, they have been reasonably well operated; but we are looking to the expansion of the banks and the improvement of the system; and are not content merely to stand still with what we have. If the Senator desires to stand still with what we have he can vote for the amendment, and if it shall be adopted the present system will be retained, and we shall be dominated by the building-and-loan associations without drawing into the system a great group of mortgage institutions which make up the savings institutions of the country.

Mr. BYRNES. Mr. President, will the Senator yield to me on that point?

Mr. STEIWER. I yield.

Mr. BYRNES. On the question as to the interests of the savings banks, the Senator from Ohio [Mr. BULKLEY] asked the chairman of the Board, "Is the savings-bank interest really different from the building and loan, or is there just some feeling that on some occasions it might be different?" To which Mr. Fahey replied, "It ought not to be any different so far as its relation to the whole mortgage problem is concerned"; and later he referred to the fact that the only difference was as to the terms of loans. He took the position, however, that there ought not to be any difference between the interests of the building-and-loan associations and the interests of the savings banks.

Mr. STEIWER. I think that is true. It ought not to be different, and yet the fact is that the savings institutions, which are very important institutions in many States, have been reluctant to intrust their business to boards of directors dominated by building-and-loan associations, because the building-and-loan group are very tightly organized. They have the building-and-loan league through which they operate. I am not criticizing those institutions. Thus far they have been the main support of the home-loan banking system, and for that they are entitled to great credit. We can leave the institution in its present form and make it more serviceable to that group, or we can make it serviceable to all the other institutions to which I have referred.

Mr. BARKLEY. Mr. President, does the Senator from Oregon know or can the Senator from Ohio advise me whether, on the boards of the present banks, there is any representative of the savings institutions?

Mr. BULKLEY. There is no representative of the savings institutions. The directors are elected by the bank board or appointed by the Home Loan Bank Board in Washington.

Mr. BARKLEY. Two out of the 11 are supposed to be representatives of the public?

Mr. BULKLEY. Yes. I do not know what number of those may be savings-institution representatives.

Mr. BARKLEY. They are not chosen as representatives of the savings institutions?

Mr. BULKLEY. No; they are not, nor are the nine chosen as representatives of the building-and-loan associations; but the fact is that the building-and-loan association representatives comprise nearly 100 percent of the membership in the home-loan bank, and consequently the nine directors are in effect representatives of the building-and-loan institutions.

Mr. BARKLEY. The situation is that while the savings institutions themselves, as I understand, have not come here, through an organization or as individuals, and asked that a change be made in the set-up of the board of directors, the Home Loan Board feels that to give the public one more representative and to reduce the number of those now in effect representing the building-and-loan associations would open the door for them to come in and join the institution and help make it a further and greater success.

Mr. BULKLEY. I think that is the point. I think that is what Mr. Fahey has in mind. There is no necessary difference in interest between the building-and-loan institutions and the savings banks, and still there is a psychological barrier because the savings banks feel it is too much of a building-and-loan association institution.

Mr. BARKLEY. They would not then feel that they are frozen out as they may now feel?

Mr. BULKLEY. That is the point, as I understand.

Mr. BYRNES. Mr. President, as to the argument that the savings banks decline to come into the organization, let me suggest that the building-and-loan associations put their money into it and came in because the law provided nine local directors. Now that we have persuaded the building-and-loan associations to join and to put their money into it, it is proposed to change the law and reduce the number of directors elected by those who put their money in it, and to authorize a board in Washington to appoint representatives of some banks which do not belong to the organization and which have refused to join the organization.

Mr. BULKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Ohio?

Mr. BYRNES. I yield.

Mr. BULKLEY. The Senator surely is not going to make any point that we are unduly reducing the representation of people who have their money in it? Eighty percent of the money is Government money, with 2 directors out of 11.

Mr. BYRNES. That was the first statement I made in presenting the amendment. I am speaking solely on the proposal which has been made that we should reduce the membership because only building-and-loan associations join, and that we should name the representatives of savings banks to the Board in Washington. I do not think that is a very effective argument to induce us to change the membership of the Board.

Mr. BARKLEY. Do the building-and-loan associations feel that with 6 out of the 9 directors they will be unduly handicapped in having 20 percent of the stock represented in the action of the Board?

Mr. BYRNES. There is not a thing in the bill providing for membership of building-and-loan associations. There is simply a provision that those who invest shall have the right to select directors, and they selected their directors. Now it is proposed to change the law and to reduce the number of directors elected by local stockholders, and to center more authority in the Board at Washington, when the Board itself says the present system is working in a highly satisfactory manner and there is no reason for a change.

Mr. FLETCHER. Mr. President, let us go back for a moment to the origin of these institutions. The Senator from South Carolina speaks about the building-and-loan associations being urged and induced to go into the home-loan banks. As a matter of fact, the building-and-loan associations were mainly instrumental in organizing these banks. The Home Loan Bank Act was passed in 1932. It was supposed at that time that it would provide money for loans on homes and do precisely what we will have to do under the Home Loan Act—save them from foreclosure. It was supposed that the institution organized under the act of 1932 would perform the function of making loans to home owners in distress. It did not succeed because of the domination of the building-and-loan associations, whose representatives completely took charge and added their weight in the management of the banks.

I am not criticizing the building-and-loan associations. I am in full sympathy with their operation. They have done well. But why should the whole function of making loans on homes in the country be turned over to building-and-loan associations or to an institution dominated by them?

The result was that they did not supply the funds; they did not finance the operation at which we were aiming; and so we organized in 1933 the Home Owners' Loan Bank. That organization has taken charge of these loans and served the country well in every direction. Everyone recognizes that to be the fact. The home-loan bank organization has not developed, has not increased, has not expanded to meet the expectations which were originally had for it and its operations. Inasmuch as the Government put up 80 percent of the capital of the home-loan banks, the Government agencies ought to have more than 2 out of 11 on the board of directors which manages the institution. While they have done some good work, and in the main satisfactorily, they have not done what was expected originally and will not do it because they are dominated by one group—the building-and-loan association group. The representatives of that group have managed the whole thing; they have conducted the business of the home-loan banks.

There are other institutions ready to make loans, ready to accommodate those needing help for saving the homes of the country. Why not give them a chance to do so? Why change somewhat this set-up which has been in operation? I do not criticize them particularly, but I say it is perfectly reasonable and fair to expand their operations and invite other institutions to join and to help provide the finances. We ought to realize to some extent their complete domination of this institution.

We provide in the provision as reported that the public interest shall have 3 directors, and that the members of the building-and-loan association group, if it may be so stated, shall have 6. It seems to me that is perfectly reasonable and perfectly fair.

For the good of the country, for the purpose of meeting the needs and demands of the people generally, I think we ought to expand the building-and-loan bank institution as well as the Home Owners' Loan institution.

The building-and-loan interests have been invited and urged to come into this institution; they have seized control of it. We want other people to join this bank. For that reason we ought to take away the complete and absolute domination of one group, and spread it out, and particularly give the Federal authorities a little more representation on the Board.

Mr. COPELAND. Mr. President, it is true that this law originated with the building-and-loan associations. I happened to speak before the National Building & Loan Association in Kansas City about 10 years ago, and afterward had a conference with the directors; and at their request I introduced in the Senate, about 9 or 10 years ago, a home-loan-bank bill.

This measure is their measure. It was their enthusiasm which made possible the passage of the original law. Everybody here seems to concede that they have given it very generous support.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. In that connection, I desire to say that out of some ten or twelve thousand building-and-loan associations which are eligible to membership, I think there are about 2,400 that are now members of this home-loan bank set-up.

Mr. COPELAND. Yes.

Mr. BARKLEY. And it may be said that while the building-and-loan associations did ask for this legislation originally, and that they got behind it and were very enthusiastic for it, they were for it, of course, as we all know, as many other private institutions were for legislation affecting them, as a life-saver. They wanted the Government to set up these organizations.

Mr. COPELAND. There is nothing unique about that. I observed that the biggest banks in the country, the great railroads, and all the other corporations, were seeking a life-saver, too. The building-and-loan associations are not alone in that respect.

Mr. BARKLEY. Mr. President, if the Senator will yield further, I do not know any of them that were able, in obtaining that life-saving apparatus, to secure 9 out of 11 representatives on the board that operated it.

Mr. COPELAND. No; but they got all the money, and that was even more important.

Mr. BARKLEY. They got nearly all of the members of the Board in this instance.

Mr. COPELAND. These other institutions got all the money, even if they were not on the Board; so it is a good thing that we have one organization where those who are interested in building the homes of this country can have something to say about the distribution of the money. It would seem that even now it is easier for some great corporations to get money than it is for the plain, ordinary people to do so.

Mr. FLETCHER. Mr. President, the Senator will bear in mind that when the Reconstruction Finance Corporation makes loans to banks, it practically takes charge of the management of the banks. No officers may be elected without their approval.

Mr. COPELAND. Yes; I know that. I also know that anyone desiring a loan from the Reconstruction Finance Corporation has to furnish securities so gilt-edged that any bank in America would make the loan. We set up that institution to make it possible for the manufacturers and business men to get money on more liberal terms; but now they are just as high-toned and highbrow as are the banks themselves.

Mr. President, the building-and-loan associations of this country have done more to build homes for the common people than all the other institutions in America. We all brag about them and say they are 100 percent valuable, but now we propose to hang a medal around their necks in the form of a millstone and throw them overboard.

I hope we shall save the building-and-loan interests by the adoption of the amendment offered by the Senator from South Carolina [Mr. BYRNES].

Mr. COUZENS. Mr. President, I could not help shedding tears when I heard the Senator from New York [Mr. COPELAND] responding to the propaganda of the building-and-loan associations.

During my long experience here I have never known a more effective working propaganda organization than that of the building-and-loan organizations. They have been before the Banking and Currency Committee for years and years, pleading for something or other to relieve their condition or to improve their status. They have had equal opportunity with every other financial institution to get money from the Reconstruction Finance Corporation.

I am sorry I cannot sob about the propagandists as the Senator from New York could in connection with his food and drug bill. He pleaded and pleaded with the Senate not to respond to the telegrams and the "iniquitous propaganda" we were receiving and defeat his food and drug bill.

Mr. President, after long hearings and careful study by the Subcommittee of the Banking and Currency Committee, and with the unanimous approval of the Banking and Currency Committee, so far as I recall, this bill is before the Senate for action. We are now asked, by the telegrams and the propaganda received from the building-and-loan associations, to undo that work.

The great, liberal building-and-loan associations that have subscribed 20 percent of the money to finance these banks feel that they must have nine-tenths of the control. I do not agree with such a proposition; and I hope the amendment offered by the Senator from South Carolina [Mr. BYRNES] will be rejected.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina [Mr. BYRNES] to the amendment of the committee.

Mr. BULKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson	Radcliffe
Ashurst	Costigan	Keyes	Reynolds
Austin	Couzens	King	Robinson
Bachman	Cutting	La Follette	Russell
Bailey	Dickinson	Lewis	Schall
Bankhead	Dieterich	Logan	Schwellenbach
Barkley	Donahey	Lonergan	Sheppard
Bilbo	Duffy	McCarran	Shipstead
Black	Fletcher	McGill	Smith
Bone	Frazier	McKellar	Steiwer
Borah	George	McNary	Thomas, Okla.
Brown	Gerry	Minton	Thomas, Utah
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrnes	Guffey	Neely	Vandenberg
Capper	Hale	Norris	Van Nuys
Carey	Harrison	Nye	Wagner
Clark	Hastings	O'Mahoney	Walsh
Connally	Hatch	Overton	Wheeler
Coolidge	Hayden	Pittman	White

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from South Carolina [Mr. BYRNES] to strike section 3 from the committee amendment.

Mr. BULKLEY. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. NORRIS. Mr. President, I desire to offer an amendment on page 23 of the bill, line 18, to strike out the words "for applicants who in good faith prior to the date this amendment takes effect, sought relief by formal application, letter, or other written memorandum, and who filed their applications", and to insert in lieu thereof the words "or applications filed." If this amendment should be agreed to, the section would then read:

SEC. 11. The first sentence of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(c) In order to provide for applications heretofore filed or applications filed within 60 days after this amendment takes effect, and for carrying out the other purposes of this section, the Corporation is authorized to issue bonds in an aggregate amount not to exceed $4,750,000,000, which may be exchanged as hereinafter provided, or which may be sold by the Corporation to obtain funds for carrying out the purposes of this section or for the redemption of any of its outstanding bonds; and the Corporation is further authorized to increase its total bond issue for the purpose of retiring its outstanding bonds by an amount equal to the amount of the bonds to be so retired (except bonds retired from payments of principal on loans), such retirement to be at maturity or by call or purchase or exchange or any method prescribed by the Board with the approval of the Secretary of the Treasury: *Provided*, That no bonds issued under this subsection, as amended, shall have a maturity date later than 1952."

The effect of the amendment, therefore, it will be seen, would be to permit applications for loans to be filed 60 days after the enactment of the measure.

I realize from the statement of the Senator from Ohio, who has the bill in charge, and I think I agree with him, that it is desirable to fix a date for the closing up of this business. Senators will remember that the Board ceased considering applications for loans after it became apparent that more applications were on file than could be satisfied with the money on hand.

The amendment of the committee, if not modified, would have the effect of preventing any application being made and considered after the law became effective unless the applicants had filed their applications prior to that time or unless they had submitted letters or memoranda asking for loans.

It seems to me, Mr. President, that it is unwise and unfair to cut off these applications unless we first fix a reasonable time within which applications can be filed. I know, and I presume every other Senator has had the same experience, that when the Board decided not to accept any new applications those desiring to make applications understood, and I think they got the impression from my letters and from the letters of other Senators, that the money was practically exhausted and that it would be useless to file applications, but that the Congress undoubtedly would extend the law, and the people have been resting under the assurance, practically, and under the belief that they would have an opportunity to submit their applications, which they have never as yet had.

I give it to the Senate as my judgment that if we pass the measure without this amendment, or without some similar amendment, there will be no end to the complaints that will be made by people who intended to make applications and did not make them because the Board ceased to receive applications on account of the exhaustion of the fund.

I think we ought to remember also that this business is almost a sacred one. We are lending money to save homes; we are not giving it away. If the Board transacts its business properly and acts conservatively, the Government is not going to lose a cent as a result of these operations, but will at least make enough to pay the expense to which the Government has been put on account of the law, and perhaps more. There is no reason why an applicant who is worthy and who applies for a loan just after the law becomes effective should be turned down and preference given to someone who had been better informed, or someone who had made an application before the exhaustion of the fund. In fact, many of the people who will make applications have waited, hoping that times would improve so that it would be unnecessary for them to make applications. They have sacrificed, they have lived very closely and economically, and are in exactly the same positions, it seems to me, with those who have applied heretofore.

I realize that Senators want to take the Government out of this business as soon as possible, but we ought not to take it out just at this time. We are not out of the depression. We are in the midst of it; and the worthy people who desire to make application, who believe they can yet make application under the law, are going to be shut off unless they have already made application and have failed.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. When the act was originally passed, it was expected and intended to take care of home owners who were in distress at the time the act was passed. While it is true that the law permitted the Home Owners' Loan Corporation to make loans for a period of 3 years, which would run it up to June 1936, as a matter of fact the Corporation ran out of resources last year, as the Senator has stated, and as we all know. The Corporation now has on file unclosed applications amounting to about $3,000,000,000, so that the $1,750,000,000 we are providing in the pending bill is not sufficient to take care of all the applications now on file, and I think we could reasonably assume that those whose applications were already on file were more in distress than those whose applications have never been filed, and which might be filed in any 60-day period or any other period. Does the Senator think we ought to make it possible to deny loans to those who have been distressed, and who have filed their applications, in order to take care of the applications of those who have not been in distress up to this time, but who may consider themselves in distress during the next 60 days?

Mr. NORRIS. I will answer the Senator's question. It is a very fair one, I think. I answer it in the negative.

It does not follow that we ought to vote down the amendment, as I see it, by any means. I cannot weigh in the balance and tell whether this applicant or that applicant is in the greater distress. It is true, however, that people are now in distress who are just as worthy, just as deserving, as people who were in distress during the earlier stages of the depression, and there is no reason why we should take care of one and not of the other.

Undoubtedly it will follow that not all the applications which are on file will be acted upon favorably. There will be a great many of them which, for this reason or that reason, will be turned down. Suppose we do not have enough money; are we going to say to that class of people, "We will take care only of the first ones who file, and turn down the rest"? If we need to appropriate more money

to lend to those who have not yet made applications, but who will make them, and who are in the same distress as those who have previously made applications, it will be just as easy as it was at the beginning when we made provision to take care of those who then were in distress.

The Senator says it was intended when we passed the existing law to take care of the people who were then in distress. Admitting that to be true for the sake of the argument, what about the people who have since fallen into a condition of distress? Are they any less worthy because many of them have curtailed their living expenses longer and striven longer to get themselves out of the dilemma than other men who made applications some time ago? I do not see how we can differentiate.

We loan money to banks, to railroads, and to corporations; and why should we stop loaning money to men who wish to save their homes right in the middle of the depression? We have started to help those in distress by lending them money. Those who are coming now with applications are just as worthy as those who previously have made applications. Why should we stop now?

Mr. BULKLEY. Mr. President, would the Senator like a comment right there?

Mr. NORRIS. Certainly.

Mr. BULKLEY. The difference is that 2 years ago, when the Home Owners' Loan Act was passed, there was not only distress on the part of the home owners but there was a great deal of distress on the part of those who held their mortgages, so that it was difficult for the mortgagee to carry on and to let interest go unpaid and to let maturities pass without collections. Now, private capital is coming back into enterprises that have money to loan. There is more money available to be loaned by banks today. There is more money available to be loaned by building-and-loan associations than there was at the time we enacted that law.

Mr. NORRIS. I hope so.

Mr. BULKLEY. Now, it is perfectly clear that the Home Owners' Loan Corporation is as good a lender as there is in the country, and any home owner under the necessity of putting a mortgage on his home would probably rather owe the money to the Home Owners' Loan Corporation than to anybody else. So, we can always do business so long as we are willing to keep this institution open; but unless we intend to go on and make it permanent, we must bring it to an end and encourage private capital to go ahead and make these loans.

Mr. NORRIS. This amendment will eventually bring it to an end, but we are giving notice that we have not yet quit. There are many persons who will be deceived by this action unless we do give the notice. No one is going to be hurt if it is a success and is going on.

Mr. BULKLEY. I think it is fair to say to the Senator that some of the private lending agencies will be discouraged if we now open the system up to new applications.

Mr. GORE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. GORE. I desire to ask the Senator from Ohio if the present law does not require that a home owner making application for a loan must have been distressed at a given time. Was it not June 13, 1933?

Mr. BULKLEY. Yes; that is correct—June 13, 1933.

Mr. GORE. The statement of the Senator from Nebraska is not quite so pertinent as it might be if it were not for that fixed date.

Mr. NORRIS. I did not catch that remark, Mr. President.

Mr. GORE. I say that applicants for loans under the existing law must show that they were distressed on June 13, 1933. I believe that is the date. So those who have since become distressed could not qualify under the law in any event.

Mr. NORRIS. Very well. Let us give those in distress within the next 60 days an opportunity to make a showing, and not cut them off without giving them any notice. Suppose they show that they were in distress in June 1933, and they have withheld their applications in the belief that the time was going to be extended, and they are still in distress. Why should that not appeal to us and cause us to give them time in which to make that kind of showing? It seems to me it ought to be all the more reason why we should not cut off those people without letting them have an opportunity to apply. Who is going to lose by it? If this is done right, it is not the Government that will lose.

The Senator says the mortgagees were those who in part, at least, brought about the passage of this law. It was done to relieve the mortgagees, and apparently they are now relieved sufficiently so that they want to lend some more money. If we have relieved the mortgagees, which was a worthy thing to do, why not do something for the relief of the mortgagors? Let the people who have the homes, and who are willing to mortgage them, be heard before we cut them off without any notice whatever.

Mr. BULKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BULKLEY. I have asked the Senator to yield merely in order that I may correct the statement made by the Senator from Oklahoma [Mr. GORE]. It was substantially correct, but there is an exception in existing law. The present law provides that the mortgage is not eligible—

> Unless the applicant was in involuntary default on June 13, 1933, with respect to the indebtedness on his real estate and is unable to carry or refund his present mortgage indebtedness: *Provided*, That the foregoing limitation shall not apply in any case in which it is specifically shown to the satisfaction of the Corporation that a default after such date was due to unemployment or to economic conditions or misfortune beyond the control of the applicant.

Mr. NORRIS. I thank the Senator for reading that provision of the law. I think we all remember why we put that in; and applicants would now have to make that showing. Any new applicant would have to make the same showing. If, however, on account of unemployment—which means on account of the terrible depression—a family should be shown to be in distress, why should we not permit the man in distress to make application and secure a loan if he should comply with the law?

That reminds me also that many of the applicants now having applications on file will undoubtedly be unable to show that they can fully comply with the law, and their applications therefore will be rejected; so we must not take the number as final. It will be a much less number than the number of applications now on file.

Mr. BULKLEY. That has been taken into consideration. There are more than 800,000 applications now pending, and the estimate is that about 500,000 of them would qualify for loans. As the average loan amounts to $3,000, it would take $1,500,000,000, which is the figure on which the bill is based.

Mr. NORRIS. Let us assume that to be true and that we cannot go any further even though it be shown that the new applicants are just as much in distress as were the old ones. We are going to stop now; we are going so far, to take care of so many, and we are going to take care of no one else because some men in private business think they are now able to make the loans. I do not believe the argument is good if we are going into the business at all. It seemed to me in the beginning it was a worthy thing to do. If there was one place where we could do good, it seemed to me it was to save the homes of the American people. We have done a good job in a general way, and we ought not to stop now in the middle of the depression and not go any further.

Mr. REYNOLDS. Mr. President, in support of all that has been said by the Senator from Nebraska I wish to submit a few further observations. As I stated on the floor of the Senate earlier in the afternoon, when hearings were being held by the Subcommittee on Banking and Currency I appeared and suggested by way of recommendation that those who heretofore had not filed applications be permitted hereafter to file applications in order to participate in the additional $1,750,000,000.

I believe with the Senator from Nebraska that simply because a person has not heretofore filed an application for a loan is no reason why he should not be availed an opportunity now to do so. There are many people in the country

today who will seek loans from this $1,750,000,000 who are even more worthy and who are now even more distressed than were some of the applicants who filed applications for loans immediately after the enactment of the law in June 1933.

According to the Chairman of the Subcommittee on Banking and Currency, the senior Senator from Ohio [Mr. BULKLEY], it is said that at the time of the enactment of the law it was understood it was being enacted for the purpose of serving and protecting the home owners of the country who were then in distress. If, therefore, we accept his argument, it would appear to me that only those who were in distress at that immediate time when the law was enacted could now get relief. According to the argument of the senior Senator from Ohio, if we accept that argument, people who became distressed a few months after the enactment of the law could not, within the law, and legally, make application for a loan.

Mr. BULKLEY. Of course, I explained that they could, and took pains to read from the law to that effect.

Mr. REYNOLDS. In pursuance of my argument in regard to the matter, I recognize the fact that when the first $3,000,000,000 had been exhausted by applicants whose requirements had been met in order that they might save their homes throughout the length and breadth of the land, there were then on file applications involving several hundred million dollars. As has been said, the appropriation of $1,750,000,000 which we are about to make cannot take care of the applications which are already on file; but a large number of the applications now on file will not be approved; that is to say, they will not be passed upon by the legal department and the appraisal department of the Home Owners' Loan Corporation, because the executives of the Corporation in every section of the country are safeguarding the taxpayers' money and are safeguarding the Government's money in the making of loans.

There are people in our land today who are even more distressed at this hour than at the time we enacted the law in 1933. I cannot understand why we should prevent worthy applicants who are in distress at this time from endeavoring to take advantage of this measure and to get a portion of the appropriation in the form of a loan.

Mr. WALSH. I do not understand that the class of people for whom the Senator is speaking will be affected in any way by this measure, but that they today or tonight or tomorrow may make applications for loans. The issue here seems to be whether or not the door by which these people may make application shall be closed on the day the bill is signed by the President or 60 days thereafter. The people whom the Senator is describing, who are now more in distress than were people 2 years ago, can make application up to the time of the signing of the bill. The issue is a very narrow one. It seems to me we ought to agree upon 30 days.

Mr. REYNOLDS. I should like the opinion of the Senator from Nebraska. It is my opinion that the distressed home owners of the country should have at least 60 to 90 days after the passage of the bill in which to make application for loans. Of course, I realize that not everyone who files an application can get relief.

Mr. WALSH. The point I want to make is that I understand the bill does not change in any way the requirement of evidence that must be presented in order to make application.

Mr. REYNOLDS. That is my understanding.

Mr. WALSH. But the period within which new applications for loans may be received is ended upon the signing of the bill, no matter how distressed a person may be.

Mr. REYNOLDS. I am of the opinion that the present home owners who are in need of loans should have a period of from 30 to 90 days after the passage of the bill in which to present their applications.

Mr. WALSH. Does not the Senator think it possible to end the discussion by agreeing upon 30 days?

Mr. REYNOLDS. May I suggest to the Senator from Nebraska that the Senator from Massachusetts has inquired whether it would be possible for us to agree on a time limit for the filing of applications?

Mr. NORRIS. Mr. President, will the Senator from North Carolina yield?

Mr. REYNOLDS. Certainly.

Mr. NORRIS. There is nothing in the amendment which I have offered that has anything to do with time. I have stricken out certain language and inserted other language, but in the amendment I have not changed the language as it relates to the 60-day limitation. That would be subject to amendment afterward or at any time, of course.

Mr. WALSH. Under the language as written in the bill, applications may be made up to the time of the signing of the bill. The Senator's amendment, I understand, would extend that time 60 days.

Mr. NORRIS. It does not change the 60-day provision in the bill, but it does change the effect.

Mr. BULKLEY. There is no doubt about it that it does not change the wording, but, as the Senator has well said, it does change the effect.

Mr. NORRIS. Yes, it does; but I could not modify my amendment in any way. That matter, however, might come up afterward.

Mr. BULKLEY. If the Senator should desire to modify his amendment, he could carry it a few words further.

Mr. NORRIS. Oh, I could; yes.

Mr. ROBINSON. Yes; the Senator could make the period 30 days, and that would settle the matter.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nebraska [Mr. NORRIS] to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is still open to amendment.

Mr. BARKLEY. Mr. President, do I understand that the Senator from Nebraska accepted the suggestion of making the time 30 days?

Mr. NORRIS. No; I said I could not do it in this amendment, because the words "60 days" are in the text.

Mr. BARKLEY. Inasmuch as the effect of the language has been changed so as to open it up for all sorts of applications, I think the Senate ought to be allowed to vote on whether or not it wishes to reduce the period to 30 days. For that purpose I move to substitute "30" for "60" on page 23, line 21.

Mr. TRAMMELL. Mr. President, it seems to me that is restricting to entirely too short a period the privilege of the individual who has not heretofore made an application. By the time the proposed legislation is enacted, and the President signs the bill, and the news gets out over the country, the 30 days will have elapsed.

I am not in favor of restricting the right of the individual to get a loan under a measure which provides every character of generous treatment to the loan companies—either building-and-loan companies or mortgage companies—as this measure does. This measure is very generous toward the loan companies. It does not say that after 60 days they shall have no privilege of selling their mortgages to the Home Owners' Loan Corporation, but it provides more generous consideration for them than we have heretofore extended under the law. When, however, it comes to the individual who has not, forsooth, heretofore filed his application, the bill in its original form would exclude him entirely from even making an application. I think we should allow the individual at least 60 days.

It is all right to turn over this business to the private institutions; but we must remember that the private institutions are being maintained by Federal funds. In this very measure we say to a building-and-loan association, "You may discount certain kinds of your mortgages for 90 percent of the unpaid principal." We do not close the door on them. Senators talk about the exhaustion of funds for the individual. Why are we so interested in the exhaustion of funds for the individual when we provide ample funds for the private institutions to carry on their business and

to stimulate their business? I think it is all right to do that; but, in doing so, let us not discriminate against the individual.

Mr. BARKLEY. Mr. President——

Mr. TRAMMELL. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator from Florida, I think, made an error in his statement awhile ago that the building-and-loan associations are not limited insofar as their selling their mortgages to the Home Owners' Loan Corporation is concerned. Where the building-and-loan associations come into the picture, and where any other money lender comes into it who has a mortgage on a distressed home, is that the Home Owners' Loan Corporation can refinance that obligation and take it over in lieu of the building-and-loan association, or the savings bank, or anybody else; but after the time expires within which a home owner may make application to refinance his loan with the Home Owners' Loan Corporation, automatically the building-and-loan associations get out of the picture, because they cannot sell a mortgage to the Home Owners' Loan Corporation unless the home owner has come in and made his application under the law.

Mr. TRAMMELL. The Senator and I put different constructions upon the language of the bill. I shall not read the entire section, but I shall read section 10b:

> Each Federal home-loan bank is authorized to make advances to nonmember mortgages approved under title II of the National Housing Act. Such mortgages must be chartered institutions having succession and subject to the inspection and supervision of some governmental agency—

And so forth.

Then it further provides that the advances may be made at the rate of 90 percent of the unpaid principal.

Mr. BARKLEY. That applies to the home-loan banks, not to the Home Owners' Loan Corporation. The Senator has the two confused.

Mr. TRAMMELL. The present law provides that loans may be made by the Home Owners' Loan Corporation to banks and to every character of loaning institution.

Mr. BARKLEY. Of course the Senator must keep in mind that the Home Owners' Loan Corporation and the home-loan banks are entirely different. There is no connection between them.

Mr. TRAMMELL. I understand that thoroughly. That is the A B C of this. We all learned that sometime ago.

Mr. BARKLEY. I am glad to know that the Senator has learned that. I did not mean to reflect at all on the Senator's knowledge of everything that is in all these laws, and I am sorry if my remarks were so interpreted.

Mr. TRAMMELL. We take all this as a matter of pleasantry. Apparently, however, the Senator from Kentucky desires to make it appear that I did not know what I was talking about.

Mr. BARKLEY. I am not so sure that the Senator does. [Laughter.]

Mr. TRAMMELL. I am not sure that the Senator from Kentucky does. He reminds me a good deal of an incident which occurred in the legislature of a certain State. A member got up and talked for 30 or 40 minutes, and another member said to him, in the open forum, "What were you talking about? Which side of this issue are you on?" The first member said, "If you are not capable of understanding which side of the issue I am on, I am not going to tell you." So the Senator from Kentucky may get in that attitude himself. [Laughter.]

Mr. BARKLEY. Does the Senator from Florida make any personal application of that story? [Laughter.]

Mr. TRAMMELL. As I was saying, it is all right to build up the building-and-loan associations, and to direct as much of this business as is proper through private channels; but why can we not do that without discriminating against individuals? That is my position.

Mr. BULKLEY. Mr. President, the Senator must understand that no corporation can, or ever could, borrow from the Home Owners' Loan Corporation. There is no possibility of discrimination, because the only borrowers are individuals and home owners.

Mr. TRAMMELL. They can discount mortgages for them, too.

Mr. BULKLEY. No; this has nothing in the world to do with discounting mortgages. The Senator is confusing this agency with another one.

Mr. TRAMMELL. They make advances on mortgages.

Mr. BULKLEY. The home-loan banks; not the Home Owners' Loan Corporation.

Mr. TRAMMELL. That is part of the set-up.

Mr. BULKLEY. It is a different organization, set up under a different act.

Mr. TRAMMELL. I think there ought to be a period of 60 days in which individuals may file their applications.

Mr. BANKHEAD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state his parliamentary inquiry.

Mr. BANKHEAD. I desire to know what is the pending question. I cannot tell from the argument.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Kentucky [Mr. BARKLEY] to the amendment of the committee.

Mr. BULKLEY. Mr. President, may the amendment be stated?

The PRESIDING OFFICER. The amendment to the amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 23, line 21, it is proposed to strike out "60" and insert "30."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky to the amendment of the committee.

On a division, the amendment to the amendment was rejected.

Mr. ROBINSON. Mr. President, I desire to ascertain from the Senator from Ohio [Mr. BULKLEY] whether he would like to proceed to a conclusion with the bill this afternoon.

Mr. BULKLEY. I have no strong preference.

Mr. ROBINSON. I have an amendment which I should like to present. I do not think it will take very much time.

Mr. BULKLEY. There are two or three other amendments. I do not object to a recess at this time.

Mr. ROBINSON. If the Senator does not object, then, I will move an executive session. First, however, I desire to offer the amendment.

The PRESIDING OFFICER. The Senator from Arkansas offers an amendment to the amendment of the committee which will be stated.

The CHIEF CLERK. In the committee amendment, at the end of section 8, it is proposed to add the following:

> That section 4 (d) of the Home Owners' Loan Act of 1933, as amended, be amended by adding: "*Provided*, That for the purposes of this act, levies of assessments upon real property, made by any special district organized in any State for public improvements, shall be treated as general tax levies are treated, and the lien created by such improvement districts upon the real property within said district, to secure the payment of such improvement-district levies shall be considered as attaching to such real property at the time fixed by such improvement district for the payment of such levies and assessments and not before; and, for the purposes of this act, the lien of any mortgage placed upon any such real property by the owner thereof shall be considered a prior lien with reference to such improvement-district lien securing the payment of all said improvement district assessments not due at the time the said owner executes such mortgage. The reasonableness of the total annual burden of taxes and assessments of all kinds upon any property offered as security for the payment of a loan made by the Corporation and the effect of such total levies upon the loanable value of such property are matters for the determination of the Home Owners' Loan Corporation Board, but no deduction shall be made from the loanable value of any property for improvement district assessments or levies not due at the time of making such loan in any instance where the total annual taxes and assessments borne by the said property for all purposes does not exceed a sum which, in the discretion of the Board, is a reasonable annual tax burden for such property: *Provided*, That in arriving at the loanable value, in no instance shall any deductions be made on account of such improvement district liens, taxes, and/or assessments not due at the time of making the loan where the aggregate amount of annual taxes, levies, and

assessments of all kinds and for all purposes upon the property offered for security does not exceed a sum equal to 5 percent of the value of such property as fixed by the Home Owners' Loan Corporation appraisement."

Mr. BORAH. Mr. President, before we dispose of the pending bill, I desire to ask the Senator from Ohio in regard to a provision which was supposed to have been placed in the bill by the House, providing for loans upon homes connected with stores, where there might be a store or business room in connection with the home. Was that retained in the bill?

Mr. BULKLEY. It is not in that form. I will explain the matter to the Senator. The House inserted an amendment to existing law. The House amendment is shown on page 6, beginning in line 21, "upon which there is located a dwelling for not more than 4 families and containing not more than 1 shop, or storeroom, used by the owner as a home", and so forth. The language which the House would have inserted in existing law by that amendment is contained in the words, "and containing not more than one shop, store, or storeroom."

The Home Owners' Loan Corporation have by regulation recognized that a shop may be part of a home. If the Senator will indulge me a moment, I will read what Mr. Fahey said before the committee.

Mr. BORAH. All I desire to know is whether or not under the regulations of the Corporation that may be accomplished which was designed to be accomplished by the House provision.

Mr. BULKLEY. Yes. I was just about to read the regulation. It is as follows:

In cases of combined business and residence property, care should be taken to determine that the dwelling portion of that property is suitable for use as a home and that it is being occupied or held as the applicant's bona fide home. Where the business is clearly incidental to the home, in that only a small portion of the property is used for business purposes and the remainder is the bona fide home of the applicant, the property is eligible. Where the home is clearly incidental to the business, the property is ineligible and the loan should be rejected. Where it is doubtful whether the business is incidental to the home, or the home incidental to the business, the case should be forwarded to the Loan Review Division in Washington.

Mr. BORAH. Does the measure before the Senate broaden that rule?

Mr. BULKLEY. It does slightly, and I think very clearly. The language proposed in the Senate committee amendment, as shown on page 23, line 9, contains this language, "upon which there is located a dwelling or dwellings for not more than four families, which is used in whole or in part by the owner as a home", and so forth. We think that makes it clearer than the House amendment, and accomplishes the same purpose.

Mr. BORAH. I agree with the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. ROBINSON].

Mr. BULKLEY. Mr. President, I think the Senator from Arkansas intended that his amendment should be pending.

Mr. ROBINSON. I intend to move for an executive session unless the Senate desires to complete the consideration of the bill this evening, and I have been advised that that cannot be done. There are some other amendments to be offered.

Mr. BANKHEAD. Mr. President, I present an amendment which I propose to offer to the pending bill, which I ask to have printed and to lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. CLARK. Mr. President, I send to the desk and ask to have printed an amendment to be offered to the pending Home Owners' Loan Corporation bill.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 65. An act to provide for the establishment of a Coast Guard station on the coast of Virginia, at or near the north end of Hog Island, Northampton County;

H. R. 115. An act to amend section 27 of the Merchant Marine Act, 1920;

H. R. 2015. An act for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass.;

H. R. 3975. An act to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach;

H. R. 6732. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes;

H. R. 7131. An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes;

H. R. 7132. An act to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.; and

H. R. 7205. An act to amend the Ship Mortgage Act, 1920, otherwise known as "section 30" of the Merchant Marine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons; to the Committee on Commerce.

PREVENTION OF PROFITEERING IN TIME OF WAR—REFERENCE OF BILL

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). There was received in a message from the House of Representatives this morning House bill 5529, an act to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense, and to promote peace.

Some consideration has been given to the question of the reference of this bill to an appropriate committee. It is the understanding of the present occupant of the chair that after consultation among the Chairman of the Committee on Military Affairs, the Senator from Texas [Mr. SHEPPARD]; the Chairman of the Special Committee on Investigation of the Munitions Industry, the Senator from North Dakota [Mr. NYE]; the majority leader, the Senator from Arkansas [Mr. ROBINSON]; and the minority leader, the Senator from Oregon [Mr. MCNARY], it has been agreed that the bill shall first be referred to the Special Committee on Investigation of the Munitions Industry, and that when reported back to the Senate it is to be referred to the Senate Committee on Military Affairs. With that statement, the Chair so refers the bill.

DETAILED REPORTS ON OCEAN MAIL CONTRACTS

Mr. BLACK. Mr. President, 2 days ago I submitted a very short resolution, being Senate Resolution 116, to which, so far as I am informed, there is no objection. It calls upon the Postmaster General to send to the Senate reports on ocean mail contracts, individual contracts which have been made by him, and to which reference was made in the message of the President and the report of the Postmaster General to the President. I should like to ask unanimous consent for the consideration of the resolution.

Mr. ROBINSON. Mr. President, I will state to the Senator from Alabama that the Senator from New York [Mr. COPELAND] informed me that he desired to be present when that resolution was taken up.

Mr. BLACK. Then, I will not make the request, because the Senator from New York is not in the Chamber at this time.

Mr. ROBINSON. I should have to ask that it go over.

Mr. BLACK. I will make the request tomorrow.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6359) to amend certain provisions relating to publicity of certain statements of income, and it was signed by the Vice President.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Jacob Moore to be postmaster at New City, N. Y., in place of R. P. Blauvelt, which was ordered to be placed on the Executive Calendar.

CONFIRMATION OF NOMINATION OF POSTMASTER AT PORTALES, N. MEX.

Mr. McKELLAR. From the Committee on Post Offices and Post Roads I report favorably the nomination of Lillian E. Howard to be postmaster at Portales, N. Mex., to succeed H. M. Armstrong.

I ask unanimous consent that the nomination be confirmed at this time. It has been delayed almost unduly. The two Senators from the State of New Mexico have stated they are willing to have this action taken.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and the nomination is confirmed.

The PRESIDING OFFICER. If there be no further reports of committees, the calendar is in order.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Friday, April 12, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 11, 1935

FOREIGN AND DIPLOMATIC SERVICE

Jay Pierrepont Moffat, of New Hampshire, now a Foreign Service officer of class 2 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO FINANCE DEPARTMENT

Capt. Leighton Nicol Smith, Cavalry (detailed in Finance Department), with rank from January 10, 1930.

TO ORDNANCE DEPARTMENT

First Lt. Walter Godley Donald, Infantry (detailed in Ordnance Department), with rank from February 1, 1934.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. John Jennings Kingman, Corps of Engineers, from March 24, 1935.

Lt. Col. Robert Philip Howell, Corps of Engineers, from April 1, 1935.

Lt. Col. Thomas Matthews Robins, Corps of Engineers, from April 1, 1935.

TO BE LIEUTENANT COLONELS

Maj. John Thomas Hazelrigg O'Rear, Coast Artillery Corps, from March 24, 1935.

Maj. Ralph Edward Haines, Coast Artillery Corps, from March 30, 1935.

Maj. Thomas Hardaway Jones, Coast Artillery Corps, from April 1, 1935.

Maj. Laurence Watts, Signal Corps, from April 1, 1935.

TO BE MAJORS

Capt. Stephen Joseph Idzorek, Air Corps, from March 24, 1935.

Capt. John Thomas Sallee, Quartermaster Corps, from March 30, 1935.

Capt. Clarence LeRoy Strike, Signal Corps, from April 1, 1935.

Capt. John Roscoe Holt, Quartermaster Corps, from April 1, 1935.

Capt. Rolland Edward Stafford, Signal Corps, from April 1, 1935.

TO BE CAPTAINS

First Lt. Francis James Gillespie, Infantry, from March 24, 1935.

First Lt. Jesse Lewis Gibney, Infantry, from March 30, 1935.

First Lt. Robert Hale Vesey, Infantry, from March 31, 1935.

First Lt. Clarence Miles Mendenhall, Jr., Coast Artillery Corps, from April 1, 1935.

First Lt. Kester Lovejoy Hastings, Quartermaster Corps, from April 1, 1935.

First Lt. George McKnight Williamson, Jr., Field Artillery, from April 1, 1935.

First Lt. Howard Waite Brimmer, Field Artillery, from April 1, 1935.

First Lt. Charles Milner Smith, Infantry, from April 1, 1935.

First Lt. Walter Joseph Muller, Infantry, from April 1, 1935.

First Lt. Harry Lovejoy Rogers, Jr., Infantry, from April 1, 1935.

First Lt. George Bryan Conrad, Field Artillery, from April 1, 1935.

First Lt. William Stephen Murray, Infantry, from April 1, 1935.

First Lt. Raymond Wainwright Odor, Infantry, from April 1, 1935.

TO BE FIRST LIEUTENANTS

Second Lt. George Graham Northrup, Air Corps, from March 24, 1935.

Second Lt. Thomas Sarsfield Power, Air Corps, from March 30, 1935.

Second Lt. Lloyd Harold Watnee, Air Corps, from March 31, 1935.

Second Lt. Philip David Coates, Air Corps, from April 1, 1935.

Second Lt. Talma Watkins Imlay, Air Corps, from April 1, 1935.

Second Lt. John Herold Bundy, Air Corps, from April 1, 1935.

Second Lt. Mills Spencer Savage, Air Corps, from April 1, 1935.

Second Lt. Harold Webb Bowman, Air Corps, from April 1, 1935.

Second Lt. Lorry Norris Tindal, Air Corps, from April 1, 1935.

Second Lt. Merlin Ingels Carter, Air Corps, from April 1, 1935.

Second Lt. John Walker Sessums, Jr., Air Corps, from April 1, 1935.

Second Lt. Charles Kenneth Moore, Air Corps, from April 1, 1935.

Second Lt. Austin August Straubel, Air Corps, from April 1, 1935.

Second Lt. Wycliffe Eugene Steele, Air Corps, from April 1, 1935.

PROMOTIONS IN THE NAVY

Lt. Comdr. Edmund W. Burrough to be a commander in the Navy from the 12th day of December 1934.

Lt. Hermann P. Knickerbocker to be a lieutenant commander in the Navy from the 20th day of February 1934.

The following-named lieutenants to be lieutenant commanders in the Navy from the 30th day of June 1934:

Myron T. Richardson
William E. A. Mullan
Allen P. Mullinnix

Lt. Benton W. Decker to be a lieutenant commander in the Navy from the 8th day of September 1934.

The following-named lieutenants to be lieutenant commanders in the Navy from the 12th day of December 1934:

Robert D. Threshie
John Perry

Lt. Thomas S. Combs to be a lieutenant commander in the Navy from the 27th day of January 1935.

Lt. (Jr. Gr.) Ira H. Nunn to be a lieutenant in the Navy from the 1st day of November 1933.

Lt. (Jr. Gr.) Richard S. Baron to be a lieutenant in the Navy from the 1st day of March 1934.

Lt. (Jr. Gr.) Hugh J. Martin to be a lieutenant in the Navy from the 10th day of May 1934.

Lt. (Jr. Gr.) James M. Robinson to be a lieutenant in the Navy from the 30th day of June 1934.

Lt. (Jr. Gr.) Wilfred B. Goulett to be a lieutenant in the Navy from the 27th day of January 1935.

Lt. (Jr. Gr.) Harman B. Bell, Jr., to be a lieutenant in the Navy from the 1st day of February 1935.

Lt. (Jr. Gr.) Thomas G. Reamy to be a lieutenant in the Navy from the 1st day of April 1935.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 14th day of June 1934:

Sherman W. Betts	Sidney J. Lawrence
Ray C. Needham	Edwin A. McDonald
Eugene Tatom	James B. Vredenburgh
Leo O. Crane	Michael G. O'Connor

Medical Director Charles St. John Butler to be a medical director in the Navy, with the rank of rear admiral, from the 16th day of October 1930.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 1st day of June 1934:

Edwin H. Bradley
William T. Ross
Letcher Pittman

Passed Asst. Paymaster Harold T. Smith to be a paymaster in the Navy, with the rank of lieutenant commander, from the 30th day of June 1934.

Civil Engineer John N. Laycock to be a civil engineer in the Navy, with the rank of commander, from the 30th day of June 1934.

Boatswain Glen B. Swortwood to be a chief boatswain in the Navy, to rank with but after ensign, from the 1st day of October 1934.

MARINE CORPS

Lt. Col. John R. Henley to be a colonel in the Marine Corps from the 1st day of April 1935.

Maj. Samuel A. Woods, Jr., to be a lieutenant colonel in the Marine Corps from the 1st day of April 1935.

Capt. Dudley S. Brown to be a major in the Marine Corps from the 1st day of April 1935.

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of April 1935:

Ira L. Kimes	George F. Good, Jr.
Luther A. Brown	Harold C. Roberts

CONFIRMATIONS

Executive nominations confirmed by the Senate April 11, 1935

POSTMASTERS

ALABAMA

Agnes O. Harrison, Frisco City.

CALIFORNIA

William J. Beadle, Alhambra.
Thomas J. Caffery, El Monte.
Harry B. Morey, Menlo Park.

KENTUCKY

Marshall Norton, Hardinsburg.

NEW JERSEY

Minnie I. McKeen, Avalon.
James T. Brady, Bayonne.
Everett H. Antonides, Belmar.
Michael H. Connelly, Bloomfield.
Martin L. Mulvey, Landing.
Edward J. Turpin, Mays Landing.
John Jenkins, Port Norris.

NEW MEXICO

Lillian E. Howard, Portales.

NEW YORK

Lewis H. Sears, Ballston Lake.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 11, 1935

POSTMASTER

NEW YORK

Arthur Goggin to be postmaster at Clymer, in the State of New York.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 11, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Merciful God, so long as the human heart can breathe, "My Father", no trial, however keen, can wreck our faith and defeat our courage of soul. Bless the Lord, O my soul, and forget not all His benefits. It is He that hath made us and not we ourselves; we are His people and the sheep of His pasture. We thank Thee that under Thy providence we have grown in all things that tend to make a nation great, but hold us to the realization that with every advancement comes greater responsibility. Set these words in all hearts: "Except the Lord build the house, they labor in vain that build it; except the Lord keep the city, the watchman waketh but in vain." The seed we sow today will be the harvest of tomorrow. O Ancient of Days, we pray that it may be the fruits of peace, righteousness, and joy. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, on what subject?

Mr. MONAGHAN. On the rule on the social-security bill. I may state to the gentleman that I tried to get time to discuss the rule but could not.

Mr. O'CONNOR. Mr. Speaker, I object.

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, not only is the State of California vitally interested in the passage of adequate old-age pensions as exemplified in the Townsend plan, but it is also vitally interested in the people of the District of Columbia.

I am in receipt of a communication from the Governor of the State submitting Joint Resolution No. 7 of the California State Assembly, wherein the Congress of the United States is petitioned to correct the present un-American condition, which exists in the District of Columbia, by the passage of a constitutional amendment extending representation in the National Congress to the people of the District of Columbia.

Mr. Speaker, I ask unanimous consent to insert in the RECORD this joint resolution of the California Assembly which seeks to correct this present un-American condition affecting the political status of the District of Columbia.

Mr. BLANTON. Mr. Speaker, with all due respect to the many splendid Representatives here from the State of California, for all of whom we have high respect and high regard, the California State Assembly passes some very unwise and uncalled-for resolutions, and I object to this one going into the RECORD.

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes on the subject of the terrible dust storms that are occurring in the Panhandle section of Oklahoma, which is in my district.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FERGUSON. Mr. Speaker, I made a trip out to the Panhandle district of Oklahoma just a little over a week ago. I have lived there all my life, but I had no idea that conditions could be as bad as they are. The land is so blown and hummocked, and the surface of the soil has been whipped back and forth by the wind so long that it does not require anything more than a slight breeze to raise a cloud of dust. Mr. Speaker, if those farmers are not subsidized in some way, are not aided in some manner to stay there and fight that battle, it is going to be a problem directly up to the Government. Not only is the area that is blowing affected, but millions of acres to the east also are being ruined by the dirt which is carried over by the wind and deposited on the grass. There have been countless instances recently of cattle which have eaten the grass on which this dirt has been deposited which cattle, when cut open, would be found to have a large lump of dirt in their stomachs.

This is a problem that must be met practically, it cannot be met theoretically. Those people out there want to stay, if we will aid them. They have had three successive crop failures. If we will aid them to the extent that they can put their machinery in shape and live, they will stay out there on that battlefront; and when we do get some moisture they will plow that area, and it must be plowed, or listed, to a depth that it has not been plowed before. This will keep dust storms from recurring all summer long. Farmers are moving out by the hundreds. These dust storms will continue all summer, because no amount of rain will settle that dirt. The area must be turned over so as to get new soil on top, or it is going to continue to blow.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. TREADWAY. I would like to ask the gentleman whether similar storms have taken place in past years, and especially at a time quite a number of years back.

Mr. FERGUSON. We have always had dust storms, but we never had an area that was in such shape that rain would not bring vegetation over such a wide space.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Would the gentleman be kind enough to tell the House what he knows from his personal experience in that country as to the reason for such storms coming on now and their not having occurred previously? It has been a very interesting question in my mind.

Mr. FERGUSON. They started in 1920 and continued at times clear up to 1932. Vast areas of that sod was broken out with one-way plows to a depth of about 2 inches sometimes; not over 3 inches, at any rate. They had three successive drought years. That pulverized the top soil and left a hard base below. It has been caused through mechanical means of farming. The good farmer who has plowed his soil to a good depth would be all right, his land is not blowing today; but it has been ruined by his neighbor who used these new and cheap methods, who used these underfinanced methods of farming the last 3 years. That has been the fixed, contributing cause, coupled with drought.

Mr. TREADWAY. The gentleman's explanation is very interesting. I should infer, therefore, that the present condition is not the result of natural causes, that similar storms could have occurred in previous years, but now, owing to the condition of the plowed land, the soil is pulverized and the wind whips it up as dust, which it did not do previously.

Mr. FERGUSON. That is right.

[Here the gavel fell.]

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to insert in the RECORD a plan of attack in order to solve this problem which I have submitted to the Secretary of Agriculture and to the Director of the F. E. R. A., Mr. Hopkins, and also an account of the recent dust storms as carried in the Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. RICH. Mr. Speaker, reserving the right to object—and I do not know that I shall object—but I would like to ask the gentleman if those remarks are his own?

Mr. FERGUSON. These are my own remarks. Of course, the article appearing in the Washington Post is not my own, it being simply an account of the destruction caused by the dust storms in my own district.

Mr. RICH. Where did the newspaper account in the Post come from? Who wrote it? And why did the gentleman use a Washington newspaper article to insert in the RECORD?

Mr. FERGUSON. This article came through as an Associated Press dispatch from my district.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FERGUSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following plan of attack to solve wind erosion problem; submitted by me to the Secretary of Agriculture and to the Director of the F. E. R. A.; and newspaper account of recent dust storms:

1. FARM CREDIT ADMINISTRATION

A lenient policy of making summer fallow loans now at proposed rate of $1 per acre, with farmer granted privilege of making subsequent crop loan to plant listed acreage in erosion-resisting crops such as sorghum.

2. IMMEDIATE SURVEY BY COUNTY AGENTS AND WHEAT ALLOTMENT COMMITTEES TO DETERMINE COUNTIES IN AFFECTED AREAS ENTITLED TO EMERGENCY RELIEF TO COMBAT WIND EROSION

a. Survey by county agents and wheat allotment committees, to determine land that has been abandoned for cultivation, whether it be tenant operated, owner operated, or controlled by nonresident owner.

b. Farmers who indicate willingness or desire to farm on contour should have contour lines run by Soil Erosion Service, in return for agreement with Department of Agriculture to continue to farm on the contour.

c. Land shown by this survey that will probably be left out of cultivation and a menace to other operators should in the case of (1) tenant operated, and (2) owner operated land be made F. E. R. A. projects under the supervision of the Department of Agriculture, and operator be allowed from $1 to $1.50 an acre for dragging down hummocks and listing and planting to some sorghum crop. In return for this advance, operator should pledge reasonable share of crop.

d. Abandoned land with foreign owner should be optioned for purchase, if possible; if not, leased to the Government for crop rent for a period of 2 or 3 years. Placed under F. E. R. A. as a project, using farmers equipped to do the work and living closest to the farm on a contract basis of $1 to $1.50 an acre, depending on the condition of the land.

GENERAL STIPULATIONS

F. E. R. A. labor could be used to drag down and smooth out driftings along fences. All contracts should be subject to regula-

tions of the Secretary of Agriculture, requiring that in case of sorghum crops planted nothing but grain should be harvested and all forage remain on the land, to be protected even from pasture, until such time as all danger of land blowing is removed.

Special F. E. R. A. drought-relief appropriations to States earmarked to be spent in drought sections only, to correct injustices now existing in the States where emergency drought-relief money is being spent over the entire State.

Immediate construction of approved flood-control and irrigation projects in devastated areas to give the people who are without any normal means of support, lacking even cows and chickens, living in an area almost impossible for humans to survive, a cash income and future insurance of social welfare due to impounding large areas of water.

CONCLUSION

This land must be farmed until it has a chance to get a vegetative cover. To abandon this area at this time would mean the destruction of millions of acres of adjoining land that as yet has not suffered. The only economic way to meet the problem, by making it possible for those who have been brave enough to remain to handle this land in such a way that it will cease to be a menace to the rest of the Nation. These families who have stayed can well be compared to the soldiers in front-line trenches, who, properly encouraged and supplied, will conquer this devastating dust problem and save millions of acres of good land immediately to the east from being utterly destroyed, as well as reclaiming an area that, if abandoned, will soon become an unclaimable desert.

DUST STORMS FORCE FLIGHT OF HUNDREDS—NEW DISASTER'S TOLL IN EIGHT STATES IN MILLIONS; TRAFFIC BLOCKED—TYPHOID RISE IS FEARED AS FLOODS SWEEP KENTUCKY

By the Associated Press

KANSAS CITY, April 10.—Grimy wagons and motor cars carried scores of families out of northwestern Oklahoma tonight in full flight from an eight-State dust storm—among the most severe of a devastating series.

Crop and live-stock damages, already piled high in uncounted millions, increased rapidly, principally in Kansas, Oklahoma, and Colorado. Parts of New Mexico, Iowa, Nebraska, and Texas also were hit.

Many schools and stores were closed in Colorado and Kansas. The business district at Scott City, Kans., was shut down for the third consecutive day.

More than 100 families have deserted Cimarron and Texas Counties in the northwestern Oklahoma Panhandle. Chester Lamar, F. E. R. A. administrator, said that 100 "normally self-sustaining" families have left Texas County alone within the last 30 days.

GRAPHIC TALES TOLD

The Oklahoma refugees told graphically of their distress.

"I'm trying to get some place where my children can at least live", said Mrs. Lydia Dower, of Hardesty, today, as she drove away by truck with her three children for Colorado. Atop the truck was the family goat.

"I had no chance to raise a crop here", explained Roy Woods, of Texhoma, as he set out for Utah.

"This farm is the fruit of my labor ever since my wife and I married 28 years ago", said T. A. Foster, of Texhoma, "but we are going to leave it. Fortunately, I inherited a farm in Linn County, Kans., where we can go."

Floyd Hudson, member of the corn-hog committee in Cimarron County, said "the dust has driven out all but 3 of the 40 families who once lived in the 6 townships south of Boise City, Okla."

Attributing conditions to the dust, Mrs. Mabel Lathrop, relief worker at Guymon, said "4,000 of the 5,500 families in 6 northwestern Oklahoma counties are on relief rolls."

ALL "HEADING EAST"

"We're heading east", was all many of the occupants of 36 truckloads of furniture sighted today between Guymon and Boise City would say.

Lacy Rankin, of Hardesty, Okla., set out for California with his wife and children, saying:

"We feared for the family's health if we stayed here. We couldn't make a go here, anyway, and we couldn't be worse off anywhere else."

Tom Blake, of Hardesty, lamented that "my family almost smothers to death every time there is a storm."

But the Colorado to which Blake is going also reported more dust today. The fifth dust storm in 5 days swirled over Lamar, causing the dismissal of schools and the closing of stores at noon.

SCHOOLS CLOSED

Every school in Baca County, Colo., was closed. One hundred and eighty school children and passengers on busses prepared to spend their second night at Pritchet, Colo., in a school building and nearby homes.

Springfield (Colo.) stores exhausted their supplies of sponges, sought as "dust masks." Trains in the region were compelled to stop frequently. One arrived 12 hours late. A truck driver required 5½ hours to drive 50 miles to Lamar.

Kansas, where dust has been spinning in low-hanging clouds for more than a month, was virtually blanketed in today's storm.

Crop statisticans presented a picture of gloom. L. C. Aitcher, superintendent of the Fort Hays (Kans.) agricultural experiment station, said little wheat survives in the Northwest and even if rain should come it would be of doubtful value.

"Very poor" was the Federal official word on crop conditions in western Kansas, where a large part of the country's wheat is grown.

The trial of Miles "Steamboat" Ware at Tribune, Kans., on a charge of slaying a railroad conductor was ordered adjourned indefinitely until the dust storm has abated. Judge Fred J. Evans wore goggles at today's brief session.

TWO CHILDREN RESCUED

Two small children of D. B. Weeden, tying themselves together with a rope to avoid becoming separated in the storm, were found today near Vanceville, Kans., after wandering all night in the blinding dust. The searching parties exceeded 100.

Storm reports ran like this:

Meade, Kans.: Schools closed; little wheat left; visibility, 50 feet.

Garden City, Kans.: Stores closed; tourists compelled to stop; trains behind time.

Wellington, Kans.: "It's the year's worst."

Emporia, Kans.: Storm wiped out all trace of an early morning rain.

Dighton, Kans.: Haven't seen the sun since dust storm set in Monday morning, and the dust is growing worse.

Manhattan, Kans.: All Kansas State College athletic practice called off.

RAIN BRINGS MUD

Topeka, Kans.: Rain followed dust and covered all with mud. Frank Stone, of the highway patrol, checked to determine if any State roads should be closed in the interest of safety.

Scott City, Kans.: A man who promised his wife, visiting in eastern Nebraska, that he would come at once when their baby arrived, received the news this morning but was unable to keep his promise because of the dust.

Eastern Colorado farmers near the stricken Oklahoma Panhandle were reported determined to "stick it out."

Fort Dodge, Iowa, reported dust so intense that motorists had to turn on headlights.

In Nebraska, Lincoln, Omaha, and York were affected in varying degree.

In New Mexico the storm appeared to be subsiding. At Amarillo, Tex., Mrs. Cornelius Vanderbilt, Jr., was compelled to abandon her motor car in favor of the train in order to meet her husband at Albuquerque, N. Mex. It was too dusty to drive.

In western Kansas work in listing soil—to prevent dust storms—was halted because the atmosphere was too suffocating to permit outside activity.

DUST VICTIMS PRAY THRICE DAILY FOR RAIN

GUYMON, OKLA., April 10.—Dust-choked Guymon Methodists lifted their voices in prayer today, asking for rain and the end of the silt storms which have swept the area for weeks without abating.

Led by the Reverend R. L. Wells, the Methodists will meet three times daily until rain comes, gathering at the homes of the various members morning, noon, and afternoon.

THE COTTON-PROCESSING TAX

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to insert in the RECORD a resolution of the General Assembly of the State of North Carolina, asking for repeal of the processing tax. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution of the General Assembly of the State of North Carolina asking for repeal of the processing tax:

Resolution 37

H. R. 1040, a joint resolution memorializing Congress to eliminate the cotton-processing tax

Whereas, it is of vital interest to all of our citizens, including particularly the farmer, the laborer, the merchant, and the manufacturer, to prevent the threatened total collapse of the great textile industry, and to restore it to a position of strength, thus enabling it to purchase cotton from the farmer and to continue its manufacture so that labor may be employed; and

Whereas experience has demonstrated that the cotton-processing tax places an additional burden upon the increased cost of the manufactured product to an extent that is rapidly and with certainty destroying the domestic market for textiles, inevitably preventing a demand for the finished product as well as the raw cotton which the farmer must sell in order to exist, and for labor both in the fields and in the factories, with consequent loss to the industry, the merchant, the banker, and the State and Federal Government in the matter of taxes; and

Whereas we recognize as essential and just that compensation be paid the cotton farmer for the reduction and loss of cotton under regulations by the Government, and heartily approve the salutary measures adopted to assist in restoring and maintaining the price level of cotton; yet, we also recognize that it is not logical or just, and it is not wise statesmanship to destroy a great industry upon which so large a part of our population depends for

a livelihood, in an effort to carry out these measures, particularly when it is not necessary to do so, and when other less prejudicial measures, with equally beneficial results may be adopted in order to provide the funds now raised by the cotton-processing tax; that the amount necessary for these purposes should be raised, but not by the burdensome and discriminatory cotton-processing tax; that the sum necessary to carry out said purposes should be paid from the general fund or the fund appropriated for relief, and in this way accomplish the same great end, but by general distribution of the burden; and

Whereas the cotton-processing tax adds an enormous burden amounting to at least 40 percent of mill pay rolls on the mills, which cannot pass the tax along to the consumer; it adds 8 to 15 percent to the costs of inventories in times of great financial stress; it is unjust and indefensible in that it is in fact a sales tax without the virtue of universal application: Now, therefore, be it

Resolved by the house of representatives (the senate concurring):

SECTION 1. That our Representatives and Senators in Congress be, and they are hereby, requested to urge the Congress of the United States to secure the repeal at once of the cotton-processing tax for the aforesaid reasons.

SEC. 2. That copies of this resolution be transmitted by the secretary of the State of North Carolina to the President of the United States, the Secretary of Agriculture, and to the Senators and Representatives in Congress from the State of North Carolina.

SEC. 3. This resolution shall be in full force and effect from and after its ratification.

In the general assembly, read three times, and ratified, this the 10th day of April 1935.

R. G. JOHNSON,
Speaker of the House of Representatives.
A. H. GRAHAM,
President of the Senate.

Examined and found correct.

MITCHELL (for committee).

STATE OF NORTH CAROLINA,
DEPARTMENT OF STATE.

I, Stacey W. Wade, secretary of state of the State of North Carolina, do hereby certify the foregoing and attached four sheets to be a true copy from the records of this office.

In witness whereof, I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh, this 10th day of April, in the year of our Lord 1935.

[SEAL]

STACEY W. WADE,
Secretary of State.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, in this morning's paper is printed an article wherein the national commander of the Grand Army of the Republic states that pensions should be granted by the Federal Government to the 3,000 Confederate veterans who are now alive. May I say to the Members of the House that as a Member from Massachusetts, I will be only too proud and happy to introduce such a bill and hope the Congress will pass a bill providing for the pensioning of these 3,000 Confederate veterans, whose sons fought with us on the battlefields of France.

INCOME-TAX PUBLICITY

Mr. DOUGHTON. Mr. Speaker, I call up the conference report on the bill (H. R. 6359) to amend certain provisions relating to publicity of certain statements of income and ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

There being no objection, the Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

amended to read as follows:

"(b) (1) All income returns filed under this title for any taxable year beginning after December 31, 1934 (or copies thereof, if so prescribed by regulations made under this subsection), shall be open to inspection by any official, body, or commission, lawfully charged with the administration of any State tax law, if the inspection is for the purpose of such administration or for the purpose of obtaining information to be furnished to local taxing authorities as provided in paragraph (2). The inspection shall be permitted only upon written request of the governor of such State, designating the representative of such official, body, or commission to make the inspection on behalf of such official, body, or commission. The inspection shall be made in such manner, and at such times and places, as shall be prescribed by regulations made by the Commissioner with the approval of the Secretary.

"(2) Any information thus secured by any official, body, or commission of any State may be used only for the administration of the tax laws of such State, except that upon written request of the governor of such State any such information may be furnished to any official, body, or commission of any political subdivision of such State, lawfully charged with the administration of the tax laws of such political subdivision, but may be furnished only for the purpose of, and may be used only for, the administration of such tax laws. Any officer, employee, or agent of any State or political subdivision, who divulges (except as authorized in this subsection, or when called upon to testify in any judicial or administrative proceeding to which the State or political subdivision, or such State or local official, body, or commission, as such, is a party) any information acquired by him through an inspection permitted him or another under this subsection shall be guilty of a misdemeanor and shall upon conviction be punished by a fine of not more than $1,000, or by imprisonment for not more than one year, or both."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

R. L. DOUGHTON,
SAM. B. HILL,
THOS. H. CULLEN,
ALLEN T. TREADWAY,
ISAAC BACHARACH,
Managers on the part of the House.
PAT HARRISON,
WM. H. KING,
WALTER F. GEORGE,
HENRY W. KEYES,
JESSE H. METCALF,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The amendment of the Senate to the text of the bill, like the House bill, repeals section 55 (b) of the Revenue Act of 1934 (the so-called "pink slip" provision) but also adds a new provision which opens income returns filed under the Revenue Act of 1934 to the examination of any official, body, or commission of a State or political subdivision thereof charged with the administration of State or local tax laws. Such examination is to be made only while engaged in the performance of official duties. The manner of examination is to be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury. The information thus secured may be used only in connection with the administration of State or local tax laws. Any officer or employee who divulges, except in performance of official duties or except when called upon to testify in any court or official proceedings any information acquired by him through examination of the returns, is subject to a fine of not less than $500 nor more than $1,000.

The conference agreement retains the repeal of the "pink slip" provision contained in the House bill and the Senate amendment.

The conference agreement makes open to inspection, to the extent hereinafter described, income returns filed under the Revenue Act of 1934 which are made for any taxable year beginning after December 31, 1934, except that regulations may confine such inspection to copies thereof. The inspection may be made only by an official, body, or commission lawfully charged with the administration of any State tax law. Inspection is permitted only if made for the purpose of the administration of such State tax law or for the purpose of furnishing information to local taxing authorities as hereinafter described. Inspection may be made only upon written request of the Governor of the State, and he must designate the person to perform the act on behalf of the State taxing authority. Specific power is given the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to prescribe regulations relating to the time, place, and manner of the inspection. Paragraph (2) of the conference agreement permits the use of information secured from an inspection only for the administration of the State tax laws, except that upon the request of the Governor the taxing authority of a political subdivision may, for the purpose only of administering its local tax law, be furnished information secured by the State taxing authority, and except that on like request the State taxing authority may make the inspection for the purpose of securing information which may be furnished to and used by the local taxing authority but only for administering the local tax law. A

State or local officer (whether or not connected with a taxing authority) who divulges any information acquired by him through an inspection permitted him or another under the proposed subsection is liable to a criminal penalty. An exception to this provision authorizes divulging such information but only for the official purposes permitted under the subsection or only when the person having the information is called upon to testify in a judicial or administrative proceeding to which the State, the political subdivision, or the taxing authority is a party. The conference agreement fixes the same penalty for violation of the subsection as is provided under existing law in cases of unlawful disclosure of information secured from an income return.

The Senate amended the title of the bill to conform to the amendment to the text, and the House recedes.

R. L. DOUGHTON,
SAM. B. HILL,
THOS. H. CULLEN,
ALLEN T. TREADWAY,
ISAAC BACHARACH,
Managers on the part of the House.

Mr. DOUGHTON. Mr. Speaker, the Senate passed the bill (H. R. 6359) introduced by me with an amendment. Originally the bill simply called for the repeal of section 55 (b) of the Revenue Act of 1934, known as the "pink slip" provision. This is a unanimous report of the conference committee.

Mr. SNELL. Will the gentleman please tell us just what the changes in the present conference report are over what was in the bill as passed by the House originally?

Mr. DOUGHTON. They adopted in the Senate what was known as the Costigan amendment with which I suppose the House Members are familiar, providing that income-tax returns shall be open to inspection by the local taxing authorities of the various States; that is, not only by the States, but by the taxing authorities of the subdivisions thereof. There was considerable objection to inserting a provision that would open this matter up in that way and there was objection also by the Treasury Department. They stated that while they had no objection to the principle involved in the proposed amendment, it was impracticable of enforcement and they also stated that it would interfere with the administration of the income-tax law. For instance, they stated that the returns were required to come to Washington soon after they were filed in the various States and if they were called upon by the tax authorities of the various States to furnish these returns when the Bureau of Internal Revenue needed them they might be accused of not cooperating because of the delay.

Mr. SNELL. Will the gentleman tell us what was agreed upon in conference?

Mr. DOUGHTON. The Treasury Department stated the returns would be frequently in the field when they were called for. The change made by the conferees was a change in the Costigan amendment. The amendment to the Costigan amendment agreed to by the conferees provides that the same would go into effect next year. It is understood that the Bureau of Internal Revenue will have authority through Executive order to be issued in the process of administration requiring duplicate returns to be made or a copy of the returns to be filed.

Mr. SNELL. The gentleman has been discussing the Costigan amendment, but what did the conferees agree upon? To whom are these reports or returns open?

Mr. DOUGHTON. These returns are open to the various States and only through permission granted by the States can the information be transmitted to the different taxing subdivisions of the States, the counties, and municipalities.

Mr. SNELL. As I understand it, the Governor of any State may request these tax returns?

Mr. DOUGHTON. Yes. He may grant opportunity for an inspection of the tax returns.

Mr. SNELL. Who else besides the Governor of my State, for instance, could request these returns for inspection?

Mr. DOUGHTON. Any official taxing authority at the request of the Governor, not directly, but through the Governor.

Mr. SNELL. A town assessor in my town could go to the Governor and ask him to get the returns of any man who made an income-tax return?

Mr. DOUGHTON. The municipal assessor could ask the Governor to have the State taxing authority do that; then the State taxing authority would relay that on to the local authority.

Mr. SNELL. Then it is open to the assessors in each town in the United States?

Mr. DOUGHTON. Not directly.

Mr. SNELL. Well, indirectly?

Mr. DOUGHTON. Indirectly, for the purpose of aiding the tax assessors of the various counties in enforcing their income- and property-tax laws.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SAMUEL B. HILL. Further answering the gentleman from New York, I may say that only the State taxing officer, upon request of the Governor, has the right to see these returns.

Mr. SNELL. Then I was wrong in saying they were open to each town assessor.

Mr. SAMUEL B. HILL. Yes; but the information which the taxing officer gets from inspection of the returns may, upon the direction of the Governor, be given to the local tax officer.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. As I understand the question of the gentleman from New York, he wants to know to what extent the local authority can inspect tax returns.

Mr. DOUGHTON. He cannot inspect them at all.

Mr. TREADWAY. No; but he could have done so under the Costigan amendment.

Mr. DOUGHTON. Under the Costigan amendment, yes.

Mr. TREADWAY. May I make just a brief reply to the inquiry of the gentleman from New York?

Mr. DOUGHTON. I yield to the gentleman.

Mr. TREADWAY. I may say, Mr. Speaker, I have been consistently opposed to the "pink slip" from the start. The Senate repealed the "pink slip", but it added the so-called "Costigan amendment", which was proposed on the floor of the Senate. The Costigan amendment would have been extremely obnoxious and impractical. It would have been obnoxious because it allowed local assessors access to the returns of the taxpayers. It would have been impractical because the reports or returns are in various localities. They may be here in Washington, they may be out in the field, or they may be in subordinate offices. For instance, in my section the office is in Boston. There are several different places where these income-tax reports may be. So the Department, as the chairman of the committee has said, felt it was impractical to carry out the provisions of the Costigan amendment; but the "pink slip" provision having been repealed by both branches, it is off the statute books.

We, therefore, were willing to accept an amendment such as is embodied in the report, which does not give a local authority power to examine the returns. The local authority, in order to make up an income-tax report may, so far as applicable to local citizens, apply to the tax commissioner of the State and the State tax commissioner to the Governor. If the Governor approves the request, he may designate some official to examine the income-tax report and report back to the local authority the necessary information to make up the local assessment. This is as far as the local man can reach the ordinary income-tax report.

Mr. SNELL. Mr. Speaker, will the gentleman yield for one more question?

Mr. TREADWAY. I yield.

Mr. SNELL. Of what value is it to a local assessor to know whether a man pays an income tax or not?

Mr. TREADWAY. I agree with that idea except to this extent. One of the conferees, Senator GEORGE, of Georgia, said in our conference that he knew that at times it was necessary for the local man to have information that would permit getting a proper assessment on property. The laws in the States vary. There may be one law in your State

and another law in mine, but on the testimony and statement made by Senator GEORGE, I felt we were justified in accepting this suggestion, and so far as keeping it within the control of Federal authorities is concerned, that is amply protected.

So the intention of Congress in the repeal of the "pink slip" by both branches has been carried out. This amendment that the conferees are now submitting, to my mind, in no way vitiates the attitude we took in connection with the "pink slip."

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Illinois.

Mr. SABATH. In further explanation why the amendment will have value, I may say to the gentleman from New York that the original request for this amendment was made by one of the outstanding and most sincere assessors we have, Mr. John S. Clark, who communicated with me some weeks ago and requested that something should be done to enable him at times to bring about justice in connection with certain evaders of taxes, and there are many of them. It is necessary that such officials have the right and the privilege of examining the returns. Such an amendment was offered by me, but, lacking the necessary time, I was unable to explain it fully to the House, and it was not agreed to. Senator COSTIGAN offered it, but in an amended form, and it was then modified in conference. The proposal can do no harm, and in cases where it is absolutely necessary for the best interests of the people, it will give the required information to the county assessors, and I think the amendment, as now proposed, should be agreed to.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. McFARLANE. This amendment that the conference committee has brought in places the sole responsibility, it seems, on the Governor. Why should we place this responsibility on the Governor rather than on the local taxing authorities as provided in the Costigan amendment?

Mr. DOUGHTON. In response to the gentleman, I may say that, so far as I am concerned, I did not see any serious difficulty or objection to letting the local taxing authorities have the right to inspect the returns, but there was considerable objection voiced in the conference.

Mr. McFARLANE. What was that objection?

Mr. DOUGHTON. The gentleman from Massachusetts may be able to tell the gentleman better than myself, but it was thought that the purpose sought could be accomplished just as successfully by agreeing to the language contained in the conference report. Of course, I realize there are a number of honest and intelligent people like my friend the gentleman from Texas who believe in the widest and fullest publicity.

Mr. McFARLANE. Absolutely.

Mr. DOUGHTON. But the House went on record and voted to repeal the publicity provision of the law. Then when it went to the Senate the Senate amended it, making these returns available to various taxing authorities under the jurisdiction of the various States, and in conference the report, as agreed upon, was the best we were able to get; and I believe it will accomplish the purpose sought; and, moreover, I may say that I have received a letter from the Commissioner of Revenue of the State of North Carolina, a very able man with regard to tax matters and an expert on taxation, who stated that much benefit would come from the purposes sought to be accomplished by the Costigan amendment; and I believe that the amendment is really helpful to the bill as it passed the House; and so far as I am concerned I would acquiesce in the Costigan amendment as written; but a majority of the conferees were of a different opinion.

Mr. McFARLANE. The amendment is all right, but it does not go far enough.

Mr. KOPPLEMANN. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KOPPLEMANN. As the Chairman of the Committee on Ways and Means knows, my interest is to prohibit general publicity. In this conference report you provide for certain tax officials to become acquainted with the information in the tax returns.

Have you provided that these officials gaining this information may not give it out?

Mr. DOUGHTON. We have provided for a fine and imprisonment if they do.

Mr. RANDOLPH. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. RANDOLPH. I favored the repeal of the "pink slip", but I want to ask the gentleman this question: Is the individual who goes there at the instance of the Governor to make the investigation someone directly connected with the tax authorities either of the State or the county?

Mr. DOUGHTON. The Governor of the State designates the person to get the information, and he transmits it to the local authority.

Mr. RANDOLPH. It is within his discretion as to whom he will designate?

Mr. DOUGHTON. Yes.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. ELLENBOGEN. This amendment does not provide for the procuring of information by the taxing officials of the District of Columbia.

Mr. DOUGHTON. The District of Columbia does not have any income-tax law.

Mr. ELLENBOGEN. It will have under the measure which we have under consideration.

Mr. DOUGHTON. After that is enacted the gentleman can introduce a bill to meet that situation.

Mr. DOUGHTON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

AIR MAIL CONTRACTS

Mr. MEAD. Mr. Speaker, I call up House Resolution 181, a privileged report.

The Clerk read as follows:

House Resolution 181

Resolved, That the Postmaster General is hereby directed to furnish to the House of Representatives as soon as possible full and detailed information showing:

The names of all persons, companies, and corporations which submitted bids for air mail contracts since June 12, 1934;

The name of those to whom air mail contracts were awarded;

A list of all the stockholders holding more than 5 percent of the capital stock of each such company or corporation;

A list of the officers and directors thereof;

A statement covering the financial set-up, including a list of assets and liabilities of each company or corporation; and

The original amount paid for its stock, whether paid in cash, and if not paid in cash, a statement for what such stock was issued.

Mr. MEAD. Mr. Speaker, I ask that the report be read.

The SPEAKER. The gentleman from New York asks unanimous consent that the report be read. Is there objection?

There was no objection.

The Clerk read as follows:

Report No. 666

The Committee on the Post Office and Post Roads, to whom was referred the resolution (H. Res. 181) directing the Postmaster General to furnish certain information to the House of Representatives, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

The committee now has in its possession the information called for in House Resolution 181.

Mr. MEAD. Mr. Speaker, this information was requested by the gentleman from Minnesota [Mr. MAAS] and relates to the reorganization of air transport companies who hold air mail contracts.

We secured the information requested by the resolution. I have discussed it with the gentleman from Minnesota [Mr. MAAS] and it is agreeable to him that this information be referred to the Post Office Committee, where it will be con-

sidered and where the gentleman from Minnesota will be given an opportunity to review it. If it is in order, I would like to have the information returned to the Post Office Committee of the House for further consideration.

Mr. SNELL. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. SNELL. Do I understand that this is agreeable to the gentleman from Minnesota [Mr. MAAS]?

Mr. MEAD. Yes; I have discussed it with him, and I told him that I would bring it up in the House this morning, and that the information would be at his command.

Mr. KNUTSON. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. KNUTSON. Did the gentleman inform my colleague that it would be brought up today?

Mr. MEAD. Yes; I told him I would bring it up immediately after the reading of the Journal, and I also told him of the nature of the information.

Mr. RICH. Does the gentleman believe that that is a proper course of procedure—to keep this in committee without making a publication to the world of the affairs of these airplane companies unless there is something wrong with them?

Mr. MEAD. There is not anything wrong with that; this information can be given to the press when the annual reports are made by the Post Office Department in accordance with law.

Mr. BACON. Then this information will be available to any other Member of the House when he wants it?

Mr. MEAD. Yes; but, in view of the fact that it is agreeable to the gentleman from Minnesota [Mr. MAAS], we thought it should be referred to the Post Office Committee and then rereferred to the Subcommittee on Air Mail.

Mr. Speaker, I want this information available to the Post Office Committee; and with that in mind, I move that the report be adopted and that the resolution be laid upon the table.

The SPEAKER. The gentleman from New York moves to lay the resolution on the table.

The motion was agreed to.

SOCIAL-SECURITY LEGISLATION

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 197, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 197

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 7260, a bill to provide for the general welfare by establishing a system of Federal old-age benefits, and so forth. That after general debate, which shall be confined to the bill and shall continue not to exceed 20 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY]. All I can say at this time is that this is a wide open rule, as open as any rule ever presented to the House. It permits amendment under the rules of the House. No rule was ever presented to the House that was more open.

I reserve the remainder of my time, and yield 5 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. MONAGHAN. Mr. Speaker, I rise to a question of personal privilege, and, if the Chair please, to the privilege of the House.

The SPEAKER. The gentleman will state it.

Mr. MONAGHAN. The point of order I wish to make is this. I read in the rules that the rights of the House must be safeguarded as to its integrity, safety, and efficiency, and this matter of social security is one of the most important subjects that will come before this House during this whole session of Congress.

Mr. O'CONNOR. Mr. Speaker, I make the point of order that the gentleman is not addressing himself to the point of order.

The SPEAKER. The gentleman from Montana will please state his question of privilege.

Mr. MONAGHAN. Mr. Speaker, I am stating the point of order. It affects the dignity of this House to safeguard the rights of its Members to speak upon a matter in which they have vitally concerned themselves. That is a matter of paramount importance and constitutional importance, and the right cannot even be infringed by civil officers.

Mr. O'CONNOR. Mr. Speaker, I make the point of order that the gentleman is not stating a question of personal privilege, or a matter involving the privilege of the House.

Mr. LEHLBACH. Mr. Speaker, I make the point of order that the question of the privilege of the House must be raised by resolution.

The SPEAKER. The gentleman from New Jersey is correct.

Mr. BLANTON. But that does not apply to the matter of personal privilege.

The SPEAKER. A matter of the privilege of the House must be raised by resolution. The Chair understood the gentleman from Montana to raise a question of the privileges of the House.

Mr. MONAGHAN. And a matter of personal privilege. I said also the privilege of the House.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. MONAGHAN. I read from rule IX:

Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings.

Under the question of personal privilege I cite the integrity of the proceedings of the House. I cannot see that this rule adequately protects this House so far as giving it and the public adequate information as to the rule.

Mr. O'CONNOR. Mr. Speaker, I make the point of order that the gentleman is not stating a question of personal privilege.

The SPEAKER. The point of order is well taken. The gentleman will state the question of personal privilege.

Mr. MONAGHAN. Then I appeal from the decision of the Chair, if any has been made.

The SPEAKER. But the Chair has not made any ruling. The Chair is simply seeking to have the question of personal privilege stated by the gentleman.

Mr. MONAGHAN. I have stated it.

The SPEAKER. What is it?

Mr. MONAGHAN. This matter of social security is one in which I am vitally interested and have interested myself from my first session in Congress, and I have interested myself on this rule to the extent of circularizing every Member of the House. I am not permitted to speak upon it. It is my constitutional right that my constituents may be heard here. That is denied.

Mr. O'CONNOR. Mr. Speaker, I make the point of order that the gentleman is not stating a question of personal privilege, and I move that his remarks be stricken from the RECORD.

The SPEAKER. Permit the Chair to rule.

Mr. MONAGHAN. Mr. Speaker, I should like to continue, if I shall not be interrupted.

The SPEAKER. But the gentleman cannot make an argument at this time. He must succinctly state his question of personal privilege.

Mr. MONAGHAN. I will state it.

The SPEAKER. Without accompanying it with an argument at this time.

Mr. MONAGHAN. Am I not permitted to argue the point of order?

The SPEAKER. It is necessary for the gentleman first to state his question of personal privilege as a basis for any

argument that he may desire to submit. The Chair has no desire other than to see that the gentleman and every Member of the House is protected under the rules. The rules provide that a gentleman who raises a question of personal privilege must first state his question before he proceeds to argue with reference to it.

Mr. MONAGHAN. I have asked for time from the minority and the majority——

Mr. O'CONNOR. Mr. Speaker, a point of order. The gentleman is not stating a question of personal privilege.

Mr. MONAGHAN. How could I state my question of personal privilege if I do not state the right that has been denied me? I maintain that the right of any Member should be safeguarded to speak upon any question in which he has vitally interested himself at every session of the Congress. By reason of the fact that the gentleman from New York [Mr. O'CONNOR] will not assign me time, and I am not assigned time by the minority, and my unanimous-consent request is denied, my personal privilege——

Mr. O'CONNOR. Mr. Speaker, I make the point of order that the gentleman from Montana, under the guise of raising a question of personal privilege, is making a speech to his constituents in behalf of the Townsend plan.

Mr. CONNERY. Mr. Speaker, a point of order. The gentleman from New York [Mr. O'CONNOR] has no right to make that statement.

The SPEAKER. The rules provide that a Member may rise to a question of personal privilege where his rights, reputation, and conduct individually, in his representative capacity, is assailed or reflected upon. The Chair fails to see where the gentleman has presented a question of personal privilege which will bring himself within that rule. The rules provide for the conduct of the business of the House——

Mr. BLANTON. Mr. Speaker, a point of order.

The SPEAKER. The rules are necessary——

Mr. BLANTON. Mr. Speaker, I want to ask that the improper words of the gentleman from New York referring to the remarks of the gentleman from Montana as "a demagogic speech" be taken down——

The SPEAKER. The Chair is in the midst of a ruling. The Chair hopes the gentleman will respect the Chair until he finishes with his statement.

Mr. BLANTON. I want to ask that the gentleman's improper words be taken down, and do not want to lose that right——

The SPEAKER. The Chair is in the midst of a ruling. The Chair trusts the gentleman from Texas will refrain from interruption until the Chair has concluded.

Mr. BLANTON. I will.

The SPEAKER. The Chair was about to state to the gentleman from Montana [Mr. MONAGHAN] that these rules have been adopted for the proper conduct of the business of the House. They provide the method of procedure. If this rule is adopted the gentleman may, of course, appeal to those who have charge of the time for time, but there are 435 Members of the House, and the gentleman must appreciate, as the Chair does, that it is impossible for those gentlemen to yield to everyone. However, the Chair is very sure that opportunity will be afforded the gentleman sometime during the discussion of the bill to express his views.

The Chair fails to see where the gentleman has been denied any right that has not been denied to every Member of this House. The gentleman has his right of appeal to get time, as the Chair stated, if this rule is adopted. If the rule is not adopted and the bill is taken up, then the gentleman may proceed under the rules of the House. The Chair fails to see where the gentleman has raised a question of personal privilege.

Mr. BLANTON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. I make the point of order, unless the gentleman from New York [Mr. O'CONNOR] withdraws the word "demagogic", that the statement of the gentleman from New York [Mr. O'CONNOR] that the gentleman from Montana [Mr. MONAGHAN] was making "a demagogic speech" is out of order. It attributes improper motives to the gentleman from Montana, who, I think, is earnest and sincere, and I ask that those words, "a demagogic speech", be taken down, as used by the gentleman from New York [Mr. O'CONNOR], unless the gentleman sees fit to withdraw them.

Mr. O'CONNOR. Well, I did not pronounce it just that way, but I have no intention of withdrawing it.

Mr. BLANTON. Mr. Speaker, I ask that those words embracing "demagogic" be taken down, because while he and I do not agree on this bill, I think the gentleman from Montana [Mr. MONAGHAN] is sincere and in earnest in his declaration. [Applause.]

The SPEAKER. The gentleman requests that the words of the gentleman from New York be taken down.

The Clerk will report the words.

Mr. MARTIN of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARTIN of Massachusetts. I wonder if the request to take down the gentleman's words does not come too late?

Mr. BLANTON. Oh, no; it does not. I made it in due order.

Mr. O'CONNOR. Mr. Speaker, in order to save time and to get down to the business of the House, and without relinquishing any of my private opinions, I withdraw the word I used.

Mr. BLANTON. Mr. Speaker, I therefore withdraw my request.

The SPEAKER. The gentleman from Indiana is recognized for 5 minutes.

Mr. GREENWOOD. Mr. Speaker, this resolution provides for what is commonly known as a "wide open" rule for the consideration of the so-called "social security bill." The rule provides for 20 hours of general debate to be confined to the bill and is wide open for all amendments that are germane that any Member may wish to offer. We think the importance of this legislation calls for a rule of this liberality.

I want to congratulate the Ways and Means Committee on the presentation of this bill after many days of consideration. It is a great and wonderful step in advance providing for the security of old age, for the security of motherhood and of childhood. We have learned many lessons from the depression, among them that in a land of surpluses, in a land of plenty, where we raise a surplus of foodstuffs, thousands if not millions are hungry; that in a land where we produce a surplus of wool, cotton, and other material for clothing, many are unclothed; that in a land where we produce a surplus of fuel, coal, oil, and electric power, many are cold and homes are unheated. From this depression we have learned that there must be new formulas for the security of humanity. After all, the supreme purpose of government is the protection of its citizens and the protection of humanity.

This legislation is a wonderful step in advance along the line of security. It may not go as far as some would like, but certainly it is a movement in the right direction as an initial step.

The rule provides that anyone who has an amendment they believe will improve the details of this legislation may offer it and will have ample opportunity and time in which to discuss it.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. COX. The effect of the proposed rule is to give a privileged status to the bill and to make possible its consideration at this time.

Mr. GREENWOOD. That is all.

Mr. COX. And in that it provides for 20 hours' general debate it enlarges the privileges of the Members rather than restricts them.

Mr. GREENWOOD. That is true. I thank the gentleman for his contribution. It is one of the most liberal rules I have ever seen.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. McFARLANE. How long will we be permitted to discuss the rule before the previous question will be ordered on the rule?

Mr. GREENWOOD. The rules of the House provide for 1 hour of debate on the rule.

Mr. McFARLANE. I do not so read it in the rule.

Mr. GREENWOOD. That is the rule of the House touching this matter, as I understand it.

Mr. McFARLANE. Another question, if the gentleman will permit. The Parliamentarian has had some 19 or 20 amendments submitted to him but he has not passed upon them. If this rule is adopted, can the gentleman state whether or not the different measures that have been discussed before the country would be germane to the bill?

Mr. GREENWOOD. Why, certainly the gentleman cannot state that; that is the province of the Speaker and the Chairman of the Committee of the Whole House on the state of the Union when the amendment is offered and after he knows what it is.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. BLANTON. In its ultimate finality it is within the control of the House, because even though the Speaker rules, the House can pass on all rulings. Is not that true?

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I ask unanimous consent that the gentleman may have 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. TRUAX. If this rule is adopted, may the so-called "Townsend plan" be offered as a substitute?

Mr. GREENWOOD. I have no reason to believe it would not be germane.

Mr. TRUAX. I thank the gentleman.

Mr. GREENWOOD. But I am not the Speaker of the House, nor am I the Parliamentarian. Perhaps the gentleman from Ohio knows as much about it as I do.

Mr. GRAY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. GRAY of Pennsylvania. A few moments ago the Speaker of the House in ruling on a point of order stated that he felt sure the gentleman from Montana would be able to get time in the discussion of this bill. The Rules Committee brings out a rule dividing the time equally between the minority and the majority.

Mr. GREENWOOD. That is always customary, and there is nothing unusual about that.

Mr. GRAY of Pennsylvania. Has the Rules Committee ever thought of the injustice of that, in this respect: There are three times as many Democratic Members in the House as Republicans, yet Republicans are given an equal amount of time.

Mr. GREENWOOD. The time has always been divided between the majority and the minority not with the idea of politics, but that has been the custom of the House ever since I have been a Member of the House. This rule is no different from every other rule in that respect.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. RICH. When mention was made of the Townsend plan being germane under this rule, did the gentleman mean the plan by which $200 a month was to be paid people over a certain age on the condition that they spend it during the month, that foolish, ridiculous, obnoxious bill?

Mr. GREENWOOD. I do not know what the gentleman may mean or what any man may have in the back of his head, but when the appropriate time comes, the gentleman can propound the parliamentary inquiry to the Speaker.

Also in connection with the purposes of this legislation I am sure we all appreciate that we live in a machine age, an age of great invention; and unless we are going to correct this position, under the laws of invention, the monopoly that is granted and the principal profits that come from an invention are going to accrue to the management of industry and not be divided as an appanage to those who work with their hands. The invention of machinery crowds out hundreds and thousands of men and women who labor with their hands. We know that the future holds in store much unemployment and its attendant distress, especially unemployment in old age, and we may as well make this step now looking forward to that future date so that the advantages that accrue from the machine and this age of discovery in which we live shall take care of the people displaced. All our people must be taken care of under legislation of this character, and I say that the bill is a wonderful step in advance.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. FITZPATRICK. Speaking of the machine age, if the 48 States of the Union would shorten hours of labor we could meet the threat of the machine age, and that is the only way in which we can meet it.

Mr. GREENWOOD. I will agree with the gentleman from New York that the shortening of hours of labor would be very beneficial, but nevertheless there will always be that distress of old age; there will always be the necessity for assistance to be rendered to motherhood and childhood. I believe it is our duty as a nation of great wealth and of great surpluses to provide a scheme of government that through the years will build up the necessary reserves to provide for security in old age, of motherhood, and of childhood. This bill, in my opinion, is a step in the right direction.

Mr. Speaker, I want to congratulate the Ways and Means Committee for the care with which this bill has been prepared and for the work they have performed. I trust that the House will sustain the Committee by voting favorably on this rule in order that we may have full consideration and full opportunity for amendment of this bill.

Mr. COX. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Georgia.

Mr. COX. May I make the suggestion that if the membership will read the report of the committee, they will find it is most instructive and explanatory of the measure.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to myself.

Mr. Speaker, the Rules Committee has given an open rule to the security bill, giving the House an opportunity to amend the bill when it comes before this body.

The bill provides that the Federal Government pay one-half of the cost of State old-age pensions, with a Federal limit of $15 per month to one person. You will admit that this is by no means a princely sum and there is grave doubt as to the constitutionality of part of the bill; the Government, in the minds of many, has not the power to enforce social insurance under the guise of a tax. Again, no credit is allowed for the private pension funds set up by individual employers. The bill is, to say the least, loosely drawn and will probably reach the courts. I, however, propose to vote for the rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, although this bill, the administration's old-age pension bill, comes into the House under an ostensibly open rule, yet insofar as that rule permits the administration bill to be amended in the way that many Members of the House would like to see it amended, this rule is not an open rule at all. It is to all practical intents and purposes virtually a gag rule, and I desire to try to show you, in the short time allotted for discussion on the rule, just why it is a gag rule.

Mr. COX. Will the gentleman yield?

Mr. MOTT. I have only 5 minutes on the rule, and I would appreciate it if the gentleman would allow me to finish my statement.

Mr. COX. Is the gentleman in favor of liberalizing the rules of the House?

Mr. MOTT. Mr. Speaker, I do not yield. I am sorry, but the gentleman must realize that my time is too limited to yield at this point for questions if I am to conclude my own statement within the time.

Mr. Speaker, it is generally conceded, and I have consulted several of the best parliamentarians in the House on the point, that under a general open rule of the House no such old-age pension plan as that embraced in the Lundeen bill or in the revised McGroarty bill may be offered by way of amendment as a substitute to section 1 of the pending bill, which is the old-age-pension feature of the President's economic-security bill, which bill we are now about to consider under this rule.

Now, let me say frankly at the outset that the only part of the President's economic-security bill that I am very greatly interested in for the moment, or that many Members are very greatly interested in, is section 1 of that bill, which contains the old-age-pensions provisions. I dare say not 2 percent of the people of the United States either know or care a great deal about any part of this administration bill, except the old-age-pension part of it, but, on the other hand, I venture to say that 90 percent of the people of the United States do know and do care about the old-age-pension features of it and that they are very much interested in knowing whether or not we intend at this session of Congress to give to them an adequate old-age-pension bill.

Now, Mr. Speaker, while I intend to confine my remarks at this stage to the rule itself, and not to the bill reported in under the rule, I desire to say in this connection that the old-age pension provided in the administration bill is not an adequate old-age pension and that most of the membership of the House freely admit that it is not adequate. I doubt very much whether there will be any serious contention in the debate which is to follow the disposition of this rule that the pension here proposed is an adequate old-age pension. Furthermore, few people outside of the Congress believe this to be an adequate pension. Since the convening of the present Congress I have replied to more than 9,000 letters inquiring about and commenting upon the old-age-pension provision of the administration bill, but I have yet to receive a single letter in which the writer expressed the opinion that the pension here proposed is adequate.

Please do not misunderstand me. I am not for the purpose of the debate on the rule criticizing the bill itself. What criticism I may have for it I shall reserve for debate upon the bill. But I am telling you what the people you yourselves represent think about it, for the purpose of urging upon you the liberalization of the rule, so that what your constituents have asked for in the way of an old-age pension may at least be considered and debated under the rule.

Mr. Speaker, there are millions of people in this country who in good faith have petitioned the Congress to consider and discuss and to decide upon the merits of certain old-age-pension plans which they believe to be solutions to the old-age-pension problem. It is said that 20,000,000 people have signed petitions asking Congress to consider the so-called "Townsend plan", which is now before the Congress in the shape of a new bill known as the revised McGroarty bill. It is reported also that more than a million people have by the similar orderly method of petition prayed Congress to consider the Lundeen bill, which has been favorably reported to the House by the Committee on Labor. Is this body, the duly constituted representatives of the people and the law-making authority of the people, going to deny completely these petitions of the people?

The Constitution of the United States guarantees to its people the right of petition to the proper authority, which in this case is the Congress of the United States, and that right presupposes and carries with it the right to have their orderly petitions properly considered and passed upon by the Congress in an orderly manner. I am not contending that you must grant those petitions by enacting their proposals into law, because to say that would be to deny to Congress the right to legislate as the representatives of the whole people. But I do say to you that you have no right to refuse to allow the legislation prayed for in those petitions to be considered on the floor of this House. I do say that you have no right, figuratively speaking, to throw those petitions in the waste basket. And finally I say that although you may have the legal right you have no moral right to adopt any rule today which will render it impossible for the House to consider and act upon either the revised McGroarty bill, the Lundeen bill, or any other old-age-pension bill now before Congress which proposes a different old-age-pension plan than that proposed in the President's bill. And that, Mr. Speaker, is precisely what the majority of this House will do if it adopts this rule.

The other bills to which I have referred are tax bills, and that is the reason why they cannot be offered as amendments or substitutes for section 1 of the pending bill, under the supposedly open rule which you are now proposing to adopt. Under this rule all tax bills must be held to be not germane to section 1 because section 1 contains no tax provision. The revised McGroarty bill is a tax bill providing, among other things, for a 2-percent transaction tax for the purpose of financing the pension provided for in the bill. The Lundeen bill is also a tax bill. All the other old-age-pension bills now pending before Congress are tax bills, and this rule will shut them all out from any consideration whatever.

Mr. Speaker, I trust the point I make is clear to everyone—that under the general rules of the House and under this particular rule—no one will be allowed to offer any other old-age plan as a substitute to section 1 of the administration bill which, of course, is the only bill before the House for consideration under the rule. I have no right to say to Members how they shall vote for any of these other bills if they are offered, but I think I have a right to insist that the Rules Committee ought to give the Membership of the House an opportunity to consider those other plans and to debate them, and, if they are satisfied with one of the other plans they ought to have the right to substitute it for the old-age-pension provision of this administration bill.

The only way that that can be done, and the only way that this House will have any opportunity whatever of considering any other old-age-pension plan except the particular plan specified in the pending bill, is to vote down the previous question on the rule and then amend the rule so as to provide that any other old-age-pension plan, together with any other system or scheme of raising revenue to finance it, may be offered by way of amendment to section 1 of this bill. Gentlemen will have an opportunity to do this by simply voting down the previous question and amending the rule, or by voting down the rule itself and requiring the Rules Committee to bring in a new rule. If you refuse to do that, then by your vote you will declare to your colleagues and to the country that you have prevented and forbidden consideration and debate in this House upon any other kind or type of old-age-pension bill except the specific plan provided in the pending bill, which, in the opinion of the majority of the Members here, is altogether inadequate and with which the country as a whole is not satisfied. [Applause.]

[Here the gavel fell.]

Mr. MONAGHAN. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Montana rise?

Mr. MONAGHAN. For the purpose of submitting a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MONAGHAN. Is not the statement that was made by the gentleman from Oregon [Mr. MOTT] correct, that if this

rule passes, then only one particular plan, the plan that we now have under discussion, may be passed upon by the Congress?

The SPEAKER. The Chair is not in position to answer that parliamentary inquiry. That is a matter which will come up subsequently under the rules of the House. The Chair would not seek to anticipate what the Chairman of the Committee of the Whole may rule or what the Committee itself may do. The Chair feels very certain that the Chairman of the Committee will be governed, as all chairmen of committees are, by the rules and precedents of the House. Certainly the Chair would not anticipate his ruling; and in addition to this, the Chair cannot pass upon any particular amendment until it has been presented in all its phases.

EXTENSION OF REMARKS

Mr. CARTER. Mr. Speaker, I desire to submit a unanimous-consent request. All those who spoke on the river and harbor bill, which we considered on the 9th, were given 3 legislative days to extend their remarks. I have such permission, but I desire to include in the extension certain extracts from the report of the Chief of Engineers and other Government agencies in reference to a certain project in the bill, and I ask unanimous consent that I may include them as a part of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SOCIAL-SECURITY BILL

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, I do not think this legislation should have been accompanied by a special rule——

Mr. COX. Mr. Speaker, will the gentleman yield there?

Mr. KNUTSON. If the gentleman please, I have only 5 minutes.

Bringing in this bill under a special rule is a reflection upon you Democrats.

Mr. DOUGHTON. Mr. Speaker, will my colleague yield?

Mr. KNUTSON. I always yield to my chairman.

Mr. DOUGHTON. We were advised by what we considered good parliamentary authority that this is the only way by which the bill could be considered. We were advised that it is not privileged and could only come in under a rule. Apparently, the gentleman would not want it considered at all.

Mr. KNUTSON. The CONGRESSIONAL RECORD shows there are 319 Democrats in the House, 103 Republicans, 7 Progressives, and 3 Farmer-Laborites. In other words, you have three times as many Members as the three other parties combined [applause], but you cannot be trusted to pass upon a measure of this kind without a gag rule. [Laughter.] Now, applaud that. [Laughter.]

Mr. MONAGHAN and Mr. SAMUEL B. HILL rose.

The SPEAKER. Does the gentleman yield; and if so, to whom?

Mr. KNUTSON. To my good friend from Montana, who started the fireworks.

Mr. MONAGHAN. Does not the gentleman feel that my rights in this House have been infringed when I have been refused the right to express myself on this, the most important part of the whole program, the rule under which the bill will be considered?

Mr. KNUTSON. Technically, no; morally, yes. [Laughter and applause.]

When we were in control we very rarely brought legislation in under a gag rule. [Laughter.] That is all right, but the RECORD will bear me out. I notice that the proponents of this rule are going to some pains to explain to you that this is an open rule.

Now, do not deceive yourselves. If you adopt this rule, you vote to tie your hands so that you cannot substitute any provisions for section 1 that provides for raising the money through taxation.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. WARREN. The gentleman is complaining because this measure is brought in under a rule. Will he please say how in the world it could be considered without a rule? To show you how absolutely absurd——

Mr. KNUTSON. I cannot yield for a speech. If the gentleman wants to propound a question, all right.

Mr. WARREN. I want to propound a question.

Mr. KNUTSON. I think you are taking too much of my time, and I refuse to yield further.

Mr. WARREN. It could only come up, otherwise, on Calendar Wednesday.

Mr. KNUTSON. Mr. Speaker, I cannot yield for a statement.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield to me?

Mr. KNUTSON. For a question, yes; but not a statement.

Mr. MARCANTONIO. Could we not adopt the same procedure we followed when we considered the bonus bill? You then brought in a special rule for the Patman bill and the Andrews bill, so that we could amend the Vinson bill by substituting those two bills. Why do you not do the same thing here?

Mr. LUNDEEN. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. I wish to inquire as to the gentleman's opinion of whether we could, under this rule, substitute H. R. 2827, or the McGroarty bill.

Mr. KNUTSON. Is H. R. 2827 the gentleman's bill?

Mr. LUNDEEN. H. R. 2827 is the Lundeen bill.

Mr. KNUTSON. No; you cannot.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a question?

Mr. KNUTSON. Yes.

Mr. BLANTON. If we did not have a rule there would be just 1 hour of debate under the rules of the House, whereas under the rule there is 20 hours of debate.

Mr. KNUTSON. Why could you not bring in a rule to give us 20 hours of debate and let it go at that?

As I look into your faces on this side you appear to me like intelligent people. You look as though you can be trusted, but evidently your leaders feel that you cannot be trusted, and perhaps they know you better than I do. [Laughter and applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Speaker, just to show how absolutely ridiculous and fallacious the argument made by the gentleman from Minnesota is I call attention of the House to this fact: He is complaining of the wide-open rule brought out on this occasion. Had there been no rule this bill would have been considered on some Calendar Wednesday, and there would have been only 1 hour of general debate on each side on the whole subject. The gentleman from Minnesota knows that, and that shows how entirely ridiculous his argument is. His reason for opposing this rule is absurd on its face.

Mr. MONAGHAN. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. MONAGHAN. I wonder how the length of debate would give us a better bill.

Mr. WARREN. The same rules of germaneness would apply then as now.

Mr. MONAGHAN. How about the bonus bill?

Mr. WARREN. That was brought in under a rule.

Mr. MONAGHAN. But a very much more liberal rule than this.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, the press of the Nation has heralded this rule as wide open. I agree that it is a wide-open rule technically, but from a practical standpoint it is a rule which accomplishes the same purpose of a stringent gag rule. It prevents this House from discussing and passing on genuine social-security plans.

The argument has been raised here that legislation on social security is just as important, if not more important, than that of the soldiers' bonus. I agree with that statement. The rule on the soldiers' bonus provided that the House could vote for either the Vinson plan, the Patman plan, or the Andrews plan. The Rules Committee brought in a special rule giving the Membership the right to offer any of these plans as amendments in the Committee of the Whole or in the House with two motions to recommit.

Why should not a special rule be adopted, providing the same procedure for this legislation, which is the most important long-range legislation presented before this House in 25 years?

Nobody can deny that the Lundeen bill may be ruled out on a point of order on the ground that it is not germane under this trick rule. Nobody can deny that it will also be argued that the Townsend old-age plan is not germane. As far as the Townsend plan is concerned it may be ruled out because it provides for taxation. It may be held not to be germane because it provides for revenue raising, and the Doughton bill before us has no revenue-raising provisions for Federal old-age provisions. The Townsend plan may be ruled out on a further point according to the Mapes precedent in that it raises revenue by a different method than that in the bill. Why not adopt a special rule making both these plans in order.

Throughout the Nation millions of people are in favor of the McGroarty-Townsend plan, millions of people are in favor of the Lundeen workers' plan. Although I am for H. R. 2827, the Lundeen bill, known as the "workers' bill", and although I am opposed to the Townsend plan because it would impose a sales tax, which is just as bad as the payroll tax imposed under the Doughton bill. I do not care to discuss the merits of any of the plans at this time. I shall do so under general debate. However I do say that the House of Representatives should have an opportunity to vote on these plans and to deliberate on matters which are being discussed by millions of our citizens. We should vote these plans up or down and assume our responsibilities like real Representatives of the people and not dodge issues which millions of Americans have raised throughout the Nation. Their causes should be given a trial before this House and this House should be given an opportunity to pass judgment. We should not hide behind a trick rule. We should face issues squarely. That is our duty and that is why we are here. This rule, in all likelihood will preclude this House from voting on any of these plans. So when you say you are giving us a wide-open rule, you are giving us a wide-open bag; you have got this thing in the bag and you are getting away with it. [Laughter and applause.]

I propose that the only method by which we can amend this rule so as to make the Townsend plan germane and the Lundeen plan germane is to vote down the previous question and then amend this trick rule. We cannot amend this trick rule unless we vote down the previous question. If the previous question is voted down, then I shall propose the following amendment:

On page 1, line 11, after the word "rule", insert "In the consideration of the bill it shall be in order to consider as amendments the provisions of H. R. 2827 (the Lundeen) plan and of H. R. 7154 (the Townsend) plan, notwithstanding any rule of the House."

This will give a real hearing to a great portion of the American people.

Mr. CONNERY. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. CONNERY. The Lundeen bill is a bill that has been reported by a committee of this House?

Mr. MARCANTONIO. Exactly. The Labor Committee reported the Lundeen bill favorably. Why should not this House be given an opportunity to discuss and pass on this plan?

Mr. Speaker, you may call this "social security", you may call this a "new deal", you may call it what you please, but it is simply the same old stacked deck of cards that were sent to the laundry 2 years ago to be powdered and polished and are now being dealt out in the same old manner. You can call it "social security"; you can call it "the new deal." I say to you this is not social security, not a new deal, but it is just a new delusion. [Applause.]

The SPEAKER. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, as has been explained, this bill did not enjoy privilege. The effect of the rule is to give it a privileged status, thereby making possible consideration at this time. The rule reported and now offered to the House deprives no Member of any privilege or right which he enjoys under the general rules of the House. As a matter of fact, in providing 20 hours' general debate, it enlarges the privileges of the Membership.

It does seem to me, Mr. Speaker, most unreasonable for anyone to complain of the action of the Rules Committee in reporting this rule, especially in view of the fact that the Ways and Means Committee, asking for a rule, simply requested such rule as the Rules Committee in its judgment might see fit to grant. That committee reported a rule which preserves to the Members all rights that they enjoy under the general rules of the House.

Mr. MONAGHAN. Will the gentleman yield?

Mr. COX. Not now. It could not in reason be expected that the Rules Committee would have gone out of its way to the extent of seeking to liberalize the general rules of the House in order to make possible the consideration of some extreme and impossible a measure as is the Townsend plan.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. LUNDEEN].

Mr. LUNDEEN. Mr. Speaker, I agree with the statement of the gentleman from New York [Mr. MARCANTONIO], well stated, that the House should have an opportunity to pass on these two measures supported by millions of people in these United States. For instance, H. R. 2827, considered by a subcommittee of the Committee on Labor, and reported out, 6 to 1, by that subcommittee, should be included. I have the hearings on that bill before me in which the constitutionality of the workers' unemployment, old-age, and social-security bill is clearly upheld.

Mr. RAMSPECK. Will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. RAMSPECK. I am sure the gentleman does not want to misstate the facts. The committee reported the bill 7 to 6.

Mr. LUNDEEN. I was speaking of the subcommittee when I said the vote was 6 to 1.

Mr. RAMSPECK. Well, let us get it straight.

Mr. LUNDEEN. Well, my statement is correct; the subcommittee of the Labor Committee favorably reported H. R. 2827 and the full Labor Committee reported the bill out by a majority of one.

Mr. CONNERY. Will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. CONNERY. This bill was passed upon favorably by the Committee on Labor, and I put in for a resolution with the Rules Committee and we received no action on it.

Mr. LUNDEEN. I thank the gentleman; and I wish to say to the gentleman from Georgia [Mr. RAMSPECK] that the subcommittee reported the bill out 6 to 1, as I have already stated. The main Committee on Labor passed the bill by a majority of one, which is the vote to which the gentleman from Georgia referred.

These hearings are quite complete. There are 800 pages of testimony of economists and leaders of thought along the line of social security from all over the United States.

Mr. KNUTSON. Will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. KNUTSON. Did I understand the gentleman to say his bill had been reported out by the Committee on Labor?

Mr. LUNDEEN. Yes, indeed.

Mr. KNUTSON. It would be an act of discourtesy to the Committee on Labor if we refused to consider it during the consideration of this measure.

Mr. LUNDEEN. I think the gentleman is correct. I think the Committee on Labor is one of the finest committees in this House, and it has as its chairman one of the ablest and finest leaders that American labor has ever had. [Applause.]

Mr. CONNERY. Will the gentleman yield?

Mr. LUNDEEN. Certainly.

Mr. CONNERY. I will say that we are used to the discourtesy to which the gentleman from Minnesota [Mr. KNUTSON] referred.

Mr. MONAGHAN. Will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. MONAGHAN. Since this rule will not permit a vote either upon the Lundeen measure or the McGroarty bill, and since it has 20 hours of debate, is it not a rule that provides for "all bull" and no real bill?

Mr. LUNDEEN. I will leave that to the gentleman's own judgment. I wish to say that the thing to do, in my opinion, when the previous question is voted upon, is to vote down the previous question and throw open this rule to amendment. [Applause.] That is what we should do in this House, so that we can vote on the Townsend plan and vote it up or down, as the Members think best, and vote on this Lundeen plan—H. R. 2827—as the House thinks best, either one way or the other.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. SAMUEL B. HILL. Is H. R. 2827, known as the "Lundeen bill", an old-age-pension bill?

Mr. LUNDEEN. Unemployment, old-age, and social-security bill.

Mr. SAMUEL B. HILL. But is it distinctly an old-age-pension bill, or does it pension all unemployed.

Mr. LUNDEEN. It covers the unemployed and old-age pensions.

Mr. SAMUEL B. HILL. Let us get this straight. It is not strictly an old-age-pension bill.

Mr. LUNDEEN. It is an unemployment, old-age, and social-insurance bill.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. LUNDEEN. Yes.

Mr. TRUAX. If we vote for this rule then we preclude the consideration of the Lundeen workers' bill and the Townsend old-age bill. We shut the door against those two bills.

Mr. LUNDEEN. In my opinion we do, and that is based on the judgment of the best parliamentarians of the House of Representatives. I hope we can persuade the leaders of the majority to permit a vote on the Lundeen bill (H. R. 2827) and the Townsend bill (H. R. 7154), introduced by Representative MCGROARTY. [Applause.]

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. O'CONNOR. Mr. Speaker, how much time have I remaining?

The SPEAKER. Sixteen minutes.

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN. Mr. Speaker, first, I thank the gentleman from New York [Mr. O'CONNOR] and say that I have the profoundest respect for him. His action in granting these 3 minutes is proof to me of what I have always thought—that he is one of the most sportsmanlike, as well as one of the most brilliant, men in the House. [Applause.]

The reason that I rise in opposition to this rule is quite simple. It is regarded generally by those who know that, even while opportunity is presented here for amendment, the amendments desired to be offered will be ruled out, as the gentleman from New York [Mr. MARCANTONIO] has so well stated, as not being germane to the bill under consideration. It is further true that there is a right to a motion to recommit, but that right goes by proper rule to the minority side of the Ways and Means Committee of the House, with the power in their hands to offer an innocuous and harmless motion and thereby defeat any bill such as the Lundeen bill or the McGroarty bill, or any other type of social-security bill.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. Yes; I yield to the distinguished gentleman from Oregon [Mr. MOTT].

Mr. MOTT. And may I suggest that even if the minority should offer on a motion to recommit the revised McGroarty bill, it would be held not germane, the same as it would be if it were offered as an amendment to the bill, so that the right to recommit gives the people no right whatever so far as putting in a substitute for the administration bill is concerned.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. Yes; always, to my good friend from Mississippi.

Mr. RANKIN. A motion to recommit is subject to amendment. I looked that up the other day. One can offer an amendment to a motion to recommit.

The SPEAKER. The time of the gentleman from Montana has expired.

Mr. KOPPLEMANN. Mr. Speaker, before the gentleman begins, will he yield for a question?

Mr. O'CONNOR. Yes.

Mr. KOPPLEMANN. In view of statements that have been made to the effect of a vote for the rule having the same effect as a vote against the so-called "Lundeen and McGroarty bills", what has the gentleman to say?

Mr. O'CONNOR. I cannot interpret that. That is a parliamentary question which should be addressed to the Chair.

Mr. KOPPLEMANN. I thought the gentleman was a good parliamentarian.

Mr. O'CONNOR. Mr. Speaker, there has been a lot of excitement about this rule. It has been stated many times that it is a wide-open rule and that is what it is, and no one by talking from now until doomsday can convince anybody with reason that it is not. No more wide-open rule could be devised. It is just a form. The committee clerk draws it when told to bring out an open rule and that is all it is. The Ways and Means Committee, different from the time when we had up for consideration the bonus bill, left the matter entirely to the Committee on Rules. So far as the bonus bill is concerned, I might say that the Committee on Ways and Means requested the Rules Committee to make the Patman bill in order.

Why a rule? As has been said, you would never consider this legislation during this session of Congress without a rule. The bill has no privileged status. While it has partial revenue features in it, it does not come within clause 45 of rule XI which makes bills raising revenue in order. So a rule is necessary.

There has been a lot of talk here for weeks and weeks about gag rules on this measure. I am disclosing no confidence when I say that many of us, including the Speaker and myself, have stood against any gag rule for the consideration of this measure, and let me say to the distinguished gentleman from Minnesota [Mr. KNUTSON] that this is a pension bill in a great measure. I do not know whether the distinguished orator from Minnesota was ever on a pensions committee, but I have an idea that at one time he was chairman of a pensions committee. In the whole history of Congress no pension bill was ever brought in otherwise than under suspension of the rules, with 40 minutes of debate, no amendments permitted, no motion to recommit, with every rule of the House suspended. That is the way it was always brought in under Republican administration.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. CONNERY. The gentleman said the Ways and Means Committee requested that the Patman bill be made germane to the Vinson bill.

Mr. O'CONNOR. Yes.

Mr. CONNERY. The Committee on Labor asked a rule from the Committee on Rules after favorably reporting the Lundeen bill.

Mr. O'CONNOR. Let me say right there that we hear a lot of criticism of the Rules Committee in the House here and we are supposed to take it. My information as to the Lundeen bill is that in the gentleman's committee a vote was taken to table the measure and that vote was 7 to 7.

Mr. CONNERY. That is correct.

Mr. O'CONNOR. Seven to seven to table it. That did not carry and one member who voted to table the measure left the room and the bill was reported out on a vote of 7 to 6. Further, I do not recall that the gentleman has ever asked me or approached the Rules Committee to give even a hearing on the Lundeen bill.

Mr. CONNERY. Does not the gentleman want me to state the situation?

Mr. O'CONNOR. I have not the time to go into that now.

Mr. CONNERY. The gentleman referred to me.

Mr. O'CONNOR. If I am not correct, I stand corrected.

Mr. CONNERY. Does the gentleman want me to mention private conversations we have had about the Lundeen bill?

Mr. O'CONNOR. I must be mistaken. The gentleman must be correct when he states he did mention the subject to me.

Mr. CONNERY. I have mentioned it to the gentleman three or four times. I am not going to say what the gentleman said, except there was no chance for the Lundeen bill.

Mr. O'CONNOR. I am perfectly willing that the Lundeen bill be made in order on this bill. I hope it is in order and I hope the Townsend plan is in order on this bill.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. McFARLANE. I know the gentleman is a good parliamentarian. I ask the gentleman to tell the House whether or not he thinks the Lundeen bill or the Townsend plan bill, either, is germane to this bill?

Mr. O'CONNOR. The gentleman is now asking me to go into a matter which I have not gone into. Nobody is entitled to stand on the floor of the House and say that either the Townsend plan or the Lundeen plan is not germane to this bill. The Parliamentarian has a stack of bills yet to examine. Some Member will preside as Chairman of the Committee of the Whole House on the state of the Union and will pass upon these questions as they rise. Off-hand, I will say now that I think the Townsend plan is germane, although I attach little importance to my opinion because I have not sufficiently studied the bill. I hope it is, so I can vote against it. [Applause.]

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. McCORMACK. May I also call the gentleman's attention to the fact that it is always possible to appeal from a decision of the Chair? I would call the gentleman's attention to this additional fact also, that in the matter of the bonus question we had but one bill and not, as in the present instance, a bill with several parts. The two situations are entirely different. My own personal opinion is in complete harmony with that of the distinguished gentleman from New York, that this being a bill of several parts, not one particular bill, but several bills in one, either one of those bills is in order as an additional part of this bill.

Mr. O'CONNOR. I hope they are.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield for a brief observation?

Mr. O'CONNOR. I have not time, I am sorry.

There is no man in the House for whom I hold more affection than the distinguished gentleman from Montana [Mr. MONAGHAN]. It must be remembered, however, that the tactics here today of voting down a rule, and the tactics of the gentleman from Montana [Mr. MONAGHAN] yesterday in objection to my request to have until midnight to file a rule, were against this bill. If these tactics succeed, no Townsendite, no Lundeenite, no lift-the-burden-off-the-Federal-Governmentite would ever get a chance to consider this bill.

I did not know that the gentleman from Montana [Mr. MONAGHAN] was the leader of the Townsendites. I thought my beloved friend the poet laureate of California, JOHN STEVEN MCGROARTY, had introduced the bill and led his valiant fight for the Townsend plan. I did not know until yesterday that Dr. Townsend, who is now presiding in all his dignity over this House, had selected the young admiral from Montana [laughter] to lead his forces in this battle.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Briefly.

Mr. MONAGHAN. The gentleman does know, however, that my interest in old-age pensions antedates the Townsend plan or any other plan.

Mr. O'CONNOR. I did not know that.

Mr. MONAGHAN. And that it dates back to the time when the railroad retirement bill had to be fought through Congress against the united and combined opposition of the leadership of both House and Senate.

Mr. O'CONNOR. Something has been said about an innocuous motion to recommit. Wait until you see it. The motion to recommit will be to strike out the heart of this bill. It will not be any perfunctory motion, and that motion is in the hands of the minority.

What would you have us do? Would you have us hold the N. R. A. bill, the banking bill, and other bills are germane to this bill? Would you tear up Jefferson's Manual just to suit those who have sent all this propaganda throughout the country?

Mr. MONAGHAN. If the gentleman will yield, I would not.

Mr. O'CONNOR. Under one plan only 6,000,000 people would be eligible for old-age pensions instead of 22,000,000 and we would have the spectacle of sons and daughters giving up supporting their parents and wanting the Federal Government to support them. We of the great State of New York take care of our deserving aged people, but we do not deceive and delude them. There is going to be a day of reckoning for the people who are advocating this Townsend plan when our poor, distressed, desperate people wake up to the situation and find the snare and the delusion they have been drawn into. [Applause.]

Mr. MONAGHAN. May I say to the gentleman——

Mr. O'CONNOR. Mr. Speaker, I do not yield.

Mr. MONAGHAN. There will be a day of reckoning for those advocating the delusion plan suggested.

Mr. O'CONNOR. Mr. Speaker, I do not yield.

The SPEAKER. The Chair will state that the rules provide that a Member desiring to interrogate the Member who has the floor must first address himself to the Chair and obtain consent of the gentleman addressing the House. [Applause.] It is highly improper, although indulged in practically all the time, for a Member to rise and interrupt the Member addressing the House without first addressing the Chair and obtaining consent of the gentleman who has the floor.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. For a brief question.

Mr. MARCANTONIO. When it comes to the question of despair, does not the gentleman from New York believe that the imposition of a pay-roll tax which eventually will fall on the employees will bring greater despair than the despair the gentleman describes?

Mr. O'CONNOR. That I do not know. The gentleman from New York knows that the great Empire State has never neglected its aged and its children; and we do not have to depend upon the Federal Government to take care of our people.

Mr. MARCANTONIO. That is only so far as the State of New York goes.

Mr. O'CONNOR. Mr. Speaker, we have been struggling with this problem for at least 10 days. We have done what we thought was the very best thing to do.

I have seen statements in the paper that the administration was in favor of a gag rule. That is not the fact. The

administration does not intrude into the province of this House and tell it how to conduct its business.

Mr. Speaker, we allotted 20 hours of general debate. I hope the members of the Ways and Means Committee will stay on the floor. I hope the membership as a whole will stay here and give attention to the consideration of this bill. This bill probably should be perfected. There may be mistakes, errors, and fallacies in it, so we appeal to the membership to stay here during its consideration. We hope every opportunity for debate will be granted. We hope that every amendment may be offered, in spite of what has been said here today. Whoever presides in that chair as Chairman must rule in accordance with the precedents of the House, and if I am the only man left alive I am going to stand against the day when you take the Manual of that beloved Democrat, Thomas Jefferson, and tear it into shreds.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

Mr. CONNERY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONNERY. On the previous question, would a vote of "no" leave the rule open for amendment?

The SPEAKER. And debate, of course.

Mr. MARCANTONIO. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The Chair will count. [After counting.] Thirty-six Members have risen; not a sufficient number.

The yeas and nays were refused.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 188, noes 54.

So the previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 177, noes 50.

Mr. CONNERY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The Chair will count. [After counting.] Fifty-three Members have risen; a sufficient number.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 288, nays 103, not voting 40, as follows:

[Roll No. 54]

YEAS—288

Adair	Cole, Md.	Eckert	Hess
Allen	Cole, N. Y.	Edmiston	Higgins, Conn.
Arnold	Colmer	Eicher	Higgins, Mass.
Ashbrook	Cooley	Ellenbogen	Hill, Ala.
Barden	Cooper, Tenn.	Evans	Hill, Samuel B.
Beam	Corning	Faddis	Hobbs
Beiter	Cox	Farley	Hoffman
Berlin	Cravens	Fenerty	Holmes
Biermann	Crosby	Ferguson	Hope
Blackney	Cross, Tex.	Fernandez	Huddleston
Bland	Crowe	Fiesinger	Igoe
Blanton	Crowther	Fitzpatrick	Imhoff
Bloom	Cullen	Fletcher	Jacobsen
Boehne	Cummings	Focht	Jenkins, Ohio
Boileau	Daly	Ford, Calif.	Johnson, Okla.
Boland	Darden	Ford, Miss.	Johnson, Tex.
Bolton	Darrow	Frey	Johnson, W. Va.
Boylan	Dear	Fuller	Jones
Brennan	Deen	Fulmer	Kee
Brooks	Delaney	Gasque	Keller
Brown, Ga.	Dempsey	Gassaway	Kelly
Brunner	Dickstein	Gavagan	Kenney
Buchanan	Dies	Gillette	Kerr
Buck	Dietrich	Gingery	Kimball
Bulwinkle	Dingell	Goodwin	Kinzer
Burch	Disney	Granfield	Kleberg
Caldwell	Ditter	Gray, Ind.	Kloeb
Cannon, Mo.	Dobbins	Green	Kniffin
Carden	Dondero	Greenwood	Kocialkowski
Carmichael	Dorsey	Greever	Kopplemann
Cartwright	Doughton	Gregory	Lambertson
Cary	Doxey	Guyer	Lambeth
Casey	Drewry	Haines	Lanham
Castellow	Driscoll	Halleck	Larrabee
Celler	Driver	Hamlin	Lea, Calif.
Chandler	Duffey, Ohio	Hancock, N. Y.	Lee, Okla.
Citron	Duffy, N. Y.	Harlan	Lehlbach
Claiborne	Duncan	Hart	Lewis, Colo.
Clark, N. C.	Dunn, Miss.	Harter	Lloyd
Cochran	Eagle	Healey	Lord
Coffee	Eaton	Hennings	Lucas
Luckey	O'Day	Robinson, Utah	Taylor, Tenn.
McAndrews	O'Leary	Robsion, Ky.	Terry
McClellan	Oliver	Rogers, N. H.	Thom
McCormack	O'Neal	Rogers, Okla.	Thomason
McGehee	Owen	Romjue	Thompson
McKeough	Palmisano	Rudd	Tinkham
McLaughlin	Parks	Sabath	Tonry
McLeod	Parsons	Sanders, La.	Treadway
McReynolds	Patman	Sanders, Tex.	Turner
McSwain	Patton	Sandlin	Turpin
Mahon	Pearson	Schaefer	Umstead
Maloney	Peterson, Fla.	Schuetz	Utterback
Mansfield	Peterson, Ga.	Schulte	Vinson, Ga.
Mapes	Pfeifer	Sears	Vinson, Ky.
Marshall	Pierce	Shanley	Wadsworth
Mason	Plumley	Sisson	Walter
May	Polk	Smith, Conn.	Warren
Mead	Quinn	Smith, Va.	Wearin
Merritt, N. Y.	Rabaut	Smith, W. Va.	Weaver
Millard	Ramsay	Snell	Whelchel
Miller	Ramspeck	Snyder	Whittington
Mitchell, Ill.	Randolph	Somers, N. Y.	Wilcox
Mitchell, Tenn.	Rankin	South	Williams
Montague	Ransley	Spence	Wilson, La.
Montet	Reece	Stack	Wilson, Pa.
Moran	Reed, N. Y.	Starnes	Wolcott
Nelson	Reilly	Sullivan	Wood
Nichols	Rich	Sumners, Tex.	Woodruff
O'Brien	Richards	Tarver	Woodrum
O'Connell	Richardson	Taylor, Colo.	Young
O'Connor	Robertson	Taylor, S. C.	Zimmerman

NAYS—103

Amlie	Culkin	Lemke	Sadowski
Andresen	Dirksen	Ludlow	Sauthoff
Andrews, N. Y.	Dockweiler	Lundeen	Schneider
Arends	Doutrich	McFarlane	Scott
Ayers	Dunn, Pa.	McGrath	Scrugham
Bacon	Ekwall	McGroarty	Secrest
Binderup	Engel	Maas	Short
Brewster	Englebright	Marcantonio	Sirovich
Buckbee	Gearhart	Martin, Colo.	Smith, Wash.
Buckler, Minn.	Gehrmann	Martin, Mass.	Stefan
Burdick	Gifford	Massingale	Stubbs
Burnham	Gilchrist	Maverick	Sutphin
Carlson	Gildea	Merritt, Conn.	Taber
Carpenter	Gray, Pa.	Michener	Thurston
Carter	Greenway	Monaghan	Tobey
Cavicchia	Gwynne	Moritz	Tolan
Christianson	Hildebrandt	Mott	Truax
Church	Hill, Knute	Murdock	Wallgren
Clark, Idaho	Hoeppel	O'Malley	Welch
Colden	Hollister	Patterson	Werner
Collins	Hook	Perkins	White
Connery	Houston	Pittenger	Wigglesworth
Cooper, Ohio	Hull	Powers	Withrow
Costello	Kahn	Reed, Ill.	Wolverton
Crawford	Knutson	Rogers, Mass.	Zioncheck
Crosser, Ohio	Kramer	Ryan	

NOT VOTING—40

Andrew, Mass.	Flannagan	Lamneck	Russell
Bacharach	Gambrill	Lesinski	Seger
Bankhead	Goldsborough	Lewis, Md.	Shannon
Bell	Griswold	McLean	Steagall
Brown, Mich.	Hancock, N. C.	McMillan	Stewart
Buckley, N. Y.	Hartley	Meeks	Sweeney
Cannon, Wis.	Jenckes, Ind.	Norton	Thomas
Chapman	Kennedy, Md.	Pettengill	Underwood
DeRouen	Kennedy, N. Y.	Peyser	West
Fish	Kvale	Rayburn	Wolfenden

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Bankhead with Mr. Bacharach.
Mr. Chapman with Mr. Stewart.
Mrs. Norton with Mr. Fish.
Mr. Goldsborough with Mr. Thomas.
Mr. Rayburn with Mr. Seger.
Mr. Steagall with Mr. Andrew of Massachusetts.
Mr. Lamneck with Mr. McLean.
Mr. DeRouen with Mr. Hartley.
Mr. Flannagan with Mr. Wolfenden.
Mr. Griswold with Mr. Kvale.
Mr. Hancock of North Carolina with Mr. West.
Mr. Gambrill with Mr. Buckley of New York.
Mr. Meeks with Mr. Cannon of Wisconsin.
Mr. Underwood with Mrs. Jenckes of Indiana.
Mr. Kennedy of New York with Mr. Russell.
Mr. Pettengill with Mr. Lesinski.
Mr. Kennedy of Maryland with Mr. Bell.
Mr. Shannon with Mr. Brown of Michigan.
Mr. McMillan with Mr. Peyser.

Mr. HIGGINS of Massachusetts changed his vote from "nay" to "yea."

Mr. ARENDS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

M'GROARTY BILL

Mr. WHITE. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, as one in favor of the McGroarty bill, I desire that the RECORD show at this point that I voted against the previous question on the rule to consider the security bill.

GOVERNMENT EXPENDITURES AND EDUCATION

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address which I made.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address which I made Tuesday, April 9:

I wish to thank the National Broadcasting Co. for giving me this opportunity to speak to you. It is a great treat to me to face a microphone again. This metal apparatus and I are well acquainted. I represent the Third Congressional District of Nebraska. My home town is Norfolk, which is located in about the center of that district. Norfolk is the home of the Norfolk Daily News, the world's greatest country daily newspaper—the home of the printer's devil and pioneer radio station WJAG, where I presided at the microphone for many years. So I take this opportunity of greeting my friends who may be listening in at home.

Recently I talked over the radio on what the House has accomplished up to this time in the first session of the Seventy-fourth Congress. Even up to now we have done nothing more than pass bills authorizing the appropriations of gigantic sums of money. The total up to today is $7,373,718,389.

We have just given authority to our President to spend about $5,000,000,000 for work relief to end permanently this depression. The record-breaking, peace-time spending program has as its purpose putting at least 3,500,000 unemployed persons back to work. If this program doesn't do it, what will then happen?

Out of our population of about 125,000,000 people 22,000,000 were dependent on public charity for support in February last, when Federal relief rolls reached their peak. One person out of every five must rely on the financial strength and generosity of the administration for the necessities of life. Can our Government continue to support them indefinitely, or is it more important to put those people back to work in some sort of legitimate occupation? The spending program must be so guided, in my opinion, that its aim is to win this war on depression, which must be considered temporary and not permanent and that the people must eventually be educated toward self-support.

The money spending history of our country is interesting. In 124 years, 1789–1913, the total Federal appropriations were around $24,000,000,000. In only 3 years, 1934, 1935, and 1936, the total of Federal appropriations will be the same, about $24,000,000,000. That's significant, is it not? We will be spending $13,000 every minute of the day and night, and out of that it is estimated $7,000 will be added every minute to our public debt to be paid by the future generations. Every person will be paying about $64.50 as compared with about $42.16 in the previous 20 years which included the war. Quite a difference in spending, is it not? The war on this depression is more costly than a real war.

All of this is a lot of money—a gigantic sum of money to be placed in the hands of one man. However, we must not forget that this man is our President, that this is our Government, and that all of this is our money, and this is our country; that this war on the depression is our war and that we must be prepared for the future; that if this gigantic fund does not do what it is intended, you must be prepared to spend more of your money. No other workable solution has been accepted. The future means more taxes in the event this program does not work.

The general conviction of your Representatives in Congress is one of inquiry. There is very little feeling of direct criticism. There is a general feeling that a united effort must be made now to bring permanent recovery and that assistance must also come from the people all over the country. In these difficult days nothing can be more helpful to the country or to the people themselves than for them to have faith in and patience with their Government, and for them to realize that they themselves are the Government of the United States.

From now on, people the country over are going to turn their attention to the study of the new $5,000,000,000 work-relief fund in the hands of our President. In this act is an item reading "$300,000,000 for 'assistance for educational, professional, and clerical persons.'" Like the rest of the big fund, this item will be spent at the discretion of the President. For that reason some members of the House committee on education, of which I am a member, are praying that this money be used mainly toward keeping open our elementary schools and have asked that I talk briefly on that topic today. The place where children learn reading, writing, and arithmetic is important. Not so much for higher education, because we already have millions of young men and women out of the colleges and universities walking the streets of our Nation looking for jobs, but to save the schools which give the necessary education for children. In my own State of Nebraska, my State superintendent of education informs me that many schools are threatened with closing down. In one county—Thurston County—80 percent of the school taxes have not been paid because the taxpayers are broke and cannot pay. Do you know that three and a half million children in 26 States will be turned away from school unless these States get Federal aid? Billions of dollars are asked for roads, soil erosion, grade-crossing elimination, reforestation, for the creation of jobs, for the white-collar worker, and for a number of other designated meritorious purposes. Surely we ought to keep the school bells ringing.

Many bills are before the Committee on Education for school assistance. All of them are held up pending information as to what is to be done with the $300,000,000 for education. In the meantime thousands of schools are closed and thousands more are closing, because the taxpayers have no money to pay the school teachers. It is not for higher education that we are pleading but for the fundamentals of the proverbial "little red schoolhouse", which institution we believe is essential if our Government is to endure, because that is where we learned our first lessons of patriotism—at the feet of the teacher. All the glowing spots of American history are learned in the grade school. Through that school America has become Americanized. The school is fundamental to our Government, and we cannot and must not let the doors of our grade schools be closed as they are being closed now.

Our biggest plea to the American public in this connection is that the unemployed teacher must have just as much recognition as a useful worker as any other person to be considered in the gigantic work-relief bill. Money will be spent and the prayer goes out to you that this money be spent wisely, economically, and by efficient persons, trained in the various lines of work where this money is to be used. We pray that the money to be spent to keep the school doors open be spent by experienced school people who are trained in school life with the interests of education at heart. Therefore we pray that in allocating this money for educational purposes the President allocate it through the offices of the Commissioner of Education and not through any political relief set-up. Many representations from reliable school people have come to us showing that there was considerable waste through relief set-ups in allocating relief money for schools during the past year and fearing a repetition of this waste of your money, they are pleading that the school authorities be given the allocation of Federal funds for school purposes. Let us keep the grade schools clean of politics and above all let us keep the doors of our little red schoolhouses open for the children of our beloved country

Just a last word: This hour is one demanding serious meditation on the part of all American citizens. We have heard statements made on the floor of the House of Representatives that this gigantic relief fund is in danger of being used as a political campaign fund next year. God forbid that we should even think that this could be true. Let us serve notice now on the scheming politicians that we, the people to whom this Government belongs—to whom this money belongs, that we want this great relief fund so distributed that it will accomplish its original purpose—bring permanent relief—to put unhappy, unemployed people back to work. Not one penny of this gigantic sum must remain in the palms of selfish, unpatriotic, political spoilsmen.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAAS. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. FULLER. Mr. Speaker, I object.

Mr. MAAS. Will the gentleman withhold his objection?

Mr. FULLER. What does the gentleman wish to speak about?

Mr. MAAS. There was a resolution reported back to the House today by the Post Office Committee, and I want to explain an agreement which I have with the chairman of that committee.

Mr. FULLER. I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MAAS. Mr. Speaker, I introduced a resolution of inquiry directing the Post Office Department to furnish to the House certain information as to the reorganization of the air mail lines. The Post Office Department has furnished this information voluntarily, and in agreement with the chairman of that committee, the gentleman from New York [Mr. MEAD], I ask that the information which was voluntarily furnished be referred to the Post Office Committee. In a further agreement with the gentleman from New York [Mr. MEAD], that he appoint a subcommittee to examine the material, he will permit me to be heard on that material. In view of these agreements, I have no objection to laying the resolution on the table. Its purpose has been fulfilled.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6359) entitled "An act to amend certain provisions relating to publicity of certain statements of income."

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On March 22, 1935:

H. R. 5255. An act making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes.

On April 5, 1935:

H. R. 4538. An act to change the designation of Leffler Place to Second Place.

On April 8, 1935:

H. R. 83. An act to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes;

H. R. 816. An act for the relief of Logan Mulvaney;

H. R. 829. An act granting 6 months' pay to Hester Hamilton;

H. R. 2569. An act for the relief of the estate of R. A. Wallace Treat;

H. R. 3477. An act relating to the incorporation of Trinity College of Washington, D. C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia, as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia;

H. J. Res. 117. Joint resolution making appropriations for relief purposes; and

H. J. Res. 174. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes.

On April 9, 1935:

H. R. 5913. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes.

On April 11, 1935:

H. R. 340. An act for the relief of Louis Zagata;

H. R. 2117. An act for the relief of Cora A. Snyder; and

H. R. 5032. An act for the relief of the dependents of Carl Lindow, known also as Carl Lindo.

THE HOLDING COMPANIES

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a radio speech which I made.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me on April 11, 1935:

Fellow Americans, I am going to talk to you tonight about the Wheeler-Rayburn bill, particularly the first part of the bill, which concerns utility-holding companies. The measure deals with the power industry and the gas industry, and contains far-reaching provisions designed to protect the investor and the consumer.

Concerning the holding-company or Wheeler-Rayburn bill, I received a letter from a widow down in my State, who has a ranch near the Rio Grande, and where I visited when I was a boy. She sent me a lot of pamphlets that had been sent her by the power companies, urging her to write her Congressman, and in her letter she urged me to vote against the holding-company bill because it is "unfair, unwise, and seriously harmful to the stockholders." In my reply, I analyzed her stock, which at the time of purchase was $65 per share and is now $2. Now, this is 97-percent loss in money. All that happened, you understand, without any Government regulation. So I wrote her and said: "If you had 65 horses in the north pasture and somebody went south with 63 horses, leaving you 2 horses, this would be a 97-percent loss in horses; so would you object if the sheriff came in and patched up your fence and locked the gate and regulated the movement of persons around your ranch to save the 2 horses that were left?" She got the point all right, but I was fair and also gave her a good many details, some of which I shall give tonight. I am pleased to say that this old friend of mine (like hundreds of others back in Texas) has changed her mind entirely and is now strong for the holding-company bill.

You see, the control of the great gas and electric industry in this country is steadily and surely passing into fewer and fewer hands—and that means less and less into yours. The means by which this dangerous concentration of control is being brought about is the "holding" company. About 85 percent of the entire private power industry is today under holding-company domination. In 1932 thirteen companies controlled 75 percent of the power industry, about one-half of which was in the hands of three large companies, which were not even independent among themselves.

Let us bear in mind that the typical holding company has no physical assets whatever of its own. It does not own the utility properties in your and my community; these properties belong to the operating companies. The holding company merely holds securities in these operating companies. By this financial arrangement and other devices, a few insiders in the financial centers of the country, and with relatively small investments, completely dominate most of the local operating companies in this country. They make themselves a serious detriment to local business in every part of the Nation.

The local managers are told what to do and what not to do. They are told what to buy, and from whom, and what to pay. Their political activities and every turn of their official lives are dominated by these absentee masters. In addition to that, the local companies are compelled to accept all sorts of services, frequently not needed, but which the holding companies force upon them, and under contracts that exact exorbitant fees and commissions. The Rayburn bill will put business back in your home town where it belongs. Instead of permitting unregulated gambling with your money, thereby creating large fortunes elsewhere, it will build up local industry. By so doing it will stabilize the industry and give you and me and our children a chance for better living.

Release your local operating companies from holding company control! Your operating companies have many loyal employees and they can become more independent and will be better off. Furthermore, they can devote their interests directly to the development of your community, instead of bowing to the dictates of some smart paper-stock manipulator, who lives a long way off and has no interest in your home territory.

Now to sum up this situation as concerns your own home community: First, it will free the local operating company from the excessive burdens that these fantastic superstructures have imposed. Second, it will help to break up the centralization, combination, and control of wealth.

We recall from our histories how a few landed overlords in the days of feudalism in Europe controlled the masses of the people as serfs and vassals. We forget, perhaps, that we have developed in this country a new kind of feudalistic technique by which the overlords of finance sit at the top of a vast industrial pyramid controlling the welfare and destinies of multitudes; we must not allow it. Talk about widows and orphans! What chance have they got, or our children to get along, to get jobs, with private empires taking away the rights of local profits, interest, and a chance to succeed?

Don't you realize that your city is probably haphazardly tied in with numerous other cities anywhere and everywhere else, with holding companies using scattered investors, using such things as interlocking directorates, with a modern ingenuity the feudal landlords never dreamed of? And further, concentrated in a way that cannot possibly benefit your community?

According to the investigations of the Federal Trade Commission during the past few years, these companies by inflation—and paper and wind build-up—of their capital account, have exacted colossal profits from both consumer and investor. These speculators have traded upon the credulity of the investing public by marketing securities at exorbitant prices that in reality represented little more than fictitious values. When holding companies issued bonds and preferred stock of their own, and continued this trick process through a long series of intermediate companies they well knew, as you did not, that such securities represented little more than what amounts to third, fourth, or fifth mortgages against the assets of the operating companies.

This had a direct bearing upon the fact that common stock of holding companies today stand at about 5 percent, and sometimes less, of the 1929 level, and are relatively lower than any other group of investments. And my friends, the Rayburn bill had absolutely nothing to do with this collapse. As early as 1932—that's 3 years ago—these stocks had fallen to about one-eighth and less of their previous level, which was long before the introduction of the Rayburn bill or any intimation of Government regulation. What the Rayburn bill does is to protect what is left and prevent, as far as possible, future collapses and heavy losses of your money.

The Insull smash-up is still fresh in our memories. It is estimated that some 100,000 security holders lost over a billion dollars in this collapse. Just imagine it. I am not jumping on Mr. Insull; he is done for, and his stockholders were done for before

him; it is only an example. But other utility-holding companies have something left, so let's save the rest of it.

And yet, the Power Trust is trying to tell you that these original write-ups, that dropped like shooting stars, did not hurt anyone. They try to tell you that electric rates are based on "fair value" or "going value" or "reproduction cost" and not on the value written up on the companies' books. But you and I know that those paper valuations are used to bolster up and justify extortionate rates. The Power Trust also tries to tell you that the investor was not hurt by these write-ups. But you and I know that the investor believed that the values he found on the companies' books were real values and not juggled figures. The investor, when he bought holding-company securities, believed that the values shown on the books represented the money that had gone to build the electric and gas properties. The investor did not know that a large part of the holding company's money had gone to buy various utility stocks at fantastic prices from corporate insiders and others. The ordinary investor did not understand this. Neither did the ordinary consumer understand this. But the ordinary investor and the ordinary consumer have paid for it, and paid heavily. If we don't protect ourselves in the future, it will be our own fault.

Now, don't you think it obvious that when these companies are overcapitalized by inflation, when extortionate service fees are charged, that you have to pay for it in high and excessive rates. Ultimately, all profits must come from the consumer at the bottom. They may exploit the investor temporarily, of course. For this reason, the investor and the consumer alike have a mutual interest in securing protection. Therefore, it is for the benefit of all that this bill is written.

Now, let's get down to what this bill really seeks to accomplish. It merely seeks, in a practical way and within a reasonable length of time, to eliminate those companies that are parasitic, that feed on the operating companies and perform no useful purpose. It seeks to eliminate the evils of absentee management and to restore local responsibility. It puts an end to "inside" profits and whatever value is behind a security now will, of course, remain there under the new law. Keep that in mind. The holding companies in their propaganda campaign have drawn pathetic pictures of old men and women, of widows and orphans, who will lose the pennies which they have saved and invested in holding-company securities. These promoters appear to have overlooked that point when they were selling these securities at fabulous prices a few years back. How well the investors fared under holding-company protection, with their securities standing at a mere fraction of their original purchase price. One day these companies are telling us how disastrous the bill will be to their securities; the next day they are telling us how the values of these securities have already been practically destroyed. To get down to the real rough facts, holding companies are organized on paper for profits—not for you or for me, but for the corporate insiders. Let me tell you that the holding companies never helped widows and orphans before, and won't in the future.

I must repeat again—your Government did not cause your losses. This bill does, however, hope to prevent the reoccurrence of such disasters in the future. One of the more far-reaching provisions of the bill and, in my opinion, one of the most important, is the jurisdiction which it gives to existing Federal agencies to control interstate transmission of electric energy and natural gas. This act in title 2 seeks to coordinate on a regional scale the Nation's power resources. Under its provisions the power companies can voluntarily associate themselves together, under Government supervision, into a system for generation and transmission of power. This will make for an adequate supply of electricity for all parts of the country at the lowest possible costs. It will encourage the extension of electric service to unserved areas, especially the rural areas. About 88 percent of our farmers are now without electric service.

The Federal Power Commission can make investigations, require and prescribe reports, evaluate properties, and control security issues to those companies engaged in interstate transmission of power. This will prove an invaluable and necessary aid to your own State commissions. The State commissions will in no way have their jurisdiction impaired, but will retain complete control in the field of distribution and over all operations within the State. The Federal work will be only supplementary.

Its trained men will be available to assist in hearings and furnish information which the State commissions need to make regulation effective. It will thus add to the power, prestige, and effectiveness of the State commissions. You can see for yourself that power interests are concentrating their subversive propaganda efforts against this provision of the bill, because they want the power for themselves.

State commissions, let me say, are today powerless to regulate many phases of the utility business. Holding companies are incorporated in other States, which makes their security transactions and their unfair contractual arrangements with their subsidiaries beyond the reach of your State commission.

The power industry transcends State lines. Regulations must be coextensive with operations, so we need the Rayburn bill. Attempts to regulate holding companies by State laws have been practically impossible. As the National Power Policy Committee stated in its recent report, "Attempts by State commissions to protect the consumer from the burdens which holding-company practices have imposed upon him have been, and practically always must be, largely unsuccessful. The public-utility holding companies are located in every State. Electric Bond & Share Co. has operating companies in 36 States, and 8 other systems have units in 11 to 29 States. Many holding companies have affiliations, sometimes amounting to control, with banking interests, construction companies, coal mines, newspapers, and other interests. Their securities are widely marketed by use of the mails and the instrumentalities of interstate commerce to investors throughout the country. Holding-company operations are too extensive, State commission powers and funds too limited, to make thorough and effective State action possible. And usually the holding companies have purposely arranged their organization and operations to keep out of reach of State regulation; their lawyers have challenged the jurisdiction of such regulation."

I am thinking of a situation in my own State where we are now battling for State regulation. I am thinking of those people in several towns and cities who have been paying annual profits of from 40 to 50 percent upon the real investment of a holding company. If we had the advantage of the Tennessee Valley Authority scale of rates in Texas today, we would be saving about $24,000,000 annually, or an amount about equal to our annual State budget. Believe me, down in Texas this saving would certainly help.

We must act now and act decisively if we are to save our people from the dictatorship of these wolf-pack combinations.

It is always hard to break the control of an inside set-up. Naturally, the President's efforts, and the efforts of Congress, are being opposed by one of the greatest directed, synthetic, propaganda campaigns in our history. Timid people are just being scared by false information. Let me tell you this is one time the Government is attempting to do something that will really benefit the people and protect the investor.

Fellow Americans, listen carefully just one more minute: First of all, the Government is not something mystical up in the air, or sitting in Washington. You and I must be the Government, and as citizens we must seek to eliminate an unregulated, ruthless, brutal empire superimposed over our local businesses and local governments. These private empires simply do not fit in with ordinary economy and good government and must be eliminated.

Let us, as citizens, have a common feeling for the welfare of all the people. The Rayburn bill is perfectly fair and it will perpetuate the benefits of private incentive and community welfare, which the holding companies now make almost impossible, and will help to safeguard the economic security of our people, the consumers as well as the investors.

Fellow Americans, this is the most important and the squarest bill before Congress. Don't let the Power Trust frighten you.

AN ANALYSIS OF THE VOTE IN THE HOUSE OF REPRESENTATIVES OF THE QUESTION OF PAYING THE ADJUSTED-SERVICE CERTIFICATES AND AMERICAN LEGION SECRET EXECUTIVE COMMITTEE MEETING

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Ways and Means Committee is composed of 25 members. January 14, 1935, 19 of these members favored the Patman bill, and 6 were opposed to any bill. On that day the Vinson bill was introduced in the House, which took away eight of the Patman bill supporters. The bill was never introduced in the Senate, where its strength was claimed to be the greatest. The committee then stood 11 for the Patman bill, 8 for the Vinson bill, and 6 against any bill. The Vinson supporters and those opposed to any bill cooperated and received a favorable report on the Vinson bill from the committee 14 to 11. In other words, the opponents of any legislation dictated the favorable report on the Vinson bill by reason of the wedge being driven through the forces of the proponents.

The supporters of the Vinson bill in the committee were: 8 Democrats and 6 Republicans (including 6 against any bill); against, 10 Democrats and 1 Republican.

The supporters of the Vinson bill in the House: 120, who favored a full-payment bill, and 84 who were opposed to a full-payment bill, making a total of 204.

Among this number were 83 percent of the 102 Republicans, 93⅓ percent of all Members of the House opposed to any bill, and 98 percent of the supporters of the Tydings bill that will give the holder of a $1,000 certificate, who has borrowed every chance, the sum of $154 in full payment.

VINSON BILL SUPPORTED BY ORGANIZED MINORITIES

In the House there are 435 Members. The Vinson bill never did, at any time, receive more than 120 votes from Members that favored any bill providing for the payment of these certificates. The Vinson bill did receive almost

solid support from the Republican Members of the House, as it did in the committee. It received almost the solid support of those who were opposed to any bill. It received almost the solid support of those who wanted to give the veterans a small settlement in full payment. In other words, the Patman bill was opposed by those who opposed any legislation, by those who opposed any other form of payment, and the Republican minority. Organized minorities, cooperating, drove a wedge through our forces.

REPUBLICANS IN HOUSE SUPPORTING PATMAN BILL

Every Republican in the House, except the following, voted for the Vinson motion to recommit, March 22, 1935:

Burdick, North Dakota; Carlson, Kansas; Dirksen, Illinois; Marcantonio, New York; Dondero, Michigan; Gilchrist, Iowa; Guyer, Kansas; Hope, Kansas; Knutson, Minnesota; Lambertson, Kansas; Wolverton, New Jersey; Lemke, North Dakota; Marcantonio, New York; Pittenger, Minnesota; Seger, New Jersey; Stefan, Nebraska; and Thurston, Iowa.

HOW ORGANIZED MINORITIES CAN CONTROL

In the Committee on Ways and Means, the Patman bill received 61 percent of the support of the members of that committee, who favored any bill. Yet the bill receiving 39 percent of such support, the Vinson bill, got a favorable report. The Patman bill received 63⅓ percent of all the votes in the House of the Members who favored any bill. It prevailed over the Vinson bill by only three votes by reason of the combination herein mentioned. Of the 204 voting for the Vinson bill in preference to the Patman bill, 84 of them were against any bill and voted against the bill on final passage. The 207 Patman bill supporters have been in the past and are now enthusiastic advocates of the payment and believe it is the best plan to get results. Not one of the supporters of H. R. 1—the Patman bill—voted for the Tydings substitute, which would give the holder of a $1,000 certificate, who has borrowed every chance, the sum of $154 in full payment.

PATMAN BILL STOOD 5 TESTS IN 2 DAYS

The Patman bill is the only bill that was ever required to stand 5 tests in the House of Representatives in 2 days. The Vinson supporters were allowed two of these tests.

The steering committee for the passage of H. R. 1, which was opposed by a majority of the Ways and Means Committee, the proponents of all other plans, the opponents of any legislation on the subject, and the Republican minority, yet were victorious in a fair fight before the House of Representatives, were as follows:

Wright Patman, chairman; Abe Murdock, secretary; Adolph J. Sabath, Illinois; James G. Scrugham, Nevada; Arthur H. Greenwood, Indiana; William M. Colmer, Mississippi; Jennings Randolph, West Virginia; Clarence Cannon, Missouri; Wm. P. Connery, Jr., Massachusetts; William M. Berlin, Pennsylvania; Frank Hancock, North Carolina; Jed Johnson, Oklahoma; James P. Richards, South Carolina; Gerald J. Boileau, Wisconsin; Andrew J. May, Kentucky; Fred H. Hildebrandt, South Dakota; Martin F. Smith, Washington; Martin Dies, Texas; John E. Miller, Arkansas; George A. Dondero, Michigan; Paul J. Kvale, Minnesota; Roy E. Ayers, Montana.

I am personally greatly indebted to the members of this steering committee for their very able, loyal, and effective support of this cause.

There are many other Members of this House who are also entitled to receive the greatest recognition possible for their contribution to this successful battle.

The steering committee and the author of H. R. 1 sent a letter of thanks to the 318 Members supporting the bill on final roll call, although many of them favored other plans. We appreciated their support of the legislation.

VOTES BY STATES

The figures indicated in the parentheses preceding the name of the State indicate the number of Members of the House of Representatives from that State. The figure in parentheses after the name of the State indicate the number of Members of the House from that State who voted against final passage of the bill to pay the adjusted-service certificates. There were 90 in all who voted this way:

(9) Alabama (3), (1) Arizona (0), (7) Arkansas (1), (20) California (3), (4) Colorado (1), (5) Connecticut (5), (1) Delaware (0), (4) Florida (2), (10) Georgia (2), (2) Idaho (0), (25) Illinois (3), (12) Indiana (2), (9) Iowa (2), (7) Kansas (0), (9) Kentucky (1), (8) Louisiana (0), (3) Maine (0), (6) Maryland (1), (15) Massachusetts (7), (17) Michigan (1), (9) Minnesota (1), (7) Mississippi (1), (13) Missouri (2), (2) Montana (0), (5) Nebraska (1), (1) Nevada (0), (2) New Hampshire (1), (14) New Jersey (6), (1) New Mexico (1), (43) New York (17), (11) North Carolina (2), (2) North Dakota (0), (22) Ohio (7), (8) Oklahoma (0), (3) Oregon (0), (34) Pennsylvania (2), (2) Rhode Island (1), (6) South Carolina (1), (2) South Dakota (0), (9) Tennessee (2), (21) Texas (2), (2) Utah (0), (1) Vermont (1), (9) Virginia (7), (6) Washington (0), (6) West Virginia (0), (10) Wisconsin (1), and (1) Wyoming (1).

BELGRANO, TAYLOR, AND PATMAN

Mr. Frank N. Belgrano, Jr., national commander of the American Legion, who was the author of, and caused to be introduced, H. R. 3896—the Vinson bill—resides in San Francisco, Calif. There are 13 Democrats and 7 Republicans from California in the House of Representatives. Eleven of the 13 Democrats voted favorably to the Patman bill, 1 present, and 1 for the Vinson bill. Of the 7 Republicans, 6 voted for the Vinson bill and 1 not voting. The solid Republican bloc in California voted for the Vinson bill and the practically solid Democratic bloc voted for the Patman bill. Of the 18 Members voting, 11 voted for the Patman bill and 7 for the Vinson bill.

Mr. John Thomas Taylor, the legislative representative for the American Legion, who claimed that the Vinson bill was so strong in the Senate where he never asked anyone to introduce it, resides in the Sixth District of Pennsylvania. His own Congressman voted against the payment of the adjusted-service certificates. From the State of Pennsylvania there are 34 Members of the House of Representatives, 23 Democrats and 11 Republicans. Of the 23 Democrats, 17 voted for H. R. 1—the Patman bill—1 present, 1 not voting, 1 voted for the Patman bill one day and the Vinson bill the next day, and 3 voted for the Vinson bill. Of the 11 Republicans, 8 voted for the Vinson bill, 2 voted for H. R. 1—the Patman bill—and 1 voted both ways, resulting in the Patman bill receiving 19 votes, the Vinson bill 11 votes, 1 present, 1 not voting, and 2 voting both ways.

Texas has 21 Members in the House of Representatives. Only 2 Texas Members voted against full payment and only 1 Texas Member voted against the Patman bill in favor of the Vinson bill.

SECRET MEETING OF AMERICAN LEGION EXECUTIVE COMMITTEE

National Commander Frank N. Belgrano, Jr., called a meeting of the executive committee to determine what should be done after the House passed the Patman bill instead of the Vinson bill, although he had said many times that he would support the bill passed by the House. This committee, composed of about 57 members, met at Indianapolis, Ind., April 2, 1935. It was a secret meeting and executive session. I was not invited to attend, neither was any member of our steering committee or any other person who was in a position to give all of the facts regarding this controversy. The meeting was addressed by the commander, Mr. Belgrano, and by the legislative representative, Mr. Taylor, after which a resolution was passed, endorsing the actions taken by Commander Belgrano and Mr. Taylor in doing what the committee construed to be carrying out the mandates of the Miami convention. The resolution was as follows:

RESOLUTION ADOPTED BY THE NATIONAL EXECUTIVE COMMITTEE, THE AMERICAN LEGION, APRIL 2, 1935

The national executive committee of the American Legion states:

That the national executive committee of the American Legion in special session duly assembled at national headquarters in the city of Indianapolis, Ind., on this the 2d day of April 1935, does hereby express its full approval of the effort extended and action taken by National Commander Frank N. Belgrano, Jr., and the national legislative committee in support of and in endeavoring to carry out the mandates of the Miami convention and particularly that relating to the payment of the adjusted-service compensation certificates.

1. That all World War veterans have a right to expect that their adjusted-service certificates will be paid in full at this time at face value and with cancelation of interest accrued and refund of interest paid.

2. This organization is not concerned with the merits or demerits of inflation or in any other controversial question that is not within the scope of the activities of the American Legion.

3. Believing that the only bill which is reasonably assured of final passage is one which includes no other question than the immediate payment of the adjusted-service certificates, the national commander and the national legislative committee are directed to diligently pursue such a course as should ultimately effect the passage of this type of bill at this session of Congress.

A few American Legion leaders persuaded the Chicago convention to concern itself about inflation. In a way that would help the big special-privileged bankers. Therefore, the American Legion has concerned itself with this question, and it evidently does come within the scope of American Legion activities.

COMMITTEE ACTED CONSCIENTIOUSLY

The members of this committee were not in a position to know both sides of this controversy. I am sure they conscientiously did what they felt was right under the circumstances based upon the limited knowledge and information available to them. It was a "star chamber" proceedings. Messrs. Belgrano and Taylor have never permitted my side of this question to reach the legionnaires, if it were possible for them to prevent it. They control the American Legion publications, which are filled with unfair and misleading statements about this great and vital issue. There is no effective way that I can get the facts to the members of the American Legion. The mailing list has been refused me. They have every advantage, aided by secret meetings where words are spoken that I will never know about and where probably charges and allegations were made against me that neither I nor anyone in possession of the facts was permitted to refute with the true and correct information.

TOES OF BIG BANKERS STEPPED ON

At this meeting, evidently the charge was made that our bill was an inflationary bill, as something was said in the resolution about inflation. This is not true. Our bill will not necessarily cause an additional dollar to be placed in circulation. The puppets and hirelings of Wall Street call it an inflationary bill, because they are trying to mislead the people. Our bill does step on the big bankers' toes, I will admit that. It will cause $2,000,000,000 to be placed in circulation, upon which no one will be paying interest and probably cause the withdrawal of $2,000,000,000 of big bankers' money that has been issued to the bankers free of charge and upon which someone is paying interest every day it is outstanding. We are for this payment if it does step on the big bankers' toes, and we do not feel that we should be compelled to pay the big bankers a bonus in order to pay the veterans a debt.

BELGRANO AND TAYLOR

Messrs. Belgrano and Taylor have been fighting this proposal for 6 long years; they never favored it until they were drafted into the fight; they had to either advocate the full payment of these certificates or give up their jobs. I personally doubt that anyone in that position can as wholeheartedly and enthusiastically support the proposal as those of us who have been carrying on the fight for 6 years. Further, Colonel Taylor asked Congress in 1924 to give the veterans the I O U's and post-dated checks they have today. He asked Congress to give them these certificates with the terms and provisions that they now contain. He asked Congress to refuse to give them a cash settlement and opposed a cash settlement in 1924. Unfortunately, the members of the American Legion—a greater body of men never lived on earth and a greater organization never existed—have as their representatives in this fight two men who have always opposed us in our efforts to get this just and honest debt paid.

UNITED FRONT

If the American Legion members will send us representatives to Washington that will work shoulder to shoulder with us in this fight we will get 100-percent cash payment this session. If Belgrano and Taylor are allowed to carry out their wishes we will not be successful, and will lose the great start toward complete victory won in the House of Representatives.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a social-security board; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7260, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I yield myself such time as I may desire to use.

The CHAIRMAN. The gentleman from North Carolina is recognized for 1 hour.

Mr. DOUGHTON. Mr. Chairman, as this is one of the most important measures coming before the Congress for consideration at this session and, perhaps, as important as any measure that the Congress in recent years has been called upon to consider, I prefer not to be interrupted until I have finished my statement. However, I shall not decline to yield. It is my purpose, so far as I may be able to do so, to explain the purposes and the provisions of this bill and I desire to do so in as consecutive a manner as I am capable of doing.

The social-security bill (H. R. 7260), which has been favorably reported by the Ways and Means Committee, is based upon the recommendations of the President in his message to both Houses of Congress on January 17 of this year, and the detailed report and recommendations of his Committee on Economic Security, which was transmitted at that time.

Nearly a year ago, on June 8, the President transmitted a message to Congress advocating social-security legislation, and shortly thereafter he created, by Executive order, a committee consisting of the Secretary of Labor as chairman, the Secretary of the Treasury, the Attorney General, the Secretary of Agriculture, and the Federal Emergency Relief Administrator, instructing his committee to make a comprehensive study of the many factors in our industrial life which lead to dependency and destitution, and to recommend appropriate measures which would provide protection against these causes of insecurity.

The Ways and Means Committee, to whom these recommendations for legislation were referred, held hearings on the subject for 3 weeks, at which time all persons desiring to be heard were given an opportunity to express their opinions. The record of the public hearings fills a volume of over 1,100 pages. Practically every person appearing before the committee was in favor of the broad purposes of the economic-security program, and their criticisms were directed to particular features of it rather than to its fundamental purposes. These criticisms have been taken into account in the thorough revision made by the committee. Following the hearings, the Ways and Means Committee worked over this legislation in executive session for more than a month, and carefully considered every part and phase of the broad problem of social security. The proposed bill has been entirely rewritten, and important modifications have been made at many points. The fundamental recommendations of the President and his Committee on Economic Security, however, are embodied in the new bill reported to you by the Ways and Means Committee.

I do not believe since I have been a Member of this body any bill that has been considered by the Congress has been given more thorough, more careful, or more painstaking consideration, or where broader latitude has been afforded to everyone desiring to be heard and express his view than has been the case in the consideration of this legislation.

The proposed bill has been entirely rewritten and many important modifications made, as I believe will be testified to by each member of the committee.

The proposed bill presents a broad plan for social security, embracing measures for (1) protection against destitution and dependency in old age, (2) unemployment compensation, (3) security for children, and (4) increased public health protection. These measures of protection against the principle causes of destitution and dependency, taken together, in conjunction with the immediate program of public works, and with the cooperation of the States, will provide a coordinated plan for social security. It is of great importance that the many overlapping phases of insecurity should be approached in this manner, rather than through separate piecemeal proposals.

The social-security bill is one of the most important measures ever placed before Congress for its consideration. While it is designed to enhance very greatly the security of the American worker and to provide a larger measure of social justice, it does so within the scope of our existing economic order. In no way does it resemble the many panaceas and nostrums which propose that we legislate ourselves into prosperity by lifting ourselves by our bootstraps, and which would upset our established economic and political institutions. The fact that several of these proposals have attracted a wide-spread following implies a threat to our existing institutions which should not be regarded lightly.

We do not claim the bill under consideration to be a perfect measure, nor one that will not require amendment from time to time, in the light of experience, but, in view of the present very great lack of economic security of the American worker, it represents a long step forward and a step which we cannot wisely postpone.

The social-security program of the administration is an attempt to mitigate and to prevent the distress and suffering which so frequently arise from our industrial economy. So long as the country was largely agricultural, and industry was conducted on a small scale, there was relatively little need for such measures of protection as the social-security bill will provide. The insecurity of the worker arising from unemployment and dependency in old age was much less than at present. The industrialization of society, the development of large corporations, the increasing use of machinery, the great number of unemployed, as well as the increasing number of persons dependent in old age, make it necessary that we take measures which will restore to the American worker and his family the degree of social security which he formerly enjoyed.

Today we see frightful evidence of insecurity on every hand. The fact that more than 15,000,000 persons are receiving unemployment relief is perhaps our most striking evidence of insecurity. Nearly a million of these persons are over 65 years of age. A much larger number are over 50 years of age, and have little prospect of ever again becoming employed. Nine million of the persons on relief are children under 16 years of age, many of whom have never known what it is to have a regular wage earner in the family. It is estimated that at present 10,000,000 wage earners are unemployed, although only about half of these are receiving unemployment relief.

As long as this large number are unemployed and dependent on public charity for their sustenance, the great mass of American families, those in which there are employed wage earners, can feel no real security.

The existence of such a large relief problem, the presence of insecurity on such a vast scale, is a serious threat to our economic order. We must certainly deplore the extent to which large masses of our people are weighed down by privation and suffering, and we cannot overlook the grave social danger implied in the deterioration and pauperization of a large section of our population. We cannot afford to delay further the legislation which is necessary to protect our American workers against the many hazards of our industrial order which lead to huge relief rolls and threaten the foundations of our society.

The social-security program of the administration grew out of a determination to find a better way of dealing with the causes which have brought about the present acute situation. It should not be regarded as a substitue for relief, for there will always be the necessity for some public charity. It will not benefit immediately all of those now on relief, but other protection is provided for them. What the bill will do is this: Relieve much of the present distress and greatly lessen the incidence of destitution and dependency in future years.

The essential feature of the social-security bill is that of social insurance against the principal hazards or risks which have caused American families to become dependent upon relief. These causes are well known: (1) Unemployment, (2) old age, (3) lack of a breadwinner in families with young children, and (4) sickness. The bill includes comprehensive measures against all but the last of these. Measures proposed to furnish protection against the risks arising out of old age and unemployment are usually called social insurance. Social insurance protects the worker and his family against dependency by enabling them, with the help of their employers, to build up reserves which may be used during periods of unemployment and in old age. Protection for the family with young children under 16 lacking a wage earner, is provided through Government funds rather than through social insurance.

The principle of insurance is familiar to all of us. No country in the world is more insurance-minded than we are, as evidenced by the statistics upon the amount of insurance in effect in this country. Certainly everyone will recognize that the greatest economic risk facing the average American family today is that of unemployment. There should be no argument as to the social desirability for applying the principle of insurance against this risk. Let no one say that insurance against these serious social dangers is contrary to our institutions, or that it will undermine the integrity of the American citizen.

The advantages of social insurance over public relief are many. It does not carry with it the stigma of charity with its devastating effect on the morale of our population and its loss of self-respect. The protection afforded by social insurance comes to the worker as a matter of right. It is contingent upon the previous employment and contributions of the worker himself and does not involve the social investigation and the means test which is inevitable in any system of public relief. Contrary to the mistaken impression of many persons, social insurance does not place a premium upon idleness. Quite the contrary. The worker's right to benefits is conditioned upon his previous employment, and social insurance will do nothing to break down the sacred American tradition of self-reliance and initiative.

Social insurance quite justifiably places on industry itself a part of the burden of unemployment. Under suitable legislation, industry can and will be encouraged to go far toward stabilization and regularization of employment. Social insurance will be beneficial to society as well as to the worker himself. It upholds the purchasing power of the great mass of wage earners upon which the welfare of our industrial order is so greatly dependent. It counteracts deflationary tendencies particularly at the outset of a depression and does much to allay its most disastrous effects. In providing individuals with a real sense of security, it has a social effect of the utmost significance.

Social insurance is now in operation in most of the industrial countries of the world. Some of these countries have had social insurance for as long as 50 years; and the device has an even older history, going back for a hundred years or more in the private systems of European labor organizations. In this country labor organizations and individual employers have operated social-insurance systems on a limited scale for a number of years, but we are one of the latest of the industrial countries to consider social insurance on a broad governmental basis. Practically every other progressive country in the world has not merely one form of social insurance, but a fairly complete system, covering several types of risks not covered in the proposed legislation.

We may very profitably avail ourselves of European experience and avoid many of the mistakes which have been made there. The proposed social-security bill, while based upon careful study of the social-insurance systems of other countries, is not a copy of foreign institutions except in broad outlines. It is designed to fit our own conditions, and economic and political institutions. Our neighboring country to the north—Canada—is now considering very similar legislation proposed by the prime minister. Canada has had Dominion old-age-pension legislation for a number of years.

One of the major features of the social-security bill is protection against dependency and want in old age. This is covered by two titles of the bill. Title I provides for Federal aid to the States for old-age assistance, commonly called "old-age pensions." Title II provides for old-age benefits out of the Federal Treasury, based upon the employment of the wage earner during his lifetime of productive years of work. These represent two separate but complementary provisions for old-age security: The first making provision for persons who are already old and dependent and have passed their span of productive years; the second, for a form of old-age security whereby the employed person who is not yet old may in the future receive benefits which will support him in old age.

Title I, providing for Federal aid to the States for old-age pensions, authorizes an appropriation of $49,750,000 for the next fiscal year, and as much thereafter as may be required. It is assumed that there will be a considerable lag before the State systems are fully operative, and the appropriation required for the first fiscal year is accordingly much smaller than will be required after a year or so when the States have their systems in full swing.

A number of factors combine to make old-age dependency one of our greatest social problems. The number of aged persons in our population has been increasing for several decades. In 1930 there were 6,500,000 persons in this country over 65 years of age. Within the next 35 years it is estimated that this number will more than double, reaching a total of 15 million persons. Not only is the number of aged persons rapidly increasing, but the percentage of persons over 65 years of age to the total population is also rapidly mounting. In 1860 only 2.7 percent of our population was over 65 years of age; by 1930 it had increased to 5.4, and it is estimated that by 1970 it will be over 10 percent. The old-age problem is not a numerical problem alone. The amount of dependency among aged persons is also rapidly increasing. The plight of the aged wage earner who has lost his job is only too well known. Industry demands younger workers, with the result that wage earners find it increasingly difficult to secure employment after the age of 40 or 50.

At the present time it is estimated that approximately half of the 6,500,000 persons over 65 years of age in this country are dependent upon others—approximately one million receiving public relief. The others are being cared for by relatives and friends or are without sufficient means but too proud to accept public assistance except as a last resort. It is extremely doubtful whether more than a few of this number will ever again be self-supporting. The number of persons now over 50 years of age receiving public relief is much larger. Of this group, many if not most will never be able to find suitable employment again. Those who do will be employed at a very great reduction in the wages formerly enjoyed. Even with the return of prosperity, we may be quite sure that the old-age problem will become more and more acute as time goes on. Millions of workers now middle-aged or approaching old age have seen their lifetime earnings swept away during the depression and now face old age with a degree of insecurity never known heretofore.

The problem calls for immediate action to relieve the suffering and distress of those who are already old and who have been the victims of our economic disorders, but it calls further for a wise long-time plan of action which will be practicable, which will be within our economic ability, and which will provide in the future a maximum of security to the individual against old-age dependency.

There is a wide-spread demand throughout the country for a better and more humane and self-respecting method of caring for our dependent aged persons. The serious shortcomings of the care provided old persons in our poorhouses and the unhappy stigma attached to these institutions has rendered them unacceptable to public-minded persons for years. Twenty-nine States and the Territories of Alaska and Hawaii have provided for State old-age assistance, commonly called "old-age pensions", based on the policy that needy old persons should be maintained in their own homes rather than subjected to institutional treatment. It must be recognized that the aged person in need of public assistance is in a different class from the ordinary relief case. There is no question of returning him to society as a wage earner. His time of gainful employment has passed. There is a wide-spread sentiment that the assistance granted him should not carry the stigma of pauper's relief. There is a growing feeling also that society can afford to take care of its needy aged upon a more adequate and more respectable basis than heretofore and should retire these persons from competition with younger workers seeking employment.

Since the first State old-age-pension law was enacted in 1923, the movement has spread rapidly. Although, as has been said, 29 States and 2 Territories have such laws, many of them are inoperative for lack of funds or are limited to a few of the wealthier counties of the State.

The problem of dependency in old age is primarily a State and local responsibility, though we must not overlook its national or interstate aspect. Relatively few persons now reside within the same State throughout their lifetime. Old-age pensions supported exclusively by the State and local governments mean that only the wealthier States and the wealthier communities within those States will actually be able to provide such aid. In other communities old-age pensions can be provided only at the expense of the schools or other essential functions of government. The need for Federal aid is so obvious that it hardly requires statement.

Title I of the social-security bill provides Federal aid to State old-age-pension plans up to 50 percent of their expenditures for this purpose but not exceeding $15 per month per person, and authorizes an appropriation of $49,750,000 for the first year. With the anticipated lag in securing full operation of the State systems, it is estimated that the appropriation needed for the first year will be less than half of what will be needed thereafter. In fact, it is believed that the amount necessary will rise rapidly as the State systems become effective, and that within a few years the Federal Government will have to contribute several times this amount. The actuaries of the Committee on Economic Security have estimated that with the pensions as recommended, the total cost of old-age pensions will mount to $800,000,000 within 10 years, half of which would be borne by the Federal Government. These estimates are probably high, but they indicate the very great financial burden of old-age assistance even upon a moderate scale. They show conclusively the need for Federal aid to the States to make old-age pensions possible.

The bill enumerates a certain number of minimum requirements with which the State old-age pension plans must conform in order to qualify for Federal aid. These provisions, which apply alike to Federal aid for old-age pensions and aid to dependent children, do not authorize the Federal agency to arbitrarily cut off the grants to any State. In fact, these provisions limit very strictly the supervisory powers of the Social Security Board over the States, and provide a maximum of State control in these matters. The Federal standards or conditions included in the law may, indeed, be regarded as minimum conditions, leaving to the States the determination of policies, the detailed administration, the amount of aid which shall be given, and questions of personnel. The proposed bill goes further in granting full discretion and authority to the States than any similar Federal-aid legislation within recent years. What the Federal Government is saying to the States in this legisla-

tion is, in effect, we will match your expenditures for these purposes.

The social-security bill also provides that the State old-age-pensions laws must permit the granting of pensions to persons 65 years of age or over, but permits the existing State laws which have a 70-year age minimum to remain in operation until 1940. States may not require more than 5 years' residence during the preceding 9 years and, under the terms of the bill, must not deny pensions to United States citizens who are otherwise qualified. These provisions are designed to liberalize the State laws. With the Federal Government bearing 50 percent of the cost, it is entirely appropriate that the States be required to modify their present long-residence requirements. These were perhaps necessary safeguards so long as the pensions were paid wholly from State funds, but they frequently cause considerable hardship and are unnecessary and unwise with 50-percent Federal support.

The grants in aid to the States for old-age pensions will enable the States already having such laws to make more generous grants and to care for a larger number of their dependent aged persons. They will also stimulate the remaining States to enact such laws. This part of the program wisely builds upon the existing system. It recognizes the primary responsibility of local and State governments for the care of their dependents but concedes that it is a national responsibility as well. It takes into account the variations in standards and in cost of living in different parts of the country and permits the development of old-age pensions designed to meet these conditions. The greatest protection to the Federal Treasury and to all taxpayers in this system is the requirement that the State and local governments assume one-half of the cost. If the Federal Government were to go further and take over the entire problem of old-age pensions, as is advocated by some, it would be contrary to our fundamental political institutions and would place upon the National Government a tremendous financial burden without the protection of local vigilance which will prevail if local taxpayers are required to bear part of the cost.

This is a practical program which can be put into operation without delay. It is well within the financial ability of the Nation and will advance, rather than retard, economic recovery. It will provide care for needy old persons immediately in the 29 States which have such laws, and, in the remaining States, will do so as rapidly as the necessary legislation is enacted. While this program may be attacked on the ground that the old-age pensions are not generous enough, it should be borne in mind that on the scale proposed, they will be the most generous in the world. No limit is placed by the Federal Government on the pensions which any State may pay. The only limitation is upon that part of the pension which will be paid by the Federal Government.

This measure of protection for needy old persons does not represent a new outlay but rather a better method of caring for these persons than the present method of emergency relief.

While the value of old-age pensions as a means of providing for dependent aged persons is well recognized, we must, nevertheless, clearly understand its limitations. It can never be other than a form of public charity, to be granted to persons who are in need. The amounts which can be provided will always necessarily be small. Even upon a moderate scale the financial burden of gratuitous old-age pensions will tend to increase rapidly with the increasing number of old persons and the anticipated increase in dependency. Actuaries of the Committee on Economic Security estimate that within another generation the cost of old-age pensions alone, at an average of $25 per person per month, would amount to over two and one-half billion dollars annually, or nearly as much as the normal operating cost of the Federal Government. If we provide only for these old-age pensions, we may be sure that constant pressure will be exerted always to increase them. In order to avoid this huge cost, it is necessary to set up a system of old-age benefits by which the worker will receive benefits as a matter of right rather than as a public charity and in an amount much more adequate than is possible with gratuitous old-age pensions.

Practically every other country in the world which has established free old-age pensions has also found it necessary to set up a system of old-age insurance. If our constitutional limitations did not prevent, this would be, for us as well, unquestionably the best basis for old-age security. It is an infinitely more satisfactory and self-respecting method from the point of view of the worker. It stimulates thrift.

The old-age pension provisions of this bill contained in title I provide for State participation, and the Federal Government will contribute to the States on a 50-50 basis up to $15 a month per person. The State governments can make the amount as large as they please. They can provide for a pension of $15 or $20 or $30 or $50, but the Federal Government will participate on a 50-50 basis up to $30 per month in the aggregate.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. GREEN. With respect to a State that has no old-age-pension law at present, is there any provision in this measure for these Federal funds to be available until such time as the State passes its law?

Mr. DOUGHTON. No; there are 29 States that now have such laws, and it is supposed that the other States will immediately proceed to enact legislation to conform to the provisions of this bill.

Mr. GREEN. And during the grace period there is no Federal benefit?

Mr. DOUGHTON. No.

Mr. FIESINGER. The gentleman just stated "$30 in the aggregate." Does that refer to the amount that the State provides?

Mr. DOUGHTON. No; the States can go as high as they please.

Mr. FIESINGER. But the Government does not go over $30?

Mr. DOUGHTON. No; the Government will not contribute over $15. The amount to be paid is left to the determination of the State. One State can have one rate and another State a different rate, because in certain sections of the country it takes a larger amount to provide for those dependent and destitute than in other sections of the country.

Mr. COX. Mr. Chairman, has the gentleman reached the point in his discussion where it is agreeable to him to yield for questions?

Mr. DOUGHTON. I would prefer to conclude my statement, but I shall not decline to yield.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for one question right there?

Mr. DOUGHTON. I yield to the gentleman from New York.

Mr. FITZPATRICK. The State of New York today is paying $30 a month. Assuming this measure is passed providing $15 by the Government, the State of New York can continue paying the $30, plus $15, bringing it up to a total of $45.

Mr. DOUGHTON. Yes. There is nothing in this bill that will prevent any State from paying pensions at any amount they desire.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. TERRY. Does not the gentleman feel that if the United States Government recognizes the responsibility as a national one, it would be fairer for the United States Government to pay a certain basic amount and then let the States add to that where they are able to do so? In other words, the richer States could then augment this sum to any extent they saw fit, while in the poorer States that might not have money to add to it, the people of such States would not be deprived of this national aid which we are trying to give them.

Mr. DOUGHTON. If all the burden were placed upon the Federal Government we all know that would be unfair to the States that did participate.

Mr. COX. Would not the effect of a law of that kind manifestly be to put the entire burden on the Federal Government?

Mr. DOUGHTON. Absolutely. More than that, if the Federal Government should make the entire contribution, then, of course, the Government would insist on Federal administration, whereas this bill provides State administration.

Mr. GREEN. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. GREEN. We have a constitutional provision in my State which says that the State cannot contribute to old-age pensions, but the counties can. Is there anything in this bill that would prevent matching that fund?

Mr. COOPER of Tennessee. That arrangement could be made, but the bill provides that there must be some participation by the States.

Mr. DOUGHTON. That would have to be done through cooperation by the State and county.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. DUNN of Pennsylvania. As I understand, it is necessary for every State to provide for a pension for the aged.

Mr. DOUGHTON. States must do so to receive Federal grants. That is under title I.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. KOPPLEMANN. Under title I, do I understand that the State must provide as much money as the Government; in other words, must the State provide $15 to match the $15 of the Government?

Mr. DOUGHTON. Oh, yes; it may do more, but it cannot do less and receive Federal aid.

Mr. KOPPLEMANN. If the State gives $10, then the Federal Government only gives $10.

Mr. LUCAS. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. LUCAS. If I understood the gentleman, a number of States have old-age pensions?

Mr. DOUGHTON. Twenty-nine States and two Territories.

Mr. LUCAS. I understand that it is necessary for the State to pass old-age-pension laws before it can receive aid under title I. If they have a law, and it is not operative, that gives them no right to the fund.

Mr. DOUGHTON. That is correct. Their laws must operate in order to get the Federal aid.

Mr. COX. Will the gentleman yield further for me to ask a question touching title I of the bill?

Mr. DOUGHTON. Yes; I yield.

Mr. COX. As I interpret section 1 of title I, the benefit under the law is altogether on the statement of need.

The bill says:

> For the purpose of enabling each to furnish financial assistance assuring, as far as practicable, a reasonable subsistence compatible with decency and health to aged individuals without such subsistence—

And so forth.

I presume that the benefits under this title are all on the basis of need.

Mr. VINSON of Kentucky. If the gentleman will permit, the need is to be determined under the State law.

Mr. COX. Yes; and I presume the need of one State establishing one rule of law and of another State establishing another, the general Government, of course, would recognize the law of the State.

Mr. DOUGHTON. That is one of the benefits of State participation. If it were altogether from the Federal Government, it would have to be uniform.

Mr. COX. In the report on the bill I find a statement that there are about seven and one-half million people in the country at this time over 65 years of age. If all of those were to come under the provisions of the law, it would mean an expenditure on the part of the general Government alone of $1,350,000,000 annually. What percentage of the seven and one-half million does the gentleman contemplate will come under the provisions of the law? You say in another place in the report that there are about a million now depending upon the public for charity.

Mr. DOUGHTON. The majority of those are on relief.

Mr. COX. On relief. What percentage of the total seven and one-half million does the gentleman figure would come under the provisions of title I?

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. COOPER of Tennessee. I think it is fair to state, and I am sure the chairman will agree, that the best evidence presented to the committee while this matter was given very careful and thorough consideration, is to the effect that experience has shown that about one-third of the people of the age limit may reasonably be expected to be able to qualify eventually. It was also shown to the committee that in some States where they have some of the best and most effective and successful old-age-pension plans now in effect, about one-fourth of those of the age limit have been able to qualify.

Mr. COX. If one-third of the seven and one-half million should qualify, it would mean a present charge upon the General Government of around $500,000,000.

Mr. DOUGHTON. Yes. Seven and a half million is the number over 65. About 1,000,000 of those are dependent.

Mr. COX. The studies of the committee disclose that probably a third or a fourth of the total would come under the law. If that be true, then it would mean an amount above $400,000,000 to provide for them.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. VINSON of Kentucky. At the present time there are 29 States and 2 Territories that have old-age-pension laws. The total annual expenditure under the existing laws of the States total $31,000,000 plus. Take, for instance, the State of Ohio. There are eligible for old-age pensions in the State of Ohio 414,000 people. As a matter of fact, after this plan has been in operation for a number of months there are 24,000 people who have qualified under the State law with restrictions that the State legislature throws around the law, and the expenditures there amount to something like $31,000,000 annually.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield further on that point?

Mr. DOUGHTON. Yes.

Mr. COOPER of Tennessee. Table 2 on page 5 of the report shows the number of eligible age, 1930, in the third column, to be 2,330,390. In the column immediately preceding that is shown the number of pensioners and they amount to 180,003. That is out of a total number of eligibles, 2,330,390.

Mr. VINSON of Kentucky. And might I add that the Ohio rate is practically $14 per month.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. MAPES. To make an observation in connection with the statement of the gentleman from Kentucky. I wonder if any very safe conclusion can be arrived at from the experience of the States. For example, Michigan has an old-age-pension law, but the legislature in passing the law made very inadequate provision for raising the money with which to pay the pensions, so that the number actually receiving pensions under that law is very insignificant as compared to the number who would be able to qualify to receive them if there was any money with which to pay them. For that reason no one can draw any reasonable conclusion as to the number of persons in the State who might qualify to receive an old-age pension under a proper law.

Mr. COX. That is the thought that I was about to develop. Does not the Committee accept it with certainty that with Federal participation, and with the power of compulsion in a sense, there will be a more liberal grant on the part of the States under the new law than has heretofore been the case?

Mr. DOUGHTON. Yes; I think it would certainly encourage the States to grant greater benefits to the aged.

Mr. COX. I am wondering just how the gentleman and his committee figured it out that forty-nine and one-half million dollars could be stretched far enough to take care of two and a half million pensioners paid at the rate of $15 per month.

Mr. DOUGHTON. That is only for the first year. It will take time for them to qualify. They will not pay $15 a month to all of them. It does not mean that every pensioner will get $30 a month, half of this from the Federal Government. They may have a home or they may have a small garden and they may not need half of that amount. They may need the full amount. Moreover, it will take some time to get this law into operation and for them to qualify and get on the pension roll.

Mr. COX. The gentleman is making a statement that is informative to me at least. In other words, the gentleman does not understand it to be the intention of this new board that is being set up to compel uniformity of grants on the part of States? In other words, a State might grant a pension of $5 a month to one pensioner and $15 to another and $30 to another?

Mr. DOUGHTON. Oh, absolutely, owing to the need. The State law determines that.

Mr. WHITE. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. WHITE. In States that have old-age-pension laws, where the funds are raised and disbursed by county governments at their discretion, would the people of those States receive old-age pensions under the provisions of this bill?

Mr. DOUGHTON. I did not understand the gentleman.

Mr. WHITE. In States that have old-age-pension laws, where the funds are raised and disbursed by county governments at their discretion, would the people of those States receive old-age pensions under the provisions of this bill?

Mr. DOUGHTON. That will depend upon the State law.

Mr. WHITE. In the State of Idaho, which I represent, we have an old-age-pension law, but we permit the counties to raise the money. The State provides for paying the old-age pensions. Some counties pay and some do not. I would like to know if that State would benefit from the provisions of this act?

Mr. DOUGHTON. It would have to be a State-wide law, operative in all the counties.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. VINSON of Kentucky. It must be in effect in all of the subdivisions affected, and if it is in all of the subdivisions affected, it must be mandatory. Furthermore, the Federal Government transacts its business with the State agency; makes the Federal contribution to the State agency.

Mr. GREEN. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. GREEN. In that connection, our legislature is in session now, considering the advisability of amending the constitution so that we can have a general State tax and a State machine to participate. Pending that arrangement, I suppose from the gentleman's remarks it would be impossible for the various county units, provided every county unit did it, to raise its old-age pension or welfare fund, but it must be paid through the same State agency?

Mr. VINSON of Kentucky. In other words, in section 2 of the bill it is stated in plain language:

> A State plan for old-age assistance must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them.

Then following that provision the bill states there must be a single State agency.

Mr. GREEN. Then the State, in large measure, almost entirely, writes its own provisions in the State old-age pension?

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. DOUGHTON. I yield to my friend, a member of the committee.

Mr. JENKINS of Ohio. I do not believe the gentleman from Kentucky [Mr. VINSON] has quite answered the gentleman from Idaho [Mr. WHITE]. That is going to be a question that will be asked many times, and I think the gentleman from Kentucky is probably as well informed on this bill as anyone else, and if the distinguished Chairman will permit him to elaborate on that, I think he should do so, because that is a question that will be asked many times. In many States the counties administer the old-age pension. Where this is the practice many counties do not have old-age pensions. Just as in Ohio we have a blind pension. There the blind payments are made by the counties. In the poorer counties the poor blind people get practically nothing. What will this bill do in those States? Is it not true that, for instance, the State of Idaho will have to convene its legislature and pass a law that will be uniform in its application all through the State, and every county will have to pay something?

Mr. VINSON of Kentucky. If a State permits the county to provide the funds, every county in the State must operate. It must be State-wide in that respect. If they propose to operate through subdivisions it is mandatory upon those subdivisions.

Mr. JENKINS of Ohio. Let us carry that to a conclusion. Suppose in the State of Idaho there are 10 counties, and 5 of them are pretty well fixed and 5 of them have been able to pay a pension in times gone by, and 5 of them have not been able to carry it; but the 5 who have not been able to carry it and the other 5 will have to pay something to establish a system of old-age pensions and at least pay a minimum?

Mr. VINSON of Kentucky. That is correct. In other words, it must be applicable to all subdivisions of the State. It would not be fair to have rich counties participate and the poor counties which need it most, not participate. It must be State-wide in its application, and if you operate under subdivisions, then all subdivisions must make proper provisions in dollars. It is mandatory upon all the subdivisions.

Mr. DOUGHTON. It is not necessarily uniform in each county in a State, because the needs may be greater in one county than in another county, or in an urban district greater than in a rural district.

Mr. JENKINS of Ohio. I would like to develop that a little further, so that we may conclude it as far as I am concerned at least. Again let us suppose in Idaho there are 10 counties and 5 of them have been able to carry the load. Those five, of course, will be able to continue carrying the load. Suppose they are able to carry $10 a month pension. Suppose over here is a poor county that cannot pay $10 a month but can pay $2 a month, but the rich county will get $10 from the Federal Government and the other county must do something; is that not right?

Mr. VINSON of Kentucky. I think that subdivision 2 of section 2, which calls for financial participation by a State, will take care of, in large degree, the question which the gentleman raises. In other words, there must be some financial participation on the part of the State. If the richer and more wealthy counties are able to carry their load and the poorer counties cannot carry their burden the State may help the latter with such burden. As I understand, it is mandatory upon the State to participate in bearing this burden.

Mr. DOUGHTON. That is a matter that will have to be regulated by the State.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. ROBSION of Kentucky. Is it not true that each State could assume the whole burden as a State and then could deal with the counties as it saw fit, except that the treatment would have to be uniform in each county?

Mr. VINSON of Kentucky. The State may look to the subdivisions for the money. But if the State so legislates, it is mandatory upon all such subdivisions.

Mr. DOUGHTON. But it would not necessarily be uniform in every county.

Mr. ROBSION of Kentucky. Before we get through I would like to ask the gentleman a further question.

Mr. DOUGHTON. Notice that I said "not necessarily."

Mr. ROBSION of Kentucky. As I understand the bill, if a State passes a pension law, each applicant must be treated alike under similar conditions; the same conditions would apply and the same sums must be paid under like conditions.

Mr. DOUGHTON. Yes; under like conditions.

Mr. COX. Mr. Chairman, will the gentleman yield for one more question?

Mr. DOUGHTON. I shall not decline to yield, but if the Members would only read the report, it contains a more detailed explanation of this bill than any Member could give on this floor in half a day. Nevertheless, I shall be pleased to yield.

Mr. COX. Mr. Chairman, I wonder if the gentleman is in position to advise the committee if there has been an expression of the administration's views on the question of State participation.

Mr. DOUGHTON. There has been a very definite and very emphatic expression of the views of the administration on this subject. This is one of the things on which I do not think there would be any compromise so far as the administration is concerned.

Mr. COX. And the whole thing is impossible except upon a basis of that kind.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. I believe it will be fair to say that some of us have discussed this very phase of the matter with the President, the question of State participation, and that he is very definite and certain in his view and convictions that there must be State participation. I believe perhaps he has expressed himself further on this question to the chairman of the committee.

Mr. CLAIBORNE. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. CLAIBORNE. Would it be possible for citizens of the same State to draw different sums of money from the Federal Government even though the entire State was not participating?

Mr. DOUGHTON. They do not draw anything from the Federal Government. The Federal Government makes grants to the States. The State gives the money, it comes through the State. The Federal Government makes the grant to the State and the State determines that.

Mr. CLAIBORNE. But would the money sent to the State by the Federal Government on proper request, on duly established forms, be paid out in different sums to different citizens of the same State?

Mr. DOUGHTON. The Federal Government would not have a thing to do with that. It would depend entirely on the State law. Of course, different citizens of the same State would get different sums, but that is discretionary with the State authorities and is based upon need.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. McLAUGHLIN. Do I understand that all citizens in one county shall receive the same amount of Federal aid?

Mr. DOUGHTON. No; not at all. That will be determined by the State upon the basis of need. One citizen might be able to half support himself. The bill is intended to supplement that half support so he may have full support.

Mr. McLAUGHLIN. Is the situation this, that individual need is the basis of determining what a person shall receive?

Mr. DOUGHTON. Absolutely. That is the intent of the law. Of course, we cannot say just what will happen in the administration of the law. It just provides for a grant to the States, but that is the purpose of it.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. DUNN of Pennsylvania. I want to get this clear in my mind, for instance. The State of Pennsylvania now pays a maximum pension of $30 a month. Some people receive $15, some receive $10. According to information I received just recently, the Governor has asked $10,000,000 to provide a pension for the aged. If this bill is passed, would it mean that the Federal Government would give $10,000,000 to the State of Pennsylvania?

Mr. VINSON of Kentucky. Not necessarily. The amount contributed by the Federal Government is not based upon the amount of money appropriated or allocated in the State for old-age pensions. There is a limit of $15 a month per individual. Of course, the State may have a larger pension than $15 if it so choose.

Mr. DUNN of Pennsylvania. For example, how would the gentleman figure this out: The maximum pension is $30 a month.

Mr. VINSON of Kentucky. The gentleman is now speaking of the present law?

Mr. DUNN of Pennsylvania. Yes.

Mr. VINSON of Kentucky. They are not paying any old-age pension in Pennsylvania now.

Mr. DUNN of Pennsylvania. Yes; they are.

Mr. FOCHT. Yes; they are.

Mr. VINSON of Kentucky. The report we had at the hearing showed that none were being paid in Pennsylvania at that time.

Mr. DUNN of Pennsylvania. But I assure the gentleman they are and have been since last year.

Mr. DOUGHTON. Let us assume that they are, for the sake of argument; what is the gentleman's question?

Mr. DUNN of Pennsylvania. My question is, if the maximum is $30, how would they arrange that if they still retained the $30 maximum?

Mr. DOUGHTON. The Federal Government would pay in any case a maximum of not over $15.

Mr. FULLER. Mr. Chairman, if the gentleman will yield, I think the gentleman is correct in his question. If the State of Pennsylvania pays to its citizens for old-age pensions $10 and they do not pay over $30, the Federal Government would match that amount of money.

Mr. DOUGHTON. No; not at all. That might compel the Federal Government to pay as much as $30 in order to match what the State paid. The Federal Government will not contribute over a maximum of $15 per month.

Mr. FULLER. I know that.

Mr. DOUGHTON. It was not clear from the gentleman's statement. The Federal Government will match up to $15. If there were no limit they could go up to $100 in Pennsylvania or any other State as far as that is concerned.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SIROVICH. Is not this the situation, that the Federal Government will match what the State government gives providing it is not more than $15 per month?

Mr. DOUGHTON. That is correct.

Mr. FULLER. The object of the Pennsylvania law is that they will get a limit of $30, $15 of which will come from the Federal Government, and on that basis the Federal Government will pay half.

Mr. SIROVICH. Some get $5, some get $10, and some get $12, and each case will have to be matched, provided it does not require more than $15 in an individual case.

Mr. VINSON of Kentucky. The gentleman from Pennsylvania stated that the pension in Pennsylvania was a maximum of $30.

Mr. DUNN of Pennsylvania. Yes; but some of the aged get only $10 a month.

Mr. SIROVICH. Our Government gives $15 and that is matched in each case below that amount.

Mr. DUNN of Pennsylvania. I know of a man who gets $30 and his wife gets $15.

Mr. VINSON of Kentucky. What is the age limit in Pennsylvania?

Mr. DUNN of Pennsylvania. Seventy.

Mr. FOCHT. They are not paying $30. The law authorizes $30, but the State of Pennsylvania is paying less, and only because they do not have the money.

Mr. DUNN of Pennsylvania. I beg the gentleman's pardon. The law says the maximum is $30, and quite a number in my district are getting $30. That is probably because I am a better politician than the gentleman.

Mr. FOCHT. They have a better administrator in the gentleman's district perhaps.

Mr. DUNN of Pennsylvania. The law provides for a maximum of $30.

Mr. FOCHT. That is right.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. DUNN of Pennsylvania. I yield to the gentleman from Nebraska.

Mr. McLAUGHLIN. May I inquire how the determination is to be made in the individual case as to the amount which that individual is to obtain?

Mr. DOUGHTON. That will be under State law and will be determined entirely by State law.

Mr. McLAUGHLIN. Will there be different formulas set up in the different States, or will there be one national formula?

Mr. DOUGHTON. No; the National Government will not have anything to do with it. The administration of the law is left entirely to the States.

Mr. McLAUGHLIN. The National Government and none of its agencies or instrumentalities will have anything to say about how much the individual gets in a State?

Mr. DOUGHTON. Not a word. The State might set up a system that the Federal Government would not approve, but it will not have the right to say just how much the State should give or not give. Of course, the Federal Government may withhold the appropriation from a State. That would be within its discretion. They would not have any right to say what amount should be paid. That would be left entirely to the State law.

Mr. COOPER of Tennessee. May I refer to section 2, page 2 of the bill entitled "State Old-Age-Assistance Plans", which covers the situation fully. There are seven provisions set out. In subdivision (a) of section 2 those seven provisions are set out and they apply to the State plans. Subdivision (b) sets out three provisions that must be observed by all these State plans. In effect, it simply means that the State legislature of every State enacts a statute which embraces a plan for that State and these guides that are set out in section 2 have to be observed by the State legislature in setting up the State plan.

Mr. GILDEA. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Pennsylvania.

Mr. GILDEA. The State of Pennsylvania has been mentioned by two of my colleagues from Pennsylvania. May I say that the gentleman from Pennsylvania is correct. Pennsylvania is not paying old-age pensions because it has not the money with which to pay these pensions. I am just wondering if making the States responsible for the lending of this money is not going to result in the States repudiating their loans just the same as the foreign governments.

Mr. DOUGHTON. That is not a loan. The States do not have to repay this money. It does not have to be repaid to the Federal Government, and there is no obligation on the part of the State. It is not a loan but a grant outright.

The CHAIRMAN. The gentleman from North Carolina has consumed 1 hour.

Mr. DOUGHTON. I yield myself 15 additional minutes.

Mr. GILDEA. May I carry that thought a little further? The State of Pennsylvania requires residence in the State or citizenship for 15 years before pensions are granted. In writing a national law should we not seek to correct that situation?

Mr. DOUGHTON. The State law will have to be changed in order to get these benefits because the law may require a residence of not over 5 years during the preceding 9 years.

Mr. COOPER of Tennessee. Section 2 of the bill covers that fully in very simple language.

Mr. GILDEA. You still have State regulations which must be recognized. May I refer to a particular case. A citizen of the State of Pennsylvania for 13 years, whose son died in the World War, was denied insurance.

Mr. DOUGHTON. They would have to change the State law in order to get this Federal benefit.

Mr. GILDEA. They would have to conform with this bill?

Mr. DOUGHTON. They certainly would in that respect.

Mr. KENNEY. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from New Jersey.

Mr. KENNEY. The money with which to pay the Federal Government's share of these pensions will come from general taxation?

Mr. DOUGHTON. Yes.

Mr. KENNEY. The gentleman from Pennsylvania has just brought into the discussion the matter of the foreign governments. Does the committee intend to discuss on the floor some of the systems the foreign governments use in connection with their old-age pensions?

Mr. DOUGHTON. I do not know enough about them to enter into a discussion concerning their systems.

Mr. KENNEY. Norway has a very admirable plan to pay their pensions. The money is raised there by lottery. [Applause.]

Mr. DOUGHTON. Does the gentleman advocate that in this country? The Federal Government, I am sure, will not care how the State raises its money.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. DUNN of Pennsylvania. I want to say to my colleague, the gentleman from Pennsylvania [Mr. GILDEA], I understood him to say that the State of Pennsylvania does not give an old-age pension. Whether you call it a pension or assistance, I do not think the gentleman meant to say that the State does not give anything. The law was passed, I believe in 1933, and the way they were to obtain the money was from the liquor stores. It is true that all the men and women who made application for a pension did not get it, but at least several thousand are receiving it, and I know this is a fact, because I had something to do with the law. The maximum amount is $30. So they do get a pension, although they might call it relief, in the State of Pennsylvania.

Mr. GILDEA. I shall accept the correction with this explanation. They are still considering November applications, and they are 4 months behind in handling the applications.

Mr. DUNN of Pennsylvania. I agree with the gentleman, and the reason they are behind is because the people in Pennsylvania did not drink enough booze to pay the pensions.

Mr. SAMUEL B. HILL. If the gentleman will yield, I would suggest that the gentlemen from Pennsylvania get together and have a caucus on this subject before they come in here with their questions.

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Pennsylvania.

Mr. FOCHT. We have in Pennsylvania a pension law. We do not call it a pension, but call it assistance. We do not call it a pension because we cannot give pensions to those in civil life, and for this reason we call it an assistance fund, and it comes through the mothers' assistance fund, and they administer it. We give $30 a month if we have the money you provide here $15, which will match the State money and will make $45.

Mr. DOUGHTON. If you continue to give $30.

Mr. FOCHT. Of course, we could reduce it. The county will then give $15 and that makes a pretty fair pension.

Now I want to ask my friend on the other side a question. He said that somehow or other Pennsylvania did not have the money. I was not going to say anything about how they get the money or where it is to come from until the gentleman mentioned it. It is to come from the sale of whisky, and I would like to ask him this question: Since they have bought $50,000,000 worth of whisky up there to be sold, with the profit applied to the old-age pensions, why do they not sell the whisky? It is because it is so rotten that nobody will buy it, and they do not show any profit because the people buy their whisky outside, and this is under the new Democratic administration up there. [Laughter and applause.]

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I shall have to refuse to yield for any further joint debate between the gentlemen from the State of Pennsylvania.

Mr. WOOD. Mr. Chairman, I would like to ask the gentleman a question if he will yield a moment.

Mr. DOUGHTON. I yield.

Mr. WOOD. Since we have finished this discussion of Pennsylvania and whisky, there is some doubt in some minds as to just how this Federal aid is going to be administered. For instance, a State has an old-age-pension law with a minimum of $10 a month and a maximum of $20. If one person is drawing $10 a month from the State, he would then draw $10 from the Federal Government, would he not?

Mr. DOUGHTON. No; he would not draw anything from the Federal Government—not a cent.

Mr. WOOD. I mean there would be a contribution from the Federal Government including the $10.

Mr. DOUGHTON. He would get that through the State.

Mr. WOOD. If he were receiving $30 a month from the State then he would receive an additional $15 a month to augment the $30 from the Federal Government, making a total of $45 a month.

Mr. DOUGHTON. That is correct.

Mr. WOOD. In other words, there was some question about whether a State can participate, although they are paying less than $30 a month.

Mr. DOUGHTON. There should not be any question about that.

TITLE II

The system of direct Federal old-age benefits is included under title II. The benefits payable are based upon the wages of the employee. The minimum benefit is set at $10 per month and the maximum at $85 and the benefits become payable in 1942.

It must be clearly understood that neither Federal aided State old-age pensions nor Federal old-age benefits, taken alone, will be adequate to care for the problem of old-age dependency, a problem which is certain to become greater as time goes on. We cannot wisely adopt one of these measures without the other. We must recognize that what the American citizen wants is not public charity, but an opportunity to care for himself in old age in a self-respecting manner and on a more adequate basis than he can ever hope for through State pensions. Old-age pensions are provided for those who are already old and dependent and those who cannot be covered under the Federal-benefit system in the future.

Titles III and IX deal with unemployment compensation. Title III provides grants in aid to the States for the administration of State unemployment compensation laws. There is authorized under title III to be appropriated during the fiscal year ending 1936, the sum of $4,000,000, and in 1937 and thereafter, the sum of $49,000,000 for this purpose. This will not be an ordinary type of grant in aid, for it is expected that this will be sufficient to pay the entire administrative cost of the State systems.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. LUNDEEN. Will there be anything done for those who are now unemployed or is this for those who are now employed who may become unemployed?

Mr. DOUGHTON. It is for the latter.

Mr. LUNDEEN. It will cover those now employed who become unemployed?

Mr. DOUGHTON. Certainly.

Mr. VINSON of Kentucky. And who qualify under the State law?

Mr. DOUGHTON. Who qualify under the State law; yes.

Mr. LUNDEEN. I wish to call attention to the fact that the 15,000,000, more or less, and there is disagreement about the number, now unemployed will not be covered by this bill, unless I am mistaken, and if I am I hope the gentleman will correct me.

Mr. DOUGHTON. The gentleman is right.

Mr. LUNDEEN. There will be nothing for those who are now unemployed in this bill and I think there will be bitter disappointment over that phase of the measure.

Mr. DOUGHTON. The gentleman has evidently forgotten the relief measure just enacted, providing over $4,880,000,000 out of the Federal Treasury to help that class of people. The gentleman certainly is not unmindful of the passage of that act and, certainly, the gentleman does not expect the Government to do everything for everybody, which would certainly make it beyond the capacity of the Government to help anybody.

Mr. LUNDEEN. Then I will ask the very able and distinguished gentleman whether, in his opinion, this $4,000,000,000 will take care of the 15,000,000 who are unemployed?

Mr. DOUGHTON. It is intended, of course, to give employment to the employable who are unemployed. It is a relief measure and is intended to take the place of the dole. I think the gentleman will agree that the Government is going a long way, and much further than any government under the sun has ever gone, in its effort in so many directions to help not only the unemployed, but every class of business which is in distress, as well as individual distress.

The gentleman realizes that every burden, physical and economical, cannot possibly be carried on by the Federal Government. It seems to be the opinion abroad in the land that the funds of the Government are inexhaustible.

Mr. LUNDEEN. I wish to observe that I voted for the $4,800,000,000 bill.

Mr. DOUGHTON. And I hope that the gentleman will vote for this bill.

Mr. LUNDEEN. I cannot pledge myself to do that until we are through with the consideration of the bill.

Mr. DOUGHTON. I know the gentleman's humanitarian instincts and I know of his desire to help the unemployed and needy, and I am confident he will vote for this measure.

Mr. LUNDEEN. Judging from the disappointingly small number of people employed as a result of the $3,000,000,000 appropriation of the last Congress, I have my doubts that this $4,800,000,000 bill will help very many of the 15,000,000 now unemployed. If we do not aid them, we shall hear from them.

Mr. DUNN of Pennsylvania. I would like to ask the gentleman from Minnesota a question. His bill, H. R. 2827, I believe is a good piece of legislation, and would relieve the unemployment, would it not?

Mr. LUNDEEN. I dislike to take any more time from the gentleman from North Carolina, but I am certain that it will.

Mr. DOUGHTON. Mr. Chairman, I cannot yield further.

Title IX provides for an excise tax on employers based upon pay rolls of 1 percent beginning January 1, 1936, 2 percent the following year, and 3 percent thereafter. Against this tax, employers may credit payments to State unemployment-compensation systems up to 90 percent of the Federal tax. A few minimum requirements are imposed which State plans must satisfy in order to qualify for credit, the principal one being that the fund shall be used solely for the payment of unemployment benefits. In general, the States are left free to determine the provisions of their un-

employment-insurance laws, the scale of benefits which they will pay, and the other features.

The need for unemployment insurance is well recognized. Eighty-five percent of the families on relief are in want because of unemployment. Unemployment, or the fear of unemployment, has been the principal reason for the unfortunate decline of our purchasing power. No greater hazard confronts the American worker today than that of losing his job. Many State and Federal commissions have recommended the enactment of laws along this line for a number of years. But, in spite of this, States have found it impossible to enact such legislation until the Federal Government protects their industries from unfair competition by placing a uniform tax upon industry throughout the country for this purpose. Only one State had enacted an unemployment-insurance law prior to this year, although two other States have already enacted State laws in anticipation of the Federal legislation contained in the bill.

Unemployment insurance is based upon the principle of laying aside reserves during periods of employment to be used in periods of unemployment. It places part of the financial burden upon industry, and in that way provides an incentive for stabilization of employment. The Federal bill does not provide for unemployment insurance but merely makes it possible for the States to do so. Unemployment insurance has been used in many foreign countries for a number of years and no country, once having adopted such a system, has ever abandoned it. In this country unemployment-compensation systems have been operated by a number of labor organizations and large industrial plants.

It is undoubtedly true that what the American citizen wants and needs, above all else, is steady employment, but under modern economic conditions and with the rapid development of machine techniques, it is inevitable that large numbers of workers will be thrown out of work from time to time. Given this situation, it must be acknowledged that unemployment insurance will provide the best means of protecting workers against this greatest of all causes of dependency. It does not place a new burden upon industry, the cost will not be greater than the present cost of unemployment relief; rather, it shifts that cost and distributes it far more equitably than heretofore.

Title IV: I come now to those sections of the bill concerned with security for children. I am told that the present relief rolls carry more than 9,000,000 children under 16 years of age, children who in a few years will be the citizens upon whom the responsibilities of our Government will rest. Many of them have never known a normal secure childhood, never known a time when their father had a steady job. All the measures in the bill may be truly called measures for the protection of American childhood, inasmuch as they protect family life. Even old-age measures, in freeing families of the burden of caring for old people, will enable them to care for their young children more adequately. But there are other children for whom special care is necessary. Many of the children on the relief rolls are in families where there is no breadwinner, where the only head is a young mother who is needed to care for her children. There can be no question that for families of this kind, provision through ordinary public relief is socially undesirable.

Enlightened public opinion has long recognized that the most desirable type of public aid for such families is in the form commonly known as mothers' pensions—that is, aid to dependent children to maintain them in their own homes under their mothers' care. Forty-five States have laws providing for mothers' pensions but many of these States, for lack of funds, have been unable to care for more than a fraction of the families eligible to receive such assistance. Federal aid will permit the mothers' pension type of care to become nationally operative and is particularly necessary in view of the withdrawal of Federal support for unemployment relief.

TITLE V

Another part of the social-security bill dealing with protection of children, title V, provides an appropriation of $3,800,000 for maternal and child-health services under the supervision of the Children's Bureau. The great need for the Federal Government to again assume leadership and lend aid in this field was borne out by the testimony before the committee given by members of the medical profession from all parts of the country. Two million eight hundred and fifty thousand dollars is also provided for Federal grants for services for crippled children, particularly in rural areas where such hospital care is now largely nonexistent. Title V authorizes small appropriations for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent, and for vocational rehabilitation. These very essential services have again been greatly curtailed during the depression years.

Title VI provides an appropriation of $8,000,000 for grants in aid to the States for the extension of public health services. Only about one county out of every six in this country has a regular full-time health officer. During the depression the State and local expenditures for health services throughout the country have been drastically reduced, despite the fact that the need for them was never greater. It cannot be denied that the first step in a program to reduce the economic cost of sickness and ill health is through the building up of our preventive public health services.

Title VII establishes a social-security board of three members, appointed by the President for overlapping terms of 6 years each. The social-security board will have charge of the administration of the grants in aid to the States for old-age pensions and the administration of the Federal old-age-benefit system. It will also be responsible for the certification of State unemployment-compensation systems and is charged with the duty of making actuarial and scientific studies of the broad problems of social security.

Titles VIII and IX levy taxes designed to finance the major cost of the social-security program. These I have discussed already.

Mr. Speaker, I have only touched upon the more essential provisions in my brief explanation of the bill. There are many sections dealing with questions of administration, and matters relating to the subjects I have enumerated.

This bill is the product of many weeks of laborious effort on the part of the membership of your committee, ably assisted by the splendid and expert personnel of the office of the legislative counsel, the staff of the Joint Committee on Internal Revenue, representatives of the Treasury and Labor Departments, and other branches of the Government. I desire to express my appreciation for the splendid and most valuable assistance they have rendered, in which I am sure the other members of the committee join.

Mr. Speaker, we are today fashioning the foundation stones upon which will rest the happiness and welfare of future generations. Our task is not an easy one, for we have no mileposts to guide us. We are pioneering in a field never before undertaken by any previous Congress. This bill, in my opinion, is a well-rounded-out program, upon whose foundation we can build in the future after we have had an opportunity to observe and study its workings.

While we may not all be in agreement with respect to the many provisions contained in this measure, I am sure we are all in accord with its objectives to bring about the proper solution of the problem our country faces in caring for the needs of those who have already, and who in the future, will have reached the age when they can no longer provide for themselves.

We are building for the future. Let us not weaken that foundation upon which the welfare of future generations must depend. Some think various provisions are too inadequate. I, for one, would far rather start cautiously than to go too far and bring about the collapse of our handiwork in the future. Some would remove certain sections of the foundation supports incorporated in this bill, and are saying we are going too far and placing too heavy a burden upon industry at this time. If that be so, why has not industry opposed this measure. Never during my service in this House have I seen less opposition to a measure, both during

the hearings and its consideration for the past several months.

Let me remind those holding this view that industry, along with all others, is today assuming a tremendous burden, which will continue to grow more burdensome year by year unless we adopt a broad rounded-out program, not a piecemeal one, that will eventually bring about the lessening of the burden we now have.

Let us not be swayed by the clamor of those advocating fantastic remedies, or those who hesitate and whose thoughts in the past have been of the favored classes and not the masses.

Today we have a leader in the White House whose every action has demonstrated his concern for the welfare and happiness of the common people—the forgotten men, women, and children of this country.

Let us emulate the foresight and wisdom of our forefathers who builded for the future, as President Roosevelt is building today, by the adoption of his program for social security, by the enactment of this measure.

American conditions today demand courageous action. We cannot safely delay social reforms that are necessary to preserve our economic and political institutions. There is no great reform which has ever occurred which was not looked upon in its time as a bold and perhaps dangerous step. When Columbus set forth with his three small vessels to sail across the uncharted Atlantic and discover a new world, it required the highest courage, the kind of courage which was displayed by our Revolutionary forefathers when they fought the Revolutionary War and our country secured its independence. The progress of America has ever been marked by that great quality of boldness and determination which inspired our pioneer forebears. To bring about a great social reform such as is proposed in this bill requires the same quality of far-sighted leadership. I am confident that in this House, among the elected representatives of the American people, this quality will not be found lacking. [Applause.]

Mr. TREADWAY. Mr. Chairman, will the gentleman from North Carolina use some more of his time at this time? In case I find it possible to yield some of my time to the gentleman from North Carolina, could he continue a little longer this afternoon and let my side begin tomorrow?

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I do not know whether it will do a great lot of good to talk this afternoon or not. Everybody is ready to go home, and I rather have the idea that most of you have just about made up your minds on how you are going to vote on this bill anyway. If Members have to sit around and listen to 20 hours of debate and hear all sorts of suggestions made they will be so confused by the time debate is over that they will have to fall back on their own fundamental, basic philosophies of old-age pensions. This will mean that everything said in the meantime will be more or less cast aside, and you will vote convictions formed years ago. These convictions, I suspect, are deep-seated. I would not be surprised but that that is the main difficulty in the minds of a lot of Members in this House. Most of us have sort of grown up with certain fundamental concepts and convictions. When we were learning them they were perhaps correct. In the meantime, however, so much has happened, and things have changed so in the past few years that many people are left in a confused state of mind. It is, I know, difficult for a man with settled convictions to change his mind on any subject, no matter what the arguments offered are. It is sometimes difficult to recognize a new idea when it is presented to you. I am not going to find any particular fault with the Ways and Means Committee because of this. They have developed certain convictions through their lifetimes, and it is asking almost too much to have them throw all of those aside and adopt brandnew ideas.

When they were forming their opinions very few people believed in unemployment insurance or old-age pensions. Rugged individualism was the accepted theory. Then, all of a sudden, because of talk, and because of the necessity of the times, unemployment insurance and old-age pensions became fairly respectable. We coasted along with considerable talk and agitation until now we are in a position where everybody is in favor of old-age pensions, or at least with the principle of pensions. But keeping that same idea, that perhaps older, more settled minds cannot progress as rapidly as younger minds, their first reaction is, now, let us keep these pensions just as small as we possibly can; let us keep these benefit pensions down. They come back to those old shibboleths, those old concepts that they have always had and recognized, and say we cannot put something new in because it will disrupt something we have always had. A lot of younger minds in the country and a lot of minds that have been giving considerable study to the subject are already letting those concepts go by the boards. If we cannot do the thing we want to do, which is establish economic security for every citizen in the United States, and still maintain some of the old theories and some of the old institutions we have always known, let us get rid of them, or let us change them in some way or another, so that we can do what we want to do.

I read a story just yesterday that seems to me to illustrate this inability to recognize a new idea. A woman was hiring a new maid, and in the course of the conversation and instructions to the maid she was telling her of the things they were going to have to buy. She said, "Oh, yes; there is one other item that you will have to have in the kitchen, and that is a griller." Most up-to-date kitchens nowadays, I suppose, have grillers. The maid looked at her with a blank expression on her face. The woman said, "What is the matter; don't you know what a griller is?" The maid said, "Sure, I know what it is; it is a big ape that looks like a human being, but if you think I have to have a new one in this kitchen, I am going to quit right now."

Somebody comes along and points out the idea that for the first time in history we have built up an organization that makes it possible for us to produce wealth in such quantities that everybody could live on a decent standard of living. That is hard to grasp, because it has not been true until recently. Too many Members in this House formed their convictions during the era of scarcity and cannot think in terms of abundance. Our technological development has tended to throw men out of employment, but at the same time it is tending to increase the national income, the wealth that is produced each year. We then run up against the question of how are we going to use what technology can produce and give it to people who cannot work because of technology. Perhaps one way that we could do it is with old-age pensions or unemployment insurance, but they must be adequate to maintain the recipients in decency and comfort. Now, with scarcity-era convictions, the only way we seem to be able to accomplish it is to try to take it away from those that have it and give it to those who do not have it, and the whole argument in favor of this particular bill and in opposition to a more liberal pension bill is that we cannot levy a high enough tax on legitimate business as it exists under this system to get enough money to pay a larger old-age pension. That is the argument that has been used against all of these plans that call for higher pensions. Where are you going to get the money? Which brings me back to the contention in the first place that people have talked and legislated and studied and analyzed money for so long that the only kind of money they know anything about is the kind they have always had; the only way they can attack the problem is by saying what will it do to sound money?

This argument came up once before when we were talking about bonus legislation: "If you put out this currency, you wreck the monetary system. You do not have sound money any more." Well, after all, money simply buys the things that we produce, as a medium of exchange. If you recognize the fact that we have not anywhere near the same kind of sound money that we had before we went off the gold standard, that that kind of sound money has ceased to exist, then we can get a different slant on the money question and use it as a medium of exchange to transfer those things that we

produce into the hands of the people who want to consume them. If we are going to insist upon maintaining and keeping the old institutions that we have long known, that will be impossible. I doubt whether we can take enough from those who get to give to those who do not get to maintain them on a decent standard of living. But that does not keep us from accomplishing the original purpose of guaranteeing economic security. Once earlier in our history, when they were digging the Panama Canal, they ran up against an epidemic of yellow fever. They could not go ahead with the digging as long as the epidemic existed. They could not keep their workmen alive. Nobody was foolish enough, however, to say that the way to cure the epidemic was to take the patient and treat him and try to cure him. They went to the seat of the difficulty and eliminated the cause. They said, "If we want to go ahead, we have to prevent the epidemic, and the only way to do it is to get rid of the mosquitoes, and the only way to do that is to dry up the swamps." Can we not attack our economic difficulties in the same way? The trouble is we have been getting the poor fellow after he has been knocked down, getting the unfortunate victim after he has been thrown out of the economic system and cannot earn a living any more, and trying to do something for him. Our solution of this difficulty, it seems to me, should go back to the thing that knocked him out. I mean the changes in our economic system that make it impossible for men to get jobs. It does not make any difference what particular phase of this subject we take up for discussion, if you think it over, we get right back to the money question every time. The money question today is the seat of each one of our particular difficulties.

I am in sympathy with the idea of old-age pensions and with unemployment insurance, but you cannot get them if you are going to insist on maintaining some of these eighteenth-century ideas on the money question. [Applause.] The funny part about it is that we were so willing to move clear up to the twentieth century as far as our technological development is concerned, but when somebody comes along with an invention in the social field we turn it down because our minds cannot grasp a new idea.

Mr. LUNDEEN. May I interrupt the gentleman?

Mr. SCOTT. Certainly.

Mr. LUNDEEN. If one does come along with some new and fundamental idea in the social field, then it is a radical, a "red", a socialistic idea and should be turned down at once?

Mr. SCOTT. Oh, there are a lot of us who have ceased to be worried by names and epithets. We always get that when we attempt to secure progressive legislation. Every liberal thinker has been called names. We get used to it.

May I suggest to the Members that in the consideration of how much money we can give in pensions they make constant reference to a book called "The Chart of Plenty", by Harold Loeb and associates. It is a preliminary report of the national survey of potential product capacity and cannot, must not be ignored.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield, from the 10 hours allotted to me, 1 hour to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. I thank the gentleman from Massachusetts.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 7260, the social security bill, and had come to no resolution thereon.

CARL L. BERNAU—VETO MESSAGE (H. DOC. NO. 153)

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without my approval, H. R. 2678, "An act for the relief of Carl L. Bernau."

This bill authorizes the President to convene a court of inquiry to conduct a reinvestigation of the facts and circumstances attending the trial and conviction by general court martial of Capt. Carl L. Bernau, Quartermaster Corps, and that he be afforded the same rights and privileges before said court of inquiry as if he were still in the military service.

In view of the facts set forth in the accompanying letter from the Acting Secretary of War, I am unable to sign this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 11, 1935.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. ROGERS of New Hampshire. Mr. Speaker, I move that the message, together with the accompanying papers and the bill, be referred to the Committee in Military Affairs and ordered printed.

The SPEAKER. The question is on the motion of the gentleman from New Hampshire [Mr. ROGERS].

The motion was agreed to.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CONNERY, for 4 days, on account of important business.

To Mr. HOOK, for 10 days, on account of official business.

PERMISSION TO ADDRESS THE HOUSE

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, a few days ago I addressed the House concerning the acute situation with reference to schools in Oklahoma. At that time I read a part of the testimony given before the Committee on Education by Federal Relief Administrator, Hon. Harry Hopkins, in which Mr. Hopkins stated that no rural schools in Oklahoma had closed because of lack of sufficient funds to keep those schools open. I was present at the hearing and questioned the statement by the Administrator. Since that time I have presented Mr. Hopkins a telegram from Hon. John Vaughan, State superintendent of public instruction for Oklahoma, advising that schools have actually closed and many others were due to close this week unless Federal funds became available.

The Oklahoma delegation met with Administrator Hopkins yesterday and, I am glad to say, he agreed to keep schools in Oklahoma open for the full normal term. Our Oklahoma Legislature recently made an appropriation of $1,250,000 to aid our schools. But this was $700,000 short of the amount needed, so I am advised, to keep the schools of our State open for the full term. I am sure that the citizens residing in the 1,800 school districts in Oklahoma that were about to close short of the normal term and the 250,000 children attending those schools, as well as the 6,700 teachers affected, will appreciate this eleventh-hour assistance from the Federal Government.

But this does not solve our problem in Oklahoma. It is only temporary relief; and I again call your attention to the fact that Congress ought to take some affirmative action. Unless it does, we are likely to be faced with a similar situation next year.

Mr. Hopkins told the delegation in Congress from Oklahoma when we called on him that the school problem should be taken care of by Congress and should not be handled as a relief measure. The record shows he told the committee practically the same thing. But although the Committee on Education has had extended hearings, it has so far failed to agree on any Federal-aid bill. In so doing it has refused to give Members of Congress an opportunity to

vote for permanent Federal-aid relief. Certainly it is time Congress assert its authority and do something constructive for the schools of the Nation. [Applause.]

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 81. An act to provide for the collection and publication of statistics of peanuts by the Department of Agriculture; to the Committee on Agriculture.

S. 405. An act for the suppression of prostitution in the District of Columbia; to the Committee on the District of Columbia.

S. 566. An act for the relief of George Yusko; to the Committee on Military Affairs.

S. 880. An act for the relief of Dominick Edward Maggio; to the Committee on Naval Affairs.

S. 882. An act for the relief of Albert Lawrence Sliney; to the Committee on Naval Affairs.

S. 925. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower; to the Committee on Claims.

S. 946. An act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana"; to the Committee on Irrigation and Reclamation.

S. 993. An act directing the Comptroller General to adjust the account between the United States and the State of Connecticut; to the Committee on the Judiciary.

S. 1023. An act to provide for the payment of a military instructor for the high-school cadets of Washington, D. C.; to the Committee on Military Affairs.

S. 1129. An act to provide for the extension and completion of the United States Capitol; to the Committee on Public Buildings and Grounds.

S. 1208. An act authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award; to the Committee on Naval Affairs.

S. 1209. An act to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii; to the Committee on Naval Affairs.

S. 1305. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects; to the Committee on Irrigation and Reclamation.

S. 1404. An act to promote the efficiency of national defense; to the Committee on Military Affairs.

S. 1531. An act to credit certain Indian tribes with sums heretofore expended from tribal funds on Indian irrigation works; to the Committee on Indian Affairs.

S. 1723. An act to authorize payment to the Sac and Fox (of Missouri) Tribe of Indians of certain tribal funds to their credit in the United States Treasury, and for other purposes; to the Committee on Indian Affairs.

S. 1726. An act to authorize the Secretary of War to grant a right-of-way for street purposes upon and across the San Antonio Arsenal, in the State of Texas; to the Committee on Military Affairs.

S. 1783. An act for the relief of John F. Patterson; to the Committee on Military Affairs.

S. 1789. An act for the relief of Walter L. Rosasco; to the Committee on Pensions.

S. 1817. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island; to the Committee on Claims.

S. 1988. An act to extend the time for the construction of a bridge across the Missouri River at or near Rulo, Nebr.; to the Committee on Interstate and Foreign Commerce.

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan; to the Committee on the District of Columbia.

S. 2035. An act to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 2105. An act to provide for an additional number of cadets at the United States Military Academy; to the Committee on Military Affairs.

S. 2197. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; to the Committee on the District of Columbia.

S. 2394. An act to authorize the transfer of certain military reservations to other departments of the Government, and for other purposes; to the Committee on Military Affairs.

S. 2395. An act to authorize exchange of lands at military reservations, and for other purposes; to the Committee on Military Affairs.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2128. An act for the relief of Rossetta Laws;

H. R. 5577. An act to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve;

H. R. 5576. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

H. R. 6290. An act to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark.; and

H. R. 6359. An act to amend certain provisions relating to publicity of certain statements of income.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1308. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 2128. An act for the relief of Rossetta Laws;

H. R. 2881. An act authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes;

H. R. 5576. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

H. R. 5577. An act to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve; and

H. R. 6290. An act to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark.

ADJOURNMENT

Mr. DOUGHTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 19 minutes p. m.) the House adjourned until tomorrow, Friday, April 12, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GRISWOLD. Committee on Expenditures in the Executive Departments. H. R. 97. A bill to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes; without amendment (Rept. No. 667). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS: A bill (H. R. 7438) to amend the act entitled "An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.", approved June 4, 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER: A bill (H. R. 7439) to provide for the establishment of a Coast Guard station on the shore of Contra Costa County, Calif.; to the Committee on Merchant Marine and Fisheries.

By Mr. CASEY: A bill (H. R. 7440) to authorize the erection of an addition to the existing Veterans' Administration facility, Bedford, Mass.; to the Committee on World War Veterans' Legislation.

By Mr. DOBBINS: A bill (H. R. 7441) to permit and regulate the pictorial representation of postage stamps for philatelic purposes; to the Committee on the Post Office and Post Roads.

By Mr. GRAY of Pennsylvania: A bill (H. R. 7442) to prevent inferior substitute printing processes and to enlarge the field of employment; to the Committee on Interstate and Foreign Commerce.

By Mr. GUYER: A bill (H. R. 7443) to provide funds for acquisition of the property of the Haskell Students Activities Association on behalf of the Indian school known as "Haskell Institute", Lawrence, Kans.; to the Committee on Indian Affairs.

By Mr. HARTLEY: A bill (H. R. 7444) to provide for the sale of the Port Newark Army Supply Base to the city of Newark, N. J.; to the Committee on Military Affairs.

By Mr. IGLESIAS: A bill (H. R. 7445) to amend the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. KOCIALKOWSKI: A bill (H. R. 7446) to authorize the issuance and sale to the United States of certain bonds of municipal governments in Puerto Rico, and for other purposes; to the Committee on Insular Affairs.

By Mrs. NORTON: A bill (H. R. 7447) to amend an act to provide for a union railroad station in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. QUINN: A bill (H. R. 7448) to authorize the prosecution of a project for a system of flood-control reservoirs in the Ohio River Basin; to the Committee on Flood Control.

By Mr. CELLER: A bill (H. R. 7449) to amend section 2 of the act approved June 30, 1879, so as to permit women to serve on juries in the courts of the United States; to the Committee on the Judiciary.

By Mr. McCORMACK: A bill (H. R. 7450) to provide for the construction of 10 vessels for the Coast Guard designed for ice-breaking and assistance work; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 7451) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

Also, a bill (H. R. 7452) to repeal the excise tax on manufactures of furs; to the Committee on Ways and Means.

By Mr. PIERCE: A bill (H. R. 7453) to extend the provisions of the Forest Exchange Act to certain lands so they may become part of the Umatilla or Whitman National Forests; to the Committee on the Public Lands.

By Mr. SCRUGHAM: A bill (H. R. 7454) relating to seigniorage charges on certain silver received at the mints, to increase employment during the present emergency, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. EVANS: A bill (H. R. 7455) to authorize the appointment of registered pharmacists first and second lieutenants in the Medical Corps of the Army and the Medical Officers' Reserve Corps; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER: A bill (H. R. 7456) for the relief of John Shea; to the Committee on Pensions.

By Mr. CASEY: A bill (H. R. 7457) for the relief of Henry Werre; to the Committee on Claims.

Also, a bill (H. R. 7458) for the relief of John Inkinen; to the Committee on Claims.

By Mr. COCHRAN: A bill (H. R. 7459) for the relief of Thomas W. Edwards; to the Committee on Claims.

By Mr. DONDERO: A bill (H. R. 7460) for the relief of the Otto Misch Co.; to the Committee on Claims.

By Mr. DRISCOLL: A bill (H. R. 7461) granting a pension to Ellen Sexton; to the Committee on Pensions.

By Mr. EVANS: A bill (H. R. 7462) for the relief of Joseph Perez, Jr.; to the Committee on Claims.

Also, a bill (H. R. 7463) for the relief of Lawrence R. Lennon; to the Committee on Claims.

Also, a bill (H. R. 7464) for the relief of Roland Morgan; to the Committee on Military Affairs.

Also, a bill (H. R. 7465) for the relief of Harry Hewston; to the Committee on Claims.

Also, a bill (H. R. 7466) for the relief of Della Jane Perez; to the Committee on Claims.

Also, a bill (H. R. 7467) granting a pension to Hugh Brennan; to the Committee on Invalid Pensions.

By Mr. GEHRMANN: A bill (H. R. 7468) for the relief of Izelda Boisoneau; to the Committee on Claims.

By Mr. GRAY of Pennsylvania: A bill (H. R. 7469) for the relief of Joseph Kochinich; to the Committee on Military Affairs.

By Mrs. NORTON: A bill (H. R. 7470) for the relief of Lyman C. Drake; to the Committee on the District of Columbia.

By Mr. RABAUT: A bill (H. R. 7471) for the relief of the Acme Wire & Iron Works; to the Committee on Claims.

Also, a bill (H. R. 7472) for the relief of Patrick O'Keefe; to the Committee on Naval Affairs.

Also, a bill (H. R. 7473) for the relief of Joseph Zebelian; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 7474) for the relief of counties in which the United States has acquired property so as to render it exempt from taxation; to the Committee on Claims.

By Mr. ROMJUE: A bill (H. R. 7475) for the relief of Jeffie Whitaker, Jeff Whitaker, and Mrs. Atta Whitaker; to the Committee on Claims.

By Mr. RYAN: A bill (H. R. 7476) granting a pension to Ida S. Nolterieke; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7477) granting an increase of pension to Annie J. Peters; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6903. By Mr. COFFEE: Memorial of the Nebraska House of Representatives, relating to the Frazier-Lemke farm finance bill (H. R. 2066); to the Committee on Agriculture.

6904. Also, memorial of the Nebraska State Senate and House of Representatives relative to Nebraska as the site for an interior Army air base; to the Committee on Military Affairs.

6905. By Mr. HALLECK: Petition of the Dwenger Mission Unit of St. Josephs College, Collegeville, Ind., protesting against religious prosecutions in Mexico; to the Committee on Foreign Affairs.

6906. By Mr. LUCKEY: Memorial of the Nebraska State Senate, memorializing the President of the United States, the Secretary of War, the Chief of the General Staff, the Chief of the Air Corps, and our Senators and Congressmen in Washington to consider some appropriate location in the State of Nebraska as the site for an interior Army air base contemplated under House bill 4130; to the Committee on Military Affairs.

6907. Also, memorial memorializing the President of the United States, the Secretary of War, the Chief of the General Staff, the Chief of the Air Corps, and our Senators and Congressmen in Washington to consider some appropriate location in the State of Nebraska as the site for an interior Army air base contemplated under House bill 4130; to the Committee on Military Affairs.

6908. By Mr. LUNDEEN: Petition of the City Council of St. Paul, Minn., urging Congress to appoint a committee to investigate whether or not the use of natural gas has been prevented or is being prevented in the Middle West; to the Committee on Interstate and Foreign Commerce.

6909. Also, petition of the City Council of St. Cloud, Minn., memorializing Congress to pass the General Pulaski Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

6910. Also, petition of the Interprofessional Association for Social Insurance, Chicago, Ill., urging the immediate enactment of the Lundeen unemployment, old-age, and social insurance bill (H. R. 2827); to the Committee on Labor.

6911. By Mr. McLAUGHLIN: Petition memorializing the President of the United States, the Secretary of War, the Chief of the General Staff, the Chief of the Air Corps, and our Senators and Congressmen in Washington to consider some appropriate location in the State of Nebraska as the site for an interior Army air base, contemplated under House bill 4130; to the Committee on Military Affairs.

6912. Also, petition memorializing the President of the United States, the Secretary of War, the Chief of the General Staff, the Chief of the Air Corps, and our Senators and Congressmen in Washington to consider some appropriate location in the State of Nebraska as the site for an interior Army air base, contemplated under House bill 4130; to the Committee on Military Affairs.

6913. Also, petition memorializing the Committee on Agriculture of the House of Representatives of the United States to immediately report out of the committee the Frazier-Lemke farm refinance bill (H. R. 2066); to the Committee on Military Affairs.

6914. By Mr. MARTIN of Massachusetts: Petition of the City Council of Attleboro, Mass., advocating passage of a resolution establishing General Pulaski Day; to the Committee on the Library.

6915. By Mr. MERRITT of New York: Resolution passed by the executive committee of the Northeastern Dairy Conference at a meeting in New York City, endorsing the proposed amendments to the Agricultural Adjustment Act as proposed in House bill 7088, and urging that another amendment be adopted giving the Secretary of Agriculture authority to enter into joint marketing agreements and/or licenses with State control boards or other authorized State agencies; to the Committee on Agriculture.

6916. By Mr. MURDOCK: Petition of the Great American Prospectors Association, urging the enactment of Senate bill 1476; to the Committee on Mines and Mining.

6917. By Mr. POLK: Petition signed by George Ryeburn and 25 other citizens of Scioto County, Ohio, urging favorable action by the Rules Committee and its passage by the House of Representatives of House bill 2827, known as the "workers' unemployment, old-age, and social-insurance bill"; to the Committee on Rules.

6918. By Mr. RABAUT: Petition of Stephen T. Stackpole and 13 other citizens of Detroit, Mich., urging that Congress support House bill 6326, to provide that the workmen's compensation law of any State may apply within such State to employments in interstate commerce; to the Committee on the Judiciary.

6919. Also, resolution of the Roumanian American Democratic Club, of Detroit, Mich., urging the enactment of the Lundeen bill (H. R. 2827); to the Committee on Labor.

6920. Also, resolution of the Detroit Council of Catholic Organizations, representing 500,000 persons in the metropolitan area of Detroit, recording its whole-hearted support of House bill 6472, known as the "Pettengill bill", the purpose of which is to outlaw block-booking and blind-selling of motion pictures and to correct other abuses that are now prevalent in this industry; to the Committee on Interstate and Foreign Commerce.

6921. Also, resolution of Charles Schoor Post, No. 796, Veterans of Foreign Wars, petitioning the President of the United States and the Congress of the United States to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

6922. By Mr. ROGERS of Oklahoma: Petition headed by Samuel Adams, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6923. Also, petition headed by John Dazey, of Hoopeston, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6924. Also, petition headed by B. M. Randall, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6925. Also, petition headed by Ralph E. Smith, of Potomac, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6926. Also, petition headed by A. Veach, of Watseka, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6927. Also, petition headed by Frank Waugh, of Potomac, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6928. Also, petition headed by William J. Oster, of Grant Park, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6929. Also, petition headed by Lester R. Thornton, of Hoopeston, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6930. Also, petition headed by H. Beall, of Casey, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6931. Also, petition headed by M. Sweet, of Marshall, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6932. Also, petition headed by Oscar Reed, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6933. Also, petition headed by A. Traver, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6934. Also, petition headed by J. Zemant, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6935. Also, petition headed by Howard Taggart, of Martinsville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6936. Also, petition headed by William A. Rhodes, citizen of the county of Vermilion, in the State of Illinois, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6937. Also, petition headed by M. L. Ogden, of Fairmount, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6938. Also, petition headed by J. Bertelli, of Westville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6939. Also, petition headed by August Neese, of Greenup, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6940. Also, petition headed by A. Shortsleeve, of Kankakee, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6941. Also, petition headed by M. Jones, of Paris, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6942. Also, petition headed by Wilbur Mohler, of Kankakee, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6943. Also, petition headed by L. Quinn, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6944. Also, petition headed by Robert Wood, of Rossville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6945. Also, petition headed by Thomas German, of Stockland, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6946. Also, petition headed by Andrew Kepner, of Kankakee, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6947. Also, petition headed by Elias Chambers, of Paris, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6948. Also, petition headed by J. R. Parks, of Watseka, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6949. Also, petition headed by E. D. Romine, of Manila, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6950. Also, petition headed by G. Gibson, of Kevil, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6951. Also, petition headed by A. T. Ayers, of Lexington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6952. Also, petition headed by G. F. Moore, of Crockett, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6953. Also, petition headed by William Soard, of Harrogate, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6954. Also, petition headed by J. G. Leonard, of Cullman, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6955. Also, petition headed by L. C. Stone, of Cromona, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6956. By Mr. SCHUETZ: Petition of the House of Representatives of the State of Illinois; to the Committee on Banking and Currency.

6957. By Mr. TINKHAM: Resolutions memorializing Congress in favor of the passage of national unemployment-insurance legislation; to the Committee on Ways and Means.

6958. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, urging the passage of national unemployment-insurance legislation; to the Committee on Ways and Means.

6959. By Mr. WOLCOTT: Petition of Albert Klaus, of Port Huron, Mich., and nine others, favoring the enactment of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6960. Also, petition of Ronald W. Sanford, Port Huron, Mich., and 46 others, favoring the enactment of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6961. Also, petition of Jacob Barker, of McGregor, Mich., and 51 others, favoring the enactment of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6962. Also, petition of Angus Kennedy and 54 supporters of Farmers' Union Local No. 60, St. Clair, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

6963. Also, petition of Kenneth Wolven, of Port Huron, Mich., and 74 other qualified voters of the Seventh Congressional District of Michigan, favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6964. Also, petition of Frank Cline, of Port Huron, Mich., and 76 other qualified voters of the Seventh Congressional District of Michigan, favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6965. Also, petition of Mr. and Mrs. F. Mathews, of Yale, Mich., and 12 others, favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

6966. Also, petition of Alex Burns, of Port Huron, Mich., and 90 others, urging the enactment of the Townsend plan of old-age pensions; to the Committee on Ways and Means.

6967. By Mr. CULKIN: Petition of 26 residents of Minneapolis, Minn., urging the adoption of the Townsend plan as modified; to the Committee on Interstate and Foreign Commerce.

6968. By Mr. MAPES: Petition of John Ball and other citizens of Kent County, Mich., residing at Cedar Springs, Grand Rapids, Rockford, and Edgerton, Mich., recommending the passage of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

SENATE

FRIDAY, APRIL 12, 1935

(Legislative day of Thursday, Apr. 11, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 11, 1935, was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Robinson
Ashurst	Costigan	King	Russell
Austin	Couzens	La Follette	Schall
Bachman	Cutting	Lewis	Schwellenbach
Bankhead	Dickinson	Logan	Sheppard
Barbour	Dieterich	Lonergan	Smith
Barkley	Donahey	McCarran	Steiwer
Bilbo	Duffy	McGill	Thomas, Okla.
Black	Fletcher	McNary	Thomas, Utah
Bone	Frazier	Metcalf	Townsend
Borah	George	Minton	Trammell
Brown	Gerry	Moore	Truman
Bulkley	Gibson	Murphy	Tydings
Bulow	Glass	Murray	Vandenberg
Burke	Gore	Neely	Van Nuys
Byrd	Guffey	Norris	Wagner
Byrnes	Hale	Nye	Walsh
Capper	Harrison	O'Mahoney	Wheeler
Carey	Hastings	Pittman	White
Clark	Hatch	Pope	
Connally	Hayden	Radcliffe	
Coolidge	Johnson	Reynolds	

Mr. BACHMAN. I wish to announce that my colleague the senior Senator from Tennessee [Mr. McKELLAR] is necessarily absent.

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY], the Senator from Connecticut [Mr. MALONEY], and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from North Carolina [Mr. BAILEY], the senior Senator from Louisiana [Mr. LONG], and the Senator from California [Mr. McADOO] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of New York, favoring consideration of the claims of that State in carrying out any Federal program involving the purchase of marginal and submarginal farm land for reforestation, watershed protection, public shooting and fishing, erosion control, public parks, or other conservation purposes, which was referred to the Committee on Agriculture and Forestry.

(See concurrent resolution printed in full when presented by Mr. COPELAND on the 11th instant, p. 5408, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by Branch Y–I, International Workers' Order, of the Bronx, New York City, N. Y., protesting against the enactment of proposed alien and sedition legislation, which was referred to the Committee on Immigration.

He also laid before the Senate a telegram from the secretary of the San Juan (P. R.) Rotary Club, stating that that club "endorses Senate bill 1842, re life appointment district judge Puerto Rico, with amendment that appointee be a resident of Puerto Rico 1 year before appointment", which was referred to the Committee on the Judiciary.

He also laid before the Senate a petition of several citizens of Versailles and vicinity (Ky.) praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which was referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted by the Common Council of the City of Attleboro, Mass., favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

Mr. WAGNER presented a resolution adopted by Little York Grange, No. 442, of Little York, N. Y., favoring the enactment of the so-called "motor-carrier bill", which was referred to the Committee on Interstate Commerce.

Mr. LONERGAN (for Mr. MALONEY) presented a resolution adopted by the Board of Alderman of the City of Derby, Conn., favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

He also (for Mr. MALONEY) presented memorials, numerously signed, from members of the Telephone Employees Association of Connecticut and of the Southern New England Telephone Co., remonstrating against inclusion of the words "or contribute financial or other support to it", appearing in section 8, paragraph 2, page 8, lines 20 and 21 of Senate bill 1958, known as the "Wagner labor-disputes bill", which were referred to the Committee on Education and Labor.

Mr. COPELAND presented a resolution adopted by the Utica (N. Y.) Chamber of Commerce, favoring the repeal of the cotton processing tax, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Allied Building Trades Council of Buffalo and vicinity (N. Y.), favoring the enactment of legislation creating an independent semijudicial Federal agency with power to enforce the labor laws, etc., which was referred to the Committee on Education and Labor.

He also presented resolutions adopted by the Association of Licensed Plumbers of Eastern Queens, Inc., New York, favoring the abolishment of the National Industrial Recovery Act, which were referred to the Committee on Finance.

He also presented a resolution adopted by Crown Heights Branch, I. L. D., of Greater New York, N. Y., protesting against the enactment of alien and sedition legislation, which was referred to the Committee on Immigration.

Mr. WALSH presented a letter from W. P. Davis, general manager, etc., on behalf of the Northeastern Dairy Conference, embodying a resolution adopted by the executive committee of that conference at a meeting held in New York City, endorsing proposed amendments to the Agricultural Adjustment Act as contained in House bill 7088, and favoring the inclusion of another amendment giving the Secretary of Agriculture authority to enter into joint marketing agreements and/or licenses with State control boards or other authorized State agencies, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter in the nature of a petition from the Springfield (Mass.) Chamber of Commerce and also petitions of sundry citizens, being workers in the textile industry, of Adams and Fall River, Mass., praying for the abolition of processing taxes, which were referred to the Committee on Agriculture and Forestry.

He also presented the petition of the City Council of Gardner, Mass., praying for the enactment of legislation providing for the immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented memorials of sundry members of the staff of Clark University, of Worcester, Mass., and sundry citizens of West Medford, all in the State of Massachusetts, remonstrating against the enactment of the so-called "Patman or Vinson bonus bills", or similar legislation, which were referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Local Union No. 1711, United Textile Workers of America, of Adams, Mass., praying for extension of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Mabel L. Shumway Auxiliary, No. 34, A. U. S. W. V., of Worcester, Mass., praying for the enactment of House bill 5541, known as the "American flag bill", which was referred to the Committee on the Judiciary.

He also presented resolutions of Local Union No. 29, of the United Hatters, Cap, and Millinery Workers International Union, of Fall River, and Local No. 11, of the Amalgamated Silver Workers Union, of Taunton, in the State of Massachusetts, favoring the enactment of the so-called "Wagner labor-disputes bill" and the "Black 30-hour work week bill", which were ordered to lie on the table.

He also presented a letter in the nature of a memorial from H. H. Brown Shoe Co., by Ray W. Hefferman, its president, of Worcester, Mass., remonstrating against the enact-

ment of Senate bill 87, known as the "Black 30-hour work week bill", which was ordered to lie on the table.

Mr. BARBOUR presented the following resolution adopted by the House of Assembly of the State of New Jersey, which was referred to the Committee on Finance:

THE ONE HUNDRED AND FIFTY-NINTH LEGISLATURE
OF THE STATE OF NEW JERSEY,
Assembly Chamber, Statehouse, Trenton, N. J.

Resolution by Mr. Pascoe, of Union County (introduced and adopted Apr. 1, 1935)

Whereas the people of New Jersey pay into the Federal Treasury in taxes over $96,000,000 annually, and in allocating the same only about $52,000,000 is returned to the State of New Jersey, including appropriations for emergency relief; and

Whereas we learn from the CONGRESSIONAL RECORD of February 22, 1935, that in making appropriations for emergency relief to the various States there are several States which receive a vastly greater percentage of their relief requirements from the Federal Government than does our State of New Jersey; and

Whereas such a plan is manifestly unfair and inequitable to the people of New Jersey as compared with the citizens of other States; and

Whereas there are some one hundred and twenty-five municipalities in our State which have defaulted in whole or in part on their municipal obligations or are using scrip to pay their expenses, and the imposition of additional taxes to raise money for emergency relief will further aggravate this financial situation: Therefore be it

Resolved, That this House of Assembly for the State of New Jersey does hereby request our United States Senators and Congressmen to support the request of Governor Hoffman and that they do present the above facts to the Federal Director of Emergency Relief and ask for a more equitable distribution of Federal taxes paid by the people of New Jersey, particularly emergency relief funds; we ask this in the interest of the overburdened taxpayers of our State; and be it still further

Resolved, That a copy of this resolution be forwarded forthwith to the United States Senators and each Congressman from New Jersey and to the Governor of New Jersey.

LESTER H. CLEE,
Speaker of the House of Assembly.

Attest:

FREDERICK A. BRODESSER,
Clerk of the House of Assembly.

I hereby certify that the above is a true and correct copy of a resolution adopted by the house of assembly April 1, 1935.

FREDERICK A. BRODESSER,
Clerk of the House of Assembly.

Mr. NORRIS presented the following resolution of the Senate of the State of Nebraska, which was referred to the Committee on Military Affairs:

Resolution memorializing the President of the United States, the Secretary of War, the Chief of the General Staff, the Chief of the Air Corps, our Senators and Congressmen in Washington to consider some appropriate location in the State of Nebraska as the site for an interior Army air base contemplated under House bill 4130

(Introduced by Senators Frank J. Brady, Archie C. O'Brien, R. C. Van Kirk, and Ivan H. Mattson)

Whereas section 72–211, Compiled Statutes Supplement, 1933, makes available public lands in the State of Nebraska for radio monitor stations and other public purposes; and

Whereas the central location of the State of Nebraska geographically justifies substantial consideration for the establishment of an Army air base as contemplated under House bill 4130, now pending before the National Congress, by virtue of its absolute centralization on the present transcontinental air route; and

Whereas meterological conditions throught the entire year justify a preference for Nebraska in connection with all season flying as contrasted with other territories and localities; and

Whereas the experience of present air mail operators across Nebraska, where pioneer organization of all air mail in the United States was founded, it being on this specific route through Nebraska where first night air mail was flown; and

Whereas statistics show that these air-mail operators fly an annual completed schedule for each year of operation an average of 97 percent for each completed schedule; and

Whereas the maximum altitude above sea level in Nebraska will not exceed the figure that would preclude sea-level performance of any aircraft; and

Whereas the general terrain along the present transcontinental air route across the entire extent of Nebraska naturally follows the Platte River Valley, which greatly enhances aircraft operation; and

Whereas the State of Nebraska affords along this transcontinental air route a grazing section which can be obtained by purchase for military air-base uses at a minimum figure; and

Whereas the seasonal variations for temperature in Nebraska are of sufficient extreme to acclimate the personnel to any flying conditions; and

Whereas the State of Nebraska has splendid railroad facilities from the Gulf oil fields for the expeditious supply of aircraft fuel and lubricants: Now, therefore, be it

Resolved by the Senate of the State of Nebraska in fiftieth regular session assembled:

1. That this senate deems it of immediate importance that the attention of the Federal Government be directed to the peculiar availability of the State of Nebraska for the establishment of a military air base pursuant to the provisions of House bill 4130, now pending in the Congress of the United States.

2. That the Lieutenant Governor be directed forthwith to forward a copy of this resolution properly authenticated and suitably engrossed to Franklin D. Roosevelt, President of the United States; to George H. Dern, Secretary of War; to Gen. Douglas MacArthur, Chief of the General Staff of the Army; to Maj. Gen. B. D. Foulois, Chief of the Air Corps; and to each Senator and Congressman representing the State of Nebraska in the Congress of the United States; to the end that the peculiar availability of the State of Nebraska for consideration as a military air base be called to the attention of those Federal officials to whom will be committed the selection of the same.

Mr. NORRIS also presented the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Military Affairs:

Resolution memorializing the President of the United States, the Secretary of War, the Chief of the General Staff, the Chief of the Air Corps, our Senators and Congressmen in Washington to consider some appropriate location in the State of Nebraska as the site for an interior Army air base contemplated under H. R. 4130

Whereas section 72–211, Compiled Statutes Supplement, 1933, makes available public lands in the State of Nebraska for radio monitor stations and other public purposes; and

Whereas the central location of the State of Nebraska geographically justifies substantial consideration for the establishment of an Army air base, as contemplated under H. R. 4130, now pending before the National Congress, by virtue of its absolute centralization on the present transcontinental air route; and

Whereas meterological conditions throughout the entire year justify a preference for Nebraska in connection with all-season flying as contrasted with other territories and localities; and

Whereas the experience of present air mail operators across Nebraska, where pioneer organization of all air mail in the United States was founded, it being on this specific route through Nebraska where first night air mail was flown; and

Whereas statistics show that these air mail operators fly an annual completed schedule for each year of operation an average of 97 percent for each completed schedule; and

Whereas the maximum altitude above sea level in Nebraska will not exceed the figure that would preclude sea-level performance of any aircraft; and

Whereas the general terrain along the present transcontinental air route across the entire extent of Nebraska naturally follows the Platte River Valley, which greatly enhances aircraft operation; and

Whereas the State of Nebraska affords, along this transcontinental air route, a grazing section which can be obtained by purchase for military air-base uses at a minimum figure; and

Whereas the seasonal variations for temperature in Nebraska are of sufficient extreme to acclimate the personnel to any flying conditions; and

Whereas the State of Nebraska has splendid railroad facilities from the Gulf oil fields for the expeditious supply of aircraft fuel and lubricants: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth regular session assembled:

1. That this house of representatives deems it of immediate importance that the attention of the Federal Government be directed to the peculiar availability of the State of Nebraska for the establishment of a military air base pursuant to the provisions of H. R. 4130, now pending in the Congress of the United States.

2. That the chief clerk be directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to Franklin D. Roosevelt, President of the United States; to George H. Dern, Secretary of War; to Gen. Douglas MacArthur, Chief of the General Staff of the Army; to Maj. Gen. B. D. Foulois, Chief of the Air Corps; and to each Senator and Congressman representing the State of Nebraska in the Congress of the United States, to the end that the peculiar availability of the State of Nebraska for consideration as a military air base be called to the attention of those Federal officials to whom will be committed the selection of the same.

This is to certify that the within resolution was introduced and passed by the Nebraska House of Representatives on the 8th day of April 1935.

MAX ADAMS,
Chief Clerk of the House.

REPORTS OF COMMITTEES

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (S. 1578) for the relief of Beryl M. McHam, reported it with an amendment and submitted a report (No. 471) thereon.

Mr. SCHWELLENBACH, from the Committee on Military Affairs, to which was referred the bill (S. 2252) for the

relief of Henry Hilbun, reported it without amendment and submitted a report (No. 473) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 2265) extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War, reported it with an amendment and submitted a report (No. 479) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 373) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment on the claim of Robert A. Watson, reported it with an amendment and submitted a report (No. 472) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1534. A bill to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash. (Rept. No. 474);

S. 1537. A bill to provide funds for cooperation with the school board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children (Rept. No. 475);

S. 2148. A bill to provide for the leasing of restricted Indian lands of Indians of the Five Civilized Tribes in Oklahoma (Rept. No. 476);

S. 2214. A bill conferring jurisdiction on United States district courts over Osage Indian drug and liquor addicts (Rept. No. 477); and

S. 2482. A bill relating to the tribal and individual affairs of the Osage Indians of Oklahoma (Rept. No. 478).

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (S. 1610) authorizing the Secretary of the Navy to accept on behalf of the United States a certain strip of land from the State of South Carolina, reported it without amendment and submitted a report (No. 480) thereon.

Mr. HAYDEN, from the Committee on Territories and Insular Affairs, to which was referred the joint resolution (S. J. Res. 88) to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior, reported it without amendment and submitted a report (No. 481) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (S. 1629) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes, reported it with amendments and submitted a report (No. 482) thereon.

ENROLLED BILL PRESENTED

Mr. LONERGAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on the 11th instant that committee presented to the President of the United States the enrolled bill (S. 1308) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army, which were ordered to be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAREY:

A bill (S. 2564) to grant an honorable discharge to Charles L. Wymore; to the Committee on Military Affairs.

By Mr. LEWIS:

A bill (S. 2565) to create a central statistical committee and a central statistical board, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. THOMAS of Oklahoma:

A bill (S. 2566) to provide for the payment to veterans of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes; to the Committee on Finance.

By Mr. BYRD:

A bill (S. 2567) for the relief of Nannie D. Harding;

A bill (S. 2568) for the relief of Thatch A. Lufsey; and

A bill (S. 2569) for the relief of William E. Smith; to the Committee on Claims.

A bill (S. 2570) directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States; and

A bill (S. 2571) directing the Court of Claims to reopen the case of William G. Maupin, Jr., et al against United States, Docket No. 34,681, and to correct the errors therein, if any, by an additional judgment against the United States; to the Committee on the Judiciary.

A bill (S. 2572) to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. SMITH:

A joint resolution (S. J. Res. 101) to amend the Emergency Relief Appropriation Act of 1935 to authorize grants to community hospitals; to the Committee on Appropriations.

GOVERNMENT MARKETING CORPORATION—ADDRESS BY SENATOR FRAZIER

Mr. CAPPER. Mr. President, I hold in my hand a copy of a very interesting speech delivered by Senator LYNN J. FRAZIER, of North Dakota, at a luncheon given by the People's Lobby in Washington on March 30, 1935, and broadcast by the National Broadcasting Co., on Senate bill 1736, which would set up a Farmers' and Consumers' Financing Corporation. Since the measure discussed by Senator FRAZIER is one in which the people of the country are much interested, I ask unanimous consent that the speech be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Senate bill 1736 sets up a Farmers' and Consumers' Financing Corporation. This corporation would have the power to regulate the prices of farm products from the producers to the consumers.

Under our existing marketing system the producers of farm products are forced to sell at a price over which they have no control and usually below cost of production, and the consumer buys at prices fixed by someone else and usually much too high as compared with the price the producer receives. In short, the producer is robbed in the price he receives, and the consumer is robbed in the price he pays. The spread between farm prices and city prices is too wide. The farmer gets about 35 cents of the consumer's dollar, where he should get at least twice that amount. There is urgent need for an economical and efficient marketing system.

A last month's issue of the Consumer's Guide, issued by the Agricultural Adjustment Administration, states that "never before in this country have so many people been unable to buy food and the simple necessities of life as in the past 2 years." It might also be said that there was never a time in the history of this country when the people who produce the food products and other necessities were so hard up as they have been the past 2 years, and all because of the fact that they have had to sell their products below cost of production. No business can be successful unless it gets cost of production and at least a little profit. Farmers by the hundreds of thousands have lost their homes and land.

Strange as it may seem, during the past 2 years, when such vast numbers of people have been out of employment, when farmers have been going broke by wholesale, when millions of our people could not buy the simple necessities of life, when there has been more of actual want and hunger than in any other like period in the history of our Nation, there have been more food products deliberately destroyed than in all the preceding life of our country. During the past 2 years of misery and want the big companies and corporations that have handled farm products have made good profits. While the poor have been getting poorer the rich have been getting richer.

I want to mention a few of these companies. The National Biscuit Co., in 1933 and 1934, made a net profit of $26,592,000; the

National Fruit Co. made a net profit of $21,290,000; Armour & Co., meat packers, made a net profit of $19,446,000; the Borden (milk) Co. made a net profit of $9,136,000; the National Dairy Corporation made a net profit of $13,603,000; the Corn Products Refining Co. made a net profit of $21,207,000; the U. S. Tobacco Co. made a net profit of $6,807,000; and the Great Atlantic & Pacific Tea Co., in its last two annual reports, showed a net profit of $43,210,000—these profits during the 2-year period of the hardest times our Nation has ever known. I submit there is a need of regulation of prices.

The income-tax returns for 1933 show an increase of those who had a million dollars or more net income over the 1932 returns by 26. That is, in 1933 there were 26 more in the million-dollar, or over, net-income bracket than there were in 1932. In spite of these profits by the handlers and processors of food products, Secretary Wallace is quoted by the papers this week as saying that the rise in food prices has not been excessive; that the increase has only kept pace with the rise in national income.

The Secretary says: Prices are not excessive; the increase in price of food products has only kept pace with the rise in national income—it would be more logical if put the other way, for certainly the rise in income of the companies I have mentioned has kept pace with the rise in the price of food products, and then some. Here in the National Capital there was a rise in prices of food products noticeably when the 10-percent reduction of Federal employees' salaries was restored. They take all the traffic will bear.

During the past 5 years, income from agriculture has been only 8.8 percent of the national income, although the agricultural population is approximately 25 percent of the total number of people. The new-deal agricultural program aims to cut down the production of farm products to the amount needed for home consumption, and the farmers have been given so-called "benefit payments" to recompense them for reducing the farm-crop acreage; yet recent figures from a Government authority show that 51 percent of the imports that came into this country in 1934 were agricultural products, and many of them in direct competition to our own farm products. There was imported in 1934 grains and preparations from grains to the value of $33,212,000; dairy products, $10,865,000; meat products, $12,812,000; vegetables and preparations, $16,000,000; hides and skins, $116,519,000 worth; tobacco, unmanufactured, $24,932,000 worth.

In the past year, over 10,000,000 bushels of rye have been imported which has had the effect of keeping down the price of domestic rye. Some comparison of the cost of bread made from wheat flour and from rye flour may be of interest. The Department of Agriculture gives the following figures as of date of February 15 of this year:

	Cents
Average price of 1-pound loaf rye bread	8.7
Average price of 1-pound loaf white bread	8.3

Farm prices on rye per bushel of 56 pounds, 69.3 cents; wheat prices per bushel of 60 pounds, 87.9 cents; and wholesale price of rye flour per barrel at Minneapolis, $4.244; and wholesale of wheat flour, standard patent, was $7.281 per barrel. Although rye flour is $3 less per barrel than white flour, yet bread from rye flour sells for more than white bread. The average cost of ingredients going into a pound loaf of white bread made by a typical formula is 3.06 cents, and the cost of the flour is 2.14 cents. The approximate amount the farmer gets for the wheat that makes the flour for a 1-pound loaf is 1 cent, and the average price of a 1-pound loaf of bread is 8.3 cents. During the past 10 years the price of a 1-pound loaf of bread of the best grade here in Washington has been 9 cents, and the price of wheat to the farmer has varied from 25 cents per bushel to $1.25 per bushel. The price of the wheat or rye has little to do with the price of bread, and that is literally true of the prices of many other farm products.

If this bill to regulate prices from producer to consumer becomes a law, it is believed that the price to the producer can be increased to an amount based on cost of production and fair profit, and the price to the consumer not increased, and in many cases lowered by eliminating the unnecessary middlemen and also by eliminating unnecessary profits. Recently here in Washington Maine potatoes, for which the grower was receiving 12 cents per bushel, were retailing at the rate of $1.32 per bushel. Radical adjustments and changes must be made. There is no logical excuse for continuing to rob the farmer at one end of the game and continuing to rob the consumer at the other end of the game. The producers and consumers should organize and write the rules of the game and have a fair regulation of prices.

ISSUES BEFORE AMERICA—ADDRESS BY SENATOR WHEELER

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered on April 8 last by my colleague, the senior Senator from Montana [Mr. WHEELER], the subject being Issues Before America.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In the minds of some, 1929 was a golden era. Optimism ran even higher than securities on the stock exchanges. But those were careless, slipshod days. Credit had been inflated out of all reason, partly by the overcapitalization of our corporations. When a certificate of stock or a bond was issued to you and you borrowed money on it at the bank, or if you bought it on a margin, you were inflating the credit, and the indispensable widows and orphans, and the bootblacks and scrub women who were buying watered securities were helping in their little way to inflate the credit of the Nation.

When all this credit inflation, which in fact was really only the creation of a fantastic and impossible debt, started to topple over, big business rushed to the Government and borrowed the taxpayers' money for the purpose of prolonging the day of reckoning, which, in my judgment, has yet to come.

Business and financial leaders of prominence issued weekly interviews telling how much bigger and better things were getting all the time. Why, nothing could stop us in our forward march.

I happened to notice in the paper the other day where one of these men just returned from Europe, and when interviewed about conditions, shook his head gloomily, and uttered words of despair. Now, that is the most hopeful sign of the end of the depression that I have yet seen, because this man was wrong so many times in 1929, when things were getting bigger and better, and was wrong so many times during 1930, 1931, and 1932, when he told us that prosperity was just around the corner.

These same high priests are still with us, and they honestly believe that we should let things work out with no Government interference except Government loans. They do not want reforms. Crazy speculation is in their blood and nothing would make them so happy as to be allowed to build up another 1929. But, my friends, their usefulness—and I am admitting that in the past they have been useful—is over. The day of frontiers is over and we must settle down to living the fullest possible life with our resources.

Friends, we have something far more important before us today than any feeble attempts to reassure the public that all is well. We have something on our hands that is infinitely more of concern to our welfare than any minor patching up of the old machine.

America is at this moment on the threshold of very vital and far-reaching decisions. Where do we want to go? The decision is up to us. Do we want to do what some strong groups contend for and abandon our foreign trade for economic nationalism? I can hear some of my listeners say we want to maintain our high-tariff walls and at the same time to get all the international trade. That is impossible. There is only one way that we can sell our surpluses abroad and that is by permitting other nations to trade with us. We must decide on a definite policy.

Secondly, do we want to go back and have money of redemption and a metallic base for it? If we do, then we must face the fact that there isn't enough gold in the world to meet the needs of commerce and that we must remonetize silver. Or do we want to abandon the metallic base entirely and depend on a managed currency? If we remonetize silver, we will help the manufacturer by preventing the dumping of oriental goods over our tariff barriers.

The trouble with the American political life has been that during the war and since the war up to 1929 so many people were prosperous that they did not stop to figure out what was bringing about that temporary prosperity. We felt that we were God's chosen people and that somehow in His divine wisdom He had picked us out for special attention, when suddenly in the autumn of 1929 we were face to face with the greatest economic catastrophe of modern times, either for this country or any other.

Now, I haven't time in the few minutes that has been allotted to me tonight to point out some of the danger signals that lie in whatever route we choose on these questions. Irrespective of which fork in the road we take, the burning issue before America today is whether we are going to allow monopolies and other large aggregations of economic power to continue to dominate our whole social, economic, and political life.

This issue has its roots in the fact that 96 percent of we American sovereigns own only 15 percent of the wealth; in the fact that 1 out of every 6 persons is dependent upon Government relief for his very livelihood; in the fact that 11,000,000 people are unemployed. Either industry itself must see that more money gets into the hands of the people in the form of purchasing power or it will have to be a function of the Government to do as they are doing now; that is, taxing industry and placing the proceeds in the hands of the needy in the form of relief. If we do this, we are verging onto fascism, which would, to my mind, be worse than unfortunate. It would be so because fascism implies the strong hand of a leader, censorship in the press, on the radio. And I don't think that there is any man capable of being dictator of the United States of America, be he Herbert Hoover or Franklin D. Roosevelt, or anyone else. We have too precious a heritage of freedom and democracy to intrust it to fascism, communism, or any other ism that implies centralization of too much power in the hands of any one individual.

Big business gives us a good enough example of the evils which might attend this course. From 1920 to 1929 no sacrifice was too great to make to centralize power in the hands of fewer and fewer corporations, controlled by fewer and fewer individuals. In 1909 the 200 largest nonbanking corporations had assets of only $26,000,000,000. In 10 years, by 1919, these assets had reached 43.7 billions, or an increase of 63 percent. In the next 10 years, from 1919 to 1929, they increased to $81,000,000,000, or a gain of 85 percent in that period.

These 200 largest corporations would, if the rate of growth from 1924 to 1929 were applied in the future, in 30 years absorb all corporate activity and practically all business activity. These 200 largest corporations are directed nominally by about 2,000 men. But most of the directors are inactive, many of them are dummy directors. It is safe to say that only a handful of men, somewhere in the hundreds, control half our corporate wealth. The other day Chairman Jesse Jones, of the R. F. C., testifying before my

committee in the Senate, stated that the railroads were controlled by the bankers. Other testimony showed that the banker control was almost entirely divided between just two banking firms. What is true of the railroads is also true of the life-insurance companies and the utilities in just the same way. I have no doubt that it is true of most of the rest of the 200 corporations. This shows that while half of the corporate wealth is controlled outright by a handful of men, at least the major share of these men may be controlled in turn by less than a half dozen investment bankers.

The corporate form was originally one by which private business was conducted by an individual. It is now a means whereby some financial operators have exercised their power to glut their selfish ambition. It is a means whereby these operators, entirely without investment stake of their own, put the risks of their own bad judgment on thousands of part owners—the stockholders, from Maine to California—while taking out for themselves the profits, in the form of salaries and bonuses, that accrue from their good judgment.

In its original form the corporate device served a very necessary function and was a fine thing, but I say to you business units of the size of these 200 corporations have no place in our economy. In them are all the objectionable features of Government ownership and state socialism, except that they are in no way responsible to the public interest. They lend themselves to the maldistribution of wealth and purchasing power. They tend to stifle private initiative. They foster nepotism in its worst form. They deliberately suppress inventions and new processes so that they can preserve obsolete and uneconomical machinery and plants. They are bureaucracy plus. Their managements, like the Hapsburgs and other royal families, tend to be self-perpetuating, because by wide dispersion of the stock ownership, the use of proxies and holding devices, they can remain in control with only a minimum of stock. Economic democracy under them is an impossibility when they own around 40 percent of all business wealth. Their influence, however, does not stop at ownership. They control newspapers.

There is no way of estimating how much wealth they actually and effectively control in addition to what they own. Employees and people dependent upon their favors have little more democracy than did the serfs under the feudal system. They can go out and vote, yes, but even in this their economic dependence upon these companies is such that they do not dare in some instances to disobey a mandate to take sides in a particular issue.

I think it would be very enlightening just at this point to read an editorial from the Electrical World, semiofficial publication of the public utilities. In the list of 200 largest corporations which I have mentioned, 52 are public utilities. I quote briefly from the editorial, which is entitled "Light Up with Politics":

"Upon a platform of public interest, utility men as taxpayers, as citizens, as representatives of employees and investors, and as public-service suppliers, must make politics their major concern. Every executive or manager in each community served must devote his individual efforts to making the citizens and the politicians friends instead of enemies. * * * These utility men must come to know intimately the present municipal officials and State and national legislators, also those who will attain these political positions in the future, and they must be able to convince these men of their political impartiality. * * * Success in politics depends on human relations, and these have their greatest center in the homes of the citizens of each locality. Utilities should translate public service into political service also by taking local action adequate to meet present needs. Local tickets should be slated and local platforms written at once for each community."

How much effect the lesson for utilities contained in this editorial has had can best be judged by the campaign against the public-utility holding company bill which I have introduced in the United States Senate.

I will be the first to admit that these corporations have every right to spread their gospel in any way they see fit, but I strenuously object to the masquerading of their own selfish interests under the garb of concern for the poor dear public. They have the right to voice their opinions in the public forum, and I would be the last to say that they should be deprived of it in any way, shape, or form. But when they are openly avowing that they are out for all they can get, then I think that the public is entitled to know just where they stand, so that when the representatives of the people are called upon to choose between selfish propaganda and the public interest they can make an honest choice without thought of political expediency and knowing that the public appreciates the real issues involved.

Any idea that these 200 great combinations of capital can be effectively regulated in the public interest under any device we have yet discovered is wishful thinking. When any reform legislation comes up in Congress these combinations descend in a body and lobby furiously against it. They tell their stockholders that they will be ruined, they order their employees out to spread the sad news that everyone will be ruined. They cause a flood and barrage of letters to be written to their Representatives and Senators. If we get any legislation through at all it is finally so full of loopholes that they can get around it.

These corporate managers prate to you that you are losing your liberty under the new deal. I am sure that none of you is being taken in on just whose liberties they are referring to—certainly it isn't your liberties. Why, in their rush for size they take men from the farms and small towns and crowd them together in huge industrial centers. They make them dependent absolutely on a highly specialized job, because they know that if the worker can do only one thing and if he is set down with his family in a place where there is only one thing to do he is absolutely dependent upon that job, no matter what the pay, no matter what the hours of work. If they want to cut costs they lay off men, put them in the bread line.

That is where the bulk of the relief load is going today, to people who had been slaves to the routine of mass production.

If corporate growth goes on unchecked we won't have to worry about the Government taking them over—they will be the Government. They will take over the Government.

Lately there has been a trend of thought which has felt that there should be a decentralization of these combinations of power, a feeling that with smaller units real ability would be more surely brought out and individual initiative restored to many capable people who are practically servants today. Certainly it seems to me to be the only alternative to Government ownership of industries, if not fascism. If, as we have every reason to believe, their assets increase so that in 20 or 25 years they own all business wealth, they will have to be merged with the Government. We can have no other alternative, nothing else can happen, because if they own all business wealth they will then be the Government.

This is a second choice that we cannot escape. It is perhaps not so pressing at this moment as the choice we must make between nationalism and internationalism, but it is none the less inevitable, and the sooner we make it the less painful will be the process of readjustment. Regulation has broken down. Prosecutions under the Sherman Trust Act are largely a thing of the past. There is one way to bring it about, however, and that is by graduated taxation. If the tax is not confiscatory, but getting higher in the larger ranges of capital structure, only those large corporations who can demonstrate that their size makes them more efficient will be able to avoid vountarily breaking up into smaller units. It will give the little business man a chance to compete.

In conclusion, let me say to you that many sincere and honest citizens have viewed with alarm the enormous response which greets such movements as the Townsend old-age pension plan, Senator LONG's share-the-wealth plan, E. P. I. C., and others like them. Many people feel that there is something subversive about them, that they faintly are un-American and communistic. Even if they do cause some newspaper publishers to see "red" behind every tree and bush, to a serious student of history they are the signs of regeneration of thought in the American people.

We ought to welcome the mental energy in all the plans for recovery springing up throughout the country. Out of this so-called "radicalism" of the past has come every progressive change in our economic and political system. Practically every important development of the last 20 or 30 years derives from some ridiculed "ism" of the Populists or other equally forgotten party which preached the doctrine 15 years before.

The radicals of yesterday are the conservatives of today. There is nothing more disrespectful of our own maturity and national intelligence than a fear that we cannot prevent ourselves being taken in by every "ism" that comes along. We need Justice Holmes' grown-up courage and faith to believe in "free trade of ideas" and that "the test of truth is its ability to get itself accepted in the market place."

To business men who are afraid, remember the United States is still the most conservative nation in the world.

These grumblings from the underprivileged 96 percent of the population are entirely natural. One can hardly expect a man with an empty stomach to remain long incurious about the economic forces which are keeping his stomach empty.

You people who believe that you can scotch the Townsend plan or "share the wealth" by merely pointing to the technical defects in the proposals for carrying them out are deluded. In order to prevent a much more drastic reorganization of the system than most people can even imagine at this time, we must have more than scoffing. We must decide two things and decide them quickly. The first is, What place is the United States going to occupy in the world picture? The second is, Do we want either private or public fascism, or do we want industrial and economic democracy?

The American people must give their answer to both of these, and the sooner the ship of state gets to sailing a charted sea the better it will be for all of us.

ECONOMIC CONDITIONS—ADDRESS BY BENJAMIN C. MARSH

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a radio address delivered by Benjamin C. Marsh, executive secretary of the Peoples' Lobby, at Washington, D. C., on Saturday, March 30, 1935.

There being no objection, the address was ordered to be printed in the RECORD as follows:

THE WASHINGTON MESS

(By Benjamin C. Marsh, executive secretary of the People's Lobby)

Washington is in a mess partly because the new deal is attempting to restore former property values and property income, and with the concentration of ownership of property and of income this precludes sufficient purchasing power to the masses to permit a decent standard of living.

The new deal is Government subsidized State capitalism.

To save creditors the Government last year loaned $6,161,000,000, which was $2,907,000,000 more than in 1933.

Two years ago this month, when the President took office, the capital structure of corporations was probably about $100,000,000,000 too high, asking price for land at least $60,000,000,000 too high, debts at least twice what the people could carry, or interest rates nearly double what we could stand. The write-down since has been small.

In 1932, out of the total national income paid out, $48,952,000,000 $17,361,000,000, or nearly two-fifths, was paid as property return, dividends, interest, rents, royalties, and entrepeneurial withdrawals.

About 1 percent of the families received about one-ninth of the total national income, and nearly one-fifth of the total returns to property in 1932; and they paid the least taxes in proportion to ability to pay, and real benefits conferred by government. That is true today.

The effort is made to raise commodity prices to attempt to validate property prices and debt structure of the 1926 level. Since this handful of people own this property and much of the debt, the masses of the people are compelled to reduce the amount and variety of their consumption; and poverty, unemployment, and underconsumption continue, and will continue until excess prices or valuation of all sorts of property—land, capitalization, and debt—are written down or written off.

Government will have to do this. Inflation by silver purchase or otherwise would merely shift debts and create new debts of high land values and stock prices.

Profits alone were not such a serious item in 1932, for dividend payments were only $2,590,000,000 and the net income of all corporations reporting net income was only $2,153,112,819.

Interest payments, however, were $5,506,000,000 and production charges on account of private retention of ground rents considerably more, probably at least $6,000,000,000.

Devaluation of the dollar has meant compelling the propertyless or small-propertied classes to pay debts and become the victims of others' misfortunes.

The Government's $2,800,000,000 profit on devaluation came out of the pockets of consumers.

The total increase in wages paid and in farmers' income during the past 2 years is only about as much as governments have spent on relief and credit for public works and enterprises.

The Reconstruction Finance Corporation, started under President Hoover, was chiefly an effort to save bankrupt concerns from taking their medicine and to compel the masses to take their medicine for them.

The total authorizations of the R. F. C. to February 28 this year for activities of the Corporation, other than advances to Government and for relief, were about $5,000,000,000, of which only about half has been repaid, despite devaluation of the dollar and an increase of about one-half in the national debt.

The administration's pending banking bill does not socialize credit—for that means using credit to increase consumption. This bill carries on the validation through Government credit, of overcapitalization and of excessive values, by permitting loans up to three-quarters of what a Presidential appointee decides is a sound basis.

This bill is an attempt to restore the imbalance of the 1926 concentration of ownership of that year when the Federal Trade Commission reported 1 percent of the people owned about three-fifths of the national wealth and 13 percent owned about nine-tenths.

The Supreme Court's decision on the gold clause apparently knocked into a cocked hat the century-old decision in the Dartmouth College case upholding the validity of contract. Nothing can for long be held unconstitutional which is necessary to save our Nation.

The public-works bill carrying about $4,000,000,000 for public works to be administered by the President will be a life-saver for landowners. Much of the general improvements to be constructed, not including all housing, should be assessed upon property benefited thereby, but this has not been done. For the 18 months, April 1933 to January 1935, the value of materials ordered under the P. W. A. was $701,000,000, and total pay rolls only $360,000,000, about half as much. The average number of men directly employed in 1934 was about 450,000, and 170,000 indirectly. The public-works bill will compel workers to enrich landowners and business interests as a condition of getting work to escape starvation. Rear Admiral Peoples testified that in slum clearance, labor would get 28 percent of cost; on national-highway construction, 40 percent; on grade crossings and rural electrification, 30 percent; on non-Federal projects financed by P. W. A., 33 percent.

Agriculture is doomed as an individualistic competitive enterprise, but the administration is apparently trying to maintain this system, and the acquisitive instinct, instead of fostering intelligent socialized farming, whether Government farms, or cooperative or corporation farms, under strict Government control.

The subsistence homesteads and rural industrial communities the administration is trying to set up are also methods of lowering living standards of workers, and getting them away from crowded centers where their protest is dangerous.

Housing is the most practical method of large-scale reemployment of nonprofessional workers, but the present and proposed schemes of the administration can't work, because land speculators and owners of death-dealing tenements have blocked it, and the administration doesn't dare to alienate support by exercising its powers of eminent domain and taxation of land values. States are also to blame for failing to transfer taxes from buildings to land values, which would be a major step toward settling the housing problem.

The Guffey bill reported by the Senate Subcommittee on Interstate Commerce would have the Government pay $300,000,000 for coal lands, this sum to be assessed on consumers, although the Department of the Interior recently reported that there are 200,000,000,000 tons of valuable coal on Government-owned land.

The coal and oil codes fortified the gamblers in these natural resources and are costing consumers at least $400,000,000 a year, in addition to the hundreds of millions of dollars that consumers pay in taxes on these commodities.

Few measures of the new deal end any special privilege; most of them fortify one or another. The bill to end ultimately (why not now?) holding companies for public utilities is a step in the right direction, but ignores the basic fact that the one proper holding company for public utilities is the Federal Government.

The securities law makes stock gambling a little safer, but doesn't stop it. The National Industrial Recovery Act fortified monopolies, solidified scores of billions of watered stock into profit earning, mulcted consumers, and crucified labor's standards.

The Agricultural Adjustment Act is primarily a bonanza for speculators in farm lands and holders of mortgages thereon.

Organized labor has lost pretty much along the line because its leaders have largely tried to divide the swag with the capitalists. There is no hope for labor, as it learned by the defeat of the prevailing rate of wages provision, in that course. If it is to hold the sympathy of the consuming public organized labor—and this is equally true of organized farmers—must abandon their role of subcapitalists.

There are two alternatives to early and pretty wild inflation, which is as hard to control as a cyclone and which can easily reduce the purchasing power of savings, dividends, interest, and life-insurance policies and annuities to one-third or even 1 percent.

Those alternatives are heavy Federal taxation of incomes, including income from Government bonds, estates, corporation profits, and liquid surpluses, and land values, and writing down capital structure, debt, and land values, before this Congress adjourns.

Unless we pay as we go in peace we won't in war.

Inflation does not lead to socialization, but to desperation, starvation, and militarization, as witness Germany.

We probably cannot maintain a decent standard of living for the masses of the American people, who probably will not peacefully accept any other standard and pay much, if any, over 2 per cent on capital structure of corporations on land values and on debt.

The terror of reactionary wealth over the mess in Washington and the mass discontent in the Nation is evidenced by the bills to prevent frank discussion and to abolish civil liberties, such as the McCormack and Dickstein bills, the increased appropriations for Army, Navy, and air forces, and the increase of one-third in the Army.

There can be no peace between nations till there is justice within nations and international cooperation. Secretary of State Hull is to be highly commended for his efforts for lower tariffs to increase international cooperation.

Write or wire your Member of the House and both your United States Senators to oppose all legislation until Congress—

1. Adopts the British system of taxation, which would yield about $4,000,000,000 additional revenue, repeal at least one and a half billion dollars of Federal consumption taxes, and enacts the Moritz bill taxing owners of valuable land. England taxes heavily in the depression—so can we.

2. Creates a Government housing corporation empowered to get land at a reasonable figure and to construct plants or to obtain material for housing at a reasonable price.

3. Creates a Government marketing corporation such as Senator FRAZIER'S bill sets up, so that farmers may produce to meet the Nation's needs instead of reduce to match the people's poverty.

4. Creates a Federal natural resources board to take over the four great competing natural resources—coal, oil, water power, and gas—paying owners for values they have created, so we may have electrical energy and heat at a nonmonopolistic price.

5. Creates an agency to write down excess capitalization, debts, and interest rates, as socialization at present prices would break us.

6. Creates a central Government bank to socialize credit for consumption, not to liberalize it for speculation, as the silver simpletons and speculators, land and stock gamblers, and other inflationists wish.

7. Creates an organization empowered to condemn good farm land and run farms itself or organize collective farms to employ tenant and dispossessed farmers and share-croppers.

PUBLIC SERVICE EDUCATION—ADDRESS BY HARRY G. VAVRA

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting address on the subject of Public Service Education, delivered over the radio by Harry G. Vavra, national president of the Educational Conservation Society, on the occasion of American conservation week, Monday, April 1, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends of the radio audience, it is a very real pleasure to extend greetings to you on this first day of American Conservation Week, which is being observed with ceremonies appropriate to the occasion in schools throughout the country.

My talk comes to you at a time when the Nation is still feeling the effects of the last drought. It comes to you at a time when the country is facing another possible national disaster in the sandstorm, which has swept over many of our States. Soil and weather experts have already warned that the damage to crops will run into millions of dollars, and that there is serious danger of the West becoming a great American desert. Deforestation and unjustified drainage practices are largely responsible. There is no doubt that lack of forestry and replanting, overgrazing, and improper methods of cultivation resulting in erosion of the soil have helped to cause such national calamities as droughts, floods, and forest fires.

President Roosevelt in his message to the Educational Conservation Society has given his whole-hearted endorsement to American Conservation Week and has truly stated that, "All of our people do not yet fully understand the full significance of conservation as related to our economic existence, although there is a constantly growing realization of this relationship, and in the last few years the cause of conservation has been advanced notably."

The American conservation week committee of the society consisting of the various State conservation agencies, is stressing the importance of teaching conservation as a regular subject in the schools of America so that present and future generations will be fully educated to its significance and principles.

In the year 1933 the Educational Conservation Society made a radio appeal for public conservation education over this network. Since that time much progress has been made. Secretary of the Interior Harold L. Ickes, many State Governors, the Federal Office of Education, State departments of education, State departments of conservation, college heads, and superintendents of schools all have endorsed the movement.

For many years conservation has been treated in a haphazard manner and in a piecemeal fashion as part of various subjects. After the pupils completed their elementary and high-school work, they really had no definite knowledge of its basic principles and problems. Educators soon found that this did injustice to the subject of conservation.

In a letter under date of August 23, 1934, State Superintendent L. A. Woods, of the Texas State Department of Education, wrote: "Permit me to say that I believe in the teaching of conservation from every angle—conservation of the forests, conservation of the natural resources, conservation of the waters that flow down the rivers of the several States, conservation of the soil, and conservation of the lives of the individuals of this Nation. Anything that you can do to develop this program more fully will be greatly appreciated by all. We are stressing conservation in the schools and out of the schools, but I doubt if we are getting very far. I am for you, and anything that may be done along this line."

It was in order to remedy this defect that the Educational Conservation Society originally launched a campaign for the teaching of conservation as a regularly required subject in the schools of America.

With the cooperation of State departments of education and State departments of public instruction, the Educational Conservation Society is preparing courses of study on the conservation of natural resources for the public elementary schools, high schools, colleges, and universities, and is preparing a program for the training of teachers, supervisors, and directors of conservation subjects. Several years have been devoted to this work, which will be completed in the near future.

The society is grateful to the radio and to the press that have cooperated in our campaign for public conservation education.

Due to lack of proper conservation education, the United States has suffered from such calamities as droughts, floods, and forest fires, resulting in serious loss of life and property. Due to inadequate conservation education, the Nation soon found itself faced with deforestation, soil exhaustion, destruction of mineral and water resources, as well as of scenic beauty and wildlife extermination.

Realizing the seriousness of the situation, the late President Theodore Roosevelt made conservation of the natural resources a definite national policy.

Fortunately for the social welfare of America, President Franklin Roosevelt is continuing and enlarging this policy of conserving the Nation's natural resources. The latest contribution is the report of the National Resources Board. This is the most comprehensive plan ever placed before the American people, and it certainly merits their whole-hearted support.

Fundamentally the basis of national prosperity and the happiness of present and future generations are dependent upon the conservation of the Nation's natural resources. Ultimately we obtain our food and clothing from the soil. Our forests not only conserve the soil but help to prevent floods and severe droughts. They provide us with various products and homes for wildlife. They have recreational and aesthetic values. Our waters are valuable for meeting domestic and community needs, for supplying power and irrigating arid lands, for providing homes for fish life and feeding places for waterfowl, for providing recreational and aesthetic opportunities, and for promoting navigation. Our subsoil resources, such as minerals, coal, peat, limestone, potash, saline deposits, chemical waters, oil, and gas, serve a variety of industrial and commercial purposes. They are a necessity to civilization. Our wildlife resources have great aesthetic and recreational as well as economic values. The beauty and health-giving influences of unspoiled nature are of serious concern to the public.

Natural resources are the heritage of present and future generations. It is your duty to protect them from unnecessary waste and destruction. Do cooperate with your Federal and State Governments by obeying their conservation laws. You can promote conservation and make America a more beautiful place to live in by working for constructive conservation laws, by preventing forest fires, and keeping the grounds clean, by taking part in the dedication of forests, parks, and sanctuaries, by planting trees, protecting the wild flowers, and feeding the birds.

It is more important to conserve our natural resources than to restore them after they are gone. That is often impossible. The people must be educated to the significance and principles of conservation. The school is the logical place to begin such a program. It is essential that the students be taught the principles of conservation. It is also essential that they be taught how to apply them practically. Good citizenship requires a definite knowledge of the subject.

The Educational Conservation Society is not only preparing conservation courses of study for the elementary schools and high schools but also for colleges and universities. It is making provision for the establishment of schools of conservation, departments of conservation, or departments of conservation education and summer nature conservation camps as parts of colleges and universities. The program includes such courses as will train prospective teachers of conservation and prepare students for positions with the Federal and State Governments.

As conservation is a State and national responsibility, it is only fair that Congress provide an annual appropriation for the purpose of cooperating with the States in the promotion of public conservation education by paying for the salaries and preparation of teachers, supervisors and directors of conservation subjects, equal sums to be contributed by the Nation and by the States for the purpose. The society is sponsoring a bill, S. 2384 introduced by Senator ROYAL S. COPELAND. The purposes of this bill are as follows: To provide for cooperation with the States in the promotion of conservation education in the public elementary schools, high schools, colleges, and universities; to provide for cooperation with the States in the preparation of teachers, supervisors, and directors of conservation subjects on the natural resources, and to appropriate money and regulate its expenditure.

The late Hon. Henry T. Rainey, Speaker of the House of Representatives, who fought for conservation from the administration of the late President Theodore Roosevelt until the present administration of President Franklin D. Roosevelt, made the following statement in a radio address delivered on April 8, 1934:

"I am thoroughly in sympathy with the efforts of the Educational Conservation Society. The place to commence a program of conservation is in the schools. Those who are to come after we are gone must be educated now as to the importance of the preservation of trees, of grass lands, of coal, of oil, and of wildlife. All of us who are now living can live out our lives perhaps without serious inconvenience but it is an obligation, which we must realize, to preserve natural resources for generations yet unborn."

Surely the people of the United States will agree with this view. It is altogether fitting and proper that American Conservation Week is being observed with ceremonies appropriate to the occasion in schools throughout the country.

ADDITIONAL HOME-MORTGAGE RELIEF

The Senate resumed the consideration of the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes.

Mr. DIETERICH. Mr. President, I ask unanimous consent to have inserted in the RECORD resolutions adopted by the United States Building and Loan League at its convention in New Orleans last October. I am asking that the resolutions be printed at the request of the executive vice president of the league, who is a resident of my State, and whose letter I also ask to have printed in the RECORD.

There being no objection, the letter and resolutions were ordered to be printed in the RECORD, as follows:

UNITED STATES BUILDING AND LOAN LEAGUE,
Chicago, Ill., April 11, 1935.

Hon. WILLIAM H. DIETERICH,
Senate Office Building, Washington, D. C.

DEAR SENATOR DIETERICH: Attached are seven resolutions which were adopted by our annual convention in New Orleans on October 26 of last year.

There were some fifteen hundred delegates from all over the United States at this convention. Our organization, as you know, includes some forty-one hundred building and loan associations and 46 State leagues. Over 75 percent of the assets in this type of cooperative thrift and home-financing institutions are included in our membership. These institutions have nearly 9,000,000 savings members and nearly 2,000,000 borrowing members.

These resolutions are constructive and have a general bearing on home-mortgage matters now before the Senate in the consideration of H. R. 6021. We would greatly appreciate it if you would present these resolutions for printing in the CONGRESSIONAL

RECORD at the time the Home Owners' Loan Corporation-Federal Home Loan Bank-Federal Housing Act bill is under consideration.

Your cooperation will be greatly appreciated.

Sincerely,

MORTON BODFISH,
Executive Vice President.

(Enclosure.)

RESOLUTIONS ADOPTED BY UNITED STATES BUILDING AND LOAN LEAGUE

(At annual convention, New Orleans, La., Oct. 26, 1934)

TO PRESIDENT ROOSEVELT:

Whereas the President of the United States, Franklin D. Roosevelt, has sent to this Forty-second Annual Convention of the United States Building and Loan League a most gracious and cordial expression of his interest in the thrift and home-financing institutions of the country, and his recognition of the important part these institutions must play in the administration's announced objective to better the housing conditions of the country: Now, therefore, be it

Resolved, That the United States Building and Loan League in convention assembled formally express their appreciation of this message and the interest and understanding shown therein, and that this resolution be certified and forwarded to the President of the United States.

MORATORIUM LEGISLATION CONDEMNED

Whereas legislation providing for either partial or entire repudiation of obligations cannot be constructive or sound; and

Whereas legislation providing for moratorium on the payment of obligations is taken advantage of by persons able to repay their obligations as well as by persons in distress and the building and loan associations wish to give every relief to worthy but distressed borrowers, but, at the same time, must conserve the savings of millions of persons whose funds have been loaned to and spent by persons now able and sometimes unwilling to pay: Therefore, be it

Resolved, That the United States Building and Loan League in convention assembled formally protest the passage of moratorium legislation in many States, and those portions of the Frazier-Lemke Act which adversely affect the savings of millions of thrifty citizens of the United States and records its objection to further legislation of this nature.

FEDERAL HOME-LOAN BANKS

Whereas the President of the United States and the Federal Home Loan Bank Board have continued and sponsored the activities on behalf of the building and loan associations centered in the 12 Federal home-loan banks: Now, therefore, be it

Resolved, That we express our appreciation for their interest and effort and sincerely recommend that the responsibilities of the Federal home-loan banks be increased and that they be made the operative units in the relationships of the savings, building, and loan associations with the several phases of Government affecting the thrift and home-financing facilities of the people; and be it further

Resolved, That a copy of this resolution be formally transmitted to the President of the United States and to the Federal Home Loan Bank Board.

H. O. L. C. APPLICATIONS

Whereas the Home Owners' Loan Corporation has received applications for loans totaling almost twice the available resources of the Corporation; and

Whereas many persons cannot but be eventually refused mortgages from the Home Owners' Loan Corporation, but in the meantime, pending a decision on their applications, are unwilling to continue payments of either interest or principal to present mortgage holders: Therefore be it

Resolved, That the Board of Directors of the Home Owners' Loan Corporation is hereby formally requested to notify immediately those applicants for loans from the Corporation who cannot reasonably receive mortgages from the Corporation of this fact; be it further

Resolved, That a copy of this resolution be formally transmitted to the Federal Home Loan Bank Board.

THE INSURANCE OF SHARES

Whereas Congress of the United States, as an integral part of the National Housing Act, provided for the insurance of investments in savings, building, and loan associations; and

Whereas it was the intention of Congress that all solvent honorably managed savings, building, and loan associations be accorded the privileges of this protection: Now, therefore, be it

Resolved, That the United States Building and Loan League disapproves the spirit and detail of the Rules and Regulations promulgated for the Insurance Corporation as going beyond the necessities and intent of the statute enacted by Congress; and be it further

Resolved, That the most rigorous standards and supervision in the admission to and the conduct of the Insurance Corporation be approved; and be it further

Resolved, That we commend the statements of Mr. Fahey and Mr. Catlett made at the convention that there would be a minimum of regulation but a high standard of supervision; and be it further

Resolved, That a copy of this resolution be formally transmitted to the Federal Home Loan Bank Board.

ENDORSEMENT OF THE RECOMMENDATIONS OF THE ECONOMIC POLICY COMMITTEE

Whereas a part of the report of the economic policy committee of the United States Building and Loan League is as follows:

"LEGISLATION BY REGULATION

"Trustee savings institutions are more and more governed by public laws, and properly so. Your committee feels that careful, conscientious, and efficient supervision of building and loan associations is highly desirable. At the same time it is important for the economic stability of the Nation that supervision be consistent, well considered, and not dependent upon the whim of individuals whose positions may change from time to time. Your committee, therefore, deplores the tendency to establish supervision of trustee institutions by the method of sketching only the boundaries of that supervision in the statute law and conferring that statute almost unlimited powers upon administrators so that supervision becomes a matter of rule and regulation rather than of law. Your committee, therefore, urges that governmental activities affecting trustee institutions be more detailed as a part of the statute rather than made dependent upon the rule and regulation of individual administrators." Therefore be it

Resolved, That the United States Building and Loan League especially endorses this part of the report of the economic policy committee.

LOANS LIMITED TO COMMUNITIES HAVING SANITARY CODES

Resolved, That the imperative need is reemployment. Reemployment can be best brought about through the building industry. More than 4,000,000 insanitary and worthless houses are occupied by tenants. These insanitary houses are a constant source and breeder of disease and crime; landlords should not be permitted to rent out such premises. Under the police power, use of these premises can be prohibited. This would necessitate construction of 4,000,000 sanitary houses to replace these 4,000,000 worthless premises; such construction would employ the mechanics and artisans, would start the sawmills, brick kilns, nail factories, glass factories, and the threescore other industries that are necessary to the production of building materials, and would again employ the transportation lines and universal employment result therefrom: Therefore be it

Resolved, That we favor a rule to be adopted by the H. O. L. C. and the Housing Administration and the Housing Insurance Department that hereafter loans will only be made in communities protected by sanitary code prohibiting the use of such insanitary houses.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arkansas [Mr. ROBINSON] to the amendment reported by the committee.

Mr. ROBINSON. I suggest that the Secretary state the amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment, at the end of section 8, on page 22, it is proposed to insert the following:

That section 4 (d) of the Home Owners' Loan Act of 1933, as amended, be amended by adding: "*Provided,* That for the purposes of this act, levies of assessments upon real property, made by any special district organized in any State for public improvements, shall be treated as general-tax levies are treated, and the lien created by such improvement districts upon the real property within said district, to secure the payment of such improvement-district levies shall be considered as attaching to such real property at the time fixed by such improvement district for the payment of such levies and assessments and not before; and, for the purposes of this act, the lien of any mortgage placed upon any such real property by the owner thereof shall be considered a prior lien with reference to such improvement-district lien securing the payment of all said improvement-district assessments not due at the time the said owner executes such mortgage. The reasonableness of the total annual burden of taxes and assessments of all kinds upon any property offered as security for the payment of a loan made by the Corporation and the effect of such total levies upon the loanable value of such property are matters for the determination of the Home Owners' Loan Corporation Board, but no deduction shall be made from the loanable value of any property for improvement-district assessments or levies not due at the time of making such loan in any instance where the total annual taxes and assessments borne by the said property for all purposes does not exceed a sum which, in the discretion of the Board, is a reasonable annual tax burden for such property: *Provided,* That in arriving at the loanable value, in no instance shall any deductions be made on account of such improvement-district liens, taxes, and/or assessments not due at the time of making the loan where the aggregate amount of annual taxes, levies, and assessments of all kinds and for all purposes upon the property offered for security does not exceed a sum equal to 5 percent of the value of such property as fixed by the Home Owners' Loan Corporation appraisement."

Mr. ROBINSON. Mr. President, I should like the attention of the Senate while an explanation of this amendment is made.

Briefly, it proposes to amend provisions of the Home Owners' Loan Act of 1933, as amended. It defines first liens on real estate where there are improvement-district taxes. It leaves the reasonableness of tax and assessment burdens to the Corporation Board and prevents deductions of improvement-district assessments not yet due from the loanable burden of the taxes if the annual tax burden, including such assessments, does not exceed 5 percent of the Corporation's appraisal of the property.

It is among the objects of the amendment to prevent discriminations in the making of loans against properties located in special-improvement districts.

In some of the States the cost of financing public improvements is added to the general taxes. Before concluding I shall submit for the RECORD a statement relating to this feature of the subject.

In other States, particularly in my own State, such costs are charged against the property in the various districts. The Home Owners' Loan Corporation, under the act and the regulations promulgated, does not take notice of the general taxes not yet due, even though the costs of improvements have been added thereto. The practice has been to deduct the total assessments for benefits, where there are districts for improvements, from the loanable value of the property, with the result, in my opinion, that in many applications for loans it is impossible to effectuate the purposes of the act. It should be remembered that in the cases I have in mind the deduction is not for the amount actually to be paid by the home owner, but it is for the total assessment of benefits not yet due. These assessments for benefits in many cases—and, I think it may be said, usually—greatly exceed the actual payments which are to be made. This constitutes a discrimination.

If an appraisal, for instance, amounts to $3,000 and the total assessed benefits aggregate $2,400, the loanable value generally is fixed at $2,400, and from this must be deducted all the assessments for benefits not yet due. In many cases the benefits were assessed at three times the costs of the improvements. In other words, the total payments through the years will amount to only about one-third of the assessments for benefits.

The practice of making the assessment for benefits high was to show increased value of the bonds and to make them more available. The bondholders would appear to have more security and better bonds. The home owner, in the case I have cited, is required, for instance, to pay $800 to retire the debt and release the lien. He may have paid half that amount, or $400, at the time he applies for the loan. At this time, and under present regulations, the corporation deducts $2,000 from the loanable value of $2,400 and offers to lend the very small amount of $400. From that amount deductions must be made for repairs. This puts the special-improvement districts or the property within them in an impossible or impracticable situation as compared with the States and localities in which the costs of special improvements are added to the general tax, no deduction being made for general taxes under the practice which prevails.

Early in the present year I introduced a bill identical, I believe, in terms with the pending amendment and had it referred to the Committee on Banking and Currency. The Board recognized the necessity for some change either in the law or in the regulation and indicated then—I think it was February 14—the purpose of adopting new regulations respecting the subject. However, nothing in that behalf was done until an amendment was presented to the pending bill and under consideration. On the day before the testimony on behalf of the Board was submitted to the subcommittee, of which the able Senator from Ohio [Mr. BULKLEY] is chairman, it was announced that an amendment to the regulations had been adopted which it was thought by the Board would overcome the difficulty with which my amendment deals. That regulation provides that where the property in question is located in a road improvement district and the outstanding improvement bonds of such district have been or will be refunded or underwritten by the State of Arkansas, then the above requirements, meaning the requirements as to total benefits assessed against the property for the improvements, shall not apply with respect to the deduction of road improvement assessments in such a district.

There is a second paragraph in the regulation as follows:

> Where the property is located in other improvement district or districts, the amount to be deducted from the loanable value of the particular property shall not be required to be for the whole of said improvement assessment, but only for the balance which would be due on the particular property if the assessment had been made on the basis of a proper proportion of the total bond issue instead of the amount of the total assessment.

The regulation was adopted by the Board just the day before the matter was presented by the able attorney for the Board to the subcommittee having jurisdiction of the bill now before us. The object, of course, was to avoid the incorporation of the amendment which I had presented. The regulation does relieve to some extent the difficulty, but it does not go far enough in the view of those who are most familiar with the situation with which we are dealing.

If it is necessary to make clearer the way in which the matter has been handled, let me state that it has been the construction of the act of 1933 that these assessments, whatever their amounts, constitute first liens on the property, and that it is necessary to deduct their total amount in order to make sure that the lien shall be discharged. The assessments extend over a long period of years. In every case that is true. As already stated, it is apparent that the assessments are frequently many times the amount of the tax which is expected to be paid.

In the States where the levies for special improvements are added to the general taxes, no deductions whatever are made either for the general tax or for the special improvement tax which is embraced in the general tax, whatever it may be, and in most of the States, as shown by the record which I shall present, the actual taxes to be paid where the loans are made are very much higher than in the State of Arkansas.

The State administrator has taken the view that the law requires the deduction of the total assessments for benefits. I have shown, I believe, by the illustration I gave—and it is easily demonstrable from the record—that the effect of the holding has been to prevent loans in many cases where they should and could be made without great risk, because the assessments for benefits are very high and frequently amount to almost as much as the appraised value of the property, so that the owner is unable to obtain a loan.

In a letter which the chairman of the Board, Mr. Fahey, wrote to the Committee on Banking and Currency respecting the bill which was referred to a few moments ago in my remarks, which is substantially the same as if not identical with the pending amendment, an illustration was given, which, in the opinion of those who are most familiar with this subject and in my opinion, is not a fair illustration. It appears to be overdrawn and misleading. In my judgment, no practical appraiser would fix a value of $8,000 on a $2,000 house with total assessed benefits of $4,000, as the letter referred to contemplated.

The object of this amendment is not to require the Board or the Corporation to accept loans involving great risk, but it is to permit and to enable them to make loans which are sound and adequately secured; and this it is doubtful whether they can do without the amendment to the statute which is proposed.

The question arises first as to whether the Board has the power to adopt and enforce the regulation which it promulgated the day before this question arose in the subcommittee having charge of the bill. The previous construction seems to have been that the Board did not have that power. At least the State administrator—acting, I concede, in entire good faith, and in the belief that he was carrying out the law—held that he was required by the statute to deduct, or to see that there is deducted, the entire amount of the assessed benefits, even though the greater portion of them is never to be paid, and even though none of those benefits is due. If this amendment shall be agreed to, it will afford an opportunity to have the matter fully considered. It will afford an opportunity further to take advice on the question

as to whether the regulation to which I have several times referred in my remarks is within the authority of existing law.

Mark you, I do not take the position that the regulation is without authority. I am inclined to the belief that the Board has the power to make the regulation; but what I do not understand is that throughout the period which has elapsed since the passage of the act no such regulation has been made, although it is well known that many loans have not been granted for the simple reason that to deduct from the loanable value of the property offered as security the full amount of the assessed benefits not due—benefits the greater portion of which will never be paid—reduces the loanable value to so small an amount that the holder of existing securities refuses to accept that amount, forecloses his loan, and the home owner is turned out of his property. This has happened in numerous cases, and, in my judgment, it will continue to happen in the future even though the regulation mentioned should be sustained and carried out.

Mr. McNARY. Mr. President——

Mr. ROBINSON. I yield to the Senator from Oregon.

Mr. McNARY. I am not conversant with the amendment. It seems to be very comprehensive in nature. I am curious to know whether the Senator presented this matter to the Banking and Currency Committee when it was studying the bill now before the Senate.

Mr. ROBINSON. The matter was presented to the committee. A brief was filed there. It was thought by some that the regulation I have read, and which was adopted by the Board just the day before the subject came up in the committee, would cure the difficulty. I do not think it does so. I admit that it would be helpful if the regulation is within the law; but, as I see it, first, it is desirable to make clear that the statute does not forbid the Board to deal with the subject in any proper way that it chooses to do so; and, second, that it relieves the problem from the difficulty which prevents the making of loans in numerous cases where they are justified because of the deductions from the loanable value which frequently almost equals the value of the property.

Mr. McNARY. Did the committee, while studying the measure which is now the unfinished business, consider the proposal which the Senator is now advocating; and if so, what action did it take?

Mr. ROBINSON. The committee did not incorporate the amendment in the bill. I think the committee would be content to have the amendment included in the bill, with a view to making such further study of the subject as occasion requires and permits.

Mr. McNARY. Is the Senator presenting this proposal at the suggestion of the Home Loan Board?

Mr. ROBINSON. No; I do not present it as a suggestion of the Home Loan Board. For 2 years, as I have tried to make plain, this matter has been taken up with the Home Loan Board from time to time, and it is my understanding that they are in sympathy with a reform on the subject, but at first there was the thought, and probably that thought is entertained now by some, that under the existing statute it is doubtful whether it can be done; but, now that the regulation has been adopted, I have raised the question first as to the power to adopt the regulation, and second as to its adequacy. I do not think it goes far enough, and I am therefore asking that the amendment be incorporated in the bill and considered by the conferees.

I ask to have printed in the RECORD a brief on this subject which discusses it somewhat fully, which contains the memorandum of figures taken from the report of the Detroit Bureau of Governmental Research. This report shows, for instance, that in Cambridge, Mass., where there is a population of 125,800, the city tax is 23.20 mills on the basis of the assessment that is required by their law. In comparison with that, in Little Rock, Ark., where there is a population of about 80,000, the city tax proper is 7.42 mills, or about one-third of the amount of the city tax in Cambridge; and the city tax per thousand in Little Rock is $3.71, whereas in Cambridge the city tax is $23.20. These figures are cited to show that in many cases where the special-improvement tax is added to the general tax the net result is a higher levy than exists in the State of Arkansas. I believe the amendment is amply safeguarded.

Let me say, too, in this connection that it is realized that in the enforcement of the act and of the amendment, liberal authority must be granted to the Board. There is no effort to take away from the Board the right to determine when the general tax is so great that there must be a deduction from the amount of the loanable value; but it is insisted that inasmuch as the general tax, including special-improvement taxes, is not deducted from the loanable value, the special assessment should not be deducted from the loanable value unless it appears to the Board that the amount of taxes on the property is so great as to reduce the value of the security.

In some cases relating to these improvement districts the taxes do not mature for many years. In numerous cases the period of maturity is 20 years; and yet the whole amount of the assessment—mark you, not the amount of the tax, for that is the proposition in the second paragraph of the regulation recently adopted by the Board, but the whole amount of the assessment for benefits—is deducted from the loanable value; and I have several times stated that that prevents the making of loans in cases where the loans are perfectly good and well secured.

I am entirely content to submit the matter. I trust that the chairman of the subcommittee having charge of the bill will see fit to let it go to conference.

Mr. BACHMAN and Mr. BULKLEY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON. I yield first to the Senator from Tennessee.

Mr. BACHMAN. Mr. President, assuming that the Board has the authority to enforce the regulation, it would not reach the difficulties that exist in the equalization of the different sections, would it?

Mr. ROBINSON. No; they would reach them only to a partial degree. They recognize, in this regulation, the injustice——

Mr. BACHMAN. And the inequality.

Mr. ROBINSON. And the inequality that results from deducting the entire amount of the assessments for benefits; but they propose in this regulation to deduct the entire amount of tax, even though it may not be due, even though no portion of it may be due; and therein lies the discrimination which I have mentioned.

Mr. BULKLEY. Mr. President——

Mr. ROBINSON. I yield to the Senator from Ohio.

Mr. BULKLEY. Mr. President, I desire to inquire of the Senator about the language commencing in line 4, page 2. It reads:

> The lien of any mortgage placed upon any such real property by the owner thereof shall be considered a prior lien with reference to such improvement-district lien securing the payment of all said improvement-district assessments not due at the time the said owner executes such mortgage.

I would like to make sure about the meaning of that. Am I to understand that if an assessment has been placed against the property, with the payments due over a series of years, and subsequent to that assessment a mortgage is given to the Home Owners' Loan Corporation, this language would presume to give the Home Owners' Loan Corporation a prior lien as against those assessments?

Mr. ROBINSON. Certainly, and it is perfectly fair to do that for this reason. We know that all property upon which loans are taken by the Home Owners' Loan Corporation is subject to general taxes. The lien as to a general tax does not attach until the tax becomes due. This simply provides that so long as there is no special improvement tax due on the property, there is no lien. The lien of the Home Owners' Loan Corporation is prior to a lien which may be fixed 10 years hence by reason of a special improvement tax becoming due and being unpaid. It is for the protection of the Home Owners' Loan Corporation.

Mr. BULKLEY. If an assessment had been made against property and a mortgage then given to the Home Owners'

Loan Corporation, and if we assume that the Home Owners' Loan Corporation were obliged to foreclose the mortgage before all the payments of the assessment were due, does the Senator think the property could be sold clear of the assessments and without the obligation of the assessments?

Mr. ROBINSON. Mr. President, that is a difficult question. The sale of the property would be subject to any lien which existed upon it, of course.

Mr. BULKLEY. Then, in effect, the Home Owners' Loan Corporation does not get a first lien ahead of the assessments.

Mr. ROBINSON. That depends on the statutes. I see the force of the Senator's suggestion. I think it is within the power of the Congress to say that improvement district taxes not yet due shall be governed by the same rule as that with respect to general taxes. When a loan is taken on property by the Home Owners' Loan Corporation, it may be known that within a month or two the taxes for the next year will become due, but the lien of the Corporation is, in law, prior to the lien for the taxes, because the lien for the taxes has not yet attached. The proposed legislation is believed to be within the power of the Congress, but I concede that the language may be improved.

Mr. BULKLEY. Of course, it is perfectly competent for the Congress to direct the Home Owners' Loan Corporation to value property on the assumption that they have a first lien, but unless the Senator goes so far as to say that on foreclosure the property can be sold free of those liens, it is absolutely of no effect to say that the Home Owners' Loan Corporation has a first lien.

Mr. ROBINSON. Yes; the Senator is correct. That brings us back to a consideration of the original proposition, that the whole of the assessments are deducted from the loanable value of the property, even though they may never be paid, even though they may never become due. That is not done with respect to general taxes. I hope the Senator will consent to the incorporation of the amendment.

Mr. FRAZIER. Mr. President, will the Senator yield to me?

Mr. ROBINSON. Certainly.

Mr. FRAZIER. I wish to ask the Senator whether he is familiar with the regulation in the matter of loans on real estate by the land banks, how the special tax question is handled in such cases.

Mr. ROBINSON. Yes; and I have introduced a bill on that subject. I think a very similar process to that employed by the Home Owners' Loan Corporation is followed by the land banks, but the result is that those who most need loans are unable to get them even though the loans may be perfectly good.

Mr. FRAZIER. I think that is exactly the case.

Mr. ROBINSON. That question, however, is not involved in this matter.

Mr. FRAZIER. I understand that.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. ROBINSON. I yield.

Mr. BARKLEY. To what extent would the property which is eligible for loans under the Home Owners' Loan Corporation Act, that is, dwelling houses in cities and towns, be affected by these improvement districts, which primarily are organized for the purpose of improving rural property?

Mr. ROBINSON. The Senator has a misconception. Many improvement districts are exclusively within cities and towns. They are organized for the purpose of carrying out various improvements, which are presumed to add to the value of the property.

Mr. BARKLEY. Such as sewers.

Mr. ROBINSON. Sewers, paving, streets, sidewalks, and many other public works.

Mr. BARKLEY. They do not relate, then, to drainage districts at all in any respect?

Mr. ROBINSON. Drainage districts usually do not exist in cities and towns. There may be conceivable cases where there ought to be some.

Mr. BARKLEY. Property in villages which would be eligible for loans under the Home Owners' Loan Corporation Act might be affected.

Mr. ROBINSON. Yes. Of course, the amendment relates to all special improvement district taxes. A distinction is made, however, in certain improvement districts, as I read in the regulation referred to a few moments ago.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. COUZENS. Would the amendment put the Home Owners' Loan Corporation in a less favorable position than that occupied by a private lender?

Mr. ROBINSON. No; it would not.

Mr. COUZENS. Would the private lender have the same restrictions imposed on him that are proposed in the amendment to be imposed on the Home Owners' Loan Corporation?

Mr. ROBINSON. As I understand, restrictions cannot be imposed by act of Congress on private lending. Private lenders can determine their own terms and conditions. So far as I am advised, I do not know of any way in which a strictly private loan can be limited by action of the Congress.

Mr. BULKLEY. If the private lender may fix his own appraisal, and we restrict the Home Owners' Loan Corporation as to what they may do in appraising, then obviously they are worse off than the private lender.

Mr. ROBINSON. Of course, State laws may restrict private lenders, but I apprehend that the object of the Home Owners' Loan Corporation is not to deny to private lenders the right to make loans, if they wish to do so, but the operations of the Home Owners' Loan Corporation are for the purpose of supplying funds for home owners in distress on terms and conditions which are reasonably sound and safe.

Mr. BARKLEY. Mr. President, will the Senator yield again?

Mr. ROBINSON. Certainly.

Mr. BARKLEY. The amendment is somewhat complicated and not easily understood.

Mr. ROBINSON. I thought that at first of the regulation which the Board has adopted; but, when I studied it, I saw that it was easily understood, and I think the amendment is not difficult to understand.

Mr. BARKLEY. It was not discussed, as I recall it, in the subcommittee or in the full committee and was not given any consideration, although it was offered.

Mr. ROBINSON. That is true.

Mr. BARKLEY. So that, so far as I am concerned, it is an entirely new proposal. I find difficulty in clearing up in my own mind whether the Home Owners' Loan Corporation really would have a first lien on the property. Let us take, for instance, a street improvement, where under the laws of the State the legal subdivision has a lien against the property for the cost of the improvement, just as in the case of other taxes, and the property may be sold under certain circumstances. If that lien attached to the property prior to the making of a loan or the recording of a mortgage which is to be the subject of refinancing under the Home Owners' Loan Corporation Act, what effect would the Senator's amendment have upon the subsequent transactions by the Home Owners' Loan Corporation in refinancing the private loan which a building and loan association or any other lending agency might make?

Mr. ROBINSON. Mr. President, the lien does not attach in a legal sense until there arises some default. In other words, it is perfectly competent for the Senate and for the Congress to treat special improvement taxes just as they treat general taxes. Of course, when general taxes mature and are unpaid, a lien attaches, but it is subject to prior existing liens. What is actually occurring now is to discriminate against the owners of property within improvement districts by making them pay assessments for benefits the larger part of which they will never have to pay, and by making them pay taxes which are not yet due and concerning which there may never be anything due.

Mr. BULKLEY. The potential lien attaches just the same, just as it is always possible that a man will not pay his annual taxes, and if he is in default, there is a lien which the law creates on the property.

Mr. ROBINSON. Yes; but in making these loans, no account is taken of the annual taxes. It may be said that we take that chance; that the owner may not pay his taxes; and that is true. But the reasonable amount likely to be required to be paid in the years during which the loan will run is not ascertained and deducted. In those States where the cost of the improvement is added to the general tax, nothing is deducted. The owners of property are given the full benefit of the appraised value.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. BARKLEY. What is the effect of the provision in the Senator's amendment as to the 5-percent limitation?

Mr. ROBINSON. The effect of that is to fix an arbitrary rule for the guidance of the Home Owners' Loan Corporation Board in determining when the general burden of taxes is too high. The proposed amendment goes a long way toward recognizing the fact that taxes may be so great, adding general to special improvement taxes, that the Board is obliged to take that fact into consideration, and the rule which is fixed for its guidance is that where the total amount of the tax does not exceed 5 percent it shall not make a deduction.

After all, it is within the discretion of the Board, and the object of that provision is to assist the Board. It is true that some information will be required which ordinarily would not be required, but the borrower can be required by the Board to furnish a certificate showing, for instance, that the total amount of the taxes which will mature will not exceed 5 percent, in which event the Board would make no deduction. If it appeared that the general and special tax aggregated more than that, the Board would make a deduction.

I submit the amendment.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. FLETCHER. Ordinarily where a mortgage is made and the mortgagor does not pay his tax, the mortgagee has the right to pay the tax and add it to his principal.

Mr. ROBINSON. Yes.

Mr. FLETCHER. And I assume that would obtain under the provision proposed by the Senator from Arkansas.

Mr. ROBINSON. Yes; it would obtain.

Mr. FLETCHER. Suppose the district tax should be defaulted.

Mr. ROBINSON. Then the situation would be the same as in the case of the general tax. If the Home Owners' Loan Corporation should make a loan in Cambridge, Mass., where the general tax rate is 23.20 mills per dollar and there is a default in the payment of tax, in order to protect its security the Corporation would have to pay the tax, just as it would in Little Rock, where the general tax is only 7.42 mills, or in the Massachusetts case which I cited—and I do not cite this in criticism of Cambridge, of course—in the Cambridge case the city tax on the thousand would be $23.20, whereas in Little Rock the city tax would be $3.71. Of course, if the property in Little Rock were located in an improvement district, that improvement tax would have to be added to the $3.71, but in the Cambridge case, as I understand it, all taxes are comprehended in the figure of $23.20 per thousand.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from Kentucky.

Mr. LOGAN. I wish to ask the Senator what effect his amendment would have on the plan we follow in Kentucky, which, perhaps, is followed in some other State. Street-improvement taxes, for instance, are levied on the 10-year plan. The tax is due when the council or the board, or whatever the city authority may be, accepts the work; but the taxpayer does not have to pay the tax except within a 10-year period in installments.

Mr. ROBINSON. It is my understanding that in such case, where the tax is not due, the deduction would not be made. If the tax is due, it would have to be made.

Mr. LOGAN. Suppose the State has a law providing that the lien shall attach when the work is accepted. Would the Senator's amendment conflict with the State law on that subject, and does the Senator think this amendment, if enacted, would be controlling?

Mr. ROBINSON. I think the Board would have the authority under this amendment to make deductions for the tax which is due.

Mr. LOGAN. The purpose of the latter part of the amendment is to enable the Board to take that matter into consideration?

Mr. ROBINSON. Yes.

Mr. LOGAN. And it would do no one any harm?

Mr. ROBINSON. No; it would do no one any harm. Of course, as a general proposition, we would have to have in mind that a good loan was being made. We would have to have in mind that we were not taking any undue risk in making the loan.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. BARKLEY. As to improvement assessments mentioned by my colleague, which are payable in 10 years, usually on an annual installment basis, of course, the Board could deduct any installment due and unpaid at the time the loan is made.

Mr. ROBINSON. Certainly.

Mr. BARKLEY. But after that, so long as the loan continues, in the next year after the loan is made and the rights of the Home Owners' Loan Corporation attach, what would be the result if any unpaid installment were defaulted and not paid at all by the owner?

Mr. ROBINSON. As a practical proposition, the Home Owners' Loan Corporation would probably pay as it would general taxes.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from Illinois.

Mr. DIETERICH. I should like to ask the views of the Senator from Arkansas on the situation I shall state.

A special assessment is levied against a property for local improvements. Of course, that assessment is levied on the theory that the local improvement increases the value of the property. The amount of the levy is assessed, but the payments are postponed under the installment plan. In the meantime, a loan is procured from the Home Owners' Loan Corporation. Default is made on that loan, and a foreclosure takes place before the special assessments are due. Does the Senator maintain that the purchaser of the property at the foreclosure sale acquires title which is not subject to the lien of the special assessment?

Mr. ROBINSON. I think if subsequently to his acquisition of title an assessment became due and was unpaid, he probably would have to meet it.

Mr. DIETERICH. But the Senator says in his amendment "due and unpaid." Those are two things. I refer to an assessment which is spread over a period of years. Of course, payment of the assessment is postponed by the installment process.

Mr. ROBINSON. Yes. In the State of Arkansas, for instance, there is a statute which provides that the grantee shall assume the payment of improvement-district taxes which are not due. If there are any taxes which are due at the time of the grant the seller would be compelled to pay them. But taxes which become due afterward I think would be paid by the grantee.

Mr. DIETERICH. Will the Senator from Arkansas further yield to me?

Mr. ROBINSON. I yield.

Mr. DIETERICH. The situation in Illinois is that perhaps in every city of any importance where paving or construction of sewers is needed, such construction is provided by special assessments. Payment of those assessments is postponed by the installment method, and bonds are issued against the installments. Our law makes such assessments a special lien on the property, and the purchaser of the

bonds takes them with the understanding that the law does give him a special lien by reason of the fact that the improvement has injected a value which was not there before. Will the effect of the Senator's amendment be to take away the property rights of the holder of the bonds?

Mr. ROBINSON. No, Mr. President. As I have just stated, the grantee in that case probably would be compelled to pay the tax; not the assessment, but the tax. There is a distinction between the assessment for benefits, and the tax. I have already pointed that out.

Mr. DIETERICH. Will the Senator yield further?

Mr. ROBINSON. I yield.

Mr. DIETERICH. My concern is that probably every bank in the State of Illinois is carrying bonds of the improvement district within its town or city. Of course, I should not want to do anything which would impair their obligations.

Mr. ROBINSON. No. I do not think this amendment would impair any obligation.

Mr. POPE. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. POPE. Referring to line 6, on page 2, where the language "prior lien" is used, does that mean that liens of all special-assessment districts, drainage districts, irrigation districts, and the like, would be subject to the lien of the mortgage, and in case of foreclosure the lienors would be joined as parties defendants and their rights cut off as being subject to the prior mortgage? Is that not the meaning of a prior lien?

Mr. ROBINSON. A prior lien, of course, gives precedence or priority to the lien referred to.

Mr. POPE. Yes; and in the case of a foreclosure, all subsequent lienors who are made proper parties defendant would be foreclosed.

Mr. ROBINSON. No; I do not think they would be foreclosed. Unless the improvement tax is due there could be no foreclosure. I think the effect would be to give the Home Owners' Loan Corporation a first lien in cases where there is no tax due.

Mr. POPE. What does "first lien" mean? Does it not mean that it is prior to and would cut off all subsequent liens in the event of foreclosure?

Mr. ROBINSON. No; I do not think it cuts off anyone's lien, but where there is nothing due, nothing matured, it would give the Corporation the right to make a loan, to hold a first lien on the property. I am entirely content that the amendment shall go to conference for such consideration as the conferees may believe it merits.

Mr. BULKLEY. Mr. President——

The PRESIDENT pro tempore. Before the Senator from Ohio takes the floor, the Chair asks the Senator from Arkansas whether he desires to have the brief and letter to which he referred included in his speech.

Mr. ROBINSON. Yes, Mr. President; I wish to have the brief, the table of figures taken from the report of the Detroit Bureau of Governmental Research respecting taxes, and also the letter from Mr. Fahey which I have mentioned incorporated in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, the brief, table, and letter will be printed in the RECORD, as requested.

The matter referred to is as follows:

BRIEF IN SUPPORT OF S. 1165, BY MR. ROBINSON

Hon. DUNCAN U. FLETCHER,
Chairman of the Committee on Banking and Currency,
United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: With your permission, the following brief in support of S. 1165, by Mr. ROBINSON, is respectfully submitted for consideration by your committee.

S. 1165 is entitled "A bill to prevent discrimination against certain distressed home owners on account of the different methods that have been employed in the various States for financing public improvements, to avoid penalizing worthy properties in special-improvement districts, and for other purposes."

Stated briefly, it amends section 4 (d) of the Home Owners' Loan Act of 1933, as amended. It defines, for purposes of the act, first liens on real estate where there are improvement-district assessments. It leaves the reasonableness of tax and assessment burdens to Home Owners' Loan Corporation Board, and prevents deduction of improvement-district assessments not yet due from the loanable value of the property if the entire annual tax burden, including such assessments, does not exceed 5 percent of the Corporation's appraisal of the property. It prevents discrimination against properties in special-improvement districts.

Home Owners' Loan Act of 1933, as amended, proposes to prevent differences in treatment, and expressly provides that no home mortgage shall be discriminated against by reason of its being in a taxing district which is in default. However, there are other discriminations that are not provided for. The purpose of S. 1165 is to take care of a most serious one.

Some States add the cost of financing public improvements to the general tax; others assess such cost against the property in a given improvement district. The Home Owners' Loan Corporation, under the act and the regulations promulgated by it, takes no notice of the general tax not yet due, although the cost of improvements has been added thereto; but it deducts the total assessment of benefits, where there are districts for improvements, from the loanable value of the property. The deduction is not for the amount actually to be paid by the home owner over a period of years but for the total assessment of benefits not yet due, which assessments may, and usually do, greatly exceed actual payments. Clearly, this constitutes a discrimination.

To emphasize the distinction, there is attached hereto as exhibit 1 a comparative statement showing the low property-tax rate in Little Rock, Ark., where the cost of public improvements is not included, and the much higher rates in other cities where the cost of such improvements is added to the property tax. The Little Rock rate prevails in other Arkansas cities.

Hundreds of cases on meritorious applications could be presented to show a distressing situation under present procedure. We give a concrete example:

If an appraisal amounts to $3,000 and the total assessed benefits amount to $2,400, the Corporation fixes as loanable value of $2,400, from which must now be deducted all assessments of benefits not yet due. In many instances the benefits were assessed at three times the cost of improvements. In other words, the total payments through the years will amount only to about one-third of the total assessment of benefits. This practice of the past in making such assessments high was to show a greater value behind the bonds and make them more salable. The bondholders would appear to have more security and better bonds. The home owner is required to pay only $800 to retire the debt and release the lien. He may have paid half the amount, or $400, at the time he applied for the loan. At this time and under present regulations the Corporation deducts $2,000 from the loanable value of $2,400 and offers to lend only $400, from which must also be deducted repairs, and so forth. The mortgagee, with an indebtedness of $1,000, knowing his security is good, refuses to scale his debt to the ridiculously low amount and accept less than $400 for it. He forecloses and the owner loses his home. Although home owner must pay improvement district assessments amounting only to $400 over a period of years, and not exceeding $40 or $50 annually, the Corporation has deducted $2,000 from his loanable value on that account.

The above illustration is not an isolated case. It is the general situation. With long-term bonds and with assessments of benefits trebled in many cases over costs of improvement, one may readily see the situation when assessments of benefits not yet due are deducted from the loanable value.

We carry the above illustration further. The general property tax in Arkansas averages about 40 mills on the dollar of assessed valuation. The property assessment for taxation does not exceed 30 percent of the actual value. The property tax on a $3,000 home would be about $36 annually. If S. 1165 is enacted into law no deductions would be made from the loanable value unless taxes annually paid in improvement districts amount to more than $114. In other words, the owner could have an annual tax liability of $150 without any deductions being made from his loanable value on that account. If more than that amount, deductions would be made, because the tax burden would be too heavy. This procedure would put States with special improvement districts more nearly on a parity with States that add the cost of public improvements to the general tax.

It will be readily seen that the matter needs immediate and special attention by referring to the letter of Chairman Fahey, of Home Owners' Loan Corporation, dated February 14, 1935, and addressed to your chairman. Mr. Fahey was writing about S. 1165, and a copy of his letter is hereto attached as exhibit 2. The following extracts are taken from it:

"In our opinion, this may properly be reached by the Corporation by regulation * * * this matter will be given further special attention. * * * As stated above, we believe we can handle this situation by regulations. * * *"

Chairman Fahey undoubtedly recognized the seriousness of the situation and proposed to correct it by regulations. Although he expressed a belief on February 14, 1935, that he could do so, it undoubtedly has occurred that perhaps a rule to take care of the situation will conflict with the Home Owners' Loan Act. That presumption undoubtedly is correct, for no regulations have yet been published. Long before S. 1165 was introduced by Senator ROBINSON, relief by regulations had been frequently promised. The serious conditions remains unchanged 6 weeks after Mr. Fahey wrote to you, and makes imperative the passage of this bill to prevent penalizing worthy properties.

As evidence of how the matter is handled in this State to the disadvantage of the home owner, and as conclusive proof that it has not been cared for by regulation as promised we quote from a letter written by Mr. R. F. Milwee, State manager of Home Owners' Loan Corporation for Arkansas, under date of March 13, 1935, as follows:

"The Home Owners' Loan Act requires that loans of the Corporation be secured by first liens upon the properties offered. As pledges of the benefits in improvement districts create liens upon the properties in the district, therefore, in all cases where the homes of owners who are applying for loans through this Corporation are located within such improvement districts, all unpaid amounts of pledges of assessed benefits will, as a matter of course, be deducted from the loanable value of the property."

The letter of Mr. Milwee was written a month after Mr. Fahey wrote, and is attached as exhibit 3.

Two of the exhibits (nos. 2 and 3) show a clear-cut issue. Mr. Fahey's letter is a theoretical suggestion of how the situation may be corrected at some future date through regulations. Mr. Milwee, as the supreme authority of the Home Owners' Loan Corporation in Arkansas, says the act prevents relief and that the Corporation will continue to deduct assessments of benefits from the loanable value.

The Arkansas agency has many worthy loans which cannot be closed on account of the legal inhibition. If, as Mr. Fahey says, it is a matter of regulation only, then the distressed home owners in Arkansas have been terribly abused during the past 20 months, because no regulations to remedy the situation have been promulgated, although the matter has been repeatedly called to the attention of the Home Owners' Loan Corporation.

The illustration given by Chairman Fahey in his letter to you is not only overdrawn but is very misleading. No practical appraiser would fix a value of $8,000 on a $2,000 house with total assessed benefits of $4,000 against it. Regardless of formula, he would put what he considered an actual value on it, including improvement district assessments that add to or take from the value. It is his natural course of conduct through years of training and experience before Home Owners' Loan Corporation was even conceived. He can be instructed to add assessed benefits to the value, and may do so for a brief time. But his mental attitude acquired in such matters through the years will cause him to lapse into his accustomed way and deduct everything that would tend to decrease value. He cannot help it. This attitude of the appraiser is based on a custom in Arkansas for a long period of years, backed up by the statutes of the State, which provide that taxes and assessments of any improvement district of any kind shall run with the land and be assumed by the grantee (sec. 1495, Crawford & Moses' Digest of the Statutes of Arkansas).

The appraiser fixes the actual value and takes into consideration the heavy assessments, since he sees and makes inquiry about the improvements. He may decide the property is practically worthless because of the heavy assessments. His appraisal is filed. The total assessments are again deducted. Such action destroys the purpose of the act in many cases; is wholly unfair and disastrous.

But conceding Mr. Fahey's illustration, which, at least, is most unusual, the Corporation, under the Robinson bill, could, and probably would, find that the annual payments on assessed benefits plus the general property tax exceed 5 percent of the appraised value and make necessary deductions.

There is no difference in practical application between general property taxes and annual payments on special assessments. There should be no difference so far as the Corporation is concerned. The object of the Corporation is to save homes and in doing so to secure a valid lien on the property that may not be jeopardized through heavy tax loading.

The largest and most prudent money lenders in the United States, including many nationally known life-insurance companies, have made loans in this State without deducting improvement district assessments not yet due. They consider the loans good, and refuse to accept scales of indebtedness made necessary by application of Home Owners' Loan Act and regulations. They choose as a business proposition to foreclose.

If the situation is so serious as to require "special attention", as Mr. Fahey said, and so important as to require handling "by regulations", but not so handled, the Congress should act.

Home Owners' Loan Act of 1933, as amended, contains certain definitions and requirements as to title; principally that each home mortgage "shall be carried as a first lien"; that the term "real estate" as used in the act shall include only "real estate held in fee simple"; that "the term 'home mortgage' means a first mortgage on real estate in fee simple."

The Congress having already defined certain terms in the act, has the right and duty, without question, to extend or limit these and other definitions and provisions, if by so doing the purposes of the law will be made more effectual. It is the one body that can modify provisions of statutes. No regulations of the Corporation can change them. Even though the trouble could be reached by resolution, the Corporation has failed or refused to take such action. The Congress can and should further define terms of the acts to eliminate possible discriminations without affecting the Corporation's lien.

S. 1165, by Mr. ROBINSON, will solve a serious problem which has not been, and perhaps cannot be, reached by regulation.

We therefore earnestly urge its approval.

Respectfully,

LITTLE ROCK REAL ESTATE BOARD,
By A. L. WOOTEN,
Chairman Legislative Committee.

EXHIBIT 1

Figures taken from report of the Detroit Bureau of Governmental Research

City	Population	City tax, in mills	Legal basis of assessment, percent	City tax per $1,000
Cambridge, Mass	125,800	23.20	100	$23.20
Fall River, Mass	124,300	21.06	100	21.06
Albany, N. Y	120,400	21.30	100	21.30
San Diego, Calif	119,700	22.70	100	22.70
New Bedford, Mass	119,040	21.17	100	21.17
Duluth, Minn	116,800	27.81	38	10.57
Lowell, Mass	111,000	26.97	100	26.97
Tacoma, Wash	110,500	30.99	100	30.99
Spokane, Wash	109,100	21.75	50	11.37
Savannah, Ga	99,900	23.00	100	23.00
Charleston, S. C	75,900	58.00	42	21.36
Troy, N. Y	72,300	23.79	100	23.79
Hoboken, N. J	71,000	36.10	100	36.10
Brockton, Mass	65,300	22.91	100	22.91
Fresno, Calif	64,000	23.50	100	23.50
Columbia, S. C	50,600	33.00	100	33.00
Galveston, Tex	50,500	23.00	100	23.00
Perth Amboy, N. J	50,100	22.58	100	22.58
Chelsea, Mass	49,800	24.19	100	24.19
Stamford, Conn	43,800	24.84	100	24.84
Poughkeepsie, N. Y	42,500	29.45	100	29.45
Tulsa, Okla	170,500	20.50	100	20.50
Memphis, Tenn	190,200	16.00	100	16.00
Chicago, Ill	3,157,400	25.00	100	25.00
San Francisco, Calif	585,300	28.94	100	28.94
Minneapolis, Minn	455,900	39.70	38	15.08
Seattle, Wash	383,200	38.57	50	19.78
Portland, Oreg	340,000	22.05	100	22.05
Oakland, Calif	274,100	25.50	50	12.75
St. Paul, Minn	260,000	34.26	38	13.02
Tampa, Fla	113,200	17.47	100	17.47
Knoxville, Tenn	105,500	17.00	100	17.00
Chattanooga, Tenn	73,500	12.00	100	12.00
Roanoke, Va	64,600	16.67	100	16.67
Topeka, Kans	62,800	15.04	100	15.04
Macon, Ga	62,200	13.75	100	13.75
Beaumont, Tex	56,300	15.00	100	15.00
Little Rock, Ark	79,200	7.42	50	3.71

EXHIBIT 2

FEBRUARY 14, 1935.

Hon. DUNCAN U. FLETCHER,
Chairman Senate Committee on Banking and Currency,
301 Senate Office Building, Washington, D. C.

DEAR SENATOR: I have your letter of January 19 and regret exceedingly the delay in answering it, which delay was due to the extreme pressure of work here.

S. 1771 is a bill which incorporated what this Board believes is proper for the full and proper function of this establishment and the instrumentalities for which this Board and its members are responsible.

S. 1165 would require Home Owners' Loan Corporation to treat special district assessments for public improvements the same as general tax levies and prohibit any specific deduction from the value of the property on account of such special assessments. In our opinion, this matter may properly be reached by the Corporation by regulation. It does not seem to us that legislation is necessary on this subject and this matter will be given further special attention.

I might point out that the enactment of this bill would make it necessary for the appraiser to know the amount of the special-assessment burden against an individual piece of property in order to arrive at a proper appraisal, and such procedure would arrive at substantially the same result as the course pursued by the Corporation where its regulations have been followed. It seems to the board of directors that it is necessary for special-assessment burdens to be considered either in the appraisal of the property or by a deduction from the appraisal if the property is appraised as improved as a result of such special-assessment levies. May I give one illustration of this question? We sometimes find a small house, costing $2,000 to build, on a block of suburban property around which the city has paved the streets on all sides, making total assessment of $4,000, which is outstanding and which must be paid by the owner. The property in its improved condition may be appraised for $8,000, and if one deducts the $4,000 assessment lien, which is a first lien, the loanable value is $4,000, 80 percent of which the Corporation may lend, or $3,200. If the same piece of property is appraised with consideration of the fact of an outstanding first lien for assessments which must be paid, it should properly be appraised at $4,000, and the Corporation could lend up to $3,200.

As stated above, we believe we can handle this situation by regulations and that legislation on this subject is unnecessary.

Very truly yours,

(Signed) JOHN H. FAHEY, *Chairman.*

EXHIBIT 3

(On letterhead of Home Owners' Loan Corporation)

ARKANSAS STATE OFFICE,
Little Rock, Ark., March 15, 1935.

Mr. A. L. WOOTEN,
Chairman Legislative Committee,
Little Rock Real Estate Association, Little Rock, Ark.

DEAR MR. WOOTEN: Replying to your inquiry as to what will be the future policy of the Home Owners' Loan Corporation with regard to liens on improvement districts, advise as follows:

The Home Owners' Loan Act requires that loans of the Corporation be secured by first liens upon the properties offered. As pledges of the benefits in improvement districts create liens upon the properties in the district, therefore, in all cases where the homes of owners who are applying for loans through this Corporation are located within such improvement districts, all unpaid amounts of pledges of assessed benefits will, as a matter of course, be deducted from the loanable value of the property.

We are informed that Senator ROBINSON has proposed to Congress an amendment to the Home Owners' Loan Act which, if enacted, would permit the Corporation to consider the pledges of the benefits in improvement districts as arising at the time fixed for the payment of annual assessments and not before. In other words, if the Corporation is permitted to consider the pledges of the benefits in improvement districts as falling due annually as in the case of other taxes, we would not be required to regard such assessments as first liens upon the properties in improvement districts and would not have to deduct same from the loanable value.

Trusting that the above answers the question raised by you, I am,

Yours very truly,

R. F. MILWEE, *State Manager.*

Mr. BULKLEY. Mr. President, the amendment submitted by the Senator from Arkansas was before the Home Owners' Loan subcommittee of the Committee on Banking and Currency. The Senator from Kentucky [Mr. BARKLEY], a valued member of the subcommittee, was diligent in his attendance at the meetings of the subcommittee, but, being also a member of the Committee on Finance, which has had important matters before it, he was not present at all the meetings of the subcommittee. Consequently, he has been misled into making a misstatement about the consideration this amendment received at the hands of the subcommittee. It was, in fact, considered and discussed. Witnesses from the Home Owners' Loan Corporation were questioned about it and its effect in the hearings of the subcommittee. After reasonably careful consideration, the subcommittee rejected the amendment, though it is fair to say that the engagements of the Senator from Arkansas [Mr. ROBINSON] were such that he was unable to come before the subcommittee himself and we did not have the advantage of discussing the matter with him.

The amendment was mentioned briefly but not fully discussed in the full committee, and was also rejected by the full committee.

However, the statement made by the Senator from Arkansas has persuaded me that there is a subject matter involved which is worthy of consideration, though I am frank also to say that he has not persuaded me that the amendment, in its present form, is proper or satisfactory. If it be possible to accept the amendment for the purpose of taking it to conference, and if, notwithstanding the recent discussion on this floor about the duties of conferees, it may be understood that the conferees on the part of the Senate are not to be bound to fight to the last ditch for the amendment, but only to see that it receives fair and honest consideration in conference, I, for one, shall be glad to consent to it, with that understanding.

Mr. ROBINSON. I think I ought to say in that connection that I shall be entirely content if the committee gives the amendment the consideration which it believes its importance requires.

Mr. BULKLEY. With that understanding, Mr. President, so far as I am concerned, I am glad to accept it, but I should like to suggest to the Senator, on the advice of the legislative counsel, that it be inserted in a different place in the bill, namely, on page 24, after line 13.

Mr. ROBINSON. Very well. I have no objection to that.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. BANKHEAD. Mr. President, I wish now formally to offer the amendment which has heretofore been submitted by me.

The PRESIDENT pro tempore. The amendment submitted by the Senator from Alabama to the amendment reported by the committee will be stated.

The CHIEF CLERK. In the amendment of the committee, at the proper place, it is proposed to insert the following, as a new section:

SEC. —. All work at regional offices, except supervising the making of loans, shall be, within 60 days after the approval of this act, transferred to and performed by the State organizations, and thereafter all work of collecting and servicing loans shall be done by the State organizations.

Mr. BANKHEAD. Mr. President, originally I submitted an amendment to abolish the 11 regional offices of the organization. That amendment went to the subcommittee, which gave it fair consideration, having before it Mr. Fahey, who seems to have impressed the subcommittee with the idea, by reason of certain services now being performed by the regional offices in the matter, primarily, of coordinating the activities of the State organization and supervising in a general way the carrying out of the regulations of the Department in a uniform manner, that for those purposes the present organization is essential.

The subcommittee refused to adopt the amendment, and when the matter came before the full committee, in a spirit of compromise, I submitted the amendment which is now presented to the Senate. The matter was discussed at a meeting of the full committee, at which the majority in attendance were members of the subcommittee who had formerly dealt with the matter, a rather small number of the full committee being in attendance. However, at that meeting the matter was again discussed and the amendment rejected. I then gave notice that I would bring it to the floor of the Senate.

Mr. President, the Home Owners' Loan Organization in its headquarters in Washington placed, through its State organizations, the loans which were authorized and completed under the original authorization prior to the pending bill. Some time last summer, however, the organization set up regional offices in 11 places throughout the country. That was done at a time when the peak of the loan load had expired; it was done at a time only a few months before notice went out to the country that loans would be discontinued. It is still claimed, however, that in carrying out this new program the regional offices are necessary.

I have yielded to that idea to a limited extent, though not because I think it is justified. I do not think the regional offices ought ever to have been established; I do not think they are economical; I do not think that administration upon a pyramiding system of this sort is justified, and when decentralization was undertaken I think it should have gone further and the services now performed in the regional offices should have been transferred to the State offices which could, as I conceive it, render the services just as well as they are being rendered in the regional offices.

There were at the peak of the work about 2,900 employees in the headquarters in Washington. That number has been reduced to about 2,000; but we find, in place of the reduction of about 900 employees in the Washington headquarters, that 4,300 additional employees have been installed in the 11 regional offices of the country.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. Did the Senator say 4,300 additional had been employed?

Mr. BANKHEAD. Yes; the exact number being 4,347.

Mr. FLETCHER. That is in addition to the 2,000, not in addition to the 2,900 the Senator mentioned.

Mr. BANKHEAD. In addition to the 2,000. I said in lieu of the 900 displaced, 4,300 had been put into the regional offices. I am not complaining about the number; I do not know whether that number is required or not; that is not the point I am driving at; but I want to bring out here, as shown by Mr. Fahey in his testimony, the type and class and number of each type of these employees in the regional offices.

There are 120 executives in 11 regional offices, or about 10 executives to each regional office. There are 236 subexecutives and supervisors; 103 accountants and statisticians; 204 attorneys, an average of about 10 attorneys to

each regional office; 1,152 stenographers and typists, an average of about 50 to each office; 2,387 clerks of various kinds.

The volume of the work may require that number; and I am not criticising in any way the number, but I am attempting to point out that with the great mass of these employees, and the kind of work they are performing in the regional offices the services could be just as efficiently performed in the State offices.

Mr. BYRNES. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. BANKHEAD. I yield.

Mr. BYRNES. Will the Senator tell us exactly what powers are exercised by the officials at the regional office?

Mr. BANKHEAD. I must confess, Mr. President, after listening patiently to Mr. Fahey, I was unable to get a very clear idea about the duties which are performed by these executives and supervisory officers, except I did ascertain when I got through that a number of them were engaged in the job of bossing a lot of the others.

Mr. DUFFY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. BANKHEAD. I do.

Mr. DUFFY. I understood that at the beginning of the operation of the regional offices the attempt was being made to make the collections and to service the various loans from an office usually located many hundreds of miles away from where the loans were made. I was wondering if the Senator knew if they were continuing that practice, and if he is not of the opinion that the experience of every business concern, such as large insurance companies, which have had to service such loans, indicates that it is very necessary to have the system decentralized, at least to such an extent that people may pay on their loans at the place where the loans were made?

Mr. BANKHEAD. I thank the Senator for his suggestion. I am coming to his question in a moment, because that is very largely the point involved in this amendment.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I do.

Mr. LOGAN. It is my understanding that the regional office does service the loans, and that it has a number of field men in each State who visit the borrower who may be in default. Such matters are looked after by field men in the different States and districts where the loans are made.

Mr. BYRNES. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. BANKHEAD. I yield.

Mr. BYRNES. When the regional manual was issued it provided that "under no circumstances are collectors, agents, or other employees of the corporation to accept checks, money orders, or any other form of payments, except duly authorized representatives in the regional offices." I understand this month there has been a change and the regional offices are not to continue exclusively the collection, but that collection is to be made by the officials and employees in the district offices instead of the regional offices. Because of that information I ask the Senator from Alabama if the duty of collecting the funds is transferred to the States and to the district offices, then what will be done by the regional officers?

Mr. BANKHEAD. Under the terms of the amendment I have offered the regional officers, after 60 days to give them time to reorganize, will have nothing to do with the collection or servicing of loans. If they have any duties to perform it will be in the matter of checking mortgages after loans shall have been closed.

Mr. BLACK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to his colleague?

Mr. BANKHEAD. I yield.

Mr. BLACK. With reference to the statement made that collections were supposed to be made by regional offices and the statement read by the Senator from South Carolina, that it was necessary that checks go to the regional offices, I have been informed by people in Alabama that it was impossible to ascertain where the checks should go; that there has been no effort made in many sections of the State to make collections at all; that the borrowers have been waiting for regional offices to function which apparently could not function. As a result there are hundreds in default not because they would have been in default if they had known where to pay, but because the regional offices, located hundreds of miles away, employed people who did not have anything to do and who did not seemingly have time to make collections.

Mr. BANKHEAD. It ought to be understood that these loans are all closed by the State offices. The application, the title, the legal work, the issuance of the check, have all been handled heretofore in the State offices, and it is still done that way, as I understand. The loans having been entirely completed within the State organization, we then find the regional offices set up with employees to handle the papers of loans on which the borrowers have already secured the money. That is one reason why it was difficult for me to get a clear conception of what duties and responsibilities in the regional offices are necessary after the loans have been fully closed and the money paid out through the State organization.

Conceding that there are duties of organization and coordination to perform, I cannot understand why it is necessary to handle the collection of loans and the servicing of loans hundreds and hundreds of miles in many cases from a central regional office. The bills are mailed out from the regional office once a month, as I understand, to each borrower. The borrowers were at one time required, as the Senator from South Carolina indicated, to send all remittances to the regional offices, in some cases more than 500 miles away. I understood the Senator from South Carolina to say they now have the option of paying at the State office.

Mr. BYRNES. My understanding is that it is now proposed that the responsibility for following up delinquent mortgagors, including mail-collection efforts, is to be placed on the district officers under State and regional supervision. I think that is certainly correct.

The senior Senator from Alabama as well as the junior Senator from Alabama have stated that collections from the mortgagors cannot possibly be made by mail with the same success as by individual contact. If we did not have the local agencies, there might be some excuse for doing the best that could be done by mail, but when we have local offices and local employees, I do not see why we should not use them to greater advantage. It is my information that it is proposed now to resort to local offices, and I wondered whether the Senator from Alabama had information along that line. If he has not, possibly the Senator from Ohio [Mr. BULKLEY] could tell us.

Mr. BULKLEY. Mr. President, if the Senator from Alabama will yield——

Mr. BANKHEAD. Certainly.

Mr. BULKLEY. I understand the present plan is to have mail collections through the regional offices, and remittances made to regional offices; but when delinquencies go beyond the period as to which correspondence is considered sufficient, and it becomes necessary to follow up with personal calls and further servicing, it is the practice to perform these services through the State and district offices.

Mr. BYRNES. Is the Senator referring to the proposed regulation which has been adopted this month and is to be put in effect?

Mr. BULKLEY. I understand it has been adopted, but I cannot tell the Senator to what extent it is in effect.

Mr. BYRNES. If the Senator from Alabama will yield further, I will read what the new department is supposed to do:

> The servicing of delinquent loans, as well as other activities arising in connection with properties acquired by the Corporation, will be centered in a district servicing department under the direction of a district servicing supervisor, who will be a member of

the staff of the district manager, similar to the district counsel, district appraiser, or district reconditioning supervisor.

These district servicing departments will be provided with such equipment and staffed with such personnel as the need of the respective districts indicate to be essential. The district servicing supervisor and his staff, as all other State and district personnel under the now-effective personnel procedure of the field manual, will be employed only with the approval of the regional office.

If my information is correct, it is proposed now to put into each district office a district servicing supervisor, who is to have charge of the servicing of the loans, so there will be put back into district offices under this official the responsibility for the servicing. Has the Senator from Ohio that information?

Mr. BULKLEY. I am not quite clear as to the purport of the Senator's statement. I do not think there is a district supervisor for the general servicing of all loans but simply to follow up delinquencies.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. BANKHEAD. I yield.

Mr. HATCH. Does that cover the situation which I have in mind? I have been informed that in my State collections are required to be sent to the district offices if made by money order or check, but the State offices may make the collections in cash.

Mr. BYRNES. The original provision in the Regional Manual is:

State, district, and other representatives must direct the borrower to make his loan payments of principal and/or interest to the regional office. Under no circumstances are collectors, agents, or other employees of the Corporation to accept checks, cash, money orders, or any other form of payment, except the duly authorized representatives in the regional offices.

Mr. BULKLEY. Does the Senator understand that that order has been rescinded?

Mr. BYRNES. I have read what is supposed to be the new order. There was a question in my mind as to whether it was rescinded or modified, because the Senator from Ohio asked the question whether this new district servicing official is to have jurisdiction only of delinquent loans, and I should so construe the language I have read, which language is:

The servicing of delinquent loans, as well as all other activities arising in connection with properties acquired by the Corporation, will be centered in a district servicing department.

I am not clear as to whether they will discontinue the requirement that all cash must be sent to the regional office and permit the local officials to collect. Certainly under this language, if they are to have a district servicing supervisor in every district office, he will be appointed for the purpose of supervising delinquent loans.

Mr. BULKLEY. Mr. President, I do not care to go into a refinement about whether an order has been rescinded or modified; but I do understand that the prohibition against State and district officers receiving cash payments is simply not in existence. They are authorized to accept cash payments, and required to remit them to the regional office.

Mr. BYRNES. I think under the regulation which existed up to this month the statement is that under no circumstances should they accept them.

Mr. BULKLEY. Yes; I think there was such a regulation.

Mr. BYRNES. Now there has been a change.

Mr. BULKLEY. There is no question about that.

Mr. BYRNES. And I confess, from the language, I am in some doubt as to whether the change permits these officers to accept cash payments.

Mr. BULKLEY. I am advised that they do accept them.

Mr. BARKLEY. Mr. President, if the Senator will yield there, Mr. Fahey before the subcommittee stated that not only in State but in district offices they are setting up what they call cashier offices for the purpose of receiving these payments, so that it is not necessary to send them to the regional headquarters.

Mr. BYRNES. With the permission of the Senator from Alabama, what caused me to ask the question of the Senator from Ohio was this:

Heretofore, we all agree, the requirement of the manual was that the money should be sent to the regional office. Now there is a change, and an official is to be placed in each district office, known as the "district servicing supervisor", who is to have the power I have read. If we are appointing, in the district offices, supervisors to have charge of this collection—which, in my opinion, is a very wise course to pursue—it is one additional reason why there is no sound argument for the continuance of the regional office.

When the question of the foreclosure of a mortgage arises in a State, it is sent to the regional office, and the regional officers pass upon it; but then, my information is, it comes to the assistant manager in Washington for final determination. So the question is first passed upon in the State, then in the regional office, and then in the Washington office. Why it cannot be submitted directly from the State to the Washington office is what I do not understand. I can see no reason now for the existence of the regional office; and, if the Senator from Alabama will permit me, I should like to make a brief statement as to the expense.

From June 1934 to March 1935 there was a decrease in the monthly pay roll of the State offices of $251,303.62. There was a decrease in the monthly pay roll of the home office in Washington during the same period of $5,778.42. There was an increase in the monthly pay roll of the regional offices of $472,946. So the expense in Washington decreased only $5,778 a month, while the expense in the regional offices increased $472,946 per month, and the expense in the State offices decreased $251,000 a month.

Mr. BARKLEY. Mr. President, if the Senator will yield there, what period does that cover?

Mr. BYRNES. That covers from June 1934 until March 1935. That is as to pay roll; but the total operating expense shows that in the State offices there was a decrease of $319,935.48 per month and a total decrease in the home office of $111,630 per month, and an increase in the regional offices of $566,567 per month. So the total of all these offices shows that instead of a decrease there was an increase during the period mentioned of $135,000 per month. The net effect of the establishment of the offices is to increase the monthly expenditure $135,000 per month.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. BANKHEAD. Yes.

Mr. BARKLEY. In that connection, I think it ought to be stated that Mr. Fahey testified that the number of employees in the Washington office had been reduced from around 3,000 to around 2,000, but that if it had been necessary to continue from the Washington office the services that were being rendered by the various regional offices, instead of 2,000 or even 3,000, it would have required between six and seven thousand employees in the city of Washington, and it would have been physically impossible for them to have been housed or to have performed their duties without confusion and without inefficiency.

Mr. BANKHEAD. And without sending them to the States to do it.

Mr. GLASS. Mr. President, may I suggest to the Senator from South Carolina that there is some probability that the figures he has read as to the reduction in the State offices and the increase in the regional offices arise out of the fact that the various district offices in the States, under the jurisdiction of the State offices, have been largely consolidated; and therefore the expenses of the State offices have been decreased, and the expenses of the regional offices somewhat increased.

For example, in my own State I know that at least five district offices in the western part of the State have been abolished and consolidated into one district office; and that has necessitated a very material reduction in personnel and consequently in expense. I think that accounts for the apparent reduction in the State offices.

Mr. BARKLEY. Mr. President——

Mr. BYRNES. One minute, because of the statement of the Senator from Virginia. If that is general it would account for the reduction, though I have no information that it has been general; but there has been a reduction in the number of employees in the State offices.

Mr. GLASS. Yes.

Mr. BYRNES. When loan activities are resumed in State offices, it is fair to assume that there will necessarily be an increase to some extent of the employees in the State offices; but the point which is made is that if now the Board has changed its policy, and is going to place back in the States the servicing of loans, as was indicated by the recent change, and the determination as to whether a mortgage shall be foreclosed must finally be made by the assistant manager in the city of Washington, then there is no very strong reason for the continuation of the regional offices; and when it is apparent that it has resulted in quite an increase in pay roll and in other expenses, I doubt the necessity of continuing them. The net increase after we had the reductions to which the Senator refers amounts to $135,000 per month. That is more than a million dollars per year.

Mr. BARKLEY. I think it ought to be stated that the net increase in the regional offices there represents probably the total expense from the time they began. My recollection is that these regional offices were established about the middle of last summer.

Mr. BYRNES. Yes.

Mr. BARKLEY. So that any expense charged to the regional offices would be a net increase, because prior to that they did not exist.

Mr. GLASS. As a matter of fact, if the Senator will permit me, to my personal knowledge a large reduction in personnel and in expense of the district offices in my State has been due to the very superior qualifications of the State officers.

Mr. BYRNES. I must say, in response to the first statement, that there has been a decrease in the pay roll of the State offices of $251,303. There has been an increase in pay rolls by the establishment of the regional offices of $473,000.

Mr. BARKLEY. What I was saying is that all the expense of the regional offices represents an increase, because prior to that they did not exist; so that the total amount would be charged as an increase.

Mr. BYRNES. Of course. The only thing it means is, viewing the organization as a whole, that the taxpayer is now paying $135,000 per month more by reason of the establishment of the regional offices. If we take away 10 up here and put back 20 here, and the result is that we have an additional expense of $135,000 per month, the taxpayer pays the bill.

I apologize to the Senator from Alabama for taking so much of his time.

Mr. BANKHEAD. I am very glad, indeed, to have the Senator's very helpful statement.

Mr. BLACK. Mr. President, on the question of expense, there has been no actual saving when we have increased the expenditures, as shown by the Senator from South Carolina [Mr. BYRNES]. As a matter of fact there should have been a saving, because loans ceased; but instead of having a saving when loans ceased, we reduced the expenses in the various State offices where the people were supposed to come in direct contact with the men who borrowed the money, and we increased the expenses in the regional offices hundreds of miles removed, where they could not come in contact with the borrower.

As stated by the Senator from South Carolina, it is difficult to understand what the regional office has left to do. We now say that we are going to adopt the businesslike method, according to the information given us, and have loans collected by people close to the borrowers of the money. Everybody knows that should have been done all the time. There never was the slightest excuse for putting a regional office in the city of Atlanta, Ga., to collect money from a borrower in the southern part of the State of Florida. It is ridiculous. It was absurd in the beginning, and it is still absurd, to suggest any such necessity. With a large aggregation of 4,400 lawyers, executives, and various officials hundreds of miles removed from the people who actually owe the money, what situation do we find? There are no loans being made. Therefore, we need no regional offices to make loans; that is, we needed none up to the time of the passage of this bill. We now propose to leave the business of collecting the money to the State offices, where it should have been all the time. Therefore, the regional office has nothing left in the way of collections.

What is there left for the regional office to do? The two objects of establishing it were to make loans and to make collections. We are now transferring to the State offices, where it should have been all the time, the power to make collections.

Mr. BANKHEAD. Mr. President, let me say to my colleague that that is not being done. They are doing that only in the event of default.

Mr. BLACK. At last they are recognizing the fact that if a borrower down in the southern part of Alabama wants to pay someone closer to him than in Atlanta, Ga., he may have the privilege of making the payment closer if he will default in the payments on his mortgage. We are not recognizing the fact that the best way to collect from the borrowers is to have someone close enough to them so that they will not be inconvenienced by having to send their money thousands of miles away.

Mr. MURPHY. Mr. President, will the Senator from Alabama yield to me?

Mr. BANKHEAD. I yield.

Mr. MURPHY. What would the Senator think of a local building-and-loan association, which had made a loan on a home, transferring the collection of the interest to some point 200 miles away?

Mr. BLACK. We would think just exactly what every man who thinks about the pending matter is bound to observe. We would think that the private lending company was on the way to bankruptcy or that some were getting jobs somewhere which they did not need.

Mr. BULKLEY. Mr. President, it was stated a few moments ago—and I should like to state it again, because I am sure that Senators are talking on a wholly wrong theory—that payments are accepted at the local offices, the district offices, and the State offices.

Mr. BLACK. Since when has that been done?

Mr. BULKLEY. It started very recently.

Mr. BLACK. Does the Senator know how recently?

Mr. BULKLEY. No; I do not know how recently. I quite agree with the Senator's remark as to what the condition was previously, but his statement does not apply to the condition which now exists.

Mr. MURPHY. Mr. President, will the Senator from Alabama yield further?

Mr. BANKHEAD. I yield.

Mr. MURPHY. Will not the Senator from Ohio develop what the functions of the regional office are; what duties it is performing; what the necessity for its existence is?

Mr. BULKLEY. I think perhaps we are trespassing a good deal on the time of the Senator from Alabama. I shall be glad to undertake the discussion later.

Mr. BANKHEAD. Mr. President, we assume in this amendment that there is some sort of need for some kind of service at a regional office. That concession was made in the hope that we could get an adjustment of this matter and have an acceptance by the committee of the fact that all business relating to collections of loans should be handled in the State organization. But they did not accept it.

As I have said, I do not see any need of a regional office at all. The loans are closed in the State offices. The amendment simply provides that collections and the servicing of loans shall be handled within the States. That is the concrete proposition presented, whether or not the regional office is needed for other purposes.

I do not conceive that there can be any reasonable argument or insistence that loans should be handled in some cases five or six hundred miles away from the homes of the borrowers. The large number of accountants, auditors,

typists, and stenographers in each regional office can be distributed out among the States from which some of them come. Let them go home to do the work. It is said they have been drawn from the State organizations. Let them be sent back. The work can be done as well at home, in the State headquarters, as by any aggregation brought together at a regional point.

Nothing is involved in the amendment except the question as to the place from which the bills shall be sent out. If I am told that the simple process of taking from the records a statement of the account of each borrower is a matter which must be handled by one possessing great skill, with technical supervision, at some regional office remote from the home of the borrower, I reply that there is no reason for any such statement. I favor getting back closer to the people in the administration of their affairs, taking at least that part of this program which is, in large measure, merely a clerical one to a place where the employees can be in offices at their homes where they can do the work as well as they can do it elsewhere.

It is said now the borrowers are allowed to come in and pay without going to the regional office for that purpose. Every borrower ought to be allowed to do that, whether he pays in cash or by check. The collecting officers, or officials, or agents, or whatever they may be called, ought to be close to the borrowers, so that when trouble may arise, when excuses or reasons are to be presented for some short delay in meeting the payments, the borrowers may reach the officials without riding hundreds of miles.

How is the matter of tax payments or tax defaults to be serviced? Are representatives to be sent out from the regional office to ride from State to State, and from county to county, in order to check the tax records to see whether there are defaults in the payment of taxes upon mortgaged property? Are the agents to be sent back to check so as to find whether or not at some later date those tax liens have been removed by payment? Is a regional office hundreds of miles away to keep track of all notices of tax sales in all the counties in all the States in each region?

I submit that it is a cumbersome system, it is a pyramiding system. If the desire is to decentralize, let us decentralize, and bring this business back to the doors of the people, where they will have reasonable opportunity to go and talk over their business, where they may take their money, or take their checks, and make settlement, and get their receipts, and discuss any matter necessary to be discussed.

Mr. DUFFY. Mr. President, will the Senator yield to me?

Mr. BANKHEAD. I yield.

Mr. DUFFY. I not only am very happy to support the amendment offered by the Senator from Alabama, but I should have been willing to support the first suggestion he made—that the regional offices be abolished entirely.

Mr. BANKHEAD. If the Senator will offer the amendment, I am sure he knows from what I have said that I will most cheerfully support it.

Mr. DUFFY. The difficulty is, as I see it, that our policy has been to make it as hard as possible to make collections, instead of following the business practice which has been well established, but which we have refused to heed, the practice followed by every private business concern that has had any considerable experience in collecting from a number of borrowers, especially those who have made loans. It must be made convenient for the borrowers to pay. Instead we threw up all the barriers we could. We would not accept cash, and those who were conversant with the people, who knew them, and who made the loans could not do the work. Gradually we have made it a little easier than it previously was, but I think, unless the Senator's amendment shall be agreed to, it will still be a difficult situation. In some way or other this organization has not the psychology to make it as easy as possible for the people who owe the Government to pay. Imagine someone in Superior, Wis., having a man down in Chicago, 450 miles away, write him. The operation is made so difficult that people who have the money available at the time when the money is due spend it for something else.

I certainly hope the Senator's amendment will be agreed to, because it is in accordance with good sound business practice, and with what has been the experience of every business concern that has had this kind of business to deal with.

Mr. BANKHEAD. I am very glad, indeed, to have the statement of the Senator from Wisconsin and to have the approval of his good judgment upon this proposal.

As he has indicated, every lender recognizes the importance of personal contacts, especially when borrowers get into difficulty, as so many already are in difficulties about these loans, and as others from time to time will get into difficulties. The importance and the value of personal contacts, personal calls, going over the problems and encouraging the lenders to go forward and meet the payments, cannot be overemphasized. Such contacts cannot be maintained under this remote far-away control, and, as I have submitted to the Senate, there is no sound reason for requiring this organization, simply because they started out on one theory, to stand by it, whether they ought to stand by it or not.

I know they have been active. Senators have told me today that they have had calls over the telephone, both local and long distance, urging them to vote against this amendment. Influence of that character, emanating from some branches of the Home Owners' Loan Corporation, has been employed. But we have a right to supervise the manner in which the money is expended. We have a right to supervise the administration and the machinery under which it is to be expended.

If it is the judgment of the Members of the Senate that the collections, all phases of the collections, and the servicing of the collections, looking after defaults and abandonments, and all the other problems, should be handled near the homes of the borrowers, then I submit that we would be doing some little to remedy the existing trouble by the adoption of the limited amendment which I have proposed.

The PRESIDING OFFICER (Mr. MINTON in the chair). The question is on agreeing to the amendment offered by the junior Senator from Alabama [Mr. BANKHEAD] to the committee amendment.

Mr. BULKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Robinson
Ashurst	Costigan	King	Russell
Austin	Couzens	La Follette	Schall
Bachman	Cutting	Lewis	Schwellenbach
Bankhead	Dickinson	Logan	Sheppard
Barbour	Dieterich	Lonergan	Smith
Barkley	Donahey	McCarran	Steiwer
Bilbo	Duffy	McGill	Thomas, Okla.
Black	Fletcher	McNary	Thomas, Utah
Bone	Frazier	Metcalf	Townsend
Borah	George	Minton	Trammell
Brown	Gerry	Moore	Truman
Bulkley	Gibson	Murphy	Tydings
Bulow	Glass	Murray	Vandenberg
Burke	Gore	Neely	Van Nuys
Byrd	Guffey	Norris	Wagner
Byrnes	Hale	Nye	Walsh
Capper	Harrison	O'Mahoney	Wheeler
Carey	Hastings	Pittman	White
Clark	Hatch	Pope	
Connally	Hayden	Radcliffe	
Coolidge	Johnson	Reynolds	

The PRESIDING OFFICER. Eighty-five Senators have answered to their names. A quorum is present.

Mr. BULKLEY. Mr. President, we have had considerable discussion about the advisability of establishing regional offices and as to what work should be performed in the regional offices of the Home Owners' Loan Corporation. It seems to me that if some Members of the Senate, perhaps including myself, had been directors of the Home Owners' Loan Corporation it is quite likely that these regional offices would not have been established, or perhaps that they would not have been given the same functions which the Home Owners' Loan Corporation has chosen to give them.

However, I do not think the issue before us here can be determined on the basis of whether any particular administrative policy is a good or a bad one. The issue is whether the Congress desires to supersede the judgment of a board intrusted with the administration of the Home Owners' Loan Corporation on a question which is purely an administrative question.

The Senator from Alabama proposes that within 60 days all the work of the regional offices shall be transferred to and performed by the State organization. The evidence which we had before our subcommittee from the officers of the Home Owners' Loan Corporation is that the principal duty of the regional offices is that of supervising the State offices. The Senator would now have the work of supervising the State offices transferred to the State offices. On its face it is an inconsistency. It is an impracticable way to handle the situation.

It has appeared that the collections are being serviced through the State and local offices, and I quite agree with the Senator from Alabama that ultimately that is the only possible disposition of the work. It is being done under the present administration. The testimony before us is that the purpose of the regional offices is a supervisory purpose, and that the regional offices are made up of people who would otherwise have to be employed in the city of Washington to supervise the State and district and local offices. Do we want to direct the Home Owners' Loan Corporation as to whether their supervision ought to be carried on from the city of Washington or whether it ought to be moved out nearer home and set up in a number of different regions? I submit that it is a question as to which the Congress would not care to take jurisdiction and ought not to take jurisdiction.

Mr. BLACK. Mr. President, I do not desire to consume the time of the Senate except for about 2 or 3 minutes in order that the Senate may know what the issue actually is. It is very simple. The pending amendment does no more than to require that within 60 days from the passage of the bill collections by the Home Owners' Loan Corporation shall be made from the State offices and not from the regional offices.

Mr. BULKLEY. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BULKLEY. Does not the amendment say "all work at regional offices"?

Mr. ROBINSON. Except supervising of the loans.

Mr. BLACK. Yes, Mr. President; except supervising of the loans.

Mr. BULKLEY. Except supervising the making of the loans.

Mr. ROBINSON. Yes; except supervising the making of the loans.

Mr. BANKHEAD. That means nothing but collections.

Mr. BLACK. That is what it means—collections.

Mr. BULKLEY. I differ from that statement that it means nothing but collections.

Mr. BLACK. So far as I am concerned, I should be delighted to vote for an amendment which provides that there shall be no regional offices. I see no reason for the regional offices. I think it is wholly unfair to the people of a State who have borrowed from a Home Owners' Loan Corporation to be compelled to make their payments 200, 300, 400, or 500 miles from their homes. It gives them no chance to have personal contact with the representatives of the Home Owners' Loan Corporation; it prevents efficient collection. So far as I have been able to see—and I want to state this frankly and openly—the chief reason for the regional offices so far has been to send people who have had jobs in Washington into the various regions in order to take care of them. I see no reason for that. Forty-four hundred were placed in the regional offices originally, with the idea chiefly of collecting debts. The Senator from Ohio frankly admits that there is now a plan on foot to change the system, as I understand him, and that it is now proposed to have the collections made from the State offices. Am I correct in that assumption?

Mr. BULKLEY. Payments are now accepted at the State offices, and, so far as I know, there has never been any purpose that servicing should not be done through the State and district offices. I do not see how a loan could be serviced through a regional office.

Mr. BLACK. They have hardly been serviced at all down in my section.

Mr. BULKLEY. I think the Senator is quite right about that. I think the servicing of this Corporation is in very bad shape, and I hope it is going to be improved.

Mr. BLACK. That is correct, but the way to improve it is to have representatives who live within the State where the loans are made, where the bills are to be paid, just as close to the borrower as is possible.

Mr. BULKLEY. That is exactly the purpose of the Corporation, as testified in our hearings.

Mr. BANKHEAD. Mr. President, I should like to know what objection, then, the Senator has to this amendment? It does not deal with anything except the collection and servicing of loans.

Mr. BULKLEY. It prevents any supervision of State offices except with respect to the making of loans.

Mr. BANKHEAD. No, it does not; I beg the Senator's pardon; the amendment simply provides for a transfer of certain work from the regional offices. The servicing and collecting of loans shall be within 60 days transferred to and performed by the State offices.

Mr. BULKLEY. Very well. When it comes to supervising the collection of loans, that would have to be done by the very body that is being supervised, according to the Senator's amendment.

Mr. BLACK. The issue, then, is very simple. If the Home Owners' Loan Corporation intends anyhow to do the thing upon which we have been insisting and which has not heretofore been done, why should we not place it in the law?

Mr. BULKLEY. I hope the Senator will understand my position. I do not think the Home Owners' Loan Corporation has exercised perfect judgment, and I am not sure that the Senator and I, had we been sitting on that Board, would in every case have exercised perfect judgment; but I do think that the Home Owners' Loan Corporation Board, being intrusted with the administration of the act, ought to be able to decide the administrative question of where they want their help to be placed.

Mr. BLACK. That might be true if they had not already decided it and decided it wrong; and the Senator and I both agree that they have decided it wrong.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Florida?

Mr. BLACK. I yield to the Senator.

Mr. FLETCHER. As I understand, the main function of the regional office now is to deal with delinquent loans. When there has been a default for 30 days or 60 days, the local offices may collect; but when the borrower is in default, say, for 90 days, they must submit the case to the regional office. It is a question, then, whether they will foreclose or whether they will extend the time or make different terms. The regional office looks after those cases that are in default; they determine whether to foreclose a mortgage or advise its foreclosure and send it to Washington or whether to take other action.

Mr. BLACK. As I understand, the Senator has stated just the reverse of what was stated a while ago. It was stated a while ago on the floor that the only way a man who lived in Florida, for instance, would be able to make payment to his home office in Florida was to get in default. If he could arrange to get in default, and far enough in default, he could then go to his State office and make a payment; but if he wanted to pay the debt at the time it was due, it was necessary for him to send the payment to Atlanta, Ga. I take the position that the citizens of Florida ought to be accommodated by having the privilege of making their payments through the officials of the Home Owners' Loan organization in Florida, whether they are in default

or not in default. Why should we send men to Atlanta, using that district as an example, and pay them mileage going there, and pay them a per diem while in Atlanta, and pay them mileage when they leave Atlanta, instead of employing officials in Florida, who live in that State, without the necessity for a per diem and without the payment of mileage to go from Atlanta down into Florida to collect debts? It is a system which would not be tolerated a minute by a single private lending agency in America. The Senator from Ohio himself admits that it is wrong; and, therefore, since it is wrong in his judgment, let us abolish it.

Mr. BULKLEY. I know the Senator does not want to misunderstand what I said.

Mr. BLACK. I do not; and if the Senator does not think it is wrong, I will withdraw the statement.

Mr. BULKLEY. What I said was that had the Senator and I been directors we might have decided this question differently. I am not sure but that we might have been wrong if we had decided it differently. The point is that those who have the best facilities for knowing how it should be done have decided it this way.

There is another point. Does the Senator think that under the present practice men are sent out from the regional office to service loans and to make collections from customers?

Mr. BLACK. No; I think that, under the present practice, there has been no method at all. So far as I can find, there has been no system of collections at all in the section from which I come. I have had letters from people complaining of that very condition, that there was no method of payment.

Mr. BULKLEY. I am sorry to say that there is too much truth in the Senator's statement, and there has been a certain failure in my own State, too; but it is not the practice to send out collectors from regional offices; it is not the theory to send out collectors from regional offices; and the argument the Senator is making along that line is not in point. The collectors are always sent out from the State and district offices.

Mr. BLACK. May I ask the Senator if it has not been contemplated from the very beginning of the regional offices that they would collect through their own employees; and further if they have not accepted applications from people who wanted collection jobs and required always that they go to the regional offices and not to the State offices.

Mr. BULKLEY. I am sure the Senator is absolutely wrong about that. The only collections of the regional offices are mail collections. The mail collections have been transferred to the regional offices from Washington. Mail collections originally were made at the main office in Washington, and subsequently were transferred to the regional offices. While I agree with the Senator that there has been a good deal of time consumed in organizing any system whatever designed to follow the matter directly to the customer, certainly there has been no attempt to pursue the customer either from Washington or from the regional offices. It has always been contemplated that that should be done by the State and local offices, and it will undoubtedly be done better in the future as the organization is further perfected. However, I am sure that the Senator misunderstands the situation if he thinks that collectors are going to be sent out or have been sent out from the regional offices.

Mr. BLACK. I might say to the Senator that I believe they should not have been sent out, and I doubt if they will be sent out after this debate. I am satisfied that the method was proposed to have the collection handled in the regional offices, and that gradually they were going to draw in everything that was within the various State and district offices into the regional offices where men have been sent from the city of Washington, gathered from the four corners of the Nation in order to officer the various regional offices.

Mr. BULKLEY. Of course I do not undertake to say what mental processes the Board may have gone through in the past, but I am sure that recently there has been no such attempt.

Mr. BLACK. The Senator is familiar with the fact, is he not, that until recently a State office had no authority at all to make a collection?

Mr. BULKLEY. That is quite true, but it has been corrected.

Mr. BLACK. It has only been corrected within the last few days.

Mr. BULKLEY. I join the Senator in the thought that it should have been corrected sooner.

Mr. BANKHEAD. They have not corrected the system of sending out from the regional offices the bills and notices and all that kind of thing.

Mr. BULKLEY. There is a satisfactory reason for that. They testified that their billing machines are made up for large units and can be more efficiently operated from the regional offices than from the local offices. So far as mail payments are concerned, what difference can it make to the customer, whose letter will go just as well to the regional office as to the local office?

Mr. BLACK. It makes a great deal of difference to the man who lives down in the southern part of Florida when he gets a notice by mail whether he can have the right and privilege to go to his nearest State office and seek a conference with reference to that collection.

Mr. BULKLEY. Of course he can do that, but if he is going to mail a letter what difference does it make to him whether he mails it to Jacksonville or Atlanta?

Mr. BLACK. Of course if the Senator wants to give the organization the privilege of mailing letters from Atlanta to Alabama and Florida and Arkansas and Texas, and mailing letters from Chicago to Wisconsin and Idaho, and mailing letters from Kansas over into Iowa and other places, then we might just simply provide that they may mail their letters from a selected point far removed from the home of the debtor.

Mr. BULKLEY. It is fair to say that a large proportion of the payments do come in as the result of mail billing and do come in by mail, and unless that were true the operation of the Home Owners' Loan Corporation would be very expensive indeed.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. BULKLEY. I will yield with the permission of the Senator from Alabama, who has the floor.

Mr. BANKHEAD. Does not this system require duplication of records? Whenever there is a default, is it not necessary to send the files and engage in long correspondence from one office to the other?

Mr. BULKLEY. I do not so understand. I understand that the files are kept at the regional offices and that the billings are made by the large billing machines.

Mr. BANKHEAD. How is it possible to inform the State office of the status of a default if all the correspondence and the whole record are not sent?

Mr. BULKLEY. The files are sent only when they are specifically required for personal servicing.

Mr. BANKHEAD. Then it is a duplication.

Mr. BULKLEY. I do not think it is a duplication. The file is held at the regional office, and the billings are made from there. If the payments come in within 90 days or so of the time they are due that is all that has happened, and the cost of servicing has been saved. After 90 days, if the account has not been paid, the whole file is sent to the State or the district office, the very place where the servicing ought to be done.

Mr. BLACK. Here is what results: There is an office, for instance, in Idaho. It is a local office. Of course, it must have a record of the files. It would be a strange thing that the office of a corporation closest to the people should not know whether or not a man owed them. We must have a regional office within a few hundred miles. I do not know where the regional office is that covers Idaho, but perhaps 700 or 800 miles away. That regional office must have a file. Then there must be a file in Washington. Before long we will have another regional office between the first regional office and the home office.

Then we will have what everybody criticizes the Government for having in every business it undertakes—waste, clerks who do nothing, officials who do nothing but draw their salaries, a clerk to supervise the work done by another clerk who is looking over the work of another clerk a thousand miles away, and, after all, when something finally comes up it must come to Washington.

A letter is written to Washington, and there it is said, "Our files show this bill has not been paid." It is traced down to the first regional office two or three hundred miles away. There it is said, "The record in our office does not show it has been paid." They go to the next regional office and finally get away down to the little office out in Idaho, and the man there reports, "This was paid 7 months ago, and I have issued a receipt for it." That is what happens.

Mr. BULKLEY. The Senator does not speak by the record when he says there has to be a file of all these things in Washington.

Mr. BLACK. I speak according to human experience since the celebrated case of *Jarndyce* v. *Jarndyce*, made famous in Dickens' beautiful novel. Everybody knows when we set up an office, the employees of that office have to have something to do. They put in their files and hire their clerks and lawyers.

How many lawyers are there in the regional offices?

Mr. BANKHEAD. There are 204.

Mr. BLACK. Before long they will have 500 or 600. Of course, there may be some more regional offices, too. Perhaps they will come a little closer to some Senator's State than they are now. At the same time, away back somewhere along the line a little home owner finds himself enmeshed in the red tape of multitudinous offices—not duplicating, but triplicating—and probably by next month there will be another regional office for him to go through.

I submit if we want to make the Home Owners' Loan Corporation a success, where we find a set-up of useless offices, with supervisory powers which are not needed, taking away the privilege from a man who owes money to pay it as he looks into the face of the agent of the Corporation, making it necessary to employ and hire new clerks on a new per diem and new mileage, what we really ought to do is to amend the amendment of my colleague and tell the office here in Washington to dispense with these useless regional offices which now perform no services except of a parasitical nature, to draw from the resources of the Corporation when it is wholly and completely unnecessary to do so?

Whatever may be the attitude of Senators from other States, I insist that the home owners who owe money in the State of Alabama have a right to make their payments at the closest available office. I insist it is more economical than is any other method. I insist it is more efficient. I insist by that method we are more likely to get officers who know their psychology than we are by drawing somebody from a State a thousand or fifteen hundred miles away to supervise the regional office. I am opposed to any such system as is now in vogue. I believe so far as possible in having the offices manned with personnel familiar with local problems and local people.

The only regret I have with reference to my colleague's amendment is that it is not in its original form. He changed it only because of an adverse report by the subcommittee and struck out the provision relating to regional offices. Knowing that the principle is wrong, we ought to write our knowledge into the law. I hope the Senate will adopt the amendment of my colleague.

Mr. BARKLEY. Mr. President, I do not know that I can enlighten the Senate any further on the subject, but there are two or three things I should like to submit before we vote.

So far as I now recall, there is not an important branch of the Government of the United States which deals with problems all over the country which does not have regional offices. The Civil Service Commission, which holds examinations for the appointment of civil-service employees all over the United States, has divided the United States into regions, and there is a regional office covering each one of the regions which deals with applicants and examinations relating to civil-service employees in a certain group of States over which the superintendent of that regional office has jurisdiction.

The Federal Alcohol Control Administration has the same arrangement. The income-tax division of the Bureau of Internal Revenue has regional offices which supervise those who are employed in the collection of income taxes in the various States within the region over which they have jurisdiction.

The Federal land banks do the same thing, as do the Federal Reserve banks. So far as I can recall, there is not a department of Government that deals with problems which affect the States in an intimate capacity which does not have a regional set-up over which presides a regional director.

It is easy to rise in the Senate and berate some board which has had upon its shoulders the responsibility of administering a law which applies to millions of our people. It is easy for us to rise here and say that if we had been administering the law we would have done it differently from the way it has been done by those who have been charged with administering it. But in writing the law we do not undertake to go into details of administration. We are bound to write the law in general terms and leave it to those charged with the responsibility of administration to work out the details of the administration.

What happened with the Home Owners' Loan Corporation was that at the beginning they set up a manager in every State. They authorized the State manager to establish certain branch offices in the State. In my State there were established four or five or possibly six; I do not at the moment recall just how many. In charge of each of those branches was a branch or State director or manager. The State director or State manager was required to deal with Washington on every proposition that arose where there was any dispute on any question or where he himself did not have the authority to act.

Mr. Fahey testified before the subcommittee that they had at the peak, I believe, about 2,900 or 3,000 employees in Washington before they established the regional offices. That was long before the peak of applications came in, when every one of them had to come to Washington. If there was a dispute about appraisal, if there was a dispute about the law to determine whether or not the applicant was entitled to a loan, or whether his property was eligible, or any one of a thousand questions that might arise in the administration of the law, the State director was required to take up the matter with the Board here in Washington. The result was long delay. The result would have been inefficiency.

It was almost impossible for the Home Owners' Loan Corporation to get quarters in Washington for 2,000 employees. They had to be scattered all around Washington, some in the different District buildings, some of them in the Department of Commerce, some of them in the Department of Justice, some of them at one place and others at some other place. If a Member of Congress desired to confer with anybody in the Home Owners' Loan Corporation it took half a day to run around over Washington and find where he was located.

In order to do away with that situation the 11 regional offices were established. Prior to their establishment there were chosen certain key men in Washington who had been given charge of certain States so they might become familiar with conditions and the situation in the States which were assigned to them for administration here in Washington. When these regional offices were established, these men who had been key men in the headquarters in Washington dealing with certain States were, in the main, put in charge of the States with which they had been dealing prior to the establishment of the regional offices.

Mr. Fahey testified that if all the work now being done by the regional directors and the regional offices had been required to be done in the city of Washington, it would have required between six and seven thousand employees, and that it would have been a physical impossibility not only to find quarters for them in Washington but for them to work efficiently in the administration of this law, responsibility for which has been placed upon their shoulders. Therefore, these regional offices were established.

It may be that some of us here could have done it better. I suppose most of us are willing to admit that we could have done it better and more efficiently if we had had the responsibility. We did not have it, however; and I do not think we can very wisely undertake to go into detail with respect to the minutiæ of administration of a law that involved so many complications and so many problems and so many local situations as this law.

I think we are all prepared to admit that the Home Owners' Loan Corporation has done a fine job. It has rendered a service to the people of this Nation which could not have been rendered otherwise. It has established these 11 regional offices, and we now propose either to abolish them or to take away their jurisdiction. I think they ought to be allowed to remain as they now are.

It is not very material whether a man who owes monthly payments, or who is amortizing a loan which has been refinanced under the Home Owners' Loan Corporation, writes a letter from Mayfield to Paducah, where there is a branch office under the State manager, or from Mayfield to Louisville, or whether he writes a letter to Memphis, which is the regional office for 4, 5, or 6 States in that part of the country.

Mr. FLETCHER. Mr. President——

Mr. BARKLEY. I yield to the Senator from Florida.

Mr. FLETCHER. I desire to interrupt the Senator to read just a line from a recent letter I have received on this subject. After having examined the operations of these regional offices, having contacted the Atlanta office and the personnel and the officers there, the writer says:

> I believe that I am voicing the opinion of all the personnel in the Florida State organization when I say that we would hate to see any change made in the present set-up, either as to the location of the office or as to its management and personnel. This is said in the interest of the borrowers as well as the whole organization.

He believes it to be a great mistake; that they are serving well, operating well, functioning well.

Mr. BARKLEY. I appreciate that statement from the Senator. So far as I am concerned, I do not believe I have had a single complaint from anybody in my State with respect to the operation of the regional offices.

Mr. BLACK. Mr. President, will the Senator yield to enable me to address a question to the Senator from Florida?

Mr. BARKLEY. I yield.

Mr. BLACK. Since the Senator has read a statement of approval of the regional office, I think it would be only fair to state whether or not the gentleman who wrote that statement is employed by the Home Owners' Loan Corporation.

Mr. FLETCHER. He is connected with the organization.

Mr. BARKLEY. He probably was connected with the State office prior to the establishment of the regional office.

Mr. FLETCHER. He was connected with the State office, not with the regional office.

Mr. BARKLEY. Many of these employees were taken from the State offices and put in the regional offices because they had grown up with the work, and they understood it, and they understood the problems of the State from which they came. I think it was a wise thing on the part of the regional managers to draw from each of the States somebody who had grown up into the Home Owners' Loan Corporation, who was familiar with it in his State, and who could at least help the regional managers to solve problems that arose which came from the States they represented.

Mr. BLACK. Has the Senator been informed by this corporation that it drew on each of the States for the personnel in the regional office? If he has, I am satisfied that it is a mistake.

Mr. BARKLEY. I do not know that I have asked that categorical question, but my understanding has been, and I think Mr. Fahey so testified before the committee, that, as a rule, they have drawn from the States. If there has been some one State from which they drew nobody, I do not know anything about it. If Alabama happens to be such a State, I am very sorry for it, but I doubt very seriously whether it is true.

Mr. BLACK. I may state to the Senator that it was my belief that if we were going to set up regional offices, each State ought to have some representation, in order to take care of the interests of the State, which I tried to present to the Board. I was not trying to get employment for some man who did not have employment.

Mr. BARKLEY. My experience with Federal employees leads me to believe that the more of them you can keep in your own State, and not let them get too far away, the better off you are.

Mr. BLACK. I think perhaps the Senator is correct, but in this connection I may state that the regional officers did not draw on the Alabama office for their personnel.

Mr. BARKLEY. I do not know about that.

Mr. BLACK. I do not know whether it has been the custom or not. I think the regional offices would have been much better off if they had drawn their personnel from the various States in the region, so that they would be familiar with the local problems. I agree with the Senator as to that.

Mr. BARKLEY. I think that has been the policy. I think Mr. Fahey has stated that of the combined lists of employees in the various regional offices, some 450 or 500 had been drawn from the various State offices in the regions which they represented. It may be that some States did not get in on it. I do not know just what the test was; but, as a rule, that is what they tried to do.

I believe that to adopt this amendment, or any amendment undertaking to handicap the Board in the administration of these regional offices, would make for inefficiency and confusion, and would undo a lot of good work that they have been doing and are now doing.

Mr. BANKHEAD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	King	Schall
Austin	Couzens	La Follette	Schwellenbach
Bachman	Cutting	Lewis	Sheppard
Bankhead	Dickinson	Lonergan	Smith
Barbour	Donahey	McCarran	Steiwer
Barkley	Duffy	McNary	Thomas, Okla.
Bilbo	Fletcher	Metcalf	Thomas, Utah
Black	Frazier	Minton	Townsend
Bone	George	Murphy	Trammell
Borah	Gerry	Murray	Truman
Brown	Gibson	Neely	Tydings
Bulkley	Glass	Norris	Vandenberg
Bulow	Gore	Nye	Van Nuys
Burke	Guffey	O'Mahoney	Wagner
Byrd	Hale	Pittman	Walsh
Byrnes	Harrison	Pope	Wheeler
Capper	Hastings	Radcliffe	White
Carey	Hatch	Reynolds	
Connally	Hayden	Robinson	
Copeland	Keyes	Russell	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

Mr. GLASS. Mr. President, I desire to ask the Senator in charge of the bill whether or not there is any foundation for the rumor, which seemed to me to be something more than a rumor, that the central Board here has in contemplation the abolition of the State offices.

Mr. BULKLEY. Mr. President, I am very confident that there is nothing in that rumor, because before our committee the chairman of the Board repeatedly stated that it is his purpose to have loans serviced through the State offices.

Mr. GLASS. Is there anything in the bill which would authorize the central Board to abolish the State offices?

Mr. BULKLEY. There is nothing in the bill on that subject one way or the other. I presume they would have a right to abolish the State offices if they saw fit, but I could not imagine their doing such a thing.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. WHEELER. Let me say to the Senator that I talked this morning to the director, Mr. Fahey, and he told me positively that they never did have any such intention of abolishing the State offices. It never entered his mind, and he said, "I think I would have known something about it if that had been the purpose."

Mr. GLASS. That is a matter in which I am particularly interested. It may be a local consideration, but the State officer in Virginia has made such an extraordinarily good record that I should dislike very much to see him dispensed with.

Mr. FLETCHER. I imagine the State offices will be in existence for 15 years.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. BANKHEAD] to the committee amendment.

Mr. BULKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR]. I understand that if he were present he would vote as I intend to vote, and, therefore, I am privileged to vote. I vote "nay."

The roll call was concluded.

Mr. AUSTIN. I desire to announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

I also wish to announce that the Senator from South Dakota [Mr. NORBECK] and the Senator from Minnesota [Mr. SHIPSTEAD] are necessarily absent.

The Senator from Pennsylvania [Mr. DAVIS] has a general pair with the Senator from Kentucky [Mr. LOGAN].

The Senator from Minnesota [Mr. SHIPSTEAD] has a general pair with the Senator from Kansas [Mr. MCGILL].

I am not advised how any of these Senators would vote if present.

Mr. LEWIS. I wish to announce that the Senator from Arkansas [Mrs. CARAWAY], the Senator from Connecticut [Mr. MALONEY], and the Senator from Louisiana [Mr. OVERTON] are detained on account of illness.

I desire to announce also that the Senator from North Carolina [Mr. BAILEY], the Senator from California [Mr. MCADOO], the Senator from Louisiana [Mr. LONG], the Senator from New Jersey [Mr. MOORE], the Senator from Kansas [Mr. MCGILL], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Tennessee [Mr. MCKELLAR], the Senator from Kentucky [Mr. LOGAN], the Senator from Arizona [Mr. ASHURST], the Senator from Missouri [Mr. CLARK], and the Senator from Illinois [Mr. DIETERICH] are necessarily detained from the Senate.

The result was announced—yeas 28, nays 49, as follows:

YEAS—28

Adams	Brown	Donahey	McCarran
Bachman	Bulow	Duffy	Murphy
Bankhead	Byrd	Gerry	Neely
Bilbo	Byrnes	Gore	Pittman
Black	Connally	Guffey	Pope
Bone	Copeland	Hatch	Russell
Borah	Costigan	Hayden	Thomas, Okla.

NAYS—49

Austin	Gibson	Murray	Townsend
Barbour	Glass	Norris	Trammell
Barkley	Hale	Nye	Truman
Bulkley	Harrison	O'Mahoney	Tydings
Burke	Hastings	Radcliffe	Vandenberg
Capper	Keyes	Reynolds	Van Nuys
Carey	King	Robinson	Wagner
Couzens	La Follette	Schall	Walsh
Cutting	Lewis	Schwellenbach	Wheeler
Dickinson	Lonergan	Sheppard	White
Fletcher	McNary	Smith	
Frazier	Metcalf	Steiwer	
George	Minton	Thomas, Utah	

NOT VOTING—18

Ashurst	Davis	McAdoo	Norbeck
Bailey	Dieterich	McGill	Overton
Caraway	Johnson	McKellar	Shipstead
Clark	Logan	Maloney	
Coolidge	Long	Moore	

So Mr. BANKHEAD's amendment to the committee amendment was rejected.

Mr. BULKLEY. Mr. President, I send an amendment to the desk, which I desire to offer.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment, in section 26, page 31, line 8, it is proposed to strike out the words "or improved by", so as to make the section read:

SEC. 26. (a) The first sentence of section 2 of the National Housing Act is amended (1) by striking out "January" and inserting in lieu thereof "April", and (2) by inserting before the period at the end thereof a comma and the following: "including the installation of new equipment and machinery."

(b) The last sentence of section 2 of the National Housing Act is amended to read as follows: "No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions, as the Administrator shall prescribe; and (2) unless the amount of such loan, advance of credit, or purchase is not in excess of $2,000, except that in the case of any such loan, advance of credit, or purchase made for the purpose of such financing with respect to real property improved by or to be converted into apartment or multiple family houses, hotels, office, business or other commercial buildings, hospitals, orphanages, colleges, schools, churches, or manufacturing or industrial plants, such insurance may be granted if the amount of the loan, advance of credit, or purchase is not in excess of $50,000."

Mr. BULKLEY. Mr. President, I offer this amendment at the suggestion and request of the Housing Administrator, with the consent and approval of the Chairman of the Committee on Banking and Currency. I have not had opportunity to take it up with the committee.

On page 31, in section 26, we provided for the amendment of title I of the National Housing Act by increasing the limit on loans which may be insured from $2,000 up to $50,000 for certain purposes. Among those purposes we provided for was the conversion of property into apartments or multiple family houses, but we did not provide for conversion into other forms of property on which loans might be made.

The Administrator sees no reason why we should not provide for the financing of the improvements which will convert property into hotels, office, business, or other commercial buildings, hospitals, and so forth, as further provided in the bill, and he asks that this amendment be incorporated in the bill so as to make funds available for converting property into buildings for those purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BULKLEY] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. BULKLEY. Mr. President, I offer a further amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment, in section 15, page 25, line 5, after the numerals "15", it is proposed to insert "(a)", and on page 26, between lines 10 and 11, to insert the following:

(b) Section 9 of the act entitled "An act to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes", approved April 27, 1934, is hereby repealed.

So as to make the section read:

SEC. 15. (a) Section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof a new subsection to read as follows:

"(n) The Corporation is authorized to purchase Federal Home Loan Bank bonds, debentures, or notes, or consolidated Federal home-loan bank bonds or debentures. The Corporation is also authorized to purchase full-paid-income shares of Federal savings and loan associations after the funds made available to the Secretary of the Treasury for the purchase of such shares have been exhausted. Such purchases of shares shall be on the same terms and conditions as have been heretofore authorized by law for the purchase of such shares by the Secretary of the Treasury: *Provided*, That the total amount of such shares in any one association held by the Secretary of the Treasury and the Corporation shall not exceed the total amount of such shares heretofore authorized to be held by the Secretary of the Treasury in any one association. The Corporation is also authorized to purchase shares in any institution which is (1) a member of a Federal home-loan bank and (2) whose accounts are insured under title IV of the National Housing Act, if the institution is eligible for insurance under such title; and to make deposits and purchase certificates of deposit and investment certificates in any such institution. Of the total authorized bond issue of the Corporation $300,000,000 shall be available for the purposes of this subsection, without discrimination in favor of Federally chartered associations, and bonds of the Corporation not exceeding such amount may be sold for the purposes of this subsection."

(b) Section 9 of the act entitled "An act to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan act of 1933, and for other purposes", approved April 27, 1934, is hereby repealed.

Mr. BULKLEY. Mr. President, this amendment is offered to correct an error due to a misunderstanding in the committee report. It is also offered with the approval of the Chairman of the Banking and Currency Committee. The language which it is proposed to repeal by the amendment is the following:

The Home Owners' Loan Corporation is authorized to buy bonds or debentures of Federal home-loan banks upon such terms as may be agreed upon or to loan money to Federal home-loan banks upon such terms as may be agreed upon, but not to exceed $50,000,000, shall be invested or advanced under this section.

The Home Owners' Loan Corporation has never used any of that authorization. In section 15, page 25, of the pending bill we have provided for the same authority and a little greater authority, and we have provided a fund of $300,000,000 which is available for the purpose. I am sure all members of the committee thought, as I thought, that the $300,000,000 was inclusive of all amounts which had heretofore been made available for that purpose; but by checking with the legislative counsel we found that we had failed to repeal that section of the act of April 27, 1934.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Ohio [Mr. BULKLEY] to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. If there are no further amendments to be proposed, the question is on agreeing to the amendment of the committee as amended.

The amendment, as amended, was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. BULKLEY. I move that the Senate insist upon its amendment, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BULKLEY, Mr. WAGNER, Mr. BARKLEY, Mr. MCADOO, Mr. TOWNSEND, and Mr. STEIWER conferees on the part of the Senate.

DETAILED REPORTS ON OCEAN MAIL CONTRACTS

Mr. BLACK. Mr. President, I desire to call up a resolution which I gave notice yesterday I should ask to have considered today.

Mr. ROBINSON. Mr. President, I suggest to the Senator from Alabama that the Senator from New York [Mr. COPELAND] is not in the Senate Chamber at the present moment.

Mr. BLACK. I desire to give notice that at the earliest possible opportunity, the first day the Senate meets, I shall move, if necessary, to consider the resolution, the adoption of which will bring to the Senate the individual reports made by Postmaster General Farley on the subsidized ocean mail contracts. The Senate is entitled to have those facts; the country is entitled to have those facts; and it is my intention, at the first opportunity I can obtain the floor on the first day the Senate meets, to make a motion, if necessary, to that effect, which will include publishing the reports for the benefit of the people after they have been brought to the Senate.

TRADE COALITIONS AGAINST THE UNITED STATES

Mr. LEWIS. Mr. President, I make bold to call the attention of the Senate at this moment to a matter which is of great interest to those who are attracted to the policy of the reciprocity treaties as proposed by officers of the administration touching trade with the world, particularly in Europe.

I invite the attention of my fellow Senators to the fact that, while the administration is presenting a system extending its courtesies and generosity of trade to the principal nations of Europe, we are informed this morning from sources we cannot dispute that France and Russia have just concluded something of a treaty, ostensibly in the designation of peace, which openly and boldly arranges as between themselves for preference of trade, while the officer of Russia gives the world to understand it is notice to the United States that it should view what is being done as a lesson.

At the same time, Mr. President, we are informed that Germany has entered into an understanding with Russia along the same lines as that which England has found agreeable for her commercial advantages to propose and then adopt as between herself and Russia.

It will be noted that the morning press informs us that England, for reasons of her own, speaking for Britain to the representatives who are assembled at Stresa, has withdrawn all form of strictures upon the policy of Germany, and has refused to allow anything to enter the conference which shall appear to have the endorsement of England touching criticism of the increased armament of Germany, if such criticism carries with it a judgment or any form of condemnation.

It may be that England sees that this is the safer and better method for harmony and for peace. Of that we have no complaint, nor even comment. But when I am compelled to see that, while this Government is extending the favor of its trade treaties to these great nations, in turn for what we felt would be an equal treatment to ourselves, and then see this morning the attitude of one of these great powers withdrawing all opposition to one against which it has been announcing opposition for consecutively 60 days, I cannot but behold that it is all in pursuit of the policy that these countries shall unite themselves in commercial favor between each other, to the discrimination of the United States.

We cannot have failed to have seen the statements as to the trade contracts and the trade compacts now made between France and Germany—something of a consummation devoutly to be wished as between those two countries—and particularly between France and England, and now between England and Russia, which compacts have for their purpose, sir, granting precedent rights of trade one to the other, while the spokesman for Russia does not hesitate to inform the country that these arrangements of special benefits, advantages, and precedences between these nations are for the purpose of serving warning upon the United States, indicating that we should likewise enter into that which is desired by these particular nations, without regard as to how it should affect us.

Mr. President, I wish to suggest to this honorable body that if we have gone so far as to register as a policy that whenever we grant trade favors by a treaty, say, as lately we did to Belgium, the same favors or advantages indicated by such treaty shall be regarded as being equally extended to all other countries upon the same basis, and those other countries at the same time make deliberate contracts and compacts addressed to discrimination against the United States, making it impossible for us to adhere to the doctrine of reciprocity with equal fairness and equal division as between nations, the time has come when this body should inform the world that, while we were pleased to grant to the President of the United States, in great confidence in his capacity and his patriotism, the right to enter into reciprocity treaties and withhold the necessity of submitting them to the United States Senate for approval, now if it shall be the course on the part of other governments, which we desire to favor upon equal terms, to turn about and punish us at every opportunity by discrimination against us, the hour may come when we shall resume the right on the part of this body to supervise such treaties, that we may grant them where we should to those who have granted equal favor and equal opportunity to us, but withhold them and denounce them if they have been made with those nations that turn about and enter into compacts to discriminate in trade against the United States.

For myself, sir, at this moment when I take the liberty to intrude upon the deliberations of this body, let me say that not until this news was lately brought to me did the real consequence of the actions appear, nor, until now, when I have seen the news in public print, have I observed that these nations have boldly advertised to the world that they

are giving notice to the United States that the favor as between themselves is intended as a means to serve notice on us.

I say, sir, that the time has come when we should serve notice on them that they will either keep faith, they will either live within the spirit and the policy which we have assumed to extend to them, or should they fail to do so, and constantly enter into compacts which shall discriminate against us by giving favor to those who likewise are in debt to the Government of the United States, none of whom will pay a dollar of the principal nor make provision for the interest, this honorable body reserves the right to resume the control of these treaties, and in the possession of its privileges under the Constitution withhold the power of extending them to nations which have assumed, sir, to discriminate against America.

The time has come, as I see it, when with the advance of every movement which looks like a discrimination against us, we should announce our discovery thereof, should make known our resentment, and should make plain at least, sir, that we will not accept such action in calm, supine surrender.

It is high time, in every instance and everywhere when any nation shall assume to do that which we would regard as unfair and unjust to us while we are extending every form of equity and opportunity to them, that we denounce the injustice; for this is the time, sir, and these are the days when the American must be for America; and in every instance where it appears that other countries which owe us proper deference decline to accede it, the United States Senate will resume the exercise of all its prerogatives and privileges to protect America and aid the President of the United States in carrying out his policies in honor, in fairness, and in justice.

ADJOURNMENT TO MONDAY

Mr. ROBINSON. I move that the Senate stand adjourned until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 2 minutes p. m.) the Senate adjourned until Monday, April 15, 1935, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 12, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, the world is Thy house; we rest in Thee, for Thou wilt not withdraw from Thy children. Though darkness is about Thy throne, yet here we stay our prayers. Pierced, bereft, and broken hearted, O come to our brothers in yonder section, who are struggling, staggering with trailing, engulfing clouds of famine, starvation, and death. In their shocking grief come from behind the lowering heavens; help them as the barren earth seems to reel beneath their homeless feet. O Comforter of the Most High, rise like a star in untroubled splendor above the lowlands of desolation. Let Thy light break through with tender voice and loving touch. Allow no swollen fears or chattering doubts to deny Him who faced His earthly Jerusalem. May they dissolve like the mountains through the haze at twilight. Heavenly Father, flood the hearts of the suffering ones with new life, new hopes, and a blessed prospect. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order under clause 3 of rule XIII on Monday next; that business in order under clause 6 of rule XXIV on Tuesday next; and that business in order under clause 7 of rule XXIV on Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

CONGRESSIONAL INVESTIGATIONS

Mr. McSWAIN. Mr. Speaker, something like a week ago I obtained unanimous consent to extend my remarks in the RECORD and to place in the RECORD a list formulated by the Legislative Service of the Library of Congress of the various congressional investigations that have been had since and including the Sixty-seventh Congress through the Seventy-third Congress. When this was sent to the Printer it was ascertained that it contained more matter than is permissible under the standing rule.

Mr. Speaker, I now ask special authority from the House to extend my remarks and to include the whole amount, for the reason that I have a letter from the Director of the Legislative Reference Service, Mr. Meyer, to the effect that he has many requests for this matter, and it would be more economical to print it than to have a sufficient number of typewritten copies made to be distributed.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. RICH. Mr. Speaker, reserving the right to object, has the Public Printer made an estimate?

Mr. McSWAIN. Yes.

Mr. RICH. What is the estimate?

Mr. McSWAIN. The estimate is that it would cost $900.

Mr. RICH. Mr. Speaker, I call attention of the membership of the House to the fact that when the Public Printer sends back these estimates they should be announced to the Members of the House. This one item alone will cost $900, according to the estimate. This only takes into consideration those extensions that are over and above two pages, and when we think of the amount of the material that goes into the RECORD we can at once appreciate what the cost to the taxpayers of the country is. That is the reason we are trying to hold the RECORD down. I do not object to this request.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I have often been impressed by the thought that one of the most important powers exercised by the Congress, or by either House of the Congress, is the investigation it conducts from time to time into the acts and doings of the executive departments in order to ascertain facts upon which to predicate remedial and corrective legislation. In order to have data regarding previous investigation available, some time ago I requested the Legislative Reference Service of the Library of Congress to compile for me a list of the various investigations by congressional committees conducted by authority of Congress, beginning with March 4, 1921, and going through the Seventy-third Congress.

This work was very thoroughly done, and, believing that it would be of great service to the other Members of Congress and to the country generally, I am offering to have the same published as a part of my remarks.

Mr. Speaker, I regard the Congress as the grand jury of inquest into all Federal matters. It is astounding how the tendency in the mere executive branches is toward violation of the law and misapplication of the funds and property of the Government. I am proud to say that this tendency is always checked before it goes to dangerous limits. But I am firm in the conviction that but for the fact that Congress does sit at least a part of each year, and does from time to time exercise its power of investigation into executive departments, these departments would finally degenerate into a degree of corruption that would finally overthrow the Government. It is not merely what Congress discovers that is the measure of the good done. It is the fact that Congress may investigate that restrains the ordinary impulse and tendency to corruption. But for this ever-present threat, there would undoubtedly be many more instances of the violation of duty and the breach of trust. Let us hope, however, that due to general enlighten-

ment and to a keener sense of public obligation, these examples of official wrongdoing may constantly diminish and that the duty of the Congress to investigate may be less frequently employed. But until such improved condition comes about, the Congress should not hesitate to turn on the light of publicity wherever there is even an appearance of wrongdoing.

INVESTIGATIONS BY CONGRESSIONAL COMMITTEES AUTHORIZED FROM MARCH 4, 1921, TO JUNE 18, 1934 (67TH CONG. THROUGH 73D CONG.)

Arranged by Congresses and under each Congress in the following order of authorization of the investigation: (1) Statutes; (2) concurrent or joint resolutions; (3) Senate and House resolutions, each in numerical order.

NOTE.—Additional data on expenditure may be found in a table at end of this statement. "Result" is practically restricted to hearings and reports. No election contests in the House of Representatives have been included in this compilation.

Sixty-seventh Congress—April 11, 1921–March 3, 1923

JOINT COMMITTEES

1. Subject: Fiscal relations between District of Columbia and the United States since July 1, 1874.
Committee: Select committee, joint.
Authorization: Act approved June 29, 1922 (42 Stat. 670–671).
Expenditure: $20,000.
Result: Hearings held. Reports issued 1923. Investigations "as full and complete for all practical purposes as can ever be secured." Action recommended "that will definitely and finally set at rest existing contentions and conflicts between the District and Federal Governments." Surplus existed to the credit of District of Columbia (S. Doc. 301 and H. Doc. 603, 67th Cong., 4th sess. (ser. 8166, 8215)).

2. Subject: Limited membership of State banks and trust companies in Federal Reserve System.
Committee: Joint committee of inquiry.
Authorization: Agricultural Credits Act of 1923, section 506, approved March 4, 1923 (42 Stat. 1481–1482). House Joint Resolution 151 (68th Cong.), passed January 28, 1924 (43 Stat. 4).
Expenditure: Contingent fund of House and Senate.
Result: Hearings held before Committee on Banking and Currency.

3. Subject: Readjustment of salaries of officers and employees of Congress.
Committee: Select committee, joint.
Authorization: Act approved March 4, 1923 (42 Stat. 1560, sec. 10).
Expenditure: Not stated.
Result: Report issued January 3, 1924, with detailed table showing list of employees, their salaries and recommended compensation (S. Doc. 3 and H. Doc. 131, 68th Cong., 1st sess. (ser. 8255, 8273)).

4. Subject: Agricultural conditions.
Committee: Joint commission of agricultural inquiry.
Authorization: Senate Concurrent Resolution 4, passed June 7, 1921; House Concurrent Resolution 26, passed August 4, 1921; House Concurrent Resolution 38, passed December 14, 1921 (42 Stat. II, 1807, 1809, 1811).
Expenditure: Contingent fund of House and Senate.
Result: Hearings held. Report issued (1921–22) in four parts, on (1) agricultural crisis and its causes; (2) credit facilities; (3) transportation; (4) marketing and distribution (H. Rept. 408, 67th Cong., 1st sess. (ser. 7922)).

5. Subject: Pay of personnel of Army, Navy, Marine Corps, etc.
Committee: Select committee, joint.
Authorization: Senate Concurrent Resolution 11, passed November 1, 1921 (42 Stat. II, 1810, sec. 13).
Expenditure: Contingent fund of House and Senate.
Result: No reports nor hearings located.

6. Subject: Employment for Federal prisoners.
Committee: Joint committee.
Authorization: House Concurrent Resolution 53, passed March 2, 1923 (42 Stat. II, 1820).
Expenditure: Contingent fund of House and Senate, not exceeding $2,000.
Result: Hearings held. Report submitted December 6, 1923, including hearings, memorandum, and recommended bill to equip Leavenworth Penitentiary for the manufacture of Government supplies, compensation to prisoners, etc. (S. Rept. 1, 68th Cong., 1st sess. (ser. 8222)).

SENATE COMMITTEES

7. Subject: Agricultural products, particularly rice.
Committee: Agriculture and Forestry, Senate.
Authorization: Senate Resolution 56, agreed to May 5, 1921.
Expenditure: Contingent fund of Senate, not exceeding $10,000.
Result: No reports nor hearings located.

8. Subject: Bureaus and agencies of Government dealing with World War veterans.
Committee: Select committee, Senate.
Authorization: Senate Resolution 59, agreed to June 9, 1921; Senate Resolution 93 agreed to June 23, 1921.
Expenditure: Contingent fund of Senate; estimated amount $1,000 to $2,500.
Result: Report made February 27, 1923. Committee unable to enter into merits of case, but charges are sufficiently serious to merit thorough investigation. Passage of Senate Joint Resolution 288, for establishing a select committee, or a Senate resolution prolonging life of then present committee, is recommended (S. Rept. 1239, 67th Cong., 4th sess. (serial 8156); see also S. Res. 466 below).

9. Subject: Capt. Edmund G. Chamberlin, United States Marine Corps.
Committee: Naval Affairs, Senate.
Authorization: Senate Resolution 70, agreed to June 21, 1921; Senate Resolution 25 (68th Cong.), agreed to January 8, 1924.
Expenditure: Not stated.
Result: Hearings held.

10. Subject: Expenditures for propaganda and lobbies in Washington.
Committee: Judiciary, Senate.
Authorization: Senate Resolution 77, agreed to December 8, 1921.
Expenditure: Not stated.
Result: Hearings held.

11. Subject: Remarks of Admiral Sims in London.
Committee: Naval Affairs, Senate.
Authorization: Senate Resolution 89, agreed to June 9, 1921.
Expenditure: Not stated.
Result: No report nor hearings located.

12. Subject: National Grain Dealers Association.
Committee: Agriculture, Senate.
Authorization: Senate Resolution 110, agreed to August 22, 1921.
Expenditure: No expense anticipated.
Result: Hearings held.

13. Subject: Haiti and Dominican Republic.
Committee: Select committee, Senate.
Authorization: Senate Resolution 112, agreed to July 27, 1921.
Expenditure: Contingent fund of Senate.
Result: Hearings held. Report submitted June 26, 1922. Many recommendations made relative to Haiti—appointment of advisor to high commissioner and a commission of three, etc. Report on Dominican Republic deferred in view of negotiations in progress between State Department and Dominican leaders (S. Rept. 794, 67th Cong., 2d sess. (ser. 7954)).

14. Subject: Federal Reserve System and Office of Comptroller of the Currency.
Committee: Banking and Currency, Senate.
Authorization: Senate Resolution 115, agreed to April 10, 1922.
Expenditure: Contingent fund of Senate.
Result: No reports nor hearings located.

15. Subject: Examining Division, Civil Service Commission.
Committee: Select committee, Senate; five members of Civil Service Committee.
Authorization: Senate Resolution 199, agreed to January 19, 1922.
Expenditure: Contingent fund of Senate.
Result: Hearings held. Report submitted July 25, 1922. Committee believes Civil Service Commission and its Examining Division have been free from political bias or prejudice, uninfluenced from the outside; mistakes made are surprisingly few; work is conscientiously done, and preference to ex-service men carefully observed (S. Rept. 836, 67th Cong., 2d sess. (ser. 7954)).

16. Subject: Officers of Naval Air Service and members of Naval Reserve Flying Corps.
Committee: Naval Affairs, Senate.
Authorization: Senate Resolution 200, agreed to December 22, 1921.
Expenditure: Not stated.
Result: Hearings held April 6–24, 1922.

17. Subject: Proposed modification of consent decree in Packers' case.
Committee: Agriculture and Forestry, Senate.
Authorization: Senate Resolution 211, agreed to February 3, 1922.
Expenditure: Not stated.
Result: Hearings held.

18. Subject: Muscle Shoals, visit to investigate advisability of completing power plants.
Committee: Agriculture and Forestry, Senate.
Authorization: Senate Resolution 238, agreed to February 24, 1922.
Expenditure: Contingent fund of Senate, $2,000.
Result: No reports nor hearings located.

19. Subject: Claims of Hoboken, N. J., relative to occupation of certain docks by United States.
Committee: Select committee, Senate; three members of Committee on Commerce.
Authorization: Senate Resolution 254, agreed to June 29, 1922.
Expenditure: Contingent fund of Senate.
Result: Hearings held July 15 and August 8, 1922.

20. Subject: Night work in the Post Office Department.
Committee: Post Offices and Post Roads, Senate.
Authorization: Senate Resolution 259, agreed to March 28, 1922.
Expenditure: Not stated.
Result: Hearings held. Report submitted June 30, 1922. Post Office Department has not yet submitted all the information desired, and no definite recommendation for legislation is made. Committee believes much unnecessary night work is being done, but the Department will find a way to eliminate it. If necessary, additional compensation should be given or reduction made in day hours (S. Rept. 799, 67th Cong., 2d sess. (ser. 7951)).

21. Subject: Leases on naval oil reserves, nos. 1 and 2, in California and Wyoming.
Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolutions 277, 282, 294, 434, agreed to April 15, April 21, June 5, 1922, and February 5, 1923.

Expenditure: Contingent fund of Senate.

Result: Extensive hearings held. Interim reports submitted June 6, 1924 (S. Rept. 794, 68th Cong., 1st sess. (ser. 8223)). Suits ordered instituted and prosecuted. "Consider * * * the millions of dollars that were recovered by the Government, as well as the vast and valuable resources worth hundreds of millions returned to the Government as a result of the naval oil-lease investigation * * *." (Hon. GERALD P. NYE, CONGRESSIONAL RECORD, vol. 77, p. 4183.) (See also later Congresses.)

22. Subject: Crude oil and gasoline markets, conditions in 1920, 1921, and 1922.

Committee: Manufactures, Senate.

Authorization: Senate Resolution 292, agreed to May 13, 1922; Senate Resolution 295, agreed to June 5, 1922.

Expenditure: Contingent fund of Senate.

Result: Report submitted August 25, 1922, includes tabular statements of stocks and prices of crude oil and petroleum products (S. Rept. 877, 67th Cong., 2d sess. (ser. 7954)).

Report submitted March 3 (calendar day, Mar. 4), 1923, presenting general and detailed material answering questions in resolution—stocks, prices, profits, etc.

Remedies suggested, relative to oil industry, oil-company reports and accounts, pipe lines, freight rates, petroleum exportation, prices, and possible court action. (S. Rept. 1263, 67th Cong., 4th sess. (ser. 8156)).

23. Subject: Cotton supply, demand, and marketing.

Committee: Agriculture and Forestry, Senate.

Authorization: Senate Resolution 336, agreed to September 8, 1922.

Expenditure: Committee instructed to use such agencies as are necessary.

Result: Senate resolution 429 reported from the committee, and agreed to January 31, 1923, ordered the investigation to be made by the Federal Trade Commission.

24. Subject: Crop insurance.

Committee: Select committee, three Senators.

Authorization: Senate Resolution 341, agreed to September 9, 1922; Senate Resolution 413, agreed to January 24, 1923.

Expenditure: Contingent fund of Senate.

Result: Hearings held April 24–27, 1923.

25. Subject: Reforestation.

Committee: Select committee, 5 Senators.

Authorization: Senate Resolution 398, agreed to January 22, 1923.

Expenditure: Contingent fund of Senate.

Result: Hearings held November 7–23, 1923. Report submitted January 10, 1924, stating conditions and recommending legislation (S. Rept. 28, 68th Cong., 1st sess. (ser. 8222)).

26. Subject: Problem of 9-foot channel in Great Lakes, Gulf of Mexico Waterway.

Committee: Select committee, five Senators.

Authorization: Senate Resolution 411, agreed to January 25, 1923.

Expenditure: Contingent fund of Senate.

Result: Hearings held. Report submitted February 3 (calendar day, Feb. 4), 1925, with findings and recommendation that committee be continued in Sixty-ninth Congress. Construction of channel held advisable (S. Rept. 995, 68th Cong., 2d sess. (ser. 8389)).

27. Subject: Traffic conditions in Washington, D. C.

Committee: District of Columbia, Senate.

Authorization: Senate Resolution 419, agreed to March 3, 1923.

Expenditure: Not stated.

Result: Hearings held before subcommittee, November 5–December 20, 1923. Report submitted January 22, 1924, unanimously recommending traffic court, increased number of police, and certain other traffic regulations (S. Rept. 84, 68th Cong., 1st sess. (ser. 8222)).

28. Subject: United States Veterans' Bureau, alleged irregularities and mismanagement.

Committee: Select committee, Senate. Committee appointed under Senate Resolution 59.

Authorization: Senate Resolution 439, agreed to February 12, 1923.

Expenditure: Not stated.

Result: S. Rept. 1239, Sixty-seventh Congress, fourth session, same as for Senate Resolution 59 (q. v.) (ser. 8156).

29. Subject: United States Veterans' Bureau, leases and contracts.

Committee: Special committee, three Senators, Members of Sixty-eighth Congress.

Authorization: Senate Resolution 466, agreed to March 2, 1923; Senate Resolution 96 (68th Cong.), agreed to January 10, 1924.

Expenditure: Contingent fund of Senate; not exceeding $20,000. Additional expenditures authorized; not exceeding $26,500.

Result: Hearings held October 22 to December 5, 1923. Preliminary reports submitted in January, February, and June 1924, recommending codification of laws (bill introduced), substantial changes in law (enumerated), and permanent congressional committee on veterans' legislation (Rept. 103, 68th Cong., 1st sess. (ser. 8222)).

30. Subject: Gold and silver inquiry.

Committee: Gold and Silver Inquiry Commission, Senate.

Authorization: Senate Resolution 469, agreed to March 3, 1923.

Expenditure: Contingent fund of Senate.

Result: Field hearings held. A number of reports and studies issued. Progress report submitted February 1, 1924 (S. Doc. 38, 68th Cong., 1st sess. (ser. 8253)).

HOUSE COMMITTEES

31. Subject: Escape of Grover Cleveland Bergdoll.

Committee: Select committee, House.

Authorization: House Resolution 12, agreed to April 18, 1921.

Expenditure: Contingent fund of House, not exceeding $10,000.

Result: Hearings held. Report submitted. Committee procured facts; believes conspiracy existed to effect escape, and that there was dereliction of duty by officers and others specifically named. (H. Rept. 354, 67th Cong. 1st sess. (ser. 7921)).

32. Subject: Trip to Muscle Shoals and Gorgas, Ala., to investigate advisability of completing same.

Committee: Military Affairs, House.

Authorization: House Resolution 300, agreed to March 17, 1922.

Expenditure: Contingent fund of House; not exceeding $2,000.

Result: No reports nor hearings located.

Sixty-eighth Congress—December 3, 1923–March 3, 1925

JOINT OR STATUTORY COMMITTEES

1. Subject: Northern Pacific land grants.

Committee: Joint committee.

Authorization: Public Resolution No. 24, approved June 5, 1924 (43 Stat. 462, sec. 3).

Expenditure: Appropriation of $50,000 (43 Stat. 673).

Result: Very extensive hearings held, printed 1924 to 1928. Reports issued from time to time in connection with bills presented to various Congresses on proposals for legislation relative to Northern Pacific Railway (S. Rept. 1603 and H. Rept. 2164 (69th Cong., 2d sess.); S. Rept. 1845 and H. Rept. 2628 (70th Cong., 2d sess.); H. Rept. 2 (71st Cong., 2d sess.)).

2. Subject: George W. English, Illinois district judge, official conduct.

Committee: Judiciary, House.

Authorization: Public Resolution No. 67, approved March 3, 1925 (43 Stat. 1258).

Expenditure: Contingent fund of House, not exceeding $5.000.

Result: Hearings held. Reports issued December 19, 1925, and March 25, 1926, finding charges sustained. House report included resolution and articles of impeachment (H. Doc. 145 and H. Rept. 653, 69th Cong., 1st sess. (ser. 8578, 8536)). Impeachment proceedings held, judge resigned, and proceedings were dismissed.

SENATE COMMITTEES

3. Subject: Bureau of Efficiency, annual cost.

Committee: Expenditures in Executive Departments, Senate.

Authorization: Senate Resolution 31, agreed to December 11, 1923.

Expenditure: No outlay anticipated.

Result: No hearings nor reports located.

4. Subject: Medical education, abuses.

Committee: Education and Labor, Senate.

Authorization: Senate Resolution 61, agreed to December 19, 1923.

Expenditure: Not stated.

Result: Hearings held. No report located.

5. Subject: Senatorial election in Texas, alleged unlawful practices (Earle B. Mayfield).

Committee: Privileges and Elections, Senate.

Authorization: Senate Resolution 97, agreed to January 3, 1924.

Expenditure: Contingent fund of Senate.

Result: Hearings held. Report submitted February 2, 1925, recommending that contest be dismissed and protest against Senator Mayfield be overruled (S. Rept. 973, 68th Cong., 2d sess. (ser. 8389)).

6. Subject: Organized effort to control Congress by propaganda or other unfair methods.

Committee: Special committee, Senate.

Authorization: Senate Resolution 107, agreed to January 17 and 21, 1924.

Expenditure: Contingent fund of Senate.

Result: No hearings nor reports located.

7. Subject: Fraudulent dealings in specified lands.

Committee: Post Offices and Post Roads, Senate.

Authorization: Senate Resolution 133, agreed to February 13, 1924.

Expenditure: Contingent fund of Senate.

Result: No hearings nor reports located.

8. Subject: Naval oil-reserve leases.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 147, agreed to February 7, 1924. (See also S. Res. 282, 67th Cong.)

Expenditure: Contingent fund of Senate.

Result: Hearings held. Report submitted March 4, 1924, holding Harry F. Sinclair in contempt (H. Rept. 299, 68th Cong., 1st sess. (ser. 8220)). Report submitted June 6, 1924, listing pertinent resolutions of the Sixty-seventh and Sixty-eighth Congresses under which the committee acted, briefly outlining history of leases, Executive order, Fall's financial transactions, incidental inquiries, and reserving to a later date, recommendations for legislation (S. Rept. 794, 68th Cong., 1st sess. (ser. 8223)).

9. Subject: Claims of Honolulu Consolidated Oil Co. to oil lands in naval reserve no. 2.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 151, agreed to February 8, 1924; Senate Resolution 356, agreed to March 4, 1925.

Expenditure: Contingent fund of Senate.

Result: No hearings nor reports located.

10. Subject: Attorney General, Department of Justice.

Committee: Select committee, Senate.

Authorization: Senate Resolution 157, agreed to March 1, 1924; Senate Resolution 183, agreed to March 4, 1924; Senate Resolution 189, agreed to March 14, 1924.

Expenditure: Not stated.

Result: Hearings held. Report submitted April 24 (calendar day Apr. 26), 1924, relative to M. S. Daugherty in contempt of authority of the committee (S. Rept. 475, 68th Cong., 1st sess. (ser. 8221)).

11. Subject: District of Columbia, housing and rental conditions.

Committee: District of Columbia, Senate.

Authorization: Senate Resolution 158, agreed to February 28, 1924; Senate Resolution 203, agreed to April 7, 1924.

Expenditure: Contingent fund of Senate, not exceeding $7,500.

Result: Surveys made. Report giving many details, submitted May 12, 1924 (S. Rept. 530, 68th Cong., 1st sess. (ser. 8223)).

12. Subject: Misleading estimates as to cost of bonus.

Committee: Finance, Senate.

Authorization: Senate Resolution 164, agreed to February 19, 1924.

Expenditure: Not stated.

Result: No hearings nor reports located.

13. Subject: Bureau of Internal Revenue.

Committee: Select committee, Senate.

Authorization: Senate Resolution 168, agreed to March 12, 1924; Senate Resolution 211, agreed to May 6, 1924; Senate Resolution 333, agreed to February 26, 1925.

Expenditure: Contingent fund of Senate.

Result: Hearings held. Report issued in three parts, January and February 1926, outlining scope of investigation, administration of prohibition laws, income and estates taxes. Suggestions made for remedial legislation, leaving final framing of legislative program to Finance Committee (S. Rept. 27, 69th Cong., 1st sess. (ser. 8529)).

14. Subject: Senator BURTON K. WHEELER, charges against, in indictment in a Montana court.

Committee: Select committee, Senate.

Authorization: Senate Resolution 206, agreed to April 9, 1924; Senate Resolution 207, agreed to April 9, 1924.

Expenditure: Contingent fund of Senate.

Result: Hearings held. Report submitted May 14, 1924. Committee wholly exonerated Senator WHEELER from any and all violations of section 1782 of Revised Statutes (S. Rept. 537, 68th Cong., 1st sess. (ser. 8223)).

15. Subject: War Finance Corporation, loans and advances in Idaho.

Committee: Special committee, Senate.

Authorization: Senate Resolution 208, agreed to June 7, 1924.

Expenditure: Contingent fund of Senate.

Result: Hearing held. Report issued March 9, 1925, presenting evidence and deductions therefrom, showing that War Finance Corporation made special effort to serve Idaho in matter of loans, Senator Gooding and related interests did receive loans, but they were repaid with interest, and they did not curtail opportunities of others in Idaho to secure funds (S. Rept. 1, 69th Cong., special sess. (ser. 8527)).

16. Subject: Campaign expenditures in Presidential elections.

Committee: Special committee, Senate.

Authorization: Senate Resolution 248, agreed to June 7, 1924.

Expenditure: Contingent fund of Senate.

Result: Hearings held. Report submitted February 3 (calendar day, Feb. 12), 1925, giving campaign expenditures in detail, and including text of a recommended Federal corrupt practices act (S. Rept. 1100, 68th Cong., 2d sess. (ser. 8389)).

17. Subject: Farmers' losses on account of wheat-price fixing by Government during World War.

Committee: Agriculture and Forestry, Senate.

Authorization: Senate Resolution 249, agreed to June 7, 1924.

Expenditure: Contingent fund of Senate.

Result: No hearings nor reports located, on Senate Resolution 249, but there were hearings before the House Committee on Agriculture, on two bills, S. 2480 and H. R. 7062, to refund losses sustained through price fixing in 1917, 1918, 1919.

18. Subject: Tricounty project in Nebraska.

Committee: Irrigation and Reclamation, Senate.

Authorization: Senate Resolution 251, agreed to June 7, 1924.

Expenditure: Contingent fund of House; $300.

Result: No hearings nor reports located (although hearings were held in 1925 on related bill).

19. Subject: Colorado River Basin, proposed legislation relative to development.

Committee: Irrigation and Reclamation, Senate.

Authorization: Senate Resolution 320, agreed to February 26, 1925.

Expenditure: Contingent fund of Senate.

Result: No reports nor hearings located (although hearings were held on related bills).

20. Subject: National Forests and the Public Domain.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 347; agreed to March 4, 1925 (S. Res. 82, 159, 69th Cong.).

Expenditure: Contingent fund of Senate.

Result: Extensive hearings relative to various States, national parks, and Indian reservations. No report located.

HOUSE COMMITTEES

21. Subject: United States Shipping Board and Emergency Fleet Corporation.

Committee: Select committee, House.

Authorization: House Resolution 186, agreed to March 4, 1924; House Resolution 212, agreed to March 18, 1924.

Expenditure: Not stated.

Result: Hearings held 1924–25. Report submitted that the inquiry had dealt with 40 major subjects, besides various subtopics and collateral subjects. Recommendations were made relative to future policy of the Shipping Board and the Emergency Fleet Corporation, sale of ships, and ship subsidies. Retention of the Board was favored (H. Rept. 2, 69th Cong., 1st sess. (ser. 8535)).

22. Subject: United States air services, Army, Navy, mail.

Committee: Select committee, House.

Authorization: House Resolution 192, agreed to March 24, 1924; House Resolution 243, agreed to April 22, 1924.

Expenditure: Contingent fund of House; not exceeding $25,000.

Result: Hearings held, six volumes of printed records. Report made December 14, 1925, with 23 recommendations, including a single department of national defense, an Under Secretary of Air in the Department of Commerce, and provision by law for the regulation of flying (H. Rept. 1653, 68th Cong., 2d sess. (ser. 8391)).

23. Subject: Bribery of two Members of Congress, alleged charges against Representatives John W. Langley and Frederick N. Zihlman.

Committee: Select committee, House.

Authorization: House Resolution 217, agreed to March 12, 1924; House Resolution 251, agreed to April 22, 1924.

Expenditure: Not exceeding $10,000.

Result: Hearings held. Report submitted May 15, 1924, that Representative Langley had been indicted, tried, convicted, and sentenced, and would take no part in House debates. Conflicting testimony was presented regarding Representative Zihlman; charges were not proved, and it was recommended no further action be taken (H. Rept. 659, 68th Cong., 1st sess. (ser. 8232)).

24. Subject: Government securities—preparation, distribution, sale, destruction, etc.

Committee: Special committee, House.

Authorization: House Resolution 231, agreed to March 24, 1924; House Resolution 239, agreed to April 4, 1924.

Expenditure: Contingent fund of House; not exceeding $10,000.

Result: Report made March 2, 1925, that there had been duplication and falsification of bonds, neglect of legal remedies, destruction of bonds in haste and in violation of law, questionable methods of handling with substantial losses to the Government. Evidence was presented with the recommendation for immediate restoration of the examining, comparing, and recording of coupons (H. Rept. 1635, 68th Cong., 2d sess. (ser. 8392)).

25. Subject: William E. Baker, West Virginia judge, official conduct.

Committee: Judiciary, House.

Authorization: House Resolution 325, agreed to May 22, 1924; House Resolution 336, agreed to June 7, 1924.

Expenditure: Contingent fund of House; not exceeding $2,500.

Result: Hearing held. Report submitted February 10, 1925, that after examning many witnesses and much documentary evidence, the committee believed William E. Baker not guilty of acts which are high crimes and misdemeanors. Recommendation made that articles of impeachment be not directed against him (H. Rept. 1443, 68th Cong., 2d sess. (ser. 8392)).

26. Subject: Soldiers' hospitals and homes.

Committee: World War Veterans' Legislation, House.

Authorization: House Resolution 351, agreed to June 7, 1924; House Resolution 370, agreed to December 18, 1924.

Expenditure: Contingent fund of House.

Result: No hearings nor reports located.

27. Subject: Bankruptcy laws of the United States; examination to suggest amendments and improvement in administration.

Committee: Judiciary, House (subcommittee).

Authorization: House Resolution 353, agreed to June 6, 1924.

Expenditure: Not stated.

Result: No reports nor hearings located (although there were hearings on bills to amend the bankruptcy laws).

28. Subject: National Disabled Soldiers' League.

Committee: Select committee, House.

Authorization: House Resolution 412, agreed to January 24, 1925; House Resolution 419, agreed to January 28, 1925.

Expenditure: Contingent fund of House; not exceeding $1,000.

Result: Hearings held. Report submitted March 3, 1925, with recommendation for amendment of District of Columbia Code to protect public against unscrupulous solicitation of funds and more stringent regulation of charitable organizations; also that the Department of Justice be asked to present the facts developed to the grand jury for action (H. Rept. 1638, 68th Cong., 2d sess. (ser. 8392)).

Sixty-ninth Congress—December 7, 1925–March 3, 1927

JOINT COMMITTEES

1. Subject: Muscle Shoals: Negotiations for leasing nitrate and power properties at Muscle Shoals, Ala., and quarry properties at Waco, Ala.

Committee: Joint committee, 3 members from Senate Committee on Agriculture and Forestry and 3 from House Committee on Military Affairs.

Authorization: House Concurrent Resolution 4, passed March 13, 1926; Senate Concurrent Resolution 4, passed May 20, 1926 (44 Stat. III, 1977–78, 1982).

Expenditure: Contingent funds of House and Senate; not exceeding $5,000, one-half from fund of each House.

Result: Hearings held. Reports issued to House and Senate in April 1926, giving findings, copies of bids and proposals received; also bill to carry into effect the committee's recommendations that the proposal of the Muscle Shoals Power Distributing Co. and Muscle Shoals Fertilizer Co. be accepted. Reasons for the recommendation are presented in detail. (Neither S. 4106 nor H. R. 11602, the committee's bill, were passed. Only the debate stage was reached in the 69th Cong.) (S. Rept. 672, 69th Cong., 1st sess. (ser. 8525); or H. Rept. 890, 69th Cong., 1st sess. (ser 8533).)

NOTE.—See end of statement.

SENATE COMMITTEES

2. Subject: Senatorial election contest in New Mexico, *Bursum* v. *Bratton*.

Committee: Privileges and Elections, Senate.

Authorization: Senate Resolution 19, agreed to March 10, 1925.

Expenditure: Contingent fund of Senate.

Result: Report submitted April 29 (calendar day, Apr. 30), 1926, giving details of work done, and presenting Senate Resolution 215, declaring Sam G. Bratton elected (S. Rept. 724, 69th Cong., 1st sess. (ser. 8528)).

1–A. Subject: Internal-revenue taxation and its administration by the Bureau of Internal Revenue.

Committee: Joint Committee on Internal Revenue Taxation.

Authorization: Revenue Act of 1926, approved February 26, 1926 (44 Stat. II, 127, sec. 1203); Senate Resolution 264 (72d Cong.), agreed to July 11, 1932.

Expenditure: Contingent fund of Senate and House, one-half from each, no amount named. Members of committee serve without compensation, but are reimbursed for expenditures on travel, subsistence, etc., other than those connected with District of Columbia meetings.

Result: Hearings. Investigations and study have resulted in many reports, such as the following: Seventieth Congress: House Document 139, operations of the committee; Senate Document 157, payment of taxes in view of disclosures. Seventy-first Congress: House Document 43, tax refunds; House Document 478, refunds and credits of taxes. Seventy-second Congress: House Document 223, refunds of internal-revenue taxes; House Document 535, refunds and credit of internal-revenue taxes; Senate Document 138, taxes and penalties paid into Treasury consequent upon disclosures for oil-reserve leases.

3. Subject: Senatorial election contest in Minnesota, *Johnson* v. *Schall*.

Committee: Privileges and Elections, Senate.

Authorization: Senate Resolution 20, agreed to March 10, 1935.

Expenditure: Contingent fund of Senate.

Result: Hearings held (S. Doc. 158, 68th Cong., 1st sess. (ser. 8553)). Report submitted June 7 (calendar day June 8), 1926, giving committee findings, recommending the overruling of the protest, and presenting Senate Resolution 243, declaring Thomas D. Schall to be duly elected (S. Rept. 1021, 69th Cong. 1st sess. (ser. 8528)).

4. Subject: Senatorial election contest in Iowa, *Steck* v. *Brookhart*.

Committee: Privileges and Elections, Senate.

Authorization: Senate Resolution 21, agreed to March 10, 1925.

Expenditure: Contingent fund of Senate.

Result: Hearings held. Report submitted March 27 (calendar day Mar. 29), 1926, with evidence, number of votes, etc. The committee found a plurality for Brookhart irrespective of votes that could not be counted for him, and declared he was entitled to the seat in the Senate (S. Rept. 498, 69th Cong., 1st sess. (ser. 8527)).

5. Subject: Alien property custodian and administration of his office.

Committee: Select committee, five Senators.

Authorization: Senate Resolution 71, agreed to July 3, 1926.

Expenditure: Not stated.

Result: No hearings nor reports located. In December of 1926, the President transmitted to the Senate a copy of a report made by the Comptroller General to the President on his investigation of the administration of the office of the Alien Property Custodian (S. Doc. 182, 69th Cong., 2d sess. (ser. 8696)).

6. Subject: Prosecution of the Aluminum Co. of America by the Department of Justice.

Committee: Judiciary, Senate.

Authorization: Senate Resolution 109, agreed to January 6, 1926.

Expenditure: Not stated.

Result: Hearings held. Report submitted February 15 and 18, 1926, in three parts, the majority view being that there had been lack of diligence in the prosecution. Recommendation was made that the committee be empowered to investigate further (S. Rept. 117, 69th Cong. 1st sess. (ser. 8527)).

7. Subject: Coal situation in the District of Columbia.

Committee: District of Columbia, Senate.

Authorization: Senate Resolution 137, agreed to February 5, 1926.

Expenditure: Contingent fund of the Senate.

Result: Hearings held. Report submitted January 8, 1927, concerning conditions. Facts presented, but no recommendations for legislation to prevent recurrence of conditions existing in the coal strike of 1925–26, although it was hoped that the report, supplemented by information in the printed hearings and in the auditors' detailed findings, would be of practical value in framing future legislation (S. Rept. 1229, 69th Cong., 2d sess. (ser. 8686)).

8. Subject: Administration of flexible tariff, and appointment of members of Tariff Commission.

Committee: Select committee, Senate.

Authorization: Senate Resolution 162, agreed to March 11, 1926; Senate Resolution 178, agreed to March 22, 1926; Senate Resolutions 357, 358, agreed to February 17, 1927.

Expenditure: Contingent fund of Senate, not exceeding $10,000.

Result: Voluminous hearings, 11 parts. Report submitted May 28 (calendar day May 29), 1928, presenting as part of the report the evidence obtained, in 1,461 pages of printed matter, also an adequate index. There is given a brief summary of Tariff Commission history and the flexible provision of the Tariff Act of 1922. The committee recommended (1) repeal of the flexible provisions of the act, giving reasons to support their recommendation; and (2) making the Tariff Commission a congressional agency, reporting directly to the two Houses of Congress, "to relieve the President of acting on the Commission's reports, and to restore tariff rate making to the legislative branch of the Government" (S. Rept. 1325, 70th Cong., 1st sess. (ser. 8833)).

9. Subject: Senatorial campaign expenditures.

Committee: Special committee, Senate.

Authorization: Senate Resolution 195, agreed to May 19, 1926; Senate Resolution 227, agreed to June 3, 1926; Senate Resolution 258, agreed to June 30, 1926; Senate Resolution 10 (70th Cong.), agreed to December 12, 1927.

Expenditure: Contingent fund of Senate; not exceeding $65,000 (originally $10,000 but later increased to $50,000, and still later augmented by $15,000).

Result: Hearings held, including some in the field—Oregon, Washington, Kansas City, and Arizona. Reports rendered in December 1926 and February 1927, on situation and expenditures in Illinois, Pennsylvania, Oregon, Washington, Arizona—Smith candidacy and Insull contributions in Illinois, and Pepper-Fisher campaign in Pennsylvania are given detailed accounts. It was recommended that Samuel Insull, Daniel T. Schuyler, and Thomas O. Cunningham be held in contempt of the committee for refusing desired information. Later the first two named reappeared and gave the committee additional information, duly reported to Senate (S. Rept. 1197, 69th Cong. 2d sess. (ser. 8686); S. Rept. 603, 70th Cong., 1st sess. (ser. 8832)).

10. Subject: Change in boundaries of Yellowstone National Park and certain other parks.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 237, agreed to July 2, 1926.

Expenditure: Contingent fund of Senate, not exceeding $3,500.

Result: Hearing held. Report submitted March 2 (calendar day Mar. 4), 1927, recommending changing all boundaries as proposed by President's coordinating commission, with further change in the southwest boundary of Yellowstone Park as set forth in an accompanying amendment intended to be proposed to S. 3427, to create an irrigation reservoir in that section (S. Rept. 1714, 69th Cong., 2d sess. (ser. 8687)).

11. Subject: Location of Sand Island in the Columbia River, in the State of Oregon or in the State of Washington.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 250, agreed to July 2, 1926.

Expenditure: Contingent fund of Senate; not exceeding $3,000.

Result: Hearings and examination in Oregon and Washington. Report submitted March 2, 1927, with finding that Sand Island belongs to Oregon, and belief that Oregon should have jurisdiction and control. It was recommended that proceeds of the United States from leasing the island for fishing, should be given to Oregon. Passage of S. 3501 and S. 4324 recommended (S. Rept. 1697, 69th Cong., 2d sess. (ser. 8687)).

12. Subject: Action of Interstate Commerce Commission in refusing to suspend certain tariff rates on the Santa Fe Railroad.

Committee: Interstate Commerce, Senate.

Authorization: Senate Resolution 272, agreed to July 2, 1926.

Expenditure: Not stated.

Result: No hearings nor reports located.

13. Subject: Charges against Arthur R. Gould.

Committee: Privileges and Elections, Senate.

Authorization: Senate Resolution 278, agreed to December 7, 1926; Senate Resolution 296, agreed to January 3, 1927.

Expenditure: Contingent fund of Senate, not exceeding $5,000.

Result: Hearings held. Report submitted March 2 (calendar day, Mar. 4), 1927, finding Mr. Gould free from fraud in the matter, the transaction investigated had no relation to his selection as a senatorial candidate in Maine, it occurred many years earlier, he is a man of good character, and the committee recommended no further action in the matter, and confirmation of his right to a seat in the Senate. (S. Rept. 1715, 69th Cong., 2d sess. (ser. 8687)).

14. Subject: Matters relating to contract between Fred Herrick and the United States Forest Service for the purchase of certain timber in the Malheur National Forest.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 332, agreed to January 31, 1927.

Expenditure: Contingent fund of Senate, not exceeding $3,000.

Result: Hearings held. Report submitted March 2 (calendar day, Mar. 3), 1927, with definite recommendations about the financial arrangements to be made by Mr. Herrick, the work to be done in cutting timber and completing sawmill at Burns, Oreg., also

relative to a railroad to be open for freight and passenger traffic from Burns or Seneca (S. Rept. 1695, 69th Cong., 2d sess. (ser. 8687)).

15. Subject: Alleged lobbying activities in connection with H. R. 2, the so-called "Pepper-McFadden banking bill."

Committee: Banking and Currency, Senate.

Authorization: Senate Resolution 355, agreed to March 4, 1927.

Expenditure: Contingent fund of Senate; not exceeding $2,500.

Result: No hearings nor reports located.

HOUSE COMMITTEES

16. Subject: Charges against Representative John W. Langley.

Committee: Select committee, House.

Authorization: House Resolution 41, agreed to December 9, 1925.

Expenditure: Not stated.

Result: No hearings found. Report submitted December 22, 1925, on conviction and sentence of John W. Langley, and his petition for writ of certiorari. Committee did not ask discharge, but leave to report further if petition should be refused. Mr. Langley was not participating in affairs of House (H. Rept. 30, 69th Cong., 1st sess. (ser. 8535)). Petition for certiorari was refused. Mr. Langley resigned January 11, 1926. (CONGRESSIONAL RECORD, vol. 67, p. 1861.)

17. Subject: Government of the District of Columbia.

Committee: District of Columbia, House.

Authorization: House Resolution 350, agreed to February 1, 1927.

Expenditure: Contingent fund of House; not exceeding $2,500.

Result: Hearings held. The greater part deal with charges against Mr. Fenning and the operation of St. Elizabeths Hospital. Volume 2 includes a preliminary report of a subcommittee, and hearings held by the Efficiency Bureau on traffic-signal equipment furnished by Crouse Hinds Co. Subcommittee recommended complete survey of District of Columbia government—other administrative agencies than those studied to be included—with recommendations to be made for improvement of conditions in the District, and to relieve Congress of legislative details (no serial number).

18. Subject: Charges against Hon. Frank Cooper, United States district judge for the northern district of New York.

Committee: Judiciary, House.

Authorization: House Resolution 415, agreed to February 11, 1927.

Expenditures: Contingent fund of House.

Result: Hearing held. Report submitted March 2, 1927, recommending adoption of resolution that evidence submitted does not call for interposition of constitutional powers of House relative to impeachment (H. Rept. 2299, 69th Cong., 2d sess. (ser. 8690)).

19. Subject: Abolishment of useless offices.

Committee: Temporary committee on accounts, consisting of Representatives-elect to Seventieth Congress.

Authorization: House Resolution 453, agreed to March 3, 1927.

Expenditure: Not stated.

Result: No hearings nor reports located.

Seventieth Congress—December 5, 1927–March 3, 1929

JOINT OR STATUTORY COMMITTEES

1. Subject: Adjustments in numbers and compensation of officers and employees of the Senate and House of Representatives.

Committee: Joint committee, 3 Senators and 3 Representatives, Members-elect to the Seventy-first Congress.

Authorization: Legislative Appropriation Act, approved February 28, 1929 (45 Stat. 1402, sec. 4).

Expenditure: Not stated.

Result: Report submitted June 14, 1929, and recommendations made concerning salaries, new positions, etc. Tabulation showing the then present salaries, and proposed compensation. Bills submitted to carry into effect the recommendations made (H. R. 3966 and S. 1531). The former became law during the Seventy-first Congress (46 Stat. 32–39) (H. Rept. 22, 71st Cong., 1st sess.; S. Rept. 35, 71st Cong., 1st sess. (ser. 9185, 9190)).

2. Subject: Official conduct of Francis A. Winslow, United States district judge in New York.

Committee: Judiciary (special subcommittee), House.

Authorization: Public Resolution No. 93 (H. J. Res. 425), approved February 26, 1929 (45 Stat. 1325).

Expenditure: Contingent fund of House, not exceeding $5,000.

Result: Report submitted December 20, 1929. Committee had been duly organized and was proceeding with the inquiry when a letter from the Attorney General informed them that Judge Winslow's resignation, effective April 1, 1929, had been tendered to the President and accepted, wherefore the committee recommended no further proceedings and asked to be discharged (H. Rept. 84, 71st Cong., 2d sess. (ser. 9190); H. Res. 110, 71st Cong.), agreed to December 20, 1929, discontinued the investigation.

3. Subject: Official conduct of Grover M. Moscowitz, United States district judge in New York.

Committee: Judiciary (special subcommittee), House.

Authorization: Public Resolution No. 102 (H. J. Res. 431), approved March 2, 1929 (45 Stat. 1542); Public Resolution 103 (H. J. Res. 434), approved March 4, 1929 (45 Stat. 1697).

Expenditure: Contingent fund of House, not exceeding $5,000.

Result: Hearings held in New York City and Washington, D. C. Report submitted April 8, 1930. Individual members of committee do not approve all the acts of Judge Moscowitz concerning which evidence was produced, but "committee is unanimous in its opinion that sufficient facts have not been presented or adduced to warrant the interposition of the constitutional powers of impeachment of the House." Two member of the Judiciary Committee held an opposite view (H. Rept. 1106, 71st Cong., 2d sess. (ser 9192)).

4. Subject: Various executive agencies of the Government dealing with matters pertaining to the insular possessions of the United States.

Committee: Commission on insular reorganization, joint.

Authorization: Public Resolution No. 108 (S. J. Res. 9), approved March 4, 1929 (45 Stat. 1700); Public Resolution No. 25 (S. J. Res. 97, 71st Cong.), approved December 16, 1929 (46 Stat. 48).

Expenditure: Not stated.

Result: Report submitted January 6 (calendar day, Jan. 15), 1930, citing study made and authorities consulted and including joint resolution embodying recommendations that the President be authorized to transfer by Executive order to any designated executive department all or any part of the functions of the Secretaries of War and Navy, relative to the Philippine Islands, Puerto Rico, Virgin Islands, Guam, and American Samoa, and establish an office of insular affairs (S. Doc. No. 68, 71st Cong., 2d sess. (ser. 9219)).

5. Subject: Needs for airports and aviation fields of War, Navy, Post Office, and Commerce Departments, and District of Columbia.

Committee: Congressional commission, joint.

Authorization: Public Resolution No. 106 (S. J. Res. 216), approved March 4, 1929 (45 Stat. 1698–1699); Public Resolution No. 24 (S. J. Res. 87, 71st Cong.); approved December 16, 1929 (46 Stat. 48).

Expenditure: Contingent fund of House and Senate (one-half from each); whole amount not exceeding $2,000.

Result: Hearings held on District of Columbia airport facilities. Preliminary report May 25, 1929, stating difficulties in study and recommending passage of joint resolution authorizing National Capital Park and Planning Commission to acquire lands for airports for District of Columbia, and appropriating $500,000 therefor (H. Rept. 12 and S. Doc. 13, 71st Cong., 1st sess. (ser. 9190, 9125)). Final report January 6 (calendar day Mar. 3), 1920, recommending legislation providing for loans by the United States to District of Columbia for airport development, acquisition of properties in designated location, and gradual development of Gravelly Point (S. Doc. 93 and H. Rept. 852, 71st Cong., 1st sess. (ser. 9219, 9191)).

6. Subject: Aerial coast defense.

Committee: Joint committee.

Authorization: Senate Concurrent Resolution 11, passed March 4, 1929 (45 Stat. II, 2399).

Expenditure: Contingent fund of Senate and House (one-half from each); not exceeding $2,000.

SENATE COMMITTEES

7. Subject: Alleged payment of large sums of money by the Government of Mexico to influence the official action of certain United States Senators.

Committee: Special committee, Senate.

Authorization: Senate Resolution 7, agreed to December 9, 1927; Senate Resolution 8, agreed to December 9, 1927.

Expenditure: Contingent fund of Senate; not exceeding $25,000.

Result: Hearings held. Partial report, January 11, 1928. No evidence that any Senator had accepted or was promised or offered directly or indirectly any money or other valuable thing by an officer or representative of the Government of Mexico. Final report, January 7 (calendar day Jan. 9), 1929. Other documents submitted to the committee purported to show Senator BORAH and Senator NORRIS had received $100,000 each from the Soviet Ambassador in Paris. Every effort made to discover any existing corroboration of the charges, but none was found. Committee was unanimous in the belief that each group of documents was a fraud (S. Rept. 52, part I, 70th Cong., 1st sess.; S. Rept. 52, part II, 70th Cong., 2d sess. (ser. 8832)).

8. Subject: Contest between William S. Vare and William B. Wilson as to membership in the United States Senate from Pennsylvania.

Committee: Priveleges and Elections, Senate.

Authorization: Senate Resolution 68, agreed to December 17, 1927; Senate Resolution 225, agreed to May 12, 1928; Senate Resolution 285, agreed to January 12, 1929; Senate Resolution 310, agreed to February 9, 1929; Senate Resolution 156 (71st Cong.), agreed to November 12, 1929.

Expenditure: Contingent fund of Senate; not exceeding $50,000, later increased by additional amounts of $25,000, $20,000, and $12,000.

Result: Extensive hearings. Report submitted December 4 (calendar day, Dec. 5), 1929. Committee reported William B. Wilson had not sustained allegations and was not elected; William S. Vare did receive a plurality of the legal votes cast in the election of November 2, 1926. Supplemental report by four members of committee concurring in conclusion about Wilson, but dissenting about Vare because of excessive expenditure in primary, expenditures in election, and fraud (S. Rept. 47, 71st Cong., 2d sess. (ser. 9187)).

9. Subject: General survey of conditions of Indians in the United States.

Committee: Indian Affairs, Senate.

Authorization: Senate Resolution 79, agreed to February 2, 1928; Senate Resolution 303, agreed to February 27, 1929; Senate Resolution 308, agreed to February 27, 1929; Senate Resolution 263 (71st Cong.), agreed to May 14, 1930; Senate Resolution 416 (71st Cong.), agreed to February 17, 1931.

Expenditure: Contingent fund of Senate, not exceeding $30,000, later increased to $45,000.

Result: Extensive hearings in Washington, Oregon, California, Utah, Washington, D. C., and other States. Investigation continued under Senate Resolution 263 and Senate Resolution 416, Seventy-first Congress until end of Seventy-second Congress. Reports submitted in 1931, 1932, and 1933, in five parts, include facts concerning land appraisals in some districts, amounts necessary to adjust matters, deficiencies in the administration of Indian affairs, and the use of tribal funds. In one part of the report charges of misconduct were made against Herbert J. Hagerman, special commissioner to negotiate with the Indians in some of the Western States (S. Rept. 25, submitted in parts, Dec. 1931 to Jan. 1933, 72nd Cong., 1st and 2d sess. (pts. 1, 2, 3 in ser. 9489)).

10. Subject: Continuing investigation of naval oil-reserve leases and activities of Continental Trading Co. of Canada therewith.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 101, agreed to January 9, 1928; Senate Resolution 108, agreed to January 11, 1928.

Expenditure: Not exceeding $25,000.

Result: Hearings. Report submitted May 28 (calendar day, May 29), 1928, giving facts concerning Continental Trading Co., history of the naval oil reserves, and some of the disclosures made by the investigation, and its accomplishments. Prospect for "housecleaning" in oil industry. Political reform in decreased campaign funds. Increased public responsibility in equities of natural resources. Collection of millions of dollars in additional taxes. Punishment of conspirators. Lines along which legislation must be sought are included (S. Rept. 1326, pts. 1 and 2, 70th Cong., 1st sess. (ser. 8833)).

NOTE.—A letter from the Secretary of the Treasury, May 28, 1928, showed that as a result of the disclosures made by the Senate Committee on Public Lands and Surveys and the investigations of the Treasury Department there had been made additional tax payments of $606,097.19 from the Continental Trading Co., Ltd., of Canada and $1,398,910.09 from other sources (S. Rept. 157, May — (calendar day, May 25) 1928, 70th Cong., 1st sess. (ser. 8871)).

11. Subject: Conditions in the coal fields of Pennsylvania, West Virginia, and Ohio.

Committee: Interstate Commerce, Senate.

Authorization: Senate Resolution 105, agreed to February 16, 1928; Senate Resolution 249, agreed to May 28, 1928.

Expenditure: Contingent fund of Senate; not exceeding $10,000; later increased by $10,000 additional.

Result: Hearings held.

12. Subject: Decline in cotton prices and activities of cotton exchanges.

Committee: Agriculture and Forestry, Senate.

Authorization: Senate Resolution 142, agreed to February 15, 1928; Senate Resolution 172, agreed to March 19, 1928.

Expenditure: Contingent fund of Senate; not exceeding $5,000, later increased to $30,000.

Result: Report issued pursuant to Senate Resolution 142, in two parts, December 22, 1928, and February 25 (calendar day Mar. 1), 1929. Decline of cotton prices attributed to predictions of Bureau of Agricultural Economics and its statement as to carryover. Current and proposed legislation relative to practices on futures markets and activities of Government agencies outlined (S. Rept. 1376, 70th Cong., 2d sess. (ser. 8978)).

13. Subject: Administration of affairs of Federal Reserve Bank of Dallas, Tex.

Committee: Banking and Currency, Senate.

Authorization: Senate Resolution 152, agreed to February 24, 1928.

Expenditure: Contingent fund of Senate; not exceeding $2,500.

Result: Report submitted February 7 (calendar day Feb. 8), 1929. An exhaustive investigation was made by the board of directors of the Federal Reserve bank at Dallas in December 1927, with public hearings and testimony, of which a comprehensive digest was furnished the committee. Chairman of Senate committee went to Texas to gather more information; no one seemed to want to make charges of mismanagement, and indications were that bank at Dallas and member banks were in a very satisfactory condition—more so than at any other time since Federal Reserve System was instituted (S. Rept. 1679, 70th Cong., 2d sess. (ser. 8978)).

14. Subject: Illegal appointments and dismissals in the civil service since July 1, 1919.

Committee: Special committee, Senate.

Authorization: Senate Resolution 154, agreed to May 19, 1928.

Expenditure: Contingent fund of Senate, not exceeding $2,500.

Result: Hearings held. No report located.

15. Subject: Merits of S. 1752, to regulate the manufacture and sale of stamped envelops.

Committee: Post Offices and Post Roads, Senate.

Authorization: Senate Resolution 170, agreed to March 20, 1928.

Expenditure: Contingent fund of Senate, not exceeding $1,000.

Result: Hearings on S. 1752, but none located for the resolution. No report located.

16. Subject: Barter and sale of Federal offices and appointments.

Committee: Post Offices and Post Roads (subcommittee), Senate.

Authorization: Senate Resolution 193, agreed to May 8 and 19, 1928; Senate Resolution 288, agreed to January 12, 1929; Senate Resolution 311, agreed to February 26, 1929; Senate Resolution 330, agreed to February 18, 1929; Senate Resolution 42 (71st Cong.), agreed to May 6, 1929; Senate Resolution 59 (71st Cong.), agreed to May 22, 1929.

Expenditure: Contingent fund of Senate, not exceeding $5,000; later increased to $8,000, and still later to $14,000.

Result: Hearings. Report submitted December 3, 1929, on the situation in Texas. Describes workings of the Creager political machine and the installment-payment note system (for collecting party funds). The latter, in the opinion of the committee, ought to be made illegal by Federal statute (S. Rept. 46, 71st Cong., 2d sess. (ser. 9187)). Report submitted January 6 (calendar day, Mar. 15), 1930, on a survey of conditions in Georgia, Mississippi, South Carolina, and Texas, with additional evidence from other States (especially in South). Committee believes practice of dispensing Federal appointments by barter and sale should be abolished. Recommendation was made for amendment of the Federal Corrupt Practices Act and action by the Department of Justice against those who have violated statutes in their procedure (S. Rept. 272, 71st Cong., 2d sess. (ser. 9187)).

17. Subject: Oil-reserve leases investigation extended to include Salt Creek field in Wyoming.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 202, agreed to April 30, 1928; Senate Resolution 349, agreed to March 2, 1929.

Expenditure: Contingent fund of Senate; not exceeding $40,000 (in addition to earlier amounts in preceding Congresses).

Result: Hearings. Report submitted in two parts, February 7, 1929. Not a final report. Refers to investigation then in progress in the Department of Justice. Committee feels certain phases of procedure followed by Departments of Interior and Justice in renewal of royalty oil contract, and final cancelation are not above criticism (S. Rept. 1662, 70th Cong., 2d sess. (ser. 8978)).

18. Subject: Sinking of the submarine *S–4*.

Committee: Naval Affairs, Senate.

Authorization: Senate Resolution 205, agreed to April 30, 1928.

Expenditure: Contingent fund of Senate; not exceeding $10,000.

Result: Hearings. Report submitted February 25 (calendar day Feb. 27), 1929. After extensive hearings, subcommittee believes certain additional and important safety devices might be installed on submarines, and recommends a more liberal policy toward supplying funds for such devices, also more frequent meeting between the Navy Department and the Navy consulting board (S. Rept. 1988, 70th Cong., 2d sess. (ser. 8978)).

19. Subject: Campaign expenditures of Presidential candidates.

Committee: Special committee, Senate.

Authorization: Senate Resolution 214, agreed to April 30, 1928; Senate Resolution 234, agreed to May 25, 1928; Senate Resolution 261, agreed to May 29, 1928.

Expenditure: Contingent fund of Senate; $25,000, later increased by $25,000.

Result: Hearings held. Report submitted January 17 (calendar day Jan. 21), 1929, presenting tabulation of expenditures for Presidential campaign candidacies, by States. Committee recommends enactment of adequate legislation to regulate conduct of conventions and primary elections for nomination of Presidential candidates, thus to guard against abuses (S. Rept. 1480, 70th Cong., 2d sess. (ser. 8978). Report submitted February 25 (calendar day Feb. 28), 1929, giving receipts and expenditures for Republicans and Democrats, with additional recommendations for amendment of specified sections of the Federal Corrupt Practices Act, and adequate legislation to regulate the borrowing of money. Detailed tables give names of persons contributing $5,000 and over in behalf of Republican candidates (S. Rept. 2024, 70th Cong., 2d sess. (ser. 8978)).

20. Subject: Causes of unemployment.

Committee: Education and Labor, Senate.

Authorization: Senate Resolution 219, agreed to May 3, 1928.

Expenditure: Contingent fund of Senate; not exceeding $15,000.

Result: Hearings. Report submitted February 25 (calendar day Mar. 1), 1929, recommending Government encouragement of stabilization of employment by industry itself; insurance against unemployment within industry itself; the establishment of efficient unemployment exchanges; planning for public works in times of depression; and an efficient system of gathering unemployment statistics, with further consideration of old-age pensions (S. Rept. 2072, 70th Cong., 2d sess. (ser. 8978)).

21. Subject: Senatorial campaign expenditures in New Jersey, 1928.

Committee: Special committee, Senate.

Authorization: Senate Resolution 232, agreed to May 16, 1928.

Expenditure: Not stated.

Result: Hearings before subcommittee. Report submitted February 22, 1929. Election fraud not proved. Evidence did not show that New Jersey allowance of not more than $50,000 expenditure for any candidate at either primary or general election had been exceeded (S. Rept. 1861, 70th Cong., 2d sess. (ser. 8978)).

22. Subject: Additional national parks and boundary revisions for certain other national parks.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 237, agreed to May 25, 1928.

Expenditure: Contingent fund of Senate; not exceeding $3,500.

Result: Hearings in North Dakota and Wyoming. Subcommittee visited sites. Report submitted February 25 (calendar day Mar. 2), 1929, citing facts that visits and study of committee resulted in (1) establishment of Grand Teton National Park (act approved Feb. 26, 1929, 45 Stat. 1314); (2) readjustment of Yellowstone Park boundaries (creation of Yellowstone National Park Boundary Commission, public resolution approved February 28, 1929 (45 Stat. 1413); and (3) better understanding of the park situation (S. Rept. 2073, 70th Cong., 2d sess. (ser. 8978)).

23. Subject: Protection and conservation of lands within Rainy Lake watershed in northern Minnesota.

Committee: Agriculture and Forestry, Senate.

Authorization: Senate Resolution 239, agreed to May 25, 1928.

Expenditure: Contingent fund of Senate; not exceeding $2,000.

Result: No hearings nor reports located.

24. Subject: District of Columbia street-railway merger plan.

Committee: District of Columbia, Senate.

Authorization: Senate Resolution 244, agreed to May 25, 1928.

Expenditure: Contingent fund of Senate; not exceeding $10,000.

25. Subject: Cuban and Puerto Rican sugar price control during World War.

Committee: Special committee investigating Presidential campaign expenditures, Senate.

Authorization: Senate Resolution 255, agreed to May 3, 1928.

Expenditure: No additional amount stated.

Result: Report submitted February 4, 1929, giving citations to resolutions previously enacted in earlier Congresses, hearings and reports issued in earlier years, all on the same subject. "The committee is convinced that the entire record is found in the reports and printed hearings, to which reference has been made" (S. Rept. 1614, 70th Cong., 2d sess. (ser. 8978)).

26. Subject: Illegal delivery to private interests of lands ceded to the United States by the Government of Mexico.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 291, agreed to January 12, 1929; Senate Resolution 321, agreed to February 26, 1929.

Expenditure: Contingent fund of Senate, not exceeding $1,500; later increased by $5,000.

Result: Hearings held before subcommittee. Committee believes "grants in question are separately and severally valid", and those now claiming the lands in question are the unqualified legal owners and "there is no foundation in fact or in law for the charges" the committee was asked to investigate (S. Res. 426, 72d Cong., 1st ses. (ser. 9489)).

27. Subject: Additional national parks and boundary revisions for certain other national parks.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 316, agreed to February 26, 1929; Senate Resolution 252 (71st Cong.), agreed to May 5, 1930. (The subject matter of S. Res. 316 is essentially the same as that of S. Res. 237, under which the investigation had seemed of sufficient value for proposing an additional one of similar character. See p. 32, S. Res. 252 (71st Cong.) continued the investigation until the end of the 71st Cong.)

Expenditure: Contingent fund of Senate; not exceeding $12,500.

28. Subject: Proposed sale of certain vessels operated by the Shipping Board, and reconditioning of other vessels.

Committee: Commerce, Senate.

Authorization: Senate Resolution 319, agreed to February 6, 1929.

Expenditure: Not stated.

Result: No hearings nor reports located.

29. Subject: Convention and protocol between the United States and Great Britain for the preservation and improvement of the scenic beauty of Niagara Falls and Rapids.

Committee: Foreign Relations, Senate.

Authorization: Senate Resolution 333, agreed to February 26, 1929.

Expenditure: Contingent fund of Senate; not exceeding $2,500.

Result: No hearings nor reports located on this resolution. (There was transmitted to the Senate April 14 (calendar day, Apr. 16), 1930, a message from the President of the United States with the final report of the Special International Niagara Board, on "Preservation and improvement of the scenic beauty of the Niagara Falls and Rapids" (S. Doc. 128, 71st Cong., 2d sess. (ser. 9207)).

HOUSE COMMITTEES

30. Subject: District of Columbia government.

Committee: District of Columbia, House.

Authorization: House Resolution 101, agreed to January 26, 1928; House Resolution 267, agreed to January 14, 1929.

Expenditure: Contingent fund of House, not exceeding $2,000; later, $1,500 additional.

31. Subject: Campaign expenditures of various Presidential and other candidates.

Committee: Select committee, House.

Authorization: House Resolution 232, agreed to May 29, 1928; House Resolution 271, agreed to December 19, 1928.

Expenditure: Contingent fund of House; not exceeding $20,000.

Result: Hearings held. Report submitted March 2, 1929, on work done, collection of statistics concerning receipts and expenditures of the national committees, and including special hearings in Texas (H. Rept. 2821, 70th Cong., 2d sess. (ser. 8983)).

32. Subject: Federal prisoners in Federal, State, county, and municipal prisons and jails.

Committee: Special committee, House.

Authorization: House Resolution 233, agreed to May 29, 1928.

Expenditure: Contingent fund of House, not exceeding $20,000.

Result: Hearings held. Report presented January 31, 1929, giving findings relative to the magnitude of the Federal penal problem, congested conditions, employment, conditions in non-Federal institutions, and use of prison-made goods. Many recommendations were offered regarding administration, probation, establishment of road camps, building of narcotic institutions, penitentiaries, Federal jails, and workhouses. Passage of legislation to carry out the recommendations was urged (H. Rept. 2303, 70th Cong., 2d sess. (ser. 8981)).

Seventy-first Congress—April 15, 1929—March 3, 1931

JOINT COMMITTEE

1. Subject: Pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

Committee: Joint committee.

Authorization: Public Resolution No. 36 (S. J. Res. 7), approved February 3, 1930 (46 Stat. 63).

Expenditure: Not stated.

Result: Report submitted June 16, 1930, urged importance of establishing proper basis for promotion to secure proper compensation basis (S. Rept. 928, 71st Cong., 2d sess. (ser. 9186)). Report submitted January 21 (calendar day, Jan. 24), 1931, which includes (1) a report of the Interdepartmental Pay Board of July 19, 1929, rendered prior to appointment of congressional committee; (2) report of Interdepartmental Pay-Personnel Board of October 31, 1930, presented in consequence of a letter from the joint committee to the President; (3) comments of the General Accounting Office on the latter report; and (4) criticisms and suggestions (on the same report) by the Secretaries of the Treasury, War, Navy, and Commerce. Recommendation is made (1) for the appointment of a joint committee to report by bill or otherwise to their respective Houses, relative to distribution in grade, promotion, pay, and allowances for the services concerned, and (2) for a standing committee in each House of Congress to have jurisdiction over the pay of those same services, thus contributing to a more permanent program (H. Rept. 2366, 71st Cong., 3d sess (ser. 9326); S. Doc. 259, 71st Cong., 3d sess. (ser. 9336)). The exhibits are included only with the Senate document.

SENATE COMMITTEES

2. Subjects: Lobbying associations and lobbyists in and around Washington, D. C.

Committee: Judiciary, Senate.

Authorization: Senate Resolution 20, agreed to October 1, 1929; Senate Resolution 210, agreed to February 6, 1930; Senate Resolution 268, agreed to May 28, 1930; Senate Resolution 475, agreed to February 28, 1931.

Expenditure: Contingent fund of Senate; not exceeding $10,000, with additional amounts of $10,000, $3,500, and $3,000.

Result: Extensive hearings. Report submitted in 10 parts, beginning September 30 (calendar day, Oct. 26, 1929), and ending June 18 (calendar day, June 19), 1930, dealing with (1) employment of Mr. Eyanson and his association with Senator Bingham, (2) attempts to have Mr. Koch of the Tariff Commission restrained from giving information militating against the enactment of high tariff rates, (3) Joseph Grundy and his activities relative to tariff legislation, (4) activities of J. A. Arnold, (5) the sugar lobby, (6) low tariff or no tariff, (7) Muscle Shoals lobby, (8) Association Against the Prohibition Amendment and John J. Raskob, (9) minority report on Dr. Eugene R. Pickrell, and (10) noninsistence on testimony of Bishop James Cannon, Jr. (S. Rept. 43, 71st Cong., 3d sess. (ser. 9189)). Senate Resolution 146, agreed to November 4, 1929, condemned the action of Senator Bingham in placing Mr. Charles L. Eyanson upon the official rolls of the United States Senate.

3. Subject: Activities of real estate and finance corporations in the District of Columbia concerning the sale of mortgage bonds upon property.

Committee: District of Columbia, Senate.

Authorization: Senate Resolution 58, agreed to June 4, 1929; Senate Resolution 339, agreed to December 3, 1930.

Expenditure: Contingent fund of Senate; not exceeding $2,500, with later addition of $7,500.

Result: Hearings. Report rendered February 17 (calendar day, Feb. 18), 1931. Subcommittee made thorough investigation of the operations of real-estate dealers; the issuance and sale of securities; and the foreclosure of mortgages or deeds of trust—all in the District of Columbia. A vast amount of fraud and unscrupulous activity was found because of insufficient regulation and supervision. Passage of the following legislation was recommended; S. 3489, S. 3490, S. 3491; but failed to be enacted (S. Rept. 1655, 71st Cong., 3d sess. (ser. 9325)).

4. Subject: Operations of the Federal Reserve System.

Committee: Banking and Currency (or subcommittee), Senate.

Authorization: Senate Resolution 71, agreed to May 5, 1930.

Expenditure: Contingent fund of Senate; not exceeding $15,000.

Result: Hearings before a subcommittee. Report not located.

5. Subject: Determination of methods of Federal aid toward discovery of a cure for cancer.

Committee: Commerce, Senate.

Authorization: Senate Resolution 79, agreed to June 3, 1929.

Expenditure: Not stated.

Result: Hearings March 13 and April 30, 1930. Report on this resolution not located (but a report submitted with S. 4531 on May 22, 1930, recommends passage of bill to authorize the Surgeon General of the United States to make a general survey in connection with the control of cancer (S. Rept. 717, 71st Cong., 2d sess. (ser. 9186)).

6. Subject: Certain matters relating to power and communications in interstate and foreign commerce.

Committee: Interstate Commerce, Senate.

Authorization: Senate Resolution 80, agreed to June 8, 1929.

Expenditure: Contingent fund of Senate; not exceeding $15,000.
Result: Hearings in 1930. No report located.

7. Subject: Alleged activities of William B. Shearer in behalf of certain shipbuilding companies at the Geneva naval conference, and at meetings of the Preparatory Commission.
Committee: Naval Affairs, Senate.
Authorization: Senate Resolution 114, agreed to September 11, 1929.
Expenditure: Contingent fund of Senate; not exceeding $10,000.
Result: Hearings before subcommittee September 20, 1929–January 11, 1930. No report located.

8. Subject: Charges of inefficiency and corruption in the police and other departments and public offices in the District of Columbia.
Committee: District of Columbia, Senate.
Authorization: Senate Resolution 127, agreed to October 11, 1929.
Expenditure: Not stated.
Result: No hearings nor reports located.

9. Subject: Matters connected with the issuance and publication of cotton-ginning reports by the Census Bureau.
Committee: Agriculture and Forestry, Senate.
Authorization: Senate Resolution 137, agreed to November 1, 1929.
Expenditure: Contingent fund of Senate, amount not given.
Result: No hearings nor reports located.

10. Subject: Activities and speculative transactions of New York, New Orleans, and Chicago cotton exchanges.
Committee: Agriculture and Forestry, Senate.
Authorization: Senate Resolution 152, agreed to November 14, 1929.
Expenditure: Contingent fund of Senate; not exceeding $10,000.
Result: Hearings. Report submitted January 6 (calendar day, Mar. 6), 1930, wherein facts are given concerning supply, consumption, and price of cotton. Proposals are made for amendment of Cotton Futures Act in details practically covered by pending bills. It is recommended that the Secretary of Agriculture be authorized and directed to make a study of foreign cottons, that the Department of Agriculture standardize bale-covering materials, and further that the cotton farmer be encouraged to improve his yield per acre (S. Rept. 348, 71st Cong., 2d sess. (ser. 9187)).

11. Subject: Senatorial campaign expenditures, primaries, conventions, contests, and campaign terminating in general election of November 1930, including investigation of complaints of alleged violations of Federal Corrupt Practices Act relative to campaign expenditures.
Committee: Special committee, Senate.
Authorization: Senate Resolution 215, agreed to April 10, 1930; Senate Resolution 403, agreed to January 19, 1931.
Expenditure: Contingent fund of Senate, not exceeding $100,000.
Result: Very extensive hearings, including conditions in various States—Illinois, Pennsylvania, New Jersey, and others. Reports submitted on expenditures in (1) Nebraska, February 17 (calendar day Feb. 28), 1931, and (2) Pennsylvania, February 17 (calendar day Mar. 3), 1931 (S. Repts. 1824 and 1870, 71st Cong., 3d sess. (ser. 9325)). Final report submitted December 21, 1931, on Senate Resolution 215, gives total expenditures in senatorial elections of 1930, cites "increasingly complex and expensive character of political campaigns in the United States", and lists some of the principal defects in the Federal Corrupt Practices Act of 1925, as revealed by the committee's investigations. There is submitted with the report a recommended bill, based upon a draft prepared by special request of the chairman, embodying suggestions by leading authorities, and designed to fix responsibility for campaign expenditures, and require filing of complete and accurate reports of "contributions received and expenditures made on behalf of every candidate for political office" (S. Rept. 20, 72d Cong., 1st sess. (ser. 9489)). Report submitted December 21 (calendar day Dec. 22), 1931, pursuant to Senate Resolution 403, relates to alleged violations of Federal Corrupt Practices Act by Bishop James Cannon, Jr. Transcript of testimony submitted at hearings was placed before grand jury of the District of Columbia, which indicted James Cannon, Jr., and Ada L. Burroughs for conspiring to violate the Federal Corrupt Practices Act. Recommendations are embodied in final report cited above (S. Rept. 24, 72d Cong., 1st sess. (ser. 9489)).

12. Subject: Leases for post-office buildings and commercial postal stations and substations.
Committee: Special committee, Senate.
Authorization: Senate Resolution 244, agreed to April 18, 1930; Senate Resolution 267, agreed to May 28, 1930; Senate Resolution 422, agreed to January 28, 1931.
Expenditure: Contingent fund of Senate, not exceeding $20,000, later increased by $10,000.
Result: Very extensive hearings. Report submitted June 30 (calendar day July 1), 1932, giving details about some of the leases, directing attention to the "wasteful, extravagant, unbusinesslike, and uneconomical" policy of "housing the major post-office facilities in leased quarters." Government ownership through purchase or construction is urged, together with the necessary legislation (S. Rept. 971, 72d Cong., 1st sess. (ser. 9490)).

13. Subject: Appropriate methods for replacement and conservation of wild-animal life.
Committee: Special committee, Senate.
Authorization: Senate Resolution 246, agreed to April 17, 1930; Senate Resolution 350, agreed to December 18, 1930; Senate Resolution 462, agreed to February 26, 1931.
Expenditure: Contingent fund of Senate, not exceeding $20,000, with later additions of $10,000 and $15,000.
Result: Extensive hearings held, personal visits to wide sections in the central and extreme west, also along the Canadian border. Report submitted January 12, 1931, shows magnitude of subject, cites cooperation from various public and private agencies, and is to form basis of future discussion and investigation. Report recommends concentration of Government departments on certain listed phases of wildlife conservation activities. Special reports on larger mammals are planned. (S. Rept. 1329, 71st Cong., 3d sess. (ser. 9324).)

14. Subject: Existing treaties with China, and conditions that may affect our commerce and trade with China.
Committee: Foreign Relations, Senate.
Authorization: Senate Resolution 256, agreed to June 2, 1930; Senate Resolution 302, agreed to June 25, 1930.
Expenditure: Contingent fund of Senate, not exceeding $20,000.
Result: Hearings. Partial report submitted January 26 (calendar day Feb. 12), 1931, found depressed condition of our commerce with China was due to depressed price of silver. Recommends cooperative action of governments at International Monetary Conference or other international conferences to remedy silver conditions; also consideration of moral, intellectual, and financial aid of the Government of China, by countries having treaty relations with her. Supporting resolutions and other details relative to silver question are included. (S. Rept. 1600, 71st Cong., 3d sess. (ser. 9325).)

15. Subject: Federal aid to States wherein are located Indian lands not subject to State taxation.
Committee: Indian Affairs, Senate.
Authorization: Senate Resolution 282, agreed to June 25, 1930; Senate Resolution 432, agreed to February 17, 1931; Senate Resolution 322 (72d Cong.), agreed to February 8, 1933.
Expenditure: Contingent fund of Senate; not exceeding $5,000, later increased by $5,000, and still later by $400.
Result: Hearings in November and December 1931. Detailed report submitted (undated) during Seventy-second Congress, giving description material relative to conditions found, proposals for relief, legislative recommendations and numerous pertinent statistical tables. Recommendations were made that United States declare its policy to meet all expense for progressive development of Indian citizens, that the United States make payments for school tuition of Indians, construction of school buildings, and also for health service. In addition more highway construction on Indian reservations is recommended (S. Rept. 1365, 72d Cong., 2d sess. (ser. 9648)).

16. Subject: Consolidation and unification of railroad properties.
Committee: Interstate Commerce, Senate.
Authorization: Senate Resolution 290, agreed to June 16, 1930.
Expenditure: Contingent fund of Senate; not exceeding $5,000.
Result: No hearings nor reports located.

17. Subject: Operations, economic situation, and prospects of the Alaska Railroad.
Committee: Select committee, Senate
Authorization: Senate Resolution 298, agreed to July 1, 1930; Senate Resolution 417, agreed to January 28, 1931.
Expenditure: Contingent fund of Senate; not exceeding $5,000, later increased by $5,000.
Result: Hearings in Alaska. Report submitted January 5, 1931, includes information derived from Alaskan trip by the committee, special report of examination of the accounts of the railroad and recommendations for: (1) Continued operation of railroad; (2) reduction of train mileage; (3) strict enforcement of business efficiency in management; (4) increase of passenger rates and revision of freight rates with allocation of funds to study increase of tonnage; (5) continuance of committee or appointment of another similar one to keep the Senate informed (S. Rept. 1230, 71st Cong., 3d sess. (ser. 9234)).

18. Subject: Prices of certain foods—reasons for the failure of the price of bread to reflect decline of wheat and flour prices; whole wheat and white flour; brown and white sugars; meat and meat-food products.
Committee: Agriculture and Forestry, Senate.
Authorization: Senate Resolution 374, agreed to January 16, 1931; Senate Resolution 407, agreed to January 28, 1931.
Expenditure: Contingent fund of Senate, not exceeding $15,000.
Result: Hearings. Report submitted February 17 (calendar day, Mar. 2), 1931, stating that there is an alarming tendency toward monopolistic control of the food of the Nation by a small group of powerful corporations and combinations, particularly as to bread and milk, and the committee recommends careful scrutiny of developments by the Federal Trade Commission and Department of Justice. Bread prices not properly managed; wholesale bakeries are at fault. Distribution costs are high. Detailed findings are given for all subjects under investigation. Appropriate departments of the Government are asked to observe price trends and competitive conditions (S. Rept. 1838, 71st Cong., 3d sess. (ser. 9325)).

19. Subject: Unemployment-insurance systems by private interests in the United States and by foreign governments.
Committee: Select committee, Senate.
Authorization: Senate Resolution 483, agreed to February 28, 1931.
Expenditure: Contingent fund of Senate, not exceeding $10,000.
Result: Hearings held. Report submitted June 30, 1932, citing and secured from other agencies, and briefly describing unemployment-benefit plans in the United States—types, costs involved, results achieved, and conclusions; unemployment-insurance system in foreign countries—their principal features, operating ex-

penses, and costs. Consideration is given also to relative State, Federal, or private responsibility in connection with unemployment-benefit systems, the attitude of labor and industry, legal aspects of proposed plans, previous studies made, a general analysis of unemployment insurance, and conclusions. Recommendation is made that the Federal Government contribute to a system of private unemployment reserves to be provided by individual employers, with corresponding deduction by the latter from their income tax, for any contributions made to maintain such a system. Personal views of Senator WAGNER are given briefly (S. Rept. 964, 72d Cong., 1st sess. (ser. 9490)). An earlier report was submitted April 29 (calendar day, May 2), 1932, by Senator WAGNER to give his personal views. He recommended the establishment of unemployment reserves, inaugurated under compulsory State legislation and supervised by the State, a Nation-wide employment service, and deduction from the income tax of employers for payments into unemployment-benefit reserves (S. Rept. 629, 72d Cong., 1st sess. (ser. 9490)).

HOUSE COMMITTEES

20. Subject: Ownership and control or capital interests in any common carriers engaged in the transportation of persons or property in interstate commerce.

Committee: Interstate and Foreign Commerce, House.

Authorization: House Resolution 114, agreed to January 24, 1930; House Resolution 134, agreed to February 1, 1930; House Resolution 274, agreed to July 2, 1930.

Expenditure: First provision, committee was "to make such expenditures as it deems necessary." Later there was provided from the contingent fund of the House, not exceeding $25,000, and still later, not exceeding $25,000 additional. Report was made July 3, 1930, that expenditures made and contracted for, to December 31, 1930, were $29,261.89 (CONGRESSIONAL RECORD, vol. 72, p. 12335).

Result: Report issued July 3, 1930 cites major lines of inquiry, and gives copy of questionnaires sent to railroads and investment trusts to secure desired information. Investigation proceedings under management of special counsel (H. Rept. 2064, 71st Cong. 2d sess. (ser. 9196)). A three-volume report on regulation of stock ownership in railroads was submitted February 20, 1931. Prepared under the direction of the special counsel engaged for the study, details are given for a number of specific holding companies, mostly railroads. Appendixes list the business affiliations of directors of class I railroads, the control of class II railroads not a part of a class I system, and present a special treatise on the investment trust as an agency of railroad control—its development, present status, and potential use (H. Rept. 2789, 71st Cong., 3d sess (ser. 9328, 9329, 9330)).

21. Subject: Mediterranean fruit fly.

Committee: Appropriations (subcommittee), House.

Authorization: House Resolution 139, agreed to February 10 1930; House Resolution 151, agreed to February 18, 1930.

Expenditure: Contingent fund of House; not exceeding $3,500.

Result: Hearings held. Report not located.

22. Subject: Group, chain, and branch banking.

Committee: Banking and Currency, House.

Authorization: House Resolution 141, agreed to February 10, 1930; House Resolution 178, agreed to March 27, 1930.

Expenditure: Contingent fund of House; not exceeding $3,500.

Result: Hearings. Report submitted March 3, 1931, that it was impracticable to make comprehensive recommendations at the time, but passage of a resolution for further investigation was recommended (H. Rept. 2946, 71st Cong., 3d sess. (ser. 9332)).

23. Subject: Official conduct of Harry B. Anderson, United States district judge in Tennessee.

Committee: Judiciary, House.

Authorization: House Resolution 191, agreed to June 13, 1930.

Expenditure: Contingent fund of House; not exceeding $5,000.

Result: Hearing. Report made February 18, 1931, that after months of searching inquiry no grounds were found for impeachment, although the committee disapproves certain practices in the western district of Tennessee, and thinks they ought to be discontinued. Committee submitted House Resolution 362 with recommendation that it be adopted—that evidence submitted does not warrant interposition of constitutional powers of impeachment. It was agreed to February 18, 1931 (CONGRESSIONAL RECORD, vol. 74, p. 5313) (H. Rept. 2714, 71st Cong., 3d sess. (ser. 9332)).

24. Subject: Communist propaganda.

Committee: Select committee, House.

Authorization: House Resolution 220, agreed to May 22, 1930; House Resolution 250, agreed to June 13, 1930.

Expenditure: Contingent fund of House; not exceeding $25,000.

Result: Extensive hearings. Report submitted January 17, 1931, giving detailed findings, recommendations, and conclusions. The committee recommended (1) greater care in selection of immigrants; (2) authorization and appropriation for the Department of Justice to follow radical activities; (3) adequate appropriation for Department of Labor to deport when necessary; (4) strengthening of deportation laws; (5) stricter inspection by Post Office Department to bar radical publications; (6) encouragement and support of organized labor. The conclusions embodied ideas that in the new order, the ideals of democracy should not be weakened and that economic justice should be worked out, then radicalism would fall. "The solution of this problem lies in the wisdom of our legislators, and in the unselfishness of our industrialists" (H. Rept. 2290, 71st Cong., 3d sess. (ser. 9391)).

25. Subject: Campaign expenditures, candidates of the House of Representatives.

Committee: Select committee, House.

Authorization: House Resolution 258, agreed to June 24, 1930; House Resolution 275, agreed to June 27, 1930.

Expenditure: Contingent fund of House; not exceeding $10,000.

Result: Report rendered December 20, 1930, cites fact that there have been filed with the House statements of receipts and expenditures by various conditions, as required by law. Only one request for investigation came before the committee (that of Representative Kunz of Illinois), and the committee after examination of the evidence, adopted a resolution that the case required no further action by them, but rather by the standing committees on elections of the Seventy-second Congress (H. Rept. 2140, 71st Cong., 3d sess. (ser. 9331)).

26. Subject: Official conduct of Bascom S. Deaver, United States district judge in Georgia.

Committee: Judiciary (subcommittee), House.

Authorization: House Resolution 284, agreed to July 1, 1930.

Expenditure: Contingent fund of House; not exceeding $5,000.

Result: Report submitted February 16, 1931, recommending adoption of a resolution that the evidence submitted on the charges "does not warrant the interposition of the constitutional powers of impeachment of the House" (H. Res. 359, agreed to Feb. 16, 1930). (H. Rept. 2681, 71st Cong., 3d sess. (ser. 9332).)

27. Subject: Fiscal relations between the United States and the District of Columbia.

Committee: Select committee, House.

Authorization: House Resolution 285, agreed to July 3, 1930; House Resolution 329, agreed to January 9, 1931.

Expenditure: Appropriation not exceeding $10,000.

Result: Hearings. Report submitted December 15, 1931, gives brief history of the fiscal relations between the United States and the District of Columbia, general discussion of taxation in the District, loss of revenue because of Federal property exemptions, comparative data for Washington and other cities, changes in the revenue laws, and fiscal relations of other nations and their respective national capitals. Committee recommends a lump-sum appropriation annually from the United States to the District not exceeding $6,500,000. A number of statistical tables on the subject covered are included in the report (H. Rept. 1, 72d Cong., 1st sess. (ser. 9495)). Additional reports submitted December 15, 1931, recommend for the District of Columbia an income tax, an estate tax, a gasoline tax, and registration of motor vehicles with fees based upon their weight. Bills embodying these suggestions are presented with the reports—H. R. 5821, H. R. 5822, H. R. 5823, H. R. 5824, all in the Seventy-second Congress. These bills passed the House but not the Senate (H. Repts. 2, 3, 4, 5, 72d Cong., 1st sess. (ser. 9491)).

Seventy-second Congress—December 7, 1931–March 3, 1933

JOINT COMMITTEE

1. Subject: Operation of laws and regulations relating to veterans' relief and benefits, national policy for veterans and their dependents, and economies in government cost of the Veterans' Administration.

Committee: Joint congressional committee.

Authorization: Legislative appropriation act, fiscal year 1933, title VII, section 701, approved June 30, 1932; Public Resolution No. 46 (H. J. Res. 527), approved January 3, 1933; Public Resolution No. 71 (S. J. Res. 262), approved March 3, 1933 (47 Stat. 419, 752, 1547).

Expenditure: Not stated; committee to use persons on Government pay roll, congressional committees, etc.

Result: Hearings. Report submitted May 26, 1933, stated that (1) "definite policy with reference to pensions and emoluments of all kinds for veterans and their dependents is now an Executive function under the provisions of Public Law No. 2, Seventy-third Congress, approved March 20, 1933"; (2) extensive public hearings were held and views of interested parties secured; (3) hearings were printed in four volumes; (4) work was done at no additional cost to Treasury other than printing (H. Rept. 166, 73d Cong., 1st sess.).

SENATE COMMITTEES

2. Subject: Sale, flotation, and allocation of foreign bonds or securities in the United States.

Committee: Finance, Senate.

Authorization: Senate Resolution 19, agreed to December 10, 1931.

Expenditure: Contingent fund of Senate; $5,000 authorized.

Result: Hearings. No formal report made.

3. Subject: Activities and operations of the Federal Farm Board.

Committee: Agriculture and Forestry, Senate.

Authorization: Senate Resolution 42, agreed to April 11, 1932; Senate Resolution 364, agreed to March 3, 1933; Senate Resolution 276 (73d Cong.), agreed to June 18, 1934.

Expenditure: Contingent fund of Senate; not exceeding $25,000.

Result: No report located. Investigation continued by Senate Resolution 276 to end of Seventy-fourth Congress, first session.

4. Subject: Air and ocean mail contracts, use of mail tubes, proposed postal-rate increases, and the erection of public buildings in small towns.

Committee: Post Offices and Post Roads, Senate.

Authorization: Senate Resolution 48, agreed to January 15, 1932.

Expenditure: Contingent fund of Senate, not exceeding $1,500.

Result: No hearings nor reports located.

5. Subject: Short selling of listed securities upon stock exchanges.

Committee: Banking and Currency, Senate.

Authorization: Senate Resolution 84, agreed to March 4, 1932; Senate Resolution 239, agreed to June 15, 1932; Senate Resolution 371, agreed to February 28, 1933.

Expenditure: Contingent fund of Senate, not exceeding $50,000; later increased by $50,000 additional; still later by $40,000.

Result: Hearings. Investigation extended into Seventy-third and Seventy-fourth Congresses by several additional resolutions. (See S. Res. 56, 73d Cong., p. 58.)

6. Subject: Situation on Pyramid Lake Indian Reservation.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 142, agreed to January 22, 1932.

Expenditure: Not stated.

Result: No hearings or reports located.

7. Subject: Campaign expenditures of Presidential, Vice Presidential, and senatorial candidates in 1932.

Committee: Special committee, Senate.

Authorization: Senate Resolution 174, agreed to July 11, 1932; Senate Resolution 324, agreed to January 13, 1933; Senate Resolution 130 (73d Cong.), agreed to January 11, 1934.

Expenditure: Contingent fund of Senate, not exceeding $25,000.

Result: Report submitted January 16, 1934, relative to Louisiana senatorial election of 1932 (S. Rept. 191, 73d Cong., 2d sess.; CONGRESSIONAL RECORD, vol. 78, p. 674).

8. Subject: Action or inaction of Department of Justice in case of Union Mortgage Co., of Cleveland, Ohio, for fraudulent use of mails.

Committee: Judiciary, Senate.

Authorization: Senate Resolution 176, agreed to March 14, 1932.

Expenditure: Contingent fund of Senate, not exceeding $1,000.

Result: No hearings nor reports located.

9. Subject: Utilization of the water resources of the Sacramento, San Joaquin, and Kern Rivers in California.

Committee: Irrigation and Reclamation, Senate.

Authorization: Senate Resolution 177, agreed to June 27, 1932.

Expenditure: Contingent fund of Senate, not exceeding $5,000.

Result: Report submitted March 1, 1933. Personal tour of inspection made by committee and representatives of other Government agencies. Detailed information secured and findings presented relative to agricultural and irrigation development, water shortage, navigation and flood-control problems. Increased Federal Financing recommended to supplement State expenditures (S. Rept. 1325, 72d Cong., 2d sess. (ser. 9648)).

10. Subject: Activities in connection with the proposed enlargement of Yellowstone and Grand Teton National Parks.

Committee: Public Lands and Surveys, Senate.

Authorization: Senate Resolution 226, agreed to February 11, 1933.

Expenditure: Contingent fund of Senate, not exceeding $5,000.

Result: Hearings and reports not located.

11. Subject: Rental conditions in the District of Columbia.

Committee: District of Columbia, Senate.

Authorization: Senate Resolution 248, agreed to June 27, 1932; Senate Resolution 302, agreed to December 8, 1932.

Expenditure: Contingent fund of Senate; not exceeding $2,500.

Result: Hearings. Report submitted March 1, 1933. Preliminary private inquiry instituted by chairman, Government statistics secured, pertinent facts assembled by special counsel, detailed findings presented on vacancies, profits from rental operations, financing of properties, leases, taxation, etc. Recommendations were made to remedy outstanding defects in housing situation through legislation already introduced and other enactments deemed advisable. Committee felt that (1) inquiry has had a salutary moral effect on the rental situation, and (2) the investigation * * * may well serve as a model of economy in congressional fact-finding surveys. Of $2,500 allowed, there was an unexpended balance of $578.15 (S. Rept. 1354, 72d Cong., 2d sess. (ser. 9648)).

12. Subject: Loans made by Reconstruction Finance Corporation.

Committee: Select committee, Senate.

Authorization: Senate Resolution 269, agreed to July 11, 1932.

Expenditure: Not stated.

Result: Report submitted January 13, 1933, includes correspondence with the Corporation, citing information sent to the members of the committee relative to loans made from February 2 to July 20, 1932, inclusive. Committee does not recommend that loans be made public, although records are available if Senate desires publicity. No further investigation can be made without expense and committee was not granted any funds (S. Rept. 1059, 72d Cong., 2d sess. (ser. 9648)).

13. Subject: St. Lawrence Waterways Treaty.

Committee: Foreign Relations, Senate.

Authorization: Senate Resolution 278, agreed to July 15, 1932.

Expenditure: Contingent fund of Senate, not exceeding $2,500.

Result: Hearings. No formal report located, but treaty was reported favorably with reservations, February 23, 1933 (CONGRESSIONAL RECORD, vol. 76, p. 4789).

14. Subject: Utilization of the water resources of the San Pedro River in Arizona.

Committee: Irrigation and Reclamation, Senate.

Authorization: Senate Resolution 292, agreed to February 11, 1933.

Expenditure: Contingent fund of Senate, not exceeding $2,000.

Result: No hearings nor reports located.

15. Subject: Labor conditions prevailing upon the Mississippi flood-control project.

Committee: Select committee, three Senators.

Authorization: Senate Resolution 300, agreed to February 23, 1933.

Expenditure: Contingent fund of Senate, not exceeding $1,000.

Result: No hearings nor reports located.

16. Subject: Present economic problems of the United States.

Committee: Finance, Senate.

Authorization: Senate Resolution 315, agreed to January 26, 1933.

Expenditure: Not stated.

Result: Hearings. No report located.

17. Subject: Air mail and ocean mail contracts.

Committee: Special committee, Senate.

Authorization: Senate Resolution 349, agreed to February 25, 1933; Senate Resolution 94 (73d Cong.), agreed to June 10, 1933; Senate Resolution 143 (73d Cong.), agreed to January 24, 1934; Senate Resolution 259 (73d Cong.), agreed to June 13, 1934.

Expenditure: Contingent fund of Senate, not exceeding $5,000; later increased by $20,000 and still later by $5,000.

Result: Extensive hearings. Special reports submitted February 2, 5, and 12, 1934, regarding L. H. Brittin, William P. MacCracken, and Gilbert Givvin. Later, Senate Resolutions 184, 185, 186, 187, and 189, adjudging them guilty of contempt or fixing their punishment, were agreed to (Feb. 14, 1934) (S. Rept. 254, pts. 1 and 2, 73d Cong., 2d sess.; CONGRESSIONAL RECORD, vol. 78, pp. 1851, 1902, and 2399).

HOUSE COMMITTEES

18. Subject: Stock ownership in public-utility corporations by holding companies and others.

Committee: Interstate and Foreign Commerce, House.

Authorization: House Resolution 59, agreed to January 19, 1932; House Joint Resolution 572 (Pub. Res. No. 65), approved March 3, 1933 (47 Stat. 1544).

Expenditure: Contingent fund of House, not exceeding $50,000.

Result: Report submitted March 2, 1933, on oil and gasoline pipe lines. Prepared by special counsel, the report includes detailed findings and statistics relative to pipe-line companies. Recommendations are made for (1) consideration of regulation of oil transportation rates by the Interstate Commerce Commission; and (2) regulation of interstate transportation of gas by pipe line. Further reports on power, gas, and communication are contemplated (H. Rept. 2192, 72d Cong., 2d sess. (ser. 9651 and 9652)). Report submitted February 21, 1934, on the relation of holding companies to operating companies in power and gas affecting control. Detailed lists of directors and officials with their affiliations, and of the companies are included (H. Rept. 827, 73d Cong., 2d sess.).

19. Subject: Cause and effect of present depressed value of silver.

Committee: Coinage, Weights, and Measures, House.

Authorization: House Resolution 72, agreed to February 8, 1932; House Resolution 136, agreed to February 13, 1932.

Expenditure: Contingent fund of House, not exceeding $5,000.

Result: No hearings nor reports located.

20. Subject: Campaign expenditures of candidates for President, Vice President, and House of Representatives.

Committee: Special committee, House.

Authorization: House Resolution 201, agreed to June 18, 1932; House Resolution 202, agreed to June 21, 1932.

Expenditure: Contingent fund of House, not exceeding $10,000.

21. Subject: Expenditures of the Post Office Department.

Committee: Post Offices and Post Roads, House.

Authorization: House Resolution 226, agreed to June 21, 1932; House Resolution 273, agreed to June 24, 1932; Public Resolution No. 74 (H. J. Res. 612), approved March 4, 1933 (47 Stat. 1621).

Expenditure: Contingent fund of House; not exceeding $5,000.

Result: Hearings. Partial report submitted February 21, 1933, on the United States Postal Air Mail Service. Detailed findings are given relative to air mail administrative policy of the Post Office Department, the relationship between air mail costs and rates, air mail subsidy payments, and intercorporate relationships. Recommendations are made for basic payments, postage rates, air mail postal cards, annual field audit and proposed legislation, embodying committee's suggestions (H. R. 14605, 72d Cong., 2d sess.). This bill did not become law (H. Rept. 2087, 72d Cong., 2d sess. (ser. 9654)).

22. Subject: Government competition with private enterprise.

Committee: Special committee, House.

Authorization: House Resolution 235, agreed to May 31, 1932; House Resolution 271, agreed to June 21, 1932; House Resolution 312, agreed to December 13, 1932; House Resolution 343, agreed to January 10, 1933; House Resolution 360, agreed to January 21, 1933.

Expenditure: Contingent fund of House; not exceeding $10,000, later increased by $3,500.

Result: Extended hearings. Report submitted February 8, 1933, describing scope of the committee's work, charges made against Government competition, and general attitude of industry and labor. Examples of governmental competitive activities are cited with analysis and comment. Recommendations are made for the discontinuance of many activities and the creation of a standing committee in the House of Representatives on Government competition with private enterprise. A minority report was filed by E. E. Cox (H. Rept. 1985, 72d Cong., 2d sess. (ser. 9650)).

23. Subject: Official conduct of Harold Louderback, United States district judge in California.

Committee: Special committee, five members of Judiciary Committee, House.

Authorization: House Resolution 239, agreed to June 9, 1932.

Expenditure: Contingent fund of House; not exceeding $5,000.

Result: Hearings. Report submitted February 17, 1933, censuring judge "for conduct prejudicial to the dignity of the judiciary in appointing incompetent receivers; for the method of selecting receivers; for allowing fees that seem excessive; and for a high degree of indifference to the interest of litigants in receiverships." The majority recommended adoption of House Resolution 387 against impeachment, while the minority recommended impeachment on the basis of five enumerated articles (H. Rept. 2065, 72d Cong., 2d sess. (ser. 9654)). House Resolution 402, authorizing impeachment, was agreed to February 27, 1933. The judge was acquitted of all the charges in the Senate trial, on May 24, 1933 (CONGRESSIONAL RECORD, vol. 77, p. 4088).

Seventy-third Congress—March 4, 1933–June 18, 1934

JOINT COMMITTEES

1. Subject: Cause or causes of the wrecking of the *Akron* and other dirigibles.

Committee: Joint committee, 5 Senators and 5 Representatives.

Authorization: House Concurrent Resolution 15, passed April 20, 1933.

Expenditure: Contingent fund of both House, not exceeding $5,000, one-half from each House.

Result: Hearings. Report submitted June 14, 1933, narrating the course of events leading to the disaster, and describing equipment and precautionary measures taken to prevent such mishaps. Causes of the wreck are ascribed to storm conditions and crash of the stern on the sea. Recommendations are made that (1) the Navy "continue in the maintenance, development, and operation of airships"; (2) a training and experiment station be established in Lakehurst, N. J.; (3) more weather maps be issued per diem; (4) the Navy Department "energetically study" improved equipment for the control of airships (S. Doc. 75, 73d Cong., 1st sess.).

2. Subject: Extent of, if any, participation by the Government in the centennial of the independence of the Republic of Texas.

Committee: Joint committee.

Authorization: Senate Concurrent Resolution 21, passed June 18, 1934.

Expenditure: Contingent fund of Senate and House; not exceeding $5,000, one-half from each House.

Result: No report. Action of committee delayed, pending appropriation for centennial by the Texas State Legislature (information secured from office of sponsor of resolution).

3. Subject: Economic conditions in the Philippine Islands.

Committee: Joint committee.

Authorization: Communication from the President of the United States to the Vice President and to the Speaker of the House suggesting appointment of three persons from each House to serve on a special committee "to conduct hearings and investigations in the Philippine Islands for the purpose of ascertaining such imperfections and inequalities as may exist in the Tydings-McDuffie law", in accordance with a concurrent resolution adopted by the Philippine Legislature (see CONGRESSIONAL RECORD, vol. 78, pp. 12076–12077, 12567–12568, June 16 and June 18, 1934).

Expenditure: "* * * expenses of said committee and economic expert to be borne by the Philippine government." (See concurrent resolution in above citation.)

Result: Committee reached New York City on return trip from the Philippines February 7, 1935.

SENATE COMMITTEES

4. Subject: Delay in prosecuting alleged law violations by the Harriman National Bank, New York City.

Committee: Judiciary, Senate.

Authorization: Senate Resolution 55, agreed to April 18, 1933; Senate Resolution 89, agreed to June 8, 1933.

Expenditure: Contingent fund of Senate, not exceeding $500; later increased by $500.

Result: Hearings. No report located.

5. Subject: Banking operations and practices and the issuance and sale of securities (stock exchange practices).

Committee: Banking and Currency, Senate.

Authorization: Senate Resolution 56, agreed to April 4, 1933; Senate Resolution 70, agreed to May 25, 1933; Senate Resolution 93, agreed to June 8, 1933; Senate Resolution 97, agreed to June 8, 1933; Senate Resolution 208, agreed to April 17, 1934; Senate Resolution 258, agreed to June 4, 1934.

Expenditure: Expenses to be paid from sums made available by Senate Resolutions 84, 239, 371 of the Seventy-second Congress, with increases at different times of $20,000, $100,000, $40,000.

Result: Extensive hearings. Comprehensive report submitted June 16, 1934, on investigation authorized by above resolutions and others of the Seventy-second Congress (see end of statement). Report analyzes (1) securities exchange practices; (2) investment banking practices; (3) commercial banking practices; (4) investment trusts and holding companies; and (5) income-tax avoidances. There is included a summary of legislation enacted as a result of the investigation, and also such recommendations as appear appropriate to the committee at the time (S. Rept. 1455, 73d Con., 2d sess.)

6. Subject: Transactions and operations of the Reconstruction Finance Corporation.

Committee: Banking and Currency, Senate.

Authorization: Senate Resolution 69, agreed to May 4, 1933.

Expenditure: Not stated.

Result: No open hearings nor special report. (Information secured from the committee.)

7. Subject: Sale and distribution of dairy products in the District of Columbia.

Committee: District of Columbia, Senate.

Authorization: Senate Resolution 76, agreed to May 23, 1933.

Expenditure: Such expenditures to be made as committee "deems necessary."

Result: Hearings conducted by subcommittee. Report submitted March 13, 1934, giving facts concerning health regulations in District of Columbia, milk producers and distributors of the District, marketing agreements, bottle losses, and delivery of milk. The committee finds "inordinate profits" among the milk distributors, believes farmers should be given a definitely fixed "one price" for their milk, and recommends a Nation-wide investigation of the subject since conditions existing in District may be found in other localities (S. Rept. 468, 73d Cong., 2d sess.) House Concurrent Resolution 32, passed June 15, 1934, partially because of testimony revealed pursuant to Senate Resolution 76, authorizes and directs the Federal Trade Commission to investigate the sale and distribution of milk and other dairy products in the United States.

8. Subjects: So-called "rackets" and racketeering with a view to their suppression (crime and criminal practices).

Committee: Commerce, Senate.

Authorization: Senate Resolution 74, agreed to June 12, 1933; Senate Resolution 196, agreed to April 20, 1934.

Expenditure: Contingent fund of Senate; not exceeding $10,000 later increased by $25,000.

Result: Hearings before subcommittee. Preliminary report made in a speech to the Senate January 11, 1934 (CONGRESSIONAL RECORD, vol. 78, p. 448), with presentation of 13 bills "intended to stop gaps through which criminals made their slimy way." Report submitted June 14, 1934, stating that 92 additional bills had been introduced since January 11, 1934, to ameliorate criminal conditions; 11 became law. These are cited together with the status of other pertinent pending bills. Work of committee incomplete at time of report, further activities were contemplated, but one achievement especially noted was the study of juvenile delinquency: "As a result of our work the Congress has written into the District of Columbia appropriation bill provisions for character education in the schools in Washington" (S. Rept. 1440, 73d Cong., 2d sess.).

9. Subject: Administration of bankruptcy and receivership proceedings in the United States courts.

Committee: Special committee, Senate.

Authorization: Senate Resolution 78, agreed to June 13, 1933; Senate Resolution 203, agreed to May 30, 1934.

Expenditure: Contingent fund of Senate; not exceeding $10,000, with $10,000 additional.

Result: Hearings held in Los Angeles and San Francisco, Calif. Preliminary report submitted February 26, 1934. Attention is called to faulty discharge of receivership functions, and evils attendant upon bankruptcy proceedings. Committee believed investigation should be continued in other parts of country, with subsequent final report of findings and recommendations for "such modifications of existing law and practice as the entire survey may justify" (S. Rept. 365, 73d Cong., 2d sess.; CONGRESSIONAL RECORD, vol. 78, pp. 3174–3176).

10. Subject: Alleged irregularities in connection with purchases of materials or equipment for the use of the Civilian Conservation Corps. (Negotiations between Director of emergency conservation work and the Be Vier Corporation.)

Committee: Military Affairs, Senate.

Authorization: Senate Resolution 88, agreed to June 2, 1933.

Expenditure: Not stated.

Result: Report submitted June 12, 1933, states no evidence was found in the record to sustain "charge of corruption or improper motive on the part of anyone." Although prices paid for articles purchased were not excessive, lower ones could have been obtained. Danger is inherent in negotiations not permitting competitive bidding. Recommendation is made that purchases for C. C. C. "be vested in a single agency of the Government possessing inadequate experience and organization" (S. Rept. 144, 73d Cong., 1st sess., CONGRESSIONAL RECORD, vol. 77, p. 5716).

11. Subject: Campaign contributions and expenditures in 1934 senatorial contests.

Committee: Special committee, Senate.

Authorization: Senate Resolution 173, agreed to June 13, 1934.

Expenditure: Contingent fund of Senate; not exceeding $25,000.

Result: Report submitted January 10, 1935, that investigations were conducted in four States—Tennessee, Pennsylvania, Delaware, and New Mexico—after which no hearings nor further inquiry were deemed necessary. "The committee does not recommend any change in the existing law of the United States with reference to the election of United States Senators" (S. Rept. 11, 74th Cong., 1st sess.).

12. Subject: Charges of incompetency and abuse of official duties by Superintendent of Shiloh National Park at Pittsburg Landing, Tenn.

Committee: Select committee, Senate.

Authorization: Senate Resolution 198, agreed to June 13, 1934.

Expenditure: Contingent fund of Senate; not exceeding $1,000.

Result: Hearings not yet held. (Sponsor of resolution out of country on another investigation, until very recently.)

13. Subject: Munitions manufacture and sale of arms.
Committee: Special committee, Senate.
Authorization: Senate Resolution 206, agreed to April 12, 1934; Senate Resolution 244, agreed to June 13, 1934; Senate Resolution 8 (74th Cong.), agreed to January 17, 1935.
Expenditure: Contingent fund of Senate; not exceeding $15,000, later additions of $35,000; and $50,000 (in 74th Cong.).
Result: Extensive hearings. Final report not rendered. Investigation continued by Senate Resolution 8 of the Seventy-fourth Congress, first session (see above). Senator NYE on January 15, 1935, presented to the Senate 53 findings of the committee; giant fortunes made, bribery by munitions officials, opposition to arms embargoes by munitions manufacturers, close connection of munitions companies to War and Navy Departments, interwoven net of great explosive and chemical companies in America, Great Britain, and Europe, etc. (CONGRESSIONAL RECORD (daily), Jan. 15, 1935, pp. 467–468).

14. Subject: Relationship existing between certain contractors and their employees in connection with public buildings and public works financed wholly or partially by loans from the United States.
Committee: Education and Labor, subcommittee, Senate.
Authorization: Senate Resolution 228, agreed to May 30, 1934.
Expenditure: Contingent fund of Senate, not exceeding $15,000.
Result: Hearings. No report.

15. Subject: Financing and proposed reorganization of the Mayflower Hotel Co.
Committee: District of Columbia, Senate.
Authorization: Senate Resolution 231, agreed to June 13, 1934.
Expenditure: Contingent fund of Senate; not exceeding $1,000.
Result: Hearings before subcommittee. Report submitted February 11, 1935, including facts concerning the Mayflower Hotel Co. given in an earlier report and describing in detail the financing and reorganization plans. Because of developments in this and "other similar cases of high finance throughout the United States", the committee recommended certain annexed amendments to section 77 B of the Bankruptcy Act in order that unfair profiteering might be decreased. Advantages have been accorded bondholders because of the hearings held by the committee (S. Rept. 107, 74th Cong., 1st sess.).

HOUSE COMMITTEES

16. Subject: Official conduct of James A. Lowell, United States district judge in Massachusetts.
Committee: Judiciary, House.
Authorization: House Resolution 120, agreed to April 26, 1933; House Resolution 132, agreed to June 13, 1933.
Expenditure: Contingent fund of House; not exceeding $5,000.
Result: Report submitted January 18, 1934, stating that James A. Lowell died November 30, 1933, and asking that committee be discharged (H. Rept. 294, 73d Cong., 2d sess.).

17. Subject: Appointments, conduct, proceedings, and acts of receivers, trustees, and referees in bankruptcy.
Committee: Judiciary, House.
Authorization: House Resolution 145, agreed to June 12, 1933; House Resolution 189, agreed to June 13, 1933; House Resolution 215, agreed to January 30, 1934; House Resolution 228, agreed to January 29, 1934; House Resolution 440, agreed to June 15, 1934; House Resolution 443, agreed to June 15, 1934.
Expenditure: Contingent fund of House; not exceeding $5,000; later increased by additional amounts of $7,500 and $5,000.
Result: Hearings held; report not yet issued.

18. Subject: Civil Service Commission, heads of all departments, commissions, and independent offices, relative to apportionment of Government employees.
Committee: Civil Service, House.
Authorization: House Resolution 146, agreed to June 1, 1933.
Expenditure: None to be incurred.
Result: No action taken as yet (Feb. 21, 1935).

19. Subject: Official conduct of Judge Halsted L. Ritter.
Committee: Judiciary, House.
Authorization: House Resolution 163, agreed to June 1, 1933; House Resolution 172, agreed to June 9, 1933; House Resolution 214, agreed to January 30, 1934.
Expenditure: Contingent fund of House; not exceeding $2,500.
Result: Hearings held. Report not yet issued.

20. Subject: Internal revenue laws of the United States, methods of preventing their evasion and avoidance.
Committee: Ways and Means, House.
Authorization: House Resolution 183, agreed to June 10, 1933; House Resolution 184, agreed to June 10, 1933; House Resolution 418, agreed to June 14, 1934; House Resolution 428, agreed to June 15, 1934.
Expenditure: Contingent fund of House, not exceeding $5,000; with $5,000 again mentioned in resolutions of 1934.
Result: Preliminary report submitted December 4, 1933, on tax avoidance and simplification of the revenue laws. Changes in the laws are proposed. Memoranda are included on wholly and partially tax-exempt interest, capital gains and losses, also on exchanges and reorganizations. Prevention of tax avoidance (House committee print, 73d Cong., 2d sess. (H. J. 4652.A52 1933b)).

21. Subject: Nazi and other propaganda activities (Un-American activities).
Committee: Special committee, House.
Authorization: House Resolution 198, agreed to March 20, 1934; House Resolution 199, agreed to March 29, 1934; House Resolution 424, agreed to June 11, 1934.
Expenditure: Contingent fund of House, not exceeding $10,000; with later additional amount of $20,000.
Result: Hearings in Washington and other cities. Report submitted February 15, 1935. Committee investigated nazi-ism, fascism, and communism, the purposes and activities of such organizations as "The Friends of New Germany", "Order of '76", and "Silver Shirts." Recommendations were made for (1) registration of foreign government propaganda agents with the Secretary of State; (2) authority for the Secretary of Labor to curtail the stay in this country of foreign visitors engaged in propaganda; also for (3) Congress to make it unlawful "for any person to advocate changes in a manner that incites to the overthrow or destruction by force and violence of the Government of the United States, or of the form of government guaranteed to the several States by article IV, section 4, of the Constitution of the United States" (H. Rept. 153, 74th Cong., 1st sess.).

22. Subject: House of Representatives restaurant, race, color, and creed discriminations, and control by Committee on Accounts.
Committee: Special committee, House.
Authorization: House Resolution 236, agreed to April 25, 1934.
Expenditure: None mentioned.
Result: Hearings. Report submitted June 8, 1934, cites resolutions under which Committee on Accounts exercises control of the restaurant, and delegates to its chairman the duty of making and enforcing rules. Statement is made that the restaurant is operated without discrimination for the use of Members of the House. Recommendation is for continued authority of the Committee on Accounts (H. Rept. 1920, 73d Cong., 2d sess).

23. Subject: All matters pertaining to the replacement and conservation of wild-animal life.
Committee: Select committee, House.
Authorization: House Resolution 237, agreed to January 29, 1934; House Resolution 263, agreed to February 15, 1934.
Expenditure: Contingent fund of House, not exceeding $7,500.
Result: Hearings. Report submitted January 4, 1935, gives facts regarding economic value of wildlife resources of the country, and information relative to (1) game-management areas, (2) results of uncoordinated activities concerning game and fish life, (3) the conservation of fish in the interior waters of our country, and the commercial fisheries. There is also an index to the hearings of the committee. With due consideration for the facts and the "dire consequence" of diminution in wildlife resources, the committee makes a number of recommendations for a continuing policy of protective activities, a treaty with Mexico for the protection of migratory birds, surveys of fishing areas, expansion of the work of the Fisheries Bureau and legislation to protect enforcement officers in governmental services concerned with wildlife (H. Rept. 1, 74th Cong., 1st sess.).

24. Subject: Old-age assistance and pension systems.
Committee: Labor, House.
Authorization: House Resolution 249, agreed to February 15, 1934.
Expenditure: Not stated.
Result: Hearings held on various old-age pension measures. Preliminary report submitted by subcommittee, May 15, 1934. Facts given relative to J. E. Pope of the National Old Age Pension Association. Subcommittee expects to continue its study of the question, but urges Congress to pass the Connery bill providing for Federal aid to States with old-age security systems (H. Rept. 1633, 73d Cong., 2d sess.).

25. Subject: Profiteering in military aircraft, irregularities in leasing of public property by the War Department, profiteering in purchase of property from public funds, and other matters involving problem of national defense.
Committee: Military Affairs, subcommittee, House.
Authorization: House Resolution 275, agreed to March 2, 1934; House Resolution 284, agreed to March 6, 1934; House Resolution 439, agreed to June 16, 1934.
Expenditure: Contingent fund of House; not exceeding $10,000, later increased by $20,000.
Result: Hearings by subcommittee. Preliminary report submitted June 18, 1934, citing violations of law and Army regulations, also "gross misconduct and inefficiency of Maj. Gen. Benjamin D. Foulois, Chief of the Air Corps, United States Army, and other executive officers under his command." His removal was recommended (H. Rept. 2060, 73d Cong., 2d sess., CONGRESSIONAL RECORD, vol. 78, pp. 12474–12484). (Investigation continued by H. Res. 59, 74th Cong., 1st sess.; agreed to Jan. 18, 1935.)

26. Subject: Certain statements made by Dr. William A. Wirt.
Committee: Select committee, House.
Authorization: House Resolution 314, agreed to March 29, 1934; House Resolution 317, agreed to March 29, 1934.
Expenditure: Contingent fund of House; not exceeding $500.
Result: Hearings held. Report submitted May 2, 1934, gives statement by Dr. Wirt and substance of his replies to questions of the committee. None of the evidence submitted by Dr. Wirt or others shows that "there was any person or group in the Government service planning to 'overthrow the existing social order'" or pursue any other dangerous course as mentioned in Dr. Wirt's statement. Committee "is of the opinion that no further action be taken in the matter and therefore reports without recommendation." Minority views were presented to show committee had not fully met its responsibility (H. Rept. 1439, 73d Cong., 2d sess.).

27. Subject: Campaign expenditures of candidates for the House of Representatives.
Committee: Special committee, House.
Authorization: House Resolution 336, agreed to June 15, 1934; House Resolution 449, agreed to June 16, 1934.

Expenditure: Contingent fund of House, not exceeding $10,000.
Result: Investigation made in Delaware. No report submitted as yet (Feb. 25, 1935).

28. Subject: Extent to which the United States is dependent upon foreign nations for its supply of tin.
Committee: Foreign Affairs, House.
Authorization: House Resolution 404, agreed to June 15, 1934; House Resolution 444, agreed to June 16, 1934.
Expenditure: Contingent fund of House, not exceeding $10,000.
Result: Hearings. Report not yet issued (Feb. 21, 1935).

29. Subject. Methods and manner of handling funds and financial affairs of veterans receiving compensation or pensions from United States Government while under supervision of United States Veterans' Administration (guardianship affairs of incompetent veterans).
Committee: Veterans' Affairs, House.
Authorization: House Resolution 409, agreed to June 4, 1934; House Resolution 426, agreed to June 13, 1934; House Resolution 29 (74th Cong.), agreed to January 4, 1935.
Expenditure: Contingent fund of House, not exceeding $7,500.
Result: Hearings in Washington, D. C., Indiana, and Illinois, before a subcommittee. Report submitted early in the first session of the Seventy-fourth Congress gives extracts from the testimony, facts disclosed concerning supervision of estates of veterans by guardian and trust companies, and by individuals, and excessive fee charges. Survey reports were received from the Veterans' Administration. Corrective legislative suggestions are included. These are for amendatory provisions to the World War Veterans' Act, and are incorporated in H. R. 3979, introduced by Mr. RANKIN, January 16, 1935 (74th Cong., 1st sess.). Investigation under House Resolution 409. Subcommittee on Hospitalization and Guardianship of Incompetent Veterans. Report to Committee on World War Veterans' Legislation (unnumbered report issued in 1935, 74th Cong., 1st sess.).

30. Subject: Real-estate bondholders' reorganizations.
Committee: Select committee, House.
Authorization: House Resolution 412, agreed to June 15, 1934; House Resolution 448, agreed to June 16, 1934; House Resolution 39 (74th Cong.), agreed to January 8, 1935; House Resolution 79 (74th Cong.), agreed to February 8, 1935.
Expenditure: Contingent fund of Senate, not exceeding $15,000; with addition of $50,000 later.
Result: Public hearings in Chicago, New York, Detroit, and Milwaukee. Reports submitted January 29, 1935, includes questionnaire sent to bondholders' protective committees for information, calls attention to the large amount of defaulted real-estate securities and the need for further investigation in order that corrective legislation may be framed to bring protection and assistance to "millions of our thrifty citizens directly affected" (H. Rept. 35, 74th Cong., 1st sess.).

31. Subject: Petroleum industry.
Committee: Interstate and Foreign Commerce, House.
Authorization: House Resolution 441, agreed to June 15, 1934; House Resolution 442, agreed to June 15, 1934.
Expenditure: Contingent fund of House, not exceeding $25,000.
Result: Hearings before subcommittee. Final report submitted January 4, 1935, giving summary of major subjects covered in the inquiry and calling attention to various Federal, State, and other activities relating to petroleum resources of the United States. Recommendation is made "that any legislation establishing permanently the interest of the Federal Government in the petroleum industry should provide for an agency, commission, or board * * * to absorb some of the activities in various departments of the Federal Government as now constituted." Insufficient attention is being paid to consumers of petroleum products. Supplemental report may be filed later. Approximately $5,000 of the appropriation for the investigation is to remain in contingent fund of House (H. Rept. 2, 74th Cong., 1st sess.).

Recapitulation of number of investigations by type of investigating committee

Congress	Total, all committees	Joint	Senate	House
Sixty-seventh	32	6	24	2
Sixty-eighth	28	1	18	9
Sixty-ninth	20	2	14	4
Seventieth	32	4	23	5
Seventy-first	27	1	18	8
Seventy-second	23	1	16	6
Seventy-third	31	3	12	16
Total	193	18	125	50

Senate expenditures for inquiries and investigations by fiscal years, 1922–33

	Amount paid
1922	$119,271
1923	90,367
1924	269,888
1925	243,212
1926	227,567
1927	59,099
1928	264,822
1929	245,826
1930	$204,758
1931	356,320
1932	303,962
1933 [1]	73,730

SUBJECT OUTLINE

Abolishment of useless offices.
Action of Interstate Commerce Commission in refusing to suspend certain tariff rates on the Santa Fe Railroad.
Adjustments in numbers and compensation of officers and employees of the Senate and House of Representatives.
Administration of flexible tariff; and appointment of members of Tariff Commission.
Aerial coast defense.
Agricultural conditions.
Agricultural products, particularly rice.
Air and ocean mail contracts, use of mail tubes, proposed postal rate increases, and the erection of public buildings in small towns.
Air mail and ocean mail contracts.
Air services. See Naval Air Service.
Air services, United States—Army, Navy, Mail.
Aircraft, military, profiteering in, etc.
Airports and aviation fields of War, Navy, Post Office, and Commerce Departments and District of Columbia, needs for.
Akron and other dirigibles, cause or causes of the wrecking of.
Alaska Railroad, operations, economic situation and prospects of.
Alien Property Custodian and administration of his office.
Aluminum Co. of America, prosecution of, by the Department of Justice.
Anderson, Harry B., United States district judge in Tennesse, official conduct of.
Apportionment of Government employees, etc.
Arms, munitions, manufacture and sale of.
Attorney General, Department of Justice.
Baker, William E., West Virginia judge—official conduct.
Banking, group, chain, and branch.
Banking operations and practices and the issuance and sale of securities.
Bankruptcy and receivership proceedings in the United States courts.
Bankruptcy laws of the United States, examination to suggest amendments and improvement in administration.
Barter and sale of Federal offices and appointments.
Be Vier Corporation, negotiations between Director of Emergency Conservation Work and.
Bonus, misleading estimates as to cost of.
Bread prices, reasons for failure to reflect decline of wheat and flour prices, etc.
Bribery, alleged payment of large sums of money by the Government of Mexico to influence the official action of United States Senators.
Bribery of two Members of Congress, alleged charges against Representatives John W. Langley and Frederick N. Zihlman.
Bureau of Efficiency, annual cost.
Bureau of Internal Revenue.
Bureaus and agencies of Government dealing with World War veterans.
Bursum v. *Bratton*, Senatorial election contest in New Mexico.
Campaign expenditures, candidates for House of Representatives.
Campaign expenditures, candidates for President, Vice President, and House of Representatives.
Campaign expenditures, Presidential, Vice Presidential, and senatorial candidates in 1932.
Campaign expenditures, Presidential and other candidates.
Campaign expenditures, Presidential candidates.
Campaign expenditures, Presidential elections.
Campaign expenditures, senatorial.
Campaign expenditures, senatorial, 1930.
Campaign expenditures, senatorial, 1934.
Campaign expenditures, senatorial, New Jersey, 1928.
Cancer, determination of methods of Federal aid toward discovery of a cure for.
Census Bureau, matters connected with the issuance and publication of cotton-ginning reports by.
Chamberlin, Capt. Edmund G., United States Marine Corps.
Change in boundaries of Yellowstone National Park and certain other parks.

[1] Figures incomplete.

Source: Annual reports of the Secretary (or the assistant disbursing officer) of the Senate, as given in the following documents (figures represent total amounts paid, and sometimes are the sums of items in more than one of the reports named): S. Doc. 267, 67th Cong., 4th sess., p. 274; S. Doc. 1, 68th Cong., 1st sess., pp. 193, 230; S. Doc. 157, 68th Cong., 2d sess., pp. 168, 303; S. Doc. 1, 69th Cong., 1st sess., pp.115, 181; S. Doc. 11, 69th Cong., 1st sess., pp. 55, 65; S. Doc. 162, 69th Cong., 2d sess., pp. 125, 126, 163; S. Doc. 168, 69th Cong., 2d sess., pp. 91, 94, 131; S. Doc. 1, 70th Cong., 1st sess., pp. 223, 262; S. Doc. 167, 70th Cong., 2d sess., pp. 148, 150, 202, 271; S. Doc. 40, 71st Cong., 2d sess., pp. 80, 165; S. Doc. 218, 71st Cong., 3d sess., pp. 162, 166, 218; S. Doc. 1, 72d Cong., 1st sess., pp. 72, 212; S. Doc. 140, 72d Cong., 2d sess., pp. 60, 148; S. Doc. 83, 73d Cong., 2d sess., pp. 102, 112, 242.

China, existing treaties with, and conditions that may affect our trade and commerce with.
Civil Service Commission, examining division.
Civil Service Commission, heads of all departments, commissions, and independent offices, relative to apportionment of Government employees.
Civil service since July 1, 1919, illegal appointments and dismissals in.
Civilian Conservation Corps, alleged irregularities in connection with purchases of materials or equipment for.
Claims of Hoboken, N. J., relative to occupation of certain docks by the United States.
Claims of Honolulu Consolidated Oil Co. to oil lands in naval reserve no. 2.
Coal fields of Pennsylvania, West Virginia, and Ohio, conditions in.
Coal situation in the District of Columbia.
Colorado River Basin, proposed legislation relative to development.
Columbia River, location of Sand Island in, etc.
Communications and power in interstate and foreign commerce, certain matters relating to.
Communist propaganda.
Comptroller of the Currency, Federal Reserve System and Office of.
Conservation of wild-animal life, all matters relating to.
Conservation of wild-animal life, appropriate methods for replacement and.
Consolidation and unification of railroad properties.
Continental Trading Co. of Canada, activities of. Continuing investigation of naval oil-reserve leases.
Contractors and their employees on public works and public buildings, relationship between.
Convention and protocol between the United States and Great Britain for the preservation and improvement of the scenic beauty of Niagara Falls and Rapids.
Cooper, Hon. Frank, United States district judge for the Northern District of New York, charges against.
Cotton exchanges, activities and speculative transactions of New York, New Orleans, and Chicago.
Cotton exchanges, activities of, and decline in cotton prices.
Cotton-ginning reports by the Census Bureau, matters connected with the issuance and publication of.
Cotton prices, decline in, and activities of cotton exchanges.
Cotton supply, demand and marketing.
Crime and criminal practices.
Crop insurance.
Cuban and Puerto Rican sugar-price control during the World War.
Dairy products in the District of Columbia, sale and distribution of.
Dallas, Tex., Federal Reserve banks of, administration of affairs of.
Deaver, Bascom, United States district judge in Georgia, official conduct of.
Dirigibles, cause or causes of the wrecking of the *Akron* and other.
District of Columbia, activities of real estate and finance corporations, concerning the sale of mortgage bonds upon property.
District of Columbia, charges of inefficiency and corruption in the police and other departments and public offices in.
District of Columbia, coal situation in.
District of Columbia, government of.
District of Columbia, housing and rental conditions.
District of Columbia, rental conditions in.
District of Columbia, sale and distribution of dairy products in the.
District of Columbia and the United States, fiscal relations between.
District of Columbia street-railway merger plan.
Dominican Republic, Haiti and.
Economic conditions in the Philippine Islands.
Economic problems of the United States.
Election contest (senatorial) in Iowa—*Steck* v. *Brookhart*.
Election contest (senatorial) in Minnesota—*Johnson* v. *Schall*.
Election contest (senatorial) in New Mexico—*Bursum* v. *Bratton*.
Election contest between William S. Vare and William B. Wilson, as to membership in the United States Senate from Pennsylvania.
Elections, Presidential, campaign expenditures in.
Emergency Fleet Corporation, United States Shipping Board and.
Employment for Federal prisoners.
English, George W., Illinois district judge, official conduct.
Expenditures for propaganda and lobbies in Washington.
Farmers' losses on account of wheat price fixing by Government during World War.
Federal aid to States wherein are located Indian lands not subject to State taxation.
Federal aid toward discovery of a cure for cancer, determination of methods of.
Federal Corrupt Practices Act, alleged violations of, relative to campaign expenditures in elections of 1930.
Federal Farm Board, activities and operations of.
Federal offices and appointment, barter and sale of.
Federal prisoners, employment for.
Federal prisoners in Federal, State, county, and municipal prisons and jails.
Federal Reserve Bank of Dallas, Tex., administration of affairs of.
Federal Reserve System, limited membership of State banks and trust companies in.
Federal Reserve System, operations of.
Federal Reserve System and Office of Comptroller of the Currency.
Fiscal relations between District of Columbia and the United States.
Flexible tariff, administration of; and appointment of members of Tariff Commission.
Flour prices, etc.
Foreign bonds or securities in the United States, sale, flotation, and allocation of.
Fraudulent dealings in specified lands.
Gasoline markets, crude oil and—conditions in 1920, 1921, and 1922.
Gold and silver inquiry.
Gould, Arthur R., charges against.
Government bonds. See Government securities.
Government competition with private enterprise.
Government of the District of Columbia.
Government securities—preparation, distribution, sale, destruction, etc.
Grand Teton and Yellowstone National Parks, activities in connection with proposed enlargement of.
Great Lakes-Gulf of Mexico Waterway, problem of 9-foot channel of.
Group, chain, and branch banking.
Guardianship affairs of incompetent veterans.
Haiti and Dominican Republic.
Harriman National Bank, New York City, delay in prosecuting alleged law violations by.
Herrick, Fred, matters relating to contract between, and the United States Forest Service, etc.
Hoboken, N. J., claim of, relative to occupation of certain docks by United States.
Holding companies, stock ownership in public-utility corporations, by, etc.
Honolulu Consolidated Oil Co., claims of, to oil lands in Naval Reserve No. 2.
House of Representatives Restaurant, race, color, and creed discrimination, and control by Committee on Accounts.
Housing and rental conditions, District of Columbia. See also rental conditions in District of Columbia.
Idaho, loans and advances in—War Finance Corporation.
Illegal appointments and dismissals in the civil service since July 1, 1919.
Illegal delivery to private interests of lands ceded to the United States by the Government of Mexico.
Indian lands not subject to taxation, Federal aid to States wherein are located.
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WHY HEROIZE THE DEAD WHILE THE LIVING STARVE?

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter which I addressed to the Buffalo Evening News.

Mr. RICH. Is this a letter that the gentleman has written?

Mr. HOEPPEL. It is.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members, I am in receipt of a communication from the Buffalo Evening News which requests my support to advance the bill of Senator ROYAL S. COPELAND (S. 938), creating a commission to plan a suitable memorial for America's war dead. I replied to this communication as follows:

I acknowledge your circular letter wherein you request support for the Copeland bill, creating a commission to plan a suitable memorial for America's war dead.

I served 28 months in France and I am writing to inform you that if we had less publicity for war and more publicity for peace, it is very likely we would be spared future capitalistic wars. Every home in France is adorned with pictures which appeal to martial thought, and every street corner has a memorial to some man whose greatness consists in having butchered more of his opponents than were butchered on his own side. If the newspapers of the United States and the world would give less publicity to war and more publicity in the interest of peace and a square deal, one to another, we would be spared the enormous tax burden now necessary because of past and future wars.

I yield to no one in respect to America's war dead but these war dead, if they could survey Europe with its dictatorships, with its murderous Hitlers, and others, would consider that they had sacrificed their lives in vain. If they could look back and see the distress and suffering in our own country today, which is primarily due to war, would they wish a memorial to themselves, or would they rather have a living memorial of service and helpfulness to the unemployed, the aged, and the distressed citizens?

If you will publish this letter, your readers can give you the answer.

FEDERAL EXPENDITURES FOR RELIEF IN THE STATE OF NEW JERSEY

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution of the House of Assembly of the State of New Jersey.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution of the House of Assembly of the State of New Jersey by Mr. Pascoe, of Union County, introduced and adopted April 1, 1935:

THE ONE HUNDRED AND FIFTY-NINTH LEGISLATURE
OF THE STATE OF NEW JERSEY,
Assembly Chamber, State House, Trenton, N. J.

Whereas the people of New Jersey pay into the Federal Treasury in taxes over $96,000,000 annually, and in allocating the same only about $52,000,000 is returned to the State of New Jersey, including appropriations for emergency relief; and

Whereas we learn from the CONGRESSIONAL RECORD of February 22, 1935, that in making appropriations for emergency relief to the various States there are several States which receive a vastly greater percentage of their relief requirements from the Federal Government than does our State of New Jersey; and

Whereas such a plan is manifestly unfair and inequitable to the people of New Jersey as compared with the citizens of other States; and

Whereas there are some 125 municipalities in our State which have defaulted in whole or in part on their municipal obligations or are using scrip to pay their expenses, and the imposition of additional taxes to raise money for emergency relief will further aggravate this financial situation: Therefore be it

Resolved, That the House of Assembly for the State of New Jersey does hereby request our United States Senators and Congressmen to support the request of Governor Hoffman and that they do present the above facts to the Federal Director of Emergency Relief and ask for a more equitable distribution of Federal taxes paid by the people of New Jersey, particularly emergency relief funds; we ask this in the interest of the overburdened taxpayers of our State; and be it still further

Resolved, That a copy of this resolution be forwarded forthwith to the United States Senators and each Congressman from New Jersey and to the Governor of New Jersey.

LESTER H. CLEE,
Speaker of the House of Assembly.

Attest:

FREDERICK A. BOWMAN,
Clerk of the House of Assembly.

I hereby certify that the above is a true and correct copy of a resolution adopted by the house of assembly April 1, 1935.

FREDERICK A. BOWMAN,
Clerk of the House of Assembly.

INHERITED CONCEPTS AND PUBLIC UTILITIES

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SCOTT. Mr. Speaker, I fear this House is suffering from a very advanced case of inherited concepts. It is insisting upon the retention of a lot of outmoded theories and practices peculiar to the eighteenth century. Some of them have been with us so long, perhaps we have developed such a sentimental attachment for them we just cannot bear to be parted from them. It may take a major operation to remove some of these inherited concepts that are keeping

our economic system in a comatose condition and rendering some of us almost non compos mentis. Such a major operation might be the beginning of an economic convalescence.

Here is an example of what I mean: A proposal is made to tax the American people to secure money enough to guarantee to every person a monthly income of $200. Immediately comes the cry, "Where are we to get the money?" and "We cannot, under our system, collect enough money to pay a pension of that size." For the sake of argument, grant the contention is sound. Who ever took from Congress the right to change our monetary system when it begins to prevent our doing something we want to do? The proposed bill, H. R. 7260, is to provide security; not to maintain an eighteenth-century monetary system. When we talk security, let us talk in terms of goods and people; not in terms of an inherited concept, a monetary system which cannot be changed to meet changing conditions.

Here is another example of what I mean by inherited concepts: For years we believed the organization of economic activity rested in the market place. That was true once. But now administration has in many instances replaced the market place. Yet we continue to legislate as though the market place were still the controlling factor.

The holding companies in the public-utility field dominate the activities of hundreds of thousands of people within their systems. During the depression, hundreds of little concerns were wiped out. The big ones held on. By 1932, 200 companies controlled something like 54 percent of the wealth of all nonfinancial corporations. What effect can the market place have on this administrative organization? We can no longer rely on the market place as a coordinator of economic activity. We are in the twentieth century. Then let us adopt twentieth-century concepts and forget those inherited from the eighteenth century.

One more example of what I mean: We have the Rayburn-Wheeler bill to gradually eliminate holding companies. People immediately begin to utter the usual platitudes about private property. They are talking about an eighteenth-century private property. Twentieth-century private property is something else again. The words are the same but the concepts are different.

The concept of private property inherited from the eighteenth century contemplated ownership and control vested in one person. This is no longer true in the case of the holding companies. Ownership is lodged in the hands of thousands, but the control of the holding company and its operating company subsidiaries is in the hands of a few financial manipulators at the top who juggle the stocks and interest of the real owners for their own benefit and the inevitable detriment of the owners.

Why, Mr. Speaker, this greedy little group got such a strangle hold on the capital structure of the billions of dilapidated dollars that they almost wrecked the financial system of the country. Who said private property? Even law schools have ceased to indoctrinate their innocents with the inherited concept of an eighteenth-century private property. They are recognizing the dissolution of the old private property and are teaching that property is a bundle of rights and powers—a bundle of relationships between persons.

Let me quote from an article by Gardiner C. Means in the Political Science Quarterly for March 1935. Perhaps it will give a clearer picture of what I have in mind.

> The shift of large segments of economic activity from coordination through the market place to coordination through administered activity has thus gradually sucked controls over economic activity away from the three parties mainly at interest—the security holders, the workers, and the consumers. It has placed this control in the hands of administrators, nominally responsible to the security holders but factually responsible in all too many cases to no one. Such a concentration of controls leaves the security holders, the workers, and the consumers—the forgotten men—with great and basic interests in industrial activity, but with minimum controls over it. Controls without interests lead to irresponsible actions. Interests without controls lead to social frustration.

I want to give a little more time to this proposed holding-company legislation. With this twentieth-century concept of private property, what shall we do about them? We cannot let them go unchecked. We cannot control them. They are too big to control. They can control the boards set up to control them. Hon. Gifford Pinchot, of Pennsylvania, has said:

> Nothing like this gigantic monopoly has ever appeared in the history of the world. Nothing has ever been imagined before that even remotely approaches it in the thorough-going, intimate, unceasing control it may exercise over the daily life of every human being within the web of its wires. It is immeasurably the greatest industrial fact of our time. If uncontrolled, it will be a plague without previous example. If effectively controlled in the public interest, it can be made incomparably the greatest material blessing in human history.

Carl D. Thompson has this to say:

> Hearings developed the fact that the utility situation has involved every other institution in the country, the banks, the insurance companies, and even the educational institutions. Read the record.
>
> They have canvassed the textbooks used in the schools in every State in the Union, according to this record. They have reported upon the textbooks used in teaching your children economics. Wherever they have found in these textbooks statements that were hostile to their interests, they have gone to the school board, so they say, and have insisted that the objectionable statements be eliminated. In some cases they have asked that the textbook be eliminated entirely. And they say that they have been very successful. This is the Government record.
>
> They have gone so far as to enter into agreements with publishers of textbooks for the schools to the effect that these publishers will not bring out a text book on economics until they have first submitted the text to the power companies themselves, so as to be sure that the text books are safe and sane and dependable. This peril has invaded our banking system, our insurance system, our investment system, as well as other institutions, until it has imperiled every institution of a free people and democracy.

This, it appears to me, leads to only one conclusion. We must first provide as the Rayburn-Wheeler bill does for the gradual elimination of this octopus called the holding company. Our second step must be the continuation of such projects as Muscle Shoals, Boulder Canyon, Grand Coulee, Bonneville, Casper-Alcova, Fort Peek, North Platte, and Columbus until we have located over the country enough Federal owned and operated generating plants to supply to publicly owned distributing systems electric light and power sufficient to meet the needs of the entire country.

The advantage of the elimination of the control of the holding company is in my opinion enough to make this a part of any first or must program.

It might be well now to list some of the advantages of public ownership of public utilities. In doing this, I refer to an address delivered by Carl D. Thompson, secretary of the Public Ownership League of America:

1. It requires less capital to establish a public service than it does a private one. The average value per kilowatt of generating capacity for the municipally owned plants is $180, while that for the private plants is $339.

2. A city can borrow money more cheaply than a private company.

3. A municipal plant always amortizes or pays off its capital account. In this way it gradually lessens the interest and principal payment each year until finally, at the end of 20 or 25 years, they are eliminated entirely. Private companies do not pay off their capital account. From two-thirds to as high as four-fifths of the cost of electric current can be saved by municipal ownership by this one means alone of amortizing the capital account and thus eliminating the capital charge.

4. Municipal ownership avoids the evils and dangers of overcapitalization. By manipulating stocks and bonds, by issuing fictitious securities, by mergers and combinations, by capitalizing earnings and the increasing value of land, by refusing to eliminate dead capital, and other similar devices, and last, and most subtle of all, by the device of the holding company the private owners of public utilities have heaped upon their properties enormous charges. The Federal Trade Commission has found over $925,000,000 of watered stocks, inflation, or fictitious values in the capital account of the electric utility corporations of the United States.

5. Municipal plants invariably reduce rates in a community as soon as they are established. A municipal plant which is generally established in competition with a private plant invariably compels a private plant to reduce its rates.

6. Private companies unduly favor large consumers at the expense of the small consumers, although the latter constitute by far the greater part of the public.

7. The city secures complete control of rates and service. For a commission of three men to consider all of the several thousands of utility cases in a State and do justice to all is a physical impossibility, even assuming that the commissioners are absolutely honest, fair, and impartial. Moreover, no city can afford the expense of hiring an army of high-priced attorneys, public-utility experts, and engineers and keeping them through interminable hearings to meet the forces which these powerful corporations have permanently employed. But what makes the hope of any relief or protection from this source utterly groundless and delusive is the fact that even if the cities are in rare instances successful before the commissions the companies appeal to the courts. There the commission's rulings are promptly overridden. And no matter how solemn a contract a city may have with a company affecting rates or service, the courts do not hesitate to set it aside, if it can be shown to their satisfaction that the rates are "confiscatory."

8. Public ownership lowers the cost of public service.

9. A municipal light and power plant is a moneymaker. Municipal plants by the hundreds, everywhere, all over the country are paying for themselves, paying interest charges, paying off the funds borrowed to start them, and, besides, many of them are paying for their extensions and improvements out of earnings and contributing to other public expenses that actually reduce tax burdens.

It is often asked, "Do municipal light plants pay?" This question was answered in a report of the Commonwealth Club of San Francisco, as it pertains to the municipal plants of California.

It was found that after paying all operating expenses, depreciation on the investment, interest on debt, and all items of expense except taxes that the private companies pay, the cities made the following net profits annually:

City	Population	Net profit
		Percent
Pasadena	76,086	47
Redding	4,188	46
Anaheim	10,995	46
Glendale [1]	62,736	45
Lodi	6,788	38
Healdsburg	2,296	37
Alameda [1]	35,033	35
Riverside [1]	29,696	35
Palo Alto [1]	13,652	34
Roseville	6,425	32
Santa Clara	6,302	28
Los Angeles [2]	1,238,048	28

[1] City owns distribution system only. [2] Competitive plant.

It is further reported that the savings in lower rates to the citizens amounts to an average of over 10 times the amount lost through taxes.

Twenty-one California cities now own their electric distribution systems.

10. The smallest city can make it succeed.

11. A municipal light and power plant would mean a better lighted city.

12. A municipal electric light and power plant means better homes in the community.

13. A municipal plant means better and more business for the local businessmen. The power companies are everywhere entering the merchandising field, selling all kinds of electrical equipment, fixtures, and attachments at prices below cost and making up the loss by charging high rates for electric service.

14. With low electric light and power rates, industries can develop and multiply; new ones can be drawn to the city.

15. A municipal light and power plant helps the community by making it easy and natural to coordinate the public services.

16. If the city owns its own municipal light and power plant, the earnings stay at home and thus go to the building of the local community.

17. A municipally owned light and power plant enables the city to secure the advantages of interconnection and cooperation with other cities.

18. It substitutes the principle of public service for that of private profit.

19. A private corporation operating a public utility is constantly at variance with the community.

20. Municipal ownership puts the private corporations out of politics.

21. Since the whole life, progress, and prosperity of the community is dependent upon electric service, the city and its people must choose whether they are to own it or be owned by it.

22. We are confronted with the possibility of a complete and Nation-wide monopoly of the power resources of the continent.

Senator NORRIS, speaking on this subject in 1925, said:

> I have been dumbfounded and amazed, and the country will be dumbfounded and amazed when it learns that practically everything in the electrical world is controlled either directly or indirectly by some part of this gigantic trust. It controls from one end of the country to the other the generation and distribution of electricity by water power and by other means and the manufacture and sale of electrical appliances, running all the way from a little electric bulb in the house lamp to the gigantic generator that will handle without trembling from 30,000 to 60,000 horsepower. A gigantic trust that has fastened its fangs upon the people of the United States from the Atlantic to the Pacific and from the Great Lakes to the Gulf.

Now, I want to sum up. We are looking for economic security on a decent-living standard. This seemingly cannot be achieved if we insist upon retaining all of our inherited concepts. One of these concepts that must go is the one about private property in the public-utility field. Control is no longer as one with ownership. This results in irresponsible control. This results in what the President termed "theft within the law." Ownership and control, then, must be vested once more in the people.

When this part of our economic problem is solved we can turn to others.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUCAS. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LUCAS. Mr. Speaker, on last Monday evening in the city of Springfield, Ill., there appeared the irresistible and distinguished Congressman from New York, Mr. HAMILTON FISH, for the purpose of making an address to the Young Republican Club of that city. The Illinois State Register, which is the official organ of the national administration in the down-State part of Illinois, reported that the gentleman from New York harangued the multitude and pawed the air for 2 solid hours discussing the current questions of the hour, and particularly condemning and criticizing the new-deal policies of the President of the United States, as the gentleman from New York has frequently done upon the floor of this House.

Mr. Speaker, there is a Republican club in Cook County, Ill., and which, I am informed, has branches throughout the State, which has for its purpose chiefly "To rescue the Republican Party of Cook County, Ill., from the profanation and control of the hoodlums and those who have exploited the party for their selfish interests and to restore it to the keeping of God-fearing men and women who have kept the faith and who follow in the footsteps of Lincoln and the fathers."

The article I previously referred to did not state which one of the Republican branches the distinguished gentleman from New York addressed in Illinois, but knowing him as I do, I am certain he addressed those who want to follow in the footsteps of Lincoln.

My colleagues, there is something strange about Springfield. It has a fascination and an attraction for those who have the Presidential bee in their bonnet, and when one goes to that great city of patriotism and hospitality, the city

where Lincoln loved and lived and is buried, he immediately finds himself enmeshed in surroundings which breathe dignity and power. He finds himself surrounded by flowers, photographers, and a deep mental inspiration, the result being that his chest expands, and he becomes imbued with an idea that he was probably sent for the purpose of performing some political miracle, and that it is up to him to do something worth while for his country. In that Lincolnian atmosphere we find the scholarly gentleman from New York mingling with his fellow Republicans, condemning and criticizing the new deal from every angle. Yes, Mr. Speaker, condemning and criticizing the new deal from every angle, but failing to make a single constructive suggestion as a substitute to any of the new-deal policies which are now in active operation and are proving themselves to be a tremendous assistance to mankind in this economic storm through which we are drifting.

Mr. Speaker, there are countless others in the past who, assuming they were Republican Presidential timber, have gone to the shrine of Lincoln for hope and courage. Around that inn of immortality young Republican candidates for the highest office within the gift of the people have lingered, and if they stay long enough—and most of them do—they become inspired with the feeling that they were sent to that section of the country by some superpower to obtain from the dead Lincoln a spiritual decree which will authorize and direct them to go forth under the open skies of America and save the Republic.

And so today we find the delightful Congressman from the Empire State out in the Middle West, feeling the pulse of the people to determine whether or not they will draft him to be the Presidential nominee in 1936.

Mr. Speaker, I admire the courage of this fighting Congressman in starting his Presidential campaign in the State of Illinois, in view of the fact that it was only last November when the voters of that great State elected every man running for a State office by a plurality approximating some 300,000 votes. It was that election which sent, in a Statewide fight, two distinguished sons of Illinois as Congressmen at large to this great body, and who are now actively participating in the affairs of Government on the Democratic side, namely, the Honorable MARTIN A. BRENNAN, of Bloomington, and the Honorable MICHAEL L. IGOE, of Chicago.

And then again, I must commend the courage and the fortitude of the distinguished gentleman from New York when I think of his starting his campaign in Illinois right on the heels of the greatest political upheaval in the history of America. It was only a week ago last Tuesday that the Chicago voters went to the polls and gave to that fine and splendid executive, the Honorable Edward J. Kelly, the greatest plurality for mayor that any individual ever received in any city election during our entire history. His majority over all opponents was 543,853.

The election of the entire State ticket last November, and the election of the greatest mayor that Chicago has ever had, on April 2, is a barometer as to what is going to happen to the Republicans in the Nation in 1936. I sincerely hope that the Republican Party in convention assembled will see fit to place Congressman FISH at the head of the ticket to lead their cause in the next Presidential election. And if that happens, I make the prophecy now that the great humanitarian in the White House, who will be the Presidential nominee in 1936, will carry the State of Illinois by not less than 500,000 votes. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois may proceed for 5 additional minutes.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object——

Mr. WITHROW. Mr. Speaker, I object.

TWO SIDES OF THE T. V. A.

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, this move by the T. V. A. to extend its activities into the Cumberland and Tombigbee Valleys is a typical example of the activity of bureaucracy to promote its own growth. A year and a half ago we set up the T. V. A. to be a yardstick for use in determining fair rates for power companies. Here they are now asking to be increased to a 50-foot chain. Not only is the T. V. A. seeking to promote its own growth, but it is reaching out to secure for itself unprecedented powers. Ever since the foundation of this Nation, the Congress has been the only branch of the Government having the power to acquire or dispose of property. Now comes this Board of the T. V. A. demanding that it be vested with this power. When is the Congress of the United States going to take drastic steps to curb the growing power of bureaucracy? Bureaus are born, but never die. Their voracious appetite for public funds increases, even faster than their growth.

As a measure to promote national defense, by making nitrates available for munitions in time of war and for fertilizers in time of peace, the T. V. A. was justified. It is justified also as a yardstick for utility rates, providing its calculations are honestly arrived at and justly applied. When they attempt, however, to socialize industry by soliciting various industries to move into this section of the country because of potential cheap power rates, that is a different matter. No doubt such a movement would result in a favorable development of this section, but to the detriment of other sections. It is undoubtedly robbing Peter to pay Paul. Any opposition to any extension of either the scope or authority of the T. V. A. on these grounds is certainly unjustified. We cannot solve our problems of unemployment by shifting them from one section to another. We can only intensify them by such methods. We must approach them from a national, not a sectional viewpoint.

As to the proposal to slack the Tennessee River in order to facilitate river transportation as far as Knoxville, Tenn., the benefits of such a proposition are very doubtful to say the least. The manganese in that region is of too low grade to be used in competition with manganese from regions where it is of much higher grade. As for the coal fields to be opened, we already have twice as many coal mines opened as we can normally support. Why subject an already overdeveloped industry to further competition? One of our major problems of unemployment is to provide employment for our bituminous-coal miners. Those who might be placed in emplyment by the opening of this coal field have land upon which to raise their living. That is more than the miners in most other sections have. Why take any of our population now living from the soil from that soil? We are now face to face with the necessity of returning a large part of our population to the soil in order to enable them to exist, if we would but face conditions honestly.

As to flood control and the rehabilitation of eroded lands, it does not seem reasonable that those who for years and years have permitted severe soil erosion because they would not avail themselves of cover crops and proper methods of tillage will avail themselves of more intricate methods to bring their lands back to a productive basis.

From the latest testimony on the matter, it seems that entirely too little attention is being paid to one of the primary reasons for the establishment of the T. V. A.—national defense. We have the right to expect it to be devoted to this purpose—a punitive agent to the enemies of this Nation in event of an emergency.

On the other hand, it is amusing to hear the representatives of the power companies protesting to high heaven because the activities of the T. V. A. have forced them to sell some of their holdings to the T. V. A. Since when has big business become so considerate of the rights of competition? Are these power companies at the present time not endeavoring to drive from business all competition in the field of producing and selling electrical devices? Who has pursued methods more ruthless in stifling competition than the industrial captains of the past? They should be reminded that "he who comes before a court of equity should come with clean hands."

In many of the States the utility companies and similar interests entered into politics and secured control, body and soul, of State senators, legislators, Governors, and public-service corporations or like administrative bodies. By such means they secured legal sanction to finance themselves in highly irregular manners and charge excessive rates to consumers. They had no compunctions against issuing watered stocks or like practices which were certainly detrimental to the public interest. They seek to secure sympathy now by citing the amount of their stock owned by widows and orphans. By their ruthless and irregular methods of business in the past they have provoked a storm of protest from an outraged public and are fearful of the consequences.

There are two sides to this question as in all others. At all hazards governmental ownership must not be extended to the point where it will crush private business. Just the same, I believe the value of the T. V. A. as a yardstick will be proven by future developments. Even so, I do not believe we can afford to allow it to develop unchecked or to extend its domain any farther.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7620) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7260, with Mr. MCREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, I yield myself such time as I may need and I would appreciate being notified when I have consumed 30 minutes.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 1 hour.

Mr. TREADWAY. Mr. Chairman, I admire the lack of courage of the majority. There are two very apparent reasons why there has been quite a lapse of time since the Ways and Means Committee reported the social security bill.

First, it was necessary to receive instruction from the White House; and second, the majority were endeavoring to see whether they could muster votes enough to pass the bill under a gag rule. Having come to the conclusion that it was impossible to do this, it was decided to handle this "hot potato" under an open rule and take their chances on mustering enough votes to put the bill across in something like the form that the committee has reported.

They have taken the right course, but for the wrong reason. This bill contains such vital issues that it should be thoroughly and completely discussed, and, I hope, very materially amended, before it reaches a final vote.

LITTLE TESTIMONY FROM PRACTICAL PEOPLE

In his lengthy explanation of the measure yesterday, our distinguished chairman, the gentleman from North Carolina, stated that the Ways and Means Committee had given most careful consideration to this bill and that ample opportunity had been given to everyone to appear in opposition to this bill that desired to do so. Theoretically, that statement is correct; practically, it is not.

While this measure has been before Congress since the middle of January, and more than a thousand pages of testimony have been taken, I want to call attention to the fact that there was little testimony from persons of experience in business lines. Practically everybody who appeared had some part in drafting the legislation or was consulted with respect to the problems involved. There were not to exceed a half dozen persons who testified who were not a part of the present new-deal administration.

REVISED DRAFT NOT PUBLIC UNTIL AFTER APRIL 4

While the bill was being revamped, and while it was under consideration in the form in which it is now presented, the bill was not made public. Every copy issued to the members of the committee was marked "confidential", and the interested parties all over the country had no knowledge whatsoever of the contents of the present measure before it was introduced on April 4.

Moreover, it is such a complicated bill, containing so many different titles and different ideas, that the average citizen would have much more difficulty in understanding it than we Congressmen, who have had it before us.

OBJECTIONABLE TITLES SHOULD BE GIVEN ADDITIONAL CONSIDERATION

Such a departure from present-day policies as is contained in the objectionable titles of the bill should be given the greatest opportunity for study, analysis, and criticism. To say that hearings were held and witnesses did not appear is no argument that the country is for this measure in toto.

The only fair way that old-age annuities and unemployment insurance should be made policies of the Federal Government is after a disinterested commission, composed not only of college professors, members of the "brain trust", and "new dealers", but of people of experience and judgment, has studied such problems for an indefinite period and reached conclusions which could be recommended to the Congress.

I can hear my Democratic colleagues say that the Advisory Board set up by the President's committee was composed partly of such people as I have described. This Board might be regarded as qualified to study the problem, but their services were confined to very short periods and very little consultation. No report from them was submitted to the Ways and Means Committee. There is no evidence as to their attitude toward this measure, nor do we know whether they ever saw the revised bill.

THIS IS PERMANENT, NOT EMERGENCY, LEGISLATION

I cannot emphasize too strongly that very meager and insufficient study has been made of this proposed legislation, under which the Federal Government is to embark upon new and untried policies.

All recommendations of the present administration have been based upon so-called "emergencies", and the legislation has been of a temporary nature, either to be operated for a specified time or canceled in the discretion of the President.

An important part of the legislation contained in this bill is not only new and untried in this country, but haste is urged in the adoption of permanent policies. One of the men principally responsible for the preparation of the bill reiterated several times before the Ways and Means Committee that we should hasten this legislation through in order that it could be submitted to State legislatures before they adjourned this spring. Fortunately, many of these legislatures have already adjourned, and I hope they will adjourn several times more before this hastily and ill-conceived and apparently unconstitutional legislation becomes the permanent policy of the Federal Government.

NO COMPROMISE IN PRESENT BILL

There are two outstanding features in any legislative enactment: First, the possibility of compromise in order that views may finally reach a harmonious conclusion; and, second, the scale of merit.

The first one is not found in H. R. 7260. There is no compromise in it of any kind. The principles laid down in the bill correspond with the original suggestions contained in the report of the President's Committee on Economic Security, which indicates that the majority members of the Ways and Means Committee are entirely subservient to the instructions of the administration.

We therefore look to the second feature for a decision for or against the measure.

DEMERITS OF BILL OUTWEIGH MERITS

I feel that I have been fairly diligent in my attendance at the hearings and executive sessions of the committee, which have run over a period of several months on this measure alone.

It has been my firm effort to become convinced of the merits of the bill, and I have approached the several subjects with an open mind. However, I have come to the conclusion that the demerits of the measure far outweigh the merits.

SHOULD HAVE BEEN FOUR SEPARATE BILLS

If legislation of this character is to be passed by Congress, there should have been 4 separate bills instead of 1, divided into 2 categories: First, those which, according to the views of the minority of the committee, "spring from the desire of the Federal Government to provide economic assistance to those who need and deserve it"; and, second, those which are based upon the principles of compulsory insurance.

FAVOR OLD-AGE PENSIONS, AID TO CHILDREN, ETC.

In the first class are titles I, IV, V, and VI, granting aid to the States for old-age pensions, for the care of dependent children, for maternal and child welfare, and for public health. They carry with them an appropriation for each of the various purposes, which will aggregate less than $100,000,000 the first year. I am in favor of all of these titles.

OPPOSED TO OTHER TITLES

The other group consists of titles II and VIII, relating to compulsory contributory annuities, and titles III and IX, relating to unemployment insurance. I am opposed to these four titles of the bill. They are not in any sense emergency measures. They would not become effective in time to help present economic conditions, but, on the contrary, would be a definite drag on recovery.

FAVOR INCREASE IN FEDERAL CONTRIBUTION FOR OLD-AGE PENSIONS

Title I of the bill provides for Federal cooperation with the States in establishing and maintaining State old-age pension systems. This cooperation is extended in the form of a grant to the States of one-half the amount expended by them for pensions for the aged, with a limitation on the Federal contribution of $15 per month per person.

Of the 28 States which now have old-age pension laws, none has a rate in excess of $1 per day or $30 per month. If they continue the $30 rate, the Federal Government will relieve them of one-half the cost, or they can increase the rate to $45 without any new burden on the State Treasury.

With the Federal Government contributing not more than $15, the tendency will be to freeze the rate at not more than $30. I cannot bring myself to believe that a $30 pension is adequate, particularly in cities, where rents and other living costs are much higher than in rural areas.

If it is to be the policy of the Federal Government to cooperate with the States along this line, I would favor a substantial increase in the Federal contribution for the purpose of meeting the conditions described in section 1, namely, assuring "a reasonable subsistence compatible with decency and health to aged individuals without such subsistence."

UNEMPLOYMENT INSURANCE

Titles III and IX of the bill seek to coerce the States into enacting laws for the payment of unemployment compensation. This coercion takes two forms.

Under title III the Federal Government agrees to grant to the States the sum of $4,000,000 in the fiscal year 1936 and $49,000,000 annually thereafter for the purpose of meeting the cost of administering their unemployment-insurance systems, if, as, and when set up. Only one State—Wisconsin—now has such a system in actual operation. The States cannot qualify for this Federal assistance unless their laws meet certain Federal standards of administration laid down in the bill.

The money appropriated is expected to be offset by the incidental revenue obtained from the tax under title IX. Titles III and IX are separated in the bill for constitutional reasons.

DIRECT COERCION ON STATES UNDER TITLE IX

The coercion under title IX, in the guise of a tax, is more direct. Employers of 10 or more persons are required, beginning next year, to pay a Federal tax on their pay roll, but are permitted to offset against this tax, up to 90 percent thereof, any contributions made by such employers to State unemployment-insurance funds.

If the employer's State has no unemployment-insurance law, he gets no credit, but must pay the Federal tax in full. His employees, however, get no unemployment benefits, since the receipts from the tax are simply covered into the general revenues of the Government. Thus, employers will have the burden of a pay-roll tax whether their State has an unemployment-insurance law or not, and they can escape the major portion of the Federal tax only by prevailing upon their State legislature to enact such a law. In effect, title IX forces employers to pay a tax either to the Federal Government or to the State.

RATES OF TAX AND TAX BURDEN

The rate of tax under title IX would be 1 percent in 1936, 2 percent in 1937, and 3 percent in 1938 and subsequent years.

The burden which it would impose on business and industry is estimated by the committee at $228,000,000 in the first year, $500,000,000 in the second year, and from $800,000,000 to $900,000,000 annually thereafter.

TAX WOULD INCREASE UNEMPLOYMENT AND WOULD BE BURDEN ON BUSINESS

At this point I want to say that I have approached the subject of unemployment insurance with an open mind. I believe in it in principle, and favor its ultimate enactment under State laws. However, I cannot support titles III and IX of the present bill, because I am convinced that instead of contributing to the relief of the unemployment problem they would aggravate it. This would result in the following manner:

First, by putting the penalty on pay rolls the tax under title IX would admittedly have the effect of increasing unemployment.

Second, by imposing a tremendous additional burden on industry and business the tax would seriously retard business recovery.

Moreover, there is a constitutional question involved, since the tax under title IX is not a true tax, but a legislative "club" to force State action along certain lines.

EMPLOYERS WILL REDUCE NUMBER OF EMPLOYEES TO ESCAPE OR MINIMIZE TAX

That the tax will increase unemployment should be rather obvious. In the first place, employers of less than 10 persons are exempted. The natural tendency for employers of slightly more than 10 persons will be to reduce the number below that figure and thereby escape all tax. If, for example, 11 or 12 persons are employed, the tax must be paid on the pay roll of all, but if only 9 are employed, no tax whatever is imposed.

The bill, therefore, offers a direct invitation to reduce the number of employees in a business to nine or less wherever that is possible. At the same time it offers an inducement to larger employers to get along with as little help as possible in order to minimize the pay-roll tax. It is quite apparent, therefore, that, although the tax is in the long run supposed to be of benefit to the unemployed, it actually will increase their ranks.

NO IMMEDIATE BENEFITS TO UNEMPLOYED

I might point out that even if the States promptly enact unemployment-insurance laws no benefits could be paid to the unemployed until after a reserve has been built up, and this, of course, would take several years. Even then benefits would be paid for only a few weeks, after a certain waiting period, and with the present number of unemployed the funds would soon be exhausted.

In this connection I cite the following language in the report of the majority, page 7:

> It should be clearly understood that State unemployment compensation plans made possible by this bill cannot take care of the present problem of unemployment.

With respect to the payment of unemployment relief in the future, the report adds:

> Unemployment insurance cannot give complete and unlimited compensation to all who are unemployed. * * * It can give compensation only for a limited period and for a percentage of the wage loss.

These statements in the committee's report make clear the fact that this is not in any sense emergency legislation which requires immediate enactment. No quick relief is intended. Hence there is no object in leaving titles III and IX in the bill, particularly when their result will be to increase unemployment rather than relieve it.

So far as the burden of the tax on industry is concerned, I will discuss that more in detail in connection with the tax under title VIII, relating to compulsory contributory annuities.

INOPPORTUNE TIME FOR ENACTMENT

To summarize my position on the subject of unemployment insurance, I may say that while I am in complete sympathy with its general purpose, I do not believe that the present is an opportune time to put it into effect, nor do I believe that the method adopted by the bill is the best or only method for dealing with the problem.

COMPULSORY CONTRIBUTORY ANNUITIES

I am strongly opposed to the provisions of titles II and VIII, which impose upon private industry a compulsory Federal retirement system for superannuated employees and exact a contribution from such employees and their employers, in the guise of a pay-roll tax, to set up reserves out of which to pay retirement benefits.

PLAN IS UNCONSTITUTIONAL

The Federal Government has no express or inherent power under the Constitution to set up such a scheme as is proposed. No one knows this any better than the administration and the Democratic majority of the committee. They have been working for months trying to give titles II and VIII some color of constitutionality. They are not very proud of their handiwork, but they think it is in the least objectionable form from the constitutional standpoint.

TITLES II AND VIII INTEGRAL PARTS OF SINGLE SCHEME

Titles II and VIII are just as closely related as a house and its foundation. The former provides for the compulsory premiums; the latter for the benefits. The two titles go together and neither one is intended to stand by itself.

The reason that these two titles are separated in the bill is that if they were combined, as they should be, they would on their face be unconstitutional, since the Federal Government cannot lay a tax for any other purpose than the raising of revenue for public uses. The tax imposed under title VIII is not a tax at all, but an enforced insurance premium for old-age annuities. The money raised by the tax is not intended for the support of the Government, but to pay the benefits provided under title II to the same employees who are taxed under title VIII. If you will look at the exemptions from the tax under section 811 (b), you will see that they are identical with the exemptions from the benefits under section 210 (b).

MAJORITY REPORT ATTEMPTS TO DECEIVE SUPREME COURT

The report of the majority makes no reference to the connection between titles II and VIII, because they know that the Supreme Court is eventually going to look at that report to see what the intention of Congress was in setting up these titles. They purposely omitted any reference to the connection between the two, because they wanted to try to delude the Supreme Court. I do not think the Court is going to be deceived, however. It is not going to let Congress do in a back-handed way what it cannot do directly.

REAL PURPOSE STATED IN PRESIDENT'S MESSAGE

On page 5 of the report of the majority the inference is left that title II is a Federal benefit system assuring support for the aged "as a right rather than as public charity." This is outright deception. The report also states that title II establishes a "system of old-age benefits, paid out of the Federal Treasury." That, again, is outright deception. Nothing of the kind is contemplated. The real purpose of titles II and VIII is stated in the President's message of January 17, 1935, in which he said that the object of these provisions was to set up a system of "compulsory contributory annuities", which in time would establish a "self-supporting system for those now young and for future generations."

CONSTITUTION SHOULD EITHER BE ABOLISHED OR RESPECTED

Personally, I think this attempt to delude the Supreme Court is rather childish. Either the Federal Government has the power to set up this compulsory-insurance system or it has not. The Constitution should either be respected or abolished. What is the sense of having it if we are going to spend most of our time trying to devise ways and means to circumvent it?

SCOPE OF TAX CHANGED FOR CONSTITUTIONAL REASONS

Under the original bill nonmanual workers earning more than $3,000 per annum were exempted from the tax, and hence from the benefits, but in order to make the tax provisions, standing by themselves, less obnoxious from a constitutional standpoint, the tax was made applicable to the first $3,000 of the annual wages of all employees regardless of the total salary. Thus, while it was not the intention of the original bill that this higher-salaried class of employees be covered, they were included for constitutional reasons.

Obviously, an alleged tax applying to low-paid employees and not to higher paid ones would arouse suspicion on the face of it. I am afraid that the changes made by the majority still has not removed this suspicion, because it appears rather strange for a tax to apply to the entire salary of a worker earning $2,500 annually, but to only the first $3,000 of the salary of a corporation officer receiving, for example, $100,000 annually.

Usually, we have found that the person drawing a high salary or receiving a large income is the one whom an effort has been made to penalize by taxation. There is a distinct objection where the small-salaried man pays a tax on his whole income and the higher-salaried man gets almost complete exemption.

This again is a reversal of existing policy, in allowing a man of large salary or large income to escape tax on a large portion of his income while his less fortunate neighbor must pay a tax on his entire salary. We have frequently heard references made to socialistic tendencies and the creation of sentiment favorable to socialism. I know of nothing that will be more repugnant to the average wage earner than to think "I am to pay tax on my whole salary while the big fellow pays tax on only a part of his."

When this scheme of taxation becomes known, look out for storm signals.

PRINCIPAL OBJECTION IS BURDEN THE TAX PLACES ON BUSINESS

I know that it is useless to call the attention of Congress to the constitutional limitations on its powers. The administration is not going to play the legislative game according to the rules.

I therefore wish to say that my principal objection to titles II and VIII lies in the tremendous burden which they would impose upon employers and employees.

RATES OF TAX AND TAX BURDEN

Titles VIII imposes a pay-roll tax on employers, regardless of the number of persons in their employ, at rates ranging from 1 percent in the 3-year period from 1937 to 1939, inclusive, to a maximum of 3 percent after January 1, 1949. This tax is imposed on the first $3,000 of the annual wage paid to each employee.

Title VIII also imposes a gross income tax on the first $3,000 of the annual wage of the employee, which is deducted by the employer from the employee's wage envelope and turned over to the Federal Government. The rate is the same as that imposed on the employer, beginning with 1 percent on January 1, 1937, and increasing at the end of each 3-year period until the maximum of 3 percent is reached in 1949.

The additional burden on industry and business by virtue of the tax on their pay roll ranges from $280,000,000, in 1937, to over $900,000,000 in 1950.

A further $280,000,000 to $900,000,000 is annually withdrawn from the wages of employees, and hence from the channels of trade.

TOTAL PAY-ROLL TAXES REACH $2,700,000,000 IN 1950

Considering the pay-roll taxes under titles VIII and IX together, industry and business are faced with an additional

tax burden of $228,000,000 in 1936, $800,000,000 in 1937, $1,000,000,000 in 1938, and gradually increasing amounts in future years, reaching $1,800,000,000 in 1950. This would be in addition to income, property, and other forms of existing taxes.

The latter figure does not include the $900,000,000 annual tax on employees, which increases the total burden to $2,700,000,000.

TAX MUST BE PAID EVEN IF BUSINESS IS IN THE RED

It should be remembered that the taxes imposed under titles VIII and IX will be collected from businesses operating in the red as well as those fortunate enough to make a profit, and they will have to be paid even if the Government has to take over the business in satisfaction of them.

PAY-ROLL TAXES WOULD PREVENT POSSIBILITY OF RECOVERY

In my opinion, the proposed imposition of the pay-roll taxes imposed under titles VIII and IX constitutes the greatest single threat to recovery of all the administration's ill-advised policies. Business and industry are already operating under very heavy burdens. Many businesses at the present time are barely able to keep their heads above the water, and if they have to face a pay-roll tax for retirement annuities, and another pay-roll tax for unemployment insurance, eventually aggregating 6 percent, they probably will be unable to continue in operation. This means more unemployment, and more uncertainty.

Aside from these taxes, the country is faced with additional income and excise taxes to pay interest upon and ultimately retire the ever-mounting national debt. Where the tax burden will end, nobody knows, and with business trying its level best to stage a recovery amid all sorts of difficulties, restrictions, and impediments, it is not going to help conditions any by putting additional millstones around its neck.

BUSINESS WILL ALSO FEEL EFFECT OF REDUCED PURCHASING POWER OF EMPLOYEES

Not only is business going to be affected by the direct burden imposed upon it, but it is going to feel the effect of having the purchasing power of employed persons reduced by from $280,000,000 to $900,000,000 annually. The administration seems to be so much interested in putting purchasing power into the hands of the masses, but here is a measure which will considerably reduce the already existing purchasing power of some 22,000,000 workers.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. BOLTON. Do I understand that the annuity tax, or the unemployment tax, goes into effect in 1937?

Mr. TREADWAY. The unemployment tax affects your pay rolls of 1936, collected in 1937.

Mr. BOLTON. Paid in 1937?

Mr. TREADWAY. Yes.

Mr. BOLTON. That is the reason for the date being put off to 1937 instead of 1936.

Mr. TREADWAY. I think there is a little policy involved with respect to the date, when it goes into effect, and I think the gentleman comprehends what that is.

Mr. BOLTON. Yes.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. RICH. This is going to exact a total tax on industry a 9-percent tax bill?

Mr. TREADWAY. Yes; 6 percent on the employer and 3 percent on the employee.

Mr. RICH. Then would it not be a good idea to call this a 9-percent tax bill?

Mr. TREADWAY. That would not be in accordance with the intentions of the proposers of this measure. They want to hoodwink the public and the country into thinking this is a great emergency bill, when it will not be effective for several years.

The CHAIRMAN. The gentleman from Massachusetts has consumed 30 minutes of his time.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. SAMUEL B. HILL. Has the gentleman from Massachusetts heard any member of the majority on the Ways and Means Committee claim that this is an emergency bill? Has it not been the contention all the while that this is permanent legislation?

Mr. TREADWAY. I called attention to the fact that this is the most important piece of legislation introduced by the present administration, because all our previous enactments have been emergency legislation, whereas this is a piece of permanent legislation, which strikes me as very foolish.

Mr. SAMUEL B. HILL. And it purports to be permanent legislation.

Mr. TREADWAY. Of course, I absolve the majority of the Ways and Means Committee of ever having represented it as an emergency measure except to this extent: Your chief advocate, to whom I have already referred, wanted to hurry us in the consideration of the most important problem I have ever known to come before the Congress in peace times in order, forsooth, to push it through the State legislatures and get this coercive proposition working quickly. Fortunately we were able to keep that down.

Mr. SAMUEL B. HILL. Is the gentleman disappointed because the Ways and Means Committee provided plenty of time for ample consideration?

Mr. TREADWAY. I do not consider they gave plenty of time when we consider that this is a permanent policy that you are setting up here, upsetting all business conditions, changing methods of doing business, inaugurating a new scheme of a permanent character. I consider that such a measure cannot be given sufficient study in 3 months' time and have it digested by the people. The members of my own committee realize this. I am one of them, and I will acknowledge that I cannot answer many questions that can be asked today about it; and as much as I respect the mentality of the leaders on the majority side, I doubt whether they can answer many questions that can arise here.

Mr. SAMUEL B. HILL. Is the gentleman from Massachusetts opposed to the bill?

Mr. TREADWAY. I shall vote most strenuously in opposition to the bill at each and every opportunity I get. Does that answer the gentleman's inquiry?

Mr. SAMUEL B. HILL. Yes; it does answer the inquiry; but I have a few comments to make a little later on about it.

Mr. TREADWAY. All right; but do not qualify my objection to the bad features of the bill offsetting its good features. You have plenty of window dressing in here and I am going to refer to that.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to my native Berkshire friend.

Mr. FITZPATRICK. The gentleman stated that there would be a tax placed on business now in the red.

Mr. TREADWAY. Yes.

Mr. FITZPATRICK. When the sales tax of 3 percent was brought up in the Seventy-second Congress it worked the same way, and did not the gentleman favor it?

Mr. TREADWAY. I am certainly, today, in favor of a sales tax that is fair to everybody, but this tax is a special rather than a general one.

Mr. FITZPATRICK. That tax would have affected all business that was in the red?

Mr. TREADWAY. Yes; it probably would; but that does not answer the question involved in this proposition. Here is a tax on pay rolls. You do not make any point in that comparison, Brother FITZPATRICK. A sales tax materially differs from anything in this bill. I would be glad to argue the difference if time permitted.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. MARCANTONIO. Is it not a fact that this House turned down the sales tax?

Mr. TREADWAY. It did; and I am sorry it did.

Mr. MARCANTONIO. Is not a pay-roll tax just as vicious as a sales tax?

Mr. TREADWAY. Yes; because this is a specialized vicious tax.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. VINSON of Kentucky. The gentleman from Massachusetts has made a strong argument against title 2 and title 8.

Mr. TREADWAY. I do not think the gentleman from Kentucky agrees with me.

Mr. VINSON of Kentucky. I wondered if it was prepared after the conference held by your Republican friends.

Mr. TREADWAY. No, sir; I have been prepared to go along with the members of the committee if they had stricken out the bad features of the bill. I did not have to wait for the President to return to get instructions from the White House as to how I stood on the bill. The Committee on Rules could not act until after they heard from the White House as to a gag rule.

Mr. VINSON of Kentucky. When the bill was under consideration—and I am not betraying any confidence of the committee, as it has been carried in the press—the gentleman from Massachusetts and his Republican brethren were not as strong in opposition to titles II and IX as at present.

Mr. TREADWAY. But we are not the proposers of the legislation. You men that propose such vicious legislation will take the blame. We will sit by on the side lines and see you operate this great measure. We only have 7 votes against your 18 votes. We know what a minority is. We sat there waiting for the emissary to come from the White House and tell you what was to go in the bill and what was not. I know what a minority is. I have been a Member of the majority as well as of the minority. We never got such instructions when we were in the majority and I hope we never will when we get in the majority again.

Mr. DOUGHTON. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. DOUGHTON. Let me say that, as far as I know, as the chairman of this committee, after the original bill was framed, that not one single word, either directly or indirectly, came from the White House or anyone representing the White House, as to what we should do with the bill.

Mr. TREADWAY. I am sorry the gentleman is so ignorant as to the procedure of the Ways and Means Committee. I did not suppose he would admit such ignorance as to what transpired in that committee.

Mr. DOUGHTON. Let me say to my good friend that I am not so ignorant that I cannot tell the truth. [Laughter.]

Mr. TREADWAY. Any time I fail to tell the truth I wish the gentleman would remind me of it.

Mr. DOUGHTON. I would be reminding the gentleman a good deal of the time. [Laughter.]

Mr. TREADWAY. Every time I make an argument contrary to the ideas of my distinguished friend the chairman of the committee, he says some harsh things, but he does not mean it, and we shake hands after it is all over.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from New Jersey.

Mr. KENNEY. To ask the gentleman whether he proposed any plan at all for an old-age pension?

Mr. TREADWAY. What a foolish, ridiculous question. What earthly good would it do for us to propose a plan when you Democrats deprived us of three votes on the Committee on Ways and Means. The gentleman should not ask foolish questions; he had better talk about his lottery. That would be much better.

Mr. KENNEY. Perhaps it was foolish to expect a different answer from the opposition, but I compliment the gentleman from Massachusetts for his contribution to my plan for a national lottery.

Mr. TREADWAY. Oh, the gentleman should talk about his favorite pastime.

Mr. KENNEY. Yes; I shall do so during the present emergencies, and credit is due the gentleman for mentioning it, because it was the lottery that put the gentleman's State on its feet, and a lottery conducted by the Government for public benefit, in my opinion, is not gambling.

Mr. TREADWAY. No State ought to expect to pay its bills through gambling devices.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. TABER. Does the gentleman attach any significance to the fact that the Chairman of the Committee on Ways and Means, in answer to the gentleman from Massachusetts in reference to the White House suggestion, stated that no "constructive" suggestion came from there?

Mr. TREADWAY. If the gentleman used that word, I think that qualified him.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I will have to continue, if I may.

PAY-ROLL TAXES WILL DECREASE PURCHASING POWER OF THE MASSES BY INCREASING COST OF LIVING

The pay-roll taxes on industry will indirectly decrease the purchasing power of the public generally by adding enormously to the cost of living.

This form of tax, like the turn-over tax, will be applicable to every process of production and distribution and will be pyramided from one stage to another.

PAY-ROLL TAX FOR ANNUITIES ALSO PUTS PENALTY ON EMPLOYMENT

In discussing the pay-roll tax imposed under title IX, relating to unemployment insurance, I pointed out how it would have the effect of increasing unemployment by putting a penalty on employment. The same effect will be produced by the pay-roll tax under title VIII. Here, again, the tendency will be for employers to get along with as little help as possible in order to minimize the tax. This is another respect in which the pay-roll taxes tend to hinder recovery.

BILL GIVES NO RECOGNITION TO PRIVATE PENSION SYSTEMS

One further reason for my opposition to the compulsory annuity provisions of the bill is that they give no recognition whatever to the old-age retirement systems set up by individual employers. This means that these private systems cannot be continued, even though in most instances they provide more liberal benefits than are contemplated by the bill.

PROBLEM OF RESERVES

There is one feature of the compulsory annuity provisions to which I wish to call attention that is generally overlooked. I refer to the matter of reserves.

According to the report of the committee, the reserve for the payment of retirement benefits will reach a maximum of about $32,000,000,000. That is more than the present national debt.

In his statement before the Ways and Means Committee, the Secretary of the Treasury, in referring to this matter, said:

> It should be emphasized that the Federal Government, by inaugurating a national contributory old-age annuity system, is undertaking responsibilities of the first magnitude. Not only is it committed to paying a 3-percent return upon all collections in excess of current benefit payments involved, but it is also diverting for the purpose of old-age security a very large fraction of its possible tax revenues.

I do not very often agree with the remarks of the distinguished Secretary of the Treasury, but I do agree most fully with that statement that we are "undertaking responsibilities of the first magnitude." I suggest that gentlemen read that statement of the Secretary of the Treasury, and consider the underlying thought involved in it. He says we are not only undertaking responsibilities of the first magnitude, but that we are diverting for the purpose of old-age securities a very large fraction of possible tax revenues. There is a great deal of real meat in that.

Mr. PERKINS. And when the reserves reach $32,000,000,000, how are they to be invested?

Mr. TREADWAY. I am coming to that.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Oh, I must yield to my old competitor and opponent always. He always has words of wisdom to expound.

Mr. HARLAN. I just noticed that this reserve of $32,000,000,000 would not be reached until 1970.

Mr. TREADWAY. Then why store it over in the Treasury vaults, any more than silver and gold that the country is buying up so liberally?

Mr. HARLAN. The gentleman's statement was that our debt could not be reduced until the Republicans get in power.

Mr. TREADWAY. That is correct.

Mr. HARLAN. And I have just merely thought that 1970 would be about the time when that would happen. [Laughter.]

Mr. TREADWAY. Oh, we will take a chance of reducing it before that time with our party in control.

This statement of the chief financial officer of the Government should have careful and thoughtful consideration. It is quite apparent that the establishment of this contributory annuity system is going to have consequences which are little dreamed of in connection with its broader purpose. Yet these consequences are likely to be such that they should not be overlooked.

GOVERNMENT COMMITTED TO PAYMENT OF 3-PERCENT INTEREST ON RESERVE FUNDS

The fact that the Government is committed to the payment of 3-percent interest on the annuity reserve simply means that this country is faced with a permanent national debt of $32,000,000,000 on that account. Even if the present national debt should be retired—and that could only happen when the Republicans are returned to power—even if our debt should be retired, our taxpayers would still have to pay nearly a billion dollars a year in interest on the annuity reserve.

RESERVE IS INVITATION FOR GOVERNMENTAL EXTRAVAGANCE

What would be the consequence of having $32,000,000,000 of credit standing in the name of the National Government? Would it not be an invitation for all sorts of pork-barrel schemes and wild-spending sprees? We would have such an orgy of extravagance that even the unprecedented expenditures of the Roosevelt administration would seem small in comparison.

The report of the majority states that this reserve could be used to retire outstanding tax-exempt securities, but I wish to point out that the securities would still be tax-exempt when held by the Government.

Not only is there a large reserve account in connection with retirement annuities but under the provisions of section 904, all State unemployment-insurance funds must be paid into the Federal Treasury and held in trust by the Secretary. The Federal Government is committed to the payment of interest on this fund, which in time may reach large amounts. The existence of this second trust fund aggravates the evils in connection with the annuity trust fund.

It not only is evident that we are taking out of industry a very large annuity and unemployment fund but we are starting a dangerous policy when we commit the Government to paying interest on trust funds held for the States. This interest must be paid whether the Government has any use for the money or not, and the provisions of section 904 of the bill simply add another burden on the American taxpayer. Moreover, it is a burden which they are not essentially under any obligation to bear.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. ROBSION of Kentucky. The gentleman pointed out that industries or concerns employing 10 or more people would finally be subject to a 9-percent tax.

Mr. TREADWAY. Yes; including the tax on employees. The tax under title IX only applies to employers of 10 or more, but the tax under title VIII applies regardless of the total number.

Mr. ROBSION of Kentucky. I would like to hear the gentleman's views on how that will affect those who employ less than 10, for instance 9, who pay no tax.

Mr. TREADWAY. I think I have explained my position on that. A man employing just at that margin, 11 or 12 or 13, will discharge a number so as not to have to pay any tax under title IX.

Mr. ROBSION of Kentucky. If there is a 9-percent differential between those who employ less than 10 and those who employ 10 or more, what effect will that have?

Mr. TREADWAY. Title IX will give the small employer an advantage over the larger employer.

Mr. ROBSION of Kentucky. Is there anything in the bill to obviate that situation?

Mr. TREADWAY. No.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. JENKINS of Ohio. I think there may be some misunderstanding as between the gentleman from Massachusetts [Mr. TREADWAY] and the gentleman from Kentucky [Mr. ROBSION] with reference to the 9 percent. As I understand it, all of the 9 percent does not apply in the same category with these 10 people.

Mr. TREADWAY. No.

Mr. JENKINS of Ohio. Six in one group and three in the other.

Mr. TREADWAY. Six percent applies under title VIII, to employers and employees, and 3 percent applies under title IX, to employers of 10 or more.

Mr. ROBSION of Kentucky. The 3 percent applies on those who employ 10 or more?

Mr. TREADWAY. That is true of the tax imposed by title IX. The tax under title VIII has no such exemption.

Mr. ROBSION of Kentucky. Just one other question, if you please. The railroads of the country have set up a pension organization. Congress has authorized that, and it is now before the Supreme Court with regard to many other industries. Is there any way to reconcile that, to help those who have already got a system that they prefer to this?

Mr. TREADWAY. On the contrary, the question of private annuities was discussed very fully in the committee. I am breaking no confidence when I say that the majority, which of course has written this bill, would not show any consideration for the corporations that have their own systems of pensions. The gentleman does not blame our side for this composition which I hold in my hand, of course.

Mr. ROBSION of Kentucky. What will become of the tremendous sum that the workers in years past have put into these various annuity funds?

Mr. TREADWAY. There are two features, as I understand it. The first proposition is, they could liquidate, if it was an agreement between the employer and the employee. The other proposition is that if large corporations have insured their employees through an insurance company, those policies could be canceled.

Mr. ROBSION of Kentucky. But there are contracts. How do you get rid of those contracts?

Mr. TREADWAY. I hope I made it plain that I am not defending that proposition whatever. I am only trying to explain it a little bit.

Mr. ROBSION of Kentucky. Does this bill propose to do away with or destroy all those contracts that have been entered into?

Mr. TREADWAY. In effect; yes.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TREADWAY. I am sure the gentleman from Kentucky will be able to give his colleague better support for the bill than I have been able to.

Mr. ROBSION of Kentucky. I am simply seeking information.

Mr. VINSON of Kentucky. I wanted to speak about that, because the gentleman from Massachusetts [Mr. TREADWAY] has caused the gentleman from Kentucky [Mr. ROBSION] to have an erroneous impression as to the tax upon concerns employing 10 or more and those employing less than 10. The gentleman from Ohio [Mr. JENKINS] is correct in pointing out that the tax on employers of 10 or more falls in one category. That is a 3-percent tax for unemployment compensation, but, after all, the employing of 10 or more does not affect the tax that is collected under title VIII. Old-age benefits will be paid employees regardless of the number employed.

Mr. TREADWAY. Would the gentleman mind giving his explanation in his own time and let me conclude my remarks?

Mr. Chairman, I do not care to yield in order to have speeches made in my time. When I have concluded, I will then be glad to leave the field open, as far as I am concerned.

I yield now to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. From the gentleman's address, I take it for granted he is really in favor of an old-age pension?

Mr. TREADWAY. I am in favor of title I, which is the old-age pension, whereby the Government will pay to States and pay it out and out, from general taxation. Title I does not set up a new taxing scheme. I am opposed to new taxes.

Mr. DUNN of Pennsylvania. I believe an adequate old-age pension would wipe out of existence the abominable poorhouses of the Nation.

Mr. ASHBROOK. Will the gentleman yield for a question?

Mr. TREADWAY. I yield.

Mr. ASHBROOK. I have very great respect for the gentleman from Massachusetts, and I always listen with great interest to whatever he has to say, even though I do not always agree with him. I understand the gentleman is in favor of an old-age pension?

Mr. TREADWAY. Yes.

Mr. ASHBROOK. And that the gentleman is of the opinion that the amount prescribed in this bill is not sufficient?

Mr. TREADWAY. No. I think I would like to see it raised a little, but you will notice the word "little."

Mr. ASHBROOK. The question I wish to propound to the gentleman is what he would favor? How much of a pension would the gentleman favor? What is the maximum pension he would favor?

Mr. TREADWAY. Well, that is a leading question. I admit it is a very fair question, but it is a difficult one to answer. I would refer the gentleman to the clause in the bill, which I think is well stated. Some of the gentlemen wanted an indefinite amount. Others realize that if we go too high we may add to this debt; but let me call the attention of the gentleman to the clause which I read in my remarks in section 1 of the bill:

> For the purpose of enabling each State to furnish financial assistance assuring, as far as practical under the conditions in such State, a reasonable subsistence compatible with decency and health to aged individuals without such subsistence there is hereby authorized to be appropriated—

And so forth.

I think that is as close as I would like to go at this time.

Mr. ASHBROOK. Would something like $50 a month be about right?

Mr. TREADWAY. Oh, I do not think we ought to get into a discussion of figures at all. Of course, it varies. It must vary in various places. I referred to that, and so does the report of the committee. The expense of taking care of these aged people must vary in different communities with different fundamental expenses such as rent, heat, and light.

Mr. ASHBROOK. But it would have to apply to all States alike, would it not?

Mr. TREADWAY. The Federal Government, by the contributory system under the bill, can contribute different amounts up to $15, which the States must match. That is the provision of the bill. Under this bill, if a State was to have a law under which it put up a contribution of $25, the Government would only be called upon to match $15 of that, making a total of $40 for the person affected.

Mr. ASHBROOK. I wish to say that I still have the same high regard for the gentleman from Massachusetts.

Mr. TREADWAY. It is reciprocal, because we have served together many years. I think it is fortunate that our colleague returned to our fold after so many years' absence, which, of course, was detrimental to the welfare of the Nation, not having him as a Member of this House.

Mr. ASHBROOK. I sincerely thank my distinguished old-time friend.

Mr. TREADWAY. Mr. Chairman, how much more time have I remaining of my hour?

The CHAIRMAN. The gentleman has 2 minutes remaining.

Mr. TREADWAY. Mr. Chairman, I yield myself 5 additional minutes.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield for a brief question.

Mr. LUNDEEN. Is there anything in this bill to take care of the present 15,000,000 unemployed?

Mr. TREADWAY. I should say absolutely not. The system cannot be set up inside of 5 years, and it will probably take a longer time.

Mr. LUNDEEN. Has it not been held out to these 15,000,000 unemployed that this bill would take care of them? It is mere camouflage.

Mr. TREADWAY. The gentleman does not belong, as I understand it, to either major party. He is not criticizing the minority; but he is passing out an awful indictment against the majority who are responsible for the bill that is now before us which contains, as the gentleman from Minnesota well says, a very distinct camouflage; and that is expressing it very mildly.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. PERKINS. I am still curious to know how the $32,000,000,000 of reserve is to be invested.

Mr. TREADWAY. I said I was coming to that. Perhaps I did not make that clear. There are provisions in the bill giving the Secretary of the Treasury authority to issue special bonds. One provision is in section 904 of the bill, on page 51. Another is in section 201.

Section 904 is of sufficient interest and importance that I shall take the time to read it. It is a very unique provision. I never saw it before in any legislation, but they are going to have so much money they will need special bonds to invest it in. I read:

> (b) It shall be the duty of the Secretary of the Treasury to invest such portion of the fund as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price.

This is the interesting part, and I think it answers the question of the gentleman. This is found at line 20 of page 51:

> The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as of the end of the calendar month next preceding the date of such issue, borne by all interest-bearing obligations of the United States then forming part of the public debt.

In other words, if this section passes muster here, it extends authority under the Second Liberty Bond Act to authorize the issuance at par of special obligations exclusively to the fund.

Section 201 also relates to the investment of reserve funds by the Secretary of the Treasury.

Mr. PERKINS. That means the fund may be invested in Liberty Loan bonds?

Mr. TREADWAY. Yes; or a special bond.

Mr. PERKINS. How are they going to invest $32,000,000,000?

Mr. TREADWAY. I think the authors of the bill on the other side will be obliged to answer that question.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Would the gentleman mind waiting until I have concluded?

Mr. VINSON of Kentucky. I wanted to call attention to the fact that the gentleman from Massachusetts was reading about the unemployment trust fund, and did not touch top,

side, or bottom of the question of the gentleman from New Jersey, who was inquiring about the reserve account for the payment of old-age benefits.

Mr. TREADWAY. Then tell the gentleman where it is.

Mr. PERKINS. Perhaps the gentleman from Kentucky can tell us where they will invest the money.

Mr. VINSON of Kentucky. I shall be very happy to if the gentleman from Massachusetts will yield me 2 or 3 minutes.

Mr. TREADWAY. I am near the end of my remarks. I know the wisdom of the gentleman from Kentucky can await the conclusion of my remarks before he answers the gentleman from New Jersey.

Mr. VINSON of Kentucky. At least I will not refer to the wrong section of the bill.

Mr. TREADWAY. I yield to the superior wisdom on this bill of the gentleman from Kentucky. I do not claim to know much about the bill, but I do not think either he or his colleagues in the House will know much more about it after they get through describing it either. [Laughter.]

CONCLUSION

At this point I repeat that while I am favorable to the humanitarian provisions of the bill making appropriations for aid to the States in providing for old-age pensions, in caring for dependent children, in providing for maternal and child welfare, and in extending public-health services, the other provisions of the bill are, to my mind, so objectionable that I feel obliged to vote against the bill in its entirety if they are retained.

At the proper time I propose to move to strike out the provisions relating to unemployment insurance and compulsory annuities, and if that motion should prevail, I would welcome the opportunity to vote in favor of the remainder of the bill.

BILL WINDOW DRESSED TO CATCH VOTES

Of course, the only reason so many worthy provisions are incorporated in the bill is to catch more votes and make it politically inexpedient to vote against it. I have come to the conclusion, however, that political expediency should be cast aside in favor of calm judgment, and the merits of the bill weighed against the demerits.

Although I would like to vote for the titles I have indicated, I cannot vote for the bill on final passage if I have to take with it other provisions which I deem obnoxious, at least so far as action at this time is concerned.

OBJECTIONABLE FEATURES ARE NOT EMERGENCY

As I have pointed out, the provisions to which I object are in no sense emergency measures. They are not intended for the relief of present economic conditions, but commit the Federal Government to a permanent program of social legislation. Since no form of quick relief is involved, there is all the more reason for considering each proposal separately on its own merits.

A VOTE FOR PAY-ROLL TAXES IS VOTE TO CONTINUE DEPRESSION INDEFINITELY

In closing, I want to emphasize again that the tax provisions of titles VIII and IX place upon business and industry and the employees therein a permanent future burden of $2,700,000,000 annually—a sum equal to the entire internal-revenue receipts of the Federal Government in the last fiscal year.

For the reasons I have stated, it is my firm opinion that as long as the pay-roll taxes are a part of the bill a vote in favor of the bill is a vote to prolong the depression indefinitely.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Washington [Mr. HILL].

Mr. SAMUEL B. HILL. Mr. Chairman, I am somewhat confused as to the position my friend from Massachusetts and his colleagues of the minority on the Ways and Means Committee are taking with reference to this bill. In the first place, the gentleman from Massachusetts expressed himself in the early consideration of the bill as being afraid it would be hurried through and passed out of the committee with such promptness that we would not have time to give it proper consideration. When he discovered that the committee was going into every line and provision of the bill and did, in fact, devote about 2½ months to an intensive study and consideration of the measure, he seemed to be disappointed because his first fears were not realized.

He expresses certain objections to the measure, but I take it that the principal objection he has voiced is based upon what he says is the fact, namely, that it is not an emergency measure and does not take care of the present unemployment situation. No one has ever contended that this is an emergency measure. In fact, the contrary has been asserted time and time again; but I am sure the Members of the House will recall that we have, only recently, passed through Congress what was known as the "Public Works Act", which was and is an emergency measure and which was designed to meet the present situation of unemployment by placing in the hands of the President the means to project public works and to put men to work. That bill did not come before the Ways and Means Committee because it was an appropriation bill. It was not included in this bill because it was not within the jurisdiction of our committee, but it was passed by the Congress, and my friend from Massachusetts and others on his side of the aisle were strenuously objecting to that measure, which was an emergency measure. So I say it is difficult to know how we are to proceed in order to please our friend from Massachusetts.

I have before me the statement of the minority views on the present bill, and in view of what the gentleman from Massachusetts has said in his address just delivered, I hardly know how to construe the statement in these minority views. They are signed by the seven minority members of the Ways and Means Committee. They say in the first part of the statement that the bill separates itself into several titles, which readily and naturally segregate themselves into two categories.

They say that all of the titles other than titles 2 and 3 and the two tax titles that go along with them are perfectly satisfactory to the minority. They engage in some discussion of these titles, but further down in the statement we find this language:

> However, we favor the principle of unemployment insurance. These titles of the bill aid those States who desire to establish such insurance, and therefore we resolve all doubts in favor of this legislation.

Just what do the gentlemen on the other side mean by that expression in light of the statements made by the gentleman from Massachusetts in his address delivered this morning? They emphasize the fact further in the statement that their opposition to those two titles is based upon the fact that this is not emergency legislation, and state:

> And we also oppose these titles because they would not in any way contribute to the relief of present economic conditions, and might in fact retard economic recovery.

Mr. Chairman, that is not a statement of outright opposition to this legislation. So I was at a loss to understand, and I asked the gentleman from Massachusetts whether he would vote against this bill. He assured me that he intends to do so. I regret very much, in view of the fine cooperation which the Members on the Republican side of the committee gave us in considering the bill, that he cannot go along with us on the final passage of the measure; but if that is his attitude, of course, we will labor along without his support.

No one contends that this legislation is a cure-all. One of the objections that the gentleman made was that title 3, which is the unemployment-compensation title, does not give full and complete insurance against unemployment. Of course, it does not, and no one has contended that it does. However, we do contend that with that title enacted and after reserves have been built up, it will furnish a fund for the maintenance of those who find themselves unemployed for temporary periods, so that in minor depressions, at least, they may be tided over until they can secure reemployment, and in most instances such fund will tide them over until they can get back their old job or can find a new job.

That is all unemployment insurance purports to do. If the gentleman from Massachusetts is looking for full and complete insurance so that full wages will go along for an indefinite period of time, then I think he might consult with

the gentleman from Minnesota [Mr. LUNDEEN], who has a bill here which proposes to pay to every unemployed person over the age of 18 years the full amount of his wages, so long as he is unemployed, and if he is only part-time employed to make up the difference between the full-time wage and his part-time wage. The lowest calculation of the cost of that kind of legislation to the Government, the lowest estimate that you can possibly put upon it, according to the figures given by witnesses who appeared before our committee, is $10,400,000,000 a year. I wonder if the gentleman from Massachusetts favors that kind of legislation, the kind that calls for an impossible burden of taxation? That is the purport of his argument here.

Mr. Chairman, if the gentleman is in favor of the principle of unemployment insurance, what is wrong with title III of this bill? What kind of a provision can be brought in that would be more reasonable and more bearable as a tax burden than the provision which is in this bill as title III? We appreciate the fact that the character of this legislation is new. You may call it, in fact, revolutionary in comparison with other legislation which this Congress has been called upon to enact, but we are going through strenuous times which have taught us lessons that we must heed. These trying times have pointed out situations ahead of us that we must recognize and meet.

Mr. Chairman, this legislation is forward looking. It means to take care of the future and create conditions in the future operation of the industry and economics of this country that will absorb some of the shock of these panics and depressions; at least tend to stabilize industry and employment and carry the country along over the rough spots until conditions may be righted. The Members of this Congress should be progressive enough in their thoughts and ideas to recognize these conditions and have the courage to meet them. I submit that we are making a step in the right direction in the enactment of this legislation.

Mr. Chairman, I know that it is probably difficult for the Members generally to find the time to study this bill closely and to understand every detail of this legislation. That is no reflection on anyone. I want to confess it is difficult for the members of the Ways and Means Committee, who have studied it for weeks and weeks, to get the full purport and understanding of all its provisions and ramifications. We have done our best to bring in a bill worthy of your consideration and support.

Mr. CLAIBORNE. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from Missouri.

Mr. CLAIBORNE. Does the gentleman think a Member should vote for a bill that he does not understand?

Mr. SAMUEL B. HILL. That is a question for the Member himself to decide. I have an idea that many of us have done that time and time again. I am not recommending it, nor am I advising against it.

Mr. Chairman, titles 2 and 3 are the two titles which are the pet aversions of the gentleman from Massachusetts. Title 2 provides benefits to a certain class of employed people after they have arrived at the age of 65. The benefits are measured by the total wages which they earn over their working period from and after December 31, 1936, until they reach 65. If they have a total amount of wages of sufficient amount, they will be able to support themselves on the benefits without having to resort to the charity of old-age pensions. Certainly that is a commendable thing. If one of these employees at the age of 65 has earned wages over a period of at least 5 years of not less than $2,000, he will be entitled to a monthly payment from the Government of $10. Of course, that is not enough to support him, but you have the old-age pension; and if he is needy, he will be able to get additional support from that source. If he has total wages of $3,000, he will get a monthly payment of $15, plus a certain percentage of increase as the amount of wage rises above $3,000. It is graduated upward, measured by the total amount of wages received, to the point where it is possible for one of these employees to receive as much as $85 a month, but not more than that.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. The old-age pension is fixed at the age of 65. I find in the mining sections the big trouble is they will not employ men in the mines who are 45 years of age or over.

What is there in this bill that will take care of them; and, assuming that a lot of them cannot get back to work, what is there in this bill, either of old-age pension or employment annuities or insurance, that will take care of the something like 13,000,000 workers between the ages of 45 and 65?

Mr. SAMUEL B. HILL. The unemployment-compensation title is the only one that might reach them.

Mr. ROBSION of Kentucky. But if they are now past the age to get work and cannot get work, what is there for that group?

Mr. SAMUEL B. HILL. It will not carry them indefinitely. It will certainly not do that.

Mr. ROBSION of Kentucky. Would it carry them at all unless they get work?

Mr. SAMUEL B. HILL. It would carry them for some weeks at something less than their average wage, but it does not take care of them completely. There is nothing in this bill, under the old-age assistance feature or under the old-age benefit provision, that would take care of a man in that situation.

Mr. ROBSION of Kentucky. Was there any suggestion or any plan submitted to the committee that would take care of this great army of people between 45 and 65 that are now out of employment because of their age?

Mr. SAMUEL B. HILL. I do not recall any witness who appeared before our committee advocating what we would term an "old-age pension" on an age limit as low as that.

Mr. ROBSION of Kentucky. In seeking further information, may I suggest that, as the gentleman knows, these men between 45 and 60, who cannot get employment, have families and are sending their children to school. They cannot get work. What is to become of this great army of people in this country?

Mr. SAMUEL B. HILL. I am not so sure that men 45 years and over, under normal conditions, cannot get work. I appreciate the fact that at this time many people who have not even reached the age of 45 are out of employment and the part of the program that meets that situation now is the Public Works Act.

The purpose of that act is to give present employment and try to stimulate private enterprise and private industry so that they will get on their feet and also give employment to these unemployed men.

Mr. ROBSION of Kentucky. But the mining concerns and others for some years past have been drawing the age limit at 45, and the United States Government draws the limit at 50 years. There is no work for them to get.

Mr. SAMUEL B. HILL. I will say to the gentleman from Kentucky that this bill, through the old-age benefits or old-age pensions, does not meet that situation.

Mr. ROBSION of Kentucky. I was concerned to know if there was any plan that would reach it.

Mr. SAMUEL B. HILL. Only the administration of the Public Works Act.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. DUNN of Pennsylvania. Does this bill provide any relief for the unemployed farmer?

Mr. SAMUEL B. HILL. This bill does not.

Mr. DUNN of Pennsylvania. The farmers are not considered at all?

Mr. SAMUEL B. HILL. This bill does not take up that feature at all. The Public Works Act is the one that furnishes employment. It is designed to furnish employment to anyone who is employable—farmers, industrial workers, or others.

Mr. DUNN of Pennsylvania. The work-relief bill?

Mr. SAMUEL B. HILL. Yes.

Mr. DUNN of Pennsylvania. As the gentleman across the aisle said a moment ago, suppose a person between the ages of 45 and 65 is unable to obtain a position; will he be considered? In other words, is it absolutely essential that he must pay into the Government in order to obtain unemployment insurance?

Mr. SAMUEL B. HILL. We are not putting any tax on the employee at all.

Mr. DUNN of Pennsylvania. I want to make the point absolutely clear. Is it essential, in other words, that the man or woman must be employed in order to obtain employment insurance?

Mr. SAMUEL B. HILL. He must be employed and lose his job in order to get this unemployment-insurance benefit.

Mr. DUNN of Pennsylvania. Suppose they are unable to obtain jobs, how will they be taken care of?

Mr. SAMUEL B. HILL. It does not operate, so far as he is concerned, until he does get a job and loses it.

Mr. DUNN of Pennsylvania. Maybe the gentleman can clear up another point I have in mind. As a member of the Committee on Labor, we held a number of hearings last year on the 6-hour day, 5-day-week bill, and practically every man who appeared before our committee in opposition to the bill was the head of some large industry, and I made it a point to ask them this question: Do you have an age limit? And practically every one said yes; that the age limit was around 40 or 45. Unless our Government sees to it that employment can be obtained for men and women between the ages of 45 and 65, I do not see how they are going to be benefited under this bill.

Mr. SAMUEL B. HILL. Of course, you have to assume they will not be able to get employment at that age. It is possible that a lot of people at that age or over may find themselves out of employment, but there is no age limit on a man going out and getting a job. When, however, he gets to the age where he may be presumed not physically able to work, he will come under the provisions of the bill. You must draw some arbitrary age line and take care of them within those limitations.

Mr. DUNN of Pennsylvania. But it is true, is it not, that many of the industries in the United States, as well as the municipal governments, the State governments, and the Federal Government, have an age limit?

Mr. SAMUEL B. HILL. I appreciate the fact that after a man gets to be 45 years of age he is handicapped in competing with younger men in getting jobs. We all know that.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. WOOD. In connection with the question of my colleague the gentleman from Pennsylvania [Mr. DUNN], it is my opinion that this is a social-security bill and that this bill is not designed to cure all the evils of society.

Mr. SAMUEL B. HILL. The gentleman is correct in that statement.

Mr. WOOD. Is it not a fact that if this bill is enacted it will take care of three or four million aged people, and it will also take care of other millions of unemployed in purchasing power, and thereby lower the labor market; that the labor market will become such under the operation of the law that there will be less demand for labor, and that many men today that cannot get a job between the ages of 40 and 50 will be employed?

Mr. SAMUEL B. HILL. The gentleman has stated the matter clearly, and I thank him for the contribution.

Now, there is another feature that I want to touch upon. I am not going to explain all the titles, but the gentleman from Massachusetts was asked where the provision in the bill is that would authorize the investment by the Secretary of the Treasury of funds that would take up a considerable portion of the outstanding Government bonds.

The gentleman from Massachusetts referred to a section in title IX, under the unemployment tax feature. The real answer to the question is found on page 8 of the bill, subdivision (d), section 201, reading as follows:

> It shall be the duty of the Secretary of the Treasury to invest such portion of the amount credited to the account as is not, in his judgment, required to meet current payments. Such investment shall be made in any interest-bearing obligations of the United States or in any obligations guaranteed as to both principal and interest by the United States. The Secretary of the Treasury may at any time sell any such obligations. The interest on and the proceeds from the sale of any such obligations shall be credited to the account.

The account that is referred to is the "old-age reserve account" under title II appearing on page 7 of the bill, section 201 (a). That is the reserve account to which allocations and appropriations are made to meet the obligations under title II dealing with old-age benefits.

It was brought to your attention by the gentleman from Massachusetts that in 1970 the amount of reserve in that account would be $32,000,000,000 plus—that it would gradually go up to that amount.

Then you have in addition to this fund, which by the provisions of the bill it is made the duty of the Secretary to invest in Government bonds and guaranteed bonds by the Government, the other provisions in title IX, to which the gentleman from Massachusetts referred, being the moneys that are to be used, trust-fund money of the States placed in the custody of the Secretary of the Treasury, to be paid out on the requisition of the States to take care of unemployment insurance. In the course of time that fund also would be absorbed into this investment in outstanding Government bonds about which you hear so much complaint as being tax exempt.

These bonds will be called in. They will be placed in these reserves as the Government's investment of the funds, and you will then have this great volume of outstanding tax-exempt bonds in the hands of the Government so that the people who now have their money invested in those tax exempts would not be so fortunate in the matter of investments that would relieve them from payment of income taxes.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. PERKINS. With these humanitarian impulses under this bill I am in full accord, but I want to know whether it is true that it is expected ultimately to set up a reserve of $32,000,000,000.

Mr. SAMUEL B. HILL. The reserve is set up with the effective date of this bill, and into that reserve fund will be paid such amount of moneys that are actuarily determined by the Treasury Department and for which estimates are made to Congress by the Bureau of the Budget, as shall be necessary to meet the obligations on the funds under the provisions of the bill.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 15 minutes more.

Mr. PERKINS. Will the fund ultimately become approximately $32,000,000,000?

Mr. SAMUEL B. HILL. That is the estimate of the actuaries.

Mr. PERKINS. And that fund will be invested in Government bonds?

Mr. SAMUEL B. HILL. It will be, provided there are enough bonds to take it up. If there are not, there is provision that the Secretary of the Treasury issue special obligations that are nontransferable, nonassignable, so as to carry the investment. The obligation is on the Treasury to keep the fund invested, and if it does not keep it invested, except so much as is necessary for current expenses, it would be chargeable with the interest on it just the same.

Mr. PERKINS. The Government debt would have to be $32,000,000,000 to keep the fund going.

Mr. SAMUEL B. HILL. Probably.

Mr. PERKINS. And it would have the beneficial effect of wiping out persons now exempt from taxes by reason of tax-exempt securities.

Mr. SAMUEL B. HILL. Yes.

Mr. SIROVICH. And it would force that money into trade and help industry and commerce in that respect.

Mr. SAMUEL B. HILL. Yes; where income taxes could be collected.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. MAY. And instead of remaining frozen, it would be liquid. I want to know what difference there is in the principle involved in the mechanics of this bill in setting up these reserves, and the practice now indulged in by substantial insurance companies in connection with the issuance of old-age annuities.

Mr. SAMUEL B. HILL. I take it there is a close parallel. The reserve is built up on the actuarial estimates such as those upon which insurance funds are built, only this probably is much larger than any individual insurance fund.

Mr. Chairman, title II of the bill is the biggest thing in the bill. It is the most important thing in it, and when you are striking at title II, you are striking at the keystone of the arch, which supports the social-security program of the administration. It is the biggest thing in the bill, and probably that is why my friend from Massachusetts [Mr. TREADWAY] is leveling his fire upon that one particular section.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. JENKINS of Ohio. The gentleman may have discussed this proposition, but the gentleman does not maintain, does he, that title II is necessary, that we must have title II in order to have old-age pensions?

Mr. SAMUEL B. HILL. Certainly not. And it is not necessary to have unemployment compensation, but it is necessary to have both of them if you are to have a rounded-out program of social security.

Mr. JENKINS of Ohio. Many people think, and I am one of them, that old-age pensions is the primary subject in this bill. I think the country is more interested in old-age pensions than in all the rest of the bill. The gentleman takes the position that title II is the heart of the bill, but I maintain that it is not.

Mr. SAMUEL B. HILL. And probably the country is not so familiar with this subject as with the old-age pension proposition, and probably that is why the people are not giving greater attention to old-age benefits.

Mr. DOUGHTON. And is it not a fact, if title II is stricken from the bill, and title I is left in the bill, that this burden will grow so rapidly and so enormously that it will be an unbearable burden on the taxpayers of the country generally in a few years.

Mr. SAMUEL B. HILL. That is true.

Mr. DOUGHTON. And if we do not prepare for setting aside these reserves for old-age pensions, if we depend upon the Federal Treasury for old-age pensions, and the extent to which it will grow, how does the gentleman think a tax would be raised to finance it?

Mr. JENKINS of Ohio. The chairman indicates that he directs that question to me. If in these days of depression we assume to pay an old-age pension throughout this country, and make it practically compulsory, and can do so, then I say it is not necessary for us to run forward and borrow a whole lot of trouble 50 years from now.

Mr. DOUGHTON. Oh, these old-age annuities will come before any 20 years or 50 years or even 10 years.

Mr. SAMUEL B. HILL. This old-age benefit title, title II, is designed specifically to make men as nearly self-supporting in their old days as is possible, by giving them this opportunity for thrift, to lay up something that will bring them in an annuity in their old days.

On the question of what it would cost under the provisions of this bill for the old-age pension alone, as I recall the figures, at the present rate fixed in the bill it would, in the course of a generation or so, be costing the Government $1,800,000,000 or $1,900,000,000 a year for the old-age pensions alone, whereas if we have this provision that is self-supporting, we reduce that to $500,000,000.

Mr. MAY. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. MAY. I was wondering if title II was not designed by the committee for the principal purpose of gradually eliminating some of the direct old-age pensions, as the annuity fund increases.

Mr. SAMUEL B. HILL. That is true.

Mr. MAY. And that in the end it will help to reduce, rather than enlarge the responsibility of the Government for old-age pensions.

Mr. SAMUEL B. HILL. That is true. Of course, it will take a long term of years, but this is a long forward-view proposition.

Mr. MAY. I imagine the gentleman and his committee have figured out some period of years, long in advance when it would reach the apex, and level up that situation.

Mr. SAMUEL B. HILL. Yes. Of course, it does not take care of all the aged. They are not all included. Probably not over half of them are included, but it will take care of that great class, the workers, along about 1965 or 1970. It will put them on practically a self-supporting basis.

Mr. MAPES. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. MAPES. I should like to ask the gentleman a question about the unemployment-insurance provision. This may be an old question to the gentleman and the members of the Ways and Means Committee, but this thought has occurred to me. Employers are given a credit of 90 percent on the Federal tax if they pay a similar tax to the States. As I understand it, there is no unemployment insurance paid to anyone, unless the States pass legislation providing for it in their respective States.

Mr. SAMUEL B. HILL. That is true.

Mr. MAPES. Is it the gentleman's idea that the States will attempt to meet the cost of the unemployment insurance by a State tax, or that all of the money to take care of the unemployment insurance in the different States will be collected by the Federal Government, and that the Federal Government will then turn over sufficient funds to the individual States to meet the cost of administering their State laws?

Mr. SAMUEL B. HILL. The Federal Government turns over no money at all to the States under the unemployment compensation title. This bill would levy a 3-percent tax upon the employer, based upon his pay roll. That is a 3-percent tax on all employers throughout the United States.

Mr. MAPES. How is that collected?

Mr. SAMUEL B. HILL. Through the office of the Commissioner of Internal Revenue, in the ordinary way of tax collection.

Mr. MAPES. Then why does the gentleman say the Federal Government will not turn any money over to the States?

Mr. SAMUEL B. HILL. That is exactly the situation. They paid that money into the Treasury, and all the money that comes to the Federal collector from that tax goes into the Federal Treasury. I think I can explain what the gentleman has in mind. An employer who pays this tax or is charged with it, in order to get credit against the tax must have contributed to the State-unemployment fund, which is levied, of course, by the State, and he will be entitled to a credit up to 90 percent of his 3-percent Federal tax, if he has paid that much into the State.

Mr. MAPES. The particular point I had in mind was this, that inasmuch as the employers would be credited for only 90 percent of the Federal tax no matter how much they paid to the State, there would not be any State legislation as far as the tax is concerned, because the employers in all of the States would object to the State legislation inasmuch as they would have to pay 10 percent, at least, of the Federal tax.

Mr. SAMUEL B. HILL. The employer, of course, pays that tax, and the 10 percent which the Federal Government takes in any event, and that is the least it will get, goes into the Federal Treasury, but it is provided that the Federal Government shall contribute to the cost of State administration of its unemployment compensation act. I did not speak quite correctly when I said the Federal Gov-

ernment would not pay the States any money. It does provide that out of that 10 percent in the Federal Treasury there shall be paid to the States the amounts estimated to be necessary to pay the administration cost of the unemployment compensation act.

Mr. MAPES. Is it the gentleman's thought that the States will levy a tax on their own account, or will they look entirely to the funds collected by the Federal Government for the amount necessary to meet their unemployment insurance?

Mr. SAMUEL B. HILL. There is no such provision in this bill. The Federal Government does not pay any unemployment compensation at all.

Mr. MAPES. I understand that, but it seems to me that all the States, as soon as they can get to it, will pass legislation which will provide for unemployment insurance.

Mr. SAMUEL B. HILL. I think that is true. That is the hope.

Mr. MAPES. The question in my mind is this: Does the gentleman and the other members of the Ways and Means Committee think that in that case provision will be made for raising sufficient funds to pay the insurance, or will the States all look to the Federal Government to raise the money? It seems to me that the tendency of the employers in every State will be to resist legislation which will require the money to be raised under the State laws, because of this differential of 10 percent in the amount they have to pay.

Mr. SAMUEL B. HILL. I hardly think that result will follow. As I say, this 10 percent is kept for administration purposes, largely. In any event, there is not any doubt as to the Federal Government having authority to levy this excise tax upon the employers.

It is in this bill now. If it becomes a law, they will have to pay that tax if they are going to get any benefit from stabilizing their employment and stabilizing their own industries. It is to their interest to have State compensation laws whereby they can get a credit up to 90 percent of this Federal tax. Unquestionably the inducement will be for them to urge rather than to resist State legislation establishing unemployment compensation acts.

Mr. MAPES. It seems to me, up to the point where the tax is provided, that that will be the urge; but if that State can get this unemployment insurance without levying any tax on its own employers, it seems to me it will take this course.

Mr. SAMUEL B. HILL. They cannot get it. That is just the rub; they cannot get it.

Mr. MAPES. Is it not left entirely to the discretion of this board which is created as to whether or not it will accept the legislation of the State in that respect?

Mr. SAMUEL B. HILL. There are certain requirements set out here that must be provided in State legislation. When these requirements have been incorporated in any State plan, the board will approve the plan.

Mr. MAPES. I wondered if the witnesses before the gentleman's committee and the members of the committee had reached any judgment as to what the tendency in that respect would be.

Mr. SAMUEL B. HILL. Let me explain the situation to the gentleman from Michigan in this way: In the first place, why is it necessary to levy a 3-percent Federal tax? Why not just leave this whole thing to the States individually and let the Federal Government stay out of it? This is the reason why the Federal Government is levying this tax: If the State of Michigan, for instance, wanted to enact a State unemployment compensation act, very likely part of the burden would be thrown upon the industry of that State and part of the rest of it would be thrown upon the employees; but the burden would fall upon the industry of the State very largely.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SAMUEL B. HILL. It is to keep down unfair competion between the industries of different States.

Mr. MAPES. I understand that feature, but there is this differential of 10 percent which the employer will have to pay extra over the State law if the State law provides a tax. If the State law is passed without any provision for a tax, then the State can get all the money from the Federal Government that is necessary.

Mr. SAMUEL B. HILL. The State probably will get most of it, because it will take practically all this 10 percent to pay the cost of administration throughout the various States.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. CRAWFORD. Let us assume that I have a $100,000 pay roll, and I send in to the State my certified check for $3,000 covering 3 percent; must I then send an additional $300 check to the Federal Treasury, in that in making out my return I show a liability for $3,000, my $2,700 credit, which is 90 percent, and then there remains $300 for the Federal Treasury.

Mr. SAMUEL B. HILL. That is right.

Mr. CRAWFORD. Thus costing me in all $3,300 instead of $3,000?

Mr. SAMUEL B. HILL. Not necessarily that. They might put the State tax down to 2.7 instead of 3.

Mr. CRAWFORD. Then I would receive credit for only 90 percent of the $2,700?

Mr. SAMUEL B. HILL. No; the gentleman would get credit up to 90 percent of the Federal tax. If you paid more than 3 percent you could not get credit for more than 90 percent of the Federal tax, but if you paid just exactly 90 percent of the Federal tax to your State, you would get credit for the State tax.

Mr. CRAWFORD. I might pay 90 percent of the tax assessed by the State rather than the tax which I had paid to the State.

Mr. SAMUEL B. HILL. I do not know whether I quite follow the gentleman or not. Let me put it in a different way. The Federal tax is 3 percent. Whatever you pay to the State you will get credit for up to 90 percent of that 3 percent.

Mr. CRAWFORD. There is no way they can charge me in total for both State and Federal taxes in excess of 3 percent of my pay roll?

Mr. SAMUEL B. HILL. Yes; the State could put a 4-percent tax on you if it wanted to, but you would get credit for only 2.7 of the 3-percent Federal tax. This is a matter of State administration. In fact, all these titles except title II are administered by the States.

Mr. SIROVICH. And, if the gentleman will yield, it puts all States on a parity.

Mr. SAMUEL B. HILL. Yes; that is the point. This 3 percent keeps down discrimination and competition.

Mr. SIROVICH. Exactly.

Mr. SAMUEL B. HILL. As between States having and not having unemployment compensation acts.

Mr. McGROARTY. Mr. Chairman, will the gentleman yield that I may ask one question to relieve my own mind and conscience?

Mr. SAMUEL B. HILL. I yield.

Mr. McGROARTY. The gentleman stated that this bill was very difficult to understand. I find it so, and I want his advice to me as a colleague. The bill has just come into my hands and into the hands of the Members of the House. I understand I have 20 hours in which to study it before I must cast my vote on it. With my little brain, that time is not sufficient.

Mr. SAMUEL B. HILL. I am sure the gentleman is entirely too modest.

Mr. McGROARTY. Would the gentleman advise me to vote for the bill—I belong on this side of the House—without understanding it?

Mr. SAMUEL B. HILL. I am not the gentleman's mentor, and I must decline to advise him. I recommend the bill to him, however. [Applause.]

[Here the gavel fell.]

Mr. WOODRUFF. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, I am heart and soul with the aims of this legislation. To me there is nothing more tragic than dependent old age, and dependent crippled and neglected children. I am extremely sorry that I cannot go along with the majority in this instance, because they have worked long and diligently on the measure that is now before the House. It is a definite improvement over the original bill which was presented to the Ways and Means Committee nearly 3 months ago. I had much hesitancy in submitting a minority report because, due to illness, I was not able to regularly attend committee meetings while the measure was under consideration, but nevertheless I followed the committee's work closely.

I shall endeavor to set out as briefly as possible my objections to this economic security bill in its present form.

The measure is divided into nine substantive titles, as follows:

Title I, providing a Federal grant in aid to meet one-half the cost of State old-age pensions for persons of 65 years of age or over who are in need.

Titles II and VIII, relating to old-age annuities for certain classes of workers, and imposing a pay-roll tax on employers and employees to meet the cost thereof.

Titles III and IX, relating to unemployment compensation, and imposing a tax on pay rolls in connection therewith.

Titles IV, V, and VI, making appropriations for aid to the States in the care of dependent children, for maternal and child-welfare work and for public health generally.

I am opposed to titles II, III, VIII, and IX.

The social security bill is a great step forward in sociology, because it is a distinct recognition by our country of the necessity for nationally securing old age against want, and it indicates an acknowledgment that society owes an obligation in the care of crippled and dependent children.

CONFUSION OF SUBJECTS IN THE BILL

The measure under consideration should be broken down into several separate bills to avoid multiplicity of subjects in this one bill. In its present form, the bill is cumbersome and highly complex.

OLD-AGE PENSIONS

Insofar as the bill provides reasonable assistance to the States in meeting the cost of old-age pensions for those in need, its purpose is worthy and has my support. Nor can there be any objection to aiding the States in caring for dependent children, in providing for maternal and child health, and for public health generally. The cost of these projects would not be excessive, and can be met out of the general revenues of the Treasury.

To call upon the States to provide suitable pensions for the aged in this present economic depression is merely an attempt to shift the responsibility which must be borne by our National Government. Some States are now already bankrupt and in default on pensions now past due under their present wholly inadequate pension laws. Any attempt to rely upon the States in any old-age-pension plan will defeat the very object we seek to attain.

The administering of the proposed economic-security bill will result in discrimination because people who live in States with financial conditions satisfactory will receive benefits far beyond and out of proportion to the benefits given to citizens of a State which is bankrupt and unable to participate under the provisions of the administration proposal.

For instance, in the State of North Dakota, a pension which became due a certain pensioner for the entire year of 1934, amounting to $150, was not paid because it could not be paid and finally, on January 3, 1935, pensioner was obliged to accept a mere pittance of $3.96 in full payment of that $150 obligation. In this kind of a situation, how could the State of North Dakota take advantage of the old-age-pension plan contemplated in this measure?

May I ask the gentleman from North Dakota, if he votes for this legislation, how is he going to make his people believe that he has voted to give them relief?

Mr. BURDICK. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from North Dakota.

Mr. BURDICK. Has the gentleman any figures in reference to the income from old-age pensions last year in the State of Minnesota?

Mr. KNUTSON. I have it here, yes. In Minnesota the old-age-pension law is optional.

Mr. KELLER. What does the gentleman mean by "optional"?

Mr. KNUTSON. It is up to the counties whether they will grant an old-age pension.

Mr. BURDICK. Then there is none in the State law?

Mr. KNUTSON. No. We have no State pension.

Mr. BURDICK. As little as our pension is, is it not better than that existing in the gentleman's State? [Applause.]

Mr. KNUTSON. If anyone can find it in his heart to applaud the payment of $3.96 for a year's pension, I suggest that they move over to China where the people live on dried fish and rice.

Mr. SIROVICH. Still it is better than the gentleman's State, which is nothing.

Mr. KNUTSON. How does the gentleman know?

Mr. SIROVICH. Because it was stated that the gentleman's State gives optional pensions and the counties give nothing.

Mr. KNUTSON. I am sorry that the gentleman's power of understanding is so limited.

Mr. SIROVICH. It is very good. Will the gentleman state it himself?

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. According to the table here, it shows that Minnesota last year paid pensions to 2,655 persons and that there are 94,000 eligible; also that the average rate of pension was $13.20 per month and that the yearly total paid was $420,936.

Mr. KNUTSON. That is correct. The gentleman from New York will find that table on page 5 of the committee report.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I understand the point that the gentleman from Minnesota makes is that probably North Dakota will not be able to meet the conditions of this bill and will not get any of this relief.

Mr. KNUTSON. Why, North Dakota is not the only State that cannot avail itself of the provisions of this bill. Montana cannot, and neither can the State of Oregon, and I doubt very much if the State of Mississippi can.

Mr. McGROARTY. And California.

Mr. KNUTSON. And probably California cannot. I presume if the matter were gone into fully it will be found that more than half of the States will be unable to take advantage of the legislation.

Mr. Chairman, that is the reason I am protesting against it, because it is an illusion bigger than anything we have had since the great Mississippi bubble.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. Referring to California and the same table to which the gentleman made reference a moment ago, it shows that at the present time there are 19,309 persons in California receiving an average pension of $21.16 per month, or a total of $3,502,000.

Mr. McGROARTY. When was that?

Mr. VINSON of Kentucky. That is for the year 1934.

Mr. SIROVICH. Is there anything for North Dakota in there in that same connection?

Mr. VINSON of Kentucky. The table shows that in North Dakota no pension is being paid.

Mr. DISNEY. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Oklahoma.

Mr. DISNEY. Is it the gentleman's theory that we should absolve the States from any participation at all in connection with old-age pensions and put the entire burden on the Federal Government?

Mr. KNUTSON. It is.

Mr. DISNEY. If so, how far can the gentleman visualize that theory going?

Mr. KNUTSON. I may say to the gentleman why I feel that the Federal Government should shoulder the entire burden. Under the plan proposed by the administration you have discrimination in favor of people who live in States that are satisfactorily set up financially, and who will receive benefits far above the benefits received by people living in bankrupt States. Therefore I call it discrimination. Now, how can you discriminate between American citizens? In other words, you should not penalize some because they live in North Dakota or Montana.

Mr. VINSON of Kentucky. Or Minnesota.

Mr. KNUTSON. Or Minnesota or Kentucky. That is what you are proposing to do in this legislation. It is discrimination, and that is why I am protesting against this bill in its present form.

Mr. DISNEY. Is the gentleman going to solve all the ills of mankind by the process of the Federal Government, thereby relieving the local governments? From the standpoint of discrimination, nothing is equal.

Mr. KNUTSON. We might just as well pay the money out in pensions as to spend it for windbreaks.

Mr. DISNEY. That is not an answer to the question.

Mr. KNUTSON. We might better pay the money out in pensions than to create relief maps showing the movement of peoples in the second millennium in the Mediterranean and the Euphrates areas. I understand that they prepared one up in New York that cost the price of 18,000 tons of hay and yet our cattle in Minnesota are being shot because there is no feed for them. [Applause.]

Mr. WADSWORTH. Has the gentleman given any consideration to rhythmic dancing?

Mr. KNUTSON. Let me say that about all they will get out of this legislation will be rhythmic dancing.

Mr. McGROARTY. Who will pay the piper?

Mr. KNUTSON. The music will be furnished with skulls and cross bones.

Mr. PERKINS. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from New Jersey.

Mr. PERKINS. As I understand this bill, all employers are taxed, whether the employees are in his State or not, and there is also the system of unemployment relief.

Mr. KNUTSON. Certainly, that is true.

Mr. PERKINS. So that if a State does not set up a system of unemployment relief, the employers pay and contribute to other States?

Mr. KNUTSON. Yes.

Mr. PERKINS. And the purpose of the bill is to induce each State to set up a system of unemployment relief?

Mr. KNUTSON. Not to induce—to coerce. There is a distinction between the two words.

Mr. PERKINS. May I ask the gentleman another question?

Mr. KNUTSON. Yes.

Mr. PERKINS. How is this so-called "9 percent on the pay roll" figured? I have not quite understood that.

Mr. KNUTSON. The gentleman should not ask a member of the committee too many embarrassing questions because there is not a man on the committee that really understands this bill. It was drawn by members of the "brain trust", many of whom, probably, had never earned a dollar in their lives and they are not earning anything now—theorists, college professors, young whippersnappers, some of them not dry behind the ears. [Laughter.] Although I will say that the Ways and Means Committee has greatly improved the measure that the "brain trust" sent up to us.

Mr. PERKINS. On page 5 of the committee report it appears that the number of pensioners in the United States is 180,003 and the number of eligibles in 1930 was 2,330,390.

Mr. KNUTSON. That is the number of those over the age of 65. The gentleman has brought up another matter. Is there anyone in this House—do you, Brother McGROARTY, believe it is going to help the unemployment situation to limit the benefit of this legislation to those who have passed the age of 65?

Mr. McGROARTY. No; and especially it will not in 1970. They will not be here.

Mr. KNUTSON. No; we will not be here and there will not be many of us left. [Laughter.]

Mr. McGROARTY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. McGROARTY. The gentleman who preceded the gentleman now speaking, a member of the Ways and Means Committee, said this bill is very difficult to understand.

Mr. KNUTSON. Oh, we all admit that.

Mr. McGROARTY. The gentleman is a member of the committee, is he not?

Mr. KNUTSON. Yes; and I do not understand it.

Mr. McGROARTY. Then how, in the name of God, do they expect me to understand it on 20 hours' notice? That is what I want to know.

Mr. KNUTSON. Well, you are supposed to take it on faith.

Mr. McGROARTY. Can it not be put over until the next Congress and give us some time to study it?

Mr. KNUTSON. What you should do is to go down and talk to the authors of the bill, and you might get some information.

Mr. McGROARTY. Please give me their names.

Mr. KNUTSON. Well, they are given here in the report. They are a lot of college professors.

Mr. McGROARTY. I refuse to talk to college professors. Give me the names of some practical people. [Laughter.]

Mr. KNUTSON. Well, go down and talk to William Green, president of the American Federation of Labor. He is a good, level-headed man.

Mr. McGROARTY. Yes.

Mr. KNUTSON. But he is about the only one I see here in whose judgment I have full confidence.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. FITZPATRICK. What is the gentleman's plan to take care of the unemployment in this country?

Mr. KNUTSON. What is my plan?

Mr. FITZPATRICK. Yes.

Mr. KNUTSON. Reassure industry.

Mr. FITZPATRICK. How?

Mr. KNUTSON. By removing all the uncertainty that you folks have created. Let us assure industry and we will end unemployment in a short time.

Mr. FITZPATRICK. You had the opportunity from 1929 to 1933 and you did not remove it under the previous administration, but increased it.

Mr. KNUTSON. As I have told you on previous occasions, this depression is due to the war—the war that you folks promised to keep us out of. [Laughter and applause.]

Mr. FITZPATRICK. Why did you not cure the situation in 4 years?

Mr. KNUTSON. Because during the last 2 years of Mr. Hoover's administration we had a Democratic House and you folks were determined that there should be no recovery until after the election of 1932.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. LUNDEEN. If the gentleman will permit, I understand the statement was made by the gentleman from Washington, in reference to a national bill, that the cost of such a bill would exceed $10,000,000,000. The report on the bill (H. R. 2827), to which I have called the attention of the Members, shows that the economists and other authorities

state that the minimum cost would be $4,060,000,000 and not to exceed $5,800,000,000, as given by the economist Dr. Gilman, of the City College of New York, and I thank the gentleman for an opportunity to correct that statement.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. VINSON of Kentucky. Referring to the members of the Advisory Council, if my memory serves me correctly, the gentleman from Minnesota represented that Mr. Nordlin, who appeared before the committee and testified on behalf of title I and particularly in favor of granting aid to States for old-age pensions, was A no. 1 in every particular, and I believe he happens to come from Minnesota.

Mr. KNUTSON. Yes; and after Senator Nordlin testified he called at my office and I asked him how many times he had been called in, and, as I recall, he said twice in 6 weeks.

Mr. VINSON of Kentucky. But we can follow Mr. Nordlin's testimony, can we not?

Mr. KNUTSON. We can; yes. You can follow Mr. Nordlin's testimony. He is a fine gentleman.

Mr. VINSON of Kentucky. And Mr. Nordlin is for the bill and particularly stressed title I, granting aid to States for old-age pensions.

Mr. KNUTSON. As the gentleman will recall, Mr. Nordlin applauded the purposes of the bill——

Mr. VINSON of Kentucky. The statement of Mr. Nordlin——

Mr. KNUTSON. I am sorry, but I cannot yield further.

Mr. VINSON of Kentucky. When I get hold of the printed page I notice the gentleman finds it convenient not to yield, but I shall insert in my remarks the statement he made that the Fraternal Order of Eagles that he was representing is very strongly back of the proposition of grants and aids to the States in order that these pension systems may be continued. That is just one thing he said that was very splendid.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. DUNN of Pennsylvania. Has the gentleman from Minnesota read the bill H. R. 2827, introduced by the gentleman from Minnesota [Mr. LUNDEEN].

Mr. KNUTSON. I do not want to be diverted by discussing other legislation.

Mr. DUNN of Pennsylvania. I think that would take care of the situation if enacted into law.

Mr. KNUTSON. Well, it would not be the first good thing that has come out of Minnesota. My idea of this legislation would be something that would aid recovery, something that would lift the burden of industry and remove all uncertainty.

Mr. FITZPATRICK. Will the gentleman tell us what will do it?

Mr. KNUTSON. You are not going to do it by putting a 9-percent tax on pay rolls, and that is what you are doing here. You are going to further increase unemployment by this legislation. You must take some other method than you are pursuing here. My heavens, you have tried everything but mustard plasters. [Laughter.]

Mr. FITZPATRICK. Will the gentleman give us his plan?

Mr. KNUTSON. You cannot justify a humilitating failure by asking me what I would do in a situation not presented to me for solution. That task is yours.

Under the unemployment-insurance title employers pay a tax on the pay roll for the calendar year of 1 percent, 2 percent for 1937, and 3 percent for the calendar year 1938, and each year thereafter.

According to the committee's own report, this means an additional burden on industry of $228,000,000 the first year, and that is going to gradually increase until you put an additional annual burden on industry of $900,000,000, or 90 cents for every minute since the Christian era.

(The time of Mr. KNUTSON having expired, he was given 10 minutes more.)

Mr. KNUTSON. Now, under the contributory provision, the employers pay another pay-roll tax of 1 percent for 1937, reaching 3 percent in 1949. That tax puts an entire burden of $280,000,000 on industry the first year, and gradually creeps up to $900,000,000. There you have $1,800,000,000 tax burden in the two taxes, which is another thing this bill does. Such a burden would not alone retard business recovery but would increase unemployment.

Mr. FITZPATRICK. Will the gentleman yield for another question?

Mr. KNUTSON. No; I decline to yield to the gentleman. He does not ask questions to get information, but merely to embarrass the speaker. If the gentleman were truly seeking light I would be glad to have him ask his question, but he is not. He will follow the orders he gets from down at the other end of the Avenue regardless of where such orders may lead him.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. ROBSION of Kentucky. It has been said here that these funds will be built up to amount to $32,000,000,000. Can any of that principal be used as the years go by to meet these annuities, or is it limited only to the income from that fund?

Mr. KNUTSON. By the time that fund is created, if the Republicans are not then in power, the money will probably be used in operating the Government.

Mr. ROBSION of Kentucky. There is one other question. Is one entitled to participate in any of these annuities of unemployment insurance unless he has had 5 years of employment?

Mr. KNUTSON. I think that is required.

Mr. VINSON of Kentucky. Oh, not for unemployment insurance.

Mr. ROBSION of Kentucky. I am speaking of annuities.

Mr. VINSON of Kentucky. The payment of annuities does not begin until 1942. That is correct.

Mr. ROBSION of Kentucky. It has been stated that there are something like 13,000,000 workers in this country between the ages of 45 and 65, and we know, especially in the mining industry and in railroad work, that when you seek initial employment in the coal mines or on the railroads, you must sign a card that you are under 45 years of age. What is there in this bill to take care of those 13,000,000?

Mr. KNUTSON. There is nothing in this bill to take care of them. That is another shortcoming of this legislation. When a person is unemployable he is unemployable, whether he be 45 or 65, and they should be treated alike.

Mr. ROBSION of Kentucky. When will anyone get any of this old-age pension, provided the States will cooperate? When will the first payment be made?

Mr. KNUTSON. I think in some of the States it will go to the heirs. Here is another thing you are doing here. You are proposing to set up a new bureau. Of course, I realize that that is your long suit—setting up new bureaus. You were strong against them before election, but stronger than horse radish for them since. You are going to have a new bureau to administer this fund. Now, let us see, what is the name of that bureau?

Mr. WADSWORTH. The Security Commission.

Mr. KNUTSON. Oh, no, that is another bureau. The gentleman has the two confused and I do not blame him, because there are so many of them. What is the name of this bureau?

Mr. TABER. The Social Security Bureau.

Mr. KNUTSON. To be sure. I think I know what qualifications will be necessary for a job with that Bureau, but I shall not touch on that now. We now have the Veterans' Administration that is admirably and fully equipped to handle this old-age-pension fund. The Veterans' Bureau is handling all other pension matters, including the Federal retirement fund, but I suppose the opportunity for creating another bureau was just too great a temptation to resist. There is one thing I admire about you folks, and that is your ability to think up new jobs.

As I see it, the prime need of the hour is business recovery. This unemployment insurance and this annuity plan at best are but experiments. There is no immediate hurry

for any of this legislation, save old-age pensions, because if we do pass the bill, it cannot possibly go into effect until 1937 or probably several years thereafter.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Just let me finish my thought, please. Why do we not break down this bill into four measures, and let each one stand on its own bottom. There is no connection between old-age pensions and unemployment annuities. Let us pass an old-age-pension bill that will give adequate relief to the aged.

Mr. MARTIN of Colorado. And what is that? That is what I am looking for.

Mr. KNUTSON. I would say $50 or better a month.

Mr. MARTIN of Colorado. To how many people?

Mr. KNUTSON. I am speaking of individuals.

Mr. MARTIN of Colorado. The gentleman is willing to give them $50 a month?

Mr. KNUTSON. That would be the minimum. I would give them enough. Up in our country a person cannot live in comfort for less than $100 a month where they have to pay rent and buy fuel.

Mr. MARTIN of Colorado. That sounds all right, but how many people are you going to take in on that?

Mr. KNUTSON. How many would the gentleman be in favor of taking in?

Mr. MARTIN of Colorado. Let me tell the gentleman.

Mr. KNUTSON. My time is running. Please let me get on.

Mr. MARTIN of Colorado. I will tell the gentleman when I get the floor.

Mr. KNUTSON. I will be glad to hear the gentleman.

Mr. DONDERO. Will the gentleman yield for a short question?

Mr. KNUTSON. I yield.

Mr. DONDERO. I am seriously concerned, representing a district in which considerable industry exists, whether or not the gentleman's committee gave any consideration to the possibility of how industry will raise this money to pay this 9-percent pay-roll tax. Can the gentleman answer that?

Mr. KNUTSON. We are just going to open the goose and see how many golden eggs she contains. That is what this bill will do. It will close all factories. It will do just exactly what the N. R. A. did, only much worse. Does that answer the gentleman's question? [Laughter.]

Mr. TREADWAY. Will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. TREADWAY. How long will that goose last, with the golden eggs?

Mr. KNUTSON. Well, I do not think it will last beyond one meal.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. COOPER of Tennessee. The gentleman is a distinguished member of the Ways and Means Committee, and, of course, was present at the hearings. I would like to have the gentleman tell the House how many industrial leaders of this Nation appeared before the committee in opposition to this bill?

Mr. KNUTSON. Well, you know the industrial leaders do not dare to come to Washington and talk against any legislation——

Mr. COOPER of Tennessee. Very well. Can the gentleman answer the question or not?

Mr. KNUTSON. I am telling the gentleman why they do not come.

Mr. COOPER of Tennessee. How many people, speaking for industry, appeared in opposition to the bill?

Mr. KNUTSON. Oh, the gentleman knows why they did not appear.

Mr. COOPER of Tennessee. They appear here on everything else.

Mr. KNUTSON. The gentleman knows why they did not appear.

Mr. COOPER of Tennessee. How many of them were here?

Mr. KNUTSON. None.

Mr. COOPER of Tennessee. Very well.

Mr. KNUTSON. Because if they had appeared the R. F. C. would have called their loans.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman from Minnesota 5 additional minutes.

Mr. KNUTSON. The gentleman from Tennessee [Mr. COOPER] knows why they did not appear. They did not dare to appear. That is plain. Certainly Mr. Emery appeared, and, in a very temperate statement, stated as forcibly as he dared, his opposition to this bill. You know that he represented American manufacturers, many of whom are probably beholden to the Reconstruction Finance Corporation or some other governmental agency, or some bank on which the R. F. C. has a stranglehold. If you will read Mr. Emery's statement, you will find that he seriously doubted the wisdom of this legislation and called particular attention to the fact that industry could not carry the additional burdens we were proposing to impose upon them.

Delay in the present situation is dangerous. Under the proposal in the administration bill pensions cannot become effective for 2 or more years in those States wherein the legislature has already adjourned without having made any proper or adequate provision to enable such States to participate.

The Federal Government has no power to compel any State to adopt laws in accordance with this proposal by the administration, or to enact any pension law, and in any State which does not adopt a penison law to conform to the proposed measure, there can be no immediate pension relief for the aged, and these old people must be taken care of now.

Aside from these practical considerations entering into the tax features of this proposal, there is also a grave question of constitutionality, particularly in the case of the joint tax on employer and employee for the purpose of setting up a fund for the payment of retirement annuities.

Congress may impose taxes only to provide revenue for the Government. This tax on its face is not for the purpose of providing revenue for Federal purposes, but it is simply an enforced contribution for the benefit of a certain class of persons.

COMPULSORY CONTRIBUTORY ANNUITIES AND UNEMPLOYMENT INSURANCE

As to the provisions of this proposed bill relating to contributory annuities and unemployment compensation, it is my belief they cannot be justified at this time.

In my opinion, the passage of this proposed legislation will further and definitely increase unemployment. I fear that titles VIII and IX hold out an incentive or inducement to employers to reduce the number of their employees to a minimum in order to avoid or reduce the taxes imposed upon them by these two titles. I am convinced that at this time the annuity and unemployment provisions constitute a serious threat to recovery because they impose two distinct pay-roll taxes, one of which falls entirely upon the employer and the other jointly upon the employer and employee.

I believe the age limit of 65 years is too high to be of assistance in solving the unemployment problem. We well know that it is exceedingly difficult for a person to secure employment after passing the age of 60. This is a machine age, and industry wants young and active workers. At 60 workers generally are considered unemployable. The question then arises, What shall become of those who are laid off at age 60 and who are unable to find other jobs? We cannot let them starve, and it is not fair to make them paupers before granting relief. Shortening the hours of toil will not solve this problem.

Under the unemployment-insurance titles the employer pays a tax of 1 percent of his pay roll for the calendar year 1936, 2 percent for the year 1937, and 3 percent for the year 1938 and subsequent years. According to the committee report, this means an initial burden of $228,000,000 the first year, $500,000,000 the second year, and from $800,000,000 to $900,000,000 annually thereafter.

Under the contributory-annuity provision the employer pays another pay-roll tax, which begins with a rate of

1 percent in the year 1937 and reaches a maximum of 3 percent in the year 1949. This tax begins with an initial burden of $280,000,000, which gradually increases up to $900,000,000 annually.

Considering these two taxes together, employers will be required to bear an additional tax burden of $228,000,000 in the year 1936, $800,000,000 in the year 1937, and a gradually increasing amount thereafter until the maximum of $1,800,000,000 per annum is reached in 1949. This staggering total would be in addition to the present Federal, State, and local taxes. How long will industry be able to carry this burden?

The tax on employees also begins with a 1-percent rate and reaches a maximum of 3 percent in 12 years. It will be deducted from their pay envelops in an amount ranging from $280,000,000 in the first year to a maximum of $900,000,000 annually.

In general terms this bill imposes a maximum tax of 3 percent on employers for unemployment insurance. It imposes another 3-percent tax on employers for retirement annuities. It also imposes a 3-percent tax on employees. The result is that by January 1, 1949, there will be a triple tax on pay rolls of 9 percent, imposing on employers and employees a total burden of nearly $3,000,000,000 annually in addition to all other taxes.

Business recovery at the present time hangs in a very delicate balance. Every additional burden of this kind upon business, however small, tends to make recovery more remote; hence, imposing directly upon industry such a tremendous burden as I have mentioned is bound to cause a reaction which will result in prolonging the depression indefinitely.

Not alone will business be affected by the direct burden which is imposed upon it by this bill, but business will be seriously affected and depressed by having taken from it annually the $280,000,000 to $900,000,000 which is taken from the annual pay roll of the working class and withdrawn from the channels of trade.

The tax on pay rolls will fall alike on all kinds of business, whether operating at a profit or operating at a loss and may mean the difference between solvency and insolvency. Moreover, since this tax imposes a penalty on employment, it will tend to cause employers to get along with a minimum number of employees, and thereby it will tend to increase unemployment. This tax, when applied to the employee, operates as a gross-income tax, and it is, therefore, discriminatory.

When this tax is applied to the consumer it has the same effect on prices as a turnover or general sales tax. There will be a tendency to pyramid the tax for the various operations, from raw material to finished product, and this will cause a material increase in the cost of living.

If the administration cannot see its way clear to adopt a manufacturers' excise tax (with food and clothing exempted) for the purpose of making up a part of the Treasury deficit, I do not see how it can conscientiously support the tax on pay rolls and pay checks for the purpose of furnishing unemployment relief and old-age annuities.

UNNECESSARY AND CUMBERSOME BUREAUS

I do not approve the growing tendency of Congress to constantly set up needless, complicated, cumbersome, and expensive governmental machinery to carry into effect new policies and programs that are more or less experimental.

For 125 years this Government followed a pension policy in dealing with its defenders that had proven highly satisfactory to pensioner and Government alike.

But in the year 1917 Congress created, over my protest, the so-called "War Risk Insurance Bureau", now known as the "Veterans' Administration", to deal with pensions, and this Bureau has already cost the American people endless hundreds of millions of dollars for its administration, using money that should have gone to the veterans, and without giving the veterans any increased benefits.

In this social-security legislation it is proposed to repeat that expensive mistake, as you would set up another costly and cumbersome bureau to administer a new experimental pension system by and through which we will again spend hundreds of millions of dollars, over a period of years, to operate a new and unnecessary Government machine, and again the cost thereof will come out of the pockets of the taxpayers and the beneficiaries.

The Bureau of Veterans' Affairs is already equipped to handle some of the benefits to be granted under this legislation.

The Children's Bureau will administer the benefits granted by title V.

The Public Health Service will administer the work under title VI.

Why do we talk against the establishment of new bureaus and yet constantly vote to create them? Why extend further this generally recognized evil, especially in this time of great national distress when there is so great a need for rigid economy?

REAL ECONOMIC SECURITY

The administration proposal does not provide any real increase in the buying power of the American people, neither will it provide work for the idle and unemployed; in fact, it will do the opposite by imposing a burdensome tax load without giving any immediate benefits.

In the first place, I believe that this measure should be so drawn as to be of immediate aid in ending the business depression. It should set the age limit of beneficiaries at 60, so as to take up a considerable portion of the present unemployment slack. It should fix the benefits at such a figure as will make possible dependable commodity consumption, production, and employment, thereby bringing to an early termination this distressing business depression, which is daily growing worse.

The prime need of the hour is recovery, not social reform. Since these proposals to which I am opposed are definitely within the scope of social reform, there is no compelling reason for taking them up at this time unless when so doing we provide a proper measure to restore business volume.

I am very sympathetic toward these social reforms. They should and must be given thoughtful and friendly consideration. However, it should be kept in mind that neither the old-age annuity nor unemployment insurance provisions of the bill are intended to provide immediate relief in their respective fields. They have no bearing upon the present unemployment situation, and my opposition to them at this time in no wise constitutes any lack of appreciation of the problems of those now in need. Rather, I feel that I am doing them a distinct service by insisting that nothing be allowed to impede business recovery and the resumption of normal working conditions. After all, a job is better than a dole.

My idea of an old-age-pension plan is one that will retire from gainful employment all persons at the age of 60 and over, thereby making places for the young who are now unable to find work. The plan should carry a sufficient annuity to give such buying power as will immediately tend to place production and consumption upon a firm, dependable, and permanent basis. That would largely obviate the danger of future depressions. Such a plan would be absolutely sound and workable in every respect. It should be financed in a manner to equalize the burden.

Our country is now in a precarious condition, and the demand is for immediate relief. No half-way measure will suffice. It is our manifest duty to provide adequate relief, and to do so at once.

The administration bill cannot provide any relief before the year 1937 and years will elapse before it can give any tangible benefits. We cannot wait that long. To do so will imperil the very safety of our country.

This prolonged business depression will not be overcome until we adopt a definite plan to make adequate provision for, and to enforce, spending and buying by the public in sufficient amount and volume to absorb the products of industry and agriculture required for our standard of living.

The national situation is now far too serious and critical to permit any mere gesture in this matter. We must have a measure that will actually and permanently afford relief

to our aged people and give employment to approximately 10,000,000 workers who are now idle, and who, together with their dependents, are being supported by Government money procured by bond issues which steadily increase the public debt.

This Congress will be derelict in its duty if it fails to enact a measure that will enable and permit the business of our country to resume activities in a manner to furnish employment for all citizens who should now be employed, to equitably distribute the rewards of honest labor, and to give security to our aged people in a dignified manner without reducing them to pauperism.

CONCLUSION

For the reasons stated in the foregoing, I favor a change in title I and the elimination of titles II, III, VIII, and IX.

Mr. Chairman, I herewith append my supplemental report:

SUPPLEMENTAL VIEWS OF MR. KNUTSON

While I concur in a general way with the conclusions of my colleagues of the minority, there are certain provisions of the bill so obnoxious to me that I cannot support it. My reasons for voting against the measure are as follows:

1. It is obvious from the provisions of this bill that it cannot be made effective for several years, hence it will be a bitter disappointment to those who have looked hopefully to this administration for immediate relief.

2. The measure is wholly inadequate and therefore will not give the result sought to be obtained.

3. The age limit of 65 is too high to give the needed relief. The limit should be fixed at 60, which would help the unemployment situation materially and at the same time care for a large number now out of work and who by reason of age are unemployable.

4. The old-age pension to be granted under H. R. 7260 would be wholly inadequate in the relief of distress. The amount paid would be so small that its effect upon business would be negligible.

5. The administering of this law will result in discrimination. People living in States that are bankrupt, or nearly so, will receive absolutely no benefits from this legislation. These people must be taken care of by the National Government.

6. The two pay-roll taxes which the bill imposes will greatly retard business recovery by driving many industries, now operating at a loss, into bankruptcy, or by forcing them to close down entirely, thereby further increasing unemployment, which would greatly retard recovery.

7. Many small concerns having 12 or 15 employees would discharge enough employees to exempt them from the payment of the pay-roll taxes, which would yet further aggravate the unemployment situation.

8. The proposal to establish a new bureau to administer this law is indefensible and a needless expense to the taxpayers. In the interest of economy the administration of the law should be vested in the Veterans' Administration, which is equipped to handle this activity.

Mr. TREADWAY. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I have been studying this bill ever since it was reported out by the Ways and Means Committee about a week ago. I believe this bill will go down in history, not as the social security bill, but as the 9 percent pay roll tax bill, a bill designed to impose taxes upon the employer and employee amounting to 9 percent. Frankly I cannot figure any way it can come out of anyone except the employee, because the purchasing power of the country will not absorb any higher prices than we are carrying now, and the employers are now mostly operating in the red, so that they will not be able to absorb that tax. Three percent of it is levied directly upon labor. The bill is designed to cost approximately four to four and a half billion dollars in all. There is approximately $3,000,000,000 on account of the 9-percent pay-roll tax; approximately eight or nine hundred million under the old-age relief, and it will run from two to three or four million under the other items in the bill. Frankly I do not see how the people of the United States can bear the burden. In addition to that, there is this situation: Many industries have already set up old-age-retirement propositions for their employees. Many industries are taking care of unemployment insurance themselves. No exemption is made for those people. In addition to the burden they are now carrying, they will have to meet the pay-roll tax, and their employees will have to meet the pay-roll tax that is set up in this bill. Frankly I do not believe the bill has had the kind of consideration that a bill should have, to be brought here by the Ways and Means Committee.

Mr. WOOD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. WOOD. Can the gentleman tell me what industries are taking care of their employees on unemployment features?

Mr. TABER. I know that a great many of them are.

Mr. WOOD. Can the gentleman name one?

Mr. TABER. I know that a great many of them are locally, in my part of the country. I am not going to name them in detail, but a great many of them are.

Mr. WOOD. I would like to have the gentleman mention one of them.

Mr. TABER. Many of them are taking care of them. The American Telephone & Telegraph Co. is taking care of those to a very large extent.

Mr. WOOD. That is not unemployment insurance.

Mr. TABER. Oh, but it is, if the gentleman would study it.

Mr. TREADWAY. Will the gentleman yield?

Mr. TABER. I yield.

Mr. TREADWAY. Was the inquiry relative to the number of employees that private corporations are caring for?

Mr. TABER. No. The inquiry was with reference to unemployment insurance. A great many of these people are paying their help when they are out of employment—sick, and a great many of them are being paid when they are unable to provide them with employment.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. TABER. I yield.

Mr. FITZPATRICK. With the private pension system, after a man had worked for 15 or 20 years and was laid off or discharged, he would lose the pension; is that not true?

Mr. TABER. Some corporations have a rule that if they are laid off or discharged prior to the attainment of their retirement privilege they would receive no compensation. Others take care of them just as well as this bill takes care of them. This bill provides nothing unless they have worked for 5 years in continuous employment.

Mr. FITZPATRICK. But, after that all citizens are provided for?

Mr. TABER. Oh, no; only those who have worked steadily for 5 years.

Mr. VINSON of Kentucky. The gentleman is not correct in that assumption.

Mr. TABER. What is it?

Mr. VINSON of Kentucky. It is not continuous service.

Mr. TABER. Is it service at all?

Mr. VINSON of Kentucky. It is 5 years' service.

Mr. TABER. Under that he might work 1 day a year. But it is limited to a certain percentage of the amount of their earnings during that period.

Mr. VINSON of Kentucky. That is correct.

Mr. TABER. And if they are not employed any great length of time the annuity will not amount to anything.

Mr. VINSON of Kentucky. But certainly the gentleman does not want to leave the impression that it has to be continuous service with one employer.

Mr. TABER. Perhaps that is correct. I thank the gentleman for the correction. At the same time, the pension will not amount to anything unless a man has steady employment; there is no question about that. These people will be on the old-age roll just the same unless they have had a long, continuous service.

I want to call attention now to some of the other high points that seem to me to stand out in this bill. I may be mistaken about this one, but I want to call the attention of the committee to pages 10, 11, and 12, where the gross amount that can be repaid to any employee is limited to 3½ percent of the amount of the wages he has received. When this bill gets to swinging, the amount of tax that will have been paid is 6 percent of the amount of the wages the employee has received, yet he is limited in the gross amount he may receive

to 3½ percent of the amount of those wages. That leaves, if I understand it correctly, 2½ percent for administration. Two and one-half percent is 41⅔ percent of 6, so this means 41⅔ percent for administrative expenses. Is not that correct?

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SAMUEL B. HILL. Please explain how the 6 percent that is paid in is arrived at.

Mr. TABER. I did not say that the employee paid it in. I said that there had been paid in under title VIII, under the gross pay-roll tax there provided, 6 percent. Is not this correct?

Mr. SAMUEL B. HILL. The employer will pay 3 percent and the employee will pay 3 percent.

Mr. TABER. Well, 3 and 3 make 6.

Mr. SAMUEL B. HILL. They make 6.

Mr. TABER. Yes.

Mr. SAMUEL B. HILL. He gets back all he pays in, certainly, and more.

Mr. TABER. He gets back for what his employer has to pay, one-sixth; that is what he gets; and that means that this bill is setting up a law that requires a 41⅔-percent cost for administration.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield further?

Mr. TABER. Yes.

Mr. SAMUEL B. HILL. The gentlemen is referring to cases where this payment is made to the employee before he arrives at the eligible age of 65 for the annuity.

Mr. TABER. Not the way I understand this language, because as I understand the language it means that this is the rule with reference to any individual who dies after attaining the age of 65 or who has received annuities thereafter which run over 3½ percent of the total amount of the pay that he has received.

Mr. SAMUEL B. HILL. If the gentleman will yield further, that is exactly what I was trying to direct the gentleman's attention to. The employee gets back more than he pays in.

Mr. TABER. Of the amount he has paid in, but not more than he and his employer together have paid in. That means that there goes into this fund 41⅔ percent—I find I was correct in this situation—for administration. It means that the employee will pay the whole of that 6 percent in the long run and the gentleman is using a set-up requiring 41⅔ percent out of the pay rolls of the poor to provide jobs for the faithful. That is just what it means.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield? The gentleman always is fair.

Mr. TABER. I try to be.

Mr. VINSON of Kentucky. He is very accurate generally.

Mr. TABER. Let me find the trouble, tell me.

Mr. VINSON of Kentucky. Close up to the age of 65 are the near-aged. The 3½-percent repayment to those dying before 65 is the principal plus one-half percent which is conserved as interest.

In the old-age benefits there is the problem, what might be called unearned annuities to the near-aged. For example, if a person were 59 years of age and earned $3,000 over a period of 5 years under the present bill, he would get $15 a month; whereas the 3½-percent feature to which the gentleman refers to, would give him only $105 as a total lump-sum payment. In other words, the near-aged, those who are near the 65-year age limit, get the break in what might be termed unearned annuities, which are made possible by payments of employers. Consequently, the gentleman's figure of 41⅔ percent for administrative costs, must be materially reduced. In fact, we were told in the committee that the administrative costs would be about 5 percent of the benefits paid.

Mr. TABER. I am very frank to say I cannot understand the gentleman's explanation, although I have tried to.

Mr. VINSON of Kentucky. I am trying to help the gentleman; I would like to if I could.

Mr. TABER. I appreciate that, but my time is limited and I cannot yield further. When the gentleman gets the floor in his own right I would like to have him explain why my figure of 41⅔ percent for administrative cost is not correct.

Frankly, from what the gentleman from Washington told me, and insofar as I have been able to follow what the gentleman from Kentucky has told me, the 41⅔ percent figure for administrative cost is correct.

There are other things to which I wish to call attention. Insofar as I can follow title III, there is no definite set-up of benefits, or no concrete definition of how unemployment insurance should be set up. It is left to this board which is to be created. Now, why should we delegate more authority to boards if we are going to have anything of this kind? Frankly, I think it is an impossible burden which is being placed upon the public. We ought to meet the responsibility ourselves of setting up definitely what is to be done rather than to have the thing turned over to somebody else to work out. I think we have had altogether too many boards, altogether too much delegation of authority.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. JENKINS of Ohio. Would not the gentleman much prefer the board provided for in this bill rather than to have the present Secretary of Labor designated to make this set-up as was provided in the original bill?

Mr. TABER. That would be worse.

We ought to set up what we are going to do definitely and not vote for a "pig in a poke."

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. There is one thing in this set-up that was most shocking to me, and I know it would shock the gentleman much more, and that is in connection with the original bill the "brain trusters" and those who put the bill together thought that this great, colossal matter should be administered by one institution in charge of the present Secretary of Labor.

[Here the gavel fell.]

Mr. TREADWAY. I yield the gentleman five additional minutes.

Mr. TABER. I think the set-up that came over from the "brain trust" was worse than this one. I think we ought to strike from the bill titles II and III.

Mr. TREADWAY. May I say to the gentleman that striking titles II and III would make title VII simply a political set-up with nothing to do.

Mr. TABER. That is correct. We should strike title VII and we should also strike titles VIII and IX.

Mr. TREADWAY. That is correct.

Mr. TABER. Unless you go ahead in an intelligent way to meet this problem you are not going to meet it at all. Title I of the controversial titles is all there is to this bill that deserves any consideration whatever. Title I is the section that relates to old-age pensions. Unquestionably we have to meet the situation in some way, and I do not care to shirk that responsibility. Frankly, I feel it is a matter that the States should ultimately handle for themselves rather than for the Federal Government to handle it, but I do feel in the present emergency and in the present situation the Federal Government should make a temporary contribution. We should also keep titles IV, V, and VI.

Mr. Chairman, I think we should go ahead and pass a bill providing something of this kind which will take care of people who are in distress, but I do not believe we should attempt a broad set-up along the line as outlined in sections under titles II and III with the tremendous 9 percent pay-roll tax. I do not think we should think of such a thing until we have observed how the old-age situation will work out and how it will take care of the people. If we attempt to burden industry with more drawbacks and with more things that will prevent business recovery, we are going to be just exactly where we are now, and get worse and worse every day. That is the difficulty with the existing situation.

Mr. PERKINS. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New Jersey.

Mr. PERKINS. I would like someone to explain why we hear the words "9-percent tax" quoted so often. How does the gentleman figure this 9-percent tax?

Mr. TABER. Well, 3 percent on the employer under title VIII, 3 percent on the employee under title VIII, and 3 percent on the employer under title IX; 3 plus 3 plus 3 make 9. That is the way it goes, as I understand the matter. Is that not correct?

Mr. JENKINS of Ohio. The gentleman is right.

Mr. VINSON of Kentucky. As of 1949.

Mr. TABER. That is at the final wind up. The amount of the tax and the percentage in effect on any particular day is given in a table that appears on page 44 of the report, according to estimates. Whether those estimates are right or not, I do not know. The members of the committee can tell you more about that than I can.

Mr. Chairman, it seems to me that this tremendous tax should not be imposed on industry in such a way that it will stop and clog recovery. I think that this Congress has done almost nothing but attempt to prevent recovery ever since the 1st of March 1933. I think we ought to stop those bills that are designed by the "brain trust" and which can have no effect upon the situation in America today except to prevent and restrain and keep back business from recovery. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I did not expect to speak on this bill. I am for an adequate old-age-pension law. Up until the time this bill was reported by the committee I thought I was for unemployment insurance. After looking over the bill and looking over its provisions I am wondering whether or not I am for unemployment insurance.

Mr. Chairman, my district consists of 11 counties. The major portion of the population is rural. My experience covering a number of years in State legislative work tells me that in the final analysis every tax is paid by the consumer. It is passed on to the consumer, and I do not believe this tax is going to be an exception. The factory owner and the industrialist will have to add his share of the tax to his cost of production, which will in turn be added to the cost of the article manufactured, and, of course, increasing the purchase price of the article.

Mr. Chairman, I am informed, and I think correctly, that 40 percent of the purchasing power of the country is in the farmer. If this bill is to cost approximately $2,000,000,000 a year, as stated in the report of the committee, $800,000,000 of this amount is going to be passed on to the consuming farmer. If it is true that you are going to have a reserve fund of $32,000,000,000, it means that $12,800,000,000 of this reserve fund is going to be paid by that part of the consuming public known as the "farmer." In view of the fact that he is exempt from the several subdivisions of the bill—that is, the unemployment section and the old-age reserve fund—and would properly be so exempt, I am wondering just what I can tell the farmers back home in justification of a vote for this measure. I may say frankly that I do not know at this time how I am going to vote on the bill. I am wondering just where we are going with this sort of legislation.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. The gentleman understands that the farmers are entitled to benefits under title I?

Mr. ENGEL. Yes; but the gentleman also understands that the $2,000,000,000 does not finance title I. It finances the unemployment insurance and the old-age annuity which is paid by the pay-roll tax.

Mr. COOPER of Tennessee. The gentleman is talking about some figures given by some gentleman on that side of the aisle. I am talking about the provisions of title I, which, of course, provide benefits for the farmers that the gentleman is concerned about.

Mr. ENGEL. Absolutely; and he is paying for that out of a $49,000,000 appropriation provided for in the bill.

Mr. VINSON of Kentucky. If the gentleman will permit, the benefits under title I with respect to old-age pensions are paid for out of the General Treasury and not out of the reserve account, and the unemployment compensation is not paid out of the reserve account. The gentleman must keep in mind that there is an unemployment trust fund and a reserve account and then the Treasury of the United States.

Mr. ENGEL. That is very true; but this $32,000,000,000 you are talking about——

Mr. VINSON of Kentucky. That is a reserve account and the farmer is not paid out of that under the old-age benefits. The farmer is not taxed under title VIII and is not taxed under title IX, and as I understand the gentleman, he agrees that they should be exempted.

Mr. ENGEL. He is not taxed directly, but if that tax is passed on to the consumer, as it always is——

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ENGEL. If that tax, as every other tax, is passed on to the consuming public, the farmer, constituting 40 percent of the consuming public, is going to pay 40 percent of this tax which is going to be passed on to him; 40 percent of this tax of $32,000,000,000 reserve fund or trust fund is $12,800,000,000, and I would like to know how you are going to get around that.

When an individual is sick, the doctor leaves a bottle of medicine and says, "Take a teaspoonful every 2 hours and you will get well." The patient gets well, but every once in a while some fool comes along and swallows the whole bottle and dies. Some of these social reforms are all right, and I am in favor of them. If we take a spoonful at a time, we might get well; but I am wondering what will happen if we swallow the whole bottle. [Laughter and applause.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, Dr. SIROVICH has just suggested to me that I state to the gentleman who just preceded me that it is sometimes necessary to try several kinds of medicine before you can find out what is wrong with a patient, and it might be necessary to give him a dose of each kind.

I do not think I have ever observed quite as much pessimism in all my life concerning the future of this country as I observe here today coming from our friends on the other side of the aisle. I am certainly glad that it is not catching. My friends over here are very much like the Arkansas traveler. When the sun is shining they do not need any roof on the house and when it is raining they cannot put one on.

I think if we are going to get anything out of this depression, the experiences we get ought to enable us to look into the future and make plans to prevent another one.

With respect to old-age pensions, I think every man and every woman in this House is agreed that we are going to have them. You know, I think the most unfortunate thing that has happened to this country is the fact that the hopes and aspirations of the old people have been built up to believe that they are going to get a lot of money, which every man who thinks sanely upon the question knows they are not going to get. The letters we get from the old folks in our districts are pitiful. They believe honestly in their hearts that they are going to get $200 a month or $100 a month.

Mr. McGROARTY. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. Gladly, sir.

Mr. McGROARTY. On what do you base your prophecy that they are not going to get it? What do you know about it?

Mr. DUNCAN. On the fact that this Congress is not going to pass such legislation, either now or at any time in the future.

Mr. McGROARTY. How about the next Congress?

Mr. DUNCAN. The next Congress is the same way.

Mr. McGROARTY. How do you know?

Mr. DUNCAN. And for one, I want to say to the gentleman that I think the Membership of this House is not going to sacrifice the financial structure of this country upon the altar of political expediency. [Applause.] I believe this to be true. I think the Membership of this House is still thinking soundly and is not permitting itself to be carried away by any of the visionary schemes that are being suggested to bring us out of this depression.

We must all recognize that because of the depression there are thousands and thousands of old men and old women in this country who have lost their savings, who have lost their jobs and never again will they be able to have employment. I am one who does not believe the Government owes to any man a living, but it does owe to him the right to make a living for himself, and when the Government finds itself in the position where, through its own short-sightedness, he is not able to make a living, then we do owe him something and we are going to have to take care of him.

If you have an old-age-pension law that is national in its scope, and by that I mean exclusively financed by the Federal Government, it must apply everywhere alike, and every man in this House today realizes that conditions differ in different parts of the country. They differ in the different communities of your own States, or in different portions of your own States. I for one have long advocated an old-age-pension law of some kind, and I honestly want to see one passed and I want to support one here that can become a law. This bill can become a law and I think the Membership of this House is in the temper to pass it. I am comparatively new in the Congress. I am a new member on the committee that has worked on this bill for 11 long weeks.

The method of preparing the bill has been discussed by gentlemen on the other side of the House. I do not think there has been a bill come into the House since my Membership to which the committee has given more thought and made more changes in the bill than in this. It comes to you after weeks of labor and thought, the best that the members of that committee could work out.

The plan of old-age pensions will enable the States to determine their own problems. My own State is in the same situation that many others are in. It is difficult to get money, it is difficult to collect taxes, but they are paying the money for relief that can be used for pensions.

Mr. LUNDEEN. Will the gentleman yield?

Mr. DUNCAN. I yield.

Mr. LUNDEEN. Is this the Wagner-Lewis bill?

Mr. DUNCAN. This is the Wagner-Lewis bill, now the Doughton bill. Mr. LEWIS and Mr. DOUGHTON introduced the bill in the House, and these different bills were taken up by the committee, and we have spent 11 weeks considering all of them, and this is the result of that labor.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. DUNCAN. I yield.

Mr. VINSON of Kentucky. After 30 days hearings on these different bills, we went into executive session, and after weeks of consideration of other bills this H. R. 7260 was introduced, after we had made 13 different drafts.

Mr. DUNCAN. That is correct; and this bill is the result of that labor. After the consideration of these bills this was worked out.

Now, there is one provision of the unemployment insurance that I do want to discuss. A number of the States now have unemployment laws. It is fundamental to me that we cannot have unemployment-insurance laws in this country unless it is national in scope. You must place the States on a basis of equality in the matter of taxation, so that if one State fails to have unemployment insurance and a neighboring State does have unemployment insurance the industry in the State that does have such laws will not be penalized because of the fact. So the tax has been placed on all industry alike. So it will cause the employers and the employees to demand the passage of such laws, as they ought to do.

Do you know your Uncle Sam has outgrown his pants and we are obliged to make a new suit of clothes for him?

Some have gone along not knowing of any change in the economic conditions. They do not realize the changes that have come to us—that we are living under changed economic conditions. They sit at their desks and think that we are going back to the old order of things. If they continue, we will go on further and further into the depths of depression. [Applause.]

[Here the gavel fell.]

Mr. DUNCAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include therein a statement by Dr. E. E. Witte.

Mr. TREADWAY. Mr. Chairman, I reserve the right to object. I shall not object to any ordinary statement that my colleague wishes to make but I should to the inclusion of statements made by people not in any way connected with the hearings.

Mr. DUNCAN. May I say to the gentleman that the statement I refer to is now in the report of the committee and it concerns the Townsend old-age-pension plan.

Mr. TREADWAY. Oh, the gentleman is making an extract from the committee hearing?

Mr. DUNCAN. Yes.

Mr. TREADWAY. That is satisfactory. I did not understand.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DUNCAN. Dr. Edwin E. Witte, executive director of the Committee on Economic Security, made an analysis of the Townsend plan which I think is of interest, and is as follows:

COSTS

The Townsend plan proposes that pensions of $200 per month shall be granted to all citizens of the United States who are 60 years of age or over, other than habitual criminals, and who will forego all gainful occupation and agree to spend the pensions during the month in which they are received. No income or property limitations whatsoever are prescribed; even millionaires would be entitled to the Townsend pensions.

There were 10,385,000 persons over 60 years of age in the United States in 1930, as shown by the census of that year. At this time the number is considerably greater, being estimated at 11,562,000. The number of habitual criminals among the aged is very small and the number who are not citizens only about 600,000. While 4,155,495 persons over 60 years of age were in 1930 still "gainfully occupied", the great majority of these persons would gladly forego gainful occupation and agree to spend their pensions each month as received if they were assured a pension of $200 per month. Even if one-fourth of all now gainfully occupied would refuse the pensions, the total number of the pensioners under the Townsend plan would still approximate 10,000,000. This is the figure for the number of pensioners most commonly given in the Townsend literature, although sometimes 8,000,000 is stated as the number to be pensioned.

If there are 10,000,000 pensioners, the cost is $2,000,000,000 per month, or twenty-four billions per year, if there will be only 8,000,000 pensioners, these figures would be reduced to $1,600,000,000 per month, or $19,200,000,000 per year. Either figure is considerably more than double the present combined Federal, State, and local taxes, which in 1932 totaled only $8,212,000,000. (Source: Annual Report of the Secretary of the Treasury, 1933, p. 306, and the report of the United States Census Bureau, Financial Statistics of State and Local Governments, 1932, p. 9.)

These figures would represent the costs only in the first year. Persons who reach age 60 still have more than 15 years of life ahead of them on the average. Under the Townsend plan the average pensioner would be entitled to $200 per month for more than 15 years. Actuaries employed by the committee on economic security have computed that merely to pay pensions to those now 60 or over represents a cost to the Government of a present value of $245,000,000,000, which is to be compared with a total estimated public and private debt of $126,000,000,000 at the peak of the boom period in 1929. (Source: The Internal Debts of the United States, by Evans Clark, p. 10.) This total almost equals the entire estimated taxable wealth of the United States, which the report on Double Taxation in 1932 of a subcommittee of the Committee on Ways and Means of the House of Representatives in the Seventy-second Congress, second session, page 294, places at less than $260,000,000,000, and is 50 percent greater than the actual assessed value of all property, found by this subcommittee to be $163,000,000,000.

As the plan contemplates that not only shall pensions of $200 per month be paid to those now 60 and over but also to all persons as they become 60, the actual liability assumed by the Government is much greater than this staggering total of $245,000,000,000.

For many years to come the number of pensioners will increase each year, and the annual cost and total liability will mount rapidly.

TAXES

To finance the Townsend pensions, the McGroarty bill (H. R. 3977), which is the official Townsend-plan bill, provides that a 2-percent tax—which may be reduced by the President to 1 percent or increased to 3 percent—shall be levied "on the gross value of each business, commercial, and/or financial transaction", to be paid by the seller.

In the Townsend literature the claim is made that the total money value of all transactions in 1933 was 1,200 billion dollars, and the Fifty-fifth Statistical Abstract of the United States is cited as authority for this statement. The page where this information appears, however, has never been given, and a careful examination of the Fifty-fifth Statistical Abstract of the United States indicates that no figure for the total money value of all transactions appears anywhere in the volume. The nearest approach to such a figure is the total of all bank debits, representing the total of all business transactions in which bank checks, drafts, etc., are used, in the 141 principal cities of the country, which in 1933 was $304,769,000,000. (Source: Statistical Abstract of the United States, 1933, p. 254.) It is estimated by Mr. Horbett, of the Federal Reserve Board, that the debits of all banks outside of the 141 principal cities are one-third of those in these cities. On this assumption, the total of all bank debits in 1933 was $442,000,000,000, while, roughly representing the total of all "business, commercial, and/or financial transactions", not all of this amount will be taxable under the Townsend plan, as it specifically exempts "salaries for personal services." Allowing for this exemption, approximately $400,000,000,000 of transactions would have been taxable in 1933. At the 2-percent rate in the McGroarty bill, this tax would have yielded $8,000,000,000, or about one-third the amount needed for the Townsend pension. A rate, not of 2 percent or 3 percent, as provided in the McGroarty bill, but of 6 percent is indicated as necessary for the payment of the Townsend pensions on the basis of 1933 money value of all transactions.

Even a 2-percent rate on the money value of all business, commercial, and financial transactions, to say nothing of a 6-percent rate, is so heavy that it would stop all business and could not possibly be collected. It would mean a tax of 2 percent of the face value of every check written in the course of ordinary business transactions. It would apply to manufacturers' sales, wholesalers' sales, and retail sales, and for nearly all commodities would represent a duplication of taxes, which, inevitably, would have to be added to the price paid by the consumers. In glassware, for instance, 11 transactions are customary between the producer of the raw materials and the consumer. On all of these transactions there would be a 2-percent or 3-percent tax, and at each stage something more than the tax (to allow for investment and handling charges) would be added to the price.

Such increases in prices would have a pronounced tendency to restrict purchases. Many other types of transactions would be rendered entirely impossible, while in the Townsend literature the claim is repeated time and again that a very large part of the entire cost of pensions would come from the sale of stocks and bonds, the probable effect of a tax of 2 percent (or 3 percent) on the money value of all sales of securities would be to close all stock exchanges, since the margin at which business is done on these exchanges is much less than 2 percent. A tax of 2 percent on the money value of all transactions would dry up the sources of revenue and would probably produce much less than the $8,000,000,000 per year indicated as the probable yield on the basis of the 1933 business of the country. In fact, it is doubtful whether such a heavy tax could be collected at all.

ADMINISTRATIVE PROBLEMS

Aside from the difficulties of collecting three times the amount of the Federal, State, and local taxes combined (which, as noted, would require a tax rate not of 2 percent but of 6 percent on the money value of all business, commercial, and financial transactions) the Townsend plan involves other great administrative difficulties. It provides that all sellers shall be licensed by the Secretary of the Treasury. The Bureau of the Census in 1933 had a record of 2,359,497 establishments engaged in manufacturing, wholesale and retail trade, hotels, service industries, and places of amusement, and this is by no means the entire number of sellers who would have to be licensed and from whom taxes would have to be collected monthly. Provisions would also have to be made for up-to-the-minute lists of pensioners and their identification, to prevent frauds. Under the McGroarty bill further local pension boards would have to be set up in each of the 3,071 counties, and approximately 3,500 wards in cities of the country.

Most difficult of all would be the necessary checking to see that the 10,000,000 pensioners all spent their $200 within the month in which received. This would require going into the private affairs of the pensioners to an extent never before attempted, and would necessitate a vast army of additional Government employees.

FINAL APPRAISAL OF PLAN

The Townsend advocates base practically their entire argument on the "revolving" feature of their plan. If there does not result from the plan a very great increase in incomes and in the money value of transactions, the promised pensions cannot possibly be paid for any length of time without wholesale inflation. The total income of all of the people of the United States in 1933 was only $46,000,000,000. The people who are over 60 years of age are less than 9 percent of the entire population of the country. The Townsend proposal consequently might be described as a plan under which more than half the national income is to be given to the less than 9 percent of the people who are over 60 years of age. Unless there is a very great increase in the national income, this could be done only through reducing the incomes of the people under 60 years of age by approximately one-half.

The Townsend advocates claim that such a result will not be produced, because business will be enormously stimulated through placing such a large amount of money in the hands of the old people to spend within the month in which received. They say nothing about the fact that the people under 60 will have approximately the same amount less to spend, as they will have to pay in taxes the amount which the people over 60 will get in pensions.

The Townsend literature states that the United States Government would have to pay only the $2,000,000,000 required for the first month's pensions and that the plan would thereafter be self-sustaining, because it would create enough new business to return to the Government the entire pension costs without burdening the taxpayers. As the rate of tax proposed is only 2 percent, it is manifest that the $2,000,000,000 paid out in the first month would have to increase to one hundred billion during that month to justify the expectations of the Townsend advocates. The Townsend plan contemplates that pensioners shall spend their money within the month in which received—that is, that all of the pension money shall be turned over once during the month—but in order to produce sufficient revenue to pay the pensions of the second month, without burdening the people under 60, there must be 50 turnovers of the pension within the first month.

Even the Townsend advocates acknowledge that this is impossible, but they are reduced to the dilemma either of burdening the people under 60 with heavy taxes, which will greatly reduce their incomes, or of having the Government pay the pension costs for a much longer period than the first month. Since it is inconceivable that the people under 60 would submit to have their incomes reduced by one-half, the latter course is the only possibility. This will mean a rapid increase in the national debt and, in effect, pronounced inflation.

Through inflation it may be possible to keep up the pension payments for some time. The final result, however, cannot be in doubt. The inflation and duplicate taxation involved in the Townsend plan will cause prices to soar, and soon, even with $200 per month, the pensioners will not be better off than they were before, while those below 60 will be immeasurably worse off. The Townsend plan is one which involves not only revolving pensions but revolving taxes. It is a plan which arouses great hopes, but actually will give the old people little or nothing.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I am very much delighted to know there are so many students of Jeremiah in this body. I did not know it before. It does seem to me that we ought to face this question as a real current matter of very great importance. It seems to me we ought to view this as a great step which the American people have had a right to take for many years past, and that we are just now seeking to take it. Naturally, there would have been, and there has been, a very great divergence of opinion as to how to go at this thing, how far we should go, and what will be the result, whichever way we did go. In 1913, as a member of the State Senate of Illinois, I had the great pleasure and honor to put forward in that body an old-age-pension bill. The bill failed because the people of Illinois were not ready for it at that time. The first session that I came into this body I became a member of the Labor Committee, and I put forward an old-age-pension bill which came before that committee. That bill provided for $30 a month.

When this session came upon us I did another piece of work that I want to put on record here. Having learned from long experience with hearings before the Labor Committee during the past two sessions that we were not thoroughly together on our ideas of what part the State ought to bear and what part the Nation ought to bear, the first thing I did was to write to every Governor of every State in the Union. I received 30 answers from 30 Governors within the first 10 or 15 days.

I turned those letters over to Dr. Witte, Chairman of the President's Committee on Welfare, which was working on this bill at that time. It will be of interest to note that of the 30 answers I received, 28 specified in their belief that $30 a month was the best figure. One advocated $40 a month, as the amount that ought to be paid, and one said that no amount whatever ought to be paid. The remaining answers, or several of them, came in after that and were turned over to that committee; but of the first 30 alone I kept account. I was convinced, therefore, that the amount

that many of us had thought of was correct, because most pension bills put forward had been to that extent alike; and why? For this simple reason: To my mind the first thing to do when studying a bill which we hope to become law is to find out what we can do for a certainty, and then when our experience has increased, when we know we can do better, then go ahead and do better.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes; certainly.

Mr. VINSON of Kentucky. Certain gentlemen have objected to the burden upon employees in the payment of 3 percent in 1945 to secure old-age benefits. As I recall, the gentleman was a leader in the fight to secure retirement benefits for the railroad workers of this country.

Mr. KELLER. Yes, sir; that is true.

Mr. VINSON of Kentucky. I would like to have his opinion as to whether or not the workingmen of the country would appreciate the opportunity to build up a fund for old-age benefits.

Mr. KELLER. I thank the gentleman for the question, because it has a bearing here, and it ought to be considered in this body at the present time. I think I received no less than 50,000 letters from the railroad workers all over the United States, and to say that they were unanimous in the opinion that they ought to have the right to build up an old-age-retirement fund is entirely within the truth. They did stand for that, and they do stand for it now. Not only that but we found also that the railroads themselves had been establishing railroad pensions all over the country, and that 90 percent of the entire mileage was already paying a pension of some kind. So we did the thing that occurred to us as being rational at that time. We divided the burden as you have divided it, as I understand it, in this bill. We put on industry, on employers, a two-thirds burden, and put one-third on the men, and that ought to be fair, because that is the way it figures out in practice.

But we are going to go much further along that line; it seems to me that anyone who studies clearly and uses his vision cannot doubt that at all. We are going further, and we are going to take many steps of which this is just the first one, and the political party that fails to see that will not get back, even in 1970.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Surely.

Mr. LUNDEEN. I think the gentleman deserves a great deal of credit for having introduced an old-age-pension bill 22 years ago. Did that bill provide for paying $30 out of the National Treasury?

Mr. KELLER. The bill was presented 22 years ago in the State Senate of Illinois and was for a State old-age pension.

Mr. LUNDEEN. Then the gentleman introduced one here?

Mr. KELLER. Yes. The bill I introduced here was purely a national old-age-pension law in which the Government should pay the entire amount.

Mr. LUNDEEN. Out of the National Treasury?

Mr. KELLER. Yes, sir.

Mr. LUNDEEN. I agree with that.

Mr. KELLER. I am going now to disagree with myself upon that.

I am going to say that the committee has done a wiser thing than I had sought to do, though we are looking at the same subject with the same object in view. That is this: I was perfectly willing that the Government should pay, but when I came to study it over I had to agree that as a matter of organization, the people in the locality know what ought to be paid to the different ones better than any possible Government agency. As I understand it, that is the view of the committee, and I think it is a wise view. I think it is the only rational thing to do.

Mr. LUNDEEN. Will the gentleman yield?

Mr. KELLER. Certainly.

Mr. LUNDEEN. Should not all American citizens be treated alike?

Mr. KELLER. I agree with the gentleman, because, let me confess, I am a nationalist, broadly speaking, but I must, nevertheless, understand and keep in mind that there is a reason for the existence of the States and their sovereignty as it has existed. I am not going to overlook that fact. I must hold that in mind as a matter of plain, ordinary horse sense.

Mr. COLDEN. Will the gentleman yield?

Mr. KELLER. Gladly.

Mr. COLDEN. As a student of old-age pensions for many years, I would like to ask the gentleman if he believes there is a relationship between the amount that can be paid and the national average or per capita income?

Mr. KELLER. Oh, yes; there is no question about that. Answering that, I want to say further that I took up with Dr. Witte, head of the President's committee, which worked out much of the information these gentlemen have had the pleasure of using, the proportion that the Government ought to pay. I wrote him insistently saying that in my judgment the Government should pay 75 percent instead of 50 percent. When I was told that the administration would stand for 50 percent and probably no more, I made this suggestion, and I want to suggest it to the committee. That is, that at the beginning, we will say, while so many of the States are in practical bankruptcy, the Federal Government should pay 75 percent and let the States pay 25 percent; and then reduce the amount which the Government pays and increase the amount which the States pay during a series of years, according to what we think is good judgment.

I want to say to you here if this body does what I believe it will do, we are not going to get excited over any part of this pension bill. We are not going to quarrel over nonessentials. We are not going to mix the thing, as has been done to a remarkable extent by the speakers who have preceded me, especially on the Republican side. We are not going to submit to any mixing of the facts in this case. We are going to insist, I am sure, on keeping the record entirely straight, in thinking this thing straight through. The reason I am speaking of that especially is this: I have, as you all know, been against what we call "gag rules", and I am going to remain against them, because I have said from the beginning that I have never seen a bill pass this body under a gag rule that would not have passed this House under the most liberal possible rule, and to the advantage not only of this body itself, to its dignity and to its duty, but to the very great advantage of the American people, because, after all, if you think the American people are not following the doings of this body you had better guess again and wake up. They are studying what we are doing. They are reading what we are saying here. They are forming opinions of what we express, and about us from our consideration of them.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. MARCANTONIO. I realize the gentleman is an authority on the question of old-age pensions and unemployment insurance. I call the gentleman's attention to the testimony of Miss Perkins before the Senate Finance Committee at page 117, as follows:

Senator BLACK. Miss Perkins, I want to ask you one or two questions. Senator COUZENS brought up the question as to the imposition of contribution on the people at work. Is it not true that the tax employed under the bill necessarily is, in the main, a tax on the people at work?

Secretary PERKINS. Well, it will not be collected directly from them.

Senator BLACK. Certainly.

Secretary PERKINS. You mean, sir, I suppose, that it can be translated into the price?

Senator BLACK. Most of the consumers of consumable goods, are they not the people of low income?

Secretary PERKINS. Yes, sir.

Senator BLACK. Then is it not true that under this tax, as imposed, it will, in the main, be loaded upon those who purchase consumable goods and therefore will, in the main, be loaded upon those with smaller incomes?

Secretary PERKINS. Yes, sir.

What is the gentleman's opinion about that?

Mr. VINSON of Kentucky. Will the gentleman read the next two sentences?

Mr. MARCANTONIO. Certainly. [Reading:]

Senator BLACK. Then is it not true that up to that extent it does not increase the aggregate purchasing power of the Nation?
Secretary PERKINS. I think it will increase the purchasing power.

Does the gentleman want me to read further?

Mr. VINSON of Kentucky. The gentleman is a good reader.

Mr. MARCANTONIO. It does not modify what I read at all.

Mr. KELLER. I think there is no question but what Miss Perkins answered entirely correctly. I do not think there is any dispute in the minds of the Members on that subject. What I am trying to do most of all is to keep this thing perfectly clear in mind. I am talking mostly, as you understand, for a direct old-age pension. I have very specific ideas on the possibility of unemployment insurance. My honest belief is that there is only one possible effective unemployment insurance, and that is the guarantee of a job for every man and woman who wants to work. That is my opinion of it, but I am not injecting that here, because I am going along with this bill. This same idea that we are putting forward here has been tried already in a number of countries with some success; not a lot of success, but some success. I think the United States is going to step forward, far ahead of any other country along that line, within the very next few years.

I am glad to see this step taken, however.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. HOUSTON. Does the gentleman know what percentage of the pay roll is required to build up this fund for future unemployment insurance or old-age pensions?

Mr. KELLER. I have not studied that matter sufficiently to answer the gentleman directly. I think if the gentleman will study the hearings he will find it explained much better than I can give it. I would not like to answer a question I have not studied specifically.

Mr. HOUSTON. Who pays this, may I ask?

Mr. KELLER. As I understand it two-thirds is paid by industry directly and one-third by the man who receives the benefits.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Illinois.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. HEALEY. For the purpose of the RECORD will the gentleman, if he has the information, kindly state how many States now have old-age pension laws in effect?

Mr. KELLER. Twenty-eight States now have old-age pension laws, but they are just like my State. We have pensions for the blind and pensions for widows, but we are not paying them, and it is for that reason I say now that the Federal Government ought for the next 4 years to pay a minimum of 75 percent so as to induce the States that are hard up, and Illinois is hard up, to resume payments and other States to begin the system. I believe it would be a very great incentive. Does that answer the gentleman's question?

Mr. HEALEY. May I ask one further question?

Mr. KELLER. Certainly.

Mr. HEALEY. The enactment of this legislation will assist those States which are actually paying old-age pensions.

Mr. KELLER. Of course it will, and it will help the others that have not enacted such laws to enact them.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. DOUGHTON. Is it not a fact that this is the first administration and the first Congress that has taken any step at all so far as national assistance is concerned in the direction of old-age pensions?

Mr. KELLER. Of course it is.

Mr. DOUGHTON. Other administrations have made the State carry this whole burden, which we all know is a heavy burden and which, if it is to be universally applied, must have a national set-up and Federal help.

Mr. KELLER. Mr. Chairman, I want to say to the gentleman from North Carolina, the Chairman of the Committee on Ways and Means, which wrote and reported this social-security bill, that if this bill becomes a law, and it will become the law, the gentleman has connected his name with a thing that will bring such fame to him as he at the present time does not dream of. [Applause.] That is true, gentlemen. I am not handing an empty compliment to the Chairman of the Committee on Ways and Means. This is the first step, and it is a great step and a wise step, but it is not the only step, for we shall take more as we go along.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. DUNN of Pennsylvania. If this bill is enacted into law in its present form, will it provide pensions for those people who have attained the age of 65, but who have not contributed to the fund?

Mr. KELLER. Yes, certainly. The old-age feature of the bill is just a plain, straight-out old-age pension. We are mixing here, of course, old-age pensions and old-age benefits; but the old-age-pension feature, I may say to the gentleman from Pennsylvania, is just a plain, straight old-age pension right straight out of the Treasury of the United States.

Mr. DUNN of Pennsylvania. When will the payment of these pensions begin if this bill is enacted into law?

Mr. KELLER. It goes into effect the 1st day of July, as I understand it, but it actually goes into effect on the 1st of January, as soon as the set-up, the organization can be gotten together and arrangements made to administer the law, and the names of those eligible have been gathered. It will be a New Year's gift to the old people of America from Uncle Sam.

Mr. DUNN of Pennsylvania. Will the gentleman yield for one further question?

Mr. KELLER. I yield with pleasure to my colleague on the Labor Committee.

Mr. DUNN of Pennsylvania. Will the citizens of those States that do not provide pensions themselves derive any benefits under this act?

Mr. KELLER. Not until those States pass appropriate laws.

Mr. DUNN of Pennsylvania. Suppose those States should refuse to pass legislation granting pensions, what would happen?

Mr. KELLER. The citizens of those States at the next election would vote against incumbent officials, and put in other officials who would pass such legislation; there is no question about that.

Mr. DUNN of Pennsylvania. I believe the real solution of the problem would be for the Federal Government to pay adequate old-age pensions regardless of what the States may do.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. LUNDEEN. Is not the statement of the gentleman from Pennsylvania an added argument in favor of the Government paying these pensions?

Mr. KELLER. I may say to the gentleman I suggested that, of course.

Mr. LUNDEEN. Just one other short question. President Green, of the American Federation of Labor, described the Wagner-Lewis bill as pitiable and utterly inadequate. Will the gentleman say that this characterization applies to the Doughton bill?

Mr. KELLER. I do not think so.

Mr. LUNDEEN. It is a different bill.

Mr. KELLER. The truth of the matter is that in my last campaign I made speeches all the way along the line for an old-age pension, and I stood for $30 a month. I have not

yet received a single letter from the large number of aged people in my district objecting to that. They are all only too glad to think they are going to get it.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. DONDERO. The gentleman stated that 28 of the States pay $30 a month old-age pension. Is that about what they think the Government can carry out?

Mr. KELLER. That is true, of course, but the States have not specified that in their laws. Twenty-eight out of 30 of the governors of the States to whom I wrote to get a cross section of State administration views on the whole matter gave me as their opinion that $30 was the most practical amount and that the Federal Government should pay from 50 to 75 percent, and some went even as high as 80 percent.

Mr. WOOD. Mr. Chairman, will the gentleman yield for one question?

Mr. KELLER. I am anxious to continue with my statement, but I yield for a question to another of my colleagues on the Labor Committee. Make it a straight question, please.

Mr. WOOD. I wish the gentleman would tell me wherein William Green, president of the American Federation of Labor, has testified before any committee that the Wagner-Lewis bill is a pitiably inadequate bill.

Mr. KELLER. I do not know.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. COOPER of Tennessee. Further extending the observation of the gentleman from Minnesota, I believe it is but fair to say that in the statement of Mr. Green, the president of the American Federation of Labor, when he appeared before the Ways and Means Committee, in his remarks on the question of unemployment insurance which is contained in this bill under title III, he stressed two particular points:

One was that the funds should be pooled in the States and not allow company reserves, and that is carried forward exactly as he suggested here. The second point was that the amount of the excise tax should be levied upon the pay rolls to be paid by employers, and it is exactly provided in that manner in this bill.

Mr. KELLER. I thank the gentleman for his observation.

Mr. TREADWAY. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. I want to clear up just a little uncertainty in my own mind as to the statement the gentleman made with reference to when any of these old-age payments will reach the individuals. I understood him to say very shortly.

Mr. KELLER. No. I stated the law would go into effect on the 1st of July, and it would take until about the 1st of January before the entire machinery is set up, and bring the money really into the hands of those who need it. That is my own judgment.

Mr. TREADWAY. May I call the gentleman's attention to two provisions in the bill? One is that an appropriation is authorized for the fiscal year ending June 30, 1936. That is in section 1. Then in section 3 the Secretary of the Treasury is authorized to make payments to States which have an approved plan for old-age assistance. In other words, the plan of the States must be approved by the Social Service Board before the States are eligible to receive Federal assistance.

Mr. KELLER. Certainly. It would make for chaos if it were not provided in that way.

Mr. Chairman, there are two bills I want to talk about, namely, the Townsend bill and the Lundeen bill. I am not excited about nor am I disgusted with either one. The truth of the matter is that I have read everything that has been sent to me on this subject, and that has been plenty, which would enlighten me. I have received many letters along this line, and I want to say that the Townsend bill as it first came before this body was, in my humble judgment, a wild plan. May I say to the gentleman from California [Mr. MCGROARTY], that since he has worked it over it can no longer be termed a wild plan. On the contrary, it is a very intelligent presentation of an idea. However, it is not an idea, in my judgment, that we are in position to accept at the present time because I believe we have to go to work and make money before we can pay out the money. It may be because of my lack of vision, but I do not see that by spending money in the way suggested in that bill that we will start things going.

[Here the gavel fell.]

Mr. DOUGHTON. I yield the gentleman 2 additional minutes.

Mr. KELLER. For this reason, I have been fighting for the right to give men jobs in this country. When you put everybody to work and restore your national income to where it was in 1928 or 1929, prior to the panic on the New York Stock Exchange in October of 1929, then we are ready to look at some of these plans; then we are ready, Mr. Chairman, to consider providing what we might call an adequate pension out of this pension bill. We can do that after we have had experience. In my judgment, we are not ready to do that until we have put men to work, and until we have found out just what we can do.

The Lundeen bill is an idea, and it is a broad-gaged idea. It is an idea that is worth the time of any Member on this floor giving attention to, because I am not willing to say it might not hereafter become the ideal plan to be adopted by the American people when we have arrived at the place where we can consider it as a possibility. It does seem to me that we should pay this pension here provided for now, and increase the payment, if found to be inadequate, until the pension becomes adequate. That is the way American people do things.

Mr. Chairman, may I say in closing that we ought to keep our heads entirely clear. We ought to know that a vote for this bill, whether we can agree with all parts of it or not, is going to be a vote for the most forward-looking piece of legislation in the history of the American Government. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, I am going to address most of my remarks to the gentlemen on the Ways and Means Committee, because I am in favor of this bill. As I have read it and studied it, however, I have come to the conclusion that there ought to be some changes, and I come before the Committee now in a spirit of friendly cooperation in order to try to do something constructive to aid the bill, not in an attempt to tear down the bill by vicious criticism that offers nothing in its place.

We of Wisconsin have had nearly every bit of this legislation in our State, some of it for 20 years, and we claim that we have the finest State in the Union, at least as far as social security is concerned. [Applause.] We challenge comparison with any other State in this respect. In fact, up to this year we were the only State in the Union that had unemployment insurance.

Mr. Chairman, these various social, economic, and industrial measures I have heard debated for 35 years in my State, and invariably the only argument that was ever advanced against such legislation was that it would destroy industry. We do not destroy industry and we never have destroyed industry in the State of Wisconsin. I well recall back in 1911 and the years immediately preceding when we had the fight for workmen's compensation. The same battle was waged against that measure that has been waged against all social-security legislation in our State, namely, that it would destroy industry in the State. Well, we adopted the Workmen's Compensation Act. We were called the "Guinea Pig State" and the State of experimental industrial legislation, but we have lived to see the day that not only the other States of the Union have adopted this legislation but the Federal Government in addition has also adopted it. [Applause.] Furthermore, we are better off today than the majority of

our States. Not one child has been denied education because of lack of funds, and all this we have done without one dollar of bonded indebtedness. That is an exceptional record, especially in these difficult and trying times.

Mr. Chairman, I do not expect that this is going to be a perfect piece of legislation. My own personal experience, both in drafting legislation, in debating it, and in voting on it, has led me to the conclusion that no legislation is perfect when it is first passed. That is the common experience. We have to change all of the laws. We will have to change this bill if we pass it in its present form. As time goes on it will be improved with experience. Trial and error will point the way for us to take in the future. Coming generations will have different problems to meet in this respect, just as our problems differ from those of a previous generation. Let them deal with their problems when they face them, just as we are dealing with ours as we face them.

Mr. Chairman, I am in favor of passing this legislation, not because I believe it to be perfect, but because it is a beginning of a new era for the less fortunate and the under privileged.

My anxiety about this bill is this: It is a splendid forward step in the march of progress in social security, [Applause]. I want to keep on with that forward march just as long as we can possibly do so. I appreciate the fact that there are those who would prefer to pass only old-age pensions and discard all the rest of this splendid program. I am not unmindful of the fact that there are those who would pass only some legislation on unemployment insurance and discard all the rest of this program.

As far as I am personally concerned, the 9,000,000 children who come under this beneficial legislation are more important than either the old-age people or the unemployed, because we have taken care of the unemployed with the $4,880,000,000 work-relief bill. It now remains for us to make some substantial contribution to the future in securing not a temporary relief measure, but a definite, permanent, social-security plan, and this is it.

I now want to ask a few questions of the committee in regard to this matter and may I say to the members of the committee I have received two telegrams today, both from my home at Madison, Wis. One is from John Callahan, the superintendent of public instruction, addressed to me. He says:

> I am hoping for the passage of H. R. 7260, especially interested in title 5, parts 2 and 4.
>
> JOHN CALLAHAN.

Then this other telegram:

> Nine thousand, five hundred crippled children and over 14,000 physically-handicapped juveniles and adults in Wisconsin plead your help. Urge title 5, part 4 and part 2, relating to vocational rehabilitation and services for crippled children as included in H. R. 7260.
>
> W. F. FAULKES,
> *State Supervisor, Vocational Rehabilitation.*

Now, if the gentlemen of the committee will bear with me, I will try to get a little help from them in respect to some of the provisions that I think ought to be changed.

In the first place, I am not satisfied with the contribution of $50,000,000. I think it is utterly inadequate. I cannot lend myself to a program in this House, which has voted and will vote for $1,500,000,000 for the Army and the Navy and less than $100,000,000 for this entire social security set-up. This is why I say that in my judgment is it utterly inadequate and will not take care of the wants and the needs of those whom it seeks to help.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. I cannot refuse the gentleman, but I would prefer to continue.

Mr. COOPER of Tennessee. I understood the gentleman was directing his questions to members of the committee.

Mr. SAUTHOFF. That is all right; go ahead, I yield.

Mr. COOPER of Tennessee. I did not want to intrude upon the gentleman, but I understood him to say he wanted to direct his questions to members of the committee.

Mr. SAUTHOFF. That is correct and I yield.

Mr. COOPER of Tennessee. On that point I invite the gentleman's attention to the fact that 29 States and 2 Territories now have old-age-pension laws. The total amount that is used for all of these purposes is $31,000,000. Of course, this represents over one-half of the States of the Union. The best estimates of those who were in a position to know more about it than anybody else assured the committee that the sum of $50,000,000 for the first year, when we know that many of the State plans cannot be put into full operation, would be ample and sufficient to take care of that length of time.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. COOPER of Tennessee. And, of course, in future years the gentleman will observe there is no limit set at all. The amounts necessary are here authorized to be appropriated.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. SAUTHOFF. Thank you very much, Mr. Chairman.

On page 3, lines 5 and 6, referring to the language in parentheses, I think the civil service is omitted there, and with respect to subsection (7) under (a), I have the feeling that in the case of homesteads there should be an exemption on homesteads for the benefit of the surviving spouse. It should not be possible, upon the death of the husband, to sell the homestead of the widow. Let her live in the old home the balance of her days.

On the next page, in lines 23, 24, and 25, beginning with "not counting" in line 23, and ending with "$30" in line 25, we ought to strike that all out of the bill. I am in favor of raising the amount and would make no limitation on the States, but permit them to provide more generously, and the Federal Government also.

This, of course, is a matter of personal opinion, but I have the feeling that $30 is not adequate, and secondly, I want to give the States all the possible help I can in passing their own legislation.

On page 9, line 4, beginning with "on the date he attains the age of 65", I feel there should be a limitation there restricting it to those who have retired, in order that it might bring out what I conceive to be one of the purposes of this bill, namely, by taking those that have attained the retirement age out of employment, so as to make room for others that need the work, and thereby create more employment by getting rid of those who retire.

Mr. VINSON of Kentucky. Referring to the objection the gentleman had to the $50,000,000 appropriation, I might say that that is for the first year. The second year, the Federal fund would be $104,000,000, and in 1945, it goes to almost $450,000,000.

Mr. SAUTHOFF. Yes, I understand that; I have read the report. Now, on page 14, in the exemption in subsection 7, I am somewhat concerned that the exemption of private industry plants might endanger the whole program. I say this because you can pass Federal legislation only on the grounds of interstate commerce or taxation, and such taxation must be uniform.

I want to refer to one thing more. On page 18, I want to ask this question. The 500,000 families now on relief will be eligible under this title, will they not?

Mr. VINSON of Kentucky. Yes.

Mr. SAUTHOFF. On page 20, line 20, you have one-third of the total amount expended. I am assuming, and I may be right or wrong—I am assuming that probably the original theory was that the Federal Government should supply one-third, the State one-third, and the county one-third. Was that the original idea?

Mr. VINSON of Kentucky. It may be done that way. In Wisconsin the average amount for each child would be $10.13. This would permit the amount to be increased to $15.13, with the Federal contribution of 50 percent paid by the State.

Mr. SAUTHOFF. Here again I have the feeling that the amount is inadequate. Eighteen dollars per month for a young mother with a minor child is utterly insufficient to

supply even the barest necessities of life, and I therefore feel that we should raise this amount to a sum sufficient to supply their needs, without forcing the young mother out of the home to earn enough to support herself and her baby.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, the Chairman of the Rules Committee warned yesterday that "there is going to be a day of reckoning for the people who are advocating this Townsend plan when our poor, distressed people wake up to the situation and find the snare and the delusion they have been drawn into."

At about the same hour a prominent official of the administration was testifying before a congressional committee, and in effect said that a law which fails of its purpose was worse than no law at all.

This so-called "security bill", if passed in its present form, will bring "the day of reckoning" to those who are playing fast and loose with the demand for old-age pensions. It will be another of the laws which so fail of their purpose that they are worse than no law at all. The bill covers unemployment insurance and other features which, if amended, may offer an excuse for its consideration. Its provisions as to old-age pensions are wholly insufficient, the appropriations are inadequate, and the results which will follow its enactment will be both insufficient and inadequate.

Regardless as to how people may differ as to the Townsend plan, or what may be their opinion of the original McGroarty bill, or of the new bill presented by Mr. McGROARTY which greatly modifies and changes the plan of the original measure, it must be conceded that the millions of people who have organized the movement are sincere in their advocacy of the plan, both as to the relief for the aged and the business recovery which they believe their measure will bring about. Along with other old-age pension organizations, they have been influential in forcing the issue into national attention, which they would not have been able to do but for deplorable situations which surround six or eight millions of old people, who, after giving their best years to the development of their Nation as well as to that of their home communities, now are facing the poorhouses or various emergency relief agencies in order to keep body and soul together.

In answer to the demand of the millions who have petitioned Congress for this form of governmental aid, this bill is offered. It purports, among other things, to provide national aid to States for old-age pensions. In fact, it merely seeks to reduce the present emergency-relief allowances by the Government by taking the aged and unemployable from the regular relief rolls and placing them on a new relief roll, and taxes the States for one-half the cost. It will empty no poor houses, it will not lessen the burdens of municipalities whose depleted treasuries have been so drawn upon during the depression, it will offer no assistance to a multitude of old folks who have labored long and earnestly to provide for their own declining years but who now, through no fault of their own, are unable to carry on.

This bill provides $49,750,000 for old-age benefits. It is expected that States will provide a like amount, bringing the total fund to $99,500,000. Divided among all the six millions who have attained the age of 65 years, the amount to each would be $16.58. Assuming that only one-fifth the number of people might desire to apply for old-age benefits the allowance would not exceed $82.90 per annum. And that would be the amount which both State and National Governments would be required to furnish under this measure. The bill would limit the allowance to $30 per month, but with the total appropriation at less than $100,000,000, not one-fourth that sum could be paid each individual. The bill, therefore, seems to indicate that a much smaller sum will be allowable.

The total appropriations for national expenditures at this session of Congress will exceed $9,000,000,000. There are still about $2,000,000,000 available for expenditure from the appropriations of the preceding Congress. The appropriation for work relief and business recovery is close to $5,000,000,000. Still, when 6,000,000 of our good people ask for a reasonable but adequate old-age-pension law, their demand is met with the proposal that they may have $49,755,000, and we are warned by the White House that the amount must not exceed that figure.

We are building a billion-dollar Navy. The profits which will go to the builders and those furnishing materials and munitions will be $200,000,000 or more. From the Senate investigation of the profits of munition makers and armament manufacturers it is likely that more than 20 percent of the cost of the billion-dollar Navy will go to the making of more millionaires. This bill would give only the amount which will be expended on a couple of warships for old-age pensions.

It is estimated that half the $4,000,000,000 about to be expended for work relief under the President's direction will go to the purchase of material for construction purposes. Under the provisions of the N. R. A. codes, there must be allowed a profit of at least 10 percent. Nobody believes that a mere $200,000,000 will be all the profits which will go to the great corporations which will furnish the steel, cement, machinery, and other purchases made for the construction program. Profits are conspicuous features in Government work.

The House has just passed a river and harbor bill for $162,000,000, which carries $59,000,000 for the improvement of a couple of canals, nearly $10,000,000 more than this bill provides for old-age benefits.

Recently a bill was rushed through the House adding $38,500,000 to naval appropriations, which will be expended for new buildings, drydocks, and, among other things, for palatial homes of naval officers at various points. From the P. W. A. funds allocated to the Navy by the President last year, over $119,000,000 are still available.

Under the relief program about $700,000,000 will be spent upon 600,000 young men in the C. C. C. camps the coming year. However laudable may be that expenditure, the funds to be spent will be 12 times as great as the appropriation in this bill for those of the 6,000,000 of aged people, who have lived, worked, and paid taxes for a lifetime and now are in dire need.

These are only a few instances of what the huge appropriations of this Congress will include.

The best feature of the bill before us is that it may be amended, drastically amended, if Congress wakes up to the problem and votes in the amendments. The total appropriations should be increased manyfold. The entire fund should come from the Federal Government. The requirement for State contribution should be eliminated. The amount of old-age benefits should be sufficient for its much-needed purpose. A nation that can spend billions for war preparations can and should be able to care for the aged and infirm.

The demand for old-age pensions cannot be met by bluffs and gestures. This bill is hardly either in its present form. [Applause.]

Mr. THOM. Will the gentleman yield?

Mr. HULL. If I have time.

Mr. THOM. I call attention to the fact that under the law providing for the enlargement of the Navy the profits are limited to 10 percent.

Mr. HULL. In 1935 you had $38,000,000 for auxiliary cruisers. How much profit was there?

Mr. THOM. The law restricts profits to 10 percent.

Mr. HULL. The law is one thing, but the administration of it is another when you come to naval appropriations.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman and gentlemen of the Committee, if you will permit me to finish my statement, and then get me additional time, we will open the whole matter for a free-for-all as far as questions are concerned.

Mr. Chairman, I trust this Congress will not adjourn until it has passed a comprehensive and effective old-age-pension

law. There will be many plans before us, and the advocates of each will insist upon their method as the only method open to us. We need to have patience—we need to exercise a charitable attitude toward those who may disagree with the plan offered by someone else. Personally, I am an advocate of the McGroarty bill, known in this House as "H. R. 7154." In my judgment, the plan proposed in that bill is the best plan before the American people, and it was introduced in this House by one of the ablest men who ever was honored to sit in this Congress. Often I have heard some Member say, "This horrible, this visionary, this ill-considered Townsend bill." Members who are ignorant enough to say that, or make similar statements, are not to be censured but pitied. I trust I have sufficient training and experience in life as to prevent me from making any such rash statements concerning any bill intended for the relief of any class of our citizens. While an advocate of the so-called "McGroarty bill"—Townsend bill—I hope I have the good sense to keep an open mind throughout this debate and thus be in a position to exercise my best mental power to contribute my small part to the accomplishment of a long-delayed task—that of providing security for the aged of this country.

Just criticism of the bill before us is, no doubt, welcomed by the sponsors of the measure, but I hold that this criticism should be constructive and emanate from worthy motives, and not be brought forward in any spirit of ridicule or for the purpose of defeating the measure by methods that are unfair and unethical.

Personally, I feel the present bill will not give that security to the aged that we all hope for. My reasons are:

First. It seems to me we have appropriated enough under a system of selling interest-bearing Government bonds. The revenue to support the present bill provides for a general appropriation and will continue the same system of bond issue. We have now reached a point where the interest burden, public and private, is more than we can pay.

Second. The payments to old people, under this act, will be, prior to 1942, nothing more or less than a dole, and the recipients will still be objects of charity under a system that will permit only a bare existence.

Third. The present act is the most brazen attempt to submerge the sovereignty of State governments to the will of the General Government ever attempted in American history. Every State is compelled to pass laws such as will be approved by the board in control of payments under this act. Had any such attempt been made in 1861 to do the same thing this Government would not be known to the world today as the United States of America. Today we see the sovereign power of States disappearing entirely and the Federal Government reaching out in all directions to control the destiny of the American people. Why have any State legislature at all, if they must pass such laws as Congress and the executive branch of the Government shall direct? When will this tendency to overshadow State governments cease?

Fourth. The present act will not remove any of the aged from employment, for the payments under the act will not support the aged people now employed. This act will not create any new jobs for the unemployed, who are young and will work if they can secure work. This act will not remove the four million from relief, but will extend the same situation for years to come.

Fifth. This act creates another Federal bureau, with high-salaried administrators, who in all probability will be no more in sympathy with the needy than are the various directors and administrators of the multitude of Government set-ups handling relief today. It creates more Federal Government when we have enough as it is.

Sixth. This act will not place the purchasing power down in the grass roots, but will continue our present business policy of hand-to-mouth planning. It will not start the factories that are idle or bring a living price to those who produce raw materials. It will not restore business activity, but by bond issues will further increase the tax burden and further retard business.

WHAT THE M'GROARTY BILL WILL DO

First. It will lessen the crime wave, for the lack of opportunities and idleness, without legitimate incomes, is now known to be a major factor directly responsible for crime.

Second. It will stop the ever-increasing stream of unfortunates on their way to the insane asylums.

Third. It will close out every poorhouse in America.

Fourth. It will take 4,000,000 people over 60 off relief rolls.

Fifth. It will put 4,000,000 unemployed young people to work in the place of 4,000,000 old people now working.

Sixth. It will take 2,000,000 old people off private relief and ease the burden of their relatives who support them.

Seventh. It will start the buying power of the American people at the grass roots among the retailers, and from there back to the factories and producers. The demand for employment will increase. Factories will start, producers of raw materials will find a market for their products, the unemployed now on the outside of factories looking in for a job will have a job. The whole intricate business machinery of the Nation will start that has been paralyzed since 1920, and especially so in the East since 1929.

Eighth. To do this will cost the Government nothing.

Ninth. Relief will be in the hands of the aged and sympathetic instead of some hired and unsympathetic and scientific nuisance.

Tenth. It will drive out that fear of a fateful future which has weakened the minds of millions and has filled the poorhouses and the asylums.

Eleventh. It will be doing for our aged what this Government should have done in the very beginning of it.

Twelfth. Everyone seems willing to give their support to the conservation of our national resources, but we have forgotten the greatest resource of all—the fathers and mothers of this Nation. Our civilization and progress cannot be measured by our fields, our mines, our factories, our churches, our buildings; but it can be measured by the people who live here. Their condition in life should be the greatest concern of any system of conservation, and the condition of the aged and their treatment by the Government under which they have lived and which they have helped to build is the true test and standard of progress and civilization of this or any other Government.

Thirteenth. This act will not control the action of any State legislature, but leave the sovereign power of the States intact.

Fourteenth. This act will create no new bureaus or administrations, but will use the machinery which we now have.

Out of a class of 100 college graduates, graduating at age of 25, the amazing results are as follows at the age of 65: 3 are financially comfortable; 1 has become rich; 4 have accumulated partially enough to live on; 65 are day laborers or paupers or living on charity, public or private; 27 are dead.

It should be remembered that this group has had the advantage of special training, and therefore much more able to fight the battle for existence than those who have had no such advantage.

There are now four million 60 years or older on relief.

There are four million 60 years or over employed.

Those who are accepted for insurance, at 60, have a life expectancy of 15 years. This applies only to those accepted. Of all, at the age of 60, the life expectancy does not average over 6 years and 8 months.

There are approximately 10,000,000 of the age of 60 or over in the United States. There are, therefore, about 2,000,000 not employed and not on relief and probably supported by relatives. Their status is unknown.

The Townsend bill will put relief in the hands of our old people, with sympathy and understanding, instead of with administrations that are hired to do the work and who are cold-blooded and unsympathetic.

Our old people who have reached the age of 60 only have a life expectancy of a little less than 7 years, and after having worked nearly all their lives in building up our civiliza-

tion, shall we in the future do as we have done in the past—turn them out to die neglected? Remember that 65 out of every 100 at age of 65 are day laborers or wholly dependent upon charity, either public or private. We condemn the Eskimos for murdering their aged parents, but have we not done the same thing under the cloak of modern civilization? We are not as honest as the Eskimos.

We have authorized the President to use $4,000,000,000 to create artificial jobs for the unemployed. These are forced jobs and when forced, much of such planning must necessarily be futile. Much of it will be unnecessary, and no matter if the work is planned to be of permanent value to the country, such forced work can never take the place of natural demand born by necessity. Many of the forced jobs will not spring from any necessity, arising from the natural development of our civilization, but will be born by that other necessity, temporary in character, immediate in demand, and without natural impulses, namely, the necessity of finding something for those to do who are out of work, out of relief funds, and in dire need of the necessities of life.

Turn half of this $4,000,000,000 into an old-age annuity fund, to start the Townsend plan, and our unemployment problem will be settled. The fund will be augmented by receipts from transactions, and each transaction will leave along in its path new employment, springing from natural causes, not artificial, and the advances made by the Government in cash will be returned. Let the President spend the four billion on artificially created jobs, and the Government will never be repaid, and the work accomplished will be of most doubtful permanent value to the country. I cite this, not in the hope of preventing the expenditure of the four billion by the President, for that has now been authorized. I cite it to show those who condemn the Townsend plan as visionary have plenty of material in the $4,000,000,000 work bill to keep their visionary tendencies under complete control.

If these old people on an average only have less than 7 years still to live, can we in this Congress justify ourselves in voting for a bill that shall take them off the public-dole system and put them right back on a pension dole? That is what the provisions of this administration bill means. Anyone knows that the payments provided for per month is not enough for any old person's maintenance under any standard of decency. They can exist on the dole, they can exist on less, but we are here today to break the chains that have bound us in the past to an ignorant, unhuman, and now unthinkable policy of dealing with the aged. We are here to give them what they should have had at the very beginning of this Government. Because of lack of vision the old have been sent to the poorhouses, to the asylums, and to their graves. We have missed the greatest human problem for which free governments are instituted.

We are here today to change the program—we are here not only to give the aged a new deal but new hope. We shall miserably fail in our duty should we be content with providing a fund for the aged that shall merely keep body and soul together.

With their few years yet to live, let us pass legislation that shall recognize their service to a great country. Let their remaining days—just a few days—be days of gladness, days of hope, days in which they can devote their time and declining energies, not in labor of the strong, but in acts of kindness to their friends, neighbors, and the community.

It seems that as the last few years have sped past, we have been so engrossed in the mad policy of making more money, more profits, collecting more interest, that we have forgotten how to live. Neighborly deeds immortalized by James Whitcomb Riley live only in the history of the past. The specter of want—something to eat, and a place to stay when we are old—has pursued our people relentlessly. It has produced in the minds of the old and in the minds of the young a constant and dreaded fear of the future. I personally cannot remember a time, since I was old enough to understand, but what that common dread, that specter of want has not pursued me. I can well remember when the song Over the Hills to the Poor House filled my eyes with tears, even when I was confident that I had the power to fight and overcome this dragon of want.

This mental attitude has had a devastating effect upon the American people generally. It has weakened minds, it has weakened the aged in their fight for existence. It has filled the poor houses, it has over-filled the asylums. When the young witness the treatment of the aged, under our present system, they know that soon they will be next, and this mental disturbance has dangerously affected the American mind. Today, if we attack this problem correctly, we can drive out this fear, we can destroy this dragon, we can establish clear minds, we can think of our neighbor, we can bring happiness and joy to ten million of our aged and hope to the young, and relieve the mental strain on our entire population. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein a short statement and a short bill in connection with that statement.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FOCHT. Mr. Chairman, we have had whatever there may be of two sides to this question. As you all well know, that great philosopher, Tom Reed, who at one time presided over this House, said it mattered not how thin a pancake might be, there were still two sides to it. And there are therefore two sides to this question as a whole. Much has been said in compliment of the eminent gentleman from North Carolina [Mr. DOUGHTON], and I always have something to say in praise of him, the best I could say about any man, the fine courtesy he always exhibits to the Members, and the great patience shown here during his splendid explanation of the bill. Next we have the distinguished gentleman from Massachusetts [Mr. TREADWAY], saying why he is against the bill. I am inclined to think that many who may be against the bill are against that portion of it which seems to be very much involved. We can go back to that immortal decision of the great jurist John Marshall, and find the genesis of this proposition which we have here. It was when he wrote into a decision the thing that made America great and powerful, and which stands as the reason today for America being the greatest country in the world. I refer to the decision where he removed the barriers between the States, providing for the free flow of all commerce between the Commonwealths of the Nation. That is something that the European nations have been, to emphasize the matter, too dumb to understand, except in the time of Napoleon when he made an attempt and lost his throne for doing so. So let us separate these measures. Let each be free from hindrance of any other and be considered on its own merits.

When we come to the question of evolving something new, I am reminded that it is about 40 years now since we passed the Interstate Commerce Act, and yet not a day passes but you have arguments between the brightest minds of America before that Commission, and nothing seems settled about traffic or about freight rates. I heard read in the Senate by Senator Aldrich a report on the Federal Reserve question some 20 years ago, and I thought that was about right, but it is not now what it was then. It was understood at that time that if you had a piece of commercial paper you could have it discounted, and when you got tired of paying 6-percent interest upon it you could redeem that piece of paper. You can no more do that than fly. The only way that you can get any money now is to offer gold dollars and get your wife and all your relatives to endorse your paper and put up your farm, and then you may have some difficulty in getting it.

There is no such thing as perfection of human wisdom, and however great the men may be who framed this bill, however great you may be who discuss it here today, you will find in every State where there is an important State law, or where we have application of the Federal law, that after it gets through the committee and through the House and the Senate and the conference committee and the

Attorney General passes on it and the President signs it, and it gets down for real contact with the laws of Nature, that is where Nature unfolds the flaws. Hence, you do not have a perfect bill today. I would not be suspicious, I would not sound a note of that kind; I have too much respect for this House, and particularly its integrity, and I always challenge anyone who inveighs against this House and against its sincerity, much less its integrity.

But I have been in the legislative business so long that when I see such a righteous part of a bill relieving old women and men of the country, whose limbs are weakening under them and whose hands are palsied, connected up with an involvement of something else, I become suspicious. The same kind of a bill has been adopted by 28 States, for old-age pensions, and the reason they are not a howling success is that they do not have the money to put them into effect. The sentiment is there and the system is perfect enough. Yet you bring out a bill for old-age pensions, but hang something to it that makes me suspicious, as I say, for I learned long ago that there are more ways than one to kill a dog, and if that is what you are doing, then I ask you to shift your position, for it would be an outrage to imperil the old-age-pension bill. Can you not get through this old-age pension and save these people and let them dry their tears and take the burden from their souls without involving it with something else, even though there is virtue in that something? It will take you 20 years to work out to completeness this thing of guaranteeing the payment of wages, and we want old-age pensions now. Look how long it has taken in England, and yet see what a little thing it is. I am going to put this into the RECORD. Germany had compensation many years before we did, and after the British Parliament had worked at it from 1920 to 1925, this is what they have done. But if they can do that, it seems to me that we can solve this problem without involving it with old-age pensions. I am afraid that this thing may fall down on account of this involvement. Right in my own district we have the great Logan Iron Works and the Burnham Steel Works.

I have many personal friends who now, at a time when these institutions are silent, when no smoke curls from them and no flame is to be seen from them at night, who are receiving pensions from a fund accumulated over the years. When we go through the valleys at night there all is as silent as death. As the lady said here the other day, when you walk through one of those towns in New England where the mills have been shut down it is like going through a graveyard; and yet, as I say, notwithstanding that, I have friends up there who are receiving pensions from a fund accumulated over the years. That is the case in many institutions. To iron out the difficulty you will have as between employer and employee will take you some years. You have already passed here 20 major pieces of legislation. It took you 18 months to bring out any tariff bill that was ever brought before this House. It took 30 or 40 years to evolve the Interstate Commerce Act and 20 years for the Federal Reserve. It should have taken 2 years for every one of them, or 40 years, and you passed them all in 4 months, and you are bringing them all back to iron them out again. I hope the genius of direction and the understanding of legislation on the part of the gentlemen in charge of this bill will in some way separate that old-age-pension bill from the others; although I will take it all rather than see old-age pensions fail.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FOCHT. Under the permission granted me to extend my remarks, I insert herewith the following bill and statement:

H. R. 7223

A bill to authorize the prompt deportation of habitual criminals and habitual aliens, to guard against the separation from their families of certain law-abiding aliens, to deport direct-action Communists, to relieve meritorious cases of deportation hardships, to further restrict immigration into the United States, and for other purposes

Be it enacted, etc., That an alien who entered the United States either from a foreign territory or an insular possession, either before or after the passage of this act, shall be promptly deported in the manner provided in sections 19 and 20 of the Immigration Act of February 5, 1917 (39 Stat. 889, 890; U. S. C., title 8, secs. 155, 156), as amended, regardless of when he entered, if he—

(1) At any time after entry is convicted of an offense, which may be punished by imprisonment for a term of 1 year or more, or of a crime involving moral turpitude, the said deportation to be made by the Secretary of Labor forthwith at the time he is released from confinement, or is placed upon probation, or is pardoned; or

(2) Has been convicted of two or more crimes, committed on separate occasions, each of which involved moral turpitude (even if the alien was not sentenced to imprisonment); or

(3) Knowingly possesses or carries any weapon which shoots or is designed to shoot, automatically or semiautomatically, more than one shot without manual reloading, by a single function or trigger; or

(4) Has been convicted of violation of a State narcotic law; or

(5) Knowingly encouraged, induced, assisted, abetted, or aided anyone to enter or try to enter the United States in violation of law; or

(6) Does not within 1 year after the enactment of this act, or if he enters thereafter does not within 1 year after entry, declare his intention to become a citizen of the United States and fails to become within the statutory 5-years' naturalization period a citizen of the United States: *Provided*, That this particular provision shall not apply to nonimmigrant aliens admitted temporarily under section 3 and to nonquota immigrant aliens admitted temporarily under section 4 of the Immigration Act of May 26, 1924, so long as the said nonimmigrant and nonquota immigrant aliens maintain the temporary admission status under which they were admitted; or

(7) Is a member of or affiliated with any organization which, or who believes in, advises, advocates, or teaches the overthrow by force or violence of the Government of the United States, or the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either specific individuals or officers generally) of the Government of the United States or of any other organized government, because of his or their official character, of the unlawful damage, injury, or destruction of property, or sabotage, or a doctrine which advocates the overthrow by force or violence of governments, constituted authority, or social order, existing in countries not under the control of Communists or Fascists and the establishment in place thereof of a regime termed "proletarian dictatorship" or "National State Socialist" or "Totalitarian" State or a system based upon common ownership of property and abolition of private property, provided that the platform, program, or objectives of the Third Internationale, or the Fascist Grand Council, or National Socialist Labor Party, or Communist International shall be held to embrace the said doctrine.

SEC. 2. That from and after July 1, 1935, the quota in the case of any nationality for which a quota has been determined and proclaimed under the Immigration Act of 1924, as amended, shall be 20 percent of such quota, but the minimum quota of any nationality shall be 100. From and after July 1, 1935, no immigration visas shall be issued under subdivision (c) of section 4 of the Immigration Act of 1924 (U. S. C., title 8, sec. 204), but all the provisions of the immigration laws shall be applicable to immigrants born in any of the geographical areas specified in such subdivision as if each of such areas had at that time a quota equal to 20 percent (but not less than 100) of the number of nonquota immigration visas issued, during the fiscal year ending June 30, 1930, to immigrants born in such area: *Provided, however*, That reciprocal arrangements may be entered into by the Department of State and the Department of Labor with the Dominion of Canada, Newfoundland, and Mexico whereby as many immigrants born, respectively, in those foreign territories contiguous to continental United States are admitted to the United States annually as persons born in the United States are annually admitted into their respective countries. Section 6 of the Immigration Act of 1924 (43 Stat. 153), as amended (U. S. C., Supp. VI, title 8, sec. 206), is amended to read as follows:

"(A) Immigration visas as to quota immigrants shall be issued in each fiscal year as follows: (1) 75 per centum of each nationality for such year shall be made available in each year for the issuance of immigration visas to the following classes of immigrants: (a) Quota immigrants who are the fathers or the mothers or the husbands by marriage occurring after January 1, 1933, of citizens of the United States who are 21 years of age or over; and (b) quota immigrants who are unmarried children under 21 years of age, or the wives, or husbands, or the mother or the father, of alien residents of the United States who were lawfully admitted to the United States for permanent residence.

"(2) Any portion of the quota of each nationality for such year not required for the issuance of immigration visas to the classes specified in paragraph 1 shall be made available in such year for the issuance of immigration visas to other quota immigrants of such nationality.

"(B) The preference provided in paragraphs 1 and 2 of subdivision (a) shall, in the case of quota immigrants of any nationality, be given in the calendar month in which the right of preference is established, if the number of immigration visas which may be issued in any such month to quota immigrants of such nationality has not already been issued; otherwise in the next calendar month."

SEC. 3. Section 7 of an act entitled "An act to further amend the naturalization laws, and for other purposes", approved May

25, 1932 (47 Stat. 166, sec. 7; U. S. C., Supp. VII, title 8, sec. 181), conferring on the Secretary of Labor a discretion to readmit any departed alien is hereby repealed.

SEC. 4. The Secretary of Labor may suspend for not more than 1 year the order or warrant or deportation of any alien subject to deportation under section 19 of the Immigration Act of February 5, 1919 (39 Stat. 889; U. S. C., title 8, sec. 155), and section 14 of the Immigration Act of May 26, 1924 (43 Stat. 162; U. S. C., title 8, sec. 214), provided such alien is of good moral character, has been in the United States 10 years, or has an American citizen wife, husband, child, or aged dependent parent lawfully resident in the United States. As to such suspension, the Secretary of Labor shall, on the date December 31 next following, report to the Congress all the facts and reasons therefor, and all appeals, petitions, protests, and recommendations of every kind and description in connection therewith; and the said Secretary shall, at the end of 6 months after the submission of such report, unless the Congress shall by act or resolution otherwise direct, promptly execute such order or warrant of deportation. If Congress cancels or rescinds any such order or warrant of deportation, the Commissioner of Immigration and Naturalization may accept any head tax therefor due and unpaid, may amend nunc pro tunc the entry record of the alien affected thereby so as to establish lawful entry for permanent residence, and may issue upon receipt of the fee required by law a certificate of arrival.

SEC. 5. Section 1 (a) (1) of the act of March 2, 1929, entitled "An act to supplement the naturalization laws, and for other purposes" (45 Stat. 512, ch. 536), which now reads: "(1) Entered the United States prior to June 3, 1921", is hereby amended, effective as of the date of this act as enacted, so as to read as follows: "(1) Entered the United States prior to July 1, 1924."

SEC. 6. The first sentence in section 21 of the Immigration Act of February 5, 1917 (39 Stat. 889; U. S. C., title 8, sec. 157), is hereby amended, effective as of the date of this act is enacted, so as to read as follows:

"SEC. 21. That any arriving alien, already having an immigration visa in accordance with the provisions of the Immigration Act of 1924 (43 Stat. 153), as amended, liable to be excluded because likely to become a public charge or because of physical disability other than tuberculosis in any form or a loathsome or dangerous contagious disease may, if otherwise admissible, nevertheless be admitted upon the giving of a suitable and proper bond or undertaking, approved by said Secretary, in such amount and containing such conditions as the said Secretary may prescribe, to the United States and to all States, Territories, counties, towns, municipalities, and districts thereof, holding the United States and all States, Territories, counties, towns, municipalities, and districts thereof harmless against such alien becoming a public charge."

SEC. 7. The Secretary of Labor may specifically designate persons holding supervisory positions in the Immigration and Naturalization Service to issue warrants for the arrest of aliens believed to be subject to deportation under this or any other statute: *Provided,* That no person shall act under a warrant issued by himself.

SEC. 8. Any employee of the Immigration and Naturalization Service shall have power to detain for investigation any alien who he has reason to believe is subject to deportation under this or any other act. Any alien so detained shall be immediately brought before an immigrant inspector designated for that purpose by the Secretary of Labor and shall not be held in custody for more than 24 hours thereafter unless prior to the expiration of that time a warrant for his arrest is issued.

SEC. 9. The Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, shall prescribe rules and regulations for the enforcement of the provisions of this act.

SEC. 10. The foregoing provisions of this act, with the exception of parts of sections 2 and 3 and all of section 6, are in addition to and not in substitution for the provisions of the immigration laws, including section 19 of the Immigration Act of February 5, 1917 (39 Stat. 889, U. S. C., title 8, sec. 155), and shall be enforced as part of such laws.

SEC. 11. Clause (B) of paragraph (1) of subsection (a) of section 6 of the Immigration Act of 1924 (43 Stat. 155), as amended (U. S. C., title 8, sec. 206 (a)), which grants to quota immigrants skilled in agriculture, their wives, and their dependent children under the age of 18 years, a preference within the quota, is repealed.

STATEMENT BY HON. BENJAMIN K. FOCHT, OF PENNSYLVANIA

(APR. 3, 1935)

After listening to the subversive testimony today before the House Committee on Immigration of which I am a member and realizing more than ever the need of additional immigration and alien-deportation legislation as well as its better enforcement and more efficient administration, I decided to revise and introduce a comprehensive bill along the lines of bills I have advocated for years and several bills now pending before the committee.

The bill I introduced goes farther than any other restriction and deportation bill by reducing existing quotas 80 percent, thus allowing 53,882 immigrant aliens to enter, the bulk of whom must be aged or near dependent relative of citizens or persons who have declared their intention to become citizens and who are legally and lawfully in our country. My bill will not only reduce existing European quotas 80 percent but will apply the quota-restriction system to countries of this hemisphere, to which existing quota-restriction laws leave our side and back doors wide open, and from which we have been getting thousands of aliens annually in spite of the administrative efforts of our foreign consuls and the Department of State in refusing visas to aliens they think might become public charges—an administrative restriction ordered by President Hoover and that ought to be put on the more permanent and American basis of definite law instead of the personal discretion of some administrative officer.

I left 20 percent of existing quotas for the humane reason of and have reserved the quotas largely for aged parents, husbands, minor children and other family relatives of persons already here lawfully and legally and who have either become cititzens or declared their intention to become citizens. Another humane exception my bill makes is with reference to aliens who came in between June 3, 1921, and July 1, 1924, during which perfect alien entry records are said not to have been kept or were possible. It is an exception urged by the American Federation of Labor and experts, and one that ought to do away with all reasonable objections to this needed legislation.

I feel very strongly that the Secretary of Labor has entirely too much discretion and is subjected to entirely too much pressure as a result of it by foreign blocs and certain selfish and certain internationalistic interests and influences. Last year under a discretion tucked in a naturalization law (May 25, 1932) that was never considered by the House except in a conference report, the Secretary readmitted reds like Emma Goldman to "lecture" and go about the country preaching anarchy. Not only was Emma Goldman, who had been deported with several hundred other anarchists in 1919, but other advocates of the overthrow of our Government by force and violence like John Strachey, Willie Musenberg, Henri Barbusse, and the like were admitted. My bill would repeal that discretion and revive the law making deported aliens inreadmissible.

Not only would my bill close up such discretionary loopholes but it contains word for word the bill the hearing was held on today, and would redeclare and tighten existing law making membership in organizations and political parties connected with the Third Internationale and seeking to overthrow our Government by force and violence a deportable offense. We have enough radicals of our own and enough unemployed and enough of our own dependents and even criminals and first general criminals without admitting another alien anarchist, pauper, or criminal; and the bill I have introduced would exclude and deport them, if enacted and properly enforced, and would also require habitual aliens here to get naturalized within the 5-year statutory period or get out. This provision of the bill would reach the several millions of aliens said to be here illegally and unlawfully because unless they are here lawfully they cannot get the necessary certificate of legal entry for naturalization.

The last census revealed over 14,000,000 foreign-born, over 6,000,000 aliens, and over 40,000,000 foreign-stock population, the largest in our whole history. No other country has any such liberal immigration laws. Each country should care for its own. Charity and unemployment should begin at home. Deportation is not imprisonment but the return of an alien to his or her homeland, where the chances are the alien has a better refuge and can get along better than here. Last year there was a 50-percent increase in alien stowaways and deserting alien seamen, a 50-percent increase in quota immigration, a 53-percent decrease in alien deportations, and every indication that the immigration tide has turned inward 163,904 aliens, an increase of nearly 10 percent over the previous year, having entered legally, and doubtless more than that illegally and surreptitiously under the existing relaxed administration of the law that is openly charged, and that the terrific drop in deportations and increases in alien stowaways, deserting alien seamen, and the like show. With over 12,000,000 unemployed and over 20,000,000 on relief, and with aliens leading strikes and the cause of riots like that last week in Harlem, New York City, and with our charities taxed to their very limit, it is time to think first of our own and tighten up the immigration-restriction and alien-deportation laws and bring about better and more efficient law enforcement.

Widows, orphans, and old-age pensions: Provision is made in the Widows', Orphans', and Old-Age Contributory Pension Acts of 1925 and 1929 for a contributory pensions scheme under which pensions are provided for widows, children, and elderly persons. This scheme is interlocked with the national health-insurance scheme, and, in general, an inclusive weekly insurance contribution is payable for both services together. Subject to certain conditions, the following pensions are payable, free from any restriction as to means: Widows, pensions of 10s. a week to the widows of insured men, together with allowances for children at 5s. a week for the eldest and 3s. for younger children. The children's allowances continue payable up to age 14 (or so long as school instruction continues but not beyond 31st of July following the sixteenth birthday). On remarriage, the widow's pension of 10s. ceases, but children's allowances continue. The widow of a man who died or reached the age of 70 before the scheme began on January 4, 1926, but who could have been insured for pensions purposes had the acts been in operation earlier may receive a similar pension when she reaches the age of 55. Orphans' pensions are 7s. 6d. a week, the period of the continuance being the same as for children's allowances. Contributory old-age pensions of 10s. a week at age 65 for insured persons, including wives of insured men who have themselves qualified.

Widows and contributory old-age pensions normally continue to age 70 and are then replaced by pensions under the Old-Age Pensions Acts, 1908 to 1924, free from the means and other restrictions which those acts impose.

The normal weekly contribution for national health and pensions insurance is 1s. 6d. for men and 1s. 1d. for women, of which

9d. and 6d., respectively, may ordinarily be recovered from the worker. In the case of workers aged over 65, contributions of 9d. (men) and 7d. (women) are paid by the employer only.

The total amount paid in Great Britain in respect of widows' and orphans' pensions for the year ending March 31, 1933, was approximately £21,800,000; the beneficiaries were 652,000 widows and 310,000 children (including orphans). The total number and cost of pensions paid under the contributory old-age pensions scheme (persons between ages 65 and 70) for the year ending March 31, 1933, was 648,000 (£17,767,000).

Unemployment insurance: This is administered by the Ministry of Labor, through the employment exchanges, trade unions, and by certain associations of employed persons. There are also special schemes in operation for the banking and insurance industries. The scheme is compulsory in its operation, and with the main exceptions of domestic servants in private service and persons employed in agriculture, substantially all persons covered by the health-insurance scheme are required to be insured against unemployment. The minimum insurable age is 16 years. Certain employees of Government departments, public or local authorities, railways and public-utility undertakings, and persons with rights under statutory superannuation schemes may also be excepted by their employers under certificates granted to the employers in cases where the Minister of Labor is satisfied that the employment is permanent in character, that the employees have completed 3 years' continuous service in that employment, and that the other circumstances of the employment are such as to make it necessary that they should be insured under the unemployment-insurance acts. A certificate of exemption, relieving him from liability to pay the employed person's share of the contributions, may be claimed by an employee who can prove that he is (a) in receipt of a pension or income of not less than £26 a year, or (b) ordinarily and mainly dependent upon some other person, or (c) ordinarily and mainly dependent on his earnings from an uninsurable occupation, or (d) employed in a seasonal occupation which does not ordinarily last for more than 18 weeks in any year and not ordinarily employed in any other insurable employment. The rates of weekly contributions are as follows: (a) Contributions at ordinary rates, man (aged 21 but under 65), from employer 10d., from employee 10d.; woman (over 21 but under 65), from employer 9d., from employee 9d.; young man (aged 18 but under 21), from employer 9d., from employee 9d.; young woman (aged 18 but under 21), from employer 8d., from employee 8d.; boy (aged 16 but under 18), from employer 5d., from employee 5d.; girl (aged 16 but under 18), from employer 4½d., from employee 4½d. (b) In the case of an exempt person, the employer's share only of a contribution is payable. No part of this contribution can be recovered from the exempt person. (c) Contributions in respect of persons of the age of 65 and over are payable by employers only, at the following rates: Man 10d., woman 9d. The ordinary State contribution is a sum equivalent to one-half of the joint contributions of employers and employed persons. Under the unemployment-insurance (national economy) order, 1931, the standard rates of benefit payable as from week commencing October 12, 1931, are: Men (aged 21 and under 65), 15s. 3d.; women (aged 21 and under 65), 13s. 6d.; young men (aged 18 and under 21), 12s. 6d.; young woman (aged 18 and under 21), 10s. 9d.; boys (aged 17 and under 18), 8s.; girls (aged 17 and under 18), 6s. 9d.; boys (aged 16 and under 17), 5s. 6d.; girls (aged 16 and under 17), 4s. 6d. Additional benefits at the rate of 8s. a week in respect of an adult dependent and 2s. a week in respect of each dependent child are payable in respect of certain classes of dependents. Under the unemployment-insurance (national economy) (no. 2) order, 1931, payment of benefit is limited to 156 days in a benefit year. Under the same order a scheme of transitional payments replaced the transitional benefit scheme. These payments are made only on proof of need, and the amount is determined by the public assistance authorities with the appropriate benefit rate as a maximum limit. The whole cost (including the cost of administration) is borned by the Exchequer as in the case of transitional benefit after April 1, 1929. Approximate particulars of receipts and payments for the financial year 1933–34 are as follows: Contributions, employers and employees, £39,670,000; Exchequer (equal thirds), £19,800,000; total receipts, £59,470,000. Insurance benefit, direct, £38,250,000; indirect, £2,040,000; administration, £3,800,000; interest, £5,270,000; miscellaneous (refunds, grants toward approved courses of instruction, etc.), £210,000; total payments, £49,570,000. Transitional payments and cost of administration (the total is repaid in full to the fund by the Exchequer, and is not included in the insurance account above) amounted to £52,250,000.

War pensions: The number of war pensions or allowances in payment as at March 31, 1933, was 1,107,000 approximately, and the estimated expenditure of the Ministry of Pensions for 1933–34 was £45,200,800, and the estimated expenditure for 1934–35 is £43,100,000 (inclusive of administration expenses).

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. WOOD].

Mr. WOOD. Mr. Chairman, I am glad this Government has finally decided to consider seriously the great social-security questions now involved in this bill. The questions of old-age pensions and out-of-work insurance have been given more earnest consideration at this session of Congress than at all the sessions of Congress since the Constitution of the United States was adopted.

I realize that in the consideration of initial legislation or new legislation there are two very divergent views, especially so when you are considering legislation with reference to social security. There are those who are ultraconservative. Then there are others who are very extreme. Always between those two extremes, legislation takes the middle course and reaches fruition.

I realize there are a great many imperfections in this bill. I do not expect it to be perfect, but I do know there are a great many questions of national importance, embracing almost every phase of social legislation in this bill. In addition to old-age pensions and unemployment insurance we have a provision providing for dependent children, infant and maternal welfare, welfare service for children, vocational rehabilitation, care of crippled children, Federal Public Health Service. All of those are very vital questions which are embodied in this legislation.

Now, with reference to unemployment insurance: The wage earners, those who could act in unison, have been carrying on an incessant struggle for the enactment of unemployment-insurance legislation. For 10 or 12 years the American Federation of Labor exerted its efforts for the enactment of a Federal employees' retirement act. That law provides, as you know, for 3 percent of the earnings of the Federal employees to be checked off and become a part of the fund. The railroad employees have been attempting to build up some sort of a retirement fund. We enacted in the last session the railroad-retirement law and, as you all know, that is now before the Supreme Court. The State of Missouri, my State, has just enacted an old-age-pension law. The house and senate have passed the law but the Governor has not yet signed it. That provides a maximum of $30 a month. If this bill is enacted, that will make it possible for some old folks to secure a maximum of $45 a month. In any case they will receive at least $25 a month, although they draw the minimum as provided in the Missouri law. Now, if this bill is passed it will not directly affect men between the ages of 45 and 65, but by the enactment of the Railroad Men's Retirement Act, if it should go into effect, it is estimated that in the first year it will take out of service approximately 250,000 railroad men, placing them on a pension or annuity. That would naturally make openings for 250,000 younger men. In the railway-train service there are very few men now working for a railroad who have less than 30 years' seniority. Many of them are over 45 years of age; so that 250,000 young men will be placed in the service. I say that will have the effect of creating employment.

What I am interested in especially is the establishment of the principle. To my mind, this is the most far-reaching piece of legislation and is the most constructive and most humane proposal that this Congress has considered, or any other Congress has considered, for many years past. It is establishing that great principle of caring for our old folks, for the aged and the needy, caring for the children, crippled children, caring for the unfortunate mothers in maternity welfare. There are so many angles to this bill, and it reaches down into so many phases of social security that I think it is the most humane and constructive piece of legislation that we have ever considered.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. DUNN of Pennsylvania. The gentleman is president of the State federation in the State of Missouri, is he not?

Mr. WOOD. Yes. It was not necessary to mention that, however.

Mr. DUNN of Pennsylvania. But I wanted to make a point.

Mr. WOOD. The gentleman has asked me that two or three times. I tell the gentleman again that I am. Every time I have spoken the gentleman asked me that. I hope he finds out some day that I am.

Mr. DUNN of Pennsylvania. You are then affiliated with the American Federation of Labor?

Mr. WOOD. Oh, yes. I have told the gentleman that, too.

Mr. DUNN of Pennsylvania. All right. Now, this is the point I want to make.

Mr. WOOD. Now the gentleman is taking up my time.

Mr. DUNN of Pennsylvania. No. This is on the question of labor. I was informed when this bill was first introduced that the American Federation of Labor was against it. Now I have been informed they are for it.

Mr. WOOD. I do not know who the gentleman's informers were, but they misinformed the gentleman.

Mr. DUNN of Pennsylvania. Has the American Federation of Labor endorsed this bill in its present form?

Mr. WOOD. I do not know whether they have in its present form. They endorsed the original bill. They endorse the principle.

Mr. DUNN of Pennsylvania. Then they are not opposed to this bill?

Mr. WOOD. Even if the American Federation of Labor or the Manufacturers Association or any other association have or have not endorsed it, I am for this bill, because I believe it is right. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. FORD].

Mr. FORD of Mississippi. Mr. Chairman, I am sorry that in an age of advanced civilization the United States has come thus far along the road of national development without establishing a plan and furnishing funds for taking care of the old people of our country.

England, Germany, France, Belgium, Australia, and Canada have excellent old-age-pension systems. The United States stands alone with China, of the major countries of the world, in its failure to provide for the aged people of the Nation. A total of 42 foreign countries now have old-age pensions and they have found it to be more economical than an almshouse system with all its congregation of misery. Denmark, a little country with only 5,000,000 people, pensions all its citizens over 50 years of age who have no means of support. With the economic advantage in mind it would appear that all would favor a well-established system of old-age pensions, even if they refuse to recognize the existing moral obligation.

I want to tell you that providing for those who have spent a lifetime of honest toil is not charity from the Government. I resent that sort of an interpretation being placed by some on this matter. It is a duty of humane civilized government to care for those citizens who have spent a lifetime in promoting their country by being good citizens. I can easily see where the path of duty lies on the matter of old-age-pension legislation and I regret that there is any opposition to the passage of a bill that will guarantee our aged citizens relief from the mental and physical torture of poverty in old age.

There is no justification whatsoever for a great, powerful, wealthy country like America leaving its aged people to shift for themselves while suffering the impediments of old age. After a life spent in rearing a family, paying taxes, and assisting in generally maintaining the country they are left to gaze toward the sunset of life with the ghastly figure of economic uncertainty appearing on all sides. There are no steps taken to help them combat the strenuous battle of life. My friends, everyone knows that the majority of our old people are not responsible for being unemployed or without funds. The inescapable disabilities of age prevent work. A bank failure, a bad investment, or a false friend may have swept away the savings of a lifetime. All their lives have been spent in a battle against a stubborn, adverse economical system.

Mr. Chairman, with this in mind I cannot agree that the several States should be required to match dollar for dollar with any funds furnished by the Federal Government for payment of old-age-pension benefits. Many States are absolutely unable to furnish any funds at all for this purpose, thus preventing any aged, needy citizens from receiving help in those States while citizens of other States are being granted assistance. It is my contention that the Federal Government should set a definite sum per person to be granted each State for all persons in that State above a certain age. If the State is able to furnish additional funds it should be allowed to do so. If the Federal Government agrees to furnish a certain sum per month for every person over a certain age, then let it furnish that sum, without requiring that the State furnish an equal sum per person. I can name a number of States which will not be able to furnish any additional sums to match Federal assistance. I ask you if it is fair for the citizens of those States to be barred from the same relief that is going to other States because the other States happen to be richer. The richer States need it the least, and under the provisions of this bill they will receive it the most easily, while the States really in need will have no relief at all. I most earnestly ask you to amend this bill so as to see that all American citizens receive equal benefits, benefits to which you know they are entitled.

Mr. Chairman, I want to remind you of that clause in the Democratic platform of 1932 which said, "We advocate continuous responsibility of the Government for human welfare * * *."

I ask the Democratic Members, who are in such vast majority here, to discharge their obligations as Congressmen, as well as fulfill the obligations of the party. That means that we should all vote for an old-age-pension law that will bring some adequate relief to the aged citizens of our country, for they are entitled to a law that will bring relief without discrimination between the rich and poor States.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. FORD of Mississippi. I yield to the gentleman from Missouri.

Mr. WOOD. Would the gentleman consider the 28 States which have passed old-age-pension laws as the richer States?

Mr. FORD of Mississippi. I do not think I would consider all of the 28 States as the richer States of the Union; but I call the attention of the gentleman to the fact that if he will check up on the legislation that has been passed by the 28 States which he refers to he will find a mere handful of people receiving pensions under the State law. I had hoped that we might enact a law that would provide a uniform system of benefits to the old citizens of our country who are unable to work or financially care for themselves. If, however, certain States cannot meet the requirements of the act now under consideration because of financial inability to do so, the aged people of those States, just as deserving as the aged in the rich States that can comply with the requirements, will not be able to share the benefits proposed by the legislation.

Mr. HOUSTON. Will the gentleman yield?

Mr. FORD of Mississippi. I yield to the gentleman from Kansas.

Mr. HOUSTON. Does not the gentleman know that at the present time over 50 percent of the Federal taxes are collected from six States?

Mr. FORD of Mississippi. That may be true, but does not the gentleman also know that most of the wealth that is now in those particular six States came from the people in the poor States and that it is now in the hands of the very few in this country? If the poor States have produced the wealth and we are trying to reach a better social position in this country, we cannot help the old people of one part without helping the old people of another part. Why should not the rich States be willing to say, "Yes; we will help the aged people in the poor States and put them on the same basis as those who live in the richer States"?

Mr. HOUSTON. Is this a share-the-wealth campaign?

Mr. FORD of Mississippi. The gentleman might term it that if he desires. I am trying to reach all of the people of the country. If we help a selected few in some of our States and do not reach out and get those in the poor States, we might as well throw this piece of legislation into the wastebasket for the good it will do the people as a whole. We cannot help a few people in the country and fail to help those who cannot help themselves. If we are going to act

as legislators in Congress, we have to think about the country as a whole. [Applause.]

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, I yield 1 minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I am going to devote my time to speaking on title IX of the social-security bill, which refers to unemployment compensation. The committee report in title IX states in part:

> The failure of the States to enact unemployment-insurance laws is due largely to the fact that to do so would handicap their industries in competition with the industries of other States. The States have been unwilling to place this extra financial burden upon their industries. A uniform, Nation-wide tax upon industry, thus removing this principal obstacle in the way of unemployment insurance, is necessary before the States can go ahead. Such a tax should make it possible for the States to enact this socially desirable legislation.
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> This is one of the purposes of title IX of this bill. In this title a tax is imposed upon employees throughout the country against which a credit is allowed of up to 90 percent of the tax for contributions made by employees to unemployment compensation funds established pursuant to State law.
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> That this tax is imposed on employees is indicative of the conviction that employers should bear at least a part of the cost of unemployment compensation, just as they bear the cost of workmen's compensation. Each State is, of course, free to assess not only employers but employees; and in this connection it may be noted that in European countries, and under the law recently passed by the State of Washington, employees are required to contribute.
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> The amount of benefits payable for unemployment from contributions amounting to 3 percent of pay roll would vary from State to State. The maximum period for which benefits may be paid depends not only upon the rate of unemployment, but also upon the percentage of wages paid as benefits, the length of the required waiting period, the ratio of weeks of employment to weeks of benefits, and other provisions. The scale of benefits which States will be able to pay from a 3-percent rate of contributions on pay rolls will carry the great majority of unemployed workers through normal years until they are able to secure employment again. While the Federal tax is limited to 3 percent (1 percent in 1936 and 2 percent in 1937), some States will probably increase the benefits payable by requiring also contributions from the employees or the State government. Under a reasonable scale of benefits, reserves would accumulate in normal years to carry the fund through minor depressions or the first years of a major depression.

I want to bring to the attention of the House the enormous importance of keeping our industries running in order that wages may be paid. Again I wish to bring to the attention of the House the fact that ruin is certain if something is not done to save the great cotton-textile industry. The people of the country ought to realize also that no one on relief will receive a particle of benefit from this title. It is of great importance that the wheels of industry be kept turning and wages paid.

Tuesday President Roosevelt is reported to have said to the press that the processing tax is vital to the farmers. I speak not for the cotton farmers alone. I speak not for the mill owners alone. I speak for the 440,000 mill workers and for the 9,000,000 workers who earn their livelihood from raw cotton. I speak for the people of the entire United States—for every individual in every city, town, and hamlet in the United States is affected. It is vital to them that the burden of the processing tax be lifted. I took my demands to President Roosevelt this morning. He has not yet acted to save the cotton-textile industry, but I believe he will. The industry is in direst need; it cannot carry on without relief of some kind. I am vitally concerned with the interests of our people and will fight with every ounce of energy I possess to maintain and protect a basic industry which under normal conditions affords the opportunity for thousands of people to work and earn their living. I appeal to you to fight shoulder to should with me—to demand of those who have the power to use it. President Roosevelt has full authority to save the situation. He must do it. We have a right to demand that. It is only through work that a nation can survive. If the sources of employment are allowed to disintegrate and disappear the very existence of the Nation is threatened. For our American people to be forced into unemployment by difficulties which can be corrected or forced into other channels of work, if such could be found, for which they are not trained and cannot successfully perform, is not only gross but willful inefficiency, the responsibility for which should be definitely placed. A nation cannot afford to be inefficient, especially during a period of depression.

When your home and family are in danger you fight, even though the odds against you may be overpowering. With your back to the wall you grasp at every advantage and every aid. That is exactly how the cotton workers feel today. They are desperate. They are on the verge of hysteria with the tragedy of it all. They appeal to the Nation for the right to exist, the right to earn a normal living and enjoy the privileges to which every American is entitled. While their battle is an economic one, it is just as serious a war as any yet fought, and its effects quite as far-reaching.

During these days of tremendous economic readjustments we cannot assume a set of economic premises and rationally deduce conclusions helpful to the solution of our problem. We are living in a practical, rapidly changing world—not a world of assumed conditions. We must face the issues of our problems as they actually exist and try to reach a conclusion as judicial as possible for all concerned in view of those conditions. The textile industry is one of the oldest basic fundamental industries in America. The first cotton mill was established in Rhode Island in 1790. The industry has had and still has a tremendous influence on the development and industrial life of our Nation. There are thousands of our people who are dependent upon the industry. They need the industry. They are anxious to earn their incomes.

Two important factors contribute to the cause of this blight which has fallen upon one of America's greatest industries—the cotton-textile industry—one the processing tax and the other the destructive competition from Japan.

Many of my listeners are familiar with conditions in a mill town when work is plentiful. We of New England have known the happiness and contentment of steady work and wages. For the last few years, however, we have seen the cotton-textile industry steadily decline. We have seen factory after factory move away to establish elsewhere, to take advantage of wage differentials or economic conditions. We have protested and urged that the differentials be adjusted equitably. But that is not what is worrying us now. It is something bigger, more devastating; something that does not affect New England alone, but every part of the United States.

It is not difficult to visualize the vast number of people affected by the alarming conditions in this industry. Its ramifications reach into every home in the land. The cotton farmer of the South, the small-town merchant of the West, the exporter at the gateways of commerce, all are dependent upon the well-being of this tremendous business. If it falls, they fall.

Conditions in the industry are alarming. It is dying a slow death. In my section of the country there is no necessity for calling attention to it. It is only too evident. But you who are sitting before your radios in other parts of the land, to whom the textile industry means nothing until you notice perhaps that the price of your favorite brand of cotton sheeting or print goods has advanced to a noticeable degree—it is you I want to reach. As you know, the Government has placed a levy called a "processing tax" upon the manufacturers of cotton goods, the money so collected to be used in paying the cotton farmers for reducing their acreage and so limit their crops. From August 1933, when the tax was first levied, to December 1934, these taxes amounted to the tremendous sum of almost $200,000,000. The effect of this burden has been a substantial increase in the cost of cotton. In some instances this increase has resulted in sales resistance and the substitution of other fabrics by the buying public. How heavy a burden it is can be appreciated when I tell you that the levy amounts to approximately one-half of the amount the industry pays in wages. The ultimate payment of this money falls with the greatest burden upon the poorer people. In its operation the cost of the actual amount of the tax

per yard is far heavier in the cost of heavy goods purchased by the workingman than in the finer semiluxury goods. You know how many of the working people must wear cotton clothing, must buy cotton sheeting and cotton pillowslips and towels. It is working a tremendous hardship upon them. It seems as if they must always pay the price. But these people cannot afford to pay more, with the result that the tax remains with the manufacturer.

To add to the troubles and worries caused by this processing tax comes another factor which must be faced and faced immediately. Japan, with its low-priced labor, home workshops and thousands of hand looms, has set out to capture the textile market of the world. Practically all of her larger cotton mills are equipped with automatic-weaving machinery far superior in speed to ours and operated by trained girls who think nothing of tending from 30 to 40 of these looms for as little as 20 to 25 cents a day. Japan can import American raw cotton, transform it into cloth, export it back to America, and sell it for less than the American manufacturer can make cloth. How can Japan do this? Because of thousands of these little Japanese girls, content with their 25 cents a day, living on rice, in surroundings no American laborer would tolerate, regimented into an army of workers to battle against our textile employees who rightfully enjoy the comforts and privileges of a decent existence. It is a battle of human bondage against normal existence, and thus far human bondage seems to be winning. Is it not absurd to allow us to be beaten by an army of little Japanese girls?

The result of this competition is obvious. Our exports of cotton-finished goods have dropped to almost nothing. Central and South America, which bought thousands of bales of cotton cloth each year, are now flooded with Japanese textiles landed at a price which approximates our cost of manufacture. If it stopped there we might survive. But the importations of Japanese textiles into the United States for the first 2 months of 1935 surpassed the importations for the entire year of 1934 by several millions of yards, and it is increasing month by month.

This loss of trade, this cessation of orders, has dramatically called the attention of the entire country to one of the basic reasons for our inability to compete. As the boa constrictor tightens its coils about its victim, squeezing and pressing until the lifeblood ceases to flow, so has the processing tax sapped and squeezed the operations of our cotton mills until one by one they are dying from lack of orders and from inability to function profitably.

Picture if you can a mill city, where block after block of mills line the streets, employing thousands of workers. I wish you could see the bustle, the life, and activity when one of these immense factories lets its workers out at the end of the day. A veritable army of men, women, and girls surges forth to scatter to their homes, to their diversions, or to trade in the stores. Happy, contented, tired, with the satisfaction that comes of a hard day's work well done.

Picture again that same city with its mills closed, its people idle, its looms still and silent. It is like a city of the dead. The thousands of windows of the mills look down upon streets devoid of activity; about the gates stand loiterers wistfully hopeful that news may be gleaned of the watchman of an early reopening. Even the children playing about the yards have caught the slowing tempo of dejection and despair. It sounds funereal, but I assure you that it is more permanent, more devastating. You see it in the faces of all the people, in their mannerisms, and their activities. Nothing disrupts family ties so much as uncertainty of income. The life of the community is changed entirely. Hardly a business but that is affected materially. Do we want our cities to become cities of the dead? That is what is happening today. But they can be saved.

In this country we have in the neighborhood of 440,000 textile workers. Their yearly wages approximate $300,000,000. These figures were given me by a Government department and are conservative rather than excessive. I quote them simply to show you the magnitude of the business which is facing certain ruin under present conditions. The textile industry as a whole, and of which the cotton-textile group is an important part, is America's largest and most important business, employing a million and a half people.

Our export market for raw cotton, as you know, has gone the way of the finished goods. Japan was our last heavy customer, and now they are looking to fill their needs with Brazilian cotton, far cheaper than ours, but said to be equally good. The Soviet Government expects to export a million bales more cotton this year than last. Already the American price is so much higher that it is actually found profitable to bring back from Japan raw cotton stored there for sale. Of what avail will be the millions of dollars now going to the southern cotton planters if they have no market for their raw cotton at home or abroad? This Government at present has 6,000,000 bales in storage. Think of the effect upon the cotton pickers and their families. Distressing as conditions were when cotton dropped to 5 or 6 cents a pound, the present outlook appears worse. The workers of the South, depending upon the united labors of their families during cotton-picking time, in order to carry them on during the year, are the ones who will be affected most.

We all ask, "What is the remedy? What can we do to save this industry?" There are several methods of relief. The President of the United States has the power, given him by Congress, to place an embargo or quota upon the importation of these goods. He has the power to adjust the tariff. He also has the power to lift the burden of the processing tax and save the industry. Another avenue of escape from destruction and tragedy is contained in the amendment to the work-relief bill, introduced by the Senator from Georgia [Mr. GEORGE]. This amendment authorized the President to use the money at his discretion. In other words, he has the power to take the burden of the processing tax from the manufacturers and provide the money to pay for acreage reduction from the vast sum just authorized.

The question in everyone's mind right now is: "Will the President do this?" Will he come to the rescue of a dying industry and redraft the tariff regulations so that foreign competition will not close our mills? He can limit Japanese imports to a percentage of the total consumption of cotton goods in the United States. Will he equalize the wage differentials in this country to bring about a more equitable manufacturing cost in the industry? Will he lift the burden of the processing tax from the industry?

The answer lies with him. The people of my home city of Lowell are writing to President Roosevelt, using their own words, describing local conditions, and urging him to avert this tragedy and give the matter immediate consideration before it is too late. He has all the authority necessary to save the industry. Congress gave it to him. Now is the time for him to use it. We have a right to demand it. There is hardly a person in this country but who is affected by the question. I hope you all will become actively interested. It is not a sectional matter. It does not affect New England alone, or the South alone. It is vital to every one of us—the farmer, the manufacturer, the worker, the merchant, the consumer. Many of you know the agony of losing your jobs. Is the agony not greater when you know it could have been prevented? Let the North, the South, the East and the West join together and win the fight. The textile industry can be saved. It must be saved.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Puerto Rico [Mr. IGLESIAS].

Mr. IGLESIAS. Mr. Chairman, it is not my intention to enter into a discussion of the divers views in regard to this bill. I cannot ascertain at this time what the bill in its final form will be as passed.

I feel it my duty to call to your attention a matter of great importance to the people of Puerto Rico. My appeal at this time is in connection with the social-security legislation recommended which the House already has begun to consider.

I want to refer to one provision of this House bill No. 7260, which contains a definition of the United States, embracing Alaska, Hawaii, and the District of Columbia, but it does not include Puerto Rico. Chairman DOUGHTON'S original bill and similar bills introduced by Congressmen MEAD and LEWIS do include Puerto Rico in the definition of this Nation.

I feel, Mr. Chairman and Members, that it is not wise to exclude the people of the island from participating in the obligations, responsibilities, and benefits of so far-reaching a national measure of social and economic character not only from the standpoint of fairness but also to instill the principles of the Nation's progress, humanity, and social education.

I request, Mr. Chairman and members of the Committee, and I trust, that your recognized sense of fairness and justice will lead your good spirit of justice to find the best way of recommending the incorporation of Puerto Rico in the definition of the United States into this humanitarian measure through a proper amendment.

Certainly Puerto Rico, an organized Territory, whose people are citizens of the United States, is an integral part of the United States, and in all fairness and justice the people of Puerto Rico should be permitted to participate in the obligations, duties, and benefits, as well as in the obligations and responsibilities, of so far-reaching a social program.

In this connection may I prevail to the extent of asking the chairman and members of the committee who are in charge of the stated bill now under consideration, and the Members of the House who will vote for the measure, requesting them to favor the inclusion of Puerto Rico in this legislation through amending it.

The plain facts of my request are that Puerto Rico has been American territory since 1898, and since 1917 all Puerto Ricans have been declared American citizens by action of Congress.

The following resolution was unanimously approved by the National Labor Convention of 1933:

> Whereas the American Federation of Labor was always ready at all times to give its worthy support to the cause of the people in general and labor in Puerto Rico and to help our island: Therefore, be it
>
> *Resolved*, That the president of the American Federation of Labor be authorized to earnestly urge and lend his moral support and help before the President and Congress of the United States to every measure and plans of rehabilitation as set forth in previous reports and recommendations of the executive council and the resolutions passed by the last three conventions, 1929, 1930, and 1931, of the American Federation of Labor.

Puerto Rico, gentlemen, stands today as the first best buyer of American goods in all Pan America, and the eighth of all European nations. The fact that Puerto Rico has bought and is continuing to buy millions upon millions of dollars' worth of goods from continental United States is vitally interesting, and it is vitally interesting to know that two-thirds of the wealth and riches produced in the island comes to the United States and remains in the United States. As a matter of record, Puerto Rico has already bought about two thousand million dollars' worth of goods in the last 34 years. Two-thirds of this money has gone to the various corporations and commercial businesses in the United States.

Gentlemen and friends, I request you to look into this great little Puerto Rico as an integral part of our Nation, that you may know more about it and cultivate more and more the best feeling, extending to the people of the island the benefits and obligations of every congressional Federal measure intended to relieve and treat the island as an integral part of the Union.

Puerto Rico is American economically and socially in its industry, trade, and its practices under the American flag.

Mr. Chairman, we have in the island pension laws which provide for the employees of the insular government and for the police. Other general pension bills have been pending in the legislature for some time and which involve about the same principle as is advocated in this bill now under consideration.

For the last 34 years our men, women, and children have been educated under the American flag. The industries of America have gone over there and are leading the island in its progress forward and helping the great bulk of the people over there. We have obtained in the last 34 years the benefits of much of the progress that exists in America, but we want the measures of progress of the Nation to be extended to the island. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 7260, had come to no resolution thereon.

HOUSE JOINT RESOLUTION RE TAX-EXEMPT SECURITIES

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Speaker, just about 20 years ago the question of tax-exempt securities became acute. The taxing of income derived from such securities was a matter of concern even earlier.

During debate on the proposal which subsequently became the sixteenth amendment to the Constitution, proponents of the resolution were called upon to state if it was their intention to include tax-exempt securities under the blanket provision of the new law, which read:

> The Congress shall have the power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

Replies to critics of the measure stated in no uncertain terms that there was no intention to affect the issuance of tax-exempt securities. These replies, used as a basis of the intent of Congress, have resulted in Supreme Court decisions regarding the sixteenth amendment which make it advisable to propose another amendment which shall be specific in its intent and beyond the realm of ambiguous interpretation.

House Joint Resolution 194, which I have introduced, is specific if not original. During every Congressional session throughout many years, numerous resolutions have been introduced in an effort to bring about and to control the ever-growing problem of tax-exempt Government securities.

At the present time about $40,000,000,000 are represented in Federal, State, and municipal securities which are exempt from taxation. The bulk of these are in the hands of very wealthy individuals who buy such bonds to avoid being classified in the higher brackets of incomes.

It is contended, and quite correctly, that Government bond issues would of necessity have to bear higher interest rates if subject to taxation and that the revenue to be derived by Government through taxes would not be as great as the loss through payment of higher interest rates. But there are other aspects to this situation which transcend such considerations and which cause the tax-exempt-securities question to be viewed as more important than ever before. The aspects might be enumerated in the following order of importance:

First. Profitable business expansion is retarded due to the fact that those most able to provide capital can better afford to be content with low-interest-bearing Government bonds. Forty billions of dollars are, in effect, being hoarded away from business expansion.

Second. Because of the ready market for their securities, Government, of all types, is and has been inclined toward extravagance.

Third. Exemption from taxation of public bonds in private hands undermines the theory of progressive income taxation.

Fourth. There has been created a tax-exempt aristocracy among the more wealthy; an aristocracy which can turn a deaf ear to the pleas of enterprise for capital.

Essentially, while Government, declaring the existence of an emergency and attempting to prime the pump of private

enterprise, pours billions of borrowed dollars into the top of the pump, it is continually lowering the water in the well by permitting it to be drained from the bottom and placed away in cans labeled "tax exempts."

How can it be otherwise? We talk of the necessity for reviving confidence one moment and cry out about the necessity of borrowing billions the next. We say to the millionaire: "Stop holding back; put your dollars to work in productive enterprise" and in almost the same breath we say, "Here is a fine batch of Government bonds, tax exempt and as safe as the credit of your Government; put your idle dollars into these and you can then sit back, close your eyes, and cease to worry about what will happen to the fellows who are foolish enough to risk their money in other investments."

Mr. Speaker, no intelligent man can hold that the possession by anyone of one or several millions of dollars should be the cause of abusing the possessor. Any person who possesses wealth, whether earned or not, has a right to seek such investments as he may choose. The fact that he invests in tax-exempt securities is certainly no foundation for condemnation, but could often be said to be otherwise. The fault lies in the legislatures of the Federal and State Governments.

It has been said, and with good cause, that the question of taxing Government bonds could be settled by an act of Congress assertive of its present powers. That power exists under the Constitution. In fact, a simple resolution, declaring it to be the sense of Congress that the sixteenth amendment to the Constitution, when it says, "collect taxes on incomes, from whatever source derived", means just what it says, would form the basis for a new and proper interpretation by the supreme tribunal of the judicial branch of our Federal Government. Such a resolution could be based on the fundamental premise that public securities in the hands of private persons are private property and that the income from such securities is private income.

However, there would remain considerable doubt as to the status of such a resolution as affecting the several sovereign States. Ample legal argument has served to demonstrate the desirability of disposing of the matter by the adoption of an entirely new constitutional amendment.

In conclusion, I would like, if I may, to point to the fact that the adoption of House Joint Resolution 194 would be completely in harmony with the objective of the administration in bringing about a revision downward of interest rates. Despite the fact that there exist billions of unused reserve credit in banks, in industry and in commerce, the presence in the picture of this huge total of forty billions of invested principal, furnishing tax-exempt income, has the effect of sustaining higher interest rates in quarters harmful to national recovery. Recent announcements indicate that it is planned to furnish Government funds for many refunding operations deemed to be in the public interest. Would it not be better, more in keeping with our traditional Americanism, if we made it possible to carry out the refunding of these private debts with private capital? To be true, it would mean the payment by the Government of higher interest rates on its borrowings, but it appears quite clear that it would be more desirable to pay a higher interest rate on Government bonds and be forced to borrow less money for ineffective pump priming.

PATMAN BONUS BILL ENDORSED

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, when the bonus legislation was before this body recently I chose to continue my support of the Patman bill in preference to the Vinson measure. I went before the Ways and Means Committee, as I have done other times in the past, in support of the Patman bill over all other pending measures. At that time I was bombarded with telegrams from some of my closest and best personal and political friends in Oklahoma urging that I forsake the Patman plan for the payment of the bonus in full in cash by issuing Treasury notes against gold now in the Treasury of the United States. These friends urged that I favor the Vinson plan as sponsored by the national leaders of the American Legion, which proposed merely to authorize payment of the bonus.

I stated at the time that I supported the Patman plan because I felt that it was simply exchanging one Government obligation for another and would not create an additional debt. I could not bring myself to support the Vinson plan, which, I felt, would inevitably call for a bond issue requiring tax-exempt securities to be heaped upon the backs of the tax-burdened people of America. At that time very few of my friends wrote or wired urging that I support the Patman bill. Lately, however, I have begun to hear from the rank and file of the veterans. I find, somewhat to my surprise, that they are overwhelmingly in favor of the Patman bill. Not only am I hearing from the rank and file of the veterans, but many other citizens and organizations have commended my support of the Patman bill. I have not time, and do not care to take the space in the RECORD, to print a large number of these communications, but in the time allotted me I desire to read one such communication. It comes from the Veterans of Industry of America, and is under date of March 23, 1935. It is as follows:

Whereas the eight Members of Congress from Oklahoma have voted for the Patman soldiers' bonus bill, which not only gives our ex-service men the money due them, but provides for new money, giving the people a greater amount of money in circulation, and it further deprives the interest taker from collecting twice the amount from us in interest: Therefore be it

Resolved by over 500 leaders of the Veterans of Industry of America, assembled in Oklahoma City, Okla., this the 22d day of March, from over the State, and representing 170,000 members in this State, thousands of them ex-service men, That we commend our Congressmen for their vote in the interest of the ex-service men, the unemployed men, and in fact, in the interest of all except the money changers.

IRA M. FINLEY,
President Veterans of Industry of America.

Mr. Speaker, I would rather have that resolution of commendation from these 500 leaders of the veterans of industry of America in Oklahoma than to have the plaudits of all the international bankers and bloated bondholders in all the world.

My support of the Patman bill, of course, is distasteful to the big money changers with their swollen fortunes. I feel complimented to have such opposition. If the time ever comes that I should receive the support of these Wall Street manipulators and political parasites who wallow in the lap of luxury with money they do not earn, I would then no longer deserve or receive such wonderful commendation from such great patriotic organizations representing so many honest, straightforward citizens. I might add that this organization is carrying on a vigorous and courageous fight for the really forgotten men, women, and children of America, and against the special-privileged class that has too long plundered and plagued the American people.

I am glad to say that many other well-known organizations in Oklahoma have gone on record more than once as opposed to the efforts of big business to induce Congress to heap additional burdens on the people by continuing the issuance of tax-exempt bonds to fatten the coffers of the bloated bondholders. Among these great organizations that have endorsed the Patman bill in the past is the Farmers' Educational and Cooperative Union of America.

The Farmers Union has repeatedly gone on record as opposed to this bond racket, and it will be recalled that the late John Simpson time and again called the attention of the country to the serious dangers of floating tax-exempt bonds by this Government.

Today I received a letter from the present distinguished head of the Farmers Union in Oklahoma, Hon. Tom Cheek, complimenting me and other members of the Oklahoma delegation in Congress on our position on the bonus bill.

The Wall Street gang owned and controlled the last several administrations. High-powered lobbyists swarmed the corridors of the Capitol for the past decade, during which time we saw the sorry spectacle of much legislation passed by Congress by and for so-called "big business." Govern-

ment had been turned over bag and baggage to the Mellons, the Millses, the Mitchells, and the Morgans. The so-called "Dawes plan" of financing private banks at Government expense came into vogue. The seat of government was transferred from Washington to Wall Street.

A long-suffering people finally revolted. The eyes of the Nation and of the world turned to that stalwart progressive who had proven himself a real friend to the common people. But no sooner had Franklin D. Roosevelt been swept into office as President than the same old crowd began to raise heaven and earth in a desperate effort to again ply their trade of pillage and plunder. They have opposed every progressive measure sponsored by the new deal and passed by this and the last Congress. These malefactors of great wealth are interested only in clipping their coupons. They are horrified at any suggestion of expansion or inflation of the currency. But their rule-or-ruin policy that destroyed and disgraced the last administration must not and shall not destroy this one. Now that the National Capital is again at Washington and this Government has again been returned to the people, it must not be destroyed by the money changers and Wall Street coupon clippers.

ATTORNEYS' FEES IN DETROIT BANKS

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a certain statement from the Treasury Department, which is in the form of a letter relating to the closed banks, bankruptcy cases, and payment of receivers' fees and things of that kind.

Mr. MARTIN of Massachusetts. Are these the gentleman's own remarks?

Mr. DISNEY. No. The gentleman from Michigan [Mr. BROWN] asked me to make this request, which is to extend my own remarks and to include this statement from the Treasury Department.

Mr. MAPES. Mr. Speaker, reserving the right to object, was not this same material put into the Senate proceedings a few days ago?

Mr. DISNEY. I understand not, but I cannot give positive assurance to that effect.

Mr. MAPES. The Senator from South Carolina extended his remarks by putting in a letter from the Comptroller of the Currency. Does this relate to the so-called "McLeod resolution"?

Mr. DISNEY. I think not, but I cannot assure the gentleman. The gentleman from Michigan [Mr. BROWN] asked me to make this request. He said he could not be here, and stated the matter was of public interest and it was important to have the record.

Mr. MAPES. Does it relate to the McLeod resolution?

Mr. DISNEY. I will show the gentleman what it is. I do not know.

Mr. MAPES. Mr. Speaker, I thought this might be the same data inserted in the RECORD over in the Senate. It is not and I therefore withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DISNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written to my colleague, Mr. BROWN of Michigan, by the Comptroller of the Currency:

TREASURY DEPARTMENT,
COMPTROLLER OF THE CURRENCY,
Washington, April 12, 1935.

MY DEAR MR. BROWN: It gives me pleasure to comply with your request for information with reference to attorneys' fees paid in both of the Detroit banks. This office has completed a statement regarding the Guardian National Bank of Commerce, and a statement is being prepared for the fees in the First National Bank of Detroit.

You will be interested to know that the receivership of the Guardian National Bank of Commerce in Detroit is operating at a profit. As of December 31, 1934, the receiver had collected from interest, premiums, and rents, $2,874,479.45, which reflects a net profit from operations of approximately one and a half million dollars. The liabilities of the bank to depositors and other creditors as of suspension totaled approximately $114,000,000. The total amount collected from all sources up to December 31, 1934, was $67,825,438.88, and the total expense of liquidation, including expenses of the conservator, was $1,336,540.96. All amounts received from the Reconstruction Finance Corporation are eliminated from this computation. It thus appears that the total expense of liquidation as of December 31, 1934, was just above 1 percent of the liability to creditors and less than 2 percent of the total cash collected.

Some idea is obtained of the savings effected under the receivership when it is recalled that on December 7, 1932, the total number of officers and employees was 677, representing a pay roll of $1,212,171.16. On March 31, 1935, the number of employees had been reduced to 133 with an annual total pay roll of $255,241.44. The president and eight vice presidents of the bank received total salaries amounting to $142,000 annually. You will realize that these figures are only for comparison as it is not quite fair to compare the receiver's salaries in the liquidation of an institution with the salaries of a going concern.

Judge Frank E. Wood represents the Comptroller's office in the liquidation of the Guardian National Bank of Commerce, his associates being Hugh L. Nichols, Esq., Albert H. Morrill, Esq., and G. A. Ginter, Esq. Judge Wood employs in connection with the legal work of this trust Attorneys Zanone, Manley, Hugh C. Nichols, Schmidt, Runge, Kasfir, Kelley, Levi, Hogan, Harold Nichols, and Bachman, who also perform services for Judge Robert S. Marx, who represents the Comptroller's office in the liquidation of the First National Bank of Detroit. Of course, all payments to these attorneys are met from the fees paid Judge Wood and Marx. These two Detroit banks are the largest national banks ever liquidated by the Comptroller. Many novel legal questions were presented because of the Michigan bank holiday and the holding-company affiliations. It was obvious that litigation would ensue wherein the receivers would be opposed by the best legal talent available in Michigan. This situation made it imperative that the counsel selected to represent the receivers be exceptionally well qualified to protect the interests of creditors.

There were placed in Judge Wood's hands prior to December 31, 1933, complicated matters involving approximately $84,826,000 and, as of that date, in actual litigation he directly recovered for the benefit of the trusts or defeated claims asserted against it, sums totaling $5,590,943.87 itemized as follows:

DEFEATED IN ACTUAL LITIGATION CLAIMS ASSERTED AGAINST THE RECEIVER

577 bankruptcy preference cases	$922,673.83
Equity receivers' preference cases	150,000.00
Chrysler v. *Schram*	509,358.05
Crowley v. *Milner*	700,000.00
Rinshed v. *Guardian*	11,000.00
Kutsche v. *Guardian*	71,250.00
Spaulding & Long v. *Schram*	243,880.00
Handy v. *Bank of Detroit*	200,000.00
Traub v. *Schram*	76,917.06
Gross v. *Schram*	12,887.89
Pierce v. *Schram*	4,322.77
Scott v. *Guardian*	4,000.00
Campbell v. *Schram*	9,600.00
Cohen v. *Schram*	307.00
Schram v. *City of Detroit*	1,200,000.00
Foster v. *Guardian*	300,000.00
Andries v. *Guardian*	10,000.00
Topolewski v. *Guardian*	1,250.00
Total	4,427,446.60

SUITS INSTITUTED, JUDGMENTS OBTAINED, AND COLLECTIONS MADE FOR THE RECEIVER

Sleeper v. *Schram*	$363,467.50
Schram v. *Paul*	49,748.21
Schram v. *Aldinger*	850.00
Schram v. *McLean*	700.00
Genesee Bank v. *Cumings*	147,232.77
Industrial Trust Co. v. *Schram*	585,000.00
Schram v. *Art Printing Co*	1,800.00
Schram v. *Hanna*	680.00
Schram v. *Hendrie*	7,000.00
Schram v. *Stone*	1,371.00
Schram v. *McCandless*	625.00
Total	1,158,474.48

NEW OR FRESH MONEYS BROUGHT INTO THE RECEIVERSHIP BY LITIGATION CONDUCTED ON BEHALF OF THE RECEIVER

Schram v. *Newberry*	$1,004.17
Schram v. *Klein*	1,004.17
Schram v. *Murphy*	1,004.17
Schram v. *Tuttle*	1,004.17
Schram v. *Peoples*	1,006.11
Total	5,022.79
Grand total	5,590,943.87

All attorneys designated to represent insolvent national banks are required to agree that their fees for services rendered will be reasonable and subject to approval by the Comptroller of the Currency, whose decision as to reasonableness shall be final. Itemized bills are required describing in detail the services rendered, the time and amount involved, and the results obtained for the trust. Definite standards for the allowance of attorney fees have been built up in the Comptroller's office over a period of years,

and each fee bill is carefully reviewed thereunder. The only bill submitted to the receiver by Judge Wood is for the period from February 11, 1933, to December 31, 1933, in the sum of $165,000. In this instance, 16,660 hours were spent by the attorneys on the matters referred to them. This bill was carefully reviewed by the legal staff of the Comptroller's office and by the same attorneys who have handled this work for a number of years, resulting in an allowance of $150,000. This allowance represents less than one-fifth of 1 percent of the amount involved in the matters placed in Judge Wood's hands. On this basis, for the period stated, each depositor or creditor with a claim of $100 was assessed approximately 13 cents for legal expenses, or thirteen-hundredths of 1 percent.

It has long been the policy of this office to avoid designating as attorney for a receivership an attorney, or a firm of attorneys, having a member who formerly represented the bank, who is a director or shareholder, or who is indebted, or one who would be embarrassed in any way in vigorously prosecuting the litigation bound to ensue. It was believed that practically all the leading attorneys or firms of attorneys practicing in Detroit might be embarrassed in representing these receivers, in view of the fact that practically all the large industrial and business interests of Detroit were directly or indirectly concerned in the liquidations, as debtors, shareholders, depositors, or otherwise. Accordingly, it was thought best to designate attorneys entirely disassociated with the banks or with these numerous interests. The developments since suspension would seem to justify this view, as all of the leading law firms or attorneys in Detroit represent interests in some manner affected by the bank's suspension. The National Bank of Kentucky, Louisville, Ky., was the largest national-bank failure prior to the failure of the Detroit banks. The firm of Nichols, Morrill, Wood, Marx & Ginter was designated as attorneys for this receivership on May 14, 1931, and their services to the receiver demonstrated their outstanding ability in bank-liquidation matters. As you know the designation of attorneys for the two Detroit banks was made prior to the time the present Comptroller assumed office.

In order to clear up the misunderstanding that national-bank receiverships are hedged with great secrecy, I desire to respectfully call your attention to the Comptroller's Annual Report, which contains full information under the following headings: All collections by receivers, collection and offsets allowed; collections from stock assessments; amounts borrowed from the R. F. C.; dividends paid by receivers to secured and unsecured creditors; distributions by conservators, payments to secured and preferred creditors; offsets allowed and settled; disbursements for protection of assets; receivers' salaries, legal, and other expenses; conservators' salaries, legal, and other expenses; a table showing the status, progress, and results of liquidation of all national banks placed in hands of receivers from the date of the first national-bank failure in 1865 to October 31, last, the end of the fiscal year in the Comptroller's office; separate tables giving dates of appointment of receivers; capital at date of organization and at date of failure; dividends paid while solvent; total deposits, bills payable, and rediscounts at date of failure; also tables showing assets at date of failure, additional assets acquired subsequent to failure; offsets allowed; disposition of all collections and dividends paid to creditors of all insolvent national banks, this information being given in detail as to each national bank.

In addition to this each receiver makes a quarterly report, showing:

Assets: Assets at date of suspension (book value as reported in receiver's first report); additional assets acquired since suspension (book value); stock assessment; total assets to be accounted for—cash collected from assets; cash collected from additional assets; cash collected from stock assessment; total cash collected from assets and stock assessment; offsets allowed on assets; losses charged off on assets and on stock assessment; remaining assets, consisting of uncollected assets, uncollected additional assets, and uncollected stock assessment; a recapitulation of remaining assets (book and estimated values), showing uncollected assets, uncollected additional assets, uncollected stock assessment, and a total of the remaining assets.

Liabilities: Secured liabilities at date of suspension; unsecured liabilities at date of suspension, additional liabilities established, total liabilities this date; secured and preferred liabilities paid in cash (paid by conservator); unsecured liabilities offset; unsecured liabilities for which receiver's certificates have been issued; unpaid secured liabilities (both proved and unproved); unsecured liabilities not paid or proved, total liabilities accounted for.

Collections and disbursements: Collections from all sources, showing cash collected from assets and stock assessment; cash collected from interest, premium, and rents; cash collected by receiver, and held as trustee for owners; Reconstruction Finance Corporation loans received (loan to conservator); total collections to be accounted for, disbursements of every character, showing secured and preferred liabilities paid (including dividends) (paid by conservator); collateral account (collections held by secured creditors and not yet applied); advances in protection of assets (taxes, insurance, etc.); expenses of receivership (expenses and advances by conservator); dividends paid to unsecured creditors (paid by conservator); Reconstruction Finance Corporation loans repaid; cash in hands of receiver and Comptroller; and total collections accounted for.

And this report is posted in the bank for the information of the depositors and creditors, and the general public.

May I compliment you on the keen interest you have displayed in the protection of the rights of the depositors of insolvent national banks and for the uniform courtesy you have shown this office on all occasions evidenced by this opportunity to refute the rumors to the effect that attorney fees of $250,000 or $300,000 had been paid incident to the liquidation of the Guardian National Bank of Commerce. I shall appreciate receiving your reaction to the facts set forth in this letter.

A similar letter is being sent to Congressman JESSE P. WOLCOTT, and I am releasing this letter to the press.

Yours very truly,

J. F. T. O'CONNOR,
Comptroller of the Currency.

Hon. PRENTISS M. BROWN,
Member of Congress, Washington, D. C.

ECONOMIC CONDITIONS

Mr. JONES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address recently delivered by my colleague the gentleman from Texas [Mr. KLEBERG] before the Texas Ginners Association.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address recently delivered by my colleague the gentleman from Texas [Mr. KLEBERG] before the Texas Ginners' Association:

Mr. President, fellow citizens, and Texans, I address you as my friends in the truest sense of the word. The best definition of the word "friend" is one who entertains for another such sentiments of esteem and affection that he seeks his society and welfare. As your friend may I not thank you for this opportunity to greet you as such.

I have been privileged to serve the Fourteenth Congressional District in the Congress of the United States a little over 3 years. Though my office window opens on the inner courtyard of the new House Office Building, I hope my vision is not obstructed by the gray walls which surround it. The livestock ranges and the cotton fields of Texas, together with the view from my home window of the port of Corpus Christi, fill my mind's eye with constantly recurring visions of home. Since I began my service as a Representative of my constituency the more or less circumscribed definition of home in my conception has been changed considerably. The inner circle would now be defined by the outer boundaries of my district. The actual confines include those limits to which the interests of my fellow Texans reach. My home is in Corpus Christi—a gateway to the sea and the markets of the world. Corpus Christi is the county seat of Nueces County, one of the largest cotton-producing counties of the world. The Fourteenth Congressional District is bounded on the north by the progressive little city of New Braunfels. From New Braunfels you can travel south for nearly 200 miles and still be in my congressional district. Agriculture is, of course, the chief interest of my home-folks in this area, which is approximately 200 miles long and from 50 to 100 miles wide. We produce abundantly cattle, cotton, peanuts, watermelons, vegetables, all sorts of grain, some citrus fruit, and numerous other commodities which time does not permit me to list. Of these commodities more money is, of course, realized from the production of cotton and more people are thus engaged. The future of cotton is of more concern to more citizens than any other commodity. This statement holds true not only of my district but generally to all of Texas.

The cotton fields of Texas would furnish the beginning for an almost endless movie reel were a picture to be taken attempting to follow Texas cotton to its final end. A brilliant Oxford professor, James Rogers, in lecturing on the economic interpretation of history, voiced this idea—that "plants and fibers have interwoven with the development of civilization no less than fine-spun theories of government." For instance, the transformation of England beginning in the eighteenth century was to a major degree controlled and influenced by cotton and wool.

This "vegetable wool", referred to now as cotton, has played a part in the history of the world that cannot be ignored by thinking men and women. American history contains the modern pages only of the history of cotton. The gypsylike career of this essential product of the tilled field encircles the globe. Some historians refer to cotton as having been a primary crop among Chinese farmers 40 centuries ago.

Mr. President, a combination of conflicting emotions were first to be overcome in my approach to the preparation of this discourse. The pitiful inadequacy of human ability is best to be experienced by an adventure such as this. I therefore continue the approach to modern matters of interest with a deep and abiding solemnity of purpose. This can only be appreciated and experienced by one who has the task in hand. The human mind dedicated to the services of one's nation, one's state, and friends is forced to envisage the endless caravans which traverse the pages of history from an early date until now—pages replete with miseries and triumphs through which this fiber is woven from the beginning to the present time. The Encyclopedia Britannica describes cotton as "the most important of the vegetable fibers." Its various uses could not be categorically named within the limits

of my time. Consumers are now using cotton for food, clothing, industry, and science. More than 2,000 uses for cotton are recorded in this country alone.

The first law of nature is self-defense. And national defense can properly be placed as the first law of nations. Were it realized how important cotton is in national defense every patriot in this land of ours, and particularly those in the Southland, would swear allegiance anew to our friendly monarch, King Cotton. We must depend on him. We must be his friend. And we must curb our selfish inclinations for our own sakes in order to avail ourselves of his ready and invaluable services.

During the period from 1929 to March of 1933 a greater shrinkage in demand for farm commodities, and in farm income was shown than in any other period recorded in the past 70 years. From August 1929 to August 1932 prices of all groups of all farm commodities at the farm declined nearly 60 percent. The farmers' gross income in 1931 was about $6,000,000,000, compared with nine billion five hundred million in 1930, and approximately twelve billion in 1929. This shows a decline of approximately 50 percent within the 2-year period. The farm income for 1934 was estimated to be over $8,000,000,000, representing an increase of approximately 28 percent over 1933. This indicates some of the strides we have made since 1932.

On March 4, 1933, by a majority of 6,000,000, a new President was elected and charged with the grave responsibility presented by our national problem. His attitude toward the farmers' problem is well known.

When President Roosevelt took office foreclosures had reached such appalling proportions as to become a national problem of the first magnitude. In Texas alone, where over 43 percent of all owner-operated farms were mortgaged for over $500,000,000, the estimated value of farms foreclosed in 1932 reached the alarming figure of about $60,000,000, or over one-tenth of the total outstanding mortgages. In my home county of Nueces over 43 notices were tacked up on our courthouse door within a period of less than 12 hours.

The Farm Credit Act was passed and the farmers' own credit agency, the F. C. A., has, since its birth and while still a baby, functioned more efficiently than any of the other agencies. Texas farmers know its worth.

With industry and labor both waiting on a recovery in farm commodity prices the Agricultural Adjustment Act was proposed and became a law. Its real purpose was to give the farmer his proper share in the division of the price of the commodity he produces.

Huge surpluses, wholesale foreclosures, and cruelly low farm commodity prices brought the A. A. A. into existence.

The cotton farmer in 1934 and 1935 found his farm refinanced, found his interest rates reduced, had new credit made available to him in the form of crop-production loans, production credit association loans, and cooperative loans. All of these were the consequence of the efforts of the President and the Congress through the A. A. A. program.

The cotton farmer received 12 cents for his cotton in 1934, as compared to 6 cents in 1932. Producers of cotton in Texas received over $100,000,000 in 1933 and 1934 in rental payments derived from the processing tax paid by the citizenry of every State in the Union. In effect, for the first time in history the North, West, and East combined in making contributions to the southern cotton farmer.

True, the temporary program which brought about the benefits enumerated cannot go on permanently. New plans and new processes must be evolved. Your representatives and the governmental agencies set up to serve you are daily giving study to the problems we must face.

When I left Dallas on Wednesday night, week before last, I flew over a dust storm (and just over it, by the way) at between 9,500 and 10,000 feet elevation. That dust came from somewhere and it meant a lot of loss and suffering to many. But it was only a small part of the gritty problem involved. Despite arguments to the contrary, our agriculture is still largely a tenant-farming proposition. The tenant farmer has had a bill introduced in his behalf by Senator BANKHEAD providing for his change into a real farm owner if he can meet certain requirements. This bill creates the Farm Tenant Homes Corporation. It provides credit facilities with Government supervision. The Corporation may purchase farms or make loans for this purpose. Title in the property may be taken by the tenant purchaser or the Corporation. Purchasers may be tenants or share-croppers of good character who know how to farm and are familiar with farm operations. If this bill is passed, every worthy farmer can contract and own the farm and home he has so long desired. The more agitated this good class of our citizens become the greater risk held in store for us and for posterity. At best, the tenant farmer is still on the farm an average of 4 years. It is not his farm, the usual contract he has does not reimburse or pay him for improvements, and on the average he can see no reason for taking care of the premises meticulously, and much less of the fertility of the soil. The average depth to which the productive soil on the average American farm reaches is from 4 to 5 inches. It does not take long without care to completely ruin the average farm. Time does not permit my dwelling on the Bankhead bill for tenant farmers, but suffice it to say that it is vastly important and should be supported. When our farmers play out, Texas ginners and Congressmen will, too.

During the past several weeks, in a dusty room in the old State Department Building, across the street from the White House in Washington, experts of your Government have been carrying on negotiations with representatives of foreign governments in an attempt to effect reciprocal tariff trade agreements. Several of these agreements have been adopted.

It is not an easy matter to adjust overnight the currency situation existing all over the world and make it possible for other countries to continue to purchase our goods under present conditions. A way must be found, and will be found, which will permit a more effective, economical, and profitable marketing of our products abroad.

We have heard a lot of talk about having lost our export market. I am not one of those who fail to realize the seriousness of such a loss. We are told that the increased production of cotton in other countries will, if not stopped, result in sending the American cotton farmer into oblivion. It might be of interest to make some reference here to the world cotton prospects. Exports of American cotton for the first half of the 1934–35 season were 42 percent less than the year earlier. The largest decline occurred in our exports to Germany, which show a decline of 80 percent. Exports to China were 68 percent less; to France, 58 percent less; and to the United Kingdom, about 45 percent less.

As I have stated, our cotton exports for the first 6 months of the 1934–35 season were 43 percent below the 10-year average. Our records show that the exports of lard have fallen 50 percent. The volume of exports of industrial products amounted to 66 percent of the 10-year average, while the volume of all agricultural products was 52 percent. The movements of practically all of our agricultural exports have been reduced even more than cotton. Some of the falling off in exports of cotton can be explained by the foreign mills' policy of eating into their stocks of American cotton already on hand. The fact that they are engaging in such a policy is confirmed by available figures showing stocks of American cotton in European ports. It is wrong to assume that these foreign mills can or will shift from American to foreign cotton in anything like the degree which American exports have declined. Instead, it is most likely that after the stocks are used up they will start buying from us in larger quantities than ever before. We must realize that the decline in exports has not been confined to cotton.

In 1934–35 world cotton production is estimated at 22,600,000 bales, as compared with an estimated production of 26,100,000 bales in 1933–34, and a 10-year average of 25,530,000 bales. Production in foreign countries for the current season is estimated at 184,000 bales less than the record for last season, thus indicating that foreign countries, too, will produce less cotton this year than last year.

Our export problems need attention, but I cannot agree with those who say that the falling off of our exports of all agricultural products is the consequence of the Bankhead law. More am I inclined to the view that the decline in exports is the result of reorganizations in foreign governments, money exchanges, and tariff barriers.

Your business should qualify you for the suggestion that I am about to make. Since the first gin was invented the purpose of this marvelous invention has remained the same through all the years, that of ginning cotton, which means the separation of the chaff and trash from the two marketable products—cottonseed and lint cotton. I am going to suggest here and now that, in addition to ginning cotton during the season, you undertake to gin useful ideas for a while in the interim. My job for the past 3 years has called upon me to do considerable studying and thinking, and this for the benefit of others. In your job, heretofore, as in the case of all of those engaged in private enterprise, your thinking has, for the most part, been concerned with your individual problems.

You are entitled to know, and through you the Texas cotton farmer is entitled to know, at least the general picture which confronts our country and our farmers. In my earnest opinion the most visible blot on the world picture is spelled T-A-R-I-F-F in capital letters. Since the World War thinking people in our land have struggled against terrible but by no means hopeless odds. A united purpose and a wealth of unselfish and intelligent understanding are essential before healthy world conditions can be expected. When the heat has been turned on too long, and we are not given time in which to cool off, the human reaction results in a wealth of cussing and cussedness. We have had too much appeal to our emotions and prejudices rather than to our common sense and reason. The fix we are in, and the part we ourselves have played in getting in this shape, is too long a story.

Despite the fact that we had become the major creditor country of the world, we completely disregarded our heavy dependence upon export trade and raised our tariffs higher and higher. Our refusal to accept imports, at least in reason, was exemplified by slamming the door in the face of other nations. We lent more and more money and in every case have refused to accept payments in the only form we could have reasonably expected them, namely, in goods. The value of foreign world commerce amounted to approximately $69,000,000,000 in 1929. In 1933 this had shrunk to $24,000,000,000. Our own foreign trade is a still gloomier picture. In 1929 it was approximately $10,000,000,000 and in 1934 a little below $4,000,000,000. We have not only suffered around $30,000,000,000 loss in trade since 1929 but we are getting less and less.

The farmer has by no means been the sole or the greatest sufferer in this phase. All of the employees of the transportation and communication businesses have suffered, particularly those who lost their jobs because of the curtailment of their business. Those gainfully employed in the production of coal and oil, which motivates the railroads and shipping and trucks, as well as those who manufactured merchandise and those who sold this merchandise to these workers, have all suffered greatly.

Let us turn another dark page, where we find listed the producers of those things we export. Over 7,000,000 workers, including the farmers, were in this group in 1929. This group represents the producers adversely affected by this trade decline. A large part of what they produced was domestically consumed, but it is estimated that no less than two and one-half million people were engaged in producing goods for export. Including the families of these people, at least 10,000,000 of our population were directly dependent upon export trade.

Now let us narrow it down to another line of employment. Look strictly at cotton, our major agricultural export, and let us see what the general prosperity of the cotton industry means. In the production of cotton alone we find that the manufacturing industries using cotton gave employment to approximately 3,000,000 people. This means that 4 out of every 10 employees in the manufacturing industry were employed in industries using cotton.

Statistics are tiresome, but they show conclusively that others beside the ginner have been on the rocks. While the export business of our country has shown a tragic and frightful decline, it is by no means lost. But we have a real job to regain it. This cannot be accomplished overnight. A return to general sanity and a definite determination not to go off half-cocked are prerequisites to even a beginning of the solution of this question.

We have rapidly and alarmingly, but I hope only temporarily, lost out in export trade; and as to cotton, in which we are most interested, we have lost, along with others, some products to a greater and some to a lesser degree. In 1931 and 1932 the world price on cotton was around 6½ cents; in 1933, from 9⅛ cents to 9½ cents, approximately. In those 3 years the world carryover of American cotton was a little over 3,000,000 bales in excess of world needs or consumption. At present the exportable surplus is selling at world prices and under the Government's program, despite a reduction to 43 percent of the world total in cotton exports, the rise in the price of American cotton has been responsible for bringing in $20 or more per bale on cotton exports above what we could have received without this program. In 1933 and 1934 a total of something over $215,000,000, represented by the above increase, was brought in.

It should be pointed out that while there is no question but that the economics of scarcity cannot endure as a permanent policy, yet once industry, labor, and agriculture get together the rules of the game will be changed so that a real and continuing profit will be the reward for abundant quality production rather than low prices at home and abroad. This is no time to abandon a domestic control of our production of important commodities. Governmental powers have for years been enlisted for the relief of industry and capital, and unless we retain for our farmers our partnership with Uncle Sam, for at least a time, a grevious error will have been committed.

During this Congress, of something over 170 bills involving foreign trade introduced up until March 1, there were only four or five indirectly designed to increase imports. Fifty-six of them placed even greater restrictions against them. It is safe to assume the age-worn principle of "turn about is fair play" will continue to operate. Unless we buy from others we cannot expect to sell to them. Try your gins on this one for a change.

Our farmers cannot expect full and complete prosperity until our country generally rests upon a foundation sound enough to support a real prosperity. Normality cannot be attained by artificial stimulation. It is by employment and wages that the citizenship of the United States can buy the farmers' products. But this is not all in the way of purchasing power required to finance both employment and wages. World trade has heretofore been largely responsible for the maintenance of these two important generators of a healthy circulation. Agitation and destructive criticism by opponents of the Government's efforts will only serve to retard the recovery in this condition from national convalescence.

I came to Dallas to talk to you, my friends, the ginners. Your job, as the farmers' hired hand, has been unusually simple up to now. I feel that in talking plainly to you I can probably better serve my fellow Texans in the cotton fields than through any other group. I realize that the ginners have undergone terrible hardships during the past 2 years. They have made great sacrifices by having their volume of business cut in half and by being charged with a part of the administration expense of the Bankhead Act. You cannot meet the added expense incident to the administration of the Bankhead Act out of the revenue you receive. We know that when you ginned over 4,000,000 bales of cotton during 1933 and only 2,000,000 in 1934 that you were hurt. Something is going to be done to partially remunerate you for your sacrifices. You should know—and I am confident you do know—that the prosperity of the ginning industry of Texas cannot be built upon 6-cent cotton, regardless of the number of bales we might produce in any other year. It has been your lot to bear some of the burden. In doing this you have the satisfaction of knowing that you have made a contribution to the farmers you have served, that you have aided in putting a stop to farm evictions, that you have played a part in reducing farm indebtedness, and that you have made it easier for the mortgage-ridden farmer to meet his interest charges and the payments on his home.

The Texas ginner should appreciate certain fundamental and long-established truths. One has to do with the old Texas story of the greyhound that quit for a minute while chasing a rabbit. He didn't catch the rabbit. This is no time for even the quitter to quit, much less for an intelligent and determined citizenship to quit for a minute. This is the wrong minute. It has been truthfully said that men who try to do something and fail are infinitely better than those who try to do nothing and make a complete success of it. The information at hand with reference to the Southland's greatest product is multitudinous but still woefully deficient. After many conferences with department heads and administrators it was discovered that the ginner was the only one who could add vitally useful information to this fund of knowledge. It was tentatively agreed that a bill should be introduced paying, for example, 25 cents a bale to ginners and thus permitting them to defray expenses to a certain extent by this fee for the performance of a governmental function. My best efforts have been expended in trying to find some way whereby your losses of last year could, to say the least, be partially reimbursed. The peculiar situation of serving three masters has made it impossible up to now to bring you good news on this. The ginner, you see, serves the Treasury Department in the Internal Revenue branch, the Agricultural Department in the A. A. A., and the Texas cotton farmer in Texas. The law relates to services involving the collection of a tax wholly within the domain of the United States Treasury Department and over which the Department of Agriculture, as they contend, has no control.

Last year when the loans to industries bill was pending in the House, I attempted to get some assurance that the Federal Government would come to the relief of the debt-laden ginners. You should tell your Congressmen and your farmers of your problem, and attempt to concentrate on securing legislation that will permit the refinancing of your indebtedness, the same as has been done for the farmer. Every effort will be made to make your services under the Bankhead Act lighter and your remuneration heavier. I hope the ginners of Texas will devote some thought to a program calling for relief in the form of governmental refinancing of their own obligations, reasonable reimbursement for the services they rendered under the Bankhead Act, and a more intelligent and efficient organization. You are the leaders in your respective sections. If properly used, your efforts can bring real results to yourselves as well as to the citizenries you serve. Misapplied effort and misdirected criticism will get you nowhere. Don't let yourselves be misled by those who care nothing for the producer of the commodity you process. His interest should be uppermost in your mind, and continued prosperity for him will be your safest guaranty of a modicum of relief.

PUBLIC RESPONSIBILITY FOR CRIME CONTROL

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, recently I delivered an address entitled "Public Responsibility for Crime Control—The Individual Responsibility for Crime Control."

I ask the privilege of extending my remarks in the RECORD by including this address.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered before National Committee on Prisons and Prison Labor, January 8, 1935:

THE INDIVIDUAL RESPONSIBILITY FOR CRIME CONTROL

The time has come when we must realize that neither "they" nor "it" is the Government, but that the Government is you and I. We have no king; there is no hereditary nobility to govern us; there is nobody to govern this country except you and me, only the people. Nobody has any power except us, therefore nobody has any responsibility except you and me for the control of crime or for any other governmental matter.

We are in the difficulties we are in now because we have lost sight of that fact. We turned the Government over to professional politicians. We surrendered economic control to supposed-to-be captains of industry. We have failed to give to our Government its only possible safe guide, an advised, intelligent public opinion. Some of us are foolish enough to believe that the President and a few persons who happen to be Members of Congress are going to be able to solve our problems, will get all the benefit, all the development which comes from the struggle with our present economic and governmental difficulties. Our difficulties have come to give us a great people, not a few great leaders; besides only a great people make great leaders possible.

Under a normal appreciation of the facts of our circumstances and with corresponding consciousness of the responsibility which flows from these facts, my subject would be a perfectly silly one.

If I were asked when we are going to win through our difficulties, I could answer with all assurance, just as soon as we are made fit to win, and not until then. Only a great people can win this time. When the World War ended we were tired of fighting; we were tired of struggling, and apparently we were tired of thinking; we were tired of responsibility; we were tired of governing. We were tired of being grown men and women, and we seemed to have got the notion that we were not only the wisest generation that had ever lived, but that we were wiser than all the generations which had ever lived. The lessons, the warn-

ings, the guidance, the wisdom, the inspiration, the results of actual experience which had been garnered from the ages came to be old-fashioned and out-of-date. Even the masterpieces of music which had thrilled and charmed and elevated the souls of the generations that had gone before were thrown into the discard. We ushered in the grand and glorious age of jazz. Not only of music but of literature, of philosophy, and of what passed for thinking with education, religion, statesmanship, and private living not free from its influence. To a large degree those who in any time of sound thinking and of a normal sense of responsibility would have attracted only that attention which a silly fool attracts were accepted as our leaders. Actually we had all tried to get young, and, in effect, succeeded only in getting silly. The world has never witnessed such a tragic comedy as that procession of the people following this new leadership, who were parading as their own creations discarded theories which they had dug from the junk heap of the world's failures.

Fundamentally that is why we are where we are. That is why we have this supergovernment of crime and the terrible governmental mess in which we are involved. We have been going places and going fast, everybody with a horn, blowing and whooping it up. We are at the end of the road. We have jazzed off into the jungles. We are still trying to find a boulevard to go out on. As certain as there are plans and laws which govern human conduct and fix human responsibility, we are going to have to strengthen our muscles and learn our lesson by cutting down the trees and going out over the stumps. There is no boulevard leading out from where we are.

We would not be warned by those who have sought to warn us, and we would not be instructed by the experience of others. Nature had no other alternative in such a situation than to let us go to the school of experience and pay for our instruction. History does not record so great a change in so short a time in the stamina and capacity of a people as has taken place among us during the last decade and a half. At the beginning of that time we occupied the highest point in courage, in patriotism, and in efficiency of every sort ever reached by any people. Now we lie soft; our strength, our self-reliance, our pride of independence, and our capacity all but lost because we have ceased to use it. Children learn to walk by walking. People learn to govern by governing.

Nature will not permit strength to remain where it is not used. Something had to happen; something has happened—that mystical, merciful agency which awakens the sleeping child and stirs him into action, which sends hunger to warn us it is time to eat, which sends oppression to drive to effort those who rather than struggle have submitted to tyranny—has come to our aid and come none too soon. In such a situation Nature has no delicacy in the choice of its instrumentalities. We had been warned. As generation after generation have traveled the road they had marked the way, they put up danger signals. Nature made that certain by fixing in human nature the instinct to write history. But we did not have time to read the signs. We were going places and going fast. We have arrived; we are at the end of the road. We would have lain down at the end of the road and died, but it is not written in the book of destiny that we be permitted to do it. We are being driven by the lash to the discharge of rejected duty.

Civilizations are not accidents; governments are not accidents. There are natural laws for their development, guidance, and direction. Rewards and punishments are provided. One of the punishments which has been provided for us, one of the instrumentalities which has been provided to bestir us from a fatal sleep is the intolerable condition created by the supergovernment of crime. The development of this supergovernment has not been accidental either. It is not a cause. It is a result. It provides necessity for action on the part of the people and thereby provides the opportunity for regaining a part of our lost strength—our lost governmental capacity. We had better get on the job.

There is no other public service which gives to the individual citizen a development and fitness for civic service comparable to that which is given to the individual citizen, who, responding to the call of duty meets the challenge of crime in his own community; courage, patriotism, self-reliance, all the virtues and elements of governmental capacity are put to exercise and thereby made to grow. This challenge of crime is not our misfortune. It is our opportunity. From a successful struggle of the people with organized and commercialized crime of today they may hope to become strong enough to go forward to a successful struggle with their far greater economic and governmental difficulties. Only a people who have regained their governmental capacity, regained their love for their country as distinguished from what they hope to get from its Treasury, regained their self-respect, regained their ability to think, can win through the barrier of difficulties which confront us today. We have no time to lose.

As individuals we have had our thinking machines in cold storage since the war. Others are supposed to have been doing our thinking for us—captains of industry who have been building up in this country an economic feudalism; politicians doing our political thinking—many of them copartners with crime. We are beginning to think. It is a dangerous time when people begin to think, but it is a hopeful sign. When we consider what our attitude is now toward these overlords of crime and toward public officials who are copartners with them, and recall that just a short while ago we laughed and joked about these things, we find we are making some progress. It was just a short time ago when leading newspapers of the country gave respectful notice to the meetings and divisions of territory and the doings of these criminals. Known copartnerships of public officials with them did not create disqualification for office in many communities. We are moving in the right direction; we are beginning to think—in the kindergarten grade, it is true. We are still thinking largely as little children think on Christmas Eve. A good many grown people are expecting Uncle Sammy Santa Claus to come down the chimney, free them from the domination of crime, bring a solution for our governmental problems, and fill their stockings and keep them full.

Many people still cling to the notion that there is in this country a creature called the "Government", which lives and moves and has its being as a sort of detached, self-determining, self-operated, and self-sustaining thing which does our thinking for us and does our governing for us, and acts as a sort of universal Santa Claus from which our States and cities and ourselves get things for nothing. Not little children but grown people have such a notion. With such a childish conception, nothing can be done yet toward the solution of our governmental and economic problems. These difficulties have come not to challenge a President and a few other public officials but to bestir and redeem the people of this Nation. Nothing short of an awakened, regenerated, invigorated, self-reliant people possessed of governmental capacity will be able to win through.

When we think a little further we will discover that every penny which comes from the Government must come from us first, with two pennies perhaps coming from us before we can get back one from the Government, because the great army of people who receive, administer, and distribute must be paid from that which comes from us before we can get any of it back. And when we think a little further we will discover that when we put away our own thinking machines, when we refuse the responsibility of governing ourselves, when we deny to Government its only possible safe guide—an advised public opinion—when we turn over to others responsibilities which nature has provided for our development, we must pay such a price as we are paying now. If we refuse to accept the responsibility incident to freedom, we cannot escape the yoke of the slave.

No people ever remained free who lost the ability to defend their liberty, and no people ever retained the power of self-government who were not willing to do those things which came within their capacity as individuals and as members of communities. It is a serious matter, of course, for the Government of a people to become financially bankrupt, but the bankruptcy of capacity to govern a people once capable of self-government, who surrender to the temptation of ease and indifference, is the supreme tragedy which marks the end of free government. We have already passed the margin of safety. There is no profit in getting nervous about our situation, and certainly no profit in deceiving ourselves about it either.

What is happening in Washington is relatively unimportant. The thing of importance is what is happening to the thinking and governmental capacity of the people. We could repeal our laws, nullify the Constitution, and tear down the Capitol, but if the capacity of the people to govern lives they could rebuild; but if the capacity of the people to govern is lost, free government dies and the dictator and firing squad become the instrumentalities of arbitrary power. History leaves no grounds for argument.

The people are beginning to think. They are becoming restive under the restraints of the present emergency policy of government. That is a good sign. When the whole economic structure was about to tumble it was necessary to give to our governmental machinery a greater strength and quicker pick-up than is ordinarily required.

That was done as it had not infrequently been done in Anglo-Saxon governmental history by concentrating emergency power in the executive to meet an emergency, but nothing could be more absurd than the notion that such an arrangement would be tolerated by Anglo-Saxon people as a permanent policy of government. Whether we shall have a grand smash or normal recovery will be determined by whether we regain our purpose and our power to operate a system of self-government in which a democracy of opportunity makes a democracy of government possible, before we shall have exhausted the ability of the Federal Government to provide artificial stimulants to keep things going. Nothing else can determine that.

Much of our basis for hope is in the fact that the people are beginning to meet this challenge of crime. This is the first major sign of the revival of civic decency and of governmental capacity. There are other hopeful signs. Any audience will listen now to serious discussions. That is a new thing. States are asking Congress for the right to form compacts to work out governmental problems of mutual concern. That is a good sign. After the formative period of a national government, among a self-governing people, all true progress must be in that direction which puts the power to govern and the necessity to govern closer and closer to the people.

Nature has no concern with the development of Government per se. Its concern is with the development of people. Its plan for their development is through the struggle. Difficulties constitute the gymnastic paraphernalia. Necessity compels exercise in that gymnasium. Nature does not consult; it commands. Our only choice is between reward and punishment. If we will not learn from the experience of others, we must be taught by our own experience. There is but one avenue of escape from such punishment and that leads in the direction of our opportunity to make this the greatest of all generations, because ours are the greatest difficulties perhaps of all times.

This movement of the people against crime is not limited in its importance by its effect upon crime. Its effect upon the capacity and the fitness of the people is of incomparably greater importance. This movement of the people against crime gives hope that we may be able successfully to meet not only this crime problem but with a citizenship fresh from the victory over organized crime, strengthened and developed and made fit by that contest, we may move on to a successful struggle with the greatest economic and governmental problems which up to this time have ever challenged the genius of any people.

COST OF ADEQUATE, GENUINE UNEMPLOYMENT, OLD-AGE AND SOCIAL SECURITY—SOURCES OF REVENUE FOR FINANCING THE LUNDEEN WORKERS' BILL, H. R. 2827

Mr. LUNDEEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a statement from the Department of Labor as to the cost of social insurance as reported at a hearing of the Committee on Labor.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. LUNDEEN. Mr. Speaker, many of our good friends, who are favorable in principle to the payment of average local wages or not less than $10 per week plus $3 for each dependent for unemployment, old-age, and social insurance, are asking: "What about the cost; and where can you get the money to pay for it?"

The hearings on H. R. 2827 recently held by the House Labor Subcommittee answer the question. They show that the Lundeen bill is not only an adequate but also a practical measure. By referring to the index of the hearings, Members of this House can find under the heading "Costs of H. R. 2827" the complete evidence presented in support of the statements I now wish to make.

SUMMARY OF ESTIMATED COST

To determine the cost of the social insurance which would be provided in H. R. 2827 requires several estimates, which should be used with caution. In the first place, the United States has no current basis for ascertaining accurately the number of unemployed.

The second and more important point requiring caution relates to the estimate of the effect of social insurance upon purchasing power, and its consequent results in decreasing the amount of unemployment through stimulation of reemployment. No experience in this country is available to indicate the extent to which an increase in consumers' purchasing power for those in the lower income groups would stimulate production and increase employment.

If it is assumed, however, that the entire amount of benefits paid under the provisions of this bill would appear in the market as new purchasing power, economists have calculated that 60 percent of this total would become available as wages and salaries. Therefore, on the basis of given average wages and salaries, it can be estimated how many persons could be reemployed, and this would result in a corresponding decrease in the number of unemployed eligible for benefits, and therefore in a reduction of costs.

Having in mind the above cautions, it may be said at once that if there be 10,000,000 unemployed, the annual gross cost, after taking care otherwise of those who should receive old-age pensions and those who are unemployed because of sickness or disability, and eliminating those under 18 years of age, to whom the bill does not apply, would be $8,235,000,000. Deducting from this the estimated decrease in the cost of unemployment insurance on account of the reemployment of workers following the establishment of a social-insurance program, $6,090,000,000, and adding to it the cost of old-age pensions, sickness, disability, accident, and maternity insurance, and deducting present annual expenditures for relief amounting to $3,875,000,000, we would have a net annual increase for the Federal Government imposed by the provisions of the bill amounting to $4,060,000,000.

If the number of unemployed be equal to the average number estimated as unemployed in 1934, as 14,021,000, then the annual net increase in cost, after deducting present expenditures for relief and estimating the reemployment which would follow adequate social insurance, would be $5,800,000,000.

The estimate of total costs of the program for social insurance under the bill should be compared with the amount that workers have lost in wages and salaries since the beginning of the depression. According to estimates published in the Survey of Current Business for January 1935, total income paid out to labor since 1929 was as follows (in millions):

	1929	1930	1931	1932	1933
Total income	$52,700	$48,400	$40,700	$31,500	$29,300
Loss from 1929		4,300	12,000	21,200	23,400

The total loss to workers in wages and salaries in the first 4 years of the depression has amounted to $60,900,000,000. It is with these huge losses sustained by American workers during these 4 years that the costs of security provided by the bill should be compared. Furthermore, considering the inadequacy of present relief measures, it must be realized that the cost of truly adequate relief would be the cost of this bill.

AUTHORITY FOR ESTIMATES

These estimates of the cost of an adequate unemployment, old-age, and social-security program are based on the statement of Dr. Joseph M. Gilman, economist of the College of the City of New York, who testified at the hearings held by the House Labor Subcommittee, representing the Interprofessional Association for Social Insurance. In accordance with permission granted me, I will now submit for the RECORD portions of Dr. Gilman's statement, taken from the hearings.

The first excerpt from Dr. Gilman's statement shows the estimated cost of the Lundeen bill on a basis of 10,000,000 unemployed, and may be found on page 585 of the hearings.

Cost of 10,000,000 unemployed

Number of persons unemployed (hypothetical)	10,000,000
Deductions:	
1. Estimated number of unemployed under 18 years of age (basis 1930 census)	320,000
2. Estimated number of unemployed who will replace workers 65 years of age and over retiring on old-age pensions	2,250,000
3. Estimated number unemployed because of sickness or disability	250,000
Balance of unemployed	7,180,000
I. Annual cost of unemployment insurance (7,180,000 by $1,147)	$8,235,000,000
II. Estimated decrease on account of reemployment of workers, following establishment of social-insurance program	6,090,000,000
III. Annual net cost of unemployment insurance	2,145,000,000
IV. Annual cost of old-age pensions	4,535,000,000
V. Annual cost of sickness, disability, and accident insurance	1,200,000,000
VI. Annual cost of maternity insurance	55,000,000
VII. Total annual cost	7,935,000,000
VIII. Present annual expenditures	3,875,000,000
IX. Annual net increase in cost	4,060,000,000

Cost for 14,021,000 unemployed

On a basis of 14,021,000 unemployed in 1934, the estimated cost is as follows:

Average number of persons unemployed in 1934, all ages	14,021,000
Deductions:	
1. Estimated number of unemployed under 18 years of age (basis 1930 census)	550,000
2. Estimated number of unemployed who will replace workers 65 years of age and over retiring on old-age pension (see above)	2,250,000
3. Estimated number unemployed because of sickness or disability (see above)	250,000
Balance of unemployed	10,971,000

Deductions—Continued.

I. Annual cost of unemployment insurance (10,971,000 by $1.147 (see p. 586)	$12,584,000,000
II. Estimated decrease on account of reemployment of workers, following establishment of social-insurance program (see p. 589)	8,699,000,000
III. Annual net cost of unemployment insurance	3,885,000,000
IV. Annual cost of old-age pensions (see p. 586)	4,535,000,000
V. Annual cost of sickness, disability, and accident insurance (see p. 588)	1,200,000,000

Deductions—Continued.

VI. Annual cost of maternity insurance (see p. 588)	$55,000,000
VII. Total annual cost	9,675,000,000
VIII. Present annual expenditures (see p. 589)	3,875,000,000
XI. Annual net increase in cost	5,800,000,000

COST OF DEPRESSION TO LABOR

These estimated costs should be compared with the huge annual losses suffered since 1929 by labor.

Estimated annual wage loss of unemployed in 1934

[Based on average annual wage and salary rates for 1932 in National Income Report [1]]

Industry	Unemployed (in thousands)			Annual wage or salary			Loss of earnings (in millions)		
	Wage earners	Salary earners	Not classified	Wage earners	Salary earners	Not classified	Wage earners	Salary earners	Not classified
Agriculture	1,847			[2] $648			1,196.9		
Mines and quarries	231	18		909	$2,210		210.0	39.8	
Electric light and power and manufactured gas			73			$1,339			97.7
Manufacturing	2,345	643		876	2,241		2,054.2	1,441.0	
Construction	959	108		1,151	2,297		1,103.8	248.1	
Transportation			1,409			1,409			1,985.3
Communication			253			1,320			334.0
Wholesale and retail		2,200			1,245			2,739.0	
Finance		427			1,958			836.1	
Government:									
(a) Excluding public education		99			1,477			146.2	
(b) Public education		185			1,400			259.0	
Service:									
(a) Recreation			208			1,382			287.5
(b) Personal			460			1,045			480.7
(c) Domestic			1,123			670			752.4
(d) Professional			373			1,416			528.2
(e) Miscellaneous			79			1,105			87.3
Miscellaneous industries			871			1,285			1,119.2
Total	5,382	3,680	4,849				4,564.9	5,709.2	5,672.3

Total wage and salary loss	$15,996,400,000
Unemployed entrepreneurs (110 at annual average loss, $973)	126,200,000
Total	16,072,600,000
Average loss	1,140

[1] 73d Cong., 2d sess., S. Doc. No. 124, National Income, 1929–32.

[2] 1929 rate; 1932 rate only $352.

COST OF OLD-AGE PENSIONS

The following tables show the number of people eligible for old-age pensions and the estimated cost:

I. (a) Number of persons aged 65 and over (1930 census)	6,634,000
(b) Estimated number of persons aged 65 and over in 1934 (President's Committee on Economic Security Report, p. 24)	7,500,000
II. (a) Number of persons aged 65 and over, gainfully occupied (1930)	2,205,000
(b) Estimated number of persons aged 65 and over who were gainfully occupied in 1934 (average)	2,500,000
NOTE.—II (b) to II (a) in same ratio as I (b) to I (a).	
III. (a) Estimated number of gainfully occupied persons who would be eligible to retire upon enactment of the workers' bill	2,250,000
NOTE.—10 percent allowance for entrepreneurs of substantial means (U. S. Census estimate, letter to Committee, IPA, Dec. 3, 1934).	
IV. (a) Nongainfully occupied persons aged 65 and over (I (b)–II (b))	5,000,000
(b) Estimated number eligible for old-age pensions (males, 1,422,000; females, 3,078,000)	4,500,000
NOTE.—10 percent allowance for those of substantial means.	
V. (a) Number of gainfully occupied persons in III (a) (2,250,000) plus husbands or wives aged 65 and over (777,000, or V (e)+V (g)) or (V (b)+V (c)+V (e)+V (g)) [1]	3,027,000
(b) Gainfully occupied males (less entrepreneurs) 1,950,000	
(c) Gainfully occupied females 300,000	
(d) Gainfully occupied males, married 1,242,000	
(e) Gainfully occupied males, married, whose wives are 65 and over (assumed not gainfully occupied) 673,000	
(f) Gainfully occupied females, married 104,000	
(g) Gainfully occupied females, married, whose husbands are 65 and over (assumed not gainfully occupied) 104,000	

[1] All figures in V and VI are estimated from ratios derived from 1930 Census.

VI. (a) Balance of married persons among nongainfully occupied ((d)+(e))	1,237,000
(b) Balance of males (1,422,000−104,000) (IV (b)−V (g))	1,318,000
(c) Balance of females (3,078,000−673,000) (IV−V (a))	2,405,000
(d) Married males in VI (b) whose wives are 65 and over = 1,237,000 above	802,000
(e) Married males in VI (b) whose wives are 65 and over = 1,237,000 above	435,000

Of the 4,500,000 in IV (b), these have been accounted for:

(1) Wives, 65 and over, of gainfully occupied males (assumed not gainfully occupied) (V (e))	673,000
(2) Husbands, 65 and over, of gainfully occupied females (assumed not gainfully occupied) (V (g))	104,000
(3) Balance nongainfully occupied males 65 and over, married (VI (d))	802,000
(4) Balance nongainfully occupied females 65 and over, married (VI (e))	435,000
Not yet accounted for:	
(5) Nongainfully occupied widows, widowers, divorced, single persons, aged 65 and over	2,486,000

ANNUAL COST OF OLD-AGE PENSIONS

A. Number of gainfully occupied workers aged 65 and over, eligible for old-age pensions at annual average rate of $1,200 per annum ($1,199 average annual rate, 1932, 1929–32 National Income Report)	2,250,000
B. Number of married couples nongainfully occupied, husband or both 65 or over	802,000
Annual pension, $676 ($10 plus $3 per week).	
C. Number of unmarried persons 65 or over	2,486,000
Annual pension, $520 ($10 per week).	
Cost of A	$2,700,000,000
Cost of B	542,000,000
Cost of C	1,293,000,000
Total	4,535,000,000

COST OF SICKNESS, ACCIDENT, AND DISABILITY INSURANCE

Class C, 1930 Unemployment Census (persons out of a job and unable to work on account of sickness or disability)	172,661
NOTE.—Would assume 250,000 since census figures are out of line with other experience.	

Class D, 1930 Unemployment Census (persons having jobs, but idle on account of sickness or disability)	273,588
Total	446,249

NOTE.—According to report of President's Committee on Economic Security, which states that 2.25 percent of all industrial workers are at all times incapacitated, it would seem that the total of 446,249 badly underestimates the amount of sickness and disability.

Class C type	250,000
Class D type	750,000
	1,000,000
Cost of sickness, accident, and disability insurance (1,000,000×$1,200)	1,200,000,000

NOTE.—$1,199 average annual wage or salary in 1932 (National Income Report 1929–32).

COST OF MATERNITY INSURANCE

Number of gainfully occupied married women between ages 15 and 44 (1930 census)	2,425,000
Number of married women between ages 15 and 44 (1930 census)	17,836,000
Birth rate per 1,000 population (1930)	18.9
Birth rate per 1,000 married women (above)	137.0
Number of births per annum to gainfully occupied married women (on above basis)	332,000
Probable number of births	150,000
Annual cost for 16-week benefit (150,000×$369) ($369=16/52×$1,200)	$55,000,000

NOTE.—$1,199 average annual wage, 1932, National Income Report, 1929–32.

PRESENT COST OF UNEMPLOYMENT RELIEF

It should be made clear that the cost of the Lundeen bill will not be over and above present expenditures for relief, but will replace these expenditures. At the present time, according to Dr. Gilman's statement, the costs of unemployment relief are as follows:

I. Federal Government (source of statistics: General Budget Summary, Treasury Department, estimated expenditures for year ending June 30, 1935, schedule 3):	
(1) Federal Emergency Relief Administration	$1,733,208,700
(2) Civil Works Administration	13,842,100
(3) Emergency conservation	402,363,000
(4) Relief of unemployment	100,000,000
Public works:	
(3) Loans and grants to municipalities	166,300,000
(5) Public highways	428,600,000
Total expenditures of a relief character	2,844,313,800
II. State and city (basis: Federal Emergency Relief Administration reports)	400,000,000
Total unemployment relief	3,250,000,000

PRESENT COST OF OLD-AGE RELIEF

Present expenditures by National, State, and local government bodies for old-age relief may also be deducted from the additional cost of the Lundeen bill. Present old-age expenditures are as follows:

1. Federal Government to veterans and widows (report of Administrator of Veterans' Affairs, 1933)	$235,000,000
2. State old-age assistance (President's Committee on Economic Security)	43,000,000
3. Industrial and trade-union pensions (President's Committee on Economic Security)	100,000,000
4. All other (rough estimate)	50,000,000
Total	428,000,000

PRESENT COST OF SICKNESS, DISABILITY, AND ACCIDENTS

The National Safety Council estimates for 1932 that wage loss from occupational disabilities was $370,000,000. Compensation for such loss is estimated as $200,000,000.

TOTAL PRESENT ANNUAL EXPENDITURES FOR RELIEF

Dr. Gilman's estimate of the total present cost of relief for unemployment, old age, and sickness at the present time is $3,875,000,000. This is based on the tables just presented.

REDUCTION IN COST OF WORKERS' BILL FOLLOWING PASSAGE

The estimates just given of the cost of the workers' bill represent the cost for the first year. The following tables show the estimated decreases in the cost following enactment of the measure, resulting from increased purchasing power.

The first table shows the total national income and the fraction of that income which is paid out in wages. Below that is the ratio of salaries and wages to income produced on a percentage basis.

Year	National income (excluding Government)[1]	Salaries and wages (excluding Government)[1]
1929	$76,500,000,000	$45,300,000,000
1930	63,500,000,000	40,600,000,000
1931	47,800,000,000	32,900,000,000
1932	34,000,000,000	23,700,000,000
1933	36,300,000,000	21,900,000,000

[1] National Income, 1929–32; National Income, 1933; Survey Current Business January 1935.

Ratio of salaries and wages to income produced

1929	0.592
1930	.639
1931	.688
1932	.679
1933	.603
1934 (estimate)	.600
Total insurance benefits payable (annually) under workers' bill (p. 585, I+IV+V+VI)	$18,374,000,000
Present expenditures for relief, old age, etc	3,875,000,000
Increase in purchasing power of lower income classes upon passage of workers' bill	14,499,000,000
Increase in annual demand for consumers' goods (100 percent assumed) (see Brookings Institute, America's Capacity to Consume, p. 84)	14,499,000,000
Increase in annual wages and salaries to meet increased demand for goods (decrease in cost of unemployment insurance) (60 percent of $12,590,000,000) (ratio of salaries and wages to income produced, 1934, above)	8,699,000,000
Annual net increase in cost	5,800,000,000

SOURCES OF FUNDS

Now I wish to answer the question often asked: "Where will you get the money for this program?"

It has been pointed out that an important difference between H. R. 2827, the Lundeen bill, and other proposals is in the source of funds. Other proposals—including the Doughton bill—depend on the building up of reserves in advance of payment of benefits, these reserves to be secured by a tax on pay rolls. Several serious objections are made to this method. In an article in the Annalist, published by the New York Times on February 22, 1935, by Elgin Groseclose, professor of economics, University of Oklahoma, under the title, "The Chimera of Unemployment Reserves Under the American Money System", attention is called to the provisions in H. R. 4120 in these words:

> The Wagner bill, as introduced in Congress, sets up in the Federal Treasury an "unemployment trust fund", in which is to be held all moneys received under the provisions of the act, and directs the Secretary of the Treasury to invest these moneys, except such amount as is now required to meet current withdrawals, in a defined category of obligations of the United States or obligations guaranteed as to both principal and interest by the United States.

The Annalist article summarizes the objections to these reserves for unemployment insurance as follows:

> (1) Financial reserves can be effective only in cases where contingencies can be calculated and determined by actuarial methods and where these contingencies arise in sufficient regularity to permit the arrangement of reserves in accordance therewith. (2) The incidence of depressions are irregular and unpredictable, and hence defy actuarial procedure. (3) Purchasing power cannot be stored up en masse under our money system, which is a system of debt, rather than metallic circulation. (4) The attempt to create unemployment reserve will intensify booms. (5) Unemployment reserves are incapable of mobilization when needed and any attempt to mobilize them will only result in further intensification of depressions.

Testimony before the Committee on Labor on the Lundeen bill (H. R. 2827) brought out the further objection that a tax on pay rolls is a tax on cost of production which is passed on to the consumer in higher prices to all consumers and to workers in lower wages as well as in higher prices to them as consumers. Thus it tends to reduce rather than to expand purchasing power, causing in itself recurrent industrial depression which arises out of the failure of con-

sumption to keep pace with production, or a disproportion between money available for consumers' purchases and funds available for investment in increased production.

Moreover, these reserves, even if they could be accumulated without these disastrous effects upon consumers' purchasing power, and upon the monetary system, would be inadequate to cover more than a fraction of needs. The Commissioner of Labor Statistics and Senator ROBERT F. WAGNER (in radio addresses on Mar. 7) have estimated that if H. R. 4120 had been in effect from 1922 there would have been set aside by 1934 the sum of $10,000,000,000; yet, the figures on the national income published by the Department of Commerce show that in 4 of those years workers lost $60,000,000,000 of wages and salaries. Thus, even if reserves seem to involve saving the Treasury from obligation, as a matter of fact, they leave unsolved the real problem of protecting workers against the destitution of mass unemployment.

As the only adequate solution of the problem, and to avoid the unsound idea of setting aside reserves, the funds required in H. R. 2827 are made an obligation upon existing wealth and current higher incomes of individuals and corporations. These sources may be indicated as follows:

FIRST. INCOME TAXES OF INDIVIDUALS

If the United States were to apply merely the tax rates of Great Britain upon all individual incomes of $5,000 or over, a considerable sum would be available for social insurance. These rates in 1928 would have yielded the Federal Government five and three-fourths billion dollars as against slightly over one billion actually collected. In 1932, a year of low income, we would have collected on the same basis $1,128,000,000, as against the actual receipts of $324,000,000.

SECOND. CORPORATION INCOME TAX

Compared with other countries, also, our corporation tax is very low. Taking a flat rate of 25 percent, we would have raised in 1928 the amount of $2,600,000,000 instead of $1,200,000,000.

THIRD. INHERITANCE OR ESTATES

Here again the United States is very lenient. In 1928, on a total declared gross estate of three and one-half billion dollars, the total collected by Federal and State taxes was only $42,000,000, or a little over 1 percent. If an average of 25 percent were taken, this would have been raised in 1928 to $888,000,000.

FOURTH. TAX-EXEMPT SECURITIES

Exact figures on the total are not available, but here is an important source of large additional returns which should be available for the general welfare.

FIFTH. TAX ON CORPORATE SURPLUS

In 1928, the corporate surplus, representing the accumulation by corporations of funds which had not been distributed to labor and capital, amounted to $47,000,000,000, and even in 1932 it was over thirty-six billions. Made possible as it is by the cooperation of labor and capital, this surplus which is now set aside to meet capital's claims for exigencies certainly should be also a source of funds for labor's social insurance in the exigencies of unemployment. The Department of Commerce has showed in its study of the national income that labor has lost a larger percent of its earned income in the depression than capital has lost in interest charges, because capital has been sustained by drawing both on current income and on accumulated surplus. The great economist, Adam Smith, 150 years ago, called the industrial system a "collective undertaking." Thus it is both logical and just to provide a tax on corporate surpluses as a source for social insurance.

In support of my statements here, I wish again to offer portions of the statement submitted to the House Labor Subcommittee by Dr. Joseph M. Gilman. The first table estimates the funds available for unemployment, old-age, and social insurance. Please note that all figures in this table are in thousands. This table may be found on page 64 of the hearings.

[Figures in thousands]

Source	1933	1932	1928
I. Individual income [1]	$1,129,277	$1,127,773	$5,787,033
Estate tax, 50 percent of gross	1,030,478	1,415,194	1,777,135
Corporate tax, net income 25 percent [2]	626,520	538,278	2,615,273
Corporate tax, net surplus, 25 percent [3]		9,019,881	11,789,046
Expenditures on war preparations	[4] 750,000		
Total		12,101,126	21,968,522
II. Individual income [1]	1,129,277	1,127,773	5,787,068
Estate tax, 75 percent of gross	1,545,717	2,122,791	2,665,701
Corporate tax, net income, 25 percent [2]	626,520	538,278	2,615,273
Corporate tax, net surplus, 25 percent [3]		10,823,858	14,146,855
Expenditures on war preparations	750,000		
Total		14,612,700	25,214,897

[1] Estimated on graduated scale approximating British tax rate but higher than the British rate for incomes from $500,000 to $5,000,000.
[2] This should be a graduated tax averaging 25 percent.
[3] Surplus and undivided profits less deficit: 1932, 36,079 millions; 1928, 47,156 millions.
[4] As of Aug. 1, 1934.

NUMBER OF MILLIONAIRES DOUBLE

The sources of funds from income taxes in the higher brackets is greater today than it was a year ago. This is shown by the income-tax returns published by the Bureau of Internal Revenue. Dr. Gilman's tables, quoted below, show the number of income-tax returns made in the different income classes, and also the total amount of available revenue from that source.

Comparison of net income returns for 1932 and 1933 [1]

Net income classes	Number of returns	
	1932	1933
Up to $5,000	3,420,995	[2] 3,339,602
$5,000 to $10,000	237,273	[2] 219,735
$10,000 to $25,000	77,045	[2] 74,625
$25,000 to $50,000	17,658	18,168
$50,000 to $100,000	5,644	5,927
$100,000 to $150,000	962	1,085
$150,000 to $300,000	589	693
$300,000 to $500,000	136	139
$500,000 to $1,000,000	80	84
Over $1,000,000	20	46
Total returns filed to Aug. 31, 1932	3,760,402	
Total returns filed to Aug. 31, 1933		3,660,105

[1] Prepared by the research division of the Interprofessional Association for Social Insurance on the basis of the preliminary report entitled "Statistics of Income for 1933", submitted to the Hon. H. Morgenthau, Jr., Secretary of the Treasury, on Dec. 3, 1934.
[2] Incomes of less than $25,000 declined in number of returns from 1932 to 1933. All income classes above $25,000 increased in number of returns. Net incomes of $1,000,000 or over increased 130 percent in number of returns.

ESTIMATES OF FUNDS AVAILABLE FROM INCOMES OVER $5,000

Applying the income-tax rates suggested in the table below, $4,622,814,000 additional revenue can be raised each year from individual incomes, and $1,431,273,000 from corporation incomes. The figures for 1928 are as follows:

	Total net income reported	Tax rate	Revenue available
I. INDIVIDUAL RETURNS			
Income classes:		*Percent*	
$5,000–$10,000	$4,282,520,000	16	$685,203,000
$10,000–$15,000	1,953,395,000	22	429,747,000
$15,000–$20,000	1,218,787,000	24	292,509,000
$20,000–$25,000	865,670,000	30	259,701,000
$25,000–$50,000	2,326,503,000	35	814,276,000
$50,000–$100,000	1,857,878,000	40	743,151,000
$100,000–$250,000	1,745,403,000	45	785,431,000
$250,000–$500,000	926,079,000	55	509,343,000
$500,000–$1,000,000	670,861,000	65	436,060,000
$1,000,000–$5,000,000 and over	1,108,863,000	75	831,647,000
Total available			5,787,068,000
Tax collected			1,164,254,000
Additional revenue			4,622,814,000
II. CORPORATION RETURNS			
Income classes:			
Under $1,000–$2,999	181,420,000	10	18,142,000
$3,000–$4,999	119,482,000	15	17,922,000
$5,000–$9,999	211,525,000	25	52,881,000
$10,000–$24,999	467,605,000	25	116,901,000
$25,000–$99,999	1,055,074,000	25	263,768,000
$100,000–$499,999	1,753,943,000	25	438,485,000

	Total net income reported	Tax rate	Revenue available
II. CORPORATION RETURNS—continued			
Income classes—Continued.		*Percent*	
$500,000 under $1,000,000	$898,405,000	25	$224,601,000
$1,000,000 under $5,000,000	2,119,926,000	25	529,981,000
$5,000,000 and over	3,810,359,000	25	952,589,000
Total			2,615,273,000
Tax collected			1,184,000,000
Additional returns			1,431,273,000

Returns of corporations submitting balance sheets, 1928 (all returns): [1]

Tax-exempt securities	$10,116,160,404
Surplus	52,069,292,140
Net surplus (after deduction of deficit)	47,156,183,422

TAX INCOME, 1932

The following table shows the available revenue from individual incomes for 1932:

	Total net income reported	Tax rate	Revenue available
I. INDIVIDUAL RETURNS			
Income classes:		*Percent*	
$5,000–$10,000	$1,677,039,000	16	$268,326,000
$10,000–$15,000	595,573,000	22	131,026,000
$15,000–$20,000	329,512,000	24	79,083,000
$20,000–$25,000	235,312,000	30	70,594,000
$25,000–$50,000	629,638,000	35	220,373,000
$50,000–$100,000	393,206,000	40	157,282,000
$100,000–$250,000	216,625,000	45	97,481,000
$250,000–$500,000	73,747,000	55	39,561,000
$500,000–$1,000,000	57,874,000	65	37,618,000
$1,000,000–$5,000,000 and over	35,239,000	75	26,429,000
Total available			1,127,773,000
Income tax collected			324,745,000
Additional revenue			803,028,000

AVAILABLE INCOME FROM CORPORATE INCOMES, 1932

1. Returns of corporations submitting balance sheets for 1932 (all returns): [2]	
Cash (in till or deposits in bank)	$15,917,202,000
Investments, tax-exempt	11,916,864,000
Investments other than tax-exempt	75,630,257,000
Surplus and undivided profits	45,663,748,000
Net surplus (less deficit of $9,584,221,000)	36,079,525,000
2. Returns of corporations showing net incomes (1932):	
Total gross income	[3] 31,707,963,000
Total net income	[3] 2,153,113,000
Income tax	245,689,000
Available revenue at flat 25-percent rate	538,278,000

TAX INCOME, 1933

	Total net income reported	Tax rate	Revenue available
I. INDIVIDUAL RETURNS			
Income classes:		*Percent*	
$5,000–$10,000	$1,477,827,000	16	$236,452,000
$10,000–$15,000	559,850,000	22	123,167,000
$15,000–$20,000	310,246,000	24	74,459,000
$20,000–$25,000	226,778,000	30	68,033,000
$25,000–$50,000	621,182,000	35	217,414,000
$50,000–$100,000	394,766,000	40	157,906,000
$100,000–$250,000	240,681,000	45	108,306,000
$250,000–$500,000	81,253,000	55	44,689,000
$500,000–$1,000,000	59,511,000	65	37,682,000
$1,000,000–$5,000,000 and over	81,559,000	75	61,169,000
Total			1,129,277,000
Tax collected			372,968,000
Additional revenue			756,309,000

II. CORPORATION RETURNS (TAX INCOME, 1933)

Total net income reported	$2,506,078,279
Income tax	347,649,990
Excess-profits tax	6,266,721
Total	[1] 353,916,361
Available revenue at flat 25-percent rate	626,520,000

[1] Statistics of Income, 1928, p. 32.
[2] Statistics of Income, 1932, p. 160.
[3] Statistics of Income, 1932.

The following tables show revenue available from estate taxes:

Estate tax as source of revenue

	Jan. 1–Dec. 31, 1928	Jan. 1–Dec. 31, 1932	Jan. 1–Dec. 31, 1933
Gross estate	$3,554,270,000	$2,830,388,000	$2,060,953,000
Tax paid	$41,959,000	$23,674,000	$61,415,000
Percent to gross	1.1	0.8	2.9
Net estate	$1,992,503,000	$1,423,437,000	$828,302,000
Tax paid	$41,959,000	$23,674,000	$61,415,000
Percent to net	2.1	1.7	7.4

REVENUE AVAILABLE

	Average 25 percent	Average 50 percent	Average 75 percent
Gross estate:			
1928	$888,567,000	$1,777,135,000	$2,665,701,000
1932	707,597,000	1,415,194,000	2,122,791,000
1933	515,239,000	1,030,478,000	1,545,717,000
Net estate:			
1928	498,126,000	996,252,000	1,494,378,000
1932	355,859,000	711,718,000	1,067,577,000
1933	207,075,000	407,150,000	621,225,000

Comparison of American and European income-tax rates

[Conversion units: 1 pound=$4.86; France, 1 franc=$0.0392; Germany, 1 mark=$0.2382]

	Percent of tax to net income			
	United States	Britain	France	Germany
$1,000	0	0.88	3.38	7.90
$2,000	0	5.57	8.51	15.84
$3,000	0.07	10.38	12.20	18.11
$5,000	2.00	14.22	17.15	21.59
$7,500	3.40	16.29	22.02	26.02
$10,000	4.80	18.62	25.25	29.89
$15,000	6.80	22.95	31.26	34.46
$25,000	10.08	29.47	38.04	39.78
$50,000	17.20	39.30	47.43	45.13
$100,000	30.01	48.10	53.65	47.44
$500,000	52.72	61.58	53.93	49.49
$1,000,000	57.11	63.91	53.97	49.74

Source: New Republic, Jan. 24, 1934.

American and European death taxes

[Source: Preliminary report of Subcommittee on the Committee on Ways and Means, relative to Federal and State taxation and duplication therein (1933), p. 237]

	United States	Great Britain
$1,000	0	1
$5,000	0	3
$10,000	0	3
$15,000	0	3
$25,000	0	4
$50,000	0	5
$100,000	1.5	9
$150,000	3.33	12
$200,000	4.75	14
$300,000	6.50	17
$400,000	7.62	19
$500,000	8.50	21
$600,000	9.25	23
$800,000	10.56	25
$1,000,000	11.75	27
$2,000,000	15.77	33
$3,000,000	18.45	37
$5,000,000	22.99	41
$10,000,000	30.94	51

Conversion: £1=$4.86.

These facts and figures, and the testimony of many other experts and economists and leaders of thought can be found in the hearings on the Lundeen bill (H. R. 2827). They show conclusively that the cost of the workers' bill is well within the ability of the United States Treasury to pay, and if we will raise our income- and inheritance-tax rates to the level of the British rate, we can raise the necessary funds. I hope that Members of this House will study these facts and figures and give their support to the Lundeen workers' unemployment, old-age, and social-insurance bill (H. R. 2827).

[1] 14.1 percent.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RANDOLPH, for Saturday, April 13, on account of important business.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 6359. An act to amend certain provisions relating to publicity of certain statements of income.

ADJOURNMENT

Mr. DOUGHTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Saturday, April 13, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COCHRAN: Committee on Coinage, Weights, and Measures. H. R. 5914. A bill to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936; with amendment (Rept. No. 675). Referred to the Committee of the Whole House on the state of the Union.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. H. R. 7348. A bill to protect American and Philippine labor and to preserve an essential industry, and for other purposes; without amendment (Rept. No. 676). Referred to the Committee of the Whole House on the state of the Union.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. House Joint Resolution 27. Joint resolution providing for the extension of cooperative work of the Geological Survey to Puerto Rico; without amendment (Rept. No. 677). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WERNER: Committee on Indian Affairs. H. R. 6296. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Mary Sero Johnson (nee Mary Sero); without amendment (Rept. No. 668). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 6549. A bill for the relief of Horton & Horton; with amendment (Rept. No. 669). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 2213. A bill for the relief of Charles P. Shipley Saddlery & Mercantile Co.; without amendment (Rept. No. 670). Referred to the Committee of the Whole House.

Mr. WOOD: Committee on War Claims. H. R. 2989. A bill for the relief of Ernst Nussbaum; without amendment (Rept. No. 671). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. S. 281. An act for the relief of the Fred G. Clark Co.; without amendment (Rept. No. 672). Referred to the Committee of the Whole House.

Mr. WOOD: Committee on War Claims. S. 929. An act for the relief of the Southern Products Co.; without amendment (Rept. No. 673). Referred to the Committee of the Whole House.

Mr. WOOD: Committee on War Claims. S. 1363. An act for the relief of John A. Jumer; without amendment (Rept. No. 674). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 7478) to impose an excise tax on imported manufactures of cotton; to the Committee on Ways and Means.

By Mr. CELLER: A bill (H. R. 7479) to amend an act entitled "An act to provide for the fifteenth and subsequent decennial censuses, and to provide for apportionment of Representatives in Congress", approved June 18, 1929; to the Committee on the Census.

By Mr. MURDOCK: A bill (H. R. 7480) to define and fix the standard of value and to regulate the coinage; to the Committee on Coinage, Weights, and Measures.

By Mr. SCHNEIDER: A bill (H. R. 7481) to amend the laws relating to postal-savings depositories, increasing the limitation on the amounts which may be deposited; to the Committee on the Post Office and Post Roads.

By Mr. SWEENEY: A bill (H. R. 7482) to restore salaries of certain post-office employees; to the Committee on the Post Office and Post Roads.

By Mr. PETERSON of Georgia: A bill (H. R. 7483) to amend the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes", approved July 2, 1926, as amended, to provide additional airplanes for the use of the National Guard; to the Committee on Military Affairs.

Also, a bill (H. R. 7484) to establish a fish-cultural station at McIntosh County, Ga.; to the Committee on Merchant Marine and Fisheries.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 7485) to increase the efficiency of the Medical Department of the Regular Army; to the Committee on Military Affairs.

By Mr. VINSON of Georgia: A bill (H. R. 7486) to authorize the appointment of midshipmen from among honor graduates of "honor schools" and from among members of the Naval Reserve Officers' Training Corps; to the Committee on Naval Affairs.

By Mr. WEARIN: Joint resolution (H. J. Res. 242) authorizing the Secretary of the Treasury to adequately compensate property owners of the District of Columbia as a result of residence therein until such time as the National Capitol can be moved to the Middle West; to the Committee on the District of Columbia.

By Mr. CANNON of Missouri: Joint resolution (H. J. Res. 243) giving certain authority to the Civil Service Commission; to the Committee on the Civil Service.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, regarding the buying of farm land for reforestation, watershed protection, etc., in the State of New York; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLLINS: A bill (H. R. 7487) for the relief of Mrs. Louis J. Landry; to the Committee on Claims.

By Mr. FLETCHER: A bill (H. R. 7488) for the relief of Harry A. Shanley; to the Committee on Naval Affairs.

By Mr. GRISWOLD: A bill (H. R. 7489) granting a pension to Anna Saunders; to the Committee on Invalid Pensions.

By Mr. HALLECK: A bill (H. R. 7490) granting an increase of pension to Emma Chapman; to the Committee on Invalid Pensions.

By Mr. NICHOLS: A bill (H. R. 7491) for the relief of Ralston Purina Co. of St. Louis, Mo.; to the Committee on Claims.

By Mr. PEYSER: A bill (H. R. 7492) for the relief of Raymond Nelson Hickman; to the Committee on Naval Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 7493) granting a pension to Cora Arlena Ballard; to the Committee on Pensions.

Also, a bill (H. R. 7494) granting a pension to James A. Hoskins; to the Committee on Pensions.

By Mr. ROMJUE: A bill (H. R. 7495) granting an increase of pension to Mary L. Doze; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 7496) for the relief of William E. Jones, Walter M. Marston, William Ellery, Richard P. Hallowell 2d, and Malcolm Donald as executors under the will of Frank W. Hallowell; and Malcolm Donald as executor under the will of Gordon Donald; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6969. By Mr. AMLIE: Petition of the Common Council of the City of Racine, Wis., urging the passage and approval of the resolution to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

6970. By Mr. BUCKLER of Minnesota: Petition of Earl Geil, secretary-treasurer of the Beltrami County executive committee of the Farmer-Labor Association of Bemidji, Minn., praying for the passage of legislation which would provide that any war-time disabled man who is declared by the Federal Emergency Relief Administration to be unemployable shall be held by the Veterans' Administration as totally disabled, and his compensation revised to continue as long as he is unable to work; to the Committee on Ways and Means.

6971. Also, petition of Earl Geil, secretary-treasurer of the county executive committee of the Farmer-Labor Association of Beltrami County, Bemidji, Minn., praying for opposition and negative action of Congress to the proposed setting off of the private lands along the lake shore within the townships of Shotley, Waskish, Red Lake, Konig, and Birch Island, and adding them to the Red Lake Indian Reservation; to the Committee on the Public Lands.

6972. By Mr. GOLDSBOROUGH: Resolution of the Queen Anne's County Poultry Association, Centreville, Md., favoring House bill 5902, providing for an increased tariff on imported egg products; to the Committee on Ways and Means.

6973. By Mr. KENNEY: Petition of the Bergenfield Taxpayers and Civic Association, of Bergenfield, N. J., heartily endorsing the plans presented by Maj. L. A. Jenny, of Dumont, in cooperation with the Port of Authority for connecting northern New Jersey with the metropolitan district of New York by means of the proposed rapid-transit system; to the Committee on Interstate and Foreign Commerce.

6974. Also, resolution of the One hundred and Fifty-ninth Legislature of the State of New Jersey, requesting United States Senators and Congressmen to support the request of Governor Hoffman, and that they do present the above facts to the Federal director of emergency relief and ask for a more equitable distribution of Federal taxes paid by the people of New Jersey; to the Committee on Appropriations.

6975. Also, petition of the code authority, infants and children's wear industry, approving the recommendation of the President of the United States that the National Industrial Recovery Act be extended for an additional period of 2 years; to the Committee on Appropriations.

6982. By Mr. MITCHELL of Tennessee: Petition of the Tennessee Legislature, favoring the payment of the adjusted-service certificates; to the Committee on Ways and Means.

6983. Also, petition of the Tennessee Legislature, restricting the sale of distilled spirits in glass bottles, etc.; to the Committee on Ways and Means.

6984. By Mr. PETERSON of Georgia: Petition of the House of Representatives of the State of Georgia, urging use of stone in construction of buildings by the Public Works Administration; to the Committee on Appropriations.

6985. By Mr. PLUMLEY: Resolutions adopted at a conference of Vermont Women's Patriotic Organizations held at Montpelier, Vt., March 21, in the interests of national defense; to the Committee on Military Affairs.

6986. Also, resolution of the Senate and House of Representatives of Vermont, respectfully memorializing the Congress to give favorable consideration to House bill 7174; to the Committee on World War Veterans' Legislation.

6987. Also, joint resolution of the Vermont Senate and House, relating to extension of the Civil Service Act to include postmasters of all classes and favoring such extension; to the Committee on the Post Office and Post Roads.

6988. By Mr. ROGERS of New Hampshire: Petition of the Senate and House of the State of New Hampshire in general court convened, relative to the effect of the National Recovery Act upon the cotton-textile industry of New Hampshire; to the Committee on Ways and Means.

6989. By Mr. ROGERS of Oklahoma: Petition headed by Stephen Reeves, of Milford, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6990. Also, petition headed by Lincoln Peterson, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6991. Also, petition headed by A. E. Bohn, of Rossville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6992. Also, petition headed by Tom J. Perkins, of Kankakee, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6993. Also, petition headed by N. Jacobs, of Paris, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6994. Also, petition headed by M. Grimes, of Potomac, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6995. Also, petition headed by E. Wilson, of Watseka, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6996. Also, petition headed by John McCloskey, of Watseka, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6997. Also, petition headed by E. A. Hughes, of Hoopeston, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6998. Also, petition headed by Peter Bruck, of Momemence, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6999. Also, petition headed by Harrison Jones, of Paris, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7000. Also, petition headed by F. L. Mann, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7001. Also, petition headed by Clarence Franklin, of Alvin, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7002. Also, petition headed by A. Ross, of Ridgefarm, Ill., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7003. Also, petition headed by Robert White, of Paris, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7004. Also, petition headed by M. Whitaker, of Marvell, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7005. Also, petition headed by Harry Sizemore, of Steubenville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7006. Also, petition headed by M. C. Savage, of Barton, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7007. Also, petition headed by J. Stark, of Westville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7008. By Mr. RUDD: Petition of the Iron Moulders' Union, No. 96, of I. M. U. of N. A., Brooklyn, N. Y., concerning the Wagner bill, 30-hour-week bill, and old-age-pension bill; to the Committee on Labor.

7009. Also, petition of the International Molders' Union of North America, No. 22, Brooklyn, N. Y., concerning the Wagner bill, also the 30-hour-week bill, and old-age-pension bill; to the Committee on Labor.

7010. By Mr. SADOWSKI: Petition of Group 1547, Polish National Alliance, endorsing House bill 2827; to the Committee on Labor.

7011. Also, petition of Lodge No. 220 of the Slovene Progressive Benefit Society of Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

7012. Also, petition of 10 citizens of Detroit, Mich., endorsing the Townsend plan of old-age revolving pensions; to the Committee on Labor.

7013. Also, petition of Lodge No. 144 of the South Slavonic Catholic Union, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

7014. By Mr. TONRY: Petition of employees of the Pilgrim Laundry, Inc., Brooklyn, N. Y., who reside in the Eighth Congressional District, protesting against the enactment of the Wagner labor-disputes bill or any other similar measure; to the Committee on Labor.

HOUSE OF REPRESENTATIVES

SATURDAY, APRIL 13, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Merciful God, our Father, we thank Thee for the disclosure of divine love, which is the most transcendent power in the world. We pray that pride, vanity, and selfishness may be subservient to it, and may it inspire in us the true life and the best self. We would be men who search for hidden treasure and for spiritual knowledge, which are more to be desired than much fine gold. The revelation of our divine Teacher has taught us that because God lives, man shall live also; oh, wondrous words telling us that God is eternal and man is immortal; we praise Thee, most gracious Lord! As we pass this way, enable us to render sweetness for prejudice, prayers for hatred, gentleness and helpfulness to all. May we heed the great command, with which the whole creation is vocal, yet speechless and silent, "Whatsoever thy hand findeth to do, do it with thy might." Hold us to the good work of life until we can toil no more—then let us appear in Zion, before God. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6021. An act to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House thereon, and appoints Mr. BULKLEY, Mr. WAGNER, Mr. BARKLEY, Mr. MCADOO, Mr. TOWNSEND, and Mr. STEIWER to be the conferees on the part of the Senate.

DISCRIMINATION AGAINST THE USE OF BARRELS AND KEGS IN THE DISTRIBUTION OF DISTILLED SPIRITS

Mr. TURNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a house joint resolution passed by the General Assembly of the State of Tennessee.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TURNER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following joint resolution passed by the General Assembly of the State of Tennessee:

House Joint Resolution 26

Whereas the codes for the alcoholic beverage industries as well as Treasury Department regulations restrict the distribution and sale of distilled spirits to glass bottles; and

Whereas the wooden barrel and keg were the standard containers for distilled spirits for more than a hundred years before prohibition; and

Whereas the manufacture of staves, heading, barrels, and kegs is one of Tennessee's most important industries; and

Whereas the demand for wooden barrels and kegs has been drastically curtailed by restrictions which prevent their use as containers for the distribution and sale of distilled spirits; and

Whereas thousands of men in this State who would be employed in the woods, in hauling timber, in stave and heading mills, and in barrel plants have been thrown out of employment because of the lack of demand for barrels caused by these regulations; and

Whereas the farmers of our State who had planned to sell their oak timber to stave and heading mills to obtain funds to tide them over the drought and the depression have been unable to do so because of the lack of demand for barrels caused by these regulations; and

Whereas these regulations which restrict the distribution and sale of distilled spirits to glass bottles have unfairly discriminated against a prominent industry of Tennessee, with severe injury to the industry, to its employees, to farmers interested in the sale of their timber, and to the State as a whole: Therefore be it

Resolved by the General Assembly of the State of Tennessee, That we hereby go on record as positively opposed to any regulations or laws which discriminate against the use of barrels and kegs in the distribution of distilled spirits; and be it further

Resolved, That the General Assembly of the State of Tennessee hereby go on record as favoring the immediate amendment of such codes and regulations as discriminate against the use of barrels and kegs in the distribution and sale of distilled spirits; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, to the Tennessee delegation in Congress, to the Secretary of the Treasury, and to the Director of the Federal Alcohol Control Administration.

I, Bert C. Dedman, chief clerk of the House of Representatives of the Sixty-ninth General Assembly of the State of Tennessee, do hereby certify that the foregoing is a true and exact copy of House Joint Resolution 26 adopted by said general assembly.

BERT C. DEDMAN,
Chief Clerk House of Representatives.

THE NYE-SWEENEY BILL

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech I made in New York City on April 11 on the monetary question.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SWEENEY. Mr. Speaker, under the leave to extend my remarks in the RECORD I include a speech delivered by me at the Third Monetary Conference, under the auspices of the

Sound Money League, held in New York City at the Barbizon-Plaza Hotel on April 11, 1935, as follows:

Mr. Toastmaster, ladies and gentlemen, permit me at the outset of this address to express my appreciation of the invitation to discuss with you this evening some features of the Nye-Sweeney bill, now pending before the Seventy-fourth Congress of the United States, which seeks to create a central bank to be known as the "Bank of the United States of America."

The invitation came to me from the former United States Senator, Robert Owen, chairman of the Sound Money League. I join with your distinguished toastmaster, Mr. Amos R. E. Pinchot, in paying tribute to Senator Owen, who in 1913, as a Member of the United States Senate, played a conspicuous part in the organization and development of our present Federal Reserve System. The Senator is one of the foremost authorities on our present monetary system. His endorsement of the Nye-Sweeney bill gives hope and encouragement to those of us who seek the destruction of the control of a few individuals over a privately owned banking system and its replacement by restoring to Congress its constitutional power to issue money and regulate the value thereof. We are certain the Senator will continue to display, as he has in the past, the energy and force which is so characteristic of his activity in the direction of sound monetary reform.

In discussing the monetary system of the United States of America, I do not do so in the capacity of an economist or a profound student of our present monetary system. I have approached this problem as an ordinary layman, believing as I do that the problem is one that affects the great mass of our people who are figuratively surrounded by a veil of mystery with respect to the so-called "money question."

There is nothing so sacrosanct or mysterious about our monetary system that forecloses the right of an ordinary layman to lift the veil and ascertain the reasons for its failure and its contribution to the present depression that we have experienced since the debacle of 1929.

I think I can say confidently that the eve of a new deal in our monetary situation is at hand. I have introduced in the House of Representatives the bill sponsored by the National Union for Social Justice and supported by the National Monetary Conference, Sound Money League, the Farmers National Union, and other organizations, to take the place of a banking system which has lost its primary function.

The facts prove this. The need of business men proves it. I have felt the pulse of my district in Ohio, as when the Thomas amendment was up a year ago. About that time the voice from Royal Oak, Mich., was on the air, urging that the listeners get in contact with their Senators and Congressmen in an effort to supply business with more money for its transactions. I received in one week 10,000 letters that came to me, urging me to support the Thomas amendment. They came in, not from bankers, not from professional men, but from small business men and those who work in shops and factories.

They had felt the dearth of money. The workers had been bereft of their purchasing power; the business men had been bereft of customers. This condition has persisted during the first 2 years of the Roosevelt administration. I say that the banks had lost their function; and that function is the accommodation of business with the money it needs for its transactions. Such accommodation is customarily supplied by this defunct or dying banking system by creating the accommodation with book figures, and accepting, as collateral, a larger sum in the form of securities pledged by the borrower. Up to the time of the depression in 1930 the banker has felt warranted in creating this new deposit money, subject to check, on the assumption that the collateral put up was "liquid"—that is, could be turned into money enough to satisfy the loan if the borrower failed to pay it.

Events have proved beyond any doubt whatever that this assumption is false. The new deposit money loaned, and backed one and one-tenth by the capital and surplus of the bankers, could not be liquidated by drawing on that capital and surplus, and it could not be liquidated by drawing on the collateral put up by borrowers.

Events have shown in the most conclusive manner that the billions of dollars of loans thus created by the banks with pen and ink were supported only by thin air. When they were called by wholesale, thus producing the depression, the values of the collateral put up vanished into thin air. The values of the properties and enterprises and skills making up the vast wealth of the United States, and amounting to 369 billions of dollars in 1929, disintegrated and disappeared until now they amount to only $200,000,000,000. The values of real estate, of the homes and buildings of the people and of business were, through the process of foreclosure, cut in half and then cut in half again. The whole credit structure based upon the theory of "liquidity" of collateral securities crumbled, until the banking institutions founded upon this theory failed to fulfill their prime function of supplying to American business the liquid funds needed to carry on its operations from day to day.

When the basic function of an institution becomes paralyzed, and when that institution underlies the whole fabric of a nation's wealth and business, the time for its replacement has come. The newspapers tomorrow will, in their headlines, declare that this is a meeting of inflationists. Their reports will state that our object is inflation of the Nation's money system, meaning an unjustified expansion of money and credit. The usual editorial comment upon conferences of this nature is that they are to aid and abet an administration which has already taken measures of inflation, and that our object is to intensify such measures.

What are the facts? There has been no inflation whatever during the first 2 years of the "new deal"; there has been no expansion of the medium of exchange. Instead, there has been a steady and uninterrupted contraction of the medium of exchange, a persistence of the influences of denial to American business which have brought about this depression.

Last week, on April 6, the Federal Deposit Insurance Corporation at Washington published figures which bear out this assertion.

The first consolidated statement of the Federal Deposit Insurance Corporation as of June 30, 1934, showed that the loans and discounts, including overdrafts of all insured commercial banks and trust companies of the United States, amounted to $15,000,000,000. The statement of April 6 shows that at the end of December 1934 the sums of loans and discounts, including overdrafts, had shrunk to $14,500,000,000, while the holdings of United States Government bonds in all commercial banks and trust companies had increased from $9,707,976,000 to $10,502,606,000.

This is the latest evidence of the continued contraction of the medium of exchange of the American people, which consists chiefly of bank deposits created out of loans and of the freezing of monetary assets of the banks in investments in interest-bearing, tax-exempt Government securities. It bears out the continued record of the Federal Reserve bank charts on bank credit and currency; this shows that the body of loans, demand and time, of all banks in the United States, which started on their toboggan slide in October 1929 from forty-two billions to twenty-two billions, have continued their descent after President Roosevelt came into office March 4, 1933, until the present day.

Talk with any banker. He will tell you that the calling in of loans has proceeded to the furthest extent that they could be liquidated; that the short-term loans on which the structure of circulating demand bank deposits is built have had to be constantly renewed, and have become involuntarily long-term loans, the collateral of which has fallen in value and cannot be realized upon to satisfy them. Otherwise they would be further liquidated and business would be further crippled.

This is true, notwithstanding the statement put out near the close of 1934 by the Association of Reserve City Bankers, through their president, Lyman E. Wakefield.

Mr. Wakefield declared that the banks of this association, which held about thirteen billions of deposits, had extended credit "lines" totaling over $6,000,000,000, of which only two billions was being used. Mr. Wakefield omitted to state that these lines of credit were extended to only a few great business corporations, such as General Motors, which did not need banking accommodations, and that had they been in dire need the lines of credit would not have been extended to them. That is, the commercial banking system of the United States can grant credits only to the most "liquid" businesses which have cash accounts in the banks in sums sufficient to meet all or more than all their needs.

This is the fatal defect in the banking system, by virtue of its being founded upon promises to pay on demand money which the banks have not got, on the theory that they can get it by converting collateral pledged into money. Because of such defect the Nye-Sweeney bill proposes that the commercial banking system be reorganized; that, instead of the required 10-percent reserve behind demand bank deposits, which has been proved to be totally inadequate, the banking system shall be supplied with 100-percent reserves. By this provision, the fear on the part of the bankers that they cannot pay 100 percent of their deposits upon demand, and therefore they will not lend, will vanish.

The bill authorizes the setting up of a bank of the United States of America, consolidating the 12 Federal Reserve banks as owned by the Government under a board of 48 directors elected from the 48 States, and authorized to take over the capital assets of the 12 banks now owned by the member banks, paying for them in legal-tender currency. It further authorizes the issuance of legal-tender currency in exchange for bonds of the United States Government equal to 100 percent of the deposits of all banks that are subject to check and payable on demand, and to 5 percent upon all time deposits, including savings and investment deposits.

This is not an inflationary measure. Every dollar issued for the purpose of creating a 100-percent reserve for the circulating medium of exchange will be retained in the vaults or on the books of the proposed bank of the United States, and not one dollar supporting such demand deposits will be circulated except upon a demand that will retire an equal amount of the deposits subject to check.

There is no inflation or expansion in this measure, in itself considered; but a justified expansion of demand bank deposits is authorized by the bill according to a mandate contained in the bill restoring to Congress its power to coin money and regulate the value thereof, according to the existing and growing capacity of the Nation to balance an added circulation of money with an added and continuous flow of goods and services upon a stable price level restored to the purchasing power of the dollar as of 1926.

It seems to me that a propitious opportunity presented itself to the present administration to exercise control over its monetary system at or about the time of the declaration of the bank holiday. This was a courageous act on the part of the administration, and for every remedial step in monetary reform accomplished to date those of us who are interested in seeing these corrections made are gratified.

The recent public announcement that the Treasury Department is about to retire the $675,000,000 of Panama Consuls; that the

national banks are to be denied in the future the opportunity to issue their own currency, or what is commonly called by some counterfeit currency, and the added announcement that the Treasury Department contemplates the retirement of the first and second Liberty loan issues. This information is pleasant to those of us who have lived in expectation of modern monetary reform, and we commend the present administration for its efforts in this direction. We feel, however, that the evils that surround a monetary system controlled exclusively by private interests can only be removed by the restoring to Congress its constitutional power to issue money and regulate the value thereof. To this end the Nye-Sweeney bill provides for the creation of a Government-owned central bank, a bank which will be a bank of issue, which will be the sole fiscal agent of the Government of the United States, which will be the central depository of the reserves of all the commercial banks of the United States.

It proposes no new principle. The idea of a central bank in America is as old as Alexander Hamilton's first bank of the United States, established in 1791 with a charter that extended through 20 years and which was renewed in 1816 for a second period of 20 years. Though 80 percent of the stock of both of those banks were privately owned, the idea of a central bank lasted for 40 years of our history.

The fundamental principle embodied in this bill is the principle of democracy in banking. Economists, monetary experts, and laymen alike know to our sorrow what private banking—what banking under the control of private individuals—has done for this Nation. President Andrew Jackson, time and time again, gave expression to his fear of the results of the political control of banking.

I have called your attention to the establishment of the board of 48 directors elected from the various States. We have provided in this bill for the management by a board of 48 individuals, elected 1 from each State by the people thereof—a board modeled after the Senate of the United States, and which will have as active managers an executive committee of 7, and it is contemplated that this board will establish a branch bank of this central bank in every State of the Union. The object, frankly, is to break the concentrated power over money and banking which centers in the control of a little group of men in Wall Street.

Under the terms of this bill we propose to establish a uniform system of paper currency in place of the seven types of paper currency now in circulation in the United States; to wit, the Federal Reserve bank notes, Federal Reserve notes, gold certificates, silver certificates, national-bank notes, Treasury notes, 1890, and United States Treasury notes. Further, to provide for the purchase of all stock in the Federal Reserve banks and the nationalizing of this institution.

I have made a reference to the proposed requirement that demand deposits shall be secured by a 100-percent reserve. This will destroy a condition which the law permits today through the Federal Reserve System, whereby a bank can lend $1,000 in credit money for every $100 placed on deposit in currency. In 1929, when we boasted that we had fifty-eight billion of deposits in the banks of this Nation, we realized that that $58,000,000,000 was not money in the sense of currency, for there was never a full billion dollars in actual currency in the vaults of the banks of this Nation. The approximate $58,000,000,000 merely represented the right to withdraw fifty-eight billion, though the fifty-eight billion never existed.

Another principle approached in the bill is the requirement that our currency be so regulated through this proposed central bank that a dollar of our money, whether currency or credit, will represent from year to year and from generation to generation an equitable and stable buying power, freeing us from those periods of expansion and contraction, of inflation and deflation, such as the present, with their economic and financial destruction.

That there is a need of expansion of currency is amply demonstrated by the tremendous vote recorded by the House of Representatives in passing the Patman bill (H. R. 1), providing for the payment of adjusted-service certificates of veterans of the last World War.

This measure has been heralded far and wide as an inflationary measure. As you know, it provides for the payment of this obligation by the issuance of Treasury certificates in lieu of a bond issue. When this measure was proposed in the Seventy-second Congress, providing for the payment of these certificates by the issuance of Treasury notes, the opponents of this legislation called it a highly inflationary measure, and asserted it would throw us off the gold standard. We have been off the gold standard some time now, and the country has not gone to the eternal bow wows, as the false prophets intimidated in opposing any expansion of currency.

In his recent publication entitled "Inflation Ahead, What to Do About It", Mr. W. M. Kiplinger, eminent business writer and journalist, asked the questions, What is inflation? What is meant by inflation?

"Economists have various technical definitions, varying in many of the details. They all agree that inflation consists of the increase of the volume of money (currency or bank credit) beyond the normal needs of business at the particular time, plus active will of business to use the money. We already have the first condition—more money than business is using. We are approaching the second condition—the will to use it."

Mr. Kiplinger also asked the question, Can inflation be controlled?

"Yes; it can be controlled by various Federal Reserve measures and other powers involved in centralized control of credit, to be discussed in subsequent letters. But will it be controlled? Will the Government have the courage to put on the brakes at the future time when things seem all rosy? This must remain an open question. It can't be answered. There may be danger ahead in 1939 or 1940—a reaction from the inflation—another depression. Must always figure on this as a possibility."

The Patman bill referred to provides the necessary control, designating that power to the Secretary of the Treasury to contract the currency if in his judgment there appears to be undue inflation. I repeat that the vote—318 to 90—in the House of Representatives in passing the Patman bill on March 22, 1935, is indicative of the sentiment of the country and a mandate that if this obligation is to be met at this present session of Congress an expansion of the currency is necessary to pay this obligation. The House of Representatives has definitely committed itself against the payment of these certificates through the issue of tax-exempt, interest-bearing bonds.

We have strayed far afield from the control of our monetary system with the establishment of the Federal Reserve System in 1913. It remains for the people of the United States to take this problem in its hands and assist the constitutional power of Congress to issue money and regulate the value thereof.

In view of our experience of recent years, it appears to me as a layman that it is absolutely repugnant to continue the monetary system of the country in the hands of any private agency. The Bank of the United States of America, which is contemplated to be created by the Nye-Sweeney bill, places the absolute and final control of this institution in the hands of the United States Government.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair desires to announce for the information of the gentleman from North Carolina and the gentleman from Massachusetts that the gentleman from North Carolina has consumed 3 hours and 35 minutes, and has 6 hours and 25 minutes remaining. The gentleman from Massachusetts has consumed 2 hours and 49 minutes and has 7 hours and 11 minutes remaining.

Mr. TREADWAY. Mr. Chairman, I yield 20 minutes to the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, judging from the overwhelming multitude of Members here this morning, it would seem that the House is deeply and profoundly interested in this legislation.

Mr. TREADWAY. Would the gentleman like to have a better audience? I think he deserves it. Mr. Chairman, I make the point that there is no quorum present.

Mr. EATON. We have quality if we have not quantity.

The CHAIRMAN. The Chair will count. (After counting.) One hundred and one Members are present—a quorum.

Mr. TREADWAY. After the delay in counting a quorum, I think we should make sure that the Members stay with us. I think we should have a quorum all day on Saturday.

Mr. EATON. Mr. Chairman, all I can say is that I shall stay here if the rest will.

Mr. MARTIN of Massachusetts. Mr. Chairman, we have not a quorum now, and I make the point of order that there is no quorum present.

The CHAIRMAN. No business has transpired since the Chair counted a quorum.

Mr. MARTIN of Massachusetts. The gentleman from New Jersey started to talk.

Mr. EATON. I made one illuminating remark, Mr. Chairman.

The CHAIRMAN. The Chair will count again. (After counting.) One hundred and three Members present—a quorum.

Mr. MARTIN of Massachusetts. Mr. Chairman, I question the count.

The CHAIRMAN. The Chair has ruled differently.

Mr. MARTIN of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion of the gentleman from Massachusetts that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 17, noes 83.

So the Committee refused to rise.

The CHAIRMAN. The gentleman from New Jersey is recognized for 20 minutes.

Mr. DOUGHTON. Mr. Chairman, before the gentleman from New Jersey begins, I call attention to the fact that, notwithstanding the point of no quorum being raised by a Member of the minority, there is barely a baker's dozen present on that side, while we have a large number present on the Democratic side.

Mr. EATON. Mr. Chairman, before proceeding with my remarks, I wish to congratulate our distinguished Chairman on his mathematical gift. He is the chairman of my committee, and I have great affection and regard for him. I am glad that he has assisted in having one or two of these vacant pews filled.

In this proposed legislation, since there is only a scattering remnant of the House of Israel here this morning, I assume that those who have sufficient interest to follow me will pay attention to what I am going to say. I do not believe in the history of this Congress that a more difficult or more important piece of legislation has been presented to this House for its consideration. I am in favor, as I believe every man and woman in this organization is, of facing the problem of old-age pensions for the people of this country and making at least an intelligent effort to adequately solve it. I do not believe that any legislation, however well considered at this time, even though it professes to be permanent in form, will reach into the heights and depths of that great and pressing problem and finally solve it; but I am satisfied that we are making some attempt in this bill to face the situation and to begin a solution of the problem. Personally, I am deeply disappointed that the great Ways and Means Committee has not brought in by itself, separate and distinct from all other considerations, a single old-age-pension bill, open to discussion and amendment, supported by the public opinion of this Nation and susceptible of laying the foundation for a permanent solution of that great problem. As it is now, this bill contains what to my mind are some of the most dangerous and contentious provisions ever introduced before this House. These matters ought to come before us as separate bills and be discussed and voted upon each on its own merits.

I am in favor of an adequate old-age-pension proposal. By adequate I mean provisions that will insure to our worthy aged citizens a decent and honorable subsistence absolutely divorced from the taint of pauperism. I do not think the pension contained in this bill is adequate and I do not think it will satisfy the countless millions of our dear old folks who have been misled and disturbed by various people seeking personal advantage, some of them, and some of them absolutely sincere in their leadership; but it is a beginning, and if we will take the rest of the bill out, the obnoxious, unrelated, and burdensome features of annuities and unemployment insurance, and leave in those provisions made more adequate that have to do with ministering to human needs, both in childhood and old age, I am sure it will receive strong support from every portion of this House, and I would be glad to support it myself.

In this country at the present time we are suffering, as the rest of the world is, from a mental and moral collapse. There is nothing wrong with America except that the people have gone wrong morally. We had a great test in the 10 years of our prosperity, which we are accustomed on our side to attribute to the Republicans, and which you on the Democratic side are accustomed to attribute to luck; but we had a great and searching test of the moral stamina of our people in prosperity. While adversity has never yet been able to destroy us, with prosperity we plunged into a condition of extravagance, self-indulgence, materialism, and bye and bye wild speculation which carried us like the swine in the scriptures over the precipice, and now we are wallowing in the gloom of a great moral and intellectual collapse, and nobody can reasonably expect to see any permanent relief or solution of our problems until the people themselves, from center to circumference in this country, have acquired the practice and power once more of sound moral judgment and intellectual weighing of issues leading to a decision to do right when it is right because it is right, and not because some law has been placed on the statute books here in Washington, which substitute a policeman for personal conscience and the supervision of a bureaucrat for intelligent self-control, self-reliance, and self-direction on the part of the citizen.

Mr. Chairman, I read in the testimony before the Senate on the economic bill two amazing statements. One comes from the economic council, appointed by the President:

> The one almost all-embracing measure of security is an assured income. A program of economic security, as we vision it, must have as its primary aim the assurance of an adequate income to each human being in childhood, youth, middle age, or old age—in sickness or in health.

That sounds like the marriage ceremony—

> It must provide safeguards against all of the hazards leading to destitution and dependency.

Now, listen to this. One of the witnesses before the Senate committee made this statement:

> There is only one honest thing, as every member of this committee knows, for any administration to do, and I don't care whether it is Republican or Democratic, Communistic, or Socialist. The Federal Government, or the so-called "government" of every country, has to maintain its people.

Mr. Chairman, you place your finger there upon the central weakness of our thinking today. What is the Government, and where is it going to obtain resources to maintain its people? No dollar that any government spends has any other source except in the sweat and toil of brain and brawn of its wealth-producing people. There is no other possible source from which the Government can secure a supply of money to maintain its people. And as for the hazards of life, Mr. Chairman, how are you going to avoid hazards? They are the essence of life. There will not be a blade of grass grow to maturity this summer that does not have to fight for its existence every moment.

There will not be a bud on a tree that will come to fruition unless it has to fight for its life. Every man from the cradle to the grave faces hazards every day that no government, no legislation, no possible philanthropy can ever remove. First of all, there are the hazards of babyhood. Then babies grow to manhood and go to college and are denuded of their native intelligence. [Laughter.] Then, when you go down a little further in the scale of life and lose your job, you have the hazard of being taken over by Mr. Hopkins and induced to go "boondoggling", which I would consider the greatest hazard that has ever intruded into the life of a young man. Then you get married, and look at that for a hazard. By and by you are the victim of disease; of the inroads of age; of your own stupidities and poor judgment; of accident and climatic changes. This is a crazy notion, as expressed in a lot of this new-deal legislation, and accepted by increasing numbers of our people, that somehow, by some legerdemain, the Government of the United States can make it impossible and unnecessary for any of its citizens to face any difficulty, to run any risk, to bear any burden, but to be assured an income in youth, childhood, and old age, and even after they die. The thing is absolutely absurd.

I am opposed to this bill in all of its parts except those that have to do with that immediate ministering to human needs among young and old which is clearly the duty of society as a whole. I am especially opposed to it in the part that has to do with unemployment insurance in industry. I think I can speak with some authority on this subject, because I have spent the last 18 years of my life in the industries of this country, based upon the belief that industry has become the chief instrument of modern civilization, and unless

industry in some way is permitted to function and solve its problems by its own initiative and in accordance with its own nature I do not see how civilization can escape final collapse. I admit with sorrow the failure of industrial leaders in the past to face the social implications of their job. They have been deluded, like everyone else, by the notion that a part is greater than the whole. But this ought not to involve capital punishment for all industry, nor does it justify turning all industry over to the control of politically minded bureaucrats.

I am shocked at the threat to industry contained in this bill. It amounts to a tax of 9 percent on the already overburdened industry of our country.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. EATON. Yes; I yield.

Mr. VINSON of Kentucky. The gentleman does not understand there is any 9-percent tax for unemployment insurance, does he?

Mr. EATON. No; but you have got a tax for annuities on the employee and the employer, and you have unemployment insurance taxes which ought to be shared in by the employer as well as by the employee. This principle obtains in every country that has tried the plan and is embodied in the program proposed by various States of our country. Why do you not bring in a bill after a year's further study covering the problem of unemployment insurance? This question is so vital and far-reaching that it ought to be considered by itself.

Mr. VINSON of Kentucky. I think if the gentleman will investigate, he will find that the study of unemployment insurance in this Congress began about a year ago. A subcommittee of the Ways and Means Committee held hearings. Then the matter was referred by the President to his Economic Security Committee, and they studied it for 6 months. Then the Ways and Means Committee have had it for about 3 months in this session. So that if you will add that all together you will find that the question has been studied for about a year.

Mr. EATON. I have been working on it in the industries for the last 18 years, and so far as I know only here and there has any industry been able to set up a solution that amounts to anything. Of course, all the political mind needs to do is to pick up a great complex structure like our national industrial and economic life, which took 300 years to create, pass a law, rub the Aladdin's lamp, and behold the millenium has come.

Mr. VINSON of Kentucky. Did I understand the gentleman to say he had been in industry for 18 years?

Mr. EATON. That is correct.

Mr. VINSON of Kentucky. I thought the gentleman had been representing a district in New Jersey for the past several years.

Mr. EATON. I have had that honor, I am proud to say, but is there any crime about being associated with the wealth-producing forces of this Nation? I own a farm and I raise cabbages. Is that wicked?

Mr. O'CONNOR. How about the corned beef?

Mr. EATON. I have suggested corned beef and cabbage. Our Irish friend rises at once to the bait.

Mr. TREADWAY. Will the gentleman yield to me?

Mr. EATON. I yield with pleasure.

Mr. TREADWAY. I understood the gentleman had been watching the development of these various welfare factors over some period of years, and is rather somewhat of an expert.

Mr. EATON. Well, I do not claim to be an expert on anything any more.

Mr. TREADWAY. But has the gentleman seen this morning's paper, as to the result this bill will bring?

Mr. EATON. I regret that I have not.

Mr. TREADWAY. May I inform the gentleman?

Mr. EATON. I would be delighted to be illuminated.

Mr. TREADWAY. Here is an item appearing to be written as the result of a press interview with the President of the United States on yesterday, and the President is purported to have said that "unemployment insurance and old-age pensions go hand in hand, and together would ultimately answer the problem of balancing the Budget." Is that not a new discovery, that this enormous tax on industry will eventually balance the Budget? Would the gentleman kindly explain what line of argument the President of the United States must have had in mind to offer that suggestion as a method of balancing the Budget?

Mr. EATON. The only argument that he had in mind, in my judgment, is the firm conviction that in this country one is born every minute, and sometimes there are two. [Laughter.]

Mr. TREADWAY. Then, if I may still further interrupt the gentleman, on the second page of the same paper, from which I have just read, is a newspaper account of how, "with a twinkle in his eye, he took a stand shoulder to shoulder with his right-wing critics in spurning a pair of amendments proposed to the social-security bill in the House", which were to strike out those items, and then he goes on to say that the second one continues this balancing the Budget proposition. So that evidently we have a great deal of evidence from the other end of Pennsylvania Avenue that we now have a method of balancing the Budget by spending $2,800,000,000 more.

Mr. EATON. The most important item in that report, in my judgment, is the twinkle in his eye.

Mr. TREADWAY. I think so, too. [Laughter.]

Mr. EATON. Mr. Chairman, I do not know what the prospect is for taking out of this bill the vital portions that have to do with old-age pensions and assistance to crippled children and leave these tremendous economic questions that have to do with our complex industry for future study, even though the Ways and Means Committee have spent fully 3 months on this, as I understood the gentleman to say.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. FITZPATRICK. Our distinguished colleague from Massachusetts referred to the newspaper as authority for the President's statements. I wonder if the gentleman saw also Dun & Bradstreet's report that the greatest prosperity in the history of our country is now approaching under the present administration.

Mr. EATON. Will the distinguished and kindly gentleman from New York lift the veil and show us where it is?

Mr. FITZPATRICK. It is in the morning's paper; the gentleman is going by the newspaper report.

Mr. EATON. And the gentleman from New York is going by Dun & Bradstreet.

Mr. FITZPATRICK. What does the gentleman from New Jersey think about Dun & Bradstreet?

Mr. EATON. I have no brief for Dun & Bradstreet.

Mr. FITZPATRICK. But the gentleman is familiar with business. They get business pretty straight, do they not?

Mr. EATON. I used to be familiar with business when there was any. How far off is this prosperity? Is it just around the corner?

Mr. FITZPATRICK. What about the income taxes for 1934, 40 percent greater than for the previous year?

Mr. EATON. The reason for that is that this administration has enough snoopers and tweezers to force the taxpayers to cough up. [Laughter.]

Mr. FITZPATRICK. To make them honest! [Applause.]

Mr. EATON. Yes; if that is your idea of honesty.

Mr. O'CONNOR. Mr. Chairman, if the gentleman will yield, the gentleman answered his own question. A few years ago the gentleman's party said that prosperity was just around the corner. When we took office on March 4, 1933, there was not even the corner left.

Mr. EATON. And now you propose to have a corner on prosperity.

I am thankful for all these helps as I go along. [Laughter.]

Mr. Chairman, I think we stand today in this country at the crossroads of a great decision which transcends all parties, all sections, and all interests; and this decision is whether we are going to choose American organized industry as the instrument for the solution of these tremendous, far-

reaching problems, or whether we are going to resort to some modified form of Russianism and attempt to solve these problems by government. Now, you might as well face this issue; it is here. Before the new deal came in the gentleman from New York was different, my beloved friend O'CONNOR, whom I used to instruct when he was young, but who has wandered far from my instructions, I regret to say, although he still retains his pulchritude and affectionate nature. [Laughter.] He made some statement to the effect that political parties were responsible for depressions and for recovery. If we ever get out of this, no political party will do it, especially no Democratic Party, because we have none any more. You have not been within shooting distance of your platform since the first few months after the President came in. You have been acting as the representatives, the tool, of a non-American institution known as the new deal. And the ultimate aim of the new deal is to place all American industry, business, and individual liberties under the control of Government here in Washington. We have no Democratic Party and we have no Republican Party functioning as such in an American way. We are in a state of suspense awaiting to see what under heaven's name is going to happen to the country and to our Government.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, in view of the aid the gentleman has had from the other side of the House in his speech, I yield to him 15 additional minutes. [Applause.]

Mr. EATON. It seems incredible to me that 20 minutes have gone. I have hardly got within speaking distance of what I want to say. [Laughter.] Mr. Sam Jones used to say that some people stuck to their text when they preached, but that he stuck to his crowd. I would be glad to do that, if I had a crowd to stick to this morning.

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. EATON. With pleasure to the gentleman from California.

Mr. HOEPPEL. Inasmuch as the gentleman has 15 minutes, I hope he will use this time not to criticize the new deal but to tell us what he and the Republican Party would do if they were in power today. [Applause.]

Mr. EATON. Now, just think of that! [Laughter.]

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. EATON. Certainly; I feel highly honored.

Mr. TRUAX. I thank the gentleman. A while ago the gentleman from New Jersey quoted the distinguished Sam Jones. I wonder if the gentleman recalls a statement or phrase that the Reverend Jones used namely:

It is always the hit dog that yelps loudest.

I presume, from the fact the industrialists are yelping loudest, that they are the ones hit by certain features of this bill.

Mr. EATON. Does the gentleman wish to draw a comparison between the yelps of politicians and industrialists?

Mr. TRUAX. No; I am talking about industrialists. I understood that the gentleman was an industrialist.

Mr. EATON. Well, the gentleman's understanding, as usual, is about 90 percent off. [Laughter.]

Mr. TRUAX. The gentleman admitted it; the gentleman just said that he was associated with industry for 18 years.

Mr. EATON. But I have not represented the wicked capitalist. I have represented the down-trodden and the oppressed workingman in whom the gentleman is interested.

Mr. TRUAX. I am glad to hear the gentleman say that, and I hope he will confirm that statement now.

Mr. EATON. What statement?

Mr. TRUAX. That the gentleman represents the down-trodden workingman.

Would the gentleman favor a resolution to the effect that all Members of Congress should devote their full time to their work as Members of Congress, for which they are well paid, in my humble judgment?

Mr. EATON. Except for the quorum calls. [Laughter.] Now is the gentleman exhausted?

Mr. TRUAX. For the present, temporarily; but I hope to come back.

Mr. EATON. Does the gentleman feel that he may recover within 15 minutes?

Mr. TRUAX. Possibly so.

Mr. EATON. Mr. Chairman, after being led astray by these tempters, I now come back to the real issue in this bill. It is just one more block in the way of recovery, one more power to create uncertainty and anxiety in the minds of American business. I recognize the faults of industrialists. The gentleman from Ohio, my dear old State, which has gone crazy by going Democratic in recent months, speaks of the industrialists as if they are very wicked. They are like politicians. They have a streak of fat and a streak of lean, but if you take the industrialists out and stand them before the wall and destroy them, what is going to happen to the politicians? What is going to happen to the Nation?

Mr. TRUAX. Will the gentleman yield?

Mr. EATON. Just for one chapter.

Mr. TRUAX. I may say to the gentleman from New Jersey that I am not a politician. I formerly was a hog raiser.

Mr. EATON. I can believe that. [Laughter.]

Mr. TRUAX. Until the hog prices were wrecked by the gentleman's administration. Will the gentleman yield further? I am sure he will get some more time and I would like to finish my statement. After the Republican Party did just what the gentleman said we are doing to the industrialists, namely, put all the farmers out of business for 12 years, I still think all the more of the four-legged hogs on my farm.

Mr. EATON. I am glad to see brethren dwell together in unity. [Laughter and applause.]

Mr. Chairman, this frivolity is very disconcerting. I apologize if the gentleman takes that bad.

Mr. HOEPPEL. Will the gentleman yield?

Mr. EATON. Can I get more time?

Mr. TREADWAY. How soon will the gentleman begin his main speech?

Mr. EATON. That will depend on the number of interruptions on this side.

Mr. TREADWAY. I am sure my colleague wants to be courteous to both sides of the House, but I think he has been very generous in yielding so far.

Mr. EATON. I have enjoyed it.

Mr. TREADWAY. If he wants more time for his own speech, I will be glad to yield the time to him when he has finished with the gentleman from California.

Mr. EATON. That would be rather indefinite.

Mr. HOEPPEL. I would like to have the Members of the House informed as to what the gentleman would do, and what the Republican Members of Congress would do, to get the country out of the depression if they were in charge of the administration of its affairs, as are we Democrats. I would also like to ask the gentleman if he is in favor of Mr. Hoover's ideas on the gold standard?

Mr. EATON. That is too large a dose for one swallow. Mr. Hoover's ideas on the gold standard I leave to experts like the gentleman from California. But what would we do if we did what the country needs to have done for it? This new-deal administration is piling up debts which, with all this legislation that is now going through removing hazards from human life and the like, will involve an absolute and necessary tax every year on the industrial and productive wealth of this Nation of between seven and ten billion dollars and there is no escape.

Mr. Chairman, the first thing we would do, or will do, when we come in power next year, is to take an ax and chop out the upas tree of bureaucracy which has been overlaid on the industry of this Nation by the new deal to an extent never equaled in its history.

Mr. McFARLANE. Did the Republican Party ever do that when they were in power? If so, name the date.

Mrs. KAHN. Yes.

Mr. EATON. The gentleman has an answer to the question by the gentlewoman from California.

Mr. McFARLANE. I would like an answer from the gentleman. He has the floor.

Mr. EATON. The gentleman is very kind to make that suggestion.

Mr. Chairman, if and when the Republicans are in power, we would undertake to balance the Budget. We have heard of that phrase before. We would not do it by means of double-barreled bookkeeping, in which one set of books is fixed up so that it matches the income, and the other set of books is built up like the fellow that shingled his roof on the fog—nobody knows what it means. Then we would cease wrapping American industry in the graveclothes of brainless and inexperienced bureaucracy which could not run a shoe factory or industry to save its soul. Then we would try to cut down the normal expenses of government. A few deserving Democrats that will be covered in under the civil service before you get through, in order to prevent contingencies, we would try to get rid of them; and then we would try to run the Federal Government alone and let the States run their own governments and let the people run their own business, giving a chance once more for American industry, American initiative, and American self-reliance to assert themselves. [Applause.]

Mr. Chairman, I had a fine speech here, but I have chased so many rabbit tracks that I have kind of lost interest in it. I am like the new deal—I do not know where I am going to come out.

Mr. TREADWAY. Would the gentleman care for additional time to make his own speech?

Mr. EATON. On some other occasion.

Mr. TREADWAY. I will be glad to yield the gentleman a few additional minutes in order to make his speech.

Mr. EATON. I rather rejoice in the opportunity of addressing such an intelligent assembly, but I yield back the balance of my time, except to say that this legislation does not provide adequate care for the aged, but it does lay a new and intolerable burden of taxation and control upon American industry without solving the problem of unemployment. It is simply one more step toward sovietizing our distinctive American institutions, devitalizing the self-reliance and enterprise of our people, and mortgaging our future by a debt so mountainous that we will be in grave danger of repudiation or inflation. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BURNHAM].

Mr. BURNHAM. Mr. Chairman, we have all been tremendously interested in the wit, wisdom, and repartee indulged in by our distinguished colleague from New Jersey, Dr. EATON, as well as the participation of other Members of the House. We have also been edified, I am sure, by the illuminating and eloquent address of our friend from New Jersey. My remarks will be brief.

It is not very often that I take the floor, or ask for time to present my views, but the subject under discussion is one that I am tremendously interested in, although I confess I cannot work up much enthusiasm over the pending social-security bill, for I do not believe that it will do all that this great Government should do for its aged people. I say great Government, because it is a great Government notwithstanding the fact that we are still in the depths of the greatest depression this country has every known. All around us, wherever we go, there is suffering and destitution, showing only too well how very necessary it is to enact some legislation that will fortify our national home life and humanity against want and distress during enforced unemployment and old age.

To my mind we will never bring about recovery until we restore confidence and solve the unemployment problem. This alone and this only can bring prosperity to our Nation and happiness to our people. It is just common American "horse sense", and I still have faith in the common sense of the American people.

As I said before, I do not believe that this pending legislation will bring about the desired results and for that reason I would like to see the bill, introduced by my distinguished colleague from California [Mr. MCGROARTY], emboding what is known as the "Townsend old-age revolving pension plan", brought up on the floor of this House for full and open discussion. I was present throughout most of the hearings on the original bill introduced by Mr. MCGROARTY, and was pleased to appear before the committee on February 6, urging serious and sympathetic consideration of its various phases and far-reaching possibilities.

I was interested in the statement of Dr. Robert R. Doane, an eminent economist of New York City, who appeared before the committee at the request of Dr. Townsend. The facts, figures, and statistics submitted by him and which appear in the hearings confirm my belief that the provisions of the McGroary bill would bring about not only relief and security for the aged, but that they also point the way to national economic recovery.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. BURNHAM. I yield.

Mr. BUCK. When the gentleman appeared before the Committee on Ways and Means, with respect to the original McGroarty bill, did he not state, as recorded on page 968 of the hearings, "Introduced by Mr. MCGROARTY, as it is drawn, I do not think that it is practical"?

Mr. BURNHAM. I stand by my statements as you will find them in the RECORD. That bill, as I said at that time, and as I still believe, was somewhat loosely drawn, but I think the new bill or the substitute or amended bill is very much better and is economically sound.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for one question?

Mr. BURNHAM. I yield.

Mr. FITZPATRICK. Would the gentleman be kind enough to explain the bill? I would like to get some information about it.

Mr. BURNHAM. I am not here at this time to explain that bill. I may state to my friend that if the bill comes before the House I shall be pleased, if I am granted time, to give a full explanation of it.

Mr. FITZPATRICK. There is a possibility that we may get a vote on it, and I should like to get the gentleman's explanation of it.

Mr. BURNHAM. I should vote for it.

Mr. FITZPATRICK. But the gentleman could not explain it?

Mr. BURNHAM. I would be glad to explain it, although I might not explain it to the gentleman's satisfaction.

Mr. FITZPATRICK. I would simply like to get your explanation of it.

Mr. BURNHAM. If the gentleman will allow me to proceed, I will be glad to state what is in my mind.

Having been an ardent advocate of a liberal old-age pension for many years, I very naturally became interested in the plan evolved by Dr. Townsend, whom I know to be a thoughtful, intelligent, earnest, honest, and sincere man. Nearly a year ago I filed with the Speaker of the House numerous petitions, bearing the names of thousands of my constituents, who are vitally interested in the plan and demand its consideration. I have discussed its possibilities with many Members of the House and the Senate, individually and collectively. Some think it fantastic and visionary, chiefly because they have not taken time to consider it, while others like myself believe that it possesses merit and that there is much to recommend it. Certainly it is worthy of serious consideration. It cannot be laughed off. It cannot be brushed aside.

Less than 40 years ago the Wright brothers were laughed at when they attempted to fly the first machine, yet as a result of their tireless efforts we are today spanning continents and oceans with fast flying planes, helping to make the world a better place in which to live, and if we would help to make the world a better place in which to live, let us start by providing those elderly people, who have passed the heyday of life, and whose shadows are lengthening, with not only the necessities of life but also with the comforts to which they are entitled.

The recipients of old-age pensions should not be made to feel that they are objects of charity by being compelled to take the pauper's oath, for, after all, they are merely receiving what is justly due them, having contributed to the sup-

port of the Government during their years of gainful occupation. We find many hard-working, thrifty, frugal people who invested their savings in supposedly gilt-edged securities, hoping and believing that the income from their investments would adequately provide for them during their declining years but, through force of circumstances over which they had no control, find their investments wiped out and their savings gone. Fear and apprehension of such a condition is the cause of much unhappiness and distress in this country. Fear of facing a penniless old age is the cause of much insanity.

One of the interesting features of the Townsend plan is to retire from gainful occupation those persons above the age of 60 years. By so doing enough vacancies would be created to absorb many of the idle and unemployed persons now on the relief rolls. It would also help to make room for the hundreds of thousands of young men and women who are graduating from high schools and colleges without prospects of employment of any kind. Again I say the unemployment problem, due in some measure to the increasing mechanization of our industrial system, is the greatest obstacle to economic recovery. If a way can be found to adequately care for the elderly people and at the same time put the idle to work, it would make for a contented and happy Nation. It would tend to lessen crime and greatly reduce communistic activities, thereby effecting a great monetary saving. The cost of crime runs into billions. The vast amount of money spent in crime prevention, crime detection, crime prosecution, jails, penitentiaries, and insane asylums would go a long way toward paying a liberal old-age pension. Savings in other taxes through the abolishment of the need for poor farms, relief agencies, and institutions for the care of the indigent will partly offset the transaction tax provided for in the Townsend plan. There will be no longer any necessity for the enormous pension payments by Government agencies and private industries. Security for old age will be assured and poverty will be reduced to a minimum.

The revolving fund provided for in the Townsend plan would certainly tend to increase the purchasing power of the Nation, which in turn would increase consumption; and if we increase consumption, we must of necessity increase production, and this, of course, means that the wheels of industry would be started, the idle put to work, and prosperity restored.

This proposed plan of old-age security is attracting Nation-wide attention, and many millions of worthy citizens throughout the United States are vitally interested in it; they are entitled to be heard. They have sent us here to represent them. I do not know how long I shall remain here, nor am I concerned, but while I am here I shall do my full duty by those who constitute my constituency. [Applause.] Here is one of many resolutions of a similar character which I have received. I offer it for your consideration. I will not take time to read it but ask unanimous consent to have it included in my remarks. It is from the Board of County Supervisors of San Diego County, Calif.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks as indicated. Is there objection?

There was no objection.

The matter referred to follows:

Before the Board of Supervisors of San Diego County, State of California, on the 25th day of February 1935

In the matter of resolution urging United States Congress to enact into law H. R. 3977, bill known as the "Townsend old-age revolving pension act"

Whereas the economic situation in the county of San Diego, State of California, and Nation, is such that an unusual remedy is required to restore and maintain prosperity, to provide jobs for the unemployed, to create positions for those graduating from our schools and colleges, to care for the million of aged men and women, many of whom no longer have visible means of support, with no opportunity of procuring labor, to feed and care for the more than 7,000,000 of undernourished children, to take from the highways the young boys and girls now without homes; and

Whereas it appears that social security can only be secured and the wheels of industry set in motion and made to continually revolve by the creation of a tremendous buying power; and

Whereas the present system of dole, designated as welfare and emergency relief, is detrimental to the morale of our citizenry and is not restoring normal conditions, and never will if continued; and

Whereas Congress now has before it a substantial remedy and curative which will meet our economic ill and produce a normal healthy condition for all time to come, which will restore prosperity to our Nation, happiness to millions, and social well-being for all: Therefore be it

Resolved by the supervisors of the county of San Diego, State of California, That we do respectfully urge the Congress of the United States, now assembled, to enact into law H. R. 3977, "A bill to promote the general welfare, to assure permanent employment and social security for all, and to stabilize business conditions through an assured definite and constant circulation of money and credit by the National Government, and for other purposes"; and be it further

Resolved, That a copy of this resolution be forwarded to both the Senate and House of Representatives, to the President of the United States, officially signed and attested by the seal of the county of San Diego, State of California.

Passed and adopted by the Board of Supervisors of the county of San Diego, State of California, on the 25th day of February 1935, by the following vote, to wit:

Ayes: Supervisors Hastings, Richards, Trussell, Hicks, and Sweet.

Noes: Supervisors, none.

Absent: Supervisors, none.

STATE OF CALIFORNIA,

County of San Diego, ss:

I, J. B. McLees, do hereby certify that I am the county clerk of the county of San Diego, State of California, and ex-officio clerk of the board of supervisors of said county; that the foregoing resolution was passed and adopted by the board of supervisors at a regular meeting thereof at the time and by the vote above stated.

[SEAL] J. B. MCLEES,

County Clerk and ex-officio Clerk of the Board of Supervisors.

By C. BUCKLEY, *Deputy.*

Mr. TREADWAY. Mr. Chairman, I yield 15 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, I am very much pleased that the opportunity has come at last to discuss the question of old-age pensions before a body that has not only the inclination but the authority to do something about it. For the first time in the history of our country the Congress of the United States is now actually engaged in considering an old-age-pension bill and in the course of the next few weeks a Federal old-age-pension law will have been placed upon the statute books of the Nation.

I am not at all satisfied with the old-age-pension provisions of the bill which is now before us under the rule adopted for its consideration on Thursday of this week, and, so far as I know, nobody is satisfied with them. I repeat now what I stated on Thursday, that no one believes that the old-age pension provided in the bill is adequate.

No one whom I know of is seriously of the opinion that the old-age-pension proposal in the pending bill will do what people of the United States generally want and hope and expect a Federal old-age-pension law to do, and from now until the final vote is taken on this bill I intend to do everything within my power to have the bill amended in such a way that it will at least partially meet the demand of the people of this country for an adequate Federal old-age-pension law. The demand for an adequate old-age-pension law has been perhaps the greatest, the most sincere, and the most human demand that has ever been made in this country by the people for any kind of Federal legislation, and it is our duty to try to meet that demand honestly and courageously and to the best of our ability, having in mind always the greatest good to the whole of our common country.

I would be disappointed, indeed, if I did not think this House were willing to go a great deal further toward satisfying this demand than what is proposed in this bill, and I desire to express now not merely the hope but the conviction that with the bill now before us as a nucleus, inadequate as it is, the House and the Senate will be able to amend it into a good bill, and that when we make a good bill out of it the President will sign it.

I am particularly happy to learn, according to the quoted statements of the Democratic leaders reported in the papers

yesterday, that they probably will not object to the offer, by way of amendment, of other plans of old-age pensions as substitutes for the pension plan recommended in the President's bill. I sincerely trust the report of their recent decision is true and that they will not change their minds before the debate is concluded. I think this is a very liberal view for the leaders to take, because, as I stated in the debate upon the rule, I think there is no question that the offer of substitution of any other pension bill providing for a special method of taxation is not germane to this bill. And so I want to congratulate the majority leaders and to say to them that if they will keep their reported promises and not object to these offers, in spite of the fact they are not germane, then they have done all that we have asked. And let me say, also, that if they will do that, then it means that those of us who fought the rule on Thursday, although we suffered a technical defeat, have really won a moral victory.

I want to confine my remarks to this bill, and I do not want to discuss at this particular time any of the other plans which are now before the Congress.

When these other plans are offered next week and the point of order is not made against them, I intend to discuss them all, and in as much detail as possible I desire particularly to discuss the revised McGroarty bill at that time.

Just in passing, however, I want to say one thing now about the revised McGroarty bill. This is only a preliminary suggestion and is by way of admonition. If this bill is offered by way of amendment, I hope that the Members who discuss it, and particularly those who intend to oppose it, will discuss that bill upon the basis of what it actually is, and not upon rumor or hearsay, and not upon the basis of what the bill is not. I hope that gentlemen who refer to it will not refer to it as the $200-a-month pension bill, or as a $24,000,000,000 bill, as was done during the course of the debate upon the rule. Such statements are clearly ridiculous and show an amazing ignorance of the bill on the part of any gentleman who makes them.

Mr. BUCK. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from California.

Mr. BUCK. I wish the gentleman would explain just what the new McGroarty bill is and what it does.

Mr. MOTT. I stated that I could not go into a discussion of any of these other bills in my remarks on the pending bill today, but I will take just a minute to tell my distinguished friend what the revised McGroarty bill is not. In the first place, it is not a $200-a-month pension bill. It provides for the imposition of a 2-percent transaction tax, which, according to Dr. Doane's testimony before the Ways and Means Committee, will raise about $4,000,000,000 per year, and that $4,000,000,000 will pay to the eligibles under the bill about $50 a month. That is what the revised McGroarty bill provides for at the present time. The other small taxes also provided in the bill will probably increase that amount slightly. All mention of the $200 should be out of the debate, when the debate comes, because the bill does not provide for it. If it is to be discussed, I hope gentlemen will discuss it on the basis of what it is. That is all the time I can devote to this point now.

Mr. YOUNG. Will the gentleman yield?

Mr. MOTT. I will yield to the gentleman.

Mr. YOUNG. I agree with the gentleman, and he is making a fine speech. The present McGroarty bill is entirely different from the old. But when the gentleman says that so much revenue will be produced and so much annuity, is it not a fact that the entire cost of administration must be paid under the provisions of the bill before any annuity will be paid?

Mr. MOTT. That is correct.

Mr. BUCK. Will the gentleman yield again?

Mr. MOTT. I will yield, but I think I ought to suggest that if I yield any more I may not have any time to discuss the pending bill at all. I did want to say something about the bill under discussion during a part of the time allotted to me.

Mr. BUCK. Is it not a fact that the new McGroarty bill has not been made known to the rank and file of the supporters, so that we are getting requests for the passage of the original bill?

Mr. MOTT. That is undoubtedly true, and I think it is very unfortunate. I think the people of the country should be informed as to just exactly what the revised bill is. I hope every Member will read it and study it, and be prepared to discuss it accurately and thoroughly when it comes up. I would like to have full, free, open, and intelligent debate upon it, and I hope gentlemen will be prepared to discuss it when it is presented. I may say that there are other amendments, many of them of a necessary and vital character, that will also be offered to the revised bill.

Mrs. GREENWAY. Will the gentleman yield?

Mr. MOTT. I yield to the lady from Arizona.

Mrs. GREENWAY. Many of my constituents have already had that bill read, and it has been read at meetings, and still think it carries $200.

Mr. MOTT. I am sorry to say that there still seem to be many people in the country who think that it carries $200, but, of course, that is impossible. Four billion dollars a year will not provide $200 a month to the eligibles under the bill according to any testimony before the committee.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. MOTT. Yes; I yield to the gentleman from Michigan.

Mr. MICHENER. I think as a matter of fact the promoters of the Townsend plan, if this change has been made, should so state. There have been in my district a number of speakers and organizers—Dr. Munger, from California, and others—within the last 2 weeks, and the impression they leave, as stated in the daily press, is that there has been no material change in the bill, and these old people are still expecting $200. I agree with the gentleman from Oregon. I have read the bill. It will not pay $200 a month; and the leaders of the plan, if they are in the gallery, I hope will take this to heart and follow the suggestion and state to the folks at home just what the new bill does.

Mr. MOTT. If that is true, I am extremely sorry to hear it. For anybody to suggest or hold out that the new McGroarty bill is going to pay $200 a month, or any sum nearly like that, is entirely wrong, and it certainly should not be done.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. MOTT. Yes; I yield to the able gentleman from Texas.

Mr. BLANTON. The gentleman is one of the leaders of his party here in the House, and one of its spokesmen. I wonder if he could tell us whether the Republican Party in the House is backing the new McGroarty bill?

Mr. MOTT. I would not say that at all. I have never considered this old-age-pension matter a partisan subject, and I do not think anyone on the Republican side so considers it.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield to make a friendly suggestion?

Mr. MOTT. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. I know from study of the new McGroarty bill that the gentleman has made a very clear and concise statement of its contents, and the important change which has been made in the McGroarty bill, but, further, I have seen Associated Press statements published in the papers in my district in which it is stated specifically that this change was made for the purpose of preventing overpayment. I think it is not fair to have such an explanation of that change made to the people of the country.

The change does just what the gentleman from Oregon says its does, that if, under Dr. Doane's own figures, through the medium of a transaction tax and other taxes we could raise $4,000,000,000 in taxes it would pay a pension of about $50 each, a very reasonable pension, and yet the supporters of the plan throughout the country are being told that the change is being made to prevent overpayment.

Mr. MOTT. I have already said that in my opinion such a statement cannot possibly be justified. Now, Mr. Chairman, I undertook to do no more at this time than to state very briefly what this revised McGroarty bill was not, and I did not even intend to enter this far into a discussion of it. It was solely on account of some of the unusually wild and unsupportable statements that have been made here on the floor of the House in connection with it I thought it proper at this time to state what I have stated. I trust gentlemen will now permit me to proceed without further interruption during the brief remainder of my time.

Mr. Chairman, I know there are gentlemen here who know a great deal more about old-age-pension legislation than I do, but I dare say that there is no one here who has given it more careful and thoughtful study over a longer period of time, or who perhaps has had more actual experience in the consideration and enactment of old-age-pension legislation than my humble self. I have been very actively and continuously interested in the subject ever since I entered public life. I have tried during all of that time to overlook no opportunity, to spare no effort, to have this great humanitarian principle translated into statutory law, and it is one of the happiest moments of my life to know now that we are going to accomplish that at this session of the Congress; that we are at least going to make an actual beginning by putting an old-age-pension law upon the Federal statute books. I shall be proud always to have been a Member of the Congress which first did that. I want, with all the rest of you, to make this as good a law as we can possibly make it, and that is why I am glad that it has developed, since the rule was adopted Thursday, that the procedure here is going to be open, and that we are going to be able to give consideration to every worthy plan that may be advanced.

I was coauthor of the first old-age-pension bill introduced into the legislature of my State. That was some 10 years ago. The bill did not pass at that session because there was as yet no demand even for a State old-age pension. Yet at that time I stated—and, so far as I know, I was one of the first men to make the statement—that within 10 years not only would every State have an old-age-pension law but that ultimately the matter of old-age-pension legislation would become a subject of exclusive Federal jurisdiction, and I think that prediction has a good chance of being fulfilled at this session of the Congress. I think most people of the country agree now that it ought to be a matter of Federal jurisdiction. Old age is universal throughout the country and unemployment is universal, and both have become national rather than State problems.

My idea of an adequate Federal old-age pension is different, perhaps, than the idea entertained by some. The original idea of the old-age pension, as you know, was that it was a substitute for the poorhouse, and I may say that at the time when that theory was first advanced it probably was a good theory.

Now, however, a new and entirely different theory and reason obtains, and it has been brought about naturally and logically by reason of an industrial evolution that has been taking place in this country and the world during the last generation. So that most people agree at the present time that a system of old-age pensions is absolutely necessary, if our economic and industrial system in this country is to survive. The problem has become an economic as well as a humanitarian one.

The reason for that is very simple. Within the last 30 or 40 years, but particularly within the last 10 years, our methods of producing and distributing and selling the things that we want and that we need have become so perfect through the improvement of ourselves and our machinery that it requires now only a portion of our population to produce, distribute, and sell everything that we need and everything we can afford to buy.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes more to the gentleman from Oregon.

Mr. MOTT. We have normally an unemployment problem of some eight or ten million. We have more unemployed people than that now, of course, but even if we should return to normal conditions, in the opinion of a great many authorities on the subject, we would still have an unemployment problem of at least eight million, and it will be a permanent problem. Those 8,000,000 people must be taken care of. They are permanently out of jobs, not because they want to be, not through any fault of their own, but because modern industry under our present system cannot absorb them. They are surplus, and this problem must be faced and solved. There are several ways in which to do it, but as I see it, the whole problem resolves itself down to but two real alternatives, and we must choose either the one or the other of them.

The alternatives that logically present themselves to me are these: We can continue to operate industry under the present system, a necessary byproduct of which must be permanent unemployment for millions of men, and we can continue to keep these unemployed men on direct or indirect relief; or, as the other alternative, we can, by appropriate legislation, spread employment in private industry by dividing the work necessary to be done among all those who are able to do it, and by subsidizing those who are not.

Those who are able to do the work required by modern industry are those who are physically able and who have not reached the age limit of their economic usefulness in and to industry. If the available work required by modern industry to supply all of our needs and desires were confined to and distributed among this restricted portion of our population, I believe it would be economically feasible and entirely possible to subsidize the rest of it. By the rest I mean those people on either end of the life chain, the very young and the very old.

The very young are already subsidized to a large extent by the Government, by the way of free schooling and otherwise, and this policy of subsidization by Government of those who have not yet entered upon the period of their real economic usefulness has of late years been increasing, both as to the amount of the subsidy and as to the duration of it.

Now, there are between eight and ten million people in this country above the age of 60 years, and this number represents, as nearly as we can calculate it, approximately the number of what I have referred to as the permanently unemployed—the number, in other words, which must continue to remain unemployed under our present economic and industrial system. And in this connection I call your attention to the fact that in this country during the past 10 or 15 years the average increase of normal unemployment has been at about the same ratio as the increase in the number of people over 60 years of age.

I state it now as a bald fact which I think is recognized by everyone, that these millions of people over 60 years of age, for the most part, reached the end of their real economic usefulness in and to modern industry and that industry cannot take care of them without displacing an equal number of those who are still within the age of the effectiveness required by modern industry. If, therefore, that portion of our population which has passed this age limit could be retired under conditions which would enable them to cease competition altogether with the younger and more efficient workers a large part of our unemployment problem obviously would be solved.

The particular method or plan by which this subsidation is to be brought about is not, in my opinion, very material, so long as the plan is financially sound and is able to actually raise the revenue required to pay the retirement pensions. The tax necessarily must be large, but there is no way to avoid that if we are to attempt in any adequate way to solve this problem. The tax will have to be paid by that portion of our people which does the work and earns the income. That means the burden will have to be borne by all those who are living in their income-producing age. The beneficiary of this subsidy would, of course, bear his full share of the burden also, because he would be subject to taxation during the whole portion of his income-producing life and until he reaches the age of retirement.

It is not my intention here to say anything whatever about the humanitarian angle of this problem. My observation has been that its desirability from that angle has long since been so thoroughly conceded that it is no longer a subject of argument or controversy.

The question remains now, What is an adequate old-age pension? That is to say, what amount of pension is necessary for the beneficiaries to receive in order to bring about the economic remedy I am here urging?

I think it follows logically from what I have said that the only adequate kind of an old-age-pension law is a law providing for a pension large enough to support the pensioner in decency and comfort after he has passed the age of economic usefulness and to retire him completely from the field of competition with younger men. It would be difficult to justify, either from the economic or the humanitarian angle, a pension larger than is necessary to do this; but, on the other hand, a pension which is not large enough to do it is totally inadequate and cannot be justified on any ground whatever as a solution to the problem of old age and unemployment. And let me say in this connection that as a condition precedent to eligibility for the kind of an adequate pension I have suggested is that the pensioner be required actually to retire from competition and to spend his pension money. Without such a condition one of the basic reasons for an adequate old-age pension is defeated.

Mr. McCORMACK. Will the gentleman yield?

Mr. MOTT. I yield briefly to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman stated there were normally 10,000,000 unemployed. I wish to suggest to my friend that there are normally from two and a half to three and a half million.

Mr. MOTT. Well, that is a difference of opinion. It is my opinion that there are 10,000,000 unemployed in this country at the present time who will remain unemployed, even if good times return, on account of the natural evolution in industry, and in this I am sustained, I think, by the best research and authority we have on this question.

There are more than 20,000,000 people on relief today, according to the actual figures of the Federal Relief Administrator. How many of that 20,000,000 are employed? Few, indeed, or they would not be on relief; and after the relief is finished, after the $4,800,000,000 of the present works relief is exhausted, how many of those 20,000,000 will be absorbed in private industry? I say to the gentleman we will be fortunate, indeed, if half of them can go back. We will be fortunate, indeed, if no more than 10,000,000 are still unemployed.

I think at the present time the real thing at issue before this House in the consideration of the pending old-age-pension bill is, What is an adequate old-age pension? I ask gentlemen to keep their minds upon that question when they read the old-age provisions of the President's bill.

I ask them to try to reconcile in their own minds the proposed maximum Federal contribution of $15 per month with any individual idea they may have as to what constitutes an adequate old-age pension. I ask them to try to reconcile that $15 with any hope, with any plea, or with any just demand on the part of the aged and the needy of their own States for an adequate old-age pension. Let me say to gentlemen who so glibly praise the President's bill that they are confronted with a problem and a question here which the President's bill does not answer to the satisfaction of anyone.

It will be a part of the business and the job of this Congress to answer that question and to answer it right; to determine what is an adequate old-age pension, and then to have courage enough to write that kind of a pension into the bill. It will be a part of the task of this Congress to determine what is the best method of financing that old-age pension, and then to have courage enough to write that method of financing into the bill.

Mr. Chairman, we have before us the most tremendous, the most far-reaching, the most important task that I believe has ever been before this Congress. I hope that all Members will enter into it with a serious, a studious, and an open mind; that they will put aside all partisan consideration; that they will allow the procedure on this bill to be just as open and free as possible, all to the end that before this Congress adjourns we may give to the old people of this country a just and an adequate old-age pension that will permit them to retire for the remainder of their lives in decency and in comfort and in happiness, and which will allow the real work of modern industry to be carried on by those who are young enough to do it. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, this bill is not the result of any activity on the part of a Dr. Townsend or a Dr. Pope or an advocate from down in Kansas who has been letting us hear from him for several years, or the activity of any one individual. It is the result of a wide-spread conviction on the part of most of the Members of Congress that there should be such relief granted to the aged men and women of America. It has been growing in the Congress of the United States for many years.

I believe, Mr. Chairman, that 85 percent of the Membership of this House are strongly and sincerely in favor of an old-age pension. It would have been passed several years ago if we could have led our administrations to believe that it would be financed. This bill, in my judgment, would be passed by this Congress if there had never lived a man by the name of Townsend.

In the last Congress we had this question actively before us on the floor, in the cloakrooms, and in our offices. The President of the United States last year, before the Congress adjourned in June, told the Congress that while at that time he could not approve such a bill, he would expect us to pass a proper old-age pension and a proper unemployment-insurance bill in this session, when the Government would be ready to finance it, and he said he would approve it.

That was one of the first messages he sent to this Congress after we met, and he is going to sign a proper bill. And he will sign this bill, if we do not wreck it with amendments.

The great Ways and Means Committee of this House deserves the commendation of the people of the United States for the fair and impartial manner in which they have conducted hearings, the sympathetic view from which they have approached this bill, and the efforts they have put forth in bringing a proper bill before this House, a bill that can be financed.

I wish to say to my colleagues in all earnestness I believe that every friend of old-age pensions on the floor of this House, if he desires a bill passed in this session and become a law so that relief will be granted the aged people, should get behind this committee bill and pass it without a single amendment. We know it will be approved and signed by the President. We know that it will become law.

There are 435 Members of this House when every district is represented. All of us are different—different in every way; different in our viewpoints and our physiognomies and our constituencies. We cannot expect all of us to think alike on a proposition. Naturally you will have many amendments offered from the floor, embracing every angle of thought. What are you going to do with them all?

There are some Members here who would pass the original Townsend plan to pay $200 per month to all persons over 60 years of age, which would cost the Government $24,000,000,000 annually, or $20,300,000,000 more than our entire revenues our Government received last year from all sources of taxation. Then there are some who prefer the revised and amended Townsend plan, which they say would pay only $50 per month.

Then there are some Members who would make the age limit 55 years, and even some, possibly, who would like to see the pensionable age limit begin at 50 years. None of us can have our own way. We must find out what a majority of the Membership want and are willing to do and then all get

together on that, for only such a plan can pass, for it takes a majority of those voting in this House to pass any measure.

It is quite amusing now to remember the history of the mutations through which the Townsend plan has undergone. At first a mailed-fist demand was made on this Congress that all Members would be defeated for office and crucified in the next election if we did not pass it just as it was proposed, to pay $200 per month to every person in the United States who was 60 years of age or over.

I was the first Member of this House to take the floor, which I did on January 21, 1935, to explain that such a proposal was financially impossible, and that if passed it would bankrupt and wreck the Government. You will remember that I was deluged with threats from all parts of the United States, because I refused to deceive the aged men and women into believing that such a plan was possible.

Since then, Mr. Chairman, Dr. Townsend himself has realized and admitted that his plan was unsound, because he has now changed it, and it was amusing to hear the gentleman from Oregon explaining that under the revised and amended Townsend plan, it is now expected that not over $50 per month will be paid, which is only one-fourth of what he originally proposed.

It is not a question of how much we would all like to see aged men and women receive for their support, but it is a question of how much this Government is financially able to pay without bankrupting it, and how much is a wise and salutary sum to pay, considering the matter from the standpoint and best interests of the American people as a whole.

From the minstrel show exhibited for 40 minutes this morning from across the aisle, with the seasoned interlocutor propounding his prepared questions to the hilarious end men, it is very evident that we are not going to have any constructive help from the minority. All we could get out of our friend from New Jersey was that if the Republicans were in power they would balance the Budget. Has he forgotten that during the 4 years of Herbert Hoover there was a deficit of $4,000,000,000 or an annual average deficit of $1,000,000,000 per year for each of those wasteful 4 years?

We Democrats have across the aisle among our Republican colleagues some delightful companions and splendid gentlemen. The great, able, distinguished minority leader of this House, the gentleman from New York [Mr. SNELL], is doing the best he can with what he has got. [Laughter.]

It does not behoove any of the few Republican colleagues who sit across the aisle here to condemn our House administration for bringing in a rule that gives the Membership 20 hours' debate, when in the whole history of their party they have never brought a bill to the floor of this House yet which gave as much as 20 hours' debate on any subject. Plenty of time for debate is an unusual thing with the Republicans. This rule gives every Member of this House, new Members and old Members alike, an opportunity to get on this floor and express themselves on this measure, something to which they are entitled. The Republicans here ought not to complain.

I was amused this morning at the Old Guard—and they were all here. There was the distinguished minority leader, the gentleman from New York; there was the distinguished gentleman from Massachusetts [Mr. TREADWAY], acting as the specially prepared interlocutor; there were the end men, the witty gentleman from New Jersey [Mr. EATON] and our other good friend from Massachusetts.

They had active helpers in the shape of our good friend from Massachusetts [Mr. MARTIN]; our good friends from Michigan [Mr. MAPES and Mr. MICHENER], and our distinguished friend from New York [Mr. TABER]—oh, we had the Old Guard all here, 27 of them in number. What were they doing? I am sorry our friend from Massachusetts forced that division here on his motion to rise, and showed just how few Republicans were on the floor when a bill of such tremendous importance was before the country. He forced a division, and it disclosed there were just 27 Republicans on the floor.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I will yield in a minute.

Mr. MARTIN of Massachusetts. Will not the gentleman yield right now?

Mr. BLANTON. I am sorry, I cannot do it now. Twenty-seven of them! It went into the RECORD; he forced it. They were all loyal; every Republican here was loyal; they got up and voted with our good friend from Massachusetts [Mr. MARTIN], their straw-boss leader. They all voted with him that the Committee rise. It was a solid Republican vote.

Mr. MARTIN of Massachusetts. Mr. Chairman, will not the gentleman yield at this point?

Mr. BLANTON. In a minute. I am sorry I cannot yield now. Mr. Chairman, especially the assistant minority leader ought to conform to the rules, particularly when he comes from so great a Commonwealth as Massachusetts.

Of the 75 years following 1860 the gentleman's party, the Republican Party, was in absolute control of the United States Government for 57 years, when it could have passed any legislation it wanted, yet not once did it propose an old-age pension.

Mr. MARTIN of Massachusetts. Mr. Chairman, a point of order; what is the subject before the House?

Mr. BLANTON. Do not take this Republican interference out of my time, Mr. Chairman. I do not yield for inquiries.

The CHAIRMAN. The subject before the House is the social-security bill, on which the gentleman from Texas has been recognized.

Mr. MARTIN of Massachusetts. Mr. Chairman, my point of order is that the gentleman is supposed to confine himself to the subject.

The CHAIRMAN. The gentleman is not stating a point of order.

Mr. MARTIN of Massachusetts. Mr. Chairman, I make the point of order the gentleman should proceed in order.

Mr. BLANTON. Mr. Chairman, I am proceeding in order. I know the rules. I will conform to the rules, Mr. Chairman. The gentleman cannot teach me anything about the rules.

Mr. ANDREWS of New York. The gentleman is discussing the same thing the gentleman from New Jersey discussed.

Mr. BLANTON. I am discussing the old-age-pension bill, and the attitude of Republican colleagues toward it.

Mr. ANDREWS of New York. The same subject the gentleman from New Jersey discussed.

Mr. BLANTON. The gentleman's Republican Party for 57 long years was in complete control of the United States Government, but they had no sympathy for the subject of old-age pensions; they had no time for it; they did not want it discussed. They never brought in a bill to grant old-age pensions during the 57 years they had the United States Senate, the House of Representatives, and the White House under their control and domination.

When did the gentleman's Republican Party during that 57 years bring in a bill here for old-age pensions? When did they ever propose such a bill? When did they ever speak for such a bill? Why, about 10 years ago our good Democratic colleague from New York [Mr. SIROVICH], made an hour's speech from this floor advocating old-age pensions, and the movement has been growing ever since.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield the gentleman from Texas 2 additional minutes.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I am sorry, I have only 2 minutes. When have the Republicans been interested in unemployment insurance? When have they been interested in social-security legislation?

They cannot stand it; they cannot take it when we propose these things. They do not like it. Our good friends over there across the aisle remind me of a little incident that happened out in Arizona many years ago when our former colleague and the now distinguished United States Senator

[CARL HAYDEN], used to be sheriff out there in Arizona. There was a high-toned forger who went from New York to Arizona and got to operating out there and Carl arrested him and put him in jail. Carl had a Chinaman who used to feed the prisoners. This high-toned forger was used to having his meals served in his room by special waiters in the Waldorf-Astoria, and was used to being paid special attention. This Chinaman took him his dinner one day. He had a great big hunk of corn bread on a tin plate, and another hunk of sow belly, and a big tin cup full of black coffee. The Chinaman handed it in to him but this high-toned forger pushed it away and said, "Take it away; I do not want it." The Chinaman looked at him grinning and smiling and said: "You no likee? Alle light, me takee away, but by-and-by maybe so you likee."

Now, by-and-by when you get [laughter]—by-and-by when you Republicans get used to the present Democratic Party with Franklin D. Roosevelt in the White House passing social-security legislation, unemployment-insurance legislation, and old-age pensions, by-and-by maybe so you likee. [Applause.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a letter I received from President Green of the American Federation of Labor and a letter from the secretary of the Technotax Society.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Chairman and Members, in the ancient days the barbarians descended on the civilized races, constantly adding to their harrassment and in some instances conquering the existing governments. In our civilized age the barbarians of monopoly have descended upon the people and, through the use of the machine, have virtually enslaved the workers of the principal civilized nations of the world.

Our Nation was prostrate in 1932 and in the ardent hope that the new deal would bring surcease in these distressing conditions we were given power and are now charged with a solemn responsibility to those who thus expressed their confidence in our President and in our party. While I admit that from the standpoint of academics I may not be equal to the least among us, yet, from the standpoint of practical experience, I yield to no one in my observation and understanding of the problems which beset us.

In the game of the new deal, it is my opinion that our leadership has been drawing to too many deuces, and in several instances jacks, and that we have actually discarded ace legislation which would have solved our economic problems long ago, had it been adopted. I doubt if there is any individual in the Congress who is so partisan that he would like to see the new deal fail, even though many of us do differ on the modus operandi of attaining recovery.

The "technotax" is the ace in the new deal. We must tax the machines according to the number of workers they displace.

I will mention only a few of the thousands of instances which prove conclusively that the machine is adding to our unemployment situation, a situation which can never be satisfactorily and permanently corrected under the present new-deal procedure.

For instance, we have the steam shovel, which displaces the labor of from 25 to 50 men. We have the glass-manufacturing machine, which displaces hundreds of men. We have the vitaphone, which displaces thousands of musicians. We have television, which, ere long, may displace even the movies. We have modern machinery in the steel industry whereby one machine will do the work of numbers of men. We have a machine which cleans poultry, and which displaces at least 50 percent of the men and women formerly engaged in such industry. We have, in process of manufacture, a mechanical cotton picker, and one of these machines will displace a hundred workers. We have, in process of development, a machine which will revolutionize the manufacture of shoes, and a telegraphic linotype machine, which will not only displace telegraph operators but linotype operators as well. To be more specific, a message may be transmitted here in the city of Washington by the members of the press, and the same message may be reproduced simultaneously on hundreds of linotype machines throughout the country.

These are only a few of the many instances where labor is being displaced by machinery—but they are enough to prove that the solution of the machine problem is of paramount importance if we are to have permanent recovery and abolish unemployment.

I will mention further only two specific illustrations of machine displacement of man power, which I wish particularly to call to the attention of the Chairman of the Committee on Ways and Means with the hope that he will carefully consider them. In one instance known to me a machine was installed at Torrence, Calif., in the steel mill. With this machine 1 man was enabled to perform the same amount of work as was formerly done by 4 men. In other words, the installation of this machine put 3 men on the unemployment list who were formerly earning $16 per day and the purchasing power of these 3 workers was thus reduced a total of $48 per day. It should be borne in mind that the price of steel was not reduced to the consumer because of the installation of this machine.

In another instance, in a poultry plant, 50 percent of the employees were released when a machine was installed which cleaned the chickens, ducks, geese, and so forth. The price of poultry, however, was not reduced to the consumer. At this particular plant to which I refer fully 50 men and women were released and thrown into the ranks of the unemployed.

These situations can be multiplied throughout the United States for every type of labor-displacing machine.

Now, what happens? The workers who are displaced by these machines walk the streets, seeking other employment in a field which, because of the machine, is increasingly restricted. Even in the days of the most prosperous era of our Government the displacement of human labor by the machine was taking place, so that in the period from 1917 to 1929, although we were in the heyday of prosperity, the number of the unemployed increased by approximately 1,000,000 persons, thus evidencing the fact that mass production and the modern machine are responsible for our unemployment situation.

Production in the United States, as we all know, is highly specialized and is a testimonial to American efficiency. Distribution, however, has fallen down and it is with distribution that we are most concerned. Unless we solve this problem of distribution, all our efforts in the new deal will fail.

The difficulty today is that the machine has taken profits to itself in the production of commodities to an alarming extent. These profits are centralized in the hands of a few; they are not used for consumption purposes but for investment, either at home or abroad. It is self-evident that the individuals who control the financial structure of America also control the machine and its profits, with the unfortunate result that the plight of the unemployed, and even those employed, becomes increasingly desperate because of the fact that they do not have an adequate means for consumption—that is, purchasing power.

If this situation were the only one with which we had to contend, it could be more easily remedied, but we have in addition another condition which operates in the interest of the financier, who is the machine owner. It is obvious that those who are thrown into enforced unemployment, as are the millions today, cannot be permitted to starve. Some means of sustenance must be provided for them, and lo and behold, what do we find? We find that the financiers and machine owners, who have built up their wealth through mass and machine production, are now called upon by the Government to invest in tax-exempt securities, which they freely do, so that the necessary funds may be obtained to enable the Government to extend the crumb of relief to the

unfortunate unemployed who are victims of the octopus owned and controlled by these very financiers.

As I explained a moment ago, the steel manufacturer who installs a machine which displaces three men profits to the extent of $48 per day in wages, and is thus in a position to use these accumulated savings to lend to the Government, through the medium of tax-exempt securities, so that the Government may extend work relief to the unfortunate individuals who lost their jobs because the steel manufacturer put in a labor-saving machine.

To be more specific, the steel manufacturer profits, going and coming. While the number of our unemployed continues to increase and those who are employed have their living standards reduced, the steel manufacturer gains $48 per day profit for each machine, and then lends this money to the Government, exempting his wealth from taxation and at the same time receiving substantial interest payments. How long can we, as a people, permit the candle to burn at both ends, with all the benefits and profits going to the owner or controller of the financial and machine structure?

Of course, it is recognized that we must have the machine. It is also recognized that the inventor of the machine is entitled to compensation and also that the owner of the machine is entitled to a return on his investment; but surely no one will contend that when a machine owner installs a machine which displaces three men and thus saves himself $48 per day he is entitled to this entire profit.

I have introduced House Joint Resolution 45, which has for its objective a thorough study and analysis of man-displacement by machines, with a view to imposing a graduated tax on mass production, machines, and equipment, based on the number of workers thus displaced. Funds derived from this taxation are to be applied exclusively to public improvements in order to give employment to those who have been displaced by the mass-production machine. If this were done, industry itself would bear the burden of the unemployment situation, as it should, and the taxpayer would be spared taxation for this purpose.

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. LUCKEY. If the labor-saving devices used in the manufacturing of automobiles were taxed, what effect would it have on the price of the automobile to the average person on the street?

Mr. HOEPPEL. The gentleman apparently did not understand my statement, that I have introduced a resolution asking that an investigation be made of the displacement of man power by machinery and the social and economic consequences thereof, with a view to formulating such legislation as may be shown to be necessary to combat the situation. The gentleman's question would come in for thorough consideration and study in connection with the presentation of specific tax legislation.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. HOEPPEL. I yield.

Mr. HOFFMAN. I have a tractor on my farm. Would the gentleman tax this tractor because I can do more work with it?

Mr. HOEPPEL. The gentleman must understand that the details of the technotax have not been worked out, and cannot be until the necessary information called for in my resolution is available. I am merely presenting the idea for consideration, study, and eventual enactment.

Mr. HOFFMAN. Is it practical, I mean? Does the gentleman's idea go so far that he would tax the tractor used by the farmer?

Mr. HOEPPEL. Although, as I have stated, the information necessary to the formulation of a definite plan of taxation on the principle of the technotax is not available, it appears to me that the tax should first be applied on the products of manufacture which enter into interstate commerce. I would get the big boys first.

Mr. HOFFMAN. First the gentleman would tax the manufacturer of the machine and then he would tax the tractor.

Mr. HOEPPEL. I am not discussing the details of the tax feature now. I have introduced a resolution which would authorize a study of the question.

Mr. HOFFMAN. I thought the gentleman had some concrete plan worked out.

Mr. HOEPPEL. My first objective, as indicated in my resolution, to which I invite the gentleman's attention, is to secure a study of this question.

The technotax, as I have explained, would distribute the benefits of the machine to the inventor, to the owner, and to the unemployed, and would positively prevent the rapid accumulation of wealth in the hands of a few. In my opinion, it is the fairest and squarest means of distributing the profits of labor to those who are engaged in labor, or who are displaced because of the labor-saving machine. We cannot continue to bury our heads, like the ostrich, and refuse to recognize the fact that the machine is a Frankenstein monster which has all but devoured us. In this connection, I ask your consideration of a letter received from the executive secretary of the American Technotax Society, Mr. Samuel Bristol. This society recognizes that the menace of mass-production machinery, privately owned, is the crux of our present economic maladjustment.

The letter is as follows:

AMERICAN TECHNOTAX SOCIETY,
Whittier, Calif., April 2, 1935.

HON. JOHN H. HOEPPEL,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: In behalf of the American Technotax Society I wish to assure you of our hearty approval of your efforts to secure the unemployment survey, as contained in your resolution introduced in Congress on January 3 last. It is our hope that you will be able to win for it the support of every Member of the Seventy-fourth Congress, without regard to party affiliation.

In further explanation of the Technotax plan of graduated taxes upon labor-saving machinery, permit me to add a few thoughts that may shed further light upon the problems involved.

It is apparent that an uncontrolled force is at work in America nullifying the recovery efforts of the Government and defeating the reemployment program. The testimony comes from two authoritative sources, namely, Gen. Hugh Johnson, recently resigned N. R. A. Administrator, and William Green, president of the American Federation of Labor.

Writing in the Saturday Evening Post on January 19, General Johnson declared that the industrial codes in 1933 secured reemployment for 2,785,000 workers in industry. Yet Mr. Green in his booklet The Thirty Hour Week, published in January 1935, reveals figures showing that unemployment has actually increased by 429,000 men during the past year.

It, therefore, appears that in spite of favorable trade indexes throughout the country we are slipping backward in the matter of employment, which all agree is the real measure of recovery. When the employment curve falls at the same time that production rises, the situation calls for a different type of economic thinking—and possibly the discarding of certain outworn theories.

The Bureau of Labor Statistics admits that comparatively little is known about the extent or duration of technological unemployment. Similar testimony comes from Brookings Institution and other research agencies. Is it possible that the Federal administration does not deem this a factor worth considering?

The Technotax Society maintains that the uncontrollable factor which is disrupting America's economic life is mass-production machinery privately owned and regulated only by the profit motive. We believe that until the Federal Government attempts an analysis of the forces that are creating wholesale unemployment, no progress can be made along the difficult pathway toward economic recovery.

We urge that graduated taxes be levied upon the output of labor-saving machinery to raise revenues with which to carry on the burdens of unemployment relief and to extend the program of needed public works. Taxes upon the production of machines will lift the relief burdens off the shoulders of general-property taxpayers and enable us to balance the budget by paying as we go. Technotax rates, graduated according to the workers displaced by each machine, will save the Government from financial collapse, and stabilize business by putting reasonable controls upon the present uncontrolled and dangerous displacement of workers by machinery. Machine taxation will not stop progress, but will enable our people to enjoy a fairer share of the benefits which machine production have made possible.

If the Federal administration desires new light upon the critical unemployment problem, it seems to me that the survey of machine-created unemployment which your resolution provides is indispensable. The time for experimentation is past. If recovery is to be accomplished, the Government will have to proceed with assurance along paths definitely charted by incontrovertible facts. For these reasons I am convinced that your proposed survey is the most effective step yet offered as a solution for unemployment and its resultant ills.

The Technotax Society is grateful to you for your efforts in this matter and we again pledge you our support in this great, constructive program. With kindest regards and best wishes for your success in these endeavors, I am,

Sincerely yours,

SAMUEL BRISTOL,
Executive Secretary.

The American Federation of Labor, which is seeking to establish a 30-hour week, is fully conscious of the significance of the displacement of labor by the machine. I ask your attention to a letter received on this subject from the president of the American Federation of Labor, Mr. William Green, as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., January 8, 1935.

Hon. J. H. HOEPPEL,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Thank you for your interest in the unemployment problem and in the development of mechanical equipment in industry, as indicated in your letter of December 28.

We are conscious of the fact that constant displacement is going on and wholesale additions are being made to the army of the unemployed. This has been caused by reason of the fact that various men are doing the work which a greater number of men were formerly employed to do. As workers become more efficient through the use of machinery and power, displacement of those now employed goes constantly on. That increases the serious problem of unemployment, which at the moment, either directly or indirectly, affects 40,000,000 people.

Reciprocating your good wishes, I am,

Sincerely Yours,

WM. GREEN, *President.*

ECONOMIC HEIRLOOMS

In further exposition of the ideas of the technotax, I submit examples of the quaint half-truths and misconceptions of the machine age that are current among economists, newspaper men, legislators, business men, and others, as presented in a pamphlet issued by the American Technotax Society, of Whittier, Calif.:

PROSPERITY IS JUST AROUND THE CORNER

This naive theory has been circulating at intervals since the collapse of December 1929. Its authors have made the wish father to the thought, "Leave business alone and all will be O. K." They overlook the significant fact that mounting unemployment was a feature of the business boom of 1921–29. The curve of production went up, while the curve of employment dropped. Yet the theory lingers on.

PROSPERITY DEMANDS INCREASED WORLD TRADE

One of the many devices by which the economists of big business would restore business and relieve unemployment. They forget that world trade is done with bills of exchange. For each dollar's worth of exports we receive a dollar's worth in imports. But the imported dollar's worth contains two to five times as much labor as the exported one, and American laborers get the worst of the deal. Anything beyond a minimum volume of world trade is a threat to the job of every factory worker and brings him nearer to the wage and living standards of the coolie. America's best market is her employed wage earners.

THIS GLORIOUS MACHINE AGE

The economists of big business with their journalistic hirelings have made a fetish of machine progress. In the name of progress they develop more labor-savers, cut down pay rolls, and try to squeeze dividends out of a surfeited market. This gigantic conspiracy against American labor has brought our unemployed total to 11,000,000. Yet one still finds men with run-down heels and a high polish on the seat of their best trousers repeating with gravity and assurance the philosophy of machine efficiency.

INDUSTRIAL CODES

A well-meaning but ill-advised attempt to force American industrialists to reemploy the workers whom their efficiency experts had eliminated with labor-saving machines. The codes were based upon the unwarranted assumption that the proper way to get men back into industry is to raise wages and shorten hours. The result was new varieties of chiseling, together with increased development of labor-saving machinery and speeding.

AMERICA'S HIGH LIVING STANDARDS

One of the most popular fallacies. Statistics reveal that a large part of the labor force subsists on much less than the income required to maintain a minimum American standard of living.

LEISURE OF THE MACHINE AGE

The production per unit of American workers has increased more than 100 percent in the past 30 years. Yet there are millions still working long hours at starvation wages, while other millions are unemployable. Is it leisure or unemployment?

MACHINES DO NOT DESTROY JOBS, BUT MAKE MORE WORK

One example will show the absurdity of this claim. A steam shovel can be built with 1,000 man-hours of labor. It will replace 25 to 50 men, and in 5 years a total of 250,000 man-hours. The ratio of labor investment to return is 250 to 1—not bad guessing for curbstone economists.

DISCHARGED FACTORY WORKERS FIND OTHER INDUSTRIAL JOBS

Another fallacy. One group of 750 industrial workers displaced by machines was investigated by the labor bureau. Only 55 percent had found steady work in 6 months. Other researches show the same trend.

PROGRESS IN THE MACHINE AGE

A race of dwarfed, tuberculous Lancaster mill workers gives an adequate picture of machine progress in England. America, with half the gold of the world and great mechanical advance, leads the world in crimes, divorces, and suicides. We have no competitors in the stupid inadequancy of our economic distribution. We are breeding a race of cowed, neurotic job-hunters.

THE PHILOSOPHY OF ABUNDANCE

Dreamers picture a world in which power and machines would create abundance for all, with a working day of 2 or 3 hours. What are the facts? Our fuel and mineral resources are being squandered at an unheard-of rate. Natural gas is nearly gone, the last reserves of petroleum are being tapped, anthracite coal is scarce and expensive. Our last great lumber area is rapidly being exhausted, and our consumption of lumber is three times the replacement. Electricity we have—but because of profligate deforestation, dwindling streams supply less than 30 percent of electrical energy, the other 70 percent being obtained from a lessening fuel supply. With the passing of Theodore Roosevelt, conservation has been forgotten. Coming generations can look out for themselves.

THE SELF-SUFFICIENCY OF CAPITALISM

American industry, the pride of our age, is rapidly going the way predicted by Marx and Engels in the Communist Manifesto. Since 1920 labor displacement by machines has been an uncontrollable factor. Efficiency is eliminating the mass of the workers, but it has destroyed their buying power at the same time. Capitalism is proving to be a self-destructive enterprise.

WHAT IS THE ANSWER?

Though conditions are admittedly bad, the Technotax Society believes there is a way out of our economic difficulties. We urge you to lay aside prejudice or bias while you study this plan.

Technotax proposes graduated taxes on the products of labor-saving machinery—graduated by units corresponding in number to the workers displaced by each machine. Thus a 10-man machine would pay 10 units of unemployment relief funds.

Technotax is essentially a revenue measure. From our total of more than $40,000,000,000 worth of manufactures it would raise funds sufficient to take care of the entire public-works program, and extend that program to the point where private industry could take up the unemployment slack.

Technotax will solve our financial woes and create circulation of money by giving buying power to the greatest consumer in the world—the American workingman. It would lift the burden of unemployment relief off the shoulders of general property taxpayers and save the Federal Government from financial collapse. It would enable us to balance the Budget by the simple expedient of paying as we go.

Technotax would gear technological development into time with the needs of the people. It would put free-wheeling and four-wheel brakes on the crazy industrial juggernaut that is threatening ruin to the Nation.

Technotax proposes a nonpartisan commission of the ablest business men and economists to set rates that will reduce unemployment and stabilize business. It does not seek to destroy machinery, but only to make secure for mankind the wonderful contribution which machine production is capable of giving us. It is the alternative to technocracy or communism.

Technotax has been endorsed by Congressmen, leading economists and business leaders as a workable recovery measure. It is in accord with the principles of the new deal. It is based upon proven economic experience.

In my opinion our leading economists appear to have frozen, atrophied, or one-track minds, and cling too closely to established custom and precedent. Many of them seem to think that a mechanized, mass-production industry is an absolute symbol of progress when, in reality, unless properly controlled in the interest of all the people, it personifies greed and stupidity, and adds to the concentration of wealth and to the impoverishment of those who have lost their jobs because of the machine. True it is that, in some instances, the machine has removed the burden of toil from the backs of the workers, but it is equally true that it has contributed more to relieve the laborer of his pocketbook and his family of the necessary food and clothing than any other fetish venerated by our capitalistic class.

In conclusion, may I state that we all recognize that we are in a most serious depression and that the suffering of our people because of this depression is greater than that ever endured in our history during a period of war. If we were confronted with war, the resources of our entire country would be called upon and willingly sacrificed, without stint or favor, in our battle against the enemy. If the health or happiness of our citizens were menaced through

pestilence, plague, or other calamity, every facility at hand would be employed to alleviate the distress of our people. Yet here we have in our very midst the octopus of the modern machine which has enslaved our entire Nation and which continues to make millionaires on the one hand and paupers on the other, and notwithstanding the havoc which it has wrought, we as yet have not risen to our responsibilities in the handling of this question.

The machine must be made the servant of all men and not the special servant and wealth builder for the owners alone. The profits of industry must be more equitably distributed among all the people, as they would be under the technotax principle of taxation, and once and for all, we must abolish a system which would bind our people in economic serfdom in the name of progress, and thus destroy the very foundations of our democratic form of government. [Applause.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, I was rather surprised today when I came in here and found the gentleman from Oregon speaking on the bill and admitting that the rule passed the other day, which he had characterized as a gag rule, would permit amendments whereby the various plans that are being offered in the House, particularly the McGroarty-Townsend plan, might be offered as substitute amendments to this bill. It was largely on the philosophy that he developed in opposing that rule that a great many Members voted "no" on the most liberal rule that has ever been presented to this House for the consideration of any bill coming before the House.

Mr. Chairman, I am glad that an open rule permitting amendments was adopted on this bill. I voted for this open rule in order that the new McGroarty bill may be offered as an amendment to section 1 of the bill and be given an opportunity to be discussed on the floor of the House. I shall vote for this amendment when it is offered.

For many years I have been an advocate of an adequate old-age pension. I have always felt, as I do now, that it is a disgrace to send old people to the poorhouse. And it is likewise a disgrace to keep them starving in their homes on an inadequate pension.

I have been hoping, and am still hoping, that this Congress will pass a generous old-age-pension bill at this session, and I believe it will. The bill before us, with its proposal of a Federal contribution limited to $15 per month per person, to be matched by the States is disappointing. The Federal contribution is too small and the age limit of 65 is too high.

When a man or woman of 60 faces the world with no income and no chance of employment, there is, indeed, a tragic situation. Such a person must either become a dependent upon the bounty of relatives or he must accept public relief, and thus become a pauper, suffering all the shame and sense of dishonor that goes with such a state, and that regardless of the fact he may have intelligently and with good advice laid up for his old age; but when this terrible debacle came along in 1929, followed by the depression, literally hundreds of thousands of prudent and saving elderly people in the United States were deprived of the means that they had laid aside and had worked hard for in order to protect them in their old age. I do not hesitate to say that this is due to the economic system that we have permitted to exist, and that it is nothing short of diabolical.

Mr. BUCK. Will the gentleman yield?

Mr. FORD of California. I yield to the gentleman from California.

Mr. BUCK. The gentleman may mention this later in his statement, but I wonder if he will be good enough to refer to the other provisions of the new McGroarty bill, explaining its broadened tax base and its various administrative features?

Mr. FORD of California. I do not care to go into that phase of it at this time. The broadening of the base is because they have added a tax on gifts and inheritances, together with the levying of additional income tax.

Mr. BUCK. Those taxes will not raise any great amount of additional money. But the old bill laid no tax on personal services. Is it not true that they have also added a tax on the wages of every laboring man in the new bill?

Mr. FORD of California. Any sales tax is a tax on the wages or earnings of the consumer.

Mr. BUCK. I mean a direct tax which the employer has to deduct from the wages of the various employees.

The new bill, in section 1, attempts to define a "transaction" as "including the rendering or performance of any service for monetary or other valuable consideration, including all personal service." That is a broader wage tax than we propose in title II. However, I will be glad to develop that in my own time.

Mr. FORD of California. I will be glad to have the gentleman do that.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. FORD of California. I yield to the gentleman from New York.

Mr. ANDREWS of New York. I am interested in the statement as to how far the rule may extend. Has the gentleman clearly in mind that the so-called "McGroarty bill" is germane as an amendment?

Mr. FORD of California. Yes; but I do not care to discuss that phase of it at this time.

Mr. ANDREWS of New York. Does the gentleman understand that bill?

Mr. FORD of California. Yes.

Mr. ANDREWS of New York. And the gentleman would vote for it?

Mr. FORD of California. Yes.

Mr. ANDREWS of New York. If it was finally adopted?

Mr. FORD of California. Yes. I would not state on the floor of this House or anywhere else that I would do something and not do it.

Why leave needy men and women between 60 and 65 in such a plight? Why not face the facts, realize that the problem is one that must be met, and that the obligation is ours?

Whatever else is done in regard to this bill, I hope and pray that the age limit of those eligible to old-age pensions will be fixed at 60. If this is not done, I shall feel that we have failed to face the facts, to meet our obligations, to do our duty.

I think we all feel that something much more drastic than this bill is necessary.

We have done much experimenting in the past 2 years. We have tried, and I think wisely, new measures and new methods. Some have proved disappointing, but most have been in the public interest and have helped to advance recovery.

We have today the opportunity to try another experiment, and a daring one. This is to substitute the revised McGroarty bill for section 1 of the so-called "security bill."

The objection to the Townsend plan, as embodied in the earlier bill, was that it obligated the Federal Treasury to pay out in old-age pensions approximately $24,000,000,000 a year, without any assurance that the money would be available.

However enthusiastic a responsible Member of Congress might be over the thought of the old people of this country being provided with a generous income, to be spent each month, sound reason made him pause. For to vote payments, with grave doubt as to the possibility of being able to make the payments, is unsound. This has been realized by the friends of the new plan and a new bill substituted for the old.

The new McGroarty bill does not obligate the Treasury for one dollar in excess of the funds that shall be collected under its taxing provisions. Should the tax collections provided under it prove to be sufficient to pay to persons over 60 who are eligible under it the sum of $200 a month each, the payments will be made. And I am certain that under these conditions this would be a happier world.

Should, however, the revenues under the bill be less than the amount needed to pay the $200 a month each, then

those eligible under the bill would receive a pro rata share of the entire sum collected, less the cost of administration. The Federal Treasury would not be obligated to make up the deficiency. Thus the charge that the wild inflation feared by many Members under the plan would be entirely refuted.

While a transaction tax is a sales tax, even those opposed to such a tax on principle, as a means of raising regular revenue, can accept it as a special tax for a highly social and eminently worthy object.

That the tax money distributed as pensions to be spent each month will put purchasing power in the hands of many consumers, and will thus stimulate business recovery, is a phase of this plan that has been much discussed. It is certainly worth trying.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman, I wish to compliment the gentleman from Oregon [Mr. MOTT] on his courageous and correct statement in regard to what the new McGroarty plan does not do.

Old-age security is the problem to which many Congressmen have devoted much thought and research. The facts are that years ago I made speeches in Ohio in favor of old-age pensions. That was back in the early days when the stones were sharp in the path and the brambles thick for those few of us who advocated social legislation such as unemployment insurance and old-age security.

I served during 1930 and 1931 as a member of the Ohio Commission on Unemployment Insurance. As a member of that commission I studied unemployment and unemployment insurance. We recommended unemployment insurance. I signed the majority report making this recommendation and helped draft the model unemployment-insurance bill which was introduced in the General Assembly of Ohio. This "Ohio plan" has now been recognized as a national model.

My purpose today is to speak on the old-age pension phase of the social-security program. Later on I shall speak on unemployment insurance.

President Roosevelt favors old-age pensions. His present program calls for $15 per month to citizens over 65 with the States participating at least on an equal basis. In Congress I have supported President Roosevelt and upheld his leadership. His plan is a step forward. I would go farther. It is not adequate. Furthermore, it does not provide for social security. I want old-age pensions to commence at 60 and from the time the citizen becomes 65 the amount should be increased. Let us commence this social-security program now. Let us provide more adequate old-age security payments than this bill provides in its present form.

The depression brought forth a brood of fantastic plans, schemes, and panaceas to promote recovery, contentment, steady employment, and prosperity. The best known was Dr. F. E. Townsend's first revolving old-age pension plan of $200 a month for each individual of 60 and more. Liberals, like myself, were publicly advocating old-age pensions years before Dr. Townsend announced his plan. Dr. Townsend asserted his plan pointed out the royal road to recovery.

I refer to his first plan, because that is fundamentally different from the plan as now contained in the new McGroarty bill. When these agitators go into Ohio and other States and tell the worthy people we represent, particularly the elderly people, that only slight changes have been made in the new McGroarty bill, they are stating what is not the fact and they know it is not the fact.

Within a year selling Townsend-plan booklets and literature became a leading industry of Long Beach, Calif., and a profitable business for those who sold Townsend-plan booklets at 25 cents each which cost but a fraction of that sum. Then on April 1, 1935, he publicly abandoned his original plan. The original Townsend plan providing $200 per month for all over 60, amounting to about six times the annual revenue of our Government from all taxation, is abandoned by its author and sponsors. H. R. 7154, Mr. MCGROARTY, now supported by Dr. F. E. Townsend and the Townsend leaders, differs fundamentally from the originally announced and much-exploited Townsend plan.

Mr. BUCK. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from California.

Mr. BUCK. Did not the original and first plan call for a 10-percent retail tax?

Mr. YOUNG. Yes.

Mr. BUCK. Then that plan should really be called the first plan, the first McGroarty bill the second plan, and the new McGroarty bill the third plan.

Mr. YOUNG. That is correct.

Mr. BUCK. Has the gentleman any knowledge of how many other revised plans will be introduced?

Mr. YOUNG. This latest plan, as the gentleman from California and I agree, is fundamentally different in character from what these people in our States have been given to understand.

Mr. BUCK. And those of us who stated we disagreed with the second plan, or whatever you may call it, and believed it to be unworkable, have been proven to be correct in our position by the introduction of this new bill.

Mr. YOUNG. That is true. The $200 per month feature has been altogether eliminated from this recently introduced McGroarty bill, H. R. 7154.

This measure provides for the raising of the revenue by increasing inheritance taxes to a small extent, by increasing income taxes and, in addition, by the imposition of a 2-percent sales transaction tax. The size of the monthly payment to elderly individuals depends, under the new McGroarty bill, H. R. 7154, which is to be offered as a substitute, I understand, on the amount of money said taxes produce after the cost of administration has been deducted. Of course, this may be very fine for the bureaucrats and the administrators of the plan, but it may not be so good for the elderly people who are dependent. How can we say to the people we represent that we are providing old-age security for them unless we definitely write into the statute laws some minimum as a certain amount that every worthy elderly person of this country will receive?

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I have only 10 minutes, but I shall yield once more.

Mr. FITZPATRICK. There is not a guaranty in that plan as to the amount they will receive.

Mr. YOUNG. There is no guaranty. Under the recently introduced McGroarty bill, which is the latest Townsend plan, the annuity payment to the elderly people that we represent may go from nothing up. Of course, as a sop and because they have been talking so much about $200 per month, the bill states that in no event shall the payment exceed $200 per month, but everyone knows that after the cost of administration has been deducted, the payment will be but a part of that amount.

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I must refuse to yield further, Mr. Chairman.

I urge that a substantial minimum amount be fixed so that there may be real old-age security. Also I urge that the inheritance tax be increased. I have prepared amendments providing these changes. I would strengthen and liberalize the bill.

Every worthy individual 60 years of age or older, who is in needy circumstances, is to receive the pro rata share of the amount obtained. If such person is in receipt of a small income, this is deducted from the annuity paid.

This latest Townsend-plan measure represents a real step forward. It has meritorious features. The original McGroarty bill, H. R. 3977, advocated by many who had not carefully studied its provisions, was loosely drawn and was not practical. It has been definitely discarded by Dr. Townsend. It is unfortunate that overzealous agitators deceived worthy old people and caused them to believe that our Gov-

ernment could readily pay every elderly individual $200 each month. This was cruel and uncalled for.

Present poor-relief systems for the indigent aged are inadequate. In addition they are costly and give no assurance of security. China and India are about the only nations which do not have old-age-security laws. No problem before us is of greater importance than to provide real old-age security for all individuals 60 and older who are citizens of our country.

About 350 years ago, while Elizabeth was Queen, somebody thought of the poorhouse. Since then we have found better ways of doing everything. We have exchanged the quill pen for the fountain pen and printing press; the candle for the electric light; the horse for the railroad, automobile, and airplane. Stage coaches, tallow dips, flintlock muskets are gone never to return. Nevertheless, we still tolerate the poorhouse. We care for our needy aged by methods in vogue in 1588.

After years of depression this problem is particularly acute. Savings of thousands of aged people have been wiped out despite the fact that they providently and thriftily saved for their future. They are destitute. Their sons and daughters, lacking jobs in many instances, cannot help. Younger people and the middle-aged may never be able to accumulate sufficient for their own old age. Certainly they are not able to adequately provide for their aged and infirm parents. This depression, like war, leaves its toll for future generations to pay. The question is, Shall we provide for our aged extravagantly and cruelly in poorhouses, or humanely, economically, and scientifically by old-age pensions?

As Congressman at Large I represent a constituency of 7,000,000 of the finest people living anywhere. Far too many of my people are unemployed and in need. In November 1933 the citizens of Ohio, by an overwhelming vote at a State-wide initiative election, decreed that in Ohio there should be old-age security. This by the largest majority ever recorded on any issue submitted to Ohio voters. The old-age-pension law enacted in Ohio is unjust, unfair, and inadequate. We do not have old-age security. By old-age security I mean adequate pensions payable to all worthy citizens 60 and older who are in need. By "adequate" I mean at least $50 per month for each individual, and I would increase that to $75 per month for all over 65.

Old-age pensions provide an open road for happiness and contentment for men and women who have, through no fault of their own, beheld the savings of a lifetime swept away as a result of ill-founded trust and abiding faith in big city bankers, in manipulated insurance companies, in exploiting building and loan associations, or have been swindled in any manner through the connivance of others, or who have by reason of economic conditions, been unable to lay aside sufficient for the "rainy day" that awaits us all. Local communities now overburdened, relatives now overtaxed caring for the less fortunate, and county poorhouses, will be displaced. A new era is at hand. The aged and infirm will face security and contentment instead of uncertainty, humiliation, and misery.

In 29 States old-age pensions have been provided. Many States, like Ohio, have provided for old-age-security laws because of a direct mandate of the people expressed at the polls. Ours is, in fact, the only civilized country in the world that does not have a national old-age-pension law. The cost of a few battleships will go a long way toward adequately pensioning for 1 year every needy individual in this country. Unfortunately the average State pension is less than $25 per month. The average cost of maintaining inmates in poorhouses is $40 per month. Justice and ordinary business prudence call for more adequate old-age-security legislation.

The need for old-age-security legislation is largely due to the congestion and intensity of modern industrial processes. Either aged people, in honorable poverty, must be supported by private charity or by society. I favor old-age-security legislation because it is the duty of the Government and also because the reliance upon private charity is an unequal and insecure dependence for men and women who have earned the right to live their few remaining years in modest independence, and enjoy a little repose.

The hope we all cherish is an old age free from care and want. To that end people toil patiently and live closely, seeking to save something for the day when they can earn no more. And yet the same fate awaits the majority. In the life of the worker there are weeks, often months, of enforced idleness, weeks of unavoidable sickness, losses from swindling, and then, as age creeps on there is a constantly declining capacity to earn, until at 60, many find themselves destitute. There is no more pitiful tragedy than the lot of the worker who has struggled all his life to gain a competence and who, at 60, faces the poorhouse. The black slave knew no such tragedy as this. It is a tragedy reserved for the free worker in the greatest Nation on earth.

There is nothing radical about the old-age-pension idea, though, personally, I do not fear being termed a "radical." The word "radical" is derived from the Latin word meaning "root." We ought to go to the roots of our social and economic troubles. As a matter of fact, payment of old-age pensions by the State or National Government involves no new policy nor any innovation of principle. In 1913, as a member of the General Assembly of Ohio, I participated in the enactment of Ohio's first mothers' pension law. Before that time the State had dealt in haphazard fashion with children of destitute widows. Children were sent to children's homes and the mother to work. This blighted the lives of children and brought misery to the mother. Instead of cruel separations of mothers and children, we now have the enlightened system of mothers' pensions, with regular payments to mothers to take care of their children. The family is kept together. Furthermore, the cost to the State is less. No State that has adopted mothers' pensions has returned to the old inhuman methods. I urge the same principle for the needy aged who, after a lifetime of industry, effort, and struggle at 60 become in need of assistance from the Government or from public or private charities. It is time to free white hair and wrinkled brows from dread and anxiety. Instead of "over the hill to the poorhouse", the Government should lend a helping hand in a scientific and adequate manner to our deserving and needy aged as they go down the sunset side of life.

Mr. Chairman, private charities, bread lines, and soup kitchens must not be the only answers of American intelligence and sense of justice to the problem of unemployment and indigent old age. Out of the hardships of this depression, when millions of people sought work which they could not find, let us hope that a better future may come for aged men and women whose condition is desperate even in the best of times, and through no fault of their own.

In Ohio we have a sales tax. This is the most atrocious and obnoxious form of taxation. A sales tax or a sales-transaction tax most heavily burdens people in moderate circumstances and the poor. It is the tax of last resort. Increased inheritance and estate taxes against large inheritances and increased income taxes in the higher brackets, which I advocate, will not burden people in moderate circumstances nor the poor. Taxes should be assessed according to ability to pay. Lest someone from California say that the tax proposed by Dr. Townsend is not a sales tax but a transaction tax, I refer to Dr. Townsend's testimony before the Senate Finance Committee, Saturday, February 16, 1935:

Senator BARKLEY. So it is really a sales tax?

Dr. TOWNSEND. There is a distinction, but there is very little difference. A sales tax has to necessarily be a tax on a transaction. All taxes on transactions of a financial nature are sales taxes.

Senator BARKLEY. So it is a distinction without a difference?

Dr. TOWNSEND. Well, the public conception of a sales tax is a limited transaction tax. That is the only difference.

Senator BARKLEY. The transactions tax would be unlimited; it would apply to all transactions involving sales?

Dr. TOWNSEND. That is what we propose to do.

Senator BARKLEY. The name is changed in order to get away from the term "sales tax"?

Dr. TOWNSEND. That is all.

For the purpose of providing revenue for old-age security I am willing to support a small transaction-sales tax. I will not support such a tax for the general operation expense of Government.

The entire combined revenues of the Federal Government from all sources of taxation in 1934 amounted to $3,700,000,000. To obtain this we resorted to almost every conceivable form of taxation—we taxed incomes, inheritances, gasoline, tobacco, liquor, beer, imposed nuisance taxes of all kinds, excise taxes, taxed bank checks, added extra postage rates.

Mr. Chairman, I conclude by urging enactment of the most liberal old-age-security law that is practical. I know this will not be $200 per month per individual, but I hope it will be $50 or $75 per month per individual. I, for one, will not be a party to deceiving or holding forth false hopes to elderly people I represent. Dr. Townsend did this for a time. That was cruel and unconscionable. I will continue to fight for the most liberal old-age-security law that is practical. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I have before remarked that I am ranking man on the Committee on Expenditures, seemingly a perfectly useless committee. We are supposed to delve into the manner and amount of the expenditures, but we should apparently not investigate expenditures of this administration. So it seems futile to suggest that anything be done by the committee. But if I have any conscience or any courage whatever, I must make use of this forum to voice a protest against some of these immense expenditures made or contemplated.

The gentlewoman from Massachusetts [Mrs. ROGERS], in the RECORD of yesterday, painted a word picture of the cities of the dead, which I would like to have you read. Then consider the fact that we are faced with a monstrosity of this sort, to be paid for by industry that is dead or dying. Perhaps it is expected that someone who holds a ranking position on this committee should voice a protest in behalf of that industry.

We cannot discuss this bill without comparing it with other huge expenditures. That is probably why our able chairman from North Carolina favors it. With what utter despair and discouragement he must have voted for the tremendous expenditures already made, and how hopeful he perhaps may be that we now have a plan that will take the place of these enormously wasteful expenditures that have been made. He knows he must not criticize them. Harry Hopkins would call him "too damned dumb to understand." I think that I know how that splendid gentleman feels in his own heart regarding those futile experiments which have cost so much. We on this side sympathize with the Senators from Virginia, especially the senior Senator from Virginia, who had to carry through the Senate that bill for $5,000,000,000 when he did not believe in it at all. A strange situation, was it not?

But you elected a President; and you think he had a mandate from the people to be practically a dictator, and that you are simply to obey his will. Word has come to you, sir, that no matter whether constructive suggestions are made, or not, with respect to certain portions of this bill, you are to pass it just as it is; and you probably feel that you must obey that command.

Some of you on that side think that you embarrass us when you ask us what program we may have.

We most certainly now do have a program. We expect to adopt the Democratic platform of 1932, which you abandoned for these foolish new-deal experiments. Think of what you perpetrated on the people of the United States through the promises in that platform, which you have now willfully abandoned. Because of what you have done it is now necessary for the Republicans to adopt that 1932 program, which so won over the voting populace.

I hope the Democratic Party are enjoying their slide down hill. They are carrying the country down hill to the tune of probably $50,000,000,000. I presume you will let us have the sled to drag back up the hill, later on.

Some have stated that the Republicans would not get into power until 1970. With that campaign chest—$5,000,000,000—I am inclined to believe that the Democratic Party may perhaps extend its power another 4 years, but let me make the prophecy that the Democratic Party will not be heard of for half a century thereafter, when the poor, suffering people are obliged through taxation to pay the bills.

I want to call attention—and I think that a large portion of the public saw it—to the last edition of the Saturday Evening Post. Perhaps some of you dislike those editorials so much that you will not buy that publication anymore. The last issue contained such a caricature that I am certain no words spoken to the American people could be as effectual in arousing them as those portrayed in that picture by Herbert Johnson.

Look at that satisfied, ridiculous—I do not know how to express it—smile of Jim Farley's, sucking at the rich mixture of billions of dollars for distribution, and the other infants in their delight in the pop handed to them for largess. Are they our great engineers? No. Great financiers? No. Lew Douglas has gone, Johnson has gone; practically all the practical men have gone, except Harry Hopkins, the great spender of all time.

Mr. KNUTSON. Will the gentleman yield? Surely the gentleman does not object to the expenditure of $250,000 in preparing a relief map showing the movements of the people in the Mediterranean and Euphrates during the second millennium between the years 2000 and 1150 B. C., something that the human family has been thirsting for for centuries? [Laughter.]

Mr. GIFFORD. I am not given much to ridicule. Of course, the rhythmic dancers might not receive our entire approval, but we are informed that we are all "too damned dumb to understand it." [Laughter.]

Then we have the great Tugwell. Is he really a master engineer who can judiciously spend $900,000,000 for soil erosion, reclamation, and all those things that require the services of a great engineer? No. Before we pass on these things we should like to know—as TOM BLANTON formerly desired to know—the personality and ability of those who are to spend the money. As a saving declaration, in view of the storms of protests, the President has stated that he himself will expend it. Marvelous, indeed, is his capacity in all things. There is only one man for friend BLANTON to follow now, and that is the President of the United States. He says, "I follow my President." But he did not follow him in the matter of the $2,300,000,000 for the veterans' bonus. The great BLANTON—and I am looking at him and can now criticize him, since he has just been deriding us—the great man who has stood here for so many years and filled the CONGRESSIONAL RECORD with statements that he had saved the country millions of dollars! He has boasted greatly of saving great sums in the Private Calendar alone. Behold the great BLANTON, straining at gnats and swallowing camels!

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. BLANTON. None of my colleagues over here are able to understand anything that the gentleman has said.

Mr. GIFFORD. Oh, the gentleman does not want to understand what I have said. But I think that the gentleman's colleagues fully understand. They know the record of the great BLANTON for more than 15 years. He has claimed to be the great watchdog of the Treasury, but now he is "following his President." Seemingly, no matter where he may be led.

Mr. BLANTON. If the gentleman will allow me, I would rather follow him than Mr. Hoover——

Mr. GIFFORD. Do not take that out of my time.

Mr. BLANTON. Who during the 4 years of his administration left us with a $4,000,000,000 deficit.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. TREADWAY. The gentleman has referred to the extravagant expenditures on the part of the President. Is not the President liable to change his mind and be economical and balance the Budget?

Mr. GIFFORD. I wonder if the gentleman wants me to read again the President's pre-election speech on balancing the Budget, wherein he said that it was dangerous for the banks to loan the Government any more money? He said that in 1932. Do you want that dose of medicine again?

Mr. TREADWAY. I call the gentleman's attention to the fact that in this morning's paper in a press story there is an alleged interview—I take it to be official—with the President of the United States yesterday wherein he called attention to the fact that this legislation now pending before us would be a means to balancing the Budget. That statement is definitely made. I want to know of the gentleman whether he does not think the President is just human in wanting to change his mind sometimes, for it will be remembered that under date of February 16 the New York Herald Tribune carried the statement that the President would not further comment to the press on pending bills?

Possibly the President is not aware that this so-called "social security bill" is a pending measure, but in February he would not answer any questions about pending bills. He did yesterday, evidently, because he told how to balance the Budget by spending these billions of dollars in old-age pensions and unemployment insurance. Why did he change his mind?

Mr. GIFFORD. I want to give the President credit and I want to give our splendid chairman, Mr. DOUGHTON, credit for thinking that, if they can get rid of this vast expenditure in the way in which it is being made, this program will take the place of it and will hasten the balancing of the Budget. But in further reply, the gentleman well knows that yesterday when those New England Governors called at the White House to see the President and told him the exact conditions in New England—told him in no uncertain language, because I heard their statement read—it was easier for the President afterward to tell the press than to face those New England Governors and tell them that he must refuse to grant them relief.

Mr. TREADWAY. Did not the press account say that he waved them into the next room so that he might interview members of the Cabinet, and then he gave out the press statement?

Mr. GIFFORD. Exactly. The President is in a peculiar position. He does not want to face Senators and Members of the House and New England Governors, even though they are largely Democratic. It is highly amusing to have all those Democrats, elected in New England, now pleading for Republican policies. They are the only policies that will save New England. They pinned their faith on Mr. Roosevelt in 1932 and 1934, but if the election were to take place in these New England States tomorrow can you not imagine the result?

Mr. TREADWAY. In reference to the policies they represent, and the President, and the criticisms of our Governors of New England, all of them, I think, but one Democratic, they are pleading, as I understand it, for higher tariffs, for repeal of the processing tax, and doing away with the reciprocal treaties. Is not that the program of the Democratic Governors?

Mr. GIFFORD. True. I ought to take this opportunity still further to impress on this House the situation in the textile industry, the second largest in the country, which is one great industry that must bear the burden of this bill. You are killing this industry; it is practically dead; and the President refuses to come to its relief. We have delegated practically all of our power to him. He is the only one who can give us help.

Mr. HOUSTON. Will the gentleman yield?

Mr. GIFFORD. I think I have finished that.

However, I sympathize with the President and with the party that elected him, because they must insist on Democratic policies. The repeal of the processing tax might not do so much, perhaps, as the textile industry hopes it would, but it would help and lend encouragement. And Japan, at present our largest customer for raw cotton, says to us, "We send you only one-half of 1 percent of the amount you consume in your country; and, as we are your customer for raw cotton, you do not dare do anything about it." However, that one-half of 1 percent is sold so cheaply that it acts like the surplus of any other commodity. Our manufacturers, our mills, our retailers, cannot sell an article for a fair price when purchasers declare, "I bought the same thing for half that money last week somewhere else."

It is the surplus, however small, that very largely establishes the price. Everybody acknowledges that to be a fact. That has been your plea on that side of the House for many years. Let us recognize it. But let us place this sick, suffering, despairing industry back on its feet. Let us now begin to assist all legitimate industry without waiting for all the social aims of the administration to be achieved!

Mr. Chairman, I want to vote for much in this bill. I welcome the old-age pension plan. Massachusetts has its old-age pensions. It costs Massachusetts $4,500,000 a year. We pay $24.50, on the average, to our aged and needy people. I presume that I should welcome the Federal Government coming in and helping us out, although the result will be that a large amount paid to other sections will come from my State. New York will also pay a huge amount for the benefit of other States. But when the Federal Government sets up machinery and is morally bound thereby, whether it be a home-loan bank, a farm-credit bank, or anything of that sort, and the States cannot or will not meet their share of the costs, the individual involved will assert his rights and the Federal Government in no time at all will have to assume the whole burden. Well did the chairman, in his opening address, stress the point that the States should be made to pay their share. He is trying hard in this bill to preserve State rights and State responsibilities, but he has already been forced to listen to some very strong speeches in the last 3 days in favor of the Federal Government paying it all. Many States cannot meet the cost; many States will not do so.

It is argued that it is not fair that old people in Arizona or New Mexico should be treated any differently than those in New York or Massachusetts. Our prediction is that in 1 or 2 years, perhaps, the Federal Government will have to assume the entire burden. It will be a Federal old-age pension long before 1940 or 1942, when the second title of this bill really goes into effect. We fully understand the doctrine that has taken possession of our Congress for many years, since the sixteenth amendment to the Constitution was adopted. Then you learned that six States principally paid the bills. It is very fine to distribute largesses over the many States of the Union whose constituents seldom look into the hard, cold face of an income-tax blank, but who feel that they should be supported by those six States of the Union. The half flimsy excuse that perhaps some of the people residing in those States made their money in some of the other States is often presented. Just as if that money that was invested in those other States did not pay its full share for labor, for taxes, and in other ways to benefit the States where the business is located. The cry is, "Abandon State responsibility! Take it from those six States! Let them pay the bill." Mr. Chairman, we are building a ceiling of debt over our Federal Government. The other day I spoke of forty billion. "Andy" has now raised his estimate to fifty billion. Forty billion, forty-two billion, and so on until fifty billion is reached in 1940.

[Here the gavel fell.]

Mr. TREADWAY. I yield the gentleman 10 additional minutes, Mr. Chairman.

Mr. KENNEY. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KENNEY. In circumstances like that, I wonder what the gentleman thinks George Washington or Alexander Hamilton might have done, when money is so sorely needed and so scarce for worthy purposes?

Mr. GIFFORD. They would go back to the days of Thomas Jefferson and Jeffersonian doctrine. We read that Secretary Wallace is not welcome down in Georgia today to make a Jeffersonian speech. Those great men would not

have embraced spendthrift measures. We can well imagine them saying to us, "Return to the old anchorage and stop extravagances."

I hope you will feel I am really sincere in my criticisms. However, may I now indulge in a little pleasantry? We should look with great care as to who is to spend the $5,000,000,000. I wonder what this "new" set-up will be—another alphabetical organization? But the greatest of all alphabetical organizations ever set up by any party is, as you know, that great "I O U" organization, which you are setting up. Now, who will carry on? Tugwell, Hopkins, Farley, and Wallace? Have their past performances appealed to you? I do not want history to record—just a few years from now—that their carrying out of these things was a dismal failure. Have you gentlemen recently seen Haskins' new book on Government? Have you seen to it that your schools all have it? It is a most valuable treatise on our governmental activities. Haskins wrote an excellent book on the same subject some years ago. I well remember one of the interesting illustrations on the subject of experimentations of the Weather Bureau. The Weather Bureau generally gave out the report "probably fair", "probably cold", and soon it was being known as "Old Probability."

The weather people in Washington were worried because a farmer in Maryland foretold the weather more accurately than they did in Washington, so they sent an investigator and the farmer explained his success in the matter thus: "See that donkey out there? When it is good weather he grazes contentedly. When it is to be bad weather he is uneasy. I can tell by the degrees of uneasiness what the weather is going to be." The inspector went back and reported to Washington, and in consequence they put a jackass at the head of every weather bureau in the country. [Laughter.] I mean no offense to any particular individual, but I hope that history will not make the same comment regarding the present. Probably those mentioned are doing the best they can; but they are not engineers, and the public now has scant faith in them. Yet when certain of them are criticized they reply that we are too damned dumb to understand.

The President has let Lew Douglas go and supplanted him by a new Director. I do not know who he is; do you? Is he simply another "yes" man?

Advisers to the President come and go, and, while expressing the greatest affection for him, many of them cannot agree with his philosophy. He now has a Secretary of the Treasury, I presume, who will do anything the President wants him to. I am sure I read Mr. Morgenthau's statement to the effect that he would certainly do so when he took the office.

And now Governor Eccles comes with a banking bill that will assure the Government that the banks will have to cooperate. No wonder business men do not come before your committee; no wonder banking men do not come before the Committee on Banking and Currency. No; indeed. They realize that they are faced with a virtual dictatorship. To demur, will bring punishment, swift and sure. Governor Eccles said:

> If the banks do not lend the Government money or do not conform, it will be "just too bad" for those banks.

This is the man who does not worry about a $40,000,000,000 debt or the balancing of the Budget for several years to come, like TOM BLANTON.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I shall be pleased to.

Mr. BLANTON. The gentleman from Massachusetts forgets that the rules prevent him from referring to his colleagues by their personal names.

Mr. GIFFORD. Mr. Chairman, I do not yield further; the gentleman himself taught me to do it.

Mr. BLANTON. Mr. Chairman, I make the point of order that the gentleman is out of order in referring to his colleagues by their given names and not in the way the rules provide; and I base my point of order on the second ground that the gentleman is not talking to the bill. The gentleman has not told us what he thinks about the unemployment-insurance feature in this old-age-pension bill.

Mr. GIFFORD. Mr. Chairman, I do not yield further.

Mr. BLANTON. Mr. Chairman, to save time I withdraw my point of order; perhaps the gentleman will get to the bill after a while.

Mr. GIFFORD. Mr. Chairman, I am glad the gentleman finally understands me. I learned this first-name business largely from him, and I want to call to the attention of these new Democrats that they should enjoy the speeches of Blanton, our old friend Jack Garner, and other Democrats here in the House during which they so glibly talked about Uncle Andy and Cal. Yet the Republicans have referred to your Democratic President only in the very remotest way, if they criticize him at all.

You remember how the gentleman from Kentucky [Mr. VINSON], speaking from the well of the House, recited that poem about "Cal and the rocking horse." Oh, we Republicans are then supposed to take, and like, criticism, ridicule, and even insult; yet the gentleman from Texas cannot refrain from criticizing me because I spoke of him as Tom. [Laughter.]

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MAY. Will the gentleman from Massachusetts tell the House whether or not he is in favor of or against old-age pensions?

Mr. GIFFORD. Mr. Chairman, am I really so difficult to understand? [Laughter.] I raised my voice so that you could not avoid hearing me. I said I was greatly in favor of old-age pensions. Does the gentleman now hear me? Massachusetts is proud of her old-age pension system. I will vote for that title in the bill; but will I vote for the unemployment-security title—that experimental thing for which a suffering industry will have to pay? No; not now. Does the gentleman understand that?

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KNUTSON. The gentleman from Kentucky just came in the room. He did not hear the gentleman's remark.

Mr. GIFFORD. I hardly think he would fully sympathize with me if he had.

Mr. Chairman, there are other matters to be discussed in view of the presentation of this bill, but I refrain from further remarks at this time. As the ranking man on the minority side of the committee to watch expenditures of the Government, I have felt constrained to make these comments; and if I do say something that may be regarded as political, I say again, look up those speeches of Blanton, Garner, and other leading men on your side and you will understand what tremendous blasts we Republicans had to endure all those years. Then marvel that we Republicans are so considerate of you during these days when you offer so much which deserves criticism. [Applause.] Mr. Chairman, I yield back the balance of my time.

Mr. DOUGHTON. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, the gentleman from Massachusetts laid emphasis upon the fact that industry was dead. He stated that dead industry could not pay the money that would be necessary in order to carry out certain provisions of this bill. In order that the readers of the RECORD may know how dead industry really is, I ask unanimous consent that at this point I may be permitted to insert in the RECORD the figures showing how the chief executives of big business have voted themselves thousands of dollars increases in salary since President Roosevelt has been in office.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, reserving the right to object, will the gentleman let me make answer so it also will appear in the RECORD?

Mr. COCHRAN. The gentleman will have the privilege of putting in the RECORD anything he desires. I asked unanimous consent that I may be permitted to insert these figures in the RECORD.

Mr. KNUTSON. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts.

Mr. GIFFORD. Mr. Chairman, I am allowed 2 minutes. I would like to answer the gentleman, because he is a good friend of mine. I notice the income-tax payments have increased; we upped the rates last year. Your N. R. A., to my knowledge and to the gentleman's knowledge, has made many firms and manufacturing plants earn more money last year on less turn-over and fewer employees.

I want to read a short excerpt of a few days ago from a New York financial journal for the benefit of the House.

Mr. COCHRAN. The gentleman is taking up all my time.

Mr. GIFFORD. The gentleman's time has expired. I have been granted 2 minutes.

Mr. KNUTSON. I yield the gentleman 2 additional minutes.

Mr. GIFFORD. This article is as follows:

Not since the dark days of the banking crisis early in 1933 have the feeling of despondency and unwillingness to embark upon new business commitments been so wide-spread as during the past few weeks. This has been noted in all walks of business. The pessimism is most profound in New York, doubtless, but presentiments of further disaster are spreading into other areas. The consequence of this deep depression in business sentiment is a contraction in the volume of new orders entering trade channels, retail sales volume turning downward, and commodity and financial markets have reacted sharply.

We should refer to the financial papers of the last 3 weeks and the above statement will be fully verified. Pick out a spot somewhere that is prosperous and put in the RECORD if you want to, but prosperity is found only in "spots."

Mr. COCHRAN. Will the gentleman please put in his scrapbook and read to the House the story appearing in the Washington Post this morning where Dun tells what has been going on in the country and what is expected in the country? The gentleman is fair. Let him do that.

Mr. GIFFORD. I have not that article in my scrapbook.

Mr. COCHRAN. It is on the first page of the Washington Post.

Mr. GIFFORD. The gentleman may do that if he wishes. I am putting in my own excerpts. In heaven's name, defend conditions if you can. Place in the RECORD all possible to encourage our business men and the country.

Mr. COCHRAN. Anything that refers to the Democratic administration in a good way the gentleman does not carry in his scrapbook.

Mr. GIFFORD. May I say that I greatly desire to go along with my President and your party when I think you are right. He is the only President I have. I do not want to put anything in his way, but it is a real duty to warn of unhappy conditions and to call attention to the driver when we are certain he is going in the wrong direction.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, under leave to extend my remarks, I insert the following list taken from the St. Louis Post Dispatch, as well as a news story from the same paper, that shows the salaries of leading business men, which is a clear indication that business is not quite as dead as the gentleman from Massachusetts [Mr. GIFFORD] would have the House believe. Surely if business was dead it would not be able to pay such salaries.

Range of salaries for business leaders

	1928	1929	1932	1933	1934
William F. Humphrey, president Tide Water Associated Oil Co	$83,380	$92,555	$52,987	$12,000	$60,000
Frederick P. Small, president American Express Co	81,470	84,390	76,410	70,125	68,665
M. G. Gibbs, president Peoples Drug Co	50,000	50,000	45,000	40,000	50,000
P. W. Litchfield, chairman Goodyear Tire & Rubber Co	101,000	101,000	79,787	----------	81,000
Burnett W. Robbins, president General Outdoor Advertising Co	----------	----------	75,126	56,250	56,390
Louis Block, chairman Crown Zellerback Corporation	75,160	75,160	65,450	67,500	67,500
William F. R. Murrie, president Hershey Chocolate Corporation	66,550	66,550	66,550	66,550	91,500

Range of salaries for business leaders—Continued

	1928	1929	1932	1933	1934
Milton Dammann, president American Safety Razor Co	$45,833	$45,000	$54,000	$54,000	$59,740
J. B. de Mesquita, secretary American Safety Razor Co	40,000	45,000	40,500	40,500	52,365
James H. Rand Jr., president Remington-Rand, Incorporated	75,500	75,000	76,128	60,000	94,120
Francis H. Brownell, chairman American Smelting & Refining Co	100,000	108,000	100,000	100,000	100,000
Simon Guggenheim, president American Smelting & Refining Co	50,000	50,000	42,000	40,500	50,000
Jacob France, president Mid-Continent Petroleum Co	125,000	125,000	90,000	81,000	81,000
Martin J. Condon, president American Snuff Co	78,800	70,119	61,549	50,000	64,256
George Horace Lorimer, editor Saturday Evening Post	100,000	120,995	118,750	100,000	100,000
Francis B. Davis, chairman United States Rubber Co	120,995	125,550	107,550	96,136	125,000
C. B. Ames, chairman Texas Co	----------	101,353	48,700	75,000	75,000
William Dekraftt, chairman finance committee, United States Rubber Co	----------	36,600	35,417	31,532	50,700
P. S. Collins, vice president Curtis Publishing Co	79,890	79,965	72,692	60,750	60,750
F. A. Healy, vice president Curtis Publishing Co	----------	46,191	58,153	54,000	53,999
J. D. A. Morrow, president Pittsburgh Coal Co	30,000	36,000	30,780	24,772	74,440
Louis S. Cates, president Phelps-Dodge Corporation	----------	----------	82,220	75,000	76,440
Frank W. Lovejoy, president Eastman Kodak Co	84,537	85,050	83,461	90,000	90,903
William G. Stuber, chairman Eastman Kodak Co	113,650	114,425	111,490	49,500	61,230
F. T. Bedford, president Pennick & Ford, Ltd	85,951	106,213	53,264	50,000	50,000
A. W. H. Lenders, vice president Pennick & Ford, Ltd	70,951	74,349	40,908	38,000	52,175
William T. Nardin, vice president Pet Milk Co	59,950	52,295	36,666	36,000	50,455
William E. Levis, president Owens-Illinois Glass Co	----------	42,596	59,166	100,000	100,000

AMERICAN CHICLE CHAIRMAN GETS $75,000 A YEAR—T. H. BLODGETT, NEW YORK, AMONG DOZEN HIGHEST PAID REPORTED TO SECURITIES COMMISSION

WASHINGTON, April 8.—T. H. Blodgett, New York, chairman of the American Chicle Co., reported a salary of $75,000 to the Securities Commission today. This figure placed him among the dozen highest-paid business officials so far listed at the Commission.

Michael Gallagher, Cleveland (Ohio) coal operator, president of the Pittston Co., received $51,080.

Edwin C. McCullough, New York, president, held 52.9 percent or 71,050 shares of the common stock of the American Beverage Corporation. McCullough's salary was reported at $30,020.

Samuel Bayuk, Wyncote, Pa., chairman of the Bayuk Cigars, Inc., held 14 percent or 13,552 shares of the company's common. Bayuk's salary was $25,080. Harry S. Rothschild, Philadelphia, president of the company, received $36,120.

OTHER SALARIES

The following list shows first, persons or corporation, if any, holding 10 percent or more of the reporting company's stock; then, the salaries, if reported, for major officers, and then the stock holdings of directors and officers:

The Schiff Co.: Robert W. Schiff, president, Columbus, Ohio, held 16,436⅛ shares of common stock. Salaries: Schiff, $63,504; Al Schiff, second vice president, Columbus, $36,542; William Schiff, fourth vice president, Columbus, $15,044; Saul Schiff, director, Columbus, $18,285. Principal stockholders: Robert Schiff, 16,433⅛ common; Al Schiff, 6,121⅝ common; Morris Schiff, 2,000 shares common and 500 shares preferred; William Schiff, 3,000⅝ shares common; Saul Schiff, 2,482 shares common; all of Columbus.

Independence Lead Mines Co.: Salaries: H. B. Kingery, Wallace, Idaho, president-manager, $3,000; Herman Marquardt, Wallace, secretary-treasurer, $900. Principal stockholders: Mines, Finance Co., Spokane, Wash., 1,000,000 shares common class A; H. B. Kingsbury, 22,100 shares common; Marquardt, 2,901; F. C. Keane, Wallace, 1,000 shares.

Cream of Wheat Co.: Major salaries: Daniel F. Bull, Minneapolis, Minn., vice president, $36,000; George V. Thompson, Minneapolis, secretary, $27,000; George B. Clifford, Jr., secretary of subsidiary, $13,500.

Deere & Co.: Trustees under the will of Charles H. Deere, deceased, Moline, Ill., held 133,179 shares of the common and 133,570 shares of preferred. Two of the trustees also held the major blocks of stock among officers: William Butterworth, Moline, Ill., board chairman, 28,636 shares of common and 21,265 shares of preferred; Charles Deere Wiman, Moline, Ill., vice president, 16,654 shares of common and 12,150 shares of preferred; Charles G. Webber, Minneapolis, Minn., vice president, held 29,798 shares of common and 37,740 shares of preferred.

Kroger Grocery & Baking Co.: Individual salaries were not reported, but the company said the aggregate for the three highest paid officers was $130,961. Major stock holdings were: Otto Armleder, Cincinnati, Ohio, director, 30,198 shares of common; C. O.

Sherrill, Cincinnati, Ohio, vice president, 2,745 shares of common; Fred Lazarus, Jr., Columbus, Ohio, director, 2,481 shares of common.

MANY SALARIES INCREASED

How the pay of many big corporation executives rose last year is shown by their reports to the Federal Trade and Securities Commissions.

Francis B. Davis, chairman of the United States Rubber Co., for example, got $125,000 last year, compared with $107,550 in 1932. J. D. A. Morrow, president of the Pittsburgh Coal Co., received $74,440 last year and $30,780 2 years before.

The figures were too limited to give a definite indication of the trend throughout the thousands of American corporations, officials said, adding that in some cases changes in official capacity—promotions, demotions, or resignations—probably accounted for changes.

Most salaries and other compensation reported to the commission were maintained in 1934 at the 1932–33 rate, although in a few cases there were declines.

J. H. RAND, JR., GETS $94,120

James H. Rand, Jr., president of Remington-Rand, Inc., received a boost in compensation from $76,128 in 1932 to $94,120 in 1934, but George Horace Lorimer, editor of the Saturday Evening Post, got $100,000 in 1934 against $118,750 in 1932. The earnings of William E. Levis, Alton, Ill., president of Owens-Illinois Glass Co., increased from $59,166 in 1932 to $100,000 in 1934.

The figures cover officers who so far this year have reported 1934 salaries of more than $50,000 to the Securities Commission.

The comparisons showed that few salaries have attained their 1929 proportions.

In the table published in an adjoining column the figures from 1928 to 1933 inclusive are from the Trade Commission report, and the 1934 figures are from corporation reports to the Securities Commission.

Another sign of how dead business is, are the messages from Chicago and New York found in this morning's Washington Post that I referred to, "Wheat hit a dollar on the exchange", and the statement from New York is one from Dun & Bradstreet, in which they see the sharpest boom in business in 25 years.

The Associated Press reports follow:

[From the Washington Post of Apr. 13, 1935]

CHICAGO, April 12.—Dollar wheat came home like the prodigal son today and the board of trade welcomed it with a sudden flare of bullish enthusiasm that added nearly $11,000,000 to value of winter wheat still in the ground.

Traders wandered out of the pit to read a Dun & Bradstreet prophecy that the sharpest business advance in 25 years was on the horizon.

They came back to the pit for a speculator flurry of buying that lifted May and September wheat contracts above the dollar level for the first time since early January, added 2⅜ to 2½ cents a bushel to yesterday's closing prices and, on the basis of Wednesday's Government estimate of a 435,000,000-bushel harvest of winter wheat, enhanced that crop's value on the futures market by $10,875,000.

NEW YORK, April 12.—The most pronounced business rise in 25 years was forecast for the immediate future in the weekly business review by Dun & Bradstreet today.

"More convincing proof has come forward that the passing of March left behind the lows for the year," the review says.

"During the week there was a complete transformation of sentiment, as the hopes for a rather far-removed improvement were replaced by a realization that the immediate future is to bring the sharpest rise that has been witnessed in business in the past quarter of a century.

"Industries in most parts of the country now are advancing at the most orderly pace in the last 2 months, as all of the strikes have been settled and threats of walk-outs have been dissipated."

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. FLETCHER].

Mr. FLETCHER. Mr. Chairman, I wish to discuss section 531 of this bill, which relates to vocational rehabilitation. Because I desire to include the results of some surveys, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FLETCHER. Mr. Chairman, early in this session of Congress, January 7, I introduced a bill, H. R. 3050, providing for the continuation of the program of vocational rehabilitation of persons disabled in industry or otherwise and to aid them in returning to civil employment.

The President's Committee on Economic Security took cognizance of the results that have been achieved in the vocational rehabilitation of disabled persons during the past 14 years and put its stamp of approval on the program.

The bill I introduced providing for vocational rehabilitation was referred to the Committee on Education.

It was the original intention to ask for hearings before the Education Committee and request that committee to report the bill.

But since the purpose of the bill before the Education Committee coincides with the President's program on economic security, it was decided that to avoid duplication it would be more practical to include vocational-rehabilitation legislation in the Economic Security Act which is now before us.

As a result of my study of this program and its accomplishments in the States, I desire to bring to the attention of this House certain data regarding the problem of the disabled and the social and economic significance of the rehabilitation service.

Forty-five States and the District of Columbia are now engaged in vocationally rehabilitating their disabled citizens. The total cost of training a disabled person and placing him in remunerative employment for life averages less than $300.

It costs from $300 to $500 per year to maintain such a person in idleness at public expense.

The average age of disabled persons rehabilitated by the State is 30 years, and their average work expectancy is at least 20 years. Frequently the increased earning capacity of a rehabilitated person in 1 year exceeds the total cost of his rehabilitation.

Through studies and investigations over a period of years, it is possible to state with reasonable accuracy that at any given time there are 6 disabled persons in each 1,000 of the general population. Of these, 3 are children and 3 are adults of employable age.

Applying the figure of 3 physically disabled adults in each 1,000 of population to the total population of the United States, there would be found at any given time 368,000 adult persons with some form of physical handicap.

Rehabilitation experience shows that there is 1 disabled person per 1,000 of the general population who is eligible for rehabilitation, in need of rehabilitation—not able to rehabilitate himself—and for whom it is feasible to attempt rehabilitation, a total of 122,700 at any one time.

While at any given time the ratio of the disabled population eligible and feasible for rehabilitation to the total population is 1 per 1,000, the ratio of the number of persons who annually become eligible and feasible for rehabilitation service to the total population is 1 per 5,000.

These last figures of annual increment are based on accident figures of the National Safety Council and experiences of State rehabilitation departments over a 12-year period.

Applying the rule that annually 1 physically handicapped adult out of each 5,000 of population becomes eligible and feasible for vocational rehabilitation, the rehabilitation load in the United States would be increased by 25,000 persons each year.

It is interesting to note to what extent the Federal-State rehabilitation service has been able to meet this problem to date. It goes without saying that with limited budgets and limited personnel, the problem has not been met anywhere near adequately. However, results have been gratifying.

In the fiscal year 1934 there were 8,062 persons reported rehabilitated, which is an increase of 25 percent over previous years, and within the same year there was a 20-percent increase in the number of persons being served.

At the close of the fiscal year there were 18,228 physically handicapped persons under advisement, 9,878 in training, and 4,729 awaiting employment after having received training or some other form of rehabilitation service.

In addition, there were 1,422 persons who had been placed in positions but not yet recorded as rehabilitated at the close of the year.

These figures show a gratifying performance of the program in spite of the adverse conditions under which the

rehabilitation personnel was obliged to work during the depression years.

The development of the national program of vocational rehabilitation has been constantly accelerating as its purposes and effectiveness have been better understood.

During the past 3 years the number of persons applying for the service has greatly increased.

In recognition of the difficulties facing the States, by reason of limited appropriations, during the past 18 months the Federal Emergency Relief Administration has been supplementing the Federal allotment of $1,000,000 annually by an amount of $840,000 per year.

Even then the States have not been in a position to rehabilitate all the applicants they have for the service.

There is an immediate and urgent need for increased funds in order to take care of the increased needs of the program.

By establishing the national service the Congress recognized the vocational rehabilitation of the physically disabled as a vital part of our national program of conservation of human as well as natural resources.

The depression has emphasized the wisdom of having established it. The wisdom and justice of participation by the Federal Government have likewise been emphasized.

Participation by the Federal Government is based upon four fundamental principles:

First. That since rehabilitation of the disabled is essential to the national welfare, it is the function of the Government to encourage the States to undertake it.

Second. That for the same reason, the Government should assist in bearing the financial burdens of the work.

Third. That since the Government is vitally interested in the success of the program, it should participate in promoting its efficiency.

Fourth. That the surest way of developing standards of efficiency in rehabilitation is through the establishment of a partnership with the States.

The provisions in behalf of vocational rehabilitation and other social legislation included in this bill (H. R. 7260) are certain to meet with the enthusiastic approval of thinking people throughout the Nation. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, like the gentleman who preceded me, I want to depart from the usual customs and confine myself to the bill before the House.

Mr. Chairman, every living man and woman ought to be interested in the question of old-age security. The specter of a destitute old age shadows every life. The removal of this fear would be the supreme achievement of our civilization.

Realizing this I hailed the President's last message to the Seventy-third Congress, foreshadowing a program for social security to be presented to this Congress, as the greatest message which the President had thus far sent to Congress, and in a speech made on the floor on June 15, 1934, in support of the Railway Pension Act I predicted the passage by this Congress of a general old-age-pension bill. We have now arrived at the first consideration of that program.

In my campaign for reelection to Congress I stressed both unemployment insurance and old-age pensions and pledged myself to the most liberal plan the Government and industry could finance.

Plans have been presented to us for both old-age pensions and unemployment insurance which in my judgment are beyond our reach to finance at this time and under existing conditions, and I have told my people so and have taken much criticism for it.

On the other hand, I have not believed since I first read its provisions that the pending bill is all the burden that the National Government can reasonably bear in a program of old-age security, to which phase of the bill I shall confine my remarks, and I shall point out as specifically as possible my reasons for this conclusion.

I want to say, first, that the bill reported by the committee is a distinct improvement over the original bill, and I shall point out later how, in my judgment, it has been improved.

I want to say further that my analysis of title 1 of the bill is coupled with no reflection of the committee which reported it or the able men who make up its membership. I know they labored long and earnestly to bring out a program of social security which carries many valuable features besides old-age pensions, all of which I shall heartily support.

As I say, the bill has been materially improved by the committee, but in the matter of the allowance for straight old-age pensions it is not an improvement over the original bill, and in my judgment it is not nearly adequate. Both bills carry, in round numbers, $50,000,000 for the first year of the plan. Now, the hearings at page 38 show that there are about 700,000 people over 65 years of age on Federal relief at a cost to the Government of $45,000,000 per year. There can be no question about the eligibility of these people for the pension, so that this number alone would absorb three times the amount of this appropriation. In addition the hearings on the same page show an additional number in receipt of public charity, who should also be eligible for pensions, which swells the total of such dependent old people to more than a million. Dividing $50,000,000 among 1,000,000 dependents would give them but little more than $4 per month.

Mr. KNUTSON. Will the gentleman yield?

Mr. MARTIN of Colorado. If the gentleman will give me additional time, I will be glad to yield to him.

Mr. KNUTSON. Listening to the gentleman, I take it he is opposed to this bill for two reasons: One, it is inadequate in the amount that it carries; and, secondly, the gentleman objects to the delay in putting it into operation?

Mr. MARTIN of Colorado. Yes; and I want to discuss these very questions.

Mr. KNUTSON. I yield the gentleman 2 additional minutes.

Mr. MARTIN of Colorado. I thank the gentleman. I am going to point out specifically wherein this bill is wrong and suggest how it should be amended. I am not going to waste my time entertaining the House with political "hot air." We have been warned about giving the people stones when they ask for bread, but apparently some gentlemen I have heard here think that the people ought to be fed on political "hot air" instead of on pensions.

Mr. VINSON of Kentucky. Of course, the gentleman, I know, has made a study of the different bills and recognizes the fact that the $50,000,000 for the first year is to take care of all pensioners who are eligible under State laws during the first year?

Mr. MARTIN of Colorado. I am coming to that feature and will discuss it in a very analytical way; then I will be glad to hear from the gentleman after that.

Mr. VINSON of Kentucky. After the first year, stronger language could not be used as to the amount to be appropriated, because this bill authorizes to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of the title.

Mr. MARTIN of Colorado. I may say to the gentleman I am afraid there are one or two provisions in this bill wherein you will not need anything for the first year. Those are the things I propose to point out.

Mr. KNUTSON. There are about 5,000,000 needy people up in their sixties, and we are going to give them $50,000,000. That is $10 apiece.

Mr. MARTIN of Colorado. I do not think the gentleman has overstated the amount.

Mr. KNUTSON. I believe in being liberal.

Mr. MARTIN of Colorado. There are 1,000,000 people over 65 years of age on Federal relief and public charity.

It may be claimed that considerable time will be consumed in the work of registering the eligibles and the building up of the pension list, but I take it that very little time will be required to list the 1,000,000 people on Federal relief and public charity, and I dare say the whole number could be registered within 90 days after the passage of the act.

But the millions now on Federal relief and public charity by no means make up the total of those in need of old-age

pensions. Still referring to the hearings, we find this statement on page 38:

> At this time a conservative estimate is that at least one-half of the approximately 7,500,000 over 65 years of age now living are dependent.

Dependency, in my opinion, is an even better test than age of the need of a pension. But when we combine dependency with 65 years, it ought to be conclusive as to the need of a pension. Adhering strictly to the conservative figures in the report, one-half of the 7,500,000 people over 65 years of age who are said to be dependent would give us 3,750,000 people who meet the combined test of age and dependency. These people should all be registered during the first year and in much less time.

By way of contrast with the amount carried in the bill, the hearings show that last year some 180,000 old people received State pensions which averaged $19.74 per month. This rate of pension to 1,000,000 people would cost $200,000,000 per year. To show how pensions run into money, if these 3,750,000 old people were granted a pension of $19.74 a month, it would cost $900,000,000 a year.

Now, let me make one more comparison from figures furnished by the hearings, and still on page 38. We have in this country some trades union and industrial old-age pensions. Last year about 150,000 aged people received from these sources pensions exceeding $100,000,000. Their pensions, therefore, averaged slightly in excess of $55 per month. To pay that amount of pension to the 3,750,000 dependent people over 65 years of age would cost in round numbers $2,475,000,000 per year.

And yet the whole story has not been told. I apprehend the number of people in this country over 65 years of age who need pensions will exceed 4,000,000. If you reduce the age limit to 60 years, it will probably go to 6,000,000, and at $55 per month the annual cost would go to $4,000,000,000. At $200 per month the yearly cost would be $16,000,000,000, which is just double the cost of all government in this country—national, State, and local.

I said to a man who was here in Washington advocating another plan, it is not a question of how big a pension I would give the people; my heart is as big as yours; it is a question of the amount of taxation I am able to stand up for to finance it; and I expressed the view that the people ought to be educated on the question of taxation, not merely on pensions, and that they ought to know before the bill was passed what it was going to cost and where the cost would fall.

Returning to the bill before the House, I shall now point out in what material respects I consider it improved:

First. The original bill virtually required a pauper condition. It furnished assistance which, when added to the income of the pensioner, but not exceeding $15 a month, would provide a subsistence compatible with decency and health. The bill as reported by the committee and now before us has no income or property conditions attached.

Second. In the original bill only the husband was pensionable, as indicated by the requirement that the income of the spouse must be taken into consideration, and the income of both had to be inadequate for subsistence compatible with decency and health. In the bill now before us there is no reference to the income of the spouse. Both husband and wife, if they otherwise qualify, are entitled to the pension.

Third. In the original bill the pension was made a lien on the estate of the pensioner, and upon his death the State was required to reduce the estate to cash and turn the proceeds over to the Federal Government as a credit on the Government's contribution to the pension fund. In the bill before us it is merely provided that "if" the State collects from the estate of a pensioner, one-half of the amount shall be paid to the Government. It is left to the State whether it will do this, and this, in my judgment, is entirely proper.

Fourth. Under the original bill, when the pensioner, being a married man, died, then, under the compulsory-lien provision which it carried against the real estate of the pensioner, the real estate could be taken from the widow if she was more than 15 years younger than the pensioner. That provision is omitted from the pending bill.

These are some of the changes made in title I of the bill striking my attention, and all of them, in my judgment, are changes for the better.

The two principal features of the bill as they affect straight old-age pensions are the limitation to $15 per month per person and the requirement of State participation. I shall note the last requirement first—that of State participation—and I approach it in the knowledge that this feature of the act is not favored by the advocates of other pension plans.

I have been aware for some years of the very wide-spread view that the States can do nothing, but the National Government can do everything. The States are broke; the counties are broke, the cities are broke; the people are broke; but the National Government is a fountain of inexhaustible wealth. I do not think I overstate it. It is an unhealthy view, it is an unsound view, that a State cannot pay any old-age pensions but the Federal Government can pay one of $200 a month. They both get their revenues from the same source. The taxes all come out of the same pocket. The National Government may divide the field of taxation, but this artificial division does not create two different sources of Government income.

Mr. MOTT. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield to the gentleman from Oregon.

Mr. MOTT. The States raise the bulk of their revenue by the imposition of the ad valorem property tax. The Federal Government uses no such system. The State undertakes to raise the bulk of its revenue out of property, whether the property earns money or not. Does the gentleman say those systems are the same and that they are available to both agencies of the Government?

Mr. MARTIN of Colorado. The gentleman understands what I mean. It all comes out of the pockets of all the people, either directly or indirectly. You cannot divide it up into two artificial divisions and not charge one against the other. They all come from the same source.

Mr. MOTT. The point I make is that the States at the present time have not the revenue-raising machinery to finance an adequate State old-age-pension law.

Mr. MARTIN of Colorado. If the gentleman will give me some additional time I will give him my own ideas of this thing. I am coming to that.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. My time is running and I would prefer not to yield.

Mr. SAMUEL B. HILL. I will ask the Chairman to yield the gentleman a minute or two longer.

Mr. MARTIN of Colorado. I would like to have at least 5 minutes more because I have analyzed this legislation very closely.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. KNUTSON. Mr. Chairman, I yield the gentleman 2 minutes.

Mr. SAMUEL B. HILL. I want to ask the gentleman if it is not entirely within the province of the States to provide income taxes as a source of revenue and many of them now levy excise taxes?

Mr. MARTIN of Colorado. Yes; and inheritance taxes.

Mr. SAMUEL B. HILL. They have the same source of taxation as the Federal Government.

Mr. MOTT. Mr. Chairman, will the gentleman yield to me long enough to suggest to the gentleman from Washington that it is not possible for the States to raise very much revenue by the imposition of a State income tax, because most of them do not contain populations wealthy enough to pay a large income tax. There are a few large States that can do this, but with respect to my State, or Oregon, for example, there are many individuals in the United States who pay a greater income tax than all the citizens of my State com-

bined. We cannot raise a great deal of revenue by an income tax and neither can the State of Colorado.

Mr. MARTIN of Colorado. I am clear in my view that it is for the health of the State as well as of the Nation and for the benefit of the people generally, as well as the Government, that the State should bear a just portion of the burden of old-age pensions and should administer the law.

The requirement that the State must contribute, else there will be no Federal contribution, presents a very different and very difficult question, and one rendered more difficult by the wide-spread hostility to any dependence on State aid. I have expressed myself as not favorable to such a condition.

I know from reading the hearings that the small appropriation carried in the bill for the first year is based in large part on the assumption that many States will get nothing the first year, because they either have no old-age-pension laws or are not able to pay all of the pension provided by their laws. This very consideration confirms my view that the Federal Government should make its contribution, at least for a definite period, regardless of State action. The backward States might be given a reasonable period of time in which to get their houses in order.

I shall offer an amendment, deferring for a reasonable period, say of 2 years, the time after which Federal contribution will be withheld from nonparticipating States. A future Congress can deal with the situation then prevailing.

Now I come to an even more important matter. Under section 2 as it now reads, perhaps three-fourths of the States would be disqualified for Federal aid for the next year or two, but there is another provision in the bill which, as I read it, would disqualify all of them, with possibly one exception, even those who would be able to match the Government dollar for dollar.

Section 2, subparagraph 2, page 4, of the bill carries a residence requirement of 5 years during the 9 years immediately preceding the filing of an application for pension and any residence requirement of a State law which excludes any resident of the State who has resided therein for 5 years of the 9-year period is disqualified and its plan will not be approved.

Mr. MOTT. If the gentleman will yield, I do not think he is correct in that statement.

Mr. MARTIN of Colorado. Let us see whether I am or not. I hope I am not.

Mr. MOTT. That 5 years is a limitation under the bill, and they must not provide any restriction that would deprive a person of the pension if he has lived there 5 years.

Mr. MARTIN of Colorado. Yes; but it is 5 years of the 9 years. Wait until I come to that in my remarks, and if I am wrong I will thank the gentleman for showing me that I am wrong.

Mr. KNUTSON. If the gentleman please, the bill is drawn so that it is susceptible of several interpretations.

Mr. SAMUEL B. HILL. If the gentleman please, it is susceptible of but one construction and the gentleman from Colorado has it correct.

Mr. MARTIN of Colorado. The following are the residence requirements of the 28 States having old-age-pension laws as I have been able to get them:

	Years
Arizona	35
California	15
Colorado	15
Delaware	5
Idaho	10
Indiana	15
Iowa	10
Kentucky	10
Maine	15
Maryland	10
Massachusetts	20
Michigan	10
Minnesota	15
Montana	15
Nebraska	15
Nevada	10
New Hampshire	15
New Jersey	15
New York	10
North Dakota	20
Ohio	15
Oregon	15
Pennsylvania	15
Utah	15
Washington	15
West Virginia	10
Wisconsin	15
Wyoming	15

This table shows that only the State of Delaware could comply. In this connection I want to call attention to the fact that in the bill as originally introduced, the residential period was 10 years, and the reduction of the period to 9 years in this bill disqualified the following States which have 10-year periods: Idaho, Iowa, Kentucky, Maryland, Michigan, Nevada, New York, and West Virginia.

In other words, the way I read the language of the bill, if a State law requires 10 years' residence, it is 1 year over the residence requirement in this law, and the State is disqualified because it does not furnish a plan that will comply with the Federal specifications.

Mr. VINSON of Kentucky. Knowing the heart of the gentleman from Colorado as I do, does he not favor the lesser period of residence rather than a longer period? One State, as I recall, has a residence requirement of 35 years.

Mr. MARTIN of Colorado. Yes; I do. This is what I am getting at, and I may be wrong about it. This table shows that the State of Delaware only has a lesser period of residence than that named in the bill.

In this connection, I may say to the gentleman from Kentucky that if I am on the wrong foot I am coming to one of the things that put me off. In the bill as originally introduced the residential period was 10 years.

Mr. VINSON of Kentucky. As I recall, it was a residence of 5 years out of the last 10 years.

Mr. MARTIN of Colorado. Five out of ten.

Mr. VINSON of Kentucky. The first draft, H. R. 4120, was 5 years' residence out of 10. This would have permitted a pensioner to qualify in two States. He could have 5 years' residence in one State and 5 years' residence in another. This was changed to 5 years out of the last 9, which would make it definite from which State he would secure the benefits. Certainly the gentleman does not want to have a longer period of residence, because that would decrease the number of the aged who would benefit under the law.

Mr. MARTIN of Colorado. No; I do not want a longer period of residence; but I do not want my State disqualified under this bill because it requires a longer period.

Mr. VINSON of Kentucky. No; they can come in and amend their law and permit hundreds and thousands of aged to qualify under the law that otherwise would be excluded.

Mr. MARTIN of Colorado. All right; that is just what I am getting at. You have not convinced me yet that I am wrong. In the original bill pending before the committee this language read 10 years instead of 9.

Mr. SAMUEL B. HILL. Ten years instead of nine.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. KNUTSON. Mr. Chairman, I yield the gentleman 5 minutes.

Mr. VINSON of Kentucky. I know the gentleman wants to be correct. On page 4 of the original bill, H. R. 4120, the language is "has resided in the State for 5 years or more within the 10 years immediately preceding application for assistance."

In the present bill, H. R. 6120, it is 5 out of 9 years with 1 year's continuous residence immediately preceding application in State of application.

Mr. MARTIN of Colorado. Exactly.

Mr. VINSON of Kentucky. But in the original bill it was 5 years out of the last 10 years.

Mr. MARTIN of Colorado. Yes. I saw that it provided 10 years in the original bill and then I saw the 9 years in this bill, and I began investigating and speculating at once as to why such a change was made, and when I looked up the State requirements and found that 8 large States, including New York, had a 10-year period, it just occurred to

my mind that this change of 1 year would disqualify New York, because you had to live in New York 10 years and only 9 years under this bill. Now, the gentleman will admit that New York will have to change its requirement in that respect.

Mr. VINSON of Kentucky. If it is more than 5 years, it would have to change its law so as to require only 5 years' residence.

Mr. MARTIN of Colorado. Now, you have at last made it absolutely plain that this bill will disqualify every State in the Union except Delaware under its provisions. Every State in the Union except Delaware will have to call its legislature together. My legislature has adjourned until January 1937, and most of the legislatures of the other States have adjourned; and the upshot will be that, instead of $50,000,000 being too little to finance this bill the first year, it will not take anything to finance it.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. WOODRUFF. What is there in this bill that will in any way exclude any resident of the gentleman's State who has qualified under your State law, provided he has lived in your State for 5 out of the last preceding 9 years?

Mr. MARTIN of Colorado. Under the laws of my State, a person must have resided there for 15 years to be eligible for a State pension, therefore my State cannot qualify under a provision making people eligible for Federal pensions on 9 years' or 10 years' or 5 years' residence. It must be 15 years or we are out, and all the others are out except Delaware.

Mr. KNUTSON. I believe the State may prescribe the number of years a person shall live in it before he becomes eligible, and, if the law says 20 years, nobody will get any benefit for 20 years.

Mr. VINSON of Kentucky. You would have to change the law.

Mr. KNUTSON. You would have to change the law, but what assurance have you that the law will be changed?

Mr. MARTIN of Colorado. That is my judgment. The way the paragraph reads it will disqualify every State in the Union that is requiring longer than 9 years. The gentleman from Kentucky [Mr. VINSON] admits that. That means that there is only one State in the Union qualified under the bill, according to the residential requirements of the bill, that can draw a pension under the law. Three-quarters are already disqualified because they have no old-age-pension law or are not complying with the law.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. COOPER of Tennessee. Does the gentleman think for one moment that we can draft a bill that will conform to the law of every State in the Union, when they require all the way from 5 to 35 years' residence? How can we draft a law that will conform to the law of every State?

Mr. MARTIN of Colorado. I am going to offer an amendment that residential qualifications shall not deprive the State from receiving its quota until April 1, 1937. That will give the States time to get their houses in order.

Mr. WOODRUFF. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. WOODRUFF. I recollect that the gentleman a moment ago stated that he would offer an amendment which would provide that the Federal Government should pay the State for a certain period of years whether or not they have any law. I hope the gentleman will introduce such an amendment. If he will, I will vote for it.

Mr. MARTIN of Colorado. I thank the gentleman; I will introduce it. There will be at least 1,000,000 people over 65 years of age who will get $180,000,000 the first year. I will also introduce an amendment providing that any State failing to submit a plan which complies with section 2 or any requirements therein, shall not be thereby disqualified to receive its quota of old-age assistance until April 1, 1937, so as to cure this residential requirement.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. If the gentleman's amendment is offered, it will be no guaranty that the legislatures will be called in session, because I think there are many reasons besides this why the legislatures in every State in the Union will have to be called into session, because there are so many regulations laid down.

Mr. VINSON of Kentucky. What we have endeavored to do is to liberalize the bill so that more aged people will get the benefits.

Mr. MARTIN of Colorado. If we Members of Congress pass a bill in which the people assume that they are going to get a Federal contribution, even if it is only $15, and then we adjourn and go home and they find out afterward that they are not going to get any benefit, we better not have been here. I do not propose to take any chances on this proposition. [Laughter and applause.]

(The time of Mr. MARTIN of Colorado having expired he was given 2 minutes more.)

Mr. MARTIN of Colorado. I want it distinctly understood that I am not condemning this bill. I think it is a great step in American history.

Mr. Chairman, if the Members of this House want to help a million old people who will not get anything under this bill for the next year or two, and which condition will be prevailing when they make their campaign for reelection, with their States disqualified, they will adopt these two amendments. It would only cost $180,000,000 to give these million old people the maximum rate carried in the bill. It would be a fine opportunity to show whether we are giving old people pensions or campaign speeches.

This brings me to the question of taxation, concerning which I have strong convictions. Pensions supported by a sales tax, and a transaction tax is a sales tax, a pyramided sales tax, meaning on the average six sales taxes going into a commodity from the stage of the raw material to the finished product handed over the counter to the customer. This burden, as I see it, would fall 0.9 upon the producing masses of the country. It is a tax on poverty; a tax on need to help the needy.

This burden should at least be equalized by the transfer of a greater share to income. If, as claimed, income from dividends has been maintained at $6,000,000,000 per annum or more throughout the 5 years of the depression, it would indicate that wealth could bear a greater share of the burden of a reasonable system of old-age pensions than has been proposed to finance the Townsend plan or any other plan which has come to my attention.

I know this is a sore point, and for the reason that it is a sore point I want to bear down upon it. If the people are not willing to tax wealth according to what it could bear, then let us forget big old-age pensions. In my home State the legislature had before it two tax measures, one levying a sales tax of 2 percent and the other levying an income tax. The sales tax passed readily; the income tax fell by the wayside. That tells the story, both at home and in Washington.

It has been repeatedly pointed out in the debates on revenue legislation during this administration and in prior Congresses that income and inheritance taxes in England and France are severalfold heavier than in this country, yet those countries appear to be in measurably better economic condition than this country, with much less unemployment and relief in proportion to population, indicating that their much heavier income and inheritance taxes have not overwhelmed their economic systems.

I am not in favor of punitive taxes. I base my views wholly upon the potentialities and the necessities of the situation. The world's greatest fortunes are in this country. We have in this country now fortunes 20 times larger, maybe 50 times larger, than the greatest fortunes of a century ago. And we have in this country many times more destitute and dependent people in proportion to population than we had a century ago, and this condition is permanent. A growingly

mechanized economy fixes this. Millions will never return to employment. The machine not only permanently adds to the rolls of unemployment, but creates an artificial and premature old age. The Government itself will not employ men and women above middle age, and in many instances they must be well under middle age. Get them young is the rule in modern industry and government, and even when you get them young a new invention comes along and throws them into the discard.

Mr. Chairman, the maximum rate of the Federal contribution carried in this bill, $15 per month, has come in for much bitter and hostile criticism. It has been denounced over the land as an insult to old age. It has given me concern. I have felt that it is inadequate; that it should at least be doubled. But there is another question that concerns me as much as the pension rate carried in the bill. It is the question as to the number who are to be provided for under the bill.

I have pointed out that the appropriation for the first year would pay only 1,000,000 people a trifle over $4 per month. It would pay less than 300,000 people $15 per month. Even if only the million-and-odd who are now admitted to be on Federal relief and public charity were given $15 per month, it would require $180,000,000 the first year. You can readily figure for yourself what it would take to pay that amount to the nearly 4,000,000 people who, according to the report, are now over 65 years of age and dependent. Conceding that these 4,000,000 could not all be placed on a pensionable status during the first year, it is obvious that the appropriation falls far short of providing for those who will be able to qualify for pensions during the first year of the operation of the law. Provision should be made for 1,000,000 at the very minimum the first year. If the provision is not exhausted it can be carried over.

If you are beginning to gasp at the thought of the expenditure involved in making immediate provision for the 1,000,000 or more aged people who are now on relief and charity, let me remind you that their support is already coming out of the pockets of the people. The administration of relief is expensive, the administration of public charity is expensive, the administration of poorhouses is expensive. Surely these 1,000,000 people are not now being cared for at an expense of less than $20 per month, and more likely it is $30. I know personally people in the poorhouse who could go down town and live for $40 a month and would do so if they had the $40. I think we are having too much of a split-penny attitude toward this proposition, too much of the feeling that a substantial appropriation would be a new net outgo. It would not. Probably half of it is going out anyhow and the additional half would do a good job of it and give us a million independent people in this country, secured for life against penury and want. I would rather a little overdo than underdo this job. If I had my way about it, one of the major items in the $4,000,000,000 public-works bill would go toward the establishment of a decent old-age-pension system. It may be that many old people have been propagandized into a state of too much self-pity. Let us not go to the other extreme and hand out stones to those who are asking for bread under the fear that we will wreck the country. We are making a late start toward a system of social security, but we are able to start beyond the point where other countries have left off. That is the attitude I take toward this legislation.

Mr. Chairman, no discussion of old-age pensions is complete without consideration of the Townsend plan. We are all under obligations to the able Representative from Oregon [Mr. MOTT] for a clear and concise statement of the changes made in the Townsend plan by the second McGroarty bill, H. R. 7154.

Before taking up that plan I want to say that when Dr. Townsend came to Washington I was one of a dozen Members who signed the necessary request for his use of the House caucus room, in which he made his first explanation of his plan in Washington, and I attended the meeting. I agree with all those who say that he is a kindly, humane, and sincere man, and that these were the qualities which motivated his plan and not any idea of self-gain or self-aggrandizement. There is nothing in or about the man to suggest that he is moved by considerations other than the welfare of his countrymen.

I also signed the petition to have the first McGroarty bill placed on the calendar in order that it might be brought before the House and considered. I want to say here that the debate thus far on the bill before the House has given me a fresh idea of the value of consideration of a bill. Consideration is worth much to any new idea.

After making a study of the first McGroarty bill, I sent an open letter to every newspaper in my district, pointing out or rather raising questions about the practicability of that measure, and in answer I received hundreds of letters of criticism. The new Townsend-plan bill completely justifies my views of the original bill. I believe that a Member of Congress owes to the people some recognition of the responsibility which comes to him as their Representative. Whether I acted wisely or not from a political standpoint, I am sustained by the knowledge that I met that responsibility when I might have done as so many others have done and kept silent or dodged the issue.

Mr. Chairman, the new Townsend-plan bill is a great improvement over the original bill. It is clearly drafted. It is understandable. I do not see how a bill could be more clear and simple in its language. As pointed out by the gentleman from Oregon [Mr. MOTT], it does not require the payment by the Government of a pension of $200 per month to persons 60 years of age and over. It lays the taxes and provides that all qualified annuitants shall be paid from the funds accumulated an amount not exceeding $200 per month. As pointed out by the gentleman from Oregon, according to the figures of Dr. Doane, a very able economist and statistician who appeared before the Ways and Means Committee for the Townsend plan, these taxes would approximate the sum of $4,000,000,000 the first year, providing a pension of about $50 per month, a reasonable figure, to the 8,000,000 people said to be qualified to participate. If the amount collected were less, the pension would be less; if more, the pension would be more.

Another beneficial change is that persons with an income of more than $2,400 per year are barred from the pension and where there is an income of less than that amount, the amount is deducted from the pension, leaving a greater share of the fund for those who have no income. They are the people who need it.

There are other beneficial changes which I have not the time to go into. On the whole, this bill is well worth consideration. The Townsend movement is by no means love's labor lost. As a result of it, more old people are going to get better pensions. I have no apologies to make for voting against the rule under which this legislation is being considered, for fear it would deprive this bill of consideration or the opportunity to offer it or any of its provisions as an amendment to the pending bill. I am willing that any bill interesting so many people shall be brought before the House for consideration and action, whether I vote for it or not.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. Yes.

Mr. KNUTSON. It is the gentleman's thought that we should pass a bill that would take care of all of the needy in all parts of the country.

Mr. MARTIN of Colorado. Exactly.

Mr. KNUTSON. And this bill does not do that.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentlewoman from Arizona [Mrs. GREENWAY].

Mrs. GREENWAY. Mr. Chairman, I do not know how the rest of you feel, but ever since we were allowed all this freedom of discussion so graciously—and I am very sincere when I say that—I, for one, have had a great sense of relaxation and gratitude and comfort in knowing that I serve with colleagues who have authority and exercise it so wisely. I think the people of the country will appreciate that also. In 1932 as we, the Democratic Party, sought the power which we finally acquired, we stated our stand on old-age pensions.

In the Seventy-second Congress we were too engulfed with the emergency at hand to act. In the Seventy-third Congress we did not act. In this, the Seventy-fourth Congress, we are given an opportunity that will make this Congress famous through all the generations to come and I, for one, on account of the liberality and the extraordinary wisdom of the way in which this bill has come upon the floor of the House, am full of hope that within a week or 10 days or 2 weeks we will have passed legislation that we can be very proud of and that will be practical and effective at once in inaugurating an adequate pension system for the old people of our country. The gentleman from California [Mr. BURNHAM], the gentleman from Oregon [Mr. MOTT], and the gentleman from Colorado [Mr. MARTIN] have said much that I subscribe to 100 percent, and, therefore, I can make my speech very short. Legislation that has to do with the last span of life should properly characterize the fulfillment of the American institution of government.

The harvest of life can be reaped but once, and this legislation has directly to do with that harvest. The conditions under which the old people of a country live is the answer to the success or failure of a nation. As we approach this bill we are faced with the problem of "self-reliance", and what has become of self-reliance? Self-reliance is the cornerstone upon which every nation must build, if it is to succeed. What do you feel self-reliance means? To my mind, self-reliance means the use of human capacity, coupled with natural resources, in such a manner as to insure the liberty of living for all people. If we were economically self-reliant, we would not be here today discussing ways and means to safeguard our old people from the anguish of helplessness in the face of want. The importance of this bill cannot be estimated.

I shall confine myself entirely to title I, with the exception of saying that I, for one, would feel safer in voting on the rest of the bill if the people who receive money through pay rolls in this country had had an opportunity to give us their opinion. I have had few indications by letter or otherwise as to how the people on pay rolls feel about this bill. There is one phase of what has gone on all these years that has not been touched on today, and I think it has great importance. I would like to defend the people who have agitated the matter of old-age pensions. I think we owe them a deep debt of gratitude. What have they done? They have set the people thinking, and the people are not only thinking but they are out to get results, and all power to them. They are focusing on the actual conditions in this country, and they are exposing them in no uncertain terms.

In addition to that, those agitating old-age pensions have focused the whole American Nation on the fact that we must have consumption to create employment. Since the discussion arose as to whether the people in the United States had been informed in full of the second McGroarty bill, I have learned that that bill was printed in the Townsend paper on April 8, with a full and sincere explanation of exactly what it means. It is so definitely a bill, saying what it means and giving its purposes and the way to accomplish them fairly, that I feel this House would do well to think profoundly on the merits of that bill when and if it is presented as an amendment to the present bill. The McGroarty bill, H. R. 7154, proposes a definite program to take effect at once—covers a means of raising the money (incidentally some would like to see the bare necessities of life exempted)—and then covers the expense of administration before dividing the revenue amongst the eligible pensioners, while this bill we are considering (H. R. 7154) appropriates $49,000,000 to take care of the program through June 1936. If this sum were given to those actually on relief above the age of 65 at this time they would receive about $4 a month. After that it proposes a contributing condition of 50-50 between State and Federal Government that would preclude adeqate help in some of the less well off States.

Mr. KNUTSON. Mr. Chairman, I yield 1 additional minute to the lady from Arizona [Mrs. GREENWAY].

Mrs. GREENWAY. I do not think there is anything further to say except that there is no political issue in this bill. This is a bill for the people of the United States. I do not think there is a person who sits in Congress who does not desire to take fair, just, and progressive action at this time. With that spirit prevailing I believe we can do something we will all be proud of, that the people will be satisfied with, because it meets the needs of the aged of our country. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, by this social-security bill (1) we give aid to our elders—and deep down in his or her heart there is no Member of this House who has any real objection to that. We further (2) legislate for unemployment compensation. There is some difference of opinion as to how that should be worked out. There are those who oppose some of the provisions dealing with that feature. But job insurance of some kind is desirable. We also (3) strive to assure greater security for the needy children of this Nation; and (4) provide greater health protection. As to these, I have heard no objection at all during the course of the debate on the bill.

This measure does not come to the floor of the House as the product of the ingenuity of any legislator. It has come up from the people. It is true the way was paved for it by the message of President Roosevelt, but his humane message was prompted by the appeal of our people, to which he patriotically responded, quickly realizing the real necessity back of the voice of the country.

Now, it is our duty as Members of the Congress to do something for our aged; they need our action. When I am at home I keep open office, and there I meet the people of my district daily. It is saddening to see elderly men and women, 70 or 80 years of age, come in looking for employment. Many of them had means and were comfortably situated a few years ago, but after 5 years of depression their funds have become exhausted.

Some have contributed their last dollar to their friends, relatives, or to their immediate family with whom they lived. Others, formerly happily settled with sons and daughters, who provided them with the comforts of life and spending allowances, have found their children no longer able to furnish them with bare necessities. Their spending money has been cut off. They do not always think of themselves. They make their sacrifices submissively and nobly. Unfitted for the arduous work of the world, they seek it. Shall we, then, permit them to suffer in the evening of their lives without endeavoring to fulfill the obligation we owe to society?

Many eligible for a pension under this bill possessed sizable fortunes before the advent of the crash of all values. I know one in particular who was worth more than $1,000,000, and now has left only a small piece of property, from which he has insufficient income to pay its levied taxes. A pension made more liberal by Federal contribution will be for these a double blessing.

In my view there is scarcely a man in this country, or woman either, who has not made his contribution to the upbuilding and success of the Nation. A man or a woman who has lived 65 years and is a good citizen, and who has engaged in the pursuits of the various States, whether in the mart or in the home, lending his or her support steadfastly to the principles that give us our heritage, has added his or her share in a material way to the welfare of the Nation. We must lift them up from their plight, or we shall all go down with them.

We have an old-age-pension law in my State of New Jersey. It gives aged men and old women about $12 a month. I am hopeful that by this bill, New Jersey will be encouraged to match the limit $15 afforded by this Federal law, so that our old people will get the full benefit of about $30 a month. I wish it could be more. Perhaps later it will be feasible to increase the amount. I only hope so. But we have to be guided

by our minds as well as by our hearts. Best judgment would seem to dictate that we make an auspicious start. Let us not begin something we cannot keep up. We are not by any manner of means jumping from cold to hot. Many of the States now have old-age pensions. We are but helping to make them more liberal, as we should. And as the years go on, with returning prosperity—and prosperity will return and is even now on its way—the benefits for our elders will be increased to meet their full needs. The people of New Jersey will be happier for the establishment of the Federal old-age-pension law, even though New Jersey pays into the Federal Treasury in taxes more than $96,000,000 a year and receives in return approximately $52,000,000, including emergency-relief moneys.

Job insurance looms up, too, as being economically sound. Our people are an active, vigorous people. They have had reason to be an optimistic people. In this country of opportunity it appeared that a job would never be wanting. Some never looked to the future, expecting always to earn a livelihood. Others, more prudent, invested according to the guide posts put up by our bankers, our industrialists, and even by the Federal Government. Besides, most of us have not known how to save. Probably 95 percent of our people are not the real saving kind, not the kind like our bankers and great industrialists and others who know how to cling to their money. The average American is a liberal man. He has suffered privation or want, and he is most ready to contribute to the needs of others. And he went along at the call of those who sought his surplus funds for deposit in their banks and investment in their enterprises, or enterprises in which they were interested, and for what he was given to understand would result in the development of great American institutions.

Among others, along came the National City Bank and said, "Buy Pennsylvania Railroad common at $117; it is a great investment", and that just before the crash. Then there was the Chase National Bank calling, "Buy Chase National Bank Stock", when the officers and directors of that bank were actually selling their stock. We had Raskob, leader of industry, who said to the average man of America, "If you have a dollar, go out and borrow another dollar and invest both of those dollars." The Secretary of the Treasury of the United States added, "This is a good time to buy bonds", when it was not a good time to buy bonds. Even the President of the United States gave encouragement by stating that the value of securities, including stocks, was not too high in this country. Banks and industries and even our Government were advising our people, and our people were taking that advice; and today many are without their deposits, their stocks and bonds and securities; and too many have their Raskobian debts and a keen sense of insecurity, anxiety, and worry. Worry is the worst disease known to mankind. It is worse than all the other diseases, no matter how malignant. The passage of this bill has for its purpose the lifting of worry and economic insecurity from the minds and backs of our people. Perchance the method employed by the bill is not the ideal way to accomplish our purpose. And to me there is a close constitutional question involved on the job-insurance provisions. But I shall vote for the bill as it is looking forward to the security of our employed, and that means the Nation.

Mr. BOYLAN. Will the gentleman yield?

Mr. KENNEY. I yield.

Mr. BOYLAN. The gentleman from New Jersey has said nothing yet about the application of this bill to his scheme for a national lottery. Does he not think it will apply here? [Laughter.]

Mr. KENNEY. My good friend knows with me that a great country, Norway, raises money for its old-age pensions by lottery. Of course, we could employ the lottery for our old-age pensions, and both of us know that in such case the aged would be sure of their pensions. Money is needed for many worthy purposes these days—money not available from ordinary sources—and lottery money would supply needed funds for pensions, veterans' payments, and other demands. Surely my friend was not impressed when the gentleman from Massachusetts this afternoon cried out that the money for job insurance must come from their "dead industries"? They know, if they will look back to see what their forefathers did in times of money scarcity, that the lottery has been a life-saving device for their State and institutions. If they would do as their patriots of old did, they would be the first to advccate a lottery, and they would not have to talk about the money for job insurance as coming from their "dead industries." These selfsame gentlemen and their colleagues in conjunction with industry, who shrink from a lottery, carried on the policies of this country which are responsible today for their "dead industries." When the country was tottering, they jammed through the Smoot-Hawley tariff to a collapse of everything, including their industries. But they can yet make some contribution to this Government by following the example of Alexander Hamilton, proclaimed by them as the greatest Secretary of the Treasury this country ever had, and in which we all agree in large measure. When Hamilton proposed New Jersey as the center of all industry in America after the War of the Revolution as part of his plan to establish the economic independence of the new Nation, he made sure to provide for the conduct of a lottery to insure that the funds available for the industrial enterprises would not be depleted. Of course, the Federal Government by this bill will only provide moneys for old-age pensions in cases where the States contribute an equal amount. The pension for the old is not assured by this bill. The lottery would make the pension absolutely secure; and, knowing the gentleman from New York as I do, I am sure the gentleman does favor a national lottery. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill H. R. 7260, the social-security bill, had come to no resolution thereon.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1936

Mr. BUCHANAN, from the Committee on Appropriations, presented a conference report (Rept. No. 679) and statement for printing under the rules.

CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Coinage, Weights, and Measures, I ask unanimous consent for the immediate consideration of the bill, H. R. 5914, to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, to indicate the interest of the Government of the United States in the fulfillment of the ideals and purposes of the California-Pacific International Exposition, there shall be coined by the Director of the Mint silver 50-cent pieces to the number of not more than 250,000, of standard weight and fineness and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

SEC. 2. That the coins herein authorized shall be issued at par and only upon the request of the chairman of the board of the California-Pacific International Exposition.

SEC. 3. Such coins may be disposed of at par or at a premium by said exposition and all proceeds shall be used in furtherance of the California-Pacific International Exposition projects.

SEC. 4. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

With the following committee amendment:

Page 2, line 4, strike out the words "chairman of the board of the"; and, in line 6, after the word "Exposition", add the following: "Company or its duly authorized agent."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

ONE HUNDRED AND NINETY-SECOND ANNIVERSARY OF THE BIRTH OF THOMAS JEFFERSON

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio address I delivered today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, under the leave granted to extend my remarks, I include the following radio address made by me today:

Today is the one hundred and ninety-second anniversary of the birth of Thomas Jefferson. Thomas Jefferson was the foremost apostle of liberty—human liberty—the world has ever known. Other men, including many who were associated with him in creating this great Republic, were more interested in the forms of freedom, in liberty as an abstract idea, than in universal emancipation. Some sought to trammel liberty and keep it within narrow bounds Many of the founders proposed a system of government which should be little short of a republican monarchy. But Jefferson had an infinite faith in the people. In days of distrust of the populace, agitation, and revolution, and at a time when democracy was but a name, he stood firm for a government in which the power would be resident not in the men of intellect, of financial influence, or social standing, but in the artificers of the cities, the woodsmen of the frontier, the laborers on the farms and plantations, the seamen along the Atlantic coast. He was the plain people's only champion at a time when they were inarticulate.

If Jefferson were sitting in this Chamber today, or holding the office of Governor of any of our sovereign States, I can picture him as our leader in the struggle against sumptuary laws which restrict the decent freedom of the individual, against proposals to lodge control over our wide-spread educational system in the Federal Government, against domination of political groups by the great financial interests, against class discrimination, against bowing the knee to Europe, whether it takes the form of writing down their just and honest debts or accepting their decisions in international matters of vital interest to our western Republic. Nine years before Washington's Farewell Address, you may remember that Jefferson was writing from Paris to caution against "entangling alliances"—those were his very words—and as Washington's first Secretary of State he adhered to that great American policy.

Jefferson's birthday this year should be a day upon which we rededicate ourselves to the many great causes and the single great principle—human liberty—for which he fought over a period of 40 years. It may seem trite to recall his services to liberty, his struggling for the doctrine of universal emancipation, but it was not so in his day. His enemies, at home and abroad, sneered at his demands for the fullest form of freedom. They pointed to the excesses of the French Revolution and shuddered at the resulting wars which drenched Europe with blood from the North to the Red Sea.

"This", they retorted, "is what your liberty would give us in America."

But Jefferson never faltered; his vision was keener than theirs, his trust greater, his understanding deeper. Though a George the Third sat on the English throne, and a Napoleon strode across the European Continent like a Colossus, and a Metternich and a Talleyrand set the wicked pace for diplomats of the Old World, Jefferson labored to such avail that he created not only a nation but a party. It was only a few years afterward that Jefferson became President of a nation and a party which, largely through his own efforts, were builded on the doctrine that all men are equal in the eyes of nature and the law; that life, liberty, and happiness are inalienable rights; that the function of government is to safeguard and guarantee those rights; and that all authority and inspiration of government are drawn from the consent of the governed.

He was a leader who traveled life's common way "in cheerful godliness", yet assumed life's lowliest burdens and duties on behalf of those who could not do so themselves.

To those who head the forces of reaction in our time Jefferson would protest, as he did to George the Third, in tones of defiance and warning.

"Open your breast, sire, to liberal and expanded thought," thundered the great Virginian, then only 31 years old. "Let not the name of George the Third be a blot on the page of history. The whole art of government consists in the art of being honest. Only aim to do your duty and mankind will give you credit where you fail."

With equal justice he could say today to those who seem bent upon converting the Government into an instrument for improving the conditions of the powerful and wealthy that, "The whole art of government consists in the art of being honest."

Though we cannot emphasize too much Jefferson's service in framing the Declaration of Independence, which struck an entirely new and loftier note in the century-old struggle for human rights, and his accomplishments from 1776 until he returned to Monticello late in life, broken in health, and sadly in debt; it seems to me his earlier achievements were even more noteworthy. His later triumphs in the fields of politics and human development were merely an extension of the principles he eptiomized in Virginia. There he stood forth as the foe of mediaeval organization of society, politics, law, and education. You cannot know the true Jefferson—the father of a Nation and a party—unless you understand his services in destroying outworn social, political, legal, and religious forms in the Old Dominion.

Virginia, with Massachusetts, was the nursery of the Revolution, of the Declaration of Independence, and of the United States of America. But the seeds of democracy had been planted in the Bay State long before; it needed only provocation to bring them to their period of growth. In Virginia, George the Third and all he represented had stout defenders. It was Jefferson who made Virginia's soil fertile for the reception of democratic ideas in that grand old State, and it was Virginia which swept the rest of the South into the maelstrom of war and freedom out of which we emerged as a nation.

There, as later, by pen and uttered word, he betrayed a magic skill in crystallizing into sharp and distinct outlines the issues for which America fought. He gave voice to the wavering sentiment of human freedom. Time and again, when the colonists were swaying between complete independence and partial servitude to the British Crown, there came from Jefferson's lips or pen a statement, a letter, or draft of resolutions which banished doubt, inspired the faint-hearted, and nerved the isolated groups to the great efforts which culminated in both a warlike and peaceful vindication of the great principles set forth in the Declaration of Independence.

In Virginia, however, Jefferson revealed his instinctive hatred of all forms of oppression and tyranny, his faith in the people, and his realization that the tyrant may assume many shapes. In his day Virginia had an established church which was recognized and favored by the Government; it was a crime to join dissenting churches. He struggled for years against the established forces, incurring the lasting enmity of powerful groups; but in the end he brought complete religious freedom to that great Commonwealth. Virginia, because of Jefferson, was the first sovereign State in the history of the world to proclaim formally in its laws the absolute religious freedom of all its citizens.

So, too, he revised the judicial code which supported and bulwarked an institution of punishment and tyranny that went back to the Middle Ages. He forced the repeal of laws against witchcraft and heresy, of legislation which preserved great landed estates to the permanent disadvantage of the many, of statutes which restricted manufacturers, navigation, and development of a sound currency system. An aristocrat on his mother's side, with the blood of nobility in his veins, he struck a death blow at aristocracy insofar as it sought to determine and control what the people should think, how they should worship, how they should be governed, and how they should live. I firmly believe he would have struggled against any attempt to say what they should eat or drink.

It was in Virginia that Thomas Jefferson transplanted the seeds of democracy which, under his care and guarding, have flowered and grown into a sheltering tree whose beneficent shadow now stretches across the world.

Long before slavery became a problem dividing our Nation and requiring determination by the sword and gun, Jefferson urged its abolition. His original draft of the Declaration of Independence cited British fostering of the iniquitous slave trade as one of its crimes against America and humanity, but, unfortunately, it was stricken out by the more conservative of the patriots. In the Virginia Legislature he labored for eventual emancipation of the black men. In establishing a temporary form of government for the northwestern territory he inserted a clause banishing slavery after the year 1800. It lost by 1 vote. Many of his doctrines that have come down to us are being stricken out day by day and are losing by one or more votes. As he was ever on his guard, so we must be. Problems almost as serious as that of slavery, problems which threaten to divide a nation, are upon us now. It is not necessary to enumerate them.

Jefferson, as I have mentioned, was determined to keep us from imperialistic schemes abroad, but he was an ardent believer in a greater America. It was he who initiated and consummated the Louisiana Purchase; it was he who sponsored the Lewis and Clark expedition through western wilds to the Pacific coast; it was he who inspired the acquisition of Florida.

It was he who enhanced young America's prestige abroad by sweeping the Mediterranean clear of the Barbary pirates at a time when such world powers as Great Britain, France, and Spain were paying yearly tribute to the Sultan of Morocco. And before Monroe promulgated that great doctrine of America for the Americans, without interference from the Old World, he submitted it to his friend and adviser, then living in retirement at Monticello.

Thus "Jeffersonian democracy" is not a mere political catchword. It is a glowing ideal which should animate us regardless of party today, even in the face of triumphs by those who have abandoned his principles, who still manifest distrust in the people's right and ability to govern their own affairs. As against the theory that people were created for the Government, which is at the root

of many of our evils today, he proclaimed the principle that the Government was established for the people. Liberty, to him, was not a privilege; it was a right, and government a mere responsibility delegated by the people. The first and only consideration was how much government was necessary to achieve human happiness and freedom—freedom in government, freedom in education, freedom in worship.

It is time to reexamine our Government in the light of these flashes of inspiration enjoyed by our great leader. It is time for us to make a pilgrimage, if only in fancy, to the grave of Thomas Jefferson, and draw renewed faith in the people from the following epitaph which he wrote himself:

"Here was buried Thomas Jefferson, author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia."

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend as part of my remarks certain information concerning the imports of silk and cotton textiles and raw products from Japan. Japan seems to be crying "Wolf!" "Wolf!" During the year 1934 we bought from Japan 15,857,258 square yards of finished silk fabrics besides $71,764,009 worth of raw silk.

The fallacy of the argument which pretends that the amount of cotton textiles imported from Japan into this country is negligible is easily refuted when it is considered that these importations are a concentrated competition in bleached goods made of print cloths.

Those who are familiar with this particular branch of the textile industry tell me that approximately 150,000,000 square yards represents our annual output of this product. During the first 2 months of this year Japan has exported to this country in the neighborhood of 7,000,000 square yards. Should this ratio be maintained for the remainder of 1935 it can be readily seen that it would mean a total of 42,000,000 square yards in this classification, or nearly 30 percent of last year's domestic production. However, if the geometrical rate of increase is maintained, no one can predict the limit of the probable volume in this class of goods, since our manufacturers cannot possibly develop any adequate price competition under present conditions. That is why it is a fallacy to say that the amount of textile importations from Japan is insignificant. Comparisons should be made only by classification.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

A WAY SUGGESTED TO BRING ABOUT PERMANENT AND SOLID RECOVERY

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a letter I wrote to the President on relief matters.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Speaker, it is an unhealthy condition when citizens will fight, as they are now fighting, to get on the Government pay roll. It is not the function of Government to employ people, except insofar as may be necessary to carry on the processes of orderly Government. Yet we have come to a deplorable pass in this country where the Government is the great employer, and it appears that literally millions of people, men and women, adults and minors, all over the Union, are straining themselves to the limit, desperately striving to get their names on a Government roll. The mail that comes to Members of Congress is heavily swollen with applications for Government employment, and in every Congressman's office the filing section devoted to "Requests for jobs" is stuffed to the bursting point.

The urge to grasp the supporting arm of the Government and to hold onto it like grim death is so great that there is in evidence a developing tendency of citizens who are "on the Government" to refuse private employment when offered, either because they believe they will jeopardize their interests by letting go of their Government support or because the custom of looking to the Government for relief is becoming so ingrained and entrenched that it is developing into a regular habit not easily to be shaken off. One of my Indianapolis correspondents wrote to me the other day about a group of citizens in Ohio who were offered work by a railroad company and declined in a body, stating that they preferred to remain on Government relief.

The transfer from private employment to Government employment is amazing and alarming. Until the vast civilian army that is drawing sustenance from the Government can be demobilized and sent back to private employment and private pay rolls, the danger signals will continue to fly and earnest patriots will feel genuine concern over the future of our country. A few years ago I wrote a book descriptive of the encroaching governmental bureaucracy entitled "America Go Bust", in which I showed on authority of the Library of Congress that a mere list of the boards and commissions in existence then made a volume of 147 printed pages, and the Librarian of Congress was careful to explain that the list was partial and incomplete! I shudder to think how many pages have been added to that book since that time.

In my opinion, it would be a salutary thing, in the interest of a happy and prosperous future America, if many of these governmental agencies, which are now such a heavy burden on the taxpayers, to say nothing of their intrusion into the private concerns of the people, were wiped off of the slate at one stroke. I would abolish them outright and send their personnel back to private life to take potluck with the people who have to earn their living in creative private employment—creative in the sense that it adds to the general wealth and prosperity of the Nation. Other activities I would demobilize down to the point where they would cease to be inquisitorial in character and would become administrative only, always remembering that there is a world of truth in Jefferson's adage, "That government is best which governs the least." We have too many beardless young officials telling experienced business men what to do and how to do it. Leave the job to the honest and experienced business man and he will do it a lot better than if he is ordered and directed from Washington.

Now I have said that it is a very unhealthy condition when so many are struggling to get on the Government roll, either for employment or for relief, and that is true; but I do not wish my observation to be construed in any way as a criticism either of those who are seeking this employment and this relief or of the great humanitarian President of the United States who is striving so devotedly and so nobly to guide the Nation to better times. I realize, of course, that the condition I speak of only comes from the situation of dire desperation in which so many millions of our fellow citizens find themselves. Over the doorway of nearly every factory superintendent and every private employment agency in the land is the sign "men not wanted." Unable to secure work from private employers and with no visible source of income to keep their loved ones from starvation, men turn desperately to the Government. Can any one who has a judgment to understand and a heart to appreciate affliction, blame them? I think not. Nor am I disposed to be harsh in my criticism of those who decline to go off of the Government relief roll to accept the first job that is offered, realizing that the job offered may last only a few days while the relief relinquished would sustain the beneficiary and his family a much longer period. Let us in these awful times try to be kind and considerate and not judge others unjustly. Let us remember that all of us belong to the same great family, that we are all children of the same God.

TIDAL RUSH FOR GOVERNMENT EMPLOYMENT

Why are people turning to the Government in ever-increasing numbers, in almost the proportions of a tidal wave, for work? The answer is simple. Because business and industry are so impoverished and prostrate that the Government is, for the time, about the only employer.

In my opinion this fact suggests just one thing for our consideration and suggests it so clearly and unmistakably that he who runs should be able to read the lesson: It suggests that there should be a change in our national policy away from spending vast sums for artificial relief, to a policy of lending the Government's credit to revive business, industry, and reemployment by normal processes, thus bringing about relief by natural and normal methods with-

out placing a burden on the Federal Treasury. I have accordingly suggested to our great President that he use half of the $4,000,000,000 relief fund to revive business and industry by making loans in small amounts to business men and manufacturers, in order that they may start operation of their plants and call men off of the relief rolls back into regular employment.

Vast expenditures for public works will never restore normal employment and prosperity, in my judgment, but by increasing the debt and tax burden and throwing the Budget more out of balance such expenditures will increase the fear of business men and will postpone the day of normalcy in business and industrial activities. The Lord forbid that there should be many more postponements of the return to normalcy in America.

The viewpoint of business men is well expressed, I think, in a letter I have just received from Nicholas H. Noyes, a distinguished and nationally known business executive of Indianapolis, secretary and treasurer of the firm of Eli Lilly & Co., of Indianapolis. He writes:

Our foreign sales manager, Mr. R. W. Showalter, has just returned from a 7 months' trip over in Australia, New Zealand, China, Singapore, India, Europe, and the Philippines.

He reports that in Australia, New Zealand, Singapore, India, and England business is very good. He pointed out that most of these countries 2 or 3 years ago were in bad condition, particularly Australia and New Zealand, but that in every one of them they are now operating under a balanced budget, and that they are the bright spots of the world so far as building construction, trade, and manufacturing in general are concerned.

I send this to you because I think it will be interesting and because I believe that many of our Senators and Representatives in Washington fail to realize what a deterrent to good business a greatly unbalanced budget is and how tremendously helpful it would be to get this changed.

England was in very bad shape in a business way 3 years ago, but just about the time when she then went off the gold standard she balanced her budget by the most heroic expense-cutting methods and started immediately to improve, including a great building boom which has been going on for the past year and a half to 2 years.

I believe the suggestion I have made to the President points the way—and the only way—to solid and permanent recovery in this country. It would add, I think, to the great humanitarian and social benefits which his administration has accomplished, and which will make President Roosevelt's name notable in American history, a complete restoration by normal means of business and industry, and it would take millions off of the relief rolls and put them back in private employment where they belong. It would accomplish this result without throwing the Budget further out of gear, and every business man in America would be thankful for that.

VITAL QUESTION MUST BE DECIDED

My suggestion to the President was made in all sincerity and earnestness. I believe the time has come when we must decide the very vital question as to whether we shall restore and revitalize business and industry and normal reemployment or whether we shall still further project Government into competition with business and industry, thus promoting tendencies and leading to consequences which no one with mere finite vision can fathom.

By permission of the House, I insert in the RECORD my letter to the President, as follows:

APRIL 8, 1935.

Hon. FRANKLIN D. ROOSEVELT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: The Congress has just placed at your carte blanche disposal an enormous relief fund of $4,000,000,000—the largest fund of that character ever appropriated in the history of the world—and the question arises, "How is it to be spent?" I wish to make a suggestion as to how, in my opinion, you might use not more than half of that sum, or $2,000,000,000, to bring about permanent and solid recovery in America, with resultant widespread prosperity and happiness to the masses of our people.

Your love for humanity, demonstrated in a thousand ways; your well-known fairness and your generous tolerance of constructive criticism, encourage me to write this letter. Of this I at least feel certain, namely, that whether you approve my suggestion or not; whether you consider it worthy of further attention or not, you will know that my motives are good and that it is the well-meant offering of not only a party associate but a personal friend.

My suggestion is that you use $2,000,000,000, or one-half of this vast fund of $4,000,000,000, in making loans to smaller business concerns and industries that cannot now operate and give employment because they are financially starved and have no working capital.

I wish to bring to your attention a bill I have introduced, which embodies in concrete and clearly understandable form, the idea I have in mind and which reads as follows:

"There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,000,000,000 as a fund from which the Reconstruction Finance Corporation shall make loans for working capital to business concerns and manufacturing industries. The plan of lending said sum of $2,000,000,000 shall be based, as nearly as practicable, on an average loan of $50,000 to 40,000 business men and manufacturing firms and the aggregate loans of any one firm under this act shall not be in excess of $200,000.

"Within 10 days after the approval of this act the chairman of the Reconstruction Finance Corporation shall summon to a conference to be held at Washington, D. C., officials of recognized National and State business, manufacturing and other industrial organizations, and outstanding leaders in the business and industrial world. The purpose of said conference shall be to assist officials of the Reconstruction Finance Corporation in devising a systematic plan for the lending of said fund of $2,000,000,000 in such a way as to aid in restoring normal employment throughout the country as soon as possible. Loans shall be made on the basis of the applicant's willingness and demonstrated capacity to furnish employment. Loans shall be granted whenever there is reasonable assurance that the applicant will be able to repay the amount borrowed. Loans shall be for a period of 5 years at 5 percent interest, with the privilege of renewal for 2 years if the conditions of the loan are meanwhile satisfactorily complied with."

Now, Mr. President, that you have funds at your disposal twice ample to carry out the purpose of this bill, I wish you could see your way clear to carry this idea into effect by Executive order. There is no doubt of your legal right to use $2,000,000,000 for this purpose. On that point I direct your attention to a letter of Comptroller General McCarl to Mr. BUCHANAN, Chairman of our Appropriations Committee, which you will find on page 5321 of the CONGRESSIONAL RECORD of April 5, 1935. In that letter the Comptroller General holds that the specific items written into the bill in the Senate's break-down are merely limitations on those proposed expenditures, and do not bar you from using the fund for other purposes of relief. The Comptroller General, of course, is the last authority in interpreting the act.

The sentiment of the country, as I sense it, is rapidly turning away from vast expenditures of public money, and I believe this is the last large fund that will be voted by the Congress as a direct appropriation for economic relief. A swing of sentiment back toward governmental retrenchment, a reduction of debt and tax burdens, and balanced budgets is clearly discernible.

The success of this last great fund will depend, in my judgment, on the plan that will be adopted to administer it. If it is used in accordance with the philosophy of my proposal to rehabilitate the normal processes of regeneration, that is to say, to make it possible for business men and manufacturers to get on their feet and by so doing resume operations, giving employment in regular jobs to millions of men and women now on relief rolls, that in my opinion will start activities that will usher in real and abiding prosperity, for when these normal processes of regeneration are once rehabilitated and functioning continuously they will automatically take care of the employment problem by enabling all worthy persons to make the transfer from the despised charity and relief rolls to regular employment. If a substantial part of the appropriation of $4,000,000,000 is not used to revitalize business and industry, I fear that when the great fund runs out and the last dollar is spent we shall have as many unemployed as we have now, and with an even more distressing problem to face, because by that time millions of our fellow beings will have become accustomed to looking to the Federal Government to sustain them instead of to business and industry, which should be their regular employers.

I yield to no one in my admiration of the great service you have rendered to humanity in legislation and executive acts that protect the masses from exploitation and establish great principles of equality and social justice. What you have done along that line entitles you to be remembered with Jefferson and Lincoln. With all that has been so well done to bring crooked financiers under control I am in hearty accord. But, speaking as a friend and supporter, I believe the time has come when we should give some concern to the situation of honest capital and do more to encourage capital to resume operations in the interest of all the people. To that end, with the worst of the emergency over, I would take the Government as rapidly as possible out of many things in which it is now actively engaged and which, I believe, constitute an inadvisable projection of government and bureaucracy into legitimate business interests if continued.

In the long run our Government must be either capitalistic or socialistic. America attained a state of prosperity unparalleled in the history of the world under the capitalistic system, which was just as important to the working man as it was to the employer, because the workingman cannot get a job unless there is an employer with capital enough to pay him a salary, unless, of course, the universal employer should become the State, which, God forbid!

By lending, not donating, $2,000,000,000 of this great fund to business men and manufacturers I believe you would not only revitalize employment, but you would revitalize prosperity. I believe you would find that 95 percent of all these loans would

ultimately be paid back into the Federal Treasury. I would like to see these loans offered in small allotments of a few thousand dollars up to $100,000 so as to make reemployment universal. I would like to see you take personal charge of the situation and call the business men of the Nation to the colors, accepting the challenge issued by President Harriman, of the United States Chamber of Commerce, recently when he said that "business is rarin' to go." I would like to see you issue a call to business men to come to Washington for a conference, when plans will be mapped out on a systematic basis to revive business and industry by Government loans, using the applicant's pledge to reemploy as the yardstick to measure his loan.

With nothing but admiration for the great service you have rendered to America and the world along humanitarian lines, I respectfully submit these suggestions as to a further program which I sincerely believe if carried into effect would lead the remainder of the way out of the morass to solid and permanent recovery.

With best wishes, very truly yours,

LOUIS LUDLOW.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 30 minutes p. m.) the House adjourned until Monday, April 15, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Monday, Apr. 15, 10:30 a. m.)

Will hold hearings on bill (H. R. 5530) amending the Oil and Gas Leasing Act.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COLLINS: Committee on Indian Affairs. H. R. 6949. A bill for the relief of John W. Dady; without amendment (Rept. No. 678). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON: A bill (H. R. 7497) to insure the collection of the revenue on intoxicating liquor, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H. R. 7498) to authorize the Secretary of the Treasury to require certain labor, with respect to marking and branding casks or packages of distilled spirits, to be done by the distiller, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H. R. 7499) to repeal titles I and II of the National Prohibition Act, to reenact certain provisions of title II thereof, to amend or repeal various liquor laws, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 7500) to amend provisions of the Federal laws relating to intoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. BLAND: A bill (H. R. 7501) to authorize the erection of a suitable statue of Maj. Gen. George W. Goethals within the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. EATON: A bill (H. R. 7502) to authorize the erection of additional facilities to the existing Veterans' Administration facility, Lyons, N. J.; to the Committee on World War Veterans' Legislation.

By Mr. COLLINS: A bill (H. R. 7503) to provide for entry upon public lands for the purpose of establishing health habitations; to the Committee on the Public Lands.

By Mr. GASSAWAY: A bill (H. R. 7504) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claim which the Sac and Fox Tribe of Indians in the State of Oklahoma may have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mrs. NORTON: A bill (H. R. 7505) to amend an act of Congress entitled "An act to regulate the employment of minors within the District of Columbia", approved May 29, 1928; to the Committee on the District of Columbia.

By Mr. ROBERTSON: A bill (H. R. 7506) to provide for a stenographic grade in the offices of Chief Clerk and Superintendent in the Railway Mail Service; to the Committee on the Post Office and Post Roads.

By Mr. HILL of Alabama: A bill (H. R. 7507) to provide the benefits of existing veterans' laws and regulations to officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard who suffer injury, disease, or death while on authorized leave of absence or furlough, and to the dependents of such officers and enlisted men; to the Committee on Military Affairs.

By Mr. CITRON: A bill (H. R. 7508) granting pensions to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, their widows and dependents, and for other purposes; to the Committee on Pensions.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Vermont, regarding a veterans' hospital at White River Junction; to the Committee on World War Veterans' Legislation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY of New York: A bill (H. R. 7509) for the relief of Patrick Collins; to the Committee on Military Affairs.

By Mr. CARDEN: A bill (H. R. 7510) granting a pension to Lafie A. Stewart; to the Committee on Pensions.

By Mr. DEMPSEY: A bill (H. R. 7511) for the relief of the widow of Ray Sutton; to the Committee on Claims.

By Mr. GEHRMANN: A bill (H. R. 7512) for the relief of John Hoffman; to the Committee on Claims.

Also, a bill (H. R. 7513) for the relief of John Morris; to the Committee on Claims.

By Mr. HARLAN: A bill (H. R. 7514) for the relief of William Schlotman; to the Committee on Claims.

By Mr. HESS: A bill (H. R. 7515) for the relief of Raymond F. Mohr; to the Committee on Claims.

By Mr. SISSON: A bill (H. R. 7516) granting a pension to Nellie M. Benjamin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7517) granting an increase of pension to Mary L. Gage; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7518) for the relief of William Clevenger; to the Committee on Military Affairs.

By Mr. TREADWAY: A bill (H. R. 7519) for the relief of Mrs. Martin Ward; to the Committee on Claims.

By Mr. TURNER: A bill (H. R. 7520) for the relief of David A. Trousdale; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7015. By Mr. BLAND: Petition of three citizens of Bowling Green, Va., requesting Congress to pass a uniform Federal old-age pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

7016. By Mr. BLOOM: Petition of the Senate of the State of New York, urging that consideration be given to the appeal made by the president of the Senate of Puerto Rico, the Honorable Rafael Martinez Nadal, and that the quota of sugar production in Puerto Rico should be raised to 1,000,000 tons a year so that that country might compete with foreign countries in the production of sugar for the bettering of the economic conditions in Puerto Rico; to the Committee on Ways and Means.

7017. Also, petition of the members of the New York Produce Exchange, protesting against the enactment of the proposed amendments to the Agricultural Adjustment Act proposing to license processors of agricultural products; to the Committee on Agriculture.

7018. By Mr. BURNHAM: Resolution of 150 members of Townsend Club No. 40, of San Diego, Calif., urging the immediate enactment of the McGroarty bill, known as the "Townsend revolving pension plan", to promote the general welfare, to assure permanent employment and social security for all, and to stabilize business conditions through an assured, definite, and constant circulation of money and credit by the National Government, and for other purposes; to the Committee on Ways and Means.

7019. By Mr. BOYLAN: Resolution adopted by the New York local branch of the National Catholic Women's Union of New York State, protesting against conditions in Mexico; to the Committee on Foreign Affairs.

7020. Also, resolution passed by the executive committee of the Northeastern Dairy Conference, meeting in New York City, endorsing the proposed amendments to the Agricultural Adjustment Act as proposed in House bill 7088; to the Committee on Agriculture.

7021. Also, resolution adopted by the United Associations of Railroad Veterans, held in New York City, approving the proposals to place busses, trucks, waterways, pipe lines, and airplanes under strict Interstate Commerce Commission regulations, etc.; to the Committee on Interstate and Foreign Commerce.

7022. Also, resolution adopted by the Colonel John Jacob Astor Camp, No. 6, United Spanish War Veterans, Soldiers' Home, Washington, D. C., unanimously favoring the passage of House bill 6995; to the Committee on Pensions.

7023. Also, resolution adopted at a meeting of the Code Authority for the Infants' and Children's Wear Industry, New York City, N. Y., favoring the continuance of the National Recovery Administration for a period of 2 years; to the Committee on Appropriations.

7024. By Mr. CRAWFORD: Resolution of Red Arrow Veterans Club, of Saginaw, Mich., asking the erection of a Veterans' Administration hospital in the Detroit, Mich., area; to the Committee on World War Veterans' Legislation.

7025. Also, resolution of the City Commission of Owosso, Mich., favoring House bill 5262 and Senate bill 1629, regulating carriers; to the Committee on Interstate and Foreign Commerce.

7026. Also, petition of certain citizens of Saginaw and St. Charles, Mich., favoring the Townsend plan; to the Committee on Ways and Means.

7027. By Mr. DRISCOLL: Petition of W. W. Kapp and 454 other employees of the Cooper-Bessemer Corporation, of Grove City, Pa., opposing the Rayburn-Wheeler Public Utility Act of 1935; to the Committee on Interstate and Foreign Commerce.

7028. By Mr. HOEPPEL: Joint resolution of the Assembly and the Senate of the State of California, urging submission to the States for ratification a constitutional amendment enabling Congress to make it possible for residents of the District of Columbia to vote for President, Vice President, and Representatives of Congress; to the Committee on the Judiciary.

7029. By Mr. MARTIN of Massachusetts: Petition of the City Council of Fall River, Mass., urging repeal of the cotton processing tax; to the Committee on Agriculture.

7030. By Mr. MITCHELL of Tennessee: Petition relating to flood control; to the Committee on Flood Control.

7031. By Mr. O'CONNELL: Resolution of the general assembly, protesting against the reported intention of the Secretary of Agriculture of the United States to increase the processing tax on cotton; to the Committee on Agriculture.

7032. By Mr. PFEIFER: Petition of Ort & Co., Inc., Brooklyn, N. Y., concerning the proposed amendments to the Agricultural Adjustment Act; to the Committee on Agriculture.

7033. Also, petition of Infants' and Children's Wear Code Authority, New York City, concerning the continuation of the National Recovery Administration; to the Committee on Appropriations.

7034. Also, petition of Radom & Neidorff, Inc., New York City, concerning the Black 30-hour bill and the Wagner labor-disputes bill; to the Committee on Labor.

7035. Also, petition of the International Molders' Union of North America, Local No. 22, Brooklyn, N. Y., concerning the Wagner bill, the 30-hour-week bill, and the old-age-pension bill; to the Committee on Labor.

7036. Also, petition of Iron Molders Union, No. 96, Brooklyn, N. Y., concerning the Wagner bill, the 30-hour-week bill, and the old-age-pension bill; to the Committee on Labor.

7037. Also, petition of Milwaukee Blind Post, No. 8, Veterans' Administration, Wisconsin, favoring amendment to House bill 5055; to the Committee on Pensions.

7038. Also, petition of the Magnuson Products Corporation, Brooklyn, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

7039. Also, telegram of the Code Authority Ladies Handbag Industry, New York City, favoring continuation of the National Recovery Administration; to the Committee on Appropriations.

7040. Also, petition of the Baugh & Sons Co., Baltimore, Md., urging continuance of the Fertilizer Code; to the Committee on Appropriations.

7041. By Mr. ROGERS of Oklahoma: Petition headed by S. Bomton, of Woodson, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7042. Also, petition headed by C. Orton, of Palmyra, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7043. Also, petition headed by Charlie Allbritton, of Longview, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7044. Also, petition headed by W. G. Williams, of Cullman, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7045. Also, petition headed by L. Mantle, of Mount Pleasant, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7046. Also, petition headed by Will Landrom, of Woodbluff, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7047. Also, petition headed by Dave Norfleet, of Scotts, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7048. Also, petition headed by Ernest Hazle Green, of Alabama, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7049. Also, petition headed by A. Alexander, of Vacherie, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7050. Also, petition headed by J. E. Bowen, of Fort Deposit, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7051. By Mr. RUDD: Petition of the ladies' handbag industry workers, concerning the continuance of the National Recovery Administration as requested by the President of the United States; to the Committee on Appropriations.

7052. Also, petition of the Baugh & Sons Co., Baltimore, Md., concerning the continuance of the National Recovery

Administration as recommended by the President; to the Committee on Appropriations.

7053. By Mr. SUTPHIN: Petition of the mayor and council of borough of South River, N. Y., praying for passage by the House of Representatives of resolution designated October 11 as General Pulaski Memorial Day; to the Committee on the Judiciary.

7054. By Mr. TRUAX: Petition of the National Code Authority for the Retail Tobacco Trade, New York City, by their chairman, William A. Hollingsworth, resolving that they express appreciation for the protection afforded small enterprise in this industry through the National Industrial Recovery Act against the predatory trade practices and the destructive price cutting which was more than prevalent at the time the act became effective, and that they desire to have continued this security for both small enterprise and the workers within the industry, and that the code authority place itself on record as unanimously supporting the extension of the National Industrial Recovery Act for 2 years; to the Committee on Labor.

7055. Also, petition of the Perry County Central Trades and Labor Council, Crooksville, Ohio, by their secretary, J. A. White, unanimously voting as being unalterably opposed to war, and asking that laws be passed prohibiting the drafting or conscription of men for foreign war service, and preventing our country from entering a war, except to guard against invasion; to the Committee on Military Affairs.

7056. Also, petition of Post 1090 of the Veterans of Foreign Wars, Warren, Ohio, by their adjutant, J. C. Craig, urging support of House bill 6995, restoring benefits to Spanish-American War veterans, their widows and dependents; to the Committee on Pensions.

7057. Also, petition of the Organization of Street Railway & Motorcoach Employees, Local Division No. 788, of the city of St. Louis, Mo., comprising a membership of 3,300 workers, by their secretary-treasurer, Matthew True, urging support of the Wagner-Connery labor relations bill and the Black-Connery 30-hour bill, as they believe them to be capable of doing much toward the alleviation of the present industrial relationship and increasing employment, both of which are of paramount importance at this time; to the Committee on Labor.

7058. Also, petition of Knox Camp, No. 54, United Spanish War Veterans, Mount Vernon, Ohio, by their adjutant, Charles E. Clewell, urging support of House bill 6995, which will restore the Spanish War, including the Boxer Rebellion and Philippine Insurrection veterans, their widows and dependents, and for other purposes, back to the original status of laws enacted prior to March 19, 1933; to the Committee on Pensions.

7059. By the SPEAKER: Petition of the city of Attleboro, Mass.; to the Committee on the Judiciary.

7060. Also, petition of the city of Rochester, N. Y.; to the Committee on the Judiciary.

7061. Also, petition of the Italian-American World War Veterans of Camden County, N. J.; to the Committee on Ways and Means.

7062. Also, petition of Typothetae of Philadelphia, Inc.; to the Committee on Labor.

7063. By Mr. ANDREW of Massachusetts: Petition signed by Catherine Smith and 163 other citizens of Haverhill and West Newbury, Mass., urging the passage of the Townsend plan for old-age assistance; to the Committee on Ways and Means.

SENATE

MONDAY, APRIL 15, 1935

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou who in this Holy Week didst walk the way of suffering and death, ever conscious of Thy Father's love, ever mindful of the world's great pain: Teach us in this day new-born that we must be alone in deep midsilence, open-doored to God, if deeds of greatness be ever dreamed or done. Live Thou again in us, in thoughts sublime that pierce the night like stars, in pulses stirred to generosity, in deeds of daring rectitude, in scorn of miserable aims that end in self, that we may be to other souls the cup of strength in this their hour of utmost need. Enkindle generous ardor in the nations of the world, that under the shadow of Thy cross of love mankind may weave the only conqueror's garland of true peace. We ask it in Thy name and for Thy sake. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 12, 1935, was dispensed with and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On April 1, 1935:

S. 935. An act to authorize the Secretary of War and the Secretary of the Navy to lend Army and Navy equipment for use at the national jamboree of the Boy Scouts of America.

On April 5, 1935:

S. 403. An act to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections nos. 5 and 6;

S. 406. An act to amend an act approved May 1, 1906, entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes";

S. 747. An act for the relief of Joe G. Baker; and

S. J. Res. 24. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital.

On April 8, 1935:

S. 1856. An act for the relief of Arthur Smith.

On April 10, 1935:

S. 1605. An act authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force;

S. 1068. An act to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934;

On April 11, 1935:

S. 255. An act for the relief of Margaret L. Carleton;

S. 404. An act to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes;

S. 619. An act to amend section 27 of the Merchant Marine Act, 1920;

S. 857. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes;

S. 1391. An act for the relief of William Lyons;

S. 1694. An act for the relief of C. B. Dickinson;

S. 1621. An act for the relief of Mrs. Charles L. Reed; and

S. 1520. An act for the relief of Charles E. Dagenett.

On April 12, 1935:

S. 906. An act for the relief of Chellis T. Mooers; and

S. 1308. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.

GENERAL PULASKI'S MEMORIAL DAY—VETO MESSAGE (S. DOC. NO. 48)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read,

and, with the accompanying joint resolution, referred to the Committee on the Judiciary and ordered to be printed, as follows:

To the Senate:

I return herewith Senate Joint Resolution 21, "Authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski", without approval.

I take special note that this proclamation would be made an annual event.

Every American should have the deepest appreciation of the brilliant and gallant services of General Pulaski in the Revolutionary War. His devotion to duty ended only when he fell in action in the service of the Republic; he is one of our heroes of that time and of all time.

General Pulaski was distinguished among the noble company of those who gave their all for that cause; some were Americans; some were from countries across the sea. I do not think that General Pulaski would have wished to be singled out from his fellows and comrades for more honor than we can give to them all. Our tributes to the memory of the officers who served on the staff of General Washington will be the more fitting and appropriate if we do not seek to legislate separate memorial days for each of them, however illustrious they may be.

For our own leader of the American Revolution, the greatest of Americans, and for him alone, have we as a people set apart one day each year.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 11, 1935.*

CHARLES C. FLOYD—VETO MESSAGE (S. DOC. NO. 49)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Military Affairs and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, Senate bill no. 274, entitled "An act for the relief of Charles C. Floyd."

This bill provides that Charles C. Floyd shall hereafter be held and considered to have received an honorable discharge from the military service on December 10, 1930, the purpose being to give him, as to the future, the rights, privileges, and benefits conferred by any law upon honorably discharged soldiers.

The records of the War Department show that Charles C. Floyd was separated from the military service of the United States and an honorable discharge denied him because of habits and traits of character which rendered his retention in the service undesirable. The enactment of S. 274 into law would, in effect, constitute a legislative reversal of the considered action of the authorities charged with the execution of the laws enacted for the government and control of the military forces, and, as I am advised by the War Department, would single out for preferential treatment one individual of a large but undetermined number of former soldiers whose status is identical with that of the man under discussion. Moreover, it would place a man whose service was such as to necessitate his removal for the good of the service on a par with those whose service was honest and faithful.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 12, 1935.*

EXPENSES OF INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State, with an accompanying memorandum, to the end that legislation may be enacted authorizing an appropriation of the sum of $8,000, or so much thereof as may be necessary, for the expenses of participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy, to convene at Brussels in June 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 15, 1935.*

(Enclosures: Report, memorandum.)

ACT OF PHILIPPINE LEGISLATURE—SUBMISSION OF PHILIPPINE CONSTITUTION

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on Territories and Insular Affairs, as follows:

To the Congress of the United States:

I transmit herewith for your information a copy, as received by radiogram from the Acting Governor General of the Philippine Islands, of Act No. 4200, enacted by the Tenth Philippine Legislature, first special session, on April 8, 1935, and approved on the same date, entitled:

"An act to submit to the Filipino people for ratification or rejection the Constitution of the Philippines, with the ordinance appended thereto, to appropriate funds therefor, and for other purposes."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 11, 1935.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 5914) to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, California, in 1935 and 1936, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Johnson	Reynolds
Ashurst	Copeland	Keyes	Robinson
Austin	Costigan	King	Russell
Bachman	Couzens	La Follette	Schall
Bailey	Cutting	Lewis	Shipstead
Bankhead	Dickinson	Logan	Smith
Barbour	Donahey	Lonergan	Steiwer
Barkley	Duffy	McCarran	Thomas, Okla.
Bilbo	Fletcher	McGill	Thomas, Utah
Black	Frazier	McNary	Townsend
Borah	George	Metcalf	Trammell
Bulkley	Gerry	Minton	Truman
Bulow	Gibson	Moore	Tydings
Burke	Glass	Murphy	Vandenberg
Byrd	Gore	Murray	Van Nuys
Byrnes	Guffey	Neely	Wagner
Capper	Hale	Norris	Wheeler
Caraway	Harrison	O'Mahoney	White
Carey	Hastings	Pittman	
Clark	Hatch	Pope	
Connally	Hayden	Radcliffe	

Mr. CONNALLY. I desire to announce that my colleague, the senior Senator from Texas [Mr. SHEPPARD] is unavoidably detained from the sessions of the Senate today. I should like to have this announcement stand for the entire day on all roll calls.

Mr. LEWIS. I announce the absence of the Senator from Connecticut [Mr. MALONEY] and the junior Senator from Louisiana [Mr. OVERTON], occasioned by illness, and the absence of the Senator from New Hampshire [Mr. BROWN], the senior Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], the Senator from Tennessee [Mr. MCKELLAR], the Senator from Massachusetts [Mr. WALSH], the senior Senator from Washington [Mr. BONE], the junior Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Illinois [Mr. DIETERICH], who are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent, and that the Senator from North Dakota [Mr. NYE] is absent because of illness.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

EMPLOYMENT FOR GRADUATES OF EDUCATIONAL INSTITUTIONS (S. DOC. NO. 50)

The VICE PRESIDENT laid before the Senate a report of the Civil Service Commission, in response to section 2 of Senate Resolution 67, relative to aiding graduates of educational institutions in the matter of securing employment, which was referred to the Committee on Civil Service and ordered to be printed.

REPORT OF FEDERAL EMERGENCY RELIEF ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Federal Emergency Relief Administration, transmitting, pursuant to law, the report of the Federal Emergency Relief Administrator, covering the period of December 1 to December 31, 1934, inclusive, which, with the accompanying report, was referred to the Committee on Appropriations.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Mines and Mining:

Senate Concurrent Resolution 35

Whereas the Democratic Party of Texas in convention assembled on September 11, 1934, adopted the following plank in the party platform:

"We oppose the abdication or surrender of the State's power to control the production of its natural resources. We likewise oppose any Federal encroachment upon the exclusive power of this State to control the production of oil and gas. We oppose any plan that results in the arbitrary compulsory unitization of oil fields"; and

Whereas there is pending at this time before the Committee on Mines and Mining of the United States Senate a bill known as the "Thomas bill", which has for its purpose the attempted regulation of the production of oil within the States; and

Whereas the purpose of said bill is directly contrary to the principles contained in the platform of the Texas democracy and contrary to the principles of our dual form of government in that it is an attempted invasion of the sovereign powers of this and other States of the Union: Now, therefore, be it

Resolved by the Senate of Texas (the house of representatives concurring), That the Members of the Senate and of the House of Representatives of the United States Congress be, and they are hereby, respectfully petitioned and requested to oppose the adoption of the so-called "Thomas bill" or other similar bills; and be it further

Resolved, That the secretary of the senate and the chief clerk of the house of representatives be, and they are hereby, instructed to mail a copy of this resolution to the Members of the Texas delegation in the Congress of the United States, to the presiding officers of the Senate and the House of Representatives, and to the Chairman of the Committee on Mines and Mining of the United States Senate, and to the Chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Post Offices and Post Roads:

Assembly Joint Resolution 46

Relative to memorializing the President of the United States and Congress in connection with trans-Pacific air mail service

Whereas various aviation groups in the United States are actively engaged in a study of the need for and the requirements of a trans-Pacific airplane service; and

Whereas it appears that such a service soon will be established through the enterprise and pioneering spirit of the American aviation industry; and

Whereas the success of such a worth-while undertaking will depend to some extent upon Federal contracts for carrying mail to and from continental United States and other localities in and bordering upon the Pacific Ocean; and

Whereas it is understood that the Post Office Department is at present considering the early establishment of an air-mail service across the Pacific: Now, therefore, be it

Resolved, That the Assembly of the State of California, the senate concurring, does herewith respectfully urge the President of the United States, the United States Senators, and the Members of the House of Representatives from California to approve and recommend the establishment of such trans-Pacific air mail service, together with such appropriations and other legislative action by the National Congress as may be necessary to accomplish the purposes herein set forth; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, the Vice President of the United States, Senators JOHNSON and MCADOO, and the Members of the National House of Representatives from California.

The VICE PRESIDENT also laid before the Senate the petition of S. R. Simmons, of Columbia, S. C., praying for the enactment of old-age pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Escondido Lodge, No. 344, I. O. O. F., of Escondido, Calif., favoring the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Board of Aldermen of Chelsea, Mass., protesting against the importation of Japanese-made merchandise in competition with American industry, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted at a joint meeting of the Bois DeOrmont Post, No. 1795, and the Ladies Auxiliary, Veterans of Foreign Wars, of Bridgeton, N. J., favoring the enactment of House bill 1, to provide for the immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Italian-American World War veterans of Camden County, N. J., favoring the prompt enactment of legislation providing for the payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also laid before the Senate a telegram from the student body of Denison University, Granville, Ohio, submitting a protest against war, which was referred to the Committee on Military Affairs.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted by the Boston (Mass.) group of the Fellowship of Reconciliation, favoring the enactment of legislation to control private property in war times within rigidly moderate limits, which was referred to the Special Committee on Investigation of the Munitions Industry.

He also laid before the Senate a resolution adopted by the Common Council of the City of Racine, Wis., favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

Mr. COPELAND presented a petition of sundry citizens of Middleport, N. Y., praying for the enactment of House bill 5802, being an amendment to section 601 of the Revenue Act of 1932, to provide an excise tax on eggs and egg products, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the New York Flour Club, New York City, N. Y., protesting against the processing tax now effective on wheat, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter in the nature of a memorial from a citizen of New York City, N. Y., remonstrating against the enactment of proposed amendments to the Agricultural Adjustment Act to license processors of agricultural products, which was referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by the Parent-Teacher Association of No. 38 School, Rochester, N. Y., favoring the establishment of a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education and for suitable entertainment, which were referred to the Committee on Interstate and Foreign Commerce.

He also presented a resolution adopted by the Nassau-Suffolk Monument Dealers' Association, New York, favoring the continuance of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Independent Retail Tobacconists' Association of America, Inc., New York City, N. Y., favoring the continuance of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Infants' and Children's Wear Code Authority, New York City, N. Y., favoring continuance of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented resolutions adopted by Branch No. 57, of Schenectady, and Branch No. 139, of Tonawanda, both of the Workmen's Sick and Death Benefit Fund, in the State of New York, favoring the enactment of the so-called "Lundeen bill", being the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which were referred to the Committee on Finance.

He also presented a resolution adopted by Columbia Council, No. 31, Junior Order United American Mechanics, of Port Washington, Long Island, N. Y., favoring the enactment of legislation creating in the Department of Justice a bureau of alien deportation, and also reducing the immigration quotas to 40 percent of the number now admitted, which was referred to the Committee on Immigration.

He also presented resolutions adopted by Manor Council, No. 112, of Woodhaven, and Paul Revere Council, No. 102, of Brooklyn, both of the Sons and Daughters of Liberty, in the State of New York, favoring the enactment of legislation to strengthen the existing law pertaining to the deportation of aliens, which were referred to the Committee on Immigration.

He also presented a resolution adopted by the Bronx County organization of the American Legion, Bronx, N. Y., favoring the enactment of the so-called "Wagner-Costigan antilynching bill", which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by a nonsectarian sisterhood known as the "Sword of the Spirit", Far Rockaway, N. Y., protesting against the adoption of a billion dollar national defense program, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by the National Temple Hill Association, Inc., of Newburgh, N. Y., favoring the passage of the so-called "Jenckes bill", relative to the display of the American flag on public buildings, which was referred to the Committee on Military Affairs.

He also presented a petition of sundry citizens of Brooklyn and vicinity, in the State of New York, favoring the enactment of House bill 1411, to permit full cuts of United States postage stamps to be printed in stamp catalogs, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by Little York Grange No. 442, of Little York, N. Y., favoring the enactment of the so-called "motor carrier bill", which was ordered to lie on the table.

He also presented a resolution adopted by the Nassau County Farm Home Bureau Association, favoring governmental regulation of all transportation, which was ordered to lie on the table.

Mr. GERRY presented the following resolution of the General Assembly of the State of Rhode Island, which was referred to the Committee on Agriculture and Forestry:

Resolution of the general assembly protesting the reported intention of the Secretary of Agriculture of the United States to increase the processing tax on cotton

Whereas it has come to the attention of the general assembly that the Honorable Henry A. Wallace, Secretary of Agriculture of the United States, is planning to increase the processing tax on cotton; and

Whereas such action on the part of the Department of Agriculture of the United States would have a very serious effect upon the textile industry of the State of Rhode Island and would further increase unemployment in this State: Therefore be it

Resolved, That the general assembly protests the attitude of the Secretary of Agriculture of the United States and trusts that he will reconsider his alleged decision to increase the processing tax on cotton; and be it further

Resolved, That the secretary of state is hereby directed to transmit duly certified copies of this resolution to the Senators and Representatives from Rhode Island in the Congress of the United States and to the Honorable Henry A. Wallace, Secretary of Agriculture of the United States.

Mr. GIBSON presented the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Post Offices and Post Roads.

Joint resolution relating to extension of the Civil Service Act to include postmasters of all classes

Whereas it is universally recognized that civil service as applied to postal workers in the Government service has been of material benefit in the upbuilding of the efficiency; and

Whereas President Roosevelt and the Civil Service Commission has recommended to Congress the extension of the Civil Service Act to include postmasters of the first, second, and third class, believing it to be a forward step in the progress and efficiency of the service; and

Whereas the present system of changing postmasters frequently under the "spoils" system because of some political influence is considered wasteful and conducive to instability and inefficiency as well as uneconomical to the Government. It is believed that under civil service incompetent postmasters would be removed and efficient postmasters retained: Therefore be it

Resolved by the senate and house of representatives, That the general assembly of this State respectfully requests the Senators and Representatives of Vermont in the Congress of the United States to take such steps as will bring about an extension of the Civil Service Act to include postmasters of all classes; and be it further

Resolved, That copies of this resolution be submitted by the secretary of state to the Senators and Representatives of Vermont in the Congress of the United States.

SHELTER BELTS IN EASTERN COLORADO

Mr. COSTIGAN. The Colorado Legislature has transmitted to the Colorado delegation in Congress house joint memorial 14, urging the establishment of shelter belts, supplementing the proposed national shelter belt, to relieve dire need and distress in eastern Colorado. I ask that the memorial be printed in full in the CONGRESSIONAL RECORD.

The memorial was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

House Joint Memorial 14

Whereas the Congress of the United States has heretofore appropriated certain funds for the establishment of a national shelter belt in the benefits of which Colorado, western Kansas, and western Nebraska do not participate; and

Whereas the conditions of the western Great Plains area constituting eastern Colorado, southwestern Nebraska, and western Kansas due to drought, unfavorable weather conditions, wind, and dust storms are such that steps must be taken immediately to prevent further soil erosion, the conservation of moisture, and the establishment of wind breaks or unbelievable disaster will result to these areas; and

Whereas there has been organized by the people of eastern Colorado, western Kansas, and western Nebraska an association known as "the Western Great Plains Shelterbelt Association" for the purpose of procuring the establishment of shelter belts supplemental to the national shelter belt to accomplish in the western Great Plains area the objects for which the national shelter belt was established: Now, therefore, be it

Resolved by the House of Representatives of the Thirtieth General Assembly of the State of Colorado (the senate concurring therein), That the Congress of the United States is respectfully memorialized to appropriate and set aside immediately the funds necessary to establish shelter belts in eastern Colorado, supplemental to the national shelter belt to accomplish all the purposes for which the national shelter belt was established in the territory known as the "western Great Plains area" in the State of Colorado, thus relieving dire need and distress in such territory; be it further

Resolved, That the purposes of the Western Great Plains Shelterbelt Association be approved and that each of the Senators and Representatives in Congress from the State of Colorado be urged to support and assist in carrying out the purposes of this memorial; be it further

Resolved, That a copy of this memorial be sent to the Senators and Representatives in Congress from the State of Colorado, the Secretary of Agriculture and the Secretary of the Interior, and the chairmen of the respective committees in the House of Representatives and the Senate having jurisdiction of the said matter.

UNAMERICAN ACTIVITIES

Mr. GUFFEY presented resolutions adopted by Jesse W. Soby Post, No. 148, the American Legion, of Langhorne,

Pa., which were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
JESSE W. SOBY POST, No. 148,
Langhorne, Pa.

Whereas repeatedly, in the past few months, allegations have been made over the radio and in the public press by prominent persons of integrity that national officials of the American Legion and Legion members in close liaison with these officials and national headquarters have been guilty of un-American activities; and

Whereas we believe these allegations should be investigated and guilt or innocence be proved; and

Whereas in a quasi-military organization, as the American Legion, the presumption of guilt might well remain a stigma unless such investigation be made; and

Whereas Congress by act chartered the American Legion: Therefore be it

Resolved, By the Jesse W. Soby Post, No. 148, American Legion, Department of Pennsylvania, Langhorne, Pa., that the Congress of the United States investigate thoroughly the allegations, and that those concerned be given an opportunity to prove their innocence; and be it further

Resolved, That the Congress make this investigation open to the public and press, without any reservation whatsoever, so that for the good of the Nation and the American Legion those may be either exonerated or suppressed.

REPORTS OF COMMITTEES

Mr. FRAZIER, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 38) for the adjustment and settlement of losses sustained by the cooperative marketing associations, reported it without amendment and submitted a report (No. 483) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2185) to amend an act entitled "An act to accept the cession by the State of Oregon of exclusive jurisdiction over the lands embraced within the Crater Lake National Park, and for other purposes", reported it without amendment and submitted a report (No. 484) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2215) to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended, reported it without amendment and submitted a report (No. 485) thereon.

He also, from the same committee, to which was referred the bill (S. 1460) to fix standards for till baskets, Climax baskets, round-stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, reported it with an amendment and submitted a report (No. 486) thereon.

Mr. MURPHY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 12) to amend the Packers and Stockyards Act, reported it without amendment and submitted a report (No. 487) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2306) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes, reported it with amendments and submitted a report (No. 488) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 1523) to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., reported it without amendment and submitted a report (No. 489) thereon.

He also, from the same committee, to which was referred the bill (S. 1528) for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., reported it with an amendment and submitted a report (No. 490) thereon.

Mr. HAYDEN, from the Committee on Appropriations, to which was referred the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, reported it with amendments and submitted a report (No. 491) thereon.

Mr. LOGAN, from the Committee on the Judiciary, to which was referred the joint resolution (S. J. Res. 89) directing the Comptroller General to readjust the account between the United States and the State of Vermont, reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. WHEELER introduced Senate bill no. 2573, which was referred to the Committee on Interstate Commerce and appears under a separate heading.)

By Mr. O'MAHONEY:

A bill (S. 2574) to amend section 23 of the Independent Offices Appropriation Act, 1935; to the Committee on Civil Service.

By Mr. HATCH:

A bill (S. 2575) for the relief of Emma Gomez; and

A bill (S. 2576) for the relief of Manuel D. A. Otero as administrator of the estate of Teresita S. Otero, deceased; to the Committee on Claims.

A bill (S. 2577) to repeal the provisions of the homestead laws requiring the cultivation of homestead entries; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Oklahoma:

A bill (S. 2578) authorizing distribution of funds to the credit of the Wyandotte Indians, Oklahoma; to the Committee on Indian Affairs.

A bill (S. 2579) to amend section 1, act of March 3, 1927, granting pensions to certain soldiers who served in Indian wars from 1817 to 1898, and for other purposes; to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 2580) conferring a military status upon certain civilian employees of the Engineer Department, United States Army; to the Committee on Military Affairs.

By Mr. ROBINSON (for Mr. McKELLAR):

A bill (S. 2581) for the relief of Thomas Green; to the Committee on Claims.

(Mr. COPELAND introduced Senate bill no. 2582, which was referred to the Committee on Commerce and appears under a separate heading.)

By Mr. SMITH:

A bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture; to the Committee on Agriculture and Forestry.

By Mr. LEWIS:

A bill (S. 2584) to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, by including therein the name of Gustaf E. Lambert; to the Committee on Military Affairs.

By Mr. COUZENS:

A bill (S. 2585) granting a pension to Annie E. Laurie; to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 2586) for the relief of John K. Jemison (with accompanying papers); to the Committee on Military Affairs.

By Mr. BACHMAN:

A bill (S. 2587) authorizing the appointment of Corday W. Cutchin as a captain of Infantry, United States Army; to the Committee on Military Affairs.

By Mr. OVERTON:

A joint resolution (S. J. Res. 102) to provide for the acquisition by the Government of the United States, in whole or part, of the inner harbor canal and lock connecting the Mississippi River with Lake Pontchartrain in the State of Louisiana, and now owned by the Board of Commis-

sioners of the Port of New Orleans (an agency of the State of Louisiana), and for other purposes; to the Committee on Commerce.

GOVERNMENT OWNERSHIP OF RAILROADS

Mr. WHEELER introduced a bill (S. 2573) to provide for the creation of a corporation to be known as the "United States Railways"; to provide for the possession, control, and ownership of certain property of carriers by United States Railways; and for other purposes; which was read twice by its title and referred to the Committee on Interstate Commerce.

Mr. WHEELER. In connection with the bill which I have just introduced, providing for the creation of a corporation to be known as "United States Railways", and which I have asked to have referred to the Committee on Interstate Commerce, I ask that there be printed in the RECORD an analysis of the bill.

There being no objection, the analysis of the bill was ordered to be printed in the RECORD, as follows:

ANALYSIS OF THE GOVERNMENT-OWNERSHIP BILL

This bill is a comprehensive Government-ownership statute, providing for the acquisition, ownership, and management of the railroads by a Federal corporation, called the "United States Railways", under public management and in the public interest.

The bill authorizes the creation of the United States Railways and its acquisition of the property of the railroads, either by consolidation of the present companies with the Federal corporation and an exchange of their respective securities, or by use of eminent domain and a payment for the property in debentures of the United States Railways guaranteed by the Government.

The provisions for acquisition by exchange of securities permit the United States Railways to offer its securities to a carrier, or to the latter's security holders, on a basis which the bill prescribes, the security holders being given the option of accepting the offer or of receiving under condemnation proceedings the present value of their securities paid in Government-guaranteed debentures. The bill authorizes an offer, under the exchange provisions, of debentures equal to the present value of the carrier securities plus contingent securities (income bonds or preferred stock, not guaranteed by the Government) of the United States Railways equal to the difference between such present value of the carrier's securities and what their value would be on the basis of the 1930 earnings, it being provided that the interest payable on the debentures thus issued shall not exceed the present income of the property and that the aggregate interest and dividends payable on the debentures and contingent securities shall not exceed the income of the year 1930. These provisions have two principal purposes. In the first place, it is intended to make it possible for the Government to acquire the property in such a way that the fixed charges can be borne by the present earnings of the property, thereby avoiding the necessity of meeting such charges through taxation. In the second place, it is intended to provide for a fair treatment of the security holders and not to restrict them to payment for the value of their holdings at depression prices. Consequently, the act provides for an acquisition on a basis whereby the security holders will be made whole for the present value of their holdings and will be given "rain check" securities for the difference between the present value and the value on the basis of the 1930 income. This "rain check" arrangement gives the security holders the benefit of future increases in earnings, using those of the year 1930 as an upper limit. That this is a fair and liberal basis is clear from the fact that the net railway operating income of the class I railroads in 1930 was $870,000,000, which is approximately the average of the last 10 years, the earnings of the period 1925–34, inclusive, being $850,000,000, whereas the 1934 income was $463,000,000. The bill does not adopt the suggestion which has been sometimes current that the Government should take over the railroads and guarantee the bonds, thus bailing out one class of investors. Under the exchange proposed, it is clear that the capital costs of the transportation system would be substantially reduced, because the property would be acquired on a basis which is less than the present capitalization, the funded debt being consequently lower, and there would be a reduction of the interest rate, since Government-guaranteed debentures will bear lower interest rates than the present railroad bonds.

Under the provisions of the bill, where physical property is acquired by the use of eminent domain, or where securities are condemned, the value is to be paid for wholly in debentures of the United States railways, guaranteed by the Government. The value is to be determined by a special commission called the "Railway Acquisition Tribunal", under provisions which put emphasis upon the present actual commercial value of the property and which are designed to exclude from consideration reproduction costs and similar data which, in view of the obsolescence created by competitive transportation agencies and the low earning power of the property, are no indication of its present or prospective value.

The bill provides for the temporary taking over of the railroad properties on January 1, 1936, pending permanent acquisition proceedings, on a rental arrangement very similar to that used during Federal control in the war period.

The bill provides for the protection of the operation of the United States railways from the influence of politics. The management is vested in five trustees, whose salary is to be $20,000 a year, and who shall be men of wide experience and demonstrated capacity and obligated to administer the properties in the public interest, independent of political considerations, and on a self-supporting basis. In the appointment of trustees, officers, and employees and their dismissal, promotion, or demotion, no political qualification may be given consideration, and officers of the United States or of any political party organization are forbidden by the act to solicit or recommend the appointment, dismissal, promotion, or demotion of any officer or employee. Provision is made for a railroad advisory council consisting of 24 members, to be appointed by the President and representing labor and the various industries and professions. Provisions are made under which, speaking generally, there is no important disturbance of the present system of State taxation of railroad property or of the handling of labor problems. The Interstate Commerce Commission is given substantially the same authority over rates as it had during the period of Federal control.

AMERICAN MERCHANT MARINE

Mr. COPELAND introduced a bill (S. 2582) to develop a strong American merchant marine, to promote the commere of the United States, to aid national defense, and for other purposes, which was read twice by its title and referred to the Committee on Commerce.

Mr. COPELAND. Mr. President, I have just introduced, for reference to the Committee on Commerce, a ship subsidy bill. This bill has been prepared with great care following conferences with the House Committee and the Senate Committee on Commerce. Because of the fact that it will be of great interest to the shipping industry and they will be anxious to know what we are proposing, I ask that the message of the President on this subject be printed in the RECORD, to be followed by the printing of the bill itself.

There being no objection, the President's message and the bill introduced by Mr. COPELAND were ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

I present to the Congress the question of whether or not the United States should have an adequate merchant marine.

To me there are three reasons for answering this question in the affirmative. The first is that in time of peace, subsidies granted by other nations, shipping combines, and other restrictive or rebating methods may well be used to the detriment of American shippers. The maintenance of fair competition alone calls for American flag ships of sufficient tonnage to carry a reasonable portion of our foreign commerce.

Second, in the event of a major war in which the United States is not involved, our commerce, in the absence of an adequate American merchant marine, might find itself seriously crippled because of its inability to secure bottoms for neutral peaceful foreign trade.

Third, in the event of a war in which the United States itself might be engaged, American flag ships are obviously needed not only for naval auxiliaries, but also for the maintenance of reasonable and necessary commercial intercourse with other nations. We should remember lessons learned in the last war.

In many instances in our history the Congress has provided for various kinds of disguised subsidies to American shipping. In recent years the Congress has provided this aid in the form of lending money at low rates of interest to American shipping companies for the purpose of building new ships for foreign trade. It has, in addition, appropriated large annual sums under the guise of payments for ocean mail contracts.

This lending of money for shipbuilding has in practice been a failure. Few ships have been built and many difficulties have arisen over the repayment of the loans. Similar difficulties have attended the granting of ocean mail contracts. The Government today is paying annually about $30,000,000 for the carrying of mails which would cost, under normal ocean rates, only $3,000,000. The difference, $27,000,000, is a subsidy, and nothing but a subsidy. But given under this disguised form it is an unsatisfactory and not an honest way of providing the aid that Government ought to give to shipping.

I propose that we end this subterfuge. If the Congress decides that it will maintain a reasonably adequate American merchant marine I believe that it can well afford honestly to call a subsidy by its right name.

Approached in this way a subsidy amounts to a comparatively simple thing. It must be based upon providing for American shipping Government aid to make up the differential between American and foreign shipping costs. It should cover first the difference in the cost of building ships; second, the difference in the cost of operating ships; and finally, it should take into consideration the liberal subsidies that many foreign governments provide for their shipping. Only by meeting this threefold differential can we expect to maintain a reasonable place in ocean commerce for ships flying the American flag, and at the same time maintain American standards.

In setting up adequate provisions for subsidies for American shipping the Congress should provide for the termination of existing ocean mail contracts as rapidly as possible and it should terminate the practice of lending Government money for shipbuilding. It should provide annual appropriations for subsidies sufficiently large to cover the differentials that I have described.

I am submitting to you herewith two reports dealing with American shipping: A report of an interdepartmental committee known as the "Committee on Shipping Policy", appointed June 18, 1934, by the Secretary of Commerce, and a report to me from the Postmaster General on ocean mail contracts prepared pursuant to an Executive order of July 11, 1934.

Reports which have been made to me by appropriate authorities in the executive branch of the Government have shown that some American shipping companies have engaged in practices and abuses which should and must be ended. Some of these have to do with the improper operating of subsidiary companies, the payment of excessive salaries, the engaging in businesses not directly a part of shipping, and other abuses which have made for poor management, improper use of profits, and scattered efforts.

Legislation providing for adequate aid to the American merchant marine should include not only adequate appropriation for such purposes and appropriate safeguards for its expenditure, but a reorganization of the machinery for its administration. The quasi-judicial and quasi-legislative duties of the present Shipping Board Bureau of the Department of Commerce should be transferred for the present to the Interstate Commerce Commission. Purely administrative functions, however, such as information and planning, ship inspection, and the maintenance of aids to navigation should, of course, remain in the Department of Commerce.

An American merchant marine is one of our most firmly established traditions. It was, during the first half of our national existence, a great and growing asset. Since then it has declined in value and importance. The time has come to square this traditional ideal with effective performance.

Free competition among the nations in the building of modern shipping facilities is a manifestation of wholly desirable and wholesome national ambition. In such free competition the American people want us to be properly represented. The American people want to use American ships. Their Government owes it to them to make certain that such ships are in keeping with our national pride and national needs.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 4, 1935.*

To develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—DECLARATION OF POLICY

SECTION 1. It is necessary for the national defense and development of its foriegn and domestic commerce that the United States shall have a merchant marine (1) sufficient to carry at least one-half of the foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of national commerce at all times, (2) capable of serving as a naval and military auxiliary in time of war or national emergency, (3) owned and operated under the United States flag by citizens of the United States and so operated and regulated as to secure to the shipper of American products adequate service and parity of rates to foreign markets, and (4) composed of the best equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel. It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine by the means hereafter expressly provided in this act and by any other means which the Congress from time to time may deem necessary. Insofar as not inconsistent with the express provisions of this act, the agencies of the United States Government charged with the administration of this act and shipping laws shall, in such administration and in the making of rules and regulations, keep always in view the purpose and object of the policies herein expressed as the primary end to be attained.

TITLE II—UNITED STATES MARITIME AUTHORITY

SEC. 201. (a) A board is hereby created to be known as the "United States Maritime Authority", and hereinafter referred to as the "Authority". The Authority shall be composed of five persons, hereinafter referred to as "members", to be appointed by the President by and with the advice and consent of the Senate; and the President shall designate the member to act as chairman of the Authority, and the Authority may elect one of its members as vice chairman. The members of the Authority shall be appointed as soon as practicable after the enactment of this act, and shall continue in office for terms of 3, 4, 5, 6, and 7 years, respectively, from the date of their appointment, the term of each to be designated by the President, but their successors shall be appointed for terms of 7 years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. The members shall be appointed with due regard to their fitness for the efficient discharge of the duties imposed upon them by this act. Not more than one member shall be appointed from the same State. Not more than three of the members shall be appointed from the same political party. A vacancy in the Authority shall be filled in the same manner as the original appointment. No member shall take any part in the consideration or decision of any claim or particular controversy in which he has a pecuniary interest.

(b) No member shall be appointed who is in the employ of, or holds any official relation to, any common carrier by water or other person subject to this act or the shipping laws, or owns any stock or bonds thereof, or is pecuniarily interested, directly or indirectly, in any person subject to this act. No member while in office shall engage in any other business, vocation, or employment, or hold any official relation to any common carrier by water or other person subject to this act or the shipping laws, or own any stock or bonds thereof, or be in any manner pecuniarily interested, directly or indirectly, in such person.

(c) The duties of the Authority may be so divided that under its supervision the directorship of various activities may be assigned to one or more members. Any member may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. In case of a vacancy in the Authority the remaining members shall exercise all its powers. The Authority shall have an official seal, which shall be judicially noticed.

(d) The Authority may adopt rules and regulations in regard to its procedure and the conduct of its business. It may employ, within the limits of appropriations made therefor by Congress, such attorneys as it finds necessary in the conduct of its work, or for proper representation of the public interest in investigations made by it or in proceedings pending before it, whether at the Authority's own instance or upon complaint, or to appear for or represent the Authority in any case in court or other tribunal.

(e) Each member shall receive a salary of $12,000 per annum. The Authority shall appoint a secretary at a salary of $7,500 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its duties and as may be appropriated for by the Congress, and shall, whenever possible, in such employment, employ qualified present employees of the United States Shipping Board Bureau or United States Shipping Board Merchant Fleet Corporation. The President, upon the request of the Authority, may authorize the detail of officers of the military, naval, or other services of the United States for such duties as the Authority may deem necessary in connection with its business.

(f) With the exception of the secretary, a clerk to each member, the attorneys, naval architects, and such other special experts and examiners as the Authority may from time to time find necessary to employ for the conduct of its work, all employees of the Authority shall be appointed from qualified present employees of the United States Shipping Board Bureau or United States Shipping Board Merchant Fleet Corporation, or from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law, when no such qualified Shipping Board employee is available.

(g) The expenses of the Authority in the conduct of its business, including necessary expenses for transportation, incurred by the members of the Authority or designated employees under its orders, in making any investigation or upon official business in any other place than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Chairman of the Authority, or a designated employee of the Authority.

SEC. 202. The Authority is authorized and directed:

(1) To study all national maritime problems, and their proper relationship to trade and commerce;

(2) To analyze and edit pertinent data and develop plans for construction and efficient operation of vessels, taking into consideration the benefit accruing from standardized production where practicable;

(3) To determine, under rules and regulations to be prescribed by the Authority, the amounts of direct financial aid to be paid under contracts awarded pursuant to titles III and V of this act; and

(4) To study means by which the revenue of contractors may be increased by advertising and solicitation on the part of operators, and wherein economies may be effected.

(5) To establish and maintain liaison with such other departments and boards of the Federal Government, and with representative trade organizations throughout the United States, as may be concerned, directly or indirectly, with any movement of commodities in foreign commerce, for the purpose of securing preference to vessels of United States register in such shipments.

INVESTIGATIONS

SEC. 203. The Authority shall make studies of and make a report to Congress as soon as practicable on—

(1) The scrapping of old or obsolete tonnage owned by the United States or in use in the merchant marine;

(2) Tramp shipping service and the advisability of participating in such service with vessels under United States register;

(3) The construction by or with the aid of the United States of superliners, especially with a view to their use in national emergency.

(4) The relative cost of construction of comparable ocean vessels in the various coastal districts of the United States, together with recommendations as to how such differential may be equalized.

SEC. 204. In the execution of its duties under this act the Authority is authorized and directed to investigate, determine, and keep current records of: (1) The essential services, routes, and lines for the development of the American merchant marine pursuant to section 7, Merchant Marine Act, 1920 (U. S. C., title 46, sec. 866);

(2) the relative cost of construction or reconditioning of comparable vessels of the United States and in foreign countries; (3) the relative cost of marine insurance, maintenance repairs, wages and subsistence of officers and crews, in the operation of comparable vessels on particular routes, services, and lines under the laws, rules, and regulations of the United States and under those of the foreign countries whose vessels are the competitors of such American service, route, or line; (4) the extent and character of the governmental aid and subsidies granted by foreign governments to their merchant marine; (5) the number, location, and efficiency of the shipyards now existing or which may hereafter be built in the United States; and (6) such other matters, as such Authority may from time to time determine to be necessary, relating to the development of the merchant marine and the cost of maintenance and operation of the various services, routes, and lines compared with the cost of similar services, routes, and lines under foreign flags.

TITLE III—OCEAN MAIL ROUTES AND ADJUSTMENT OF OCEAN MAIL CONTRACTS

SECTION 301. After the date of enactment of this act no contracts shall be awarded or renewed under title IV of the Merchant Marine Act, 1928 (U. S. C., Supp. VII, title 46, secs. 891e to 891r, inclusive).

SEC. 302. The Postmaster General shall, as soon as practicable after the enactment of this act, investigate and determine on what ocean trade routes between ports of the United States or any territory, district, or possession thereof, and foreign ports, it is desirable for the needs of the Postal Service of the United States that mail of the United States should be carried in whole or in part by vessels documented under the laws of the United States, and the schedule of mail movements which in his judgment should be in force upon such route or routes. The Postmaster General shall certify the results of such investigation and determination to the Authority as soon as possible after the same shall be concluded.

SEC. 303. The Authority shall, as soon as practicable after action taken as provided in section 302, determine the type, size, speed, and other characteristics of the vessels which should be employed upon the route or routes so certified, the frequency and regularity of their sailings, the minimum speed at which they should be safely operated at sea in ordinary weather, and all other facts bearing upon the capacity and suitability of the vessels to meet the requirements of the Postal Service as certified by the Postmaster General, and to promote the commerce and welfare of the United States and the other purposes of this act.

SEC. 304. In accordance with sections 302 and 303 and existing law, the Postmaster General is authorized to enter into contracts with citizens of the United States for such periods as he may deem advisable, but not exceeding 20 years, for the operation of such vessels in the carriage of mail and for the performance of commercial services in such trades and for the other purposes of this act. The vessels employed under such contracts shall be (1) American built and documented under the laws of the United States, during the entire time of such employment, or (2) shall have been documented under the laws of the United States not later than April 1, 1935, and shall remain so documented during the entire time of such employment.

SEC. 305. All mails of the United States carried on vessels between ports between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States to carry merchandise shall, if practicable, be carried on vessels in respect of which a contract is made under this title.

SEC. 306. Upon each vessel employed in ocean mail service under a contract made under this title, the Postmaster General shall be entitled to have transported such mail messengers as he may require, for whom shall be provided subsistence, suitable staterooms, and working quarters, all free of charge. Such messenger shall wear suitable uniforms to be prescribed by the Postmaster General.

SEC. 307. In the case of failure of a vessel from any cause to perform any regular voyage required by a contract made under this title, a pro rata deduction shall be made from the contract price on account of such omitted voyage; and suitable deductions, to be determined by the Postmaster General, may be made from the compensation payable under the contract for delays, failures to properly safeguard the mails, or other irregularities in the performance of the contract. Deductions so determined upon shall be deducted by the Postmaster General from the payments otherwise due and payable under the terms of the contract. The Postmaster General may, in case of emergency, permit the substitution for a particular voyage of a vessel not within the provisions of the contract, even though not conforming to the requirements of section 305

SEC. 308. If there are any vessels now being operated on any such routes by citizens of the United States who hold mail contracts made pursuant to the provisions of the Merchant Marine Act, 1928, then the Authority may, subject to the approval of the President, privately negotiate with the holder of any such contract, without advertisement or taking of bids as hereinbefore provided, for a surrender of such contract, and for the substitution therefor of a new contract for the performance of services under this act, on such terms and conditions as the Authority may deem advisable.

If it is impossible to reach an agreement for such substituted contract, then the Authority may approve the continuance of the existing contract, or the President may cancel such contract and determine just compensation therefor, and if the amount of the compensation so determined by the President is unsatisfactory to the holder of such contract, the latter shall be entitled to receive such portion thereof as the President shall determine, and shall be entitled to sue the United States to recover such further sum as, added to said portion so received, will make up such amount as will be just compensation therefor, in the manner provided by paragraph 20 of section 41 and section 250 of title 28 of the United States Code.

TITLE IV—NEW CONSTRUCTION

SECTION 401. (a) The necessity is hereby recognized for replacement of existing vessels and for the addition of new vessels, as conditions may require, to develop and maintain a well-balanced and adequate merchant marine of modern passenger, combination passenger and cargo, and cargo vessels, qualified to compete with similar types of vessels of other nations, and it is also recognized that 20 years constitute the average economic life of such vessels and, therefore, in awarding contracts under this act, the Authority shall require the construction of such new vessels as may be necessary to effectuate the purposes of this act.

(b) In case the new vessel or vessels to be constructed will replace a vessel or vessels which are old, slow, or otherwise inadequate or obsolete for the service in which engaged, the Authority is authorized in its discretion to buy such ship or ships from the applicant at a reasonable value (which in no event shall exceed the cost of such ship or ships to the applicant, less a reasonable and proper depreciation thereon) and apply the purchase price to that part of the cost of the construction of such new vessel or vessels to be borne by the applicant. The Authority may lay up or scrap said vessel or vessels, or may sell, charter, or otherwise provide for the operation of said purchased vessel or vessels in some other service or route for which the vessel or vessels may be suitable.

TITLE V—FINANCIAL AID TO THE MERCHANT MARINE

PART I—CONSTRUCTION DIFFERENTIAL SUBSIDY

SECTION 501. (a) The Authority is authorized and directed to consider the application of any citizen of the United States as defined in section 38 of the Merchant Marine Act, 1920 (U. S. C., title 46, sec. 802), for financial aid in the construction, outfitting, and equipment of new vessels, or the reconditioning of vessels already built, to be used on an essential service, route, or line in the foreign commerce of the United States. If the Authority determines that (1) the service, route, or line requires a new vessel of modern and economical design or the reconditioning of a vessel already built, to meet competitive conditions or to further promote the foreign commerce of the United States; (2) the plans and specifications of the proposed vessel meet the requirements of commerce; and (3) the applicant possesses the ability, experience, financial resources, and character necessary to successfully operate and maintain such vessel in the proposed service, the Authority shall then, pursuant to the provisions of this Act, determine the difference between the domestic and foreign construction cost of a vessel of the type proposed to be built, or the difference between the domestic and foreign reconditioning cost of a vessel of the type proposed to be reconditioned.

(b) (1) The said specifications shall be submitted to the Navy Department, who shall have the right to suggest such changes therein as it may deem necessary or proper in order that the proposed vessel may be adequate as a naval or military auxiliary and otherwise suitable for the use of the Government in case of national emergency or for the national defense.

(2) In case the said specifications shall be satisfactory to the Authority and shall be approved by the Authority and the Navy Department, the Authority shall have the authority to grant a subsidy of such amount as will equal, but not exceed, the difference between the cost of construction of the said vessel in an American shipyard and the cost of constructing the same, or an equivalent vessel, under the same specifications in a foreign shipyard of equal standing: *Provided, however,* That the said subsidy may be increased to the extent of the extra cost of constructing or equipping said vessel as a naval auxiliary, together with the estimated increased cost of operating such vessel over its economic life by reason of such naval provisions, over the cost of such vessel for commercial purposes.

SEC. 502. (a) The Authority is authorized to enter into a contract with the applicant and a shipbuilder for (1) the construction, outfitting, and equipment, or the reconditioning of the proposed vessel subject to the provisions of section 11 of the Merchant Marine Act, 1920, as amended (U. S. C., title 46, sec. 870, Supp. VII, title 46, sec. 870); (2) the payment to the shipbuilder by the Authority out of the fund created by such section of a construction subsidy based on the difference in cost determined under subsections (a) and (b) of section 501; and (3) if the applicant is eligible and applies therefor, a construction loan under such section.

(b) In case no construction loan is applied for by the applicant for financial aid, the construction subsidy shall be paid to the shipbuilder upon completion of the vessel. In case a construction loan is granted, such loan shall not be for a greater sum than three-fifths of the total cost of the construction, outfitting, and equipment, or reconditioning, less the construction subsidy, and no advance shall be made on such loan until the applicant for aid has paid to the shipbuilder not less than 25 percent of such total cost, not including the construction subsidy.

SEC. 503. The total performance of the contract shall be secured as required under the provisions of section 11 of the Merchant Marine Act, 1920, as amended (U. S. C., title 46, sec. 870, Supp. VII, title 46, sec. 870). The Authority shall require the proposed construction, outfitting, and equipment, or reconditioning to be done in a shipyard within the continental limits of the United States as the result of competitive bidding between the shipyards designated by agreement between the Authority and the applicant,

after due advertisement, with the right in the auhority to reject any or all bids.

SEC. 504. No vessel in respect of which a construction subsidy has been paid shall be operated other than exclusively in foreign trade, unless the owner shall receive the consent of the Authority and furnish satisfactory bond or other security to the Authority to secure the repayment to the United States, in equal semiannual installments over the remaining assumed useful life of the ship (not exceeding 20 years), of an amount which bears the same proportion to the amount of subsidy paid by reason of paragraph (a) of section 501 as such remaining period bears to the entire assumed life of the ship, with interest at 5 percent per annum on the unpaid installments. No repayment shall be required for any semiannual period during which such vessel shall be operated wholly in foreign trade. During the time as determined by the Authority such vessel is operated in the joint domestic and foreign trade the owner shall refund only a proportion of the repayments payable for such period equal to the ratio of the revenues derived from its domestic trade to the revenues derived from the foreign trade.

PART II—OPERATING DIFFERENTIAL SUBSIDY

SEC. 505. (a) The Authority is authorized and directed to consider the application of any citizen of the United States as defined in section 38 of the Merchant Marine Act, 1920, as amended (U. S. C., title 46, sec. 802), for financial aid in the operation of a vessel or vessels constructed or to be constructed within the continental United States, and to be used in the foreign commerce of the United States. If the Authority determines that (1) the operation of such vessel or vessels is required to meet competitive conditions or to further promote the foreign commerce of the United States; (2) the applicant possesses satisfactory ability, experience, financial resources and character, and already owns, or can and will secure, a vessel or vessels of the size, type, speed, and number required, and has the proper equipment and other characteristics to enable him to operate and maintain a service, route, line, vessel, or vessels in such manner as may be necessary to meet competitive conditions; and (3) the payment of an operating differential subsidy is necessary to place the operation of such vessel or vessels on a parity with foreign competitors, it shall then determine the amount of operating differential as hereinafter provided.

(b) The Authority is authorized to enter into a contract with the applicant for the maintenance and operation of a service, route, line, vessel, or vessels determined to be necessary for a period not exceeding 20 years.

(c) Such contract shall provide that the operating differential subsidy shall be paid the applicant and shall be an amount per voyage for the operation and maintenance of said service, route, line, vessel, or vessels, based on the difference in cost of insurance, maintenance, repairs, and the wages and subsistence of officers and crews, in the operation of comparable vessels under the laws, rules, and regulations of the United States as compared with those of the foreign countries whose vessels are competitors of such service, route, line, vessel, or vessels, including the effect of governmental aid or subsidies in such foreign countries, as determined by the Authority.

(d) The Authority shall require such security, in such manner and form as he may determine to be reasonable and necessary to insure the performance of the contract by the owner.

SEC. 506. (a) The Authority shall endeavor to permit full and fair competition as far as possible consistent with the purposes of this act, by requiring the inauguration of the service sufficiently in the future as to enable prospective contractors to provide for the construction or acquisition of the vessels required.

(b) No such contract shall be made with respect to a vessel to be operated on a service, route, or line served by citizens of the United States unless the Authority shall determine that the service already provided upon such route or line is inadequate, and that in the public interest additional vessels should be operated thereon.

SEC. 507. (a) Every contract executed under this part shall provide for the payment of the subsidy to the owner at stated intervals, but not in advance.

(b) Every such contract shall provide that the amount of the payments to the owner shall be subject to review and readjustment from time to time, but not more frequently than once a year, at the instance of the Authority or of the owner. If any such readjustment cannot be agreed to between the Authority and the owner, the Authority, on its own motion or on the application of the owner, shall determine the facts, and after a proper hearing it is authorized to make such adjustment in the amount of such payments as it may determine to be fair and reasonable and in the public interest. Its decision shall be based upon and governed by the changes which may have occurred since the date of the said contract, with respect to wages, operating costs, foreign subsidies, or other conditions affecting shipping, and shall be promulgated in a formal order.

(c) In case the owner shall not be satisfied with such determination, a suit to enjoin, set aside, annul, or suspend any order of the Authority shall be brought in the district court against the United States. The pending of such suit shall not of itself stay or suspend the order of the Authority, but the court in its discretion may retain or suspend in whole or in part the operation of the Authority's order pending the determination of the suit.

No interlocutory injunction suspending or restraining the enforcement, operation, or execution of, or setting aside, in whole or in part, any order made or entered by the Authority shall be issued or granted by any district court of the United States, or by any judge thereof, or by any circuit judge acting as district judge, unless the application for the same shall be presented to a circuit or district judge, and shall be heard and determined by three judges, of whom at least one shall be a circuit judge, and unless a majority of said three judges shall concur in granting such application. When such application as aforesaid is presented to a judge he shall immediately call to his assistance to hear and determine the application two other judges. Said application shall not be heard or determined before at least 5 days' notice of the hearing has been given to the Authority, to the Attorney General of the United States, and to such other persons as may be defendants in the suit. In cases where irreparable damage would otherwise ensue to the petitioner, a majority of said three judges concurring, may, on hearing, after not less than 3 days' notice to the Authority and the Attorney General, allow a temporary stay or suspension, in whole or in part, of the operation of the order of the Authority for not more than 60 days from the date of the order of said judges pending the application for the order or injunction, in which case the said order shall contain a specific finding, based upon evidence submitted to the judges making the order and identified by reference thereto, that such irreparable damage would result to the petitioner and specifying the nature of the damage. The said judges may, at the time of hearing such application, upon a like finding, continue the temporary stay or suspension in whole or in part until decision upon the application. The hearing upon such application for an interlocutory injunction shall be given precedence and shall be in every way expedited and be assigned for a hearing at the earliest practicable day after the expiration of the notice hereinbefore provided for. An appeal may be taken direct to the Supreme Court of the United States from the order granting or denying, after notice and hearing, an interlocutory injunction, in such case if such appeal be taken within 30 days after the order, in respect to which complaint is made, is granted or refused; and upon the final hearing of any suit brought to suspend or set aside, in whole or in part, any order of said Authority the same requirement as to judges and the same procedure as to expedition and appeal shall apply.

(d) Every such contract shall provide that the compensation to be paid under it shall be reduced, under such terms and in such amounts as the Authority shall determine, for any periods in which the vessel or vessels are laid up without a reason satisfactory to the Authority, or are used in domestic commerce, either wholly or in conjunction with foreign commerce.

SEC. 508. (a) In case the Authority shall determine that a change in the service, route, or line is necessary in the public interest, it is authorized to agree with the owner to make such change upon such readjustment of payments to the owner as shall be arrived at by the method prescribed in (b) of section 507.

(b) If at any time the owner (excluding one obligated under a construction loan or receiving a construction differential), receiving an operating differential subsidy, finds that he cannot maintain and operate his vessels on such service, route, or line with a reasonable profit upon his investment, then he may, after 60 days' notice in writing to the Authority, withdraw such vessels from such service, route, or line, and thereupon the further payment of the operating differential subsidy shall cease and the owner be discharged from any further obligation under such contract.

SEC. 509. (a) No contract executed under this part or any interest therein shall be sold, assigned, or transferred, either directly or indirectly, or through any reorganization, merger, or consolidation, or pursuant to any involuntary proceeding against the holder thereof, without the consent of the Authority; nor shall any agreement or arrangement be made by the holder whereby the maintenance or operation of the service, route, line, vessel, or vessels is to be performed by any other person without the written consent of the Authority. In case the Authority consents to such agreement or arrangement, the agreement or arrangement shall make provision whereby the person undertaking such maintenance or operation agrees to be bound by all of the provisions of the contract and of this act applicable thereto, and the rules and regulations prescribed pursuant to this act. In case the holder of any such contract shall voluntarily sell such contract or any interest therein, or make such assignment, transfer, agreement, or arrangement whereby the maintenance or operation of the service, route, line, vessel, or vessels is to be performed by any other person, without the consent of the Authority, the Authority shall have the right to cancel such contract.

(b) Contracts executed under this part may be canceled by the Authority, for repeated and intentional violations of such contract, this act, or rules and regulations prescribed pursuant to this act. The Authority may impose appropriate penalties for violations of such contract, this act, or rules and regulations prescribed pursuant thereto, not to exceed $, which shall be deducted from subsidy payments.

SEC. 510. (a) The vessels receiving financial aid under this part shall be of steel or other acceptable metal, shall be steam or motor propelled, shall be as nearly fireproof as practicable, and shall be American built and registered under the laws of the United States during the entire time of such employment.

(b) A vessel for the service of which a contract is entered into under this part, and the construction of which is hereafter begun, shall be either (1) a vessel constructed according to plans and specifications approved by the Authority and the Secretary of the Navy, with particular reference to economical conversion into an auxiliary naval vessel; or (2) a vessel which will be otherwise useful to the United States in time of national emergency.

SEC. 511. No contractor under a contract in force under this part shall suffer or permit any insurance, stevedoring, terminal,

ship repairing, towboat, or other services of like character to be supplied vessels operated under such contract, by any subsidiary or other corporation directly or indirectly controlled by such contractor, except with the written consent of the Authority.

SEC. 512. (a) Every vessel operating under a contract in force under this part, of less than 10,000 gross tons, shall be required to carry 2 cadets, and every vessel of 10,000 gross tons and over shall be required to carry 4 cadets. Such cadets shall be compensated by the contractor in the amount of not less than $30 per month; shall be provided with quarters separate from those occupied by unlicensed members of the crew; and shall be afforded every opportunity to serve an apprenticeship in, and be instructed concerning, the navigation and operation of the vessel.

(b) Naval officers of the United States on the active list may volunteer for service on any vessel employed in service under a contract made under the provisions of this part, and when accepted by the owner or master thereof may be assigned to such duty by the Secretary of the Navy. While in such employment such officers shall receive from the Government half pay, exclusive of allowances, and such other compensation from the owner or master as may be agreed upon by the parties; but such officers while in such employment shall be required to perform only such duties as appertain to the merchant marine.

PART III—SHIPPING TRADE PROMOTION AID

SEC. 513. (1) Any citizen of the United States as hereinbefore defined may apply to the said committee for a subsidy to enable him to operate in foreign commerce a vessel or vessels owned by him and documented as a vessel of the United States, for the purpose of developing the foreign commerce of the United States in a service or on a route with respect to which the operating subsidy provided for in section 505 hereof would be inadequate. Such application shall contain all the information required of applicants for operating subsidies, and in addition thereto all the facts indicating the inadequacy of an operating subsidy. If the Authority shall determine that it is in the public interest and desirable for the further development of the commerce of the United States, and that an operating subsidy determined as hereinabove provided would be inadequate, then it is authorized to grant a subsidy of such amount as it may determine, for a period which it shall fix not exceeding 5 years, and upon such other terms and conditions as the Authority shall fix, consistent with the provisions of this act, and it may enter into a contract with the applicant accordingly. The amount of such trade development subsidy shall not exceed in any year the amount of the actual losses reasonably incurred in maintaining and operating such vessel in such service or route, together with interest, not exceeding 6 percent, upon his capital actually invested therein. Except as herein otherwise provided the provisions of part II hereof with respect to operating subsidies shall apply to contracts for shipping trade promotion aid.

PART IV—PROVISIONS APPLICABLE TO FINANCIAL AID GENERALLY

SEC. 514. Each application for financial aid under the provisions of this title shall be accompanied by statements disclosing the names of all persons having any pecuniary interest, direct or indirect, in such application, or the ownership or use of the vessel or vessels, services, routes, or lines covered thereby, and the nature and extent of any such interest, together with such financial statements as may be required by the Authority. All such statements shall be in such form as the Authority shall prescribe. Whoever knowingly files or causes to be filed with the Authority any statement false in any material particular shall be guilty of a misdemeanor and subject upon conviction to a fine of not more than $1,000, or imprisonment for not more than 1 year, or to both such fine and imprisonment.

SEC. 515. (a) Every contract executed under this title shall contain provisions requiring:

(1) Each party to the contract (except the Authority) and every affiliate, subsidiary, or holding company connected with any such party, to keep its books, records, and accounts relating to such contract, and to the maintenance and operation of the vessels, services, routes, and lines covered by the contract, in such form and under such regulations as may be prescribed by the Authority; and

(2) Each party to the contract (except the Authority), and every affiliate, subsidiary, or holding company connected with any such party, to file, upon notice from the Authority, statements of financial operations, special reports, memoranda of any facts and transactions, appertaining to the performance of or transactions or operations under such contract directly or indirectly affecting the financial results of such operation, and including all transactions or operations appertaining or subsidiary thereto, insurance, stevedoring, handling of cargo, wharfage, terminal charges, and any other matters which in the opinion of the Authority affect the financial results in the performance of or transactions or operations under such contract.

(b) The Authority is authorized to examine and audit the books, records, and accounts referred to in this section whenever it may deem it advisable or whenever requested by either House of Congress. The parties to the contracts referred to in this section (except the Authority), and affiliate, subsidiary, and holding companies connected with any such party, shall keep their books, records, and accounts referred to in this section open to inspection and audit at all times by accredited representatives of the Authority.

(c) The Authority may employ special agents or examiners who shall have authority to examine all accounts, records, and memoranda kept or required to be kept hereunder. The Authority may prescribe the length of time such accounts, records, or memoranda shall be preserved.

SEC. 516. In case of failure or refusal on the part of any person to keep such accounts, records, and memoranda in manner prescribed by the Authority, or to submit such accounts, records, and memoranda to the inspection of the Authority or any of its authorized agents or examiners, such person shall forfeit to the United States the sum of $5,000 for each such offense. Such forfeiture shall accrue to the United States and be recovered in a civil action brought by the United States. Any person who shall falsify any account, record, or memoranda, or who shall willfully destroy, mutilate, or alter any such account, record, or memoranda, shall be guilty of a misdemeanor and shall be subject upon conviction thereof to a fine of not less than $1,000 nor more than $5,000, or imprisonment for not less than 1 year nor more than 3 years, or both such fine and imprisonment. The Supreme Court of the District of Columbia and the several District Courts of the United States shall be authorized to try and punish offenses hereunder within their respective jurisdictions.

SEC. 517. To safeguard the public interest in the administration of financial aid under this act, every contract executed under this title shall contain provisions requiring—

(a) The contractor to conduct its operations with respect to the vessels, services, routes, and lines covered by its contracts in the most economical and efficient manner;

(b) That salaries and allowances (including compensation in any form) to its officers, employees, and counsel shall be reasonable;

(c) That there shall be set aside in trust in a depository approved by the Authority, in amounts and from sources agreed to in the contract, funds for depreciation, to assure construction of replacement tonnage, and an adequate operating reserve. Such funds shall not be withdrawn for any purpose except by consent of the Authority and that part of the fund clearly due of the Authority and if not used for the purposes specified, that part of the fund clearly due to Government advances shall revert to the Maritime Authority.

(d) In case of any contractor owning, operating, chartering, or acting as an agent for foreign vessels or of foreign interests or in case of any transaction of the contractor with organizations or persons with whom its directors or officers are connected or affiliated, such transactions shall be subject to regulations and orders prescribed by the Authority.

TITLE VI—MERCHANT-MARINE FUNDS

PART I—CONSTRUCTION LOAN FUND

SEC. 601. The provisions of sections 11 and 12 of the Merchant Marine Act, 1920, as amended, are hereby reenacted. All the powers and duties therein vested in the United States Shipping Board, or the United States Shipping Board Emergency Fleet Corporation, or the United States Shipping Board Merchant Fleet Corporation, or transferred to the Department of Commerce by section 12 of the Executive order signed June 10, 1933, pursuant to the act of Congress approved March 3, 1933, are hereby transferred to and shall be exercised by the Authority.

SEC. 602. All sums of money now in the construction loan fund created by section 11 of the Merchant Marine Act, 1920, together with all debts, accounts, choses in action, and all notes, mortgages, and other evidences of indebtedness arising out of loans made from said fund, are hereby assigned, transferred, and set over and made available to the Authority.

PART II—INSURANCE FUND

SEC. 604. The provisions of title V of the Merchant Marine Act, 1928, are hereby reenacted, and all the power and duties therein vested in the United States Shipping Board or transferred to the Department of Commerce by section 12 of the Executive order signed the 10th day of June 1933, pursuant to act of Congress approved the 3d day of March 1933, are hereby transferred to and shall be exercised by the authority.

TITLE VII—REGULATORY POWERS

SEC. 701. The power and duties vested in the United States Shipping Board by sections 14, 14 (a), 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 38, 39, 40, and 41 of the Shipping Act, 1916, as amended by the Merchant Marine Act, 1920, the Merchant Marine Act, 1928, and the Intercoastal Shipping Act, 1933, as amended herein, or transferred to the Department of Commerce by the Executive order signed the 10th day of June 1933, pursuant to the act of Congress approved the 3d day of March 1933, are hereby transferred to and vested in and shall be exercised by the Authority: *Provided*,

(1) That the last paragraph of section 18 of the Shipping Act, 1916, is hereby amended to read as follows:

"Whenever the Authority finds that any rate, fare, charge, classification tariff, regulation, or practice demanded, charged, collected, or observed by said carrier is unjust or unreasonable, it may determine or prescribe an order enforcing a just and reasonable maximum or minimum rate, fare, or charge or a just and reasonable classification, tariff, regulation, or practice."

(2) That paragraph (b) of section 19 of the Merchant Marine Act, 1920, be amended to read as follows:

"To make rules and regulations affecting shipping in a foreign trade not in conflict with the law in order to adjust or meet general or special conditions unfavorable to shipping in the foreign trade, whether in any particular trade or upon any particular route or commerce generally and which arise out of or result from foreign laws, rules, or regulations, or from competitive methods or practices employed by owners, operators, agents, or masters of vessels of a

foreign country, and to prescribe minimum and maximum rates, fares and charges, rules, and practices which may be charged and enforced by vessels documented under the laws of the United States or foreign vessels in the foreign trade of the United States."

(3) That the second paragraph of section 3 of the Intercoastal Shipping Act, 1933, be amended to read as follows:

"Pending such hearing and the decision thereon the Authority, upon filing with such schedule and delivering to the carrier or carriers affected thereby a statement in writing of its reasons for such suspension, may from time to time suspend the operation of such schedule and defer the use of such rate, fare, charge, classification, regulation, or practice, but not for a longer period than 4 months beyond the time when it would otherwise go into effect; and after full hearing, whether completed before or after the rate, fare, charge, classification, regulation, or practice goes into effect, the Authority may make such order with reference thereto as would be proper in a proceeding initiated after it had become effective, and may prescribe the maximum and minimum rates, fares, and charges which may be charged and enforced. If the proceeding has not been concluded and an order made within the period of suspension, the proposed change of rate, fare, charge, classification, regulation, and practice shall go into effect at the end of such period. The Authority shall give preference to the hearing and decision of such questions and decide the same as speedily as possible. Nothing contained herein shall be construed to empower the Authority affirmatively to fix specific rates."

INTERRELATION OF RAIL AND WATER TRAFFIC

SEC. 702. (a) It is hereby declared to be the policy of Congress to promote, encourage, and develop water-transportation service and facilities in connection with the commerce of the United States, and to foster and preserve both rail and water transportation, and the Authority and the Interstate Commerce Commission are hereby severally authorized and directed to cooperate to that end.

(b) A board is hereby created, to be known as the "Joint Transportation Board", to be composed of the Secretary of Commerce and of two members selected by the Interstate Commerce Commission from among their members, officers, and employees, and of two members selected by the Authority from among their members, officers, and employees, of which Board the Secretary of Commerce shall be the chairman. Said Board shall appoint a secretary, who shall keep minutes of its meetings, which minutes shall be furnished to all members of the Authority and of the Interstate Commerce Commission. The Board shall hold regular semimonthly meetings and such additional meetings as may be necessary to transact its business.

(c) The Board shall consider and make such recommendations to the Authority and the Commission pertaining to the interrelation of rail and water traffic as in its opinion will further the purpose and policy declared in subdivision (a) hereof. None of the provisions hereof shall be construed to limit the power or jurisdiction of the Interstate Commerce Commission or of the Authority with respect to any matter within the lawful jurisdiction of either.

TITLE VIII—AMERICAN SEAMEN

SECTION 801. All vessels operated under any contract made under and pursuant to this act shall be manned in their deck and engine-room departments exclusively by citizens of the United States, native born or completely naturalized, unless satisfactory proof is made to the Bureau of Navigation and Steamboat Inspection that qualified and competent citizens are not procurable therefor: *Provided*, That this section shall not apply to the stewards' department, but preference in the employment of citizens in such stewards' department should be given by the owners of any such vessel so far as efficient and competent employees are available.

SEC. 802. The Secretary of Commerce, with the approval of the President, is hereby authorized and directed to establish, in such of the principal ports of the United States as he deems advisable, schools for the training of citizens of the United States as seamen for service on vessels documented under the laws of the United States. The Secretary shall make all rules and regulations necessary to carry out the purposes of this section so as to train such citizens in seamanship, particularly in the manning, handling, and rowing of lifeboats, and in knowledge of the construction and use of all appliances and equipment used on board modern passenger and cargo ships with which seamen are concerned, with a view to making American seamen the most efficient and skilled. On the conclusion of such training, certificates showing that such training has been had shall be issued by the Secretary to each individual who has satisfactorily demonstrated his skill and capacity, and the holding of such certificate shall be a condition to the procurement of a certificate as an able seaman as now provided by law.

SEC. 803. The President is authorized to use for the establishment and maintenance of such schools any funds hereafter appropriated by Congress or which have heretofore been made available to him for use in the maintenance of the Federal Civil Works Administration.

SEC. 804. Section 2 of the act of March 4, 1915, is hereby amended to read as follows:

"SEC. 2. That in all merchant vessels of the United States of more than 100 tons gross, excepting those navigating rivers, harbors, bays, or sounds exclusively, the sailors performing the duties of helmsmen and/or lookoutmen, firemen, oilers, and water tenders shall be divided into at least three watches, and each such watch shall be kept on duty successively for the performance of ordinary work incident to the sailing of the vessels. The seamen shall not be shipped to work alternately in the fireroom and on deck, nor shall those shipped for deck duty be required to work in the fireroom, or vice versa; nor shall any seamen be required to work more than 8 hours in 1 day; but these provisions shall not limit either the authority of the master or other officer or the obedience of the seamen when, in the judgment of the master or other officer, the whole or any part of the crew are needed for the maneuvering of the vessel or the performance of work necessary for the safety of the vessel or her cargo, or for the saving of life aboard other vessels in jeopardy, or when in port or at sea from requiring the whole or any part of the crew to participate in the performance of fire, lifeboat, or other drills. While such vessel is in a safe harbor no seaman shall be required to do any unnecessary work on Sundays or the following-named days: New Year's Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day, but this shall not prevent the dispatch of a vessel on regular schedule or when ready to proceed on her voyage. And at all times while such vessel is in a safe harbor, 8 hours, inclusive of the anchor watch, shall constitute a day's work. Whenever the master of any vessel shall fail to comply with this section and the regulations issued thereunder, the owner shall be liable to a penalty not to exceed $500, and the seamen shall be entitled to discharge from such vessel and to receive the wages earned. But this section shall not apply to fishing or whaling vessels, or yachts."

SEC. 805. Section 4551 of the United States Revised Statutes is hereby amended so as to read as follows:

"SEC. 4551. That every seaman shall be provided with and shall always carry a book which shall be known as 'a continuous discharge book.' Such book shall have a distinguishing number, description, fingerprint, and photograph of the seaman firmly attached, and shall contain, for each discharge, the name and official number of the vessel, port of registry, tonnage, description of voyage or employment, name of the seaman, nationality, place and date of birth, character, rating, date of entry of the vessel, date and place of discharge. Said discharge book shall be signed for each discharge by the seaman and the master, and attested by the signature and seal of the shipping commissioner or persons duly authorized to act as such commissioner before whom the seaman is discharged. Such book shall be in convenient form; shall be printed, bound, and issued in such number as the Director of the Bureau of Navigation and Steamboat Inspection, subject to the approval of the Secretary of Commerce, may decide; and it shall be issued to the seaman by the shipping Commissioner or persons duly authorized to act as such commissioner. Any person, corporation, or association which shall issue any such book or any imitation of such book, or any person who, not being the real owner, shall use or endeavor to use such book, or any person who shall make any statement or endorsement on such book not herein provided or shall make any false or forged entry in such book, shall be guilty of a misdemeanor and shall be punished by imprisonment of from 1 to 3 months at the discretion of the court.

"Whenever a seaman is shipped or discharged in any collection district where no shipping commissioners are appointed, and the master of the vessel is performing the duty of shipping commissioner, the master shall make the proper entries in the continuous discharge book and any master who fails to make such proper entry shall pay to the United States a penalty of $100 for each such offense, which fine shall go to the fund for sick and destitute seamen.

"(a) Upon discharge of a seaman, the master shall indicate in the said discharge book a brief designation of the conduct and ability of the seaman during the voyage. Such endorsements in the continuous discharge books shall be supported by corresponding entries in the official log book. If the seaman is of the opinion that his ability or conduct has been inaccurately entered in the book, he shall have the privilege of making an appeal to the shipping commissioner or person duly authorized to act as such before whom he is discharged and whose decision shall be final.

"(b) There shall be maintained in the Bureau of Navigation and Steamboat Inspection in Washington a central record of every seaman to whom a discharge book is issued under the provisions of this Act, together with the name and address of his next of kin, and a copy of each discharge entry in said discharge book which copy shall be forwarded to the Bureau in Washington by the shipping commissioner or person duly authorized to act as such before whom he is discharged.

"(c) In case of the loss of a book by shipwreck or other casualty, the seaman shall be supplied with another discharge book in which shall be entered all data contained in the last book so far as this may be available from copies of records kept by the Director of the Bureau of Navigation and Steamboat Inspection; in other cases, the seaman may obtain such a duplicate book containing the same entries upon payment of a sum equivalent to the cost thereof to the Government, to be determined from time to time by the Secretary of Commerce.

"(d) At the time of signing the ship's articles, the seaman shall surrender his continuous discharge book to the master and it shall be kept in the master's custody until the seaman is discharged from the vessel. The distinguishing number of the book shall be entered in the articles on the same line as the seaman's signature. When a seaman is left in a hospital in a foreign port, the master shall leave the book in the custody of the nearest United States consul. When a seaman is left in a hospital in an American port the master shall leave the book in the custody of the shipping commissioner at such port, and in both such instances, there shall be made in the continuous discharge book by

the master the entry, 'left in hospital', place, and date. If the seaman deserts, the master shall return the book to the United States shipping commissioner at the port of shipment.

"(e) The Director of the Bureau of Navigation and Steamboat Inspection is authorized to make such rules and regulations as may be necessary to administer this section and to insure the authenticity of the discharge books issued, and the identity of the owners thereof."

TITLE IX—ADMINISTRATIVE POWERS

SEC. 901. There is hereby established in the Department of Commerce the Office of Maritime Affairs, at the head of which shall be an Assistant Secretary, to be known as "Assistant Secretary of Commerce for Maritime Affairs" to be appointed by the President, by and with the advice and consent of the Senate, and to be paid a salary at the rate of $10,000 per annum. Such Assistant Secretary shall, under the direction of the Secretary of Commerce, have control and supervision of all administrative activities relating to the duties vested in the Department of Commerce in connection with the administration of the navigation laws, the inspection, construction, equipment, and manning of vessels, aids to navigation, and any other duties relating to the merchant marine now under the jurisdiction of the Department of Commerce; unless transferred by this act to the Authority and such other duties in connection with maritime affairs to be performed in the carrying out of the provisions, primary purpose, and intent of this act.

SEC. 902. All the power and authority vested in the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation or the United States Shipping Board Merchant Fleet Corporation by the Shipping Act, 1916, the Merchant Marine Act, 1920, the Merchant Marine Act, 1928, the Intercoastal Shipping Act, 1933, and the act authorizing suits in admiralty against the United States, and so forth, approved March 9, 1920, and not by this act transferred to and vested in the Authority, are hereby transferred to and vested in the Secretary of Commerce.

RULES AND REGULATIONS

SEC. 903. The Authority and Assistant Secretary for Maritime Affairs, respectively, shall prescribe and publish such rules and regulations not inconsistent with the provisions, purpose, and intent of this act, as may be necessary to the efficient administration of the function with which each is charged under this act.

TITLE X—MISCELLANEOUS

APPROPRIATIONS

SEC. 1001. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this act.

SEC. 1002. To aid in carrying out the policy and primary purpose of this act, there is hereby authorized to be appropriated from time to time, such sums as may be necessary, for expenditure by the Authority, for trade-promotion purposes, for operating ships or lines of ships which have been or may be taken over by the United States, and when not inconsistent with the public interest, to insure a fair rate to shippers of American goods, to enable American ship operators to carry an equitable share of our foreign commerce, or to insure vessels of American registry equitable consideration in conference agreements.

TRANSFER OF APPROPRIATIONS

SEC. 1003. (a) All appropriations and unexpended balances of appropriations available for expenditure by the United States Shipping Board Bureau, and all other appropriations made for shipping, including the fund appropriated to enable the United States Shipping Board Merchant Fleet Corporation to operate ships or lines of ships which have been or may be taken back from purchasers by reason of competition or other methods employed by foreign shipowners or operators as appropriated under the Independent Offices Appropriation Act for the fiscal year 1927 and reappropriated under the Appropriations Act of February 20, 1929, shall be available for expenditure by the Authority for any and all objects of expenditure authorized by this act in the discretion of the Authority, without regard to the requirement of apportionment under the Antideficiency Act of February 27, 1906.

(b) All appropriations and unexpended balances of appropriations available for expenditure by the Post Office Department for "Foreign Mail Service, Merchant Marine Act", under the Merchant Marine Act of 1928 shall be available for expenditure by the Authority in the same manner and to the same extent as if the Authority had been named in the law making such appropriations.

REQUISITION OF VESSELS

SEC. 1004. Section 702 of the Merchant Marine Act, 1928, is hereby amended to read as follows:

"REQUISITION OF VESSELS

"SEC. 702. (a) The following vessels may be taken over and purchased or used by the United States for national defense or during any national emergency declared by proclamation of the President:

"(1) Any vessel in respect of which, under a contract heretofore or hereafter entered into, a loan is made from the construction-loan fund created by section 11 of the Merchant Marine Act, 1920, as amended—at any time until the principal and interest of the loan have been paid; and

"(2) Any vessel in respect of which an ocean mail contract has been heretofore or is hereafter entered into—at any time during the period for which the contract is in effect.

"(3) Any vessel in respect of which a construction or operating subsidy or shipping-trade promotion aid is granted pursuant to the Merchant Marine Act, 1935, and any vessel which the Government of the United States has the right to acquire or take over pursuant to such act.

"(b) In such event the owner shall be paid the fair actual value of the vessel at the time of taking, or paid the fair compensation for its use based upon such fair actual value; but in neither case shall such fair actual value be enhanced by the causes necessitating the taking. In the case of a vessel taken over and used, but not purchased, the vessel shall be restored to the owner in a condition at least as good as when taken, less reasonable wear and tear, or the owner shall be paid an amount for reconditioning sufficient to place the vessel in such condition. The owner shall not be paid for any consequential damages arising from such taking over and purchase or use.

"(c) The President shall ascertain the fair compensation for such taking over and purchase or use and shall certify to Congress the amount so found by him to be due, for appropriation and payment to the person entitled to the person entitled thereto. If the amount so fixed by the President is unsatisfactory to the person entitled thereto, such person shall be entitled to sue the United States for the amount of such fair compensation, and such suit shall be brought in the manner provided by paragraph 20 of section 24 or by section 145 of the Judicial Code, as amended (U. S. C., title 28, secs. 41, 250)."

CONFERENCES

SEC. 1005. To aid in carrying out the primary purpose and intent of this act, the Authority is authorized and directed to have its representatives sitting with and participating in discussions or decisions of pools, conferences, and associations having for their general purpose the distribution of traffic, fixing of rates, and such other matters as are usually the subject of such organizations, and for any such organization to refuse or fail to permit an accredited representative or representatives of the Authority to sit with and participate in such discussions or decisions, shall render such organization, its officers and directors, or each of them, liable to a fine of $.

SEC. 1006. The Authority shall have the power to permit members of conferences to enter into contracts with shippers providing for a return of a stipulated part of freight moneys to the shipper in consideration of the shipper confining his shipments to lines and vessels which are members of the conference.

ANNUAL REPORTS TO CONGRESS

SEC. 1007. The Authority shall make a report to the President of the administration of the functions with which it is charged, including statements relating to the grants of financial aid under this act.

TRANSPORTATION OF GOVERNMENT OFFICIALS

SEC. 1008. Any officer or employee of the United States traveling on official business overseas to foreign countries, or to any of the possessions of the United States, shall travel and transport his personal effects on ships registered under the laws of the United States when such ships are available, unless the necessity of his mission requires the use of a ship under a foreign flag: *Provided*, That the Comptroller General of the United States shall not credit any allowance for travel or shipping expenses incurred on a foreign ship in the absence of satisfactory proof of the necessity therefor.

UNFAIR COMPETITION OR PRACTICES

SEC. 1009. The Authority shall have full power and authority to use any funds not designated for other purposes to give aid and support to the holder of any contract under this act, in meeting any unfair competition or practice by any foreign vessels or vessel, together with the power and authority to use said money to aid and support a "fighting ship" as defined in paragraph 2 of section 14 of the Shipping Act of 1916.

DEFINITIONS

SEC. 1010. When used in this act—

(a) The words "foreign trade" mean trade between the United States, its territories or possessions, or the District of Columbia, and a foreign country. The loading or the unloading of cargo, mail, or passengers at any port in any territory or possession of the United States shall be deemed to be foreign trade if the stop at such territory or possession is an intermediate stop on what would otherwise be a voyage in foreign trade; and

(b) The term "citizen of the United States" includes a corporation, partnership, or association only if it is a citizen of the United States within the meaning of section 38 of the Merchant Marine Act, 1920, as amended (U. S. C., title 46, sec. 802).

(c) The term "person" includes corporations, partnerships, and associations existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof, or of any foreign country.

SEPARABILITY CLAUSE

SEC. 1011. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances shall not be affected thereby.

REPEALS

SEC. 1012. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed; but the provisions of this act shall not be construed to repeal any of the provisions of the

Shipping Act, 1916, the Merchant Marine Act, 1920, the Merchant Marine Act, 1928, or the Intercoastal Shipping Act, 1933, unless directly in conflict therewith.

SHORT TITLE

SEC. 1013. This act may be cited as the "Merchant Marine Act, 1935."

Mr. COPELAND. Mr. President, may I say further that it is hoped the Senate committee hearings on the bill may begin next week. I may say for the benefit of the occupants of the press gallery that there are copies of the bill available. Judge BLAND, of the House, and I have agreed, because of the interest in the matter, that there is no reason why the material should not be available at once for the press.

HOUSE BILL REFERRED

The bill (H. R. 5914) to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936, was read twice by its title and referred to the Committee on Banking and Currency.

CHANGES OF REFERENCE

Mr. POPE. Mr. President, Senate bill 423, for the relief of Lynn Brothers Benevolent Hospital, was referred sometime ago to the Committee on Claims. It relates to a claim with respect to an Indian reservation. I ask unanimous consent that the Committee on Claims be discharged from the further consideration of the bill and that it be referred to the Committee on Indian Affairs.

The VICE PRESIDENT. Without objection, the Committee on Claims will be discharged from the further consideration of the bill and it will be referred to the Committee on Indian Affairs.

On motion of Mr. ASHURST, the Committee on the Judiciary was discharged from the further consideration of the bill (S. 2542) to authorize the prompt deportation of criminals and certain other aliens, to guard against the separation from their families of certain law-abiding aliens, to further restrict immigration into the United States, and for other purposes, and it was referred to the Committee on Immigration.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

Mr. CAREY submitted an amendment intended to be proposed by him to the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which was ordered to lie on the table and to be printed.

CASE OF WILLIAM P. M'CRACKEN, JR.

Mr. HAYDEN. I ask unanimous consent to have printed as a Senate document certain extracts from the CONGRESSIONAL RECORD relating to the proceedings against Mr. William P. MacCracken, Jr.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

UNDER SECRETARY OF THE INTERIOR—NOTICE OF MOTION TO SUSPEND RULE XVI

Mr. HAYDEN submitted the following notice in writing:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraphs 1 and 4 of rule XVI of the Standing Rules of the Senate for the purpose of proposing to the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, the following amendment, viz:

On page 2, line 3, after the word "Interior", insert the following: "Under Secretary (which position is hereby established in the Department of the Interior with compensation at the rate of $10,000 per annum and with appointment thereto by the President, by and with the advice and consent of the Senate)"; and

On page 2, line 5, strike out "$421,590" and insert "$431,590."

REFUNDING OF GOVERNMENT LOANS—ADDRESS BY SECRETARY MORGENTHAU

Mr. ROBINSON. Mr. President, I ask that there be printed in the RECORD a radio adress delivered April 14, 1935, by the Secretary of the Treasury, Mr. Henry Morgenthau, Jr.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

You will see in tomorrow morning's newspapers that the Treasury has called for redemption on the 15th of next October all of the fourth Liberty Loan bonds whose numbers end in 3 or 4. The last of the Liberty Loan bonds have now been called. And so, in this seventeenth year after the armistice, these famous securities move from the realm of Government finance to the pages of history.

This administration has now called for redemption $8,000,000,000 worth of Liberty bonds. We did not have to call them; they were not due; it was good business sense that prompted our action. The bonds called today bear 4¼-percent interest, while the average interest rate for all Government securities now outstanding is only 2.86 percent.

It is impossible to estimate accurately how much we will save in interest on this new refunding because it has not yet been completed, but I can tell you how much we are saving on our previous $5,000,000,000 of refundings. In round numbers it amounts to $65,000,000 a year. If we do as well on the remainder, which seems to be a fair assumption, there will be an additional saving of $35,000,000 a year. That makes a total of $100,000,000 which will not have to be raised next year from the taxpayers.

Refinancing on this scale has the quality of high adventure. In England, when they undertook a similar operation to reduce debt charges, the Chancellor of the Exchequer felt called upon to ask that no new capital issues be offered during the period of the conversion; and that ban remained in effect 6 months. The operation was accompanied by appeals to patriotism; indeed, it resembled one of our war-time Liberty Loan campaigns. Here we have handled this same transaction so easily and in such a commonplace manner that many people have undoubtedly been unaware of its nature or significance.

But the benefits of this transaction do not end with the saving of $100,000,000 a year.

When we began our refinancing early in 1934 we faced a peculiar situation; there was plenty of money, and presumably it ought to have been cheap, but it wasn't. The bond market was stagnant and prices were low. Scarcely any refunding was going on. There was a log jam in the capital market. The Federal Government took the initiative by refunding the first five billions of high-rate Liberty bonds into lower rate and longer bonds. In the 15 months between January 3, 1934, and April 3, 1935, the average price of representative municipal bonds rose 24 percent. High-grade railroad bonds rose 14.4 percent. Public-utilities bonds rose 12.1 percent. Industrial bonds rose 14.7 percent. These increases in the market value of bonds reflect the decrease in the cost of money.

The great importance of cheap money to improve business conditions is not generally realized. The great corporations came into the market to attend to their necessary financing. The financial pages of your newspapers reflect the impressive change in the dimensions of their operations. Let me give you the figures. During March 1934 the total volume of corporate refunding amounted to only twelve and a half million dollars with no lowering in the interest rate. But during March of this year corporate refunding exceeded $112,000,000—or nine times as much as during the previous March. And the interest rate on the new issues this year shows an average decrease of almost 1½ percent which meant a saving of more than one and a half million dollars. That is real refunding. It shows conclusively that the financial log jam has been broken.

These developments have a very definite meaning in your everyday life. They affect not only the taxpayer but every stockholder, producer, consumer, and worker.

We are now just on the eve of seeing the substantial benefits of this fundamental change.

There is no longer any reason why capital should not flow normally into the arteries of business. In fact, with the splendid cooperation and wise guidance of the Federal Securities and Exchange Commission, it is doing so.

Although you may not have followed all this refinancing in detail, you have undoubtedly read headlines referring to the new-deal expenditures. Nobody denies that there have been expenditures—and large ones—but let us go into that subject realistically.

Soon after this administration came into office, March 4, 1933, the President submitted a comprehensive recovery program which the Congress approved. As the President clearly pointed out in his first Budget message in January 1934, that program called for an expenditure of $9,300,000,000 for the 2-year period ending June 30, 1935, above the estimated income. The deficit at the end of the 21 months of that 2-year period was $6,300,000,000. With less than 3 months to go to complete the 2-year period, we are certain that expenditures will be $2,000,000,000 less than that original estimate.

Naturally you want to know what the Government got for its money. Emergency expenditures caused the deficit and here are the items: Loans made by the Reconstruction Finance Corpora-

tion, Public Works Administration, and various other governmental agencies, $1,700,000,000.

Public works, under which head I include the Boulder Dam, rivers and harbors, the Tennessee Valley Authority's projects, subsistence homesteads, and the vast program of Federal aid for good roads, $1,200,000,000.

The remaining $3,400,000,000 was expended for relief of American citizens in distress. This was the grand total for all forms of relief and includes even the $600,000,000 for the Civilian Conservation Corps, whose splendid work is worth every dollar of its cost.

In order to get the true picture it is important to remember that these expenditures are not loss or waste. We have acquired values for them. From the loans of $1,700,000,000 we may expect repayments in substantial amount which will go to reduce the public debt. The $1,200,000,000 for public works is invested in dams, roads, buildings, and other permanent improvements. These two items account for nearly half of the deficit.

The greatest single item of expenditure has been for relief. We have furnished food, shelter, clothing—and the self-respect which comes of having a job—to millions who needed these things as never before. That item will continue to be the bulk of the real deficit.

Now let's take up the public debt of the Federal Government. When this administration came into office the gross public debt was a little less than $21,000,000,000. As of March 31 this year it had increased in round numbers to $28,800,000,000, the largest in our history. Although there is no doubt anywhere about our credit being good—if it were not, we could not have refunded all of those Liberty bonds—some people raise a point about the cost for interest. But let us see how this cost at the present time compares with the cost in past years. The annual interest cost on today's debt amounts to $800,000,000. And you would naturally suppose, in view of the fact that the debt is the largest in our history, that the interest cost must also be the largest. But it is not.

We are carrying the greatest national debt in our history for less money than it cost back in 1925, when the national debt was smaller by $8,000,000,000.

Now, let's look ahead and see, first of all, what certainties the future holds. In July and August we know that we are going to retire $674,000,000 of interest-bearing Government securities. They are the Panama Canal bonds and United States consols that have already been called for redemption. The cash for that transaction is now in the Treasury.

Then we are going to finish the retirement of the Liberty bonds previously mentioned. For all practical purposes, this gigantic operation will be out of the way when the time comes to raise the bulk of the money needed for the President's new work-relief program.

In his message submitting the Budget for 1936 to the present Congress, the President said:

"If this Budget receives the approval of the Congress, the country will henceforth have the assurance that, with the single exception of emergency relief, every current expenditure of whatever nature will be fully covered by our estimates of current receipts. Such deficit as occurs will be due solely to emergency relief, and it may be expected to decline as rapidly as private industry is able to reemploy those who now are without work."

Since the President delivered that message, new developments that would bear upon his forecast have been mostly favorable.

In looking ahead we are cheered by the fact that tax receipts for the first 9 months of the present fiscal year are $145,000,000 above the estimates.

On June 30, 1936, we should have, according to the Budget estimates, a national debt of $34,000,000,000, but those estimates did not take into account the retirement of the $674,000,000 of Government securities which I mentioned a moment ago.

The work-relief program, for which Congress recently appropriated $4,880,000,000, is scarcely started. In view of these two facts and our present comfortable margin within the Budget estimates, it is entirely possible that we shall find on June 30, 1936, a national debt of considerably less than thirty-four billions.

In conclusion let us not forget a few central facts and figures. The new-deal expenditures are represented by money still right here at home. Some of it has been used to thaw out the frozen assets of banks for the benefit of depositors. Some of it is turning the wheels of industry. The greatest part of that portion which we shall not recover, in a material way, has been used to save human life and to preserve the morale of our people.

ACCOMPLISHMENTS OF THE AMERICAN LEGION

Mr. CLARK. Mr. President, I ask unanimous consent to insert in the RECORD a speech delivered over the radio by the junior Senator from Oregon [Mr. STEIWER] on April 6, 1935, regarding the American Legion and its accomplishments.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Upon this anniversary the American Legion may well take pride in its efforts and accomplishments in behalf of the general welfare. Citizens everywhere approve proposals for child welfare, care for war orphans, and support for the educational system of the Nation. To promote peace and security at home and abroad the Legion stands for law enforcement, for an adequate national defense, and for the related proposal of universal service of all our material resources as well as the conscription of men in time of war.

In addition to these objectives the American Legion fosters a true and living Americanism. It resists objectives which are un-American or anti-American. When we speak of un-American objectives, most often we refer to the destructive ideas of alien origin. Alien enemies of fundamental Americanism quarrel with our theory of government and rail and sneer against rights of property and our system of ordered liberty. My purpose tonight is not to denounce alien criticism but, rather, to deal with inimicable ideas born under our own flag. Economic depression invites a spirit of faithless disloyalty. The needy and impoverished, lacking necessities of life and too long whipped by adversity, find it difficult to remain loyal to a government which they are encouraged to feel is in some degree responsible for their suffering. They may be victimized by the evangelists of novel political doctrine, and even when not entirely mislead, they nevertheless often yield to doubt and indifference. It is but natural they should be more concerned over their own suffering than over the question whether a political or governmental concept is in keeping with American theory.

In my judgment, the most vexing problem that can come into the life of any American citizen, under any condition, cannot be of more permanent importance to that citizen than maintenance of his rights under our Government. This is true because nowhere else in the world, under any law, is there security to life and to property comparable to the security enjoyed under the American Constitution. Nowhere else will you find rights superior to the political and civil rights of an American citizen, the preservation of which may be hoped for only by reason of guaranties provided by the Constitution.

If I have your agreement to these propositions, then, I ask whether a threat against our Government coming from foreign lands is more destructive of our rights than a threat which has its inspiration in our own country and is suggested by our own citizens? A harmful proposal is not less evil, because it is suggested from within our own Government or by a citizen who is supposed to be devoted to the maintenance of our institutions. Unwieldy theoretical schemes for control of business and the regimentation of various groups who make up the citizenship of our country may lead to a condition as un-American as the socialism of the Soviet Union. It is growing increasingly evident that political and economic experiments rarely yield the results claimed for them. Yet there are those who believe our plan of government and our system of business have alike failed in the face of the depression. These disbelievers seek innovations. They would erect an enormous bureaucracy and place the entire country under its control. They would destroy private interests for a supposed but unreal public advantage. They would limit or deny the right of private property in very essential respects. They would deny and restrict the right to pursue a gainful occupation except with the consent of bureaucracy. They would limit opportunity everywhere, and casting all men in a common mold, they would take away the unequaled privilege which has belonged to the boys and girls of America to build themselves up from humble beginnings to positions of honor, affluence, and power. This spirit of bureaucracy threatens the liberty of the citizens of the Republic. Its evil is accentuated because proposals in its behalf are made in the name of the common good. Let there be an inventory of all these innovations and a new understanding of what they mean in terms of the destruction of fundamental American rights. Our institutions will remain secure only if the people of this country determine to scrutinize and to resist proposals which result in impairment of established civil, political, or religious rights.

I do not want it understood that I urge such a reactionary adherence to ancient forms that would prevent consideration of progressive ideas. Many reforms may be effectuated without violence to the Constitution. Even wealth sharing may be constitutionally attained by the indirect process of Federal taxation of inheritances and income. Every proposal for economic and social justice, including proposals for security for the aged, and every sound objective sought in the name of humanity, may be attained within the limitations of the American Constitution.

When I speak of the maintenance of constitutional right I, therefore, do not complain against laws for social reforms. The American Constitution provides and guarantees to the citizen both opportunity and justice. I do complain, however, against the spirit of contemptuous indifference of present-day theorists and experimentors who are too willing to disregard the constitutional limits and to destroy the basic rights of the individual citizen. There is nothing which bureaucracy can do for the people that is as valuable to them as the rights of the citizen which bureaucracy often denies and would seek to destroy. President Coolidge in his lifetime characterized Federal centralization as tyranny. He said:

"Unless bureaucracy is constantly resisted it breaks down representative government and overwhelms democracy. It is the one element of our institutions that sets up the pretense of having authority over everybody and being responsible to nobody."

In spite of hardship and suffering the people of the United States will not willingly part with representative government nor purposely destroy democracy as we know democracy. To preserve it we will resist destructive, un-American influences from abroad. There still remains the continuing danger of equally destructive, equally un-American influences at home, and then the one

important question: Will we, the citizens of this Republic, marshal the strength and maintain the spirit to resist this ugly threat against the principles and privileges of American citizenship?

LABOR DISPUTES AND THE FEDERAL GOVERNMENT

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article which appeared in the American Bar Association Journal for April 1935, entitled "Labor Disputes and the Federal Government", by O. R. McGuire, member of the Bar Association's committee on administrative law.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LABOR DISPUTES AND THE FEDERAL GOVERNMENT

PERSISTENCE OF EFFORTS TO BRING INTRASTATE LABOR RELATIONS UNDER FEDERAL CONTROL MAY EVENTUALLY RESULT IN PROPOSAL OF A CONSTITUTIONAL AMENDMENT TO AUTHORIZE IT—IT IS THEREFORE DESIRABLE TO CONSIDER THE WORKINGS OF SUCH A PLAN IN THE FEDERATED DEMOCRATIC GOVERNMENT OF AUSTRALIA, WHERE A SYSTEM OF COMPULSORY REGULATION AND DECISION OF LABOR DISPUTES HAS LONG BEEN IN OPERATION

(By O. R. McGuire, member of American Bar Association's Committee on Administrative Law)

The Constitution of the United States, as it now exists, leaves little room for doubt that the Federal Government does not possess the power to prescribe the hours of labor, maximum or minimum wages, or terms and conditions of employment in intrastate business or industry nor may the Federal Government insist that there shall be followed any system of compulsory arbitration of such intrastate disputes. If previous opinions of the Supreme Court of the United States are to be accepted as establishing the law of the Constitution in this respect, it seems equally clear that manufacturing, farming and the bulk of other industries employing labor are intrastate in character.

However, the persistence with which efforts are being made to bring such intrastate labor relations under Federal control through the enactment of various statutes by the Congress may eventually culminate in a proposed constitutional amendment after the Supreme Court of the United States finally sustains the judgments of the lower courts holding unconstitutional or inapplicable Federal statutes attempting to regulate the relations of employer and employee in intrastate business or industry. Therefore, it not only appears appropriate but highly desirable to take a glance at the laws of another federated democratic government—the Commonwealth of Australia—where there has been long in operation a system of compulsory regulation and decision of labor disputes.

At the federal convention, which was held in Sydney in 1891 to discuss the proposed legislative powers to be conferred on the Commonwealth government, Mr. C. C. Kingston proposed that the Commonwealth Parliament should have power to establish courts of conciliation and arbitration for the settlement of industrial disputes. It was made quite clear in the official report of the debates in this convention that it was the intention of such proposal that industrial disputes confined to one State were to be left to the State concerned for settlement but nevertheless the proposal was defeated. Six years later the proposal was again advanced in the federal convention held at Adelaide, in 1897, when Dr. Higgins, later Justice Higgins, of the federal industrial court, proposed that the federal government should have power to deal with industrial disputes extending beyond the limits of any one State. He urged that industrial disputes could not always be confined in their evil effects to any one State and that when not so confined the Commonwealth government was the only government which could cope with them. The proposal was again defeated, but he advanced it the next year in the convention held at Melbourne, and this time with success, for it was incorporated in the Commonwealth constitution as section 51, paragraph 35, as follows:

"The parliament shall, subject to the constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State."

This federal constitutional provision was implemented by the Commonwealth conciliation and arbitration act of 1904, which has been several times amended. The chief objects of the act are set forth in section 2 thereof as being to prevent lockouts and strikes, to constitute a court of conciliation and arbitration, to provide for the exercise of the jurisdiction of the court by conciliation and compulsory arbitration in default of amicable agreement between employer and employees; to enable the states of the Australian Commonwealth to refer labor disputes to the Commonwealth court, to facilitate and encourage the organization of representative bodies of employers and employees, and to provide for the making and enforcing of industrial agreements.

Section 11 of this act of 1904 provided that the Commonwealth court of conciliation and arbitration should be a court of record, and section 12 provided that the president should be appointed by the Governor General of the Commonwealth from among the justices of the high court, the supreme court of the Commonwealth government, for a term of 7 years. Subsequently the high court held in the case of *Waterside Workers' Federation of Australia* v. *Alexander, Ltd.*, 25 C. L. R., 434, that since the Commonwealth constitution provided in section 72 that justices of the courts created by the Commonwealth Parliament should hold office for life and the justice of the Commonwealth arbitration court was appointed for a term of 7 years only, such court was incompetent to exercise any judicial power. The result thereof was an amendment of 1926 which provided that the judges of the Commonwealth arbitration court should be appointed for life. A prior act of 1920 had changed the title of the presiding judge from president to chief judge with authority in the Governor General to appoint such additional judges as might be required. Only barristers or solicitors of the high court or of the supreme court of a State of not less than 5 years' standing are eligible for appointment to the Commonwealth arbitration court. Since the 1926 amendment that court has freely exercised judicial powers such as the imposition of penalties for breaches of awards, the interpretation of awards, and the issuance of injunctions or prohibitions.

The States of the Australian Commonwealth likewise have their industrial courts. The wage board system was introduced in Victoria in 1895, and the powers and jurisdiction thereof was greatly enlarged in Victoria Act 3677 of 1928. Tasmania had a wages board act in 1910. South Australia, New South Wales, and Western Australia each had an industrial arbitration act in 1912. Queensland had an industrial peace act in 1912, and an industrial arbitration act in 1916. The organization of the industrial tribunals vary somewhat as among the various States of the Australian Commonwealth, and it would unduly extend the length of this paper to describe all of them in detail. The one in New South Wales, which is the principal industrial State in the Commonwealth, may be accepted as an illustration of similar organizations in the other States.

The Industrial Commission of New South Wales consists of three members, one of whom is called the president. A person to be qualified for appointment to that commission must be a puisne judge of the supreme court, a district court judge, a barrister of not less than 5 years' standing, or a solicitor of not less than 7 years' standing. Appointments are made by the governor. Each member has all the rights of a puisne judge of the supreme court of the State. The commission is a superior court of record, and the retiring age of the judges is 70 years. All members must be present at a sitting and decisions are reached by a majority vote. The commission may in a particular matter delegate any of its powers or functions to any one member or to a deputy commissioner appointed by the governor. Appeals lie to the commission from any order of a commissioner or deputy commissioner and the commission may vary such order or award in such manner as it thinks just. The commission may sit with assessors representing the interests of each of the parties before it and may commit to such assessors for determination or consideration and report any issue of fact.

This commission of New South Wales includes among its powers and functions the right to inquire into and determine any industrial matter referred to it by the minister of the State; to hear appeals from any order, determination, or award of a conciliator whose principal work is the making of awards and variations of awards in labor disputes; to determine, after public inquiry, but not more frequently than once in every 6 months, a standard of living, and to declare what shall be the living wages based upon such standard for adult male and adult female employees in the State; to hear and determine appeals under the act; to confer with any persons or industrial unions as to anything affecting the settlement of an industrial matter; and to summon any person before the commission for the purpose of giving evidence. Also, the commission has power to encourage the proper apprenticeship of minors and to provide for the welfare of juveniles in industry; to acquire and disseminate knowledge on all matters connected with industrial relationship between employers and workers, and to combat the evils of unemployment; to propound schemes for welfare work; to report on prices of commodities, monopolies, trade rings, etc.; to report upon the productivity of industries; to consider and report upon the industrial efficiency of the community; to collect and publish from time to time statistics of vital, social, and industrial matters; and to encourage and assist in the establishment in different industries of mutual welfare committees and industrial councils.

Under the statute any decision of the commission is made final and no award, order, or proceeding of the commission can be vitiated by reason only of any informality or want of form or be liable to be challenged, appealed against, quashed, reviewed, or called into question by any court of judicature on any account whatsoever. Also, under the statute, inspectors are appointed who may at any reasonable time inspect any premises and any work being done therein; call for and examine time sheets and pay rolls of employees; and examine any employee in regard to wages and hours of labor; and the inspectors are required to report to the minister of the State all breaches of the Factories and Shop Act of 1928 or of any award or industrial agreement which may come to the attention of such inspectors.

That is to say, we find in Australia that the Commonwealth government, functioning under a Federal constitutional provision, hereinbefore quoted, has established and endowed a Commonwealth arbitration court, appointed for life, with vast powers for the settlement of industrial labor disputes extending beyond the limits of any one State, and the various State governments have established and endowed arbitration courts under various names for the settlement of labor disputes within the respective States. In other words, Australia has a complete system of Federal and State arbitration courts with jurisdiction far beyond anything

heretofore attempted in this country—even beyond the legislation held unconstitutional in *Coppage* v. *Kansas* (236 U. S. 14), and *Atkins* v. *Children's Hospital* (261 U. S. 525).

What have been the results in Australia?

The Adelaide Chamber of Commerce Bulletin for February 1934 contains the statement that the position of industrial arbitration in Australia justified the remark of the late Mr. Justice Higgins—the man who succeeded in securing power in the Commonwealth Constitution to establish a Federal arbitration court—with reference to the "Serbonian bog of technicalities"; that there were Federal and State awards which overlap; that the bases of the different awards vary in different industries on varying costs of living figures computed on different bases; that the interpretation of the Federal Constitution and Commonwealth legislation thereunder—which overrode State legislation—had changed so as to give the greatest operation to the Commonwealth constitution and laws; and that the word "dispute" had been stretched to include cases where the mere exchange of correspondence between employers and a union has been held to constitute a dispute.

The British economic mission in its report of January 7, 1929, to the prime minister of the Commonwealth government stated, among other things, that it had consulted with employers and employees and that it was the consensus of opinion that the arbitration courts had not come up to expectations. Also:

"By workmen's representatives, not less emphatically than by representatives of the employers, it has been consistently represented to us that the arbitration courts are not achieving their purpose and that a system designed to arrive by judicial decisions at fair and prompt settlement of industrial disputes such as could be freely accepted by both sides must be held to have failed. The most important of the reasons which have been advanced for this view are that experience has shown that there arises between the two parties who appear before the arbitration court judge or arbitrator the spirit of antagonism inseparable from litigation, and that the object of prompt settlement is defeated by the delay occasioned by the necessity for the collection and presentation of detailed evidence in a form acceptable to a court. It is complained that the procedure of the arbitration tribunals occasions the expenditure of much time and money by the litigants, and involves very long absences from their ordinary occupations for a large number of persons whose time might be more profitably employed that the subject matter of the questions which are brought before such tribunals is not of a nature with which judicial tribunals, necessarily unversed in the practical problems of industry or in the economic questions to which they give rise, are best fitted to deal; and that the overlapping jurisdiction of the federal and State arbitration courts have led to an almost inextricable tangle of conflicting decision so complicated that large staffs have to be maintained to keep track of them and to endeavor to guard against involuntary contravention of any of them in the course of everyday business. The indictment of the system of the arbitration courts which we have heard is a heavy one; and we feel that it is well founded on many grounds, and particularly on the ground that the system has tended to consolidate employers and employees into two opposing camps, and has lessened the inducement to either side to resort to round-table conferences for that frank and confidential discussion of difficulties in the light of mutual understanding and sympathy which is the best means of arriving at fair and workable industrial agreements.

"A change in the method prevalent in Australia of dealing with industrial disputes appears to us to be essential, and we hold that there should be a minimum of judicial and governmental interference in them except insofar as matters affecting the health and safety of persons engaged in industry may be concerned."

The foregoing is the opinion of a British economic mission sent out to Australia to make a report respecting the very serious economic and industrial situation then confronting the people of Australia and is thus the judgment of a group of experts wholly detached from the political conditions in that Commonwealth.

With respect to conflicts between the Commonwealth and State arbitration courts, the opinion of the supreme, or high court of the commonwealth government in *Whybrow's case* (10 C. L. R., 266), placed the unions in a happy position. That opinion was to the effect that the federal arbitration court could fix a rate of wages higher than the rate fixed by the applicable State arbitration court with the result that the employees could try their luck with the federal court with the knowledge that the State rate of wages and conditions of work could not be reduced or made worse and might possibly be increased or bettered. In other words, where both a federal and a State award or determination of wages and working conditions operate in the one industry the employees are entitled to the higher wages and better working conditions in whichever award they are prescribed. In a subsequent case of *Cyde Engineering Co., Ltd.*, v. *Cowburn* (37 C. L. R. 462), the high court held that the State legislatures could not fix or authorize the State arbitration courts to fix a rate of wages or prescribe working conditions inconsistent with those fixed and prescribed in the award of the federal arbitration court.

A result of such a conclusion of the high court is stated in the above-referred-to bulletin of the Adelaide Chamber of Commerce with respect to rates of wages fixed by the federal arbitration court in a recent textile award. That award prescribed a flat rate of pay for all woolen mills, throughout the Commonwealth. Prior to that time the rates of wages in such mills had been fixed in the various States on the basis of the different costs of living in such States, but due to an allegation that such industry was highly competitive, it was concluded to make the rate of wages uniform. The chamber said:

"Such an award is based upon entirely wrong premises, and unfortunately the employers in the smaller States concerned, in endeavoring to obtain exemption, had to fight not only the union leaders, but also the lawyers of employers of the eastern States. Industry in the smaller States cannot long continue to stand up to the competition of manufacturers in the more populous States who have the benefit of a large home market."

The labor unions make no secret of the fact that they prefer the federal arbitration court to the State courts or boards. The vice president of the Australian council of trade unions (representing some 500,000 workers) is reported to have testified on March 19, 1928, before the royal commission on the Commonwealth constitution that he considered it was essential that the federal parliament should be given unrestricted power to deal with the problems of capital and labor throughout the country, whether interstate or intrastate in character and that to allow 13 differently constituted legislative bodies to deal with the problem in piecemeal was only courting disaster. On the other hand, Justice Brown said in the *South Australian Living Wage case for the Tinsmiths* (1 S. A. I. R. 55), that:

"Most industries in south Australia, however, as in other States, are domestic industries which call for, and should receive, domestic supervision. With regard to such industries, the proximity of the court, with its relative accessibility, and the relative ease with which it is subjected to criticism through one or the other of the various organs of public opinion, make it a more truly democratic tribunal than a centralized tribunal can claim to be, however generous might be its awards. Further, the fact that the local tribunal is more nearly in touch with local industries also serves to justify the maintenance of State industrial control alongside of the federal system. There is a great sphere of useful service for both. But if the public interest is to be served, there should be no marked divergency between the Commonwealth and State authorities as regards such basic matters as the living wage. I hope the time is not far distant when some arrangement will be made, formal or informal, for coordinate action."

While the struggle in Australia seems to be not unlike the struggle in this country between Federal and State rights, the Commonwealth government has been unable to secure the adoption of an amendment to the federal constitution authorizing the federal government to take over the control of labor conditions in purely State matters where such control has not been effected by virtue of the two above referred to judgments of the federal high court in the Whybrow and Clyde Engineering Co. cases. Such control over intrastate wages, hours of labor, etc., is very substantial as shown by the award of the federal arbitration court in the above referred to woolen manufacturing case.

Has such a scheme of arbitration or industrial courts brought about industrial peace in Australia? The answer is decidedly not. The Labor Report for 1932, issued by the Commonwealth bureau of census and statistics at Canberra states that the working days lost during 1932, due to industrial disputes, aggregated 212,318, and during 1931 aggregated 245,991 days. The estimated loss of wages during 1932, due to such industrial disputes, aggregated £165,582, and for 1931, the sum of £227,731. The number of industrial disputes in 1932 was 127, and the number in 1931 was 134, and in 1932, 32,917 people out of the comparatively small population of 5,435,734 in Australia were engaged in industrial disputes for that year. During the 5-year period from 1928 to 1932, inclusive, the said labor report is to the effect that an aggregate of 119,562 persons were engaged in labor disputes with a loss of 7,208,306 working days and £7,330,319 in wages. It is stated by the same authority that the main causes of industrial disputes in Australia are wage questions, working conditions, and employment "of particular classes of persons."

It is thus clear that the arbitration courts have not succeeded in Australia—with all of their vast power to either prevent or settle industrial disputes—and this seems to be due in some measure, at least, to the fact that while an award may be enforced against the employer by fines, such remedy is ineffective against the labor unions when they refuse to accept an award as satisfactory and the members either do not return to work or quit work. The high court held in the *Waterside Workers' case* (10 C. A. R. 429) that while an arbitration court may have fixed the minimum wages to be paid, the employees were under no obligation to accept employment at such wages. Even if the employer should succeed in securing a judgment against the union for violating an award by striking for higher wages, such judgments are often difficult if not impossible to collect.

Senator WAGNER introduced in the Senate of the United States on February 15, 1935 (S. 1958) to establish a National Labor Relations Board to be composed of three members which is to be authorized, among other things, "to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce." It is interesting to compare the provisions of such bill which the laws of the Commonwealth of Australia and its States for the regulation of labor disputes. Assuming for purpose of argument that such a law could be sustained in this country, either without or with an amendment to the Constitution to that end, it is difficult to see what would be the situation in this country with a three-judge court to hear industrial disputes. Australia has but a fraction of the population that we have in this country; in fact, the total population of Australia is less than the population of the State of New York and the industries of Australia are comparatively few. Yet, Mr. Charlton, a labor leader

in the Commonwealth House of Representatives, stated in a debate of June 8, 1928, that:

"The principal trouble in connection with the arbitration court has been caused by the delays in getting claims heard. Some industrial organizations have had to wait for 18 months or 2 years before their claims have been brought before the court; the excuse offered for this state of affairs being that there are not sufficient judges to cope with the work."

Senator Barnes, another labor leader, stated in the Commonwealth Senate on June 12, 1928, that:

"As a result of years of experience in the trade-union movement, I believe that the greatest factor in fomenting industrial unrest is not a desire of the workers to be everlastingly on strike, but the fact that there is so much delay in having their cases heard by the arbitration court. * * * Unionists are prepared to obey the law, but they strongly resent the delays which occur in getting an award from the court."

The system of arbitration courts in Australia, with their power to fix wages and hours of labor for all industries, may be compared with the board of mediation, boards of adjustment, and boards of arbitration established in this country by the act of May 20, 1926 (44 Stat. 577, 587), at a cost of $125,564 to the Federal Treasury for the fiscal year 1935, to consider disputes between the interstate railroads and their employees. While there are many points of difference between the two systems, the principal one is that under the act of May 20, 1926, the matter is a voluntary one between the railroads and their employees, while in Australia it is compulsory, and would be so here in event S. 1958 became law and was sustained.

However, in connection with the power of the Federal Government to fix wages and hours of labor in intrastate industry, presumably through the medium of codes of fair competition or under some such provision as section 7 of the act of June 16, 1933 (48 Stat. 198), or the proposed Wagner labor-relations bill, Donald R. Richberg, executive director of the National Emergency Council, in a radio address of March 18, 1935, referred to *United States* v. *Brims* (272 U. S. 549); *Coronado Coal Co.* v. *United Mine Workers* (268 U. S. 295); and *Local 167* v. *United States* (291 U. S. 293), and said:

"The last stronghold of an irreconcilable opposition appears to lie in legalistic arguments over the powers of the Federal Government. Here again public opinion is confused by sound and fury emanating from the bench and bar, instead of light. When judges and lawyers loudly proclaim that the power of the Federal Government to regulate interstate commerce does not authorize the regulation of manufacturing and mining or trade within a State, they are not stating the law. They are simply dodging the law, and repudiating the express and repeated rulings of the Supreme Court of the United States. * * * The quibblers and evaders of the law should not be allowed to confuse opinion as to the power of the Federal Government to restrain unfair competition in business practices or in labor conditions for the protection of interstate commerce. There is no question of the power. There is only the question of how and where that power should be most widely exercised."

It seems to me that in this connection the history and achievements of the Australian Arbitration Courts of the Commonwealth government, as well of the various states in that Commonwealth, should be carefully considered in this country.

REGULATION OF INTERSTATE TRAFFIC BY MOTOR CARRIERS

Mr. WHEELER. Mr. President, I move——

The VICE PRESIDENT. The attention of the Senator from Montana is called to the fact that this is Monday and there is a morning hour. The motion is not in order until the call of the calendar is completed, unless by unanimous consent.

Mr. WHEELER. I ask unanimous consent that, upon the completion of the calendar, the Senate shall proceed to the consideration of the bill (S. 1629) providing for the regulation of transportation by motor busses and trucks.

The VICE PRESIDENT. The Senator from Montana asks unanimous consent that at the conclusion of the call of the calendar the Senate proceed to the consideration of the bill referred to by him.

Mr. McNARY. Mr. President, there was some discussion concerning this matter on Friday before adjournment. Is this the bill the Senator then mentioned which he would like to take up today?

Mr. WHEELER. This is the bill about which I spoke to the Senator.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

AGRICULTURAL DEPARTMENT APPROPRIATION BILL—CONFERENCE REPORT

Mr. COPELAND. Mr. President, I understand that the conference report on the Agricultural Department appropriation bill has been agreed to and will be laid before the Senate in due time. I have asked the chairman of the subcommittee having the matter in charge [Mr. RUSSELL] to defer any effort to have the conference report adopted until Wednesday, because I desire to make an attack on the conference report and to give specific reasons to the Senate why I feel I should do so. To be prepared to do this it is necessary for me to have a day or two in which to give the matter consideration.

Mr. ROBINSON. Mr. President, to what measure is the Senator referring?

Mr. COPELAND. I am referring to the agricultural appropriation bill and the conference report thereon, and specifically to the fact that the conferees have reduced the appropriation for the Food and Drug Administration below the amount to which the Senate agreed.

As the Senator knows, and as the Senate knows, I am eager not alone to have the present law strengthened, but certainly if we are not to have any new law, then there must be money enough allotted to the Food and Drug Administration to enable them properly to administer the present law. I feel very strongly that submission on the part of our conferees to the House in this matter—and I say it with all respect—was a great mistake.

It is my purpose on Wednesday or at some future time to tell the Senate frankly why I think the money should be appropriated. That is the purpose of the announcement. The chairman of the subcommittee having the matter in charge has told me that, so far as he is concerned, he is willing to have the matter go over until Wednesday. I speak of it in order that it may be known, when the report is brought up, that I desire to be heard.

The VICE PRESIDENT. Does the Senator from New York ask unanimous consent with reference to consideration of the conference report?

Mr. COPELAND. Yes. I should like to have unanimous consent, if the report should come up, that action on it be deferred until Wednesday.

Mr. ROBINSON. The Senator has stated that such an arrangement is satisfactory to the subcommittee chairman in charge of the bill.

Mr. COPELAND. Yes; and I really see no reason why any action should be taken by the Senate. However, I want it clearly understood that before final action shall be taken by the Senate I shall have an opportunity to express such views as I have.

The VICE PRESIDENT. Does the Senator withdraw his request for unanimous consent?

Mr. COPELAND. Yes; I do.

THE CALENDAR

The VICE PRESIDENT. Morning business is closed. The calendar is in order under rule VIII.

BILLS AND RESOLUTIONS PASSED OVER

The bill (S. 396) to amend section 1180 of the Code of Laws for the District of Columbia, with respect to usury, was announced as first in order.

Mr. AUSTIN. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909 (35 Stat. 1109, U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam, was announced as next in order.

Mr. ROBINSON. In the absence of Senators who are specially interested, I think the bill should go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co., was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 875) for the relief of Michael F. Calnan, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2029) to authorize naval and Marine Corps service of any officers to be included in computing dates of retirement, was announced as next in order.

Mr. KING Let it go over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 74) to investigate the public and official conduct of James A. Farley was announced as next in order.

Mr. ROBINSON. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 2119) for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, and/or the widows of such of them as may be deceased, was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

REGULATION OF SMALL-LOAN BUSINESS IN THE DISTRICT

The bill (S. 1162) to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913, was announced as next in order.

Mr. SCHALL. Mr. President, I ask leave to have printed in the RECORD a letter or statement by Paul E. Jamieson, of this city, and a statement from the Washington Times for March 23, 1935, relative to the District of Columbia small-loan bill.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *February 23, 1935.*

Honorable Senators of the Committee:

Your chairman, Senator KING, has been gracious enough to afford me an opportunity to be heard on Senate bill 1162, entitled "A bill to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, and so forth, approved February 4, 1913." In my opposition to this bill I not only speak as an individual interested in the civic welfare of the District of Columbia, but also as general counsel of the City Fire Fighters' Association, comprised of several hundred members of the rank and file of the District of Columbia Fire Department, and as chairman of the law and legislation committee of the Burroughs Citizens' Association, whose membership comprises several hundred other residents of the District of Columbia; both of which associations have gone on record, without a single dissenting vote, as being opposed to Senate bill 1162.

I understand that this committee has previously reported favorably on the bill, which bill I understand emanated in the District Building rather than in the minds of any of you gentlemen; and that your approval of the bill was based on flowery reports of civic need for such legislation given to you by officials and ex-officials of the District Government, in whom you should have confidence but who, I submit, are either consciously or unconsciously misleading you in the object and purport of this bill.

I will now read to you part of the report of Corporation Counsel Prettyman dated November 2, 1934:

"It is quite obvious that the small-loans business in the District urgently needs governmental regulation, inspection, and supervision. The problem here, however, is peculiar in several respects. In the first place, we are closely surrounded with concerns doing business at 3½ percent per month. Any regulation which has the effect of driving business out of the District will merely result in requiring our residents to go to these outside concerns and pay their rate of interest. In the second place, there has been for 20 years a law on the books which has been officially so construed as not to apply to concerns now doing business by the methods now used. Such long-standing administrative construction stands in the way of peremptory court action upon any change of opinion as to the meaning and effect of that act. In the next place, Congress has refused upon three occasions to enact a small-loans law for the District carrying a 3½ percent per month interest rate.

"The small-loan business is a legitimate business when properly conducted and there are many such concerns in the District. At the same time it is a vicious business when improperly conducted, and there are such concerns in the District."

The act of February 4, 1913, limits interest on small loans to 1 percent per month on the actual amount of the loan and provides that "this charge shall cover all fees, expenses, demands, and services of every character, including notarial and recording fees and charges, except upon the foreclosure of the security." (See title 17 sec. 25 of the new Code on p. 156.)

The corporation counsel and the Commissioners would have you believe that the present act of February 4, 1913, is grossly ineffective to protect the residents of the District of Columbia, because of adverse court constructions of that law; and yet this contention is not borne out by the record, because court adjudications have upheld, and have liberally construed in favor of the Government the act of February 4, 1913. Following are typical adjudications on the subject cited in Torbert's Digest:

"The act of February 4, 1913, is not intended to regulate the rate of interest to be charged generally in the legitimate business of loaning money in this District, but to regulate interest rates in the loaning of small sums of money, and is within the police power of Congress. (*Reagan* v. *District of Columbia*, 41 App. D. C. 409; 42 W. L. R. 88.)

"The terms of the act of February 4, 1913, are broad enough to punish all lending of money of the kind described, without regard to the particular form which the debt may be made to assume: and so held that where borrowers executed receipts and delivered them for the purpose of preserving evidence of the loan the transaction was within the purview of the law. (*Chew* v. *District of Columbia*, 42 App. D. C. 410; 42 W. L. R. 710.)

"An accommodation maker of a note can take advantage of usurious payments made by the party accommodated, although the latter makes no claim for them or to have them credited on the note; and the situation is not changed by the fact that the usurious interest was from time to time exacted on notes which were paid by the giving of renewal notes. (*Van Senden* v. *Egan* (S. C. D. C.), 44 W. L. R. 578.)

"Under 1183 of the Code, the penalty for usury applies to the action brought on usurious contract for the money loaned thereunder, irrespective of who may be defendants in the suit. (*Van Senden* v. *Egan* (S. C. D. C.), 44 W. L. R. 578.)

"There is no statute of limitations which bars the defendant in a suit on a note from having usurious interest payments credited on the debt, although made more than 3 years before suit brought. (*Van Senden* v. *Egan* (S. C. D. C.), 44 W. L. R. 578.)

"A corporation, of which the parties receiving usurious payments were officers and agents, held not to be in the position of an innocent holder for value of the notes infected with usury. (*Mollohan* v. *Masters*, 45 App. D. C. 414; 44 W. L. R. 727.)

"The custom of brokers and real-estate agents of exacting exorbitant commissions from borrowers under pretense of services to be rendered in the future, condemned; and in this case the deduction of $75 from a loan of $475 held usury. (*Kidwell* v. *White*, 44 App. D. C. 600; 44 W. L. R. 281.)

"If a suit is brought on the principal debt after payment of usurious interest such usury may be made a valid offset against the principal debt; but usury upon obligations paid and canceled cannot be used as a set-off against a subsequent obligation even between the same parties, either in law or equity. A party claiming relief from an usurious contract who failed to claim an offset against the enforcement of that particular contract has his remedy at law to recover back the amount prescribed by statute as the penalty for usury. (*Metropolitan Loan & Trust Co.* v. *Schaffer*, 44 App. D. C. 356; 44 W. L. R. 114.)

"One conducting the business of pawnbroker through combined District and Virginia offices, the place where applications for loans are made, applications for loans, disclosure of security, safe-keeping of the property pledged, and return of the pledge being in the District, while the appraisement of the security, agreement for the loan and its repayment, payment to the borrower, and delivery of the pledge, and repayment of the loan with agreed interest is performed in the Virginia office, held to be engaged in the business of loaning money in the District in violation of the act of February 4, 1913. (*District of Columbia* v. *Horning*, 47 App. D. C. 413; 46 W. L. R. 146.)"

"The act of February 4, 1913 (37 Stat. 657), known as the "loan-shark law", was intended to apply only to persons making small loans upon personal security, and so held not to apply to a transaction which debt of $177,500 was secured by a first trust on real estate so that the payer of a small bonus for an extension in the payment of interest might recover one-fourth of the great principal sum, but such case is covered by sections 1180 and 1181 of the code (*Von Rosen* v. *Dean*, 59 App. D. C. 359; 58 W. L. R. 475; 41 F. R. (2d) 982).

"Money exacted by the lender from the borrower for the use of money in excess of the legal rate allowed by statute is usury, whatever name or pretense the exaction or forbearance may be designated (*Von Rosen* v. *Dean*, 59 App. D. C. 359; 58 W. L. R. 475; 41 F. R. (2d) 982)."

Before proceeding with a discussion of the charges allowed in S. 1162, it might be helpful to consider the history of usury, and for this purpose I quote from 66 Corpus Juris, 142:

"It seems that the taking of interest for the loan of money, or at least taking excessive interest, has been regarded with abhorrence from the earliest times. We are told that such usury was prohibited by the early laws of the Chinese and Hindus and by the Koran. The mosaic law prohibited the Jews from exacting interest on loans to their brethren, but permitted interest to be taken from Gentiles. Among the Athenians moderate interest charges were allowed, but custom fixed the maximum rate at 12 percent, and anyone exacting a higher rate was looked on with contempt as being vile. Among the Romans interest charges were limited by the Twelve Tables, and subsequently totally abolished. Commercial necessity revived the practice of making loans at interest, which were, however, stricty regulated by later legislation. During the Middle Age the people of England, and especially the English Church, entertained the opinion then current in Europe—that the taking of any interest for the loan of money was a detestable vice, hateful to man, and contrary to the laws of God. It is said that not only was the usurer liable during his life to the censures of the church, but after his death his chattels were forfeited to the King and his lands escheated to the lord of the fee. Contracts for interest not exceeding 10 percent were expressly legalized by act of Parliament in 1545; but it was also provided that a contract for a loan at a rate of interest in excess of 10 percent should be wholly void both as to principal and interest. This act was repealed in 1555, but restored in 1570. Subsequent acts gradually reduced the rate of interest allowed until 1714, when by statute the lawful rate was fixed at 5 percent, where it remained until 1854, when all restrictions on interest charges were removed. The early colonial usury acts were modeled after the English act, the rate of interest allowed being usually higher, however. These early enactments, as would be expected, adopted the penalty for usury fixed by the statute of the mother country, and made all usurious contracts wholly void. The tendency of subsequent statutes, however, has been steadily to mitigate the punishment inflicted on the usurer, who now, in most of the American jurisdictions, is required to forfeit only the usurious interest, either wholly or as to the illegal excess, although it appears to have been thought in the early times that no action could be maintained on any contract to pay interest, since such contracts were unlawful and void. There is not wanting authority for the statement that contracts for reasonable interest were valid at common law."

With this in mind we proceed to a specific consideration of the interest rates and charges which would be permitted under S. 1162, and I submit that an analysis of them indicates that S. 1162 is a set-up for would-be loan sharks, who under the bill could with legal vestment prey upon those unfortunate residents of the District of Columbia who can least afford to be preyed upon.

Turning to section 12 of the bill we find that 2 percent per month is allowed on the unpaid principal balances of the loan, which is 24 percent per annum. (The present small-loan law of February 4, 1913, allows but 1 percent per month or a rate of 12 percent per annum.)

Further, under section 12–A, on loans of $35 or less for a period of 30 days or less (the types of loans which the poorest element, and those who can least afford to be charged burdensome rates) are permitted not only interest of 2 percent per month (or 24 percent per annum) but in addition a fee of $1 for credit report. So a typical loan hereunder, say for $35 for 1 month, by addition of the $1 for credit report, and 2 percent interest (which is 70 cents), we have a total charge which may be made of $1.70 on the $35 loan for 1 month; which reduced to a per annum percentage figure entails the terrific rate of 43 percent. I submit that such a rate is burdensome and oppressive, and contrary to public morals and policy, whether or not Congress will say as a matter of technical law that it is legal. Whether or not the lender gets the full return of the 43 percent, the poor borrower, nevertheless, is chargeable with the 43-percent rate.

Continuing on to section 12–B where the loan is for more than $35 for 30 days or less, we find that the fees allowed are as much as $3 (in addition to interest and other charges); and applying the rate of 2 percent per month (being as stated a rate of 24 percent per annum), and adding thereto the $3 on a typical loan of say $50 for 2 months, we have a charge of $2 interest and $3 in fees, or a total of $5 for the $50 loaned for 2 months, which is thus a rate of 10 percent for the 2 months or a 60-percent rate per annum.

The above are on so-called "character" loans. However, never do these loan sharks rely much on mere character. They always protect themselves with comakers, endorsers, and every other safeguard to assure a return of the amount loaned, along with the tremendous interest; and this procedure is recognized in section 12–B of the act by an allowance for investigating proposed endorsers. Why allow tremendous interest in such a case, when the risk is not so great to the lender, but indeed burdensome to the borrower, who must resort to these loan sharks either through dire need or weakness, to get a mere $35, $50, or the like.

Under section 12–C are treated loans on collateral (secured loans), notwithstanding which, the burden on the borrower, to the unjust enrichment of the loan shark, continues in S. 1162. By this I mean that not only the basic 24 percent per annum rate can be charged, but also a charge of $1 for recording the chattel mortgage, $3 for examination of titles, and so forth. Therefore, including these charges with the basic 24 percent per annum rate we have a rate which in many cases would come as high as 48 percent per annum. For example: A man borrows $100 on his automobile for 2 months, and is charged $1 for recording the chattel mortgage and $3 for examining the title, in addition to the 24 percent per annum interest rate regularly allowed under the bill. The extra allowance of $4 is 4 percent of $100 for, say, 2 months (the duration of a loan), or 24 percent per annum, which added to the 24 percent rate of interest allowed, makes a total of 48 percent per-annum rate. Obviously, if the loan were for a shorter period than 2 months (say 6 weeks) the percentage rate would be even higher than 48.

In summarizing my objection to S. 1162 I point to the fact that a basic rate of 24 percent per annum is allowed in S. 1162 instead of 12 percent under the act of February 4, 1913; the act of February 4, 1913, with its real teeth, would be repealed in large measure by S. 1162; the broad powers given the Commissioners and superintendent of insurance might raise rates to a still greater degree of burden on a poor borrower than the already burdensome rates basically prescribed in the bill; pawnbrokers who left the District with the enactment into law of the act of February 4, 1913 (which the District Building claims to be ineffective), would return, and again we would have wholesale pledgings of household articles by weak and shiftless people, with attendant burden on their families; and S. 1162 will invite loan sharks to operate here and will thus also tacitly invite chattel mortgages on household necessities (the only things owned by the class of people who must appeal to a loan shark), and thus cause the risk of depriving these poor people and their families of the exemptions otherwise allowed them by general law with respect to attachments.

I have seen those who have felt the "sting" of the loan shark before, and in my small way have sought to assist by defending some of these unfortunates in successfully pleading the act of February 4, 1913, as showing that as a matter of public policy Congress had pointed the finger of condemnation at loan sharks.

Finally, I might suggest that with the tendency of these times, in line with the policy of the present national administration, to make legitimate loans accessible to borrowers at lower interest rates than for many, many years, it behooves us to consider carefully a contrary policy of exorbitant rates, oppressive to a borrower, as is involved in S. 1162.

If the true intention of officials at the District Building is to get legislation to control "procurers" and to tighten the existing small-loan act of February 4, 1913, why is this not done, and this alone done, in S. 1162 rather than to have a more liberal law, with greatly liberalized rates which can be thrust on a poor borrower to the unjust enrichment of the lender.

At our meetings at the District Building last fall, when regulations of the same import as S. 1162 were under consideration by the corporation counsel, there were two general classes present: (1) The civic-minded group, who had no interest in the subject matter save the welfare of the District of Columbia, and who opposed any liberalization of the law of February 4, 1913, which, due to the stringent penalties and low interest rates, now effectively keeps loan sharks out of the District of Columbia; and (2) the "shylocks" and/or their attorneys who, for selfish reasons, were in favor of a liberal small-loan law so that they or their clients can operate a small-loan business in the District of Columbia, and under authority of law make burdensome charges, and with impunity grind a poor defaulter under their heels by heartless foreclosures, etc.

The corporation counsel at that time made a list of everyone who attended the meetings, with their interests and affiliations; and it should enlighten the members of this committee to study this list and see for themselves just who is interested in this legislation, and to thus draw a conclusion as to the whys and wherefores.

I trust that this committee will further study S. 1162 and will not approve a bill which, while it might otherwise thus ultimately become a law of the realm, would, nevertheless (in the words of Lord Coke), still be against the law of nature and against the law of God.

Respectfully submitted.

PAUL E. JAMIESON.

[From the Washington Times of Mar. 23, 1935]

SENATOR KING'S LOAN BILL RAPPED

Charges that the small-loans bill, sponsored by Senator WILLIAM H. KING, will protect "loan sharks" were made today by Rolf Nugent, director of the department of remedial loans of the Russell Sage Foundation, in statements to the Commissioners and members of the Senate District Committee.

Mr. Nugent submitted a tabulation of interest rates which he said would be possible under the proposed bill. The tabulation indicates that persons borrowing $5 for a period of 1 week would have to pay 1,560 percent interest.

The bill authorizes $1 fee and interest at 2 percent a month with a minimum interest charge of 50 cents, for all unsecured loans of $35 or less for a 30-day period.

Mr. Nugent stated: "The King bill throws aside all the experience with small-loan legislation over a quarter of a century. Instead of prohibiting the exorbitant charges for small loans which prevail in the District, it would furnish an enabling act for their continuation. It resembles bills proposed 20 years ago by loan sharks themselves, some of which became law and were later repealed."

The Russell Sage Foundation, Mr. Nugent pointed out, is in favor of a flat 3-percent charge on the first $100 loan with a 2-percent charge for additional sums.

Mr. SCHALL. Mr. President, Senate bill 1162 provides for 2 percent per month interest on small loans, not to exceed $300, in the District of Columbia, as opposed to the present law, which provides for 1 percent interest per month on small loans. In addition, Senate bill 1162 provides for a fee of $1 and additional interest and other charges, not to exceed 50 cents, on loans of $35 or less for a period of 30 days or less.

It has been pointed out by a director of the department of remedial loans of the Russell Sage Foundation that under the provisions of Senate bill 1162, persons borrowing $5 for a period of 1 week would have to pay 1,560 percent interest. He has also stated:

The King bill throws aside all the experience with small-loan legislation over a quarter of a century. Instead of prohibiting the exorbitant charges for small loans which prevail in the District, it would furnish an enabling act for their continuation. It resembles bills proposed 20 years ago by loan sharks themselves, some of which became law and were later repealed.

At the hearings held by the Senate Committee on the District of Columbia it was the contention of quite a number of representatives of various District civic organizations that the present law, providing for 1 percent per month interest, had never been enforced, and that various lending companies are now operating in violation of the present law, which was passed by Congress in 1913. Corporation Counsel Prettyman made the statement at one of these hearings that the present law had never been enforced, but that if Senate bill 1162 failed of enactment by Congress this year he would see to it that the present law was enforced, this also being the viewpoint expressed by People's Counsel Roberts. It was brought out also at these hearings that no exhaustive or extensive study had been made of the small-loan situation, either here in the District of Columbia or elsewhere by the committee.

The legislatures of many States are now making extensive efforts to decide just what is the correct rate of interest applicable to small loans. The result of these studies will be known during the course of the year.

It is interesting here to note that there is at present in the hands of the House Subcommittee No. 8 on the Post Office and Post Roads a bill (H. R. 3252) which provides that no lending company may advertise through the medium of the mails, periodicals, radio, and so forth, where such advertising would pass over State boundaries, any rate of interest over 15 percent per year, or 1¼ percent per month, and that this bill has already received favorable review by the subcommittee. This would seem to indicate that Congress desired to show its aversion to higher interest rates. With this in view, it seems strange that Congress should be desirous of raising the present interest rate in the District of Columbia from 12 percent to 24 percent per year for small loans, and allow extra charges that could total an enormous interest on loans under $35.

It is suggested that the present law, as enacted in 1913 by Congress, providing for 1 percent per month, or 12 percent per year, be enforced, and that by next year, after a year's trial of a law that, although in effect for 22 years, has never been properly enforced, according to Corporation Counsel Prettyman, more information will be available as to the advisability of changing the present law.

Mr. ROBINSON. Mr. President, I think the Senator from Utah, who is the author of the bill, should make a brief statement analyzing it.

Mr. KING. Mr. President, I shall be glad to do so.

This bill is not the product of the committee. It came to the committee from the District Commissioners after they had given consideration to the subject for a number of years. Representatives of civic organizations of the District appeared before the Senate committee and endorsed the measure. They said that they had for years attempted to secure the passage of a measure which would be satisfactory, and that this measure more nearly represented their views than any that had been suggested.

I call attention to the report of the committee, which, in part, is as follows, and which is explanatory of the bill:

On February 4, 1913 (37 Stat. 660, c. 26), there was enacted a bill to regulate the loaning of money in the District of Columbia. Under this bill the rate of interest upon any loan made by a licensed loan company was limited to 1 percent per month on the actual amount of the loan, to include all fees, expenses, and demands for services of every character. Only one person was ever licensed under this act, and for many years no one has been so licensed.

Since 1930 there has been pending before the Senate a series of small-loans laws, many of which were of the so-called "uniform law type", specifying a rate of interest of 3½ percent per month on unpaid balances of loans up to $300. Although this type of legislation received very strong support from organizations said to be philanthropic in nature, it was strongly opposed in the District of Columbia as authorizing unconscionably large rates of interest.

At the hearings conducted on previous bills and during consideration of the present bill a great deal of information was secured as to operations of loan sharks in the District of Columbia at the present time. Numerous instances were found where rates, including charges, as high as 30 percent of the face amount of the loan were being demanded and received. It has been found difficult to prosecute in such cases, as the stated interest rate is given as 6 percent and the dealer purports to act as the procurer of the loan only.

As a result of years of administrative interpretation of the Loan Shark Act of 1913, the application of that act to certain conditions is not clear. The committee found a general agreement of all civic organizations, social agencies, and officials that the business of making small loans should be the subject of regulation. Numerous conferences were held for the purpose of so fixing the charges and conditions that loans would be still available to the persons in need but at the lowest possible rates consistent with the expense of conducting the business.

The present act describes as interest not only the simple interest stated in the note but anything of value required to be paid as compensation for the loan, including charges, fees, and expenses of all natures, and specifies that interest so determined shall not exceed 2 percent per month on the monthly unpaid principal balance of the loan. The interest may not be compounded and neither the interest nor the fees can be deducted from the principal of the loan.

The provisions governing fees themselves divide loans into three classes and provide that loans of $35 or less for a period of 30 days or less in instances where no collateral is required, fees not to exceed $1 to be charged for a credit report if such a report is actually secured or made and not to exceed 50 cents for interest for all other charges in addition to the $1 for the credit report is permitted. It is in this class of loans for small amounts for short periods that the greatest abuses are prevalent at present, known instances of charges as high as $10 and $15 being made even on collaterally secured loans.

Section 12 of the act specifies the fees which may be charged for other types of loans up to $300. Section 13 has been modified so as to permit the licenses to make loans greater than $300 but so as to restrict the charges which may be made on amounts of above $300 under the statutes governing usury, as there is no occasion to permit the higher rates necessitated by the proration of charges on the smaller loans.

NECESSITY FOR THE LEGISLATION

It was clearly shown to the committee that many thousands of the residents of the District of Columbia are in such financial condition that they must resort to money lenders to meet minor financial emergencies. Great numbers of these unfortunate persons are now compelled to borrow money from lenders in the District of Columbia at rates vastly in excess of those prescribed in the bill. Many others use loan companies in nearby Maryland and Virginia operating under statutes which permit the collection of 3½ percent per month. Although much testimony was introduced under the auspices of the Russell Sage Foundation to the effect that small-loan companies cannot conduct their operations at less than 3½ percent per month, the committee is of the definite opinion that with the present trend in interest rates responsible companies can conduct a small-loans business in the District of Columbia at the rates herein prescribed. This opinion is confirmed by a number of responsible loan operators and by the investigations of the officials of the District of Columbia.

This legislation has been carefully considered by the Board of Commissioners of the District of Columbia, the corporation counsel, the people's counsel, and various citizens' associations of the District of Columbia. It has received the unanimous approval of the above persons and organizations, as well as the unanimous approval of the District Committee. The Commissioners of the District of Columbia submitted the draft of the bill and urge its passage.

As I have stated, the Commissioners favored the bill, as did the corporation counsel and the people's counsel.

The contention is made that there is a law here now fixing the rate of 1 percent per month. The fact is that no organization will take out the necessary license to make for 1 percent these small loans where there is no collateral, where the person offers no security whatever. Usually it costs a dollar or a dollar and a half to make the necessary investigation. Moreover, the losses are so great that no organization will make loans of these small amounts for 1 percent.

It is true that a law prescribing a rate of 1 percent per month has been on the statute books for years, but attempts to enforce it were futile. The principal opponents of the bill, as indicated, were those who favored the Russell Sage plan, referred to by the Senator from Minnesota [Mr. SCHALL], which prevails in a large number of States. The District Commissioners and representatives of civic organizations here declined, however, to accept the Russell Sage plan, and, as stated, formulated this bill now before us.

Now, as to the rate of interest: It is true that for a very small loan, say $5 for 1 month, the rate is high, largely due to the examination which is made before the credit is extended.

If the loan is $100 for a year, the rate that may be charged under the bill is $27, but under the Russell Sage plan it would be $42. For a loan of $300 for a year, the bill provides a rate of interest of $72, while the Russell Sage plan would cost $126.

Mr. NORRIS. Mr. President, the present law, as I understand, provides that interest may be charged at the rate of 1 percent. That is 1 percent a month, is it not?

Mr. KING. Yes.

Mr. NORRIS. That means 12 percent a year.

Mr. KING. To be sure.

Mr. NORRIS. The bill now before the Senate provides for 2 percent a month, which would be 24 percent a year.

Mr. KING. That is correct; but that includes all fees, expenses, and expenses in ascertaining the standing of the person seeking the loan—the rate charged by the Russell Sage Foundation plan is——

Mr. NORRIS. The Russell Sage Foundation bill is not pending here.

Mr. KING. No; but that is the one which was urged by the opponents of this measure.

Mr. NORRIS. I wonder if a bill would have any standing if a rate of 50 percent a year were charged.

Mr. KING. The Commissioners and the citizens' organizations appearing before the committee regarded this bill as very much better than the present law. Undoubtedly they would oppose 50 percent, as they opposed the Russell Sage plan, which authorizes more than 36 percent per annum.

Mr. NORRIS. Does not the Senator think a rate of interest of 24 percent a year is unconscionable, and would it not be better if the prospective borrowers were not able to borrow at all?

Mr. KING. But they will and do borrow, many crossing into Maryland and Virginia, as the hearings disclosed.

Mr. NORRIS. All right. That is a confession that we are unable to pass a law that will govern these people. They are bigger than the Government.

Mr. KING. We have a law here providing for a rate of 1 percent, but small loans cannot be attained on that basis.

Mr. NORRIS. I should think the committee would be able to bring in a bill that would stop all methods of evasion of the law. Certainly we can do that.

Mr. KING. I may say to the Senator that the representations made to the Senate committee were that the present law does not meet the situation; that it is difficult, if not impossible, to obtain small loans at the present rate.

Mr. NORRIS. They are made for a greater rate?

Mr. KING. A greater rate or——

Mr. NORRIS. Then what is the use of having any law on the subject, if the people who make these loans will not pay any attention to it, and they are greater than Congress is? Why not let them charge anything they desire to charge?

Mr. KING. There is a usury statute, but it is not enforced, and it is claimed that with respect to these small loans it cannot be enforced.

Mr. NORRIS. I cannot understand why we are asked to pass a law of this kind when it is said that 1 percent may be charged now, but nobody will loan at that rate. Those who have money to loan apparently pay no attention to the law, but loan for a higher rate, and we are unable to provide any method of enforcement of the law, or to pass any new law that could be enforced.

Mr. KING. May I say that many States have adopted the Russell Sage Foundation plan, regarding it as superior to any other.

Mr. NORRIS. Yes; and I read the propaganda before one of the State legislatures that had investigated the subject. Different organizations from all over the United States that were then loaning at very high, usurious rates spent literally hundreds of thousands of dollars in this propaganda, and they were able to defeat any modification of the bill by the legislature.

Mr. KING. I will say to my friend that if he will come before the committee and present a better way of dealing with this subject, I shall be very happy to have him do so. This is the best bill that the District Commissioners and a number of civic organizations were able to evolve, and they were aided by the corporation counsel, and the people's counsel, both of whom recommend it.

Mr. NORRIS. That may all be true, Mr. President——

Mr. KING. I have said all I care to say.

Mr. NORRIS. But it is shocking to me that we are about to legalize such a rate of interest.

People would probably be better off if they were not able to borrow at all. If one has to borrow and starts in paying at these rates for 30 days, and renewing the note every 30 days or every 60 days, whenever he once starts, he can never get through with it.

Mr. LOGAN. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. LOGAN. I wish to state to the Senator that the question of regulating small-loan companies has been before the State legislatures for many years. Twenty-five years ago, I believe it was, I became interested in the matter before the Legislature of Kentucky, and at every meeting of the legislature since then there has been an attempt to get a similar bill through, and the same objection has always been made to it which the Senator from Nebraska is now making. About 2 years ago, however, after a quarter of a century, a bill was enacted, and from newspaper reports, and from what I hear, it is working remarkably well.

Mr. NORRIS. If it will work, we ought to repeal the usury laws, and permit the national banks to lend money at 24 percent per annum. It seems to me we should not take up such a measure as this under a unanimous-consent consideration of the calendar. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

FEDERAL PATRONAGE IN PRESIDENTIAL ELECTIONS

The bill (S. 509) to prevent the use of Federal official patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order, and was read, as follows:

Be it enacted, etc, That no person holding an appointive office of trust or profit under the Government of the United States shall be officer, delegate, or alternate of any political convention, having for its aim the nomination or election of any candidate, avowed or unavowed, for President or Vice President of the United States.

SEC. 2. Violations of section 1 hereof shall be punishable by fine of not more than $1,000 and by loss of the official position of such person committing such violation.

Mr. KING and Mr. GERRY asked that the bill go over.

Mr. STEIWER. Mr. President, may I be advised who made objection to the consideration of this bill?

The PRESIDENT pro tempore. Two or three objections were made.

Mr. GERRY. I objected, Mr. President.

Mr. STEIWER. I ask that the objection be withheld momentarily. I wish to have the opportunity only to advise the Senate that the bill is similar to a bill which was introduced in the Senate at the last session, referred to the Committee on the Judiciary, carefully considered, and reported to the Senate favorably, with some amendments, which are incorporated in the pending bill. In other words, the measure now on the Calendar is in the same form in which the bill was reported by the Committee on the Judiciary at the last session of the Congress.

I shall not detain the Senate to discuss the bill at this time, but I hope that those who are objecting will familiarize themselves with its purposes and afford us an opportunity to have the bill considered without the necessity of moving to bring it up. I very much doubt whether anyone in the majority party would have any very substantial objection to the measure. It is a bill which, in the main, will refer in practical effect to the minority party, and to the conventions held by the minority party. So far as I know, it would have but little practical relation to anything which the majority party might do. I thank Senators.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching, was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 164) for the relief of Donald L. Bruner, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1453) to create a board of shorthand reporting, and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 363) to increase the efficiency of the Veterinary Corps of the Regular Army was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

BAIL IN CRIMINAL CASES—RECOMMITTAL OF BILLS

The bill (S. 18) to amend section 1015 of the Revised Statutes was announced as next in order.

Mr. COPELAND. Mr. President, I ask unanimous consent that Order of Business No. 364, being Senate bill 18, and Order of Business No. 365, being Senate bill 17, making it a contempt to willfully fail to appear after having been admitted to bail, be recommitted to the Committee on the Judiciary. These bills have to do with the suppression of crime, and ought to be recommitted, for the reason that the Senator from Montana [Mr. WHEELER] and the Senator from Georgia [Mr. GEORGE] have both pointed out to me that certain changes should be made, and I think the changes should be made by the committee, because, so far as those of us who introduced the bills are concerned, we are not lawyers, and it seems that the objection is a legal one. Therefore, it ought to be passed on by the Committee on the Judiciary.

The PRESIDENT pro tempore. Without objection, the request of the Senator from New York [Mr. COPELAND] is granted, and the bills will be recommitted.

BILLS PASSED OVER

The bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes, was announced as next in order.

Mr. COPELAND. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act, was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

MODIFICATION OR CANCELATION OF CONTRACTS

The joint resolution (S. J. Res. 93) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 5 of the Independent Offices Appropriation Act, 1934, is amended by striking out "April 30, 1935" and inserting in lieu thereof "October 31, 1935."

PREVENTION OF BLINDNESS IN INFANTS

The Senate proceeded to consider the bill (S. 2153) to provide for the prevention of blindness in infants born in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, on page 1, beginning with line 3, to strike out section 1, as follows:

That the health officer of the District of Columbia shall prepare and place in suitable containers a 1-percent solution of silver nitrate, or another silver preparation of recognized merit, the contents of each container being the exact quantity necessary for treating two eyes. Instructions for the use of such solution shall accompany each container. It shall be the duty of each physician, midwife, or other person in attendance upon any case of childbirth to secure a container of such solution from the health officer and administer it as a prophylactic against inflammation of the eyes of the new-born child.

And to insert in lieu thereof the following:

That the health officer of the District of Columbia shall cause to be prepared and placed in suitable containers a 1-percent solution of silver nitrate or other preparation which, in his opinion, is suitable for use as a prophylactic against inflammation of the eyes of the new-born child, the contents of each container being the exact quantity necessary for the treatment of one eye and two such containers shall be furnished for use in each case of childbirth. It shall be the duty of each physician, midwife, or other person in attendance upon any case of childbirth to administer such solution as a prophylactic against inflammation of the eyes of said new-born child. It shall be the duty of each midwife or other person, except licensed physicians, to secure containers of such solution from the health officer for use in each case of childbirth.

So as to make the bill read:

Be it enacted, etc., That the health officer of the District of Columbia shall cause to be prepared and placed in suitable containers a 1-percent solution of silver nitrate or other preparation which in his opinion is suitable for use as a prophylactic against inflammation of the eyes of the new-born child, the contents of each container being the exact quantity necessary for the treatment of one eye and two such containers shall be furnished for use in each case of childbirth. It shall be the duty of each physician, midwife, or other person in attendance upon any case of childbirth to administer such solution as a prophylactic against inflammation of the eyes of said new-born child. It shall be the duty of each midwife or other person, except licensed physicians, to secure containers of such solution from the health officer for use in each case of childbirth.

SEC. 2. Whenever any physician, midwife, or other person in attendance upon any case of childbirth finds that the new-born child has inflammation of the eyes, attended by a discharge therefrom, such physician, midwife, or other person shall communicate such fact in writing or otherwise to the health officer within 6 hours after the existence of such discharge becomes known to such physician, midwife, or other person. Upon receipt of such com-

munication the health officer shall issue an order directing the parents of such child (or other person charged with its care) either to (1) place such child in the care of a registered physician, or (2) submit immediately satisfactory proof of inability to pay for such medical service. If the health officer finds such proof sufficient to establish such inability to pay, he shall order the parents (or such other person) to place the child under the treatment of a physician selected by him at the expense of the health department.

SEC. 3. No person other than a registered physician shall treat any case of inflammation of the eyes, attended by a discharge therefrom, of a new-born child for any period longer than may be necessary to obtain the services of a registered physician.

SEC. 4. Any person convicted of violating any provision of this act, or any order or regulation issued pursuant to the provisions of this act, shall be fined not more than $100 or imprisoned not more than 30 days, or both.

The amendment was agreed to.

Mr. DICKINSON. Mr. President, I believe the Senator from New York [Mr. COPELAND] desires to offer an amendment to this bill.

Mr. COPELAND. Mr. President, there is an amendment on the desk of the clerk which I desire to suggest to the bill.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 3, line 15, after the word "physician" and the period it is proposed to insert the following:

The provisions of this act shall not be construed to apply to persons treating human ailments by prayer or spiritual means as an exercise or enjoyment of religious freedom.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF DISTRICT CODE—NEGLIGENT HOMICIDE

The Senate proceeded to consider the bill (S. 2100) to amend an act of Congress entitled "An act to establish a Code of Law for the District of Columbia" approved March 3, 1901, as amended, by adding three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively, which was read, as follows:

Be it enacted, etc., That the act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, be further amended by adding immediately following section 802 three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively.

"SEC. 802. (a) Negligent homicide: Any person who, by the operation of any vehicle at an immoderate rate of speed or in a careless, reckless, or negligent manner, but not willfully or wantonly, shall cause the death of another, shall be guilty of a misdemeanor, and shall be punished by imprisonment for not more than 1 year or by a fine of not more than $1,000, or both.

"It shall be the duty of the coroner of the District of Columbia, upon any inquisition taken before him which results in the jury finding that negligent homicide, as defined herein, has been committed on the deceased, to require such witnesses as he thinks proper to give recognizance to appear and testify, or in default thereof to be committed to jail for appearance, in either the Supreme Court or the police court of the District of Columbia, and the coroner shall return to either said court the said inquisition, testimony, and recognizance or order by him taken or given.

"SEC. 802. (b) Negligent homicide included in manslaughter where death due to operation of vehicle: The crime of negligent homicide defined in section 802 (a) shall be deemed to be included within every crime of manslaughter charged to have been committed in the operation of any vehicle, and in any case where a defendant is charged with manslaughter committed in the operation of any vehicle, if the jury shall find the defendant not guilty of the crime of manslaughter such jury may, in its discretion, render a verdict of guilty of negligent homicide.

"SEC. 802. (c) Immoderate speed not dependent on legal rate of speed: In any prosecution under section 802 (a) or 802 (b), whether the defendant was driving at an immoderate rate of speed shall not depend upon the rate of speed fixed by law for operating such vehicle."

Mr. WHEELER. Mr. President, may we have an explanation of this bill?

Mr. ROBINSON. Mr. President, I inquire of the Senator from Utah what change is made in existing law by the measure just read.

Mr. KING. Mr. President, the bill which is before us is patterned after a Michigan statute. It was found in Michigan, as it has been found in the District of Columbia, that with the extreme punishment which is permissible for negligent homicide, it is difficult to secure convictions. After a full consideration of all the questions involved, the District Commissioners and the corporation counsel recommended the pending bill. It lessens the punishment in certain cases, and they think that it will lead to better results.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SAMUEL KAUFMAN

The Senate proceeded to consider the bill (H. R. 3105) for relief of Samuel Kaufman, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and to insert in lieu thereof the following:

That the President of the United States be, and he is hereby, authorized to summon Samuel Kaufman, late major, Dental Corps, Medical Department, Regular Army, before a retiring board to inquire whether at the time of his resignation, December 15, 1922, he was incapacitated for active service, and whether such incapacity was a result of an incident of service, and if, as a result of such inquiry, it is found that he was so incapacitated, the President is authorized to nominate and appoint, by and with the advice and consent of the Senate, the said Samuel Kaufman a major of the Dental Corps, Medical Department, and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for officers of the Regular Army: *Provided*, That the said Samuel Kaufman shall not be entitled to any back pay or allowances by the passage of this act.

Mr. KING. Mr. President, does not the Senator from New Jersey desire to make an explanation of the bill?

Mr. BARBOUR. Yes, Mr. President. The bill would simply give to the claimant the right to appear before a retiring board to present his case. It is a permissive bill, merely authorizing the President to summon the claimant before a retiring board.

This man has already received a disability rating of 50 percent by the Veterans' Administration, but other circumstances and developments in his case have arisen since, and in the Committee on Military Affairs we feel unanimously that the claimant should certainly at least be given an opportunity to come before a retiring board. This is only fair.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BARBOUR. I yield gladly.

Mr. ROBINSON. It is observed from the message of the Secretary of War addressed to the Chairman of the Committee on Military Affairs that the recommendation of the War Department on the bill is adverse.

Mr. BARBOUR. Mr. President, that, I think, is a perfunctory position on the part of the War Department, if I may put it that way; and is presented in the light of the fact that the War Department probably really cannot do otherwise in the sense that they do not wish to be the ones to suggest that any officer come before a retiring board. But, after all, if we are simply going to leave to the departments the veto of any and all bills which come from the committees of the Senate, we will be in quite a helpless position.

As I have said, this bill would do nothing but give the claimant an opportunity to go before a retiring board; it merely authorizes the President to bring him before a board if he cares to do so.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. BARBOUR. I yield.

Mr. KING. In addition to what was said by the Senator from Arkansas, I discover from the record that this gentleman tendered a voluntary resignation. We have had a number of cases where officers in the Army have resigned and gone into private life, and in some instances, because they did not make good, they have sought to be reinstated, or to secure reconsideration of their resignations, in order that they might be placed upon the retired list. It seems to me that in the light of the frequency of measures of this kind, this bill ought to go over.

Mr. BARBOUR. Many requests of the kind referred to by the Senator do, indeed, come before the Committee on Military Affairs, but in the great majority of cases they are not

granted or recommended by the committee. This case appealed to the committee because of developments subsequent to the disability rating allowed by the Veterans' Administration, and there seemed to be every reason for giving this particular individual, in the light of the facts in this case, an opportunity to appear before a retiring board. The bill simply authorizes, as I have said, the President to bring this claimant before a board if he, the President, sees fit to do so. I hope very much the Senator will not insist on his objection.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

COMPUTATION OF NAVAL AND MARINE CORPS SERVICE

Mr. CAREY. Mr. President, I ask unanimous consent to recur to Order of Business 289, being Senate bill 2029, to authorize naval and Marine Corps service of any officers to be included in computing dates of retirement.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2029) to authorize naval and Marine Corps service of any officers to be included in computing dates of retirement, which was read as follows:

Be it enacted, etc., That in computing service for the purpose of retirement of an officer of the Army, there shall be included, in addition to service now authorized by law to be included, all service in the Navy or Marine Corps which is authorized by law to be included for the purpose of retirement of an officer of the Navy or Marine Corps.

Mr. KING. Mr. President, will the Senator from Wyoming explain the purpose of this measure. How many officers will be affected by it, and what will be the cost to the Government?

Mr. CAREY. The purpose of the bill is to provide that the same treatment shall be accorded to officers of the Army who have served in the Marine Corps or Navy as is accorded officers of the Marine Corps and the Navy who have had Army service. In figuring their period of service the bill allows the time which these officers served in the Navy to be taken into consideration. As I have stated, officers of the Navy who have served in the Army have that privilege. It is simply a matter of treating the Army officer who has served in the Navy in the same way that officers in the other service are treated.

Mr. ROBINSON. It would seem that there is inequality in the two services in that an officer serving in the Navy may have credit for the time he served in the Army or the Marine Corps, but one serving in the Army is not given credit for service in the Navy or Marine Corps.

Mr. CAREY. That is true; and it only affects 87 officers.

Mr. KING. Mr. President, will the Senator yield?

Mr. CAREY. I yield.

Mr. KING. Suppose a person served in the Navy and then resigned, or his term expired, and there was an interregnum of several years before he entered the Army, would that service in the Navy then be attached to the service in the Army for the purpose of establishing length of service?

Mr. CAREY. I am not certain on that question.

Mr. KING. It would seem to me if there was an interim during which the person was out of the service he ought not to be given credit for the previous period.

Mr. CAREY. I should like to say that there are a number of officers in the Army who are Annapolis graduates. For some reason or other they did not want to remain in the Navy, resigned from the Navy, and received commissions in the Army. However, as I have stated, a man who has been in the Army and then goes in the Navy or Marine Corps gets this credit; so it is rank discrimination not to give these men who have gone into the Army the same privilege which is extended to those in the other service.

Mr. KING. Mr. President, if there was an interregnum after a man resigned either from the Army or the Navy during which period he went into private life, and remained there for several years, and then for reasons best known to himself went into the Army or into the Navy again, I do not think he should be permitted to tack onto his present service in the Army or in the Navy the time of service which he may have had in either branch of the service before he resigned and went into private life.

Mr. CAREY. I do not think he would be permitted to do that but I cannot say positively that he would not.

Mr. ROBINSON. In any event this bill simply makes applicable to persons serving in the Army the same right as to credit for service in any other military branch as applies now to those who are serving in the Navy.

Mr. CAREY. It treats the Army officer the same as the men are treated in the other service, and I think it is just and fair that they should be accorded the same treatment.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1589) authorizing the purchase of United States Supreme Court decisions and digest was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 477) to provide for the appointment of two additional judges for the Southern District of New York and two additional judges for the Southern District of California was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2356) to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

PUBLIC-SCHOOL DISTRICTS IN GLACIER COUNTY, MONT.

The Senate proceeded to consider the bill (S. 1522) to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children.

Mr. ROBINSON. Mr. President, there is a considerable number of bills which seem to be embraced within the same principle or theory as the one just announced. I should like to have an explanation of them.

Mr. WHEELER. I made an explanation the last time the calendar was called. What has happened is that the Bureau of Indian Affairs as a permanent policy at the present time is closing up various Indian boarding schools throughout the United States and is placing the Indian children in the public schools. It has been found that by placing them in the public schools a saving to the Government is effected, because the cost is much lower. It has also been found that by sending the Indian children to the public schools they become better able to take their place in our modern life after they have gotten through school, and they are better fitted to go out and get positions than they are when they come out of boarding schools.

Mr. ROBINSON. That is, instead of being instructed in schools maintained exclusively for Indian children, they are given instruction in the public schools?

Mr. WHEELER. Yes. In many jurisdictions the white population objects to Indian children going to the public schools, but in Montana in the particular places we have under consideration the school districts have said, "We are perfectly willing that you should send these Indians to school here; but we do not have the requisite facilities, and

consequently we want you to cooperate in building additional rooms so that the Indian children may be taken into our schools."

These bills provide for a very meritorious object, and I am sure the Bureau of Indian Affairs has recommended them. At the last session of Congress most of these bills which are now on the calendar were passed without objection.

Mr. ROBINSON. Are the necessary appropriations proposed to be made from the General Treasury fund?

Mr. WHEELER. From the General Treasury fund.

Mr. ROBINSON. How are the Indian schools maintained which are now being closed?

Mr. WHEELER. The funds come out of the General Treasury. Many of the Indian boarding schools at the present time are dilapidated, and it would be necessary to spend much money on them. Not only that, but the cost to the Government of sending the Indian children to the boarding schools is much greater than is the cost of sending them to the public schools.

Mr. ROBINSON. On that statement of facts the policy would seem to be justified.

Mr. WHEELER. I do not think there is any doubt about it. The Committee on Indian Affairs made a thorough study of the question throughout the United States, and the committee came to the conclusion unanimously that it was the best policy wherever it was possible to adopt it.

Mr. ROBINSON. How do the Indians themselves like the change in policy? I made a study of this subject some years ago and found that they were reluctant to leave their own institutions and be educated in institutions primarily maintained for white students.

Mr WHEELER. That is true in some instances, but in Montana particularly the better elements of the Indians have all come to the conclusion that they had better send their children to public schools, because it better fits them to take their places in the world after they have graduated.

Mr. ROBINSON. Why should not these appropriations be carried in a general bill?

Mr. KING. In the Indian appropriation bill?

Mr. ROBINSON. Yes; in the Indian appropriation bill.

Mr. WHEELER. I think they should. My idea is that if these bills shall pass the Senate the money will probably be paid out of the public-works fund.

Mr. ROBINSON. But these bills do not authorize that to be done.

Mr. WHEELER. No; I understand they do not.

Mr. KING. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. KING. I wish to inquire of the Senator whether or not any of the Indian boarding schools, so called, which have been costing for several years $10,000,000 a year, are being closed?

Mr. WHEELER. It is my understanding that some of them are being closed; and, so far as my opinion goes, many more of them should be closed.

Mr. KING. As I understood when Dr. Ryan went into the Bureau of Indian Affairs he was pledged to reduction in the number of Indian schools, and to the adoption of a plan something along the line indicated by the Senator from Montana, and I was wondering whether that course was being carried out.

Mr. WHEELER. It is being carried out so far as it can be carried. There has been some objection to closing the Indian boarding schools on the part of the local people in the communities. The Riverside School is an exceedingly expensive school to the Government of the United States, and when the Indians go there they are brought up in surroundings which totally unfit them for the life on an Indian reservation. The bill, in my judgment, is a great forward step for the Indian children.

Mr. KING. Mr. President, one further question. I see that a large appropriation is made by the Government. Do the counties and school districts make a corresponding contribution?

Mr. WHEELER. Oh, yes; the school districts at the present time in each one of these instances have school buildings. The bills provide for additions to such school buildings for the purpose of taking care of the Indian children. The local districts are practically all in counties where the great portion of the land is in Indian ownership, and it pays no taxes whatsoever.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $100,000, of which $60,000 is to be used for the purpose of cooperating with school district no. 9 in Glacier County, Mont., in the improvement and extension of high-school buildings, and $40,000 to be used in the improvement and extension of school buildings in other public-school districts in said Glacier County: *Provided*, That said schools shall be available to both white and Indian children without discrimination, except that tuition may be paid for Indian children attending in the discretion of the Secretary of the Interior: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

SCHOOL DISTRICT NO. 23, POLSON, MONT.

The bill (S. 1524) to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $40,000 for the purpose of cooperating with school district no. 23, Polson, Mont., in the improvement and extension of public-school buildings: *Provided*, That the schools maintained by the district shall be available to both Indian and white children without discrimination, except that tuition may be paid for Indian children attending in the discretion of the Secretary of the Interior: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

JOINT SCHOOL DISTRICT NO. 28, LAKE AND MISSOULA COUNTIES, MONT.

The bill (S. 1525) to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $100,000 for the purpose of cooperating with joint school district no. 28, Lake and Missoula Counties, Mont., for the extension and improvement of public-school buildings, namely, at Arlee in the sum of $40,000, at Roman in the sum of $30,000, and at St. Ignatius in the sum of $30,000: *Provided*, That the expenditure of any money so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the Flathead Indian Reservation, Mont., on the same terms, except as payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

PUBLIC-SCHOOL BUILDING AT BROCKTON, MONT.

The bill (S. 1526) to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $40,000 for the purpose of cooperating with the public-school board of district no. 55, town of Brockton, and county of Roosevelt, Mont., for the extension and betterment of the public-school building at Brockton, Mont.: *Provided*, That the expenditure of any money so appropriated shall be subject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children of the Fort Peck Indian Reservation, Mont., on the same

terms, except as to payment of tuition, as other children of said school district, and that accommodations in said enlarged building to the extent of one-half its capacity shall be available for Indian children from the Fort Peck Reservation: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

PUBLIC HIGH SCHOOL AT FRAZER, MONT.

The bill (S. 1530) to authorize appropriations for the completion of the public high school at Frazer, Mont., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized, out of any funds in the Treasury not otherwise appropriated, the sum of $25,000 for the completion of the public high school at Frazer, Mont., and for necessary equipment in connection therewith for manual, laboratory, and other lines of training.

INCREASE OF LINE OF THE NAVY

The bill (H. R. 5599) to regulate the strength and distribution of the line of the Navy, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of this measure?

Mr. TRAMMELL. Mr. President, the general purpose of the bill is to provide for increasing the strength of the line of the Navy to meet with the treaty strength. We have passed legislation at previous sessions, at the last session particularly, providing ultimately for building up the Navy to treaty strength, but we did not pass any legislation bearing upon the question of the personnel. This measure according to the plan of promotion, provides for officers and enlisted men, upon the basis that prevails within the Navy. It contemplates increasing their number according as we gradually acquire new ships and extend the activities of the Navy. That is in substance the purpose of the bill.

Mr. KING. Mr. President, will the Senator yield?

Mr. TRAMMELL. I yield.

Mr. KING. Does the Senator refer to the Washington Treaty of 1922 or to the London Treaty? The fact must be borne in mind that we have increased to only a very small extent the personnel, and why should we begin providing for an increase in admirals and high officers in the Navy before we have brought the Navy up to what the Senator calls "treaty strength"? We may never go to the strength authorized by the London Treaty, and in that event we would have officers without ships and without personnel. I think we could take care of the officers after we get the Navy.

Mr. TRAMMELL. This bill does not contemplate the number being increased all at once. It contemplates progressive increases along with the progress that is being made in the matter of building and commissioning ships. That is the way I understand the bill. It does not contemplate loading the Navy down with a lot of officers who are not needed, but it authorizes them when they are needed according to the demands and needs of the Navy. The bill passed the House after very thorough hearings held by the committee of that body. I hope it will pass the Senate at this time.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. COSTIGAN. I request that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

LONGEVITY PAY IN THE NAVY

The bill (S. 2287) to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935, was announced as next in order.

Mr. KING. Over.

Mr. TRAMMELL. Mr. President, may I make a brief explanation of the bill before the Senator finally objects?

Mr. KING. I withhold the objection.

Mr. TRAMMELL. When the Congress provided a reduction of salary, first of 15 percent, then of 10 percent, then of 5 percent, that applied alike, of course, to all naval officers just as it did to the civilian employees. Notwithstanding that the salary reduction was lifted on the 1st of April, it still applies in a certain way against naval officers. The regulations and the law in regard to the Navy provide that naval officers shall have a 5-percent increase in longevity based upon periods of 3 years.

During the entire 3 years the salary reduction was in force all these officers lost their longevity pay for that particular 3-year period. This bill provides that hereafter in fixing their salaries those 3 years shall not be considered as having been lost, but the bill does not provide any back pay or any restitution of the salary based upon that longevity during the period of the salary reduction. Without this proposed legislation all naval officers will continue to suffer a reduction of 5 percent because of that period practically of 3 years. While all civilian employees and all Army officers have had their salaries restored in full, the naval officers will lose a 5-percent reduction in their salaries if we do not correct this hiatus in regard to longevity pay. That is the object of this bill, that naval officers shall not continue to suffer that 5-percent reduction.

Mr. KING. I withdraw the objection to the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2287) to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the suspension during the fiscal years 1933, 1934, and 1935 of the longevity increases provided for in the tenth paragraph of section 1 of the Pay Adjustment Act of 1922, the personnel (active or retired) so affected shall be credited with service rendered subsequently to June 30, 1932, in computing their active or retired pay accruing subsequently to June 30, 1935: *Provided*, That this section shall not be construed as authorizing the payment of back longevity pay for the fiscal years 1933, 1934, and 1935 which would have been paid during such years but for the suspension aforesaid.

BILL PASSED OVER

The bill (S. 1492) to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota, under the Swamp Land Act, was announced as next in order.

Mr. ROBINSON. Over.

The PRESIDENT pro tempore. The bill will be passed over.

WHITE SWAN SCHOOL DISTRICT, YAKIMA COUNTY, WASH.

The bill (S. 1535) to provide funds for cooperation with White Swan School District, No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $50,000 for the purpose of cooperating with White Swan School District, No. 88, Yakima County, Wash., for extension and improvement of public-school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

PUBLIC SCHOOL AT COVELO, CALIF.

The bill (S. 1536) to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, the sum of $50,000 for the purpose of cooperating with the Round Valley Union High School District Board of School Trustees, town of Covelo, and County of Mendocino, Calif., for construction of a new public high-school plant at Covelo, Calif.: *Provided*, That the expenditure of any money so appropriated shall be sub-

ject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

BILLS PASSED OVER

The bill (S. 1426) providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army, and his retirement in that grade was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. HATCH. Mr. President, the bill was reported by the Senator from Oklahoma [Mr. THOMAS]. The report is very full and ample and sets forth the details about the bill. I think it is quite a meritorious measure, but I should rather have it go over until the Senator may have an opportunity to familiarize himself with it.

Mr. KING. I thank the Senator very much.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1932) for the relief of the State of California was announced as next in order.

Mr. ROBINSON. I think that bill had better go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2213) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes, was announced as next in order.

Mr. HATCH. Over.

The PRESIDENT pro tempore. The bill will be passed over.

LEAVE OF ABSENCE TO HOMESTEAD SETTLERS

The bill (S. 1776) granting a leave of absence to settlers of homestead lands during the year 1935 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any homestead settler or entryman who, during the calendar year 1935, should find it necessary, because of economic conditions, to leave his homestead to seek employment in order to obtain the necessaries of life for himself and/or family or to provide for the education of his children may, upon filing with the register of the district, his affidavit, supported by corroborating affidavits of two disinterested persons showing the necessity of such absence, be excused from compliance with the requirements of the homestead laws as to residence, cultivation, improvements, expenditures, or payment of purchase money, as the case may be, during all or any part of the calendar year 1935, and said entries shall not be open to contest or protest because of failure to comply with such requirements during such absence; except that the time of such absence shall not be deducted from the actual residence required by law, but a period equal to such absence shall be added to the statutory life of the entry: *Provided*, That any entryman holding an unperfected entry on ceded Indian lands may be excused from the requirements of residence upon the conditions provided herein, but shall not be entitled to extension of time for the payment of any installment of the purchase price of the land except upon payment of interest, in advance, at the rate of 4 percent per annum on the principal of any unpaid purchase price from the date when such payment or payments became due to and inclusive of the date of the expiration of the period of relief granted hereunder.

NATIONAL TRAINING SCHOOL FOR BOYS

The bill (H. R. 3959) for the relief of the National Training School for Boys, and others, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any funds not otherwise appropriated, to Claude D. Jones, superintendent of the National Training School for Boys, in full settlement of all claims against the Government of the United States, the sum of $414, to be used in the payment of expenses incident to the illness of John Henry Tackett, former inmate of the National Training School for Boys, which resulted in amputation of the leg on March 22, 1932, such sum to be expended as follows: For hospitalization, Sibley Hospital, Washington, D. C., $129; for medical and surgical treatment, Dr. Curtis Lee Hall, $135; for the purchase of an artificial limb, $150: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

YELLOW DRIVURSELF CO.

The bill (H. R. 2353) for the relief of the Yellow Drivurself Co. was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government of the United States, to E. C. Matthews, Karl Matthews, and C. G. Matthews, all of Chattanooga, Tenn., a partnership trading as the Yellow Drivurself Co., the sum of $512. Such sum represents the amount of a claim against the United States under contract no. W6145qm-4, entered into October 28, 1930, in good faith, by such Yellow Drivurself Co. and the constructing quartermaster at Fort Oglethorpe, Ga., for the War Department. Such company furnished a car as specified in such contract, but the Comptroller General was unable to allow the payment of any claim for rental under such contract because such expenditure was not specifically authorized by law, as required by section 5 of the Legislative, Executive, and Judicial Appropriation Act of July 16, 1914 (U. S. C., title 5, sec. 78): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

PUBLIC SERVICE COORDINATED TRANSPORT OF NEWARK, N. J.

The Senate proceeded to consider the bill (H. R. 2439) authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J., which had been reported from the Committee on Claims with an amendment.

Mr. KING. Mr. President, I should like to have an explanation of that bill.

Mr. BAILEY. Mr. President, this bill calls for the payment of the sum of $122,442.23, and I think it well that attention should be called to it, although the bill is, as the Committee on Claims thinks, a meritorious one.

The bill has been before the Congress since the Seventy-first Congress; it was favorably reported in the Senate in the Seventy-first, Seventy-second, and Seventy-third Congresses, and has again been favorably reported now in the Seventy-fourth Congress. It has been before the Committee on War Claims in the House of Representatives since the Seventy-first Congress, and has been favorably reported by that committee. The bill has been passed upon by Mr. McCarl, the Comptroller General, and thoroughly reviewed by him. He has recommended the payment and the form of the bill in which it now is.

The claim is based, as stated on its face, upon the destruction and removal during the late war of certain tracks, car houses, storage tracks, and so forth, belonging to the claimant company or its predecessor from their original location to new locations and the War Department's failure to restore them to the original location in accordance with the informal arrangement respecting the matter.

As I have said, the whole case has been reviewed very carefully by the Comptroller General. His letter addressed to the Congress will be found on page 3 of the report. He has gone over it in great detail, and I do not think it is necessary for me to go further into it, but if Senators require me to do it, I will undertake to read the letter of Mr. McCarl, in which he analyzes the claim, defines the items, and declares that the payment is justly due the claimant company.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. O'MAHONEY. Mr. President, may I address an inquiry to the Senator from North Carolina?

Mr. BAILEY. Certainly.

Mr. O'MAHONEY. I note that there is a limitation by amendment as to the amount which may be paid to attorneys. Is it designed to make that 10 percent the limitation upon all the compensation for attorneys, or may any agent receive pay up to 10 percent?

Mr. BAILEY. The limitation involves attorneys; but, I take it, it includes agents or any others. We have attached that limitation, I may say, in the Claims Committee as a matter of form to all bills, unless there is some special rule, and then we may change it; but in general the 10-percent limitation is provided.

Mr. O'MAHONEY. So that all attorneys may not receive in the aggregate more than 10 percent?

Mr. BAILEY. That is correct.

The PRESIDENT pro tempore. The amendment reported by the committee will be stated.

The amendment was, on page 2, after the word "claim", at the end of the bill, to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to settle and adjust the claim of the Public Service Coordinated Transport of Newark, N. J., arising out of the removal by the War Department during the late war of certain tracks, car house, storage tracks, etc., belonging to said company or its predecessor, from their original locations to new locations, and the War Department's failure to restore same to their original location in accordance with an informal arrangement respecting the matter, and to allow in full and final settlement of any and all claims arising out of said transactions an amount not exceeding $122,442.43. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $122,422.43, or so much thereof as may be necessary, for the payment of said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 2312) for the relief of the Western Construction Co. was announced as next in order.

Mr. KING. I should like an explanation of the bill, and, pending that, I will ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

WESTERN ELECTRIC CO., INC.

The bill (S. 2487) for the relief of the Western Electric Co., Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust, settle, and certify for payment, out of any money in the Treasury not otherwise appropriated, the claim of the Western Electric Co., Inc., for supplies delivered to the Navy Mine Depot, Yorktown, Va., under requisition no. 96, Bureau of Ordnance, dated May 24, 1920, the said supplies having been delivered to and accepted by the United States, but payment therefor not having been made because of the absence of a formal written contract, as required by section 3744 of the Revised Statutes, as amended by the act of June 17, 1917 (40 Stat. 198): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MOTHER'S DAY

The resolution (S. Res. 106) favoring an expression on Mother's Day of our love and reverence for motherhood, submitted by Mr. COPELAND on the calendar day March 15, 1935, and reported from the Committee on Education and Labor without amendment, was read, considered, and agreed to, as follows:

Whereas by House Joint Resolution 263, approved and signed by President Wilson, May 8, 1914, the second Sunday in May of each year has been designated as Mother's Day for the expression of our love and reverence for the mothers of our country; and

Whereas there are throughout our land today an unprecedentedly large number of mothers and dependent children who, because of unemployment or loss of their bread earners, are lacking many of the necessities of life: Therefore be it

Resolved, That the President of the United States is hereby authorized and requested to issue a proclamation calling upon our citizens to express, on Mother's Day this year, our love and reverence for motherhood;

(a) By the customary display of the United States flag on all Government buildings, homes, and other suitable places;

(b) By the usual tokens and messages of affection to our mothers; and

(c) By making contributions, in honor of our mothers, through our churches or other fraternal and welfare agencies, for the relief and welfare of such mothers and children as may be in need of the necessities of life.

The preamble was agreed to.

BILLS PASSED OVER

The bill (S. 672) for the relief of the city of Baltimore was announced as next in order.

Mr. WHEELER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2530) to protect American and Philippine labor and to preserve an essential industry, and for other purposes, was announced as next in order.

Mr. AUSTIN. Over.

The PRESIDENT pro tempore. The bill will be passed over.

GERALD MACKEY

The Senate proceeded to consider the bill (H. R. 378) for the relief of Gerald Mackey.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. WHITE. Mr. President, this is a bill authorizing the Comptroller General of the United States to examine, investigate, and pay this claim in such amount as he may find proper.

The injured man was a member of the fire company at Tupper Lake, in up-State New York. There was a reciprocal arrangement between that town and the Veterans' Administration facility at Sunmount, in New York, for services to be rendered one to the other in case of emergency. There was a fire at the Veterans' Administration facility. This Tupper Lake fireman went there; he was mounting a ladder carrying a hose with a full head of water to play on the flames. The ladder broke and he was injured. The Veterans' Administration has said there is a moral obligation to make compensation, and it suggested the general form of the bill. The bill has passed the House, and it seemed to the committee there was justification for its passage by the Senate.

Mr. KING. May I ask the Senator another question?

Mr. WHITE. Certainly.

Mr. KING. Under the general retirement act or under the act providing for compensation to persons injured while in the service of the State or municipalities, would not this case be covered?

Mr. WHITE. No. The town itself had an insurance arrangement, but for some reason it was held that the insurance did not cover an injury of the character involved in this particular case.

Mr. KING. I am advised that the bill authorizes the Comptroller General to fix the amount.

Mr. WHITE. That is correct. That form of bill was suggested by the Veterans' Administration, as I think has been done in other cases. The Comptroller General has not a reputation for prodigality in the payment of claims.

Mr. KING. It seems to me, unless the bill were referred to the Court of Claims, where all the facts could be investigated,

it is rather dangerous to commit to some officer of the Government the determination of damages in case of a tort.

Mr. WHITE. It is not a case where there is a legal claim. There is no legal claim upon which the Court of Claims should pass. It is purely the recognition of a moral or equitable claim or debt.

Mr. KING. It seems to me the Court of Claims ought to find the amount due.

Mr. WHITE. The report of the House committee shows the maximum amount claimed by the man is $1,200, to cover all expenses and everything incident to the accident.

Mr. KING. Why does not the Senator offer an amendment providing that, while the Comptroller general may make the examination and determine the amount, yet in no event shall more than $1,200 or $1,000, whichever the committee thinks fair, shall be paid.

Mr. WHITE. If I must offer the amendment in order to have the bill passed, of course I shall do so. The bill passed the House in this form, and the Claims Committee thought it was perfectly safe in reporting it in this form.

Mr. O'MAHONEY. Mr. President, it seems to me that it creates rather an unusual precedent that a Government official may have the sole determination of what the compensation shall be. Is there any real objection to providing that it shall not exceed $1,200, the amount which is stated in the report?

Mr. WHITE. Very well. I move to amend, on page 1, line 7, after the word "Mackey", by inserting the words "not to exceed $1,200."

The PRESIDENT pro tempore. The amendment will be stated.

The amendment was, on page 1, line 7, after the word "Mackey", it is proposed to insert the words "not to exceed $1,200", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to examine, investigate, and pay the claim of Gerald Mackey in such amount as the Comptroller General may determine to be fair and proper compensation for actual damages to the person of Gerald Mackey, not to exceed $1,200, including medical and hospital expenses and actual loss of earnings proximately resulting from injuries sustained while assisting in extinguishing the fire at the Veterans' Administration facility, Sunmount, N. Y., January 25, 1933, while serving as a member of the volunteer fire department of Tupper Lake, N. Y. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sum as the Comptroller General may find necessary for payment of the said claim, and payment by the Comptroller General in accordance with this act shall be full and final settlement of the said claim of Gerald Mackey against the United States on account of such injuries: *Provided*, That in addition to the evidence otherwise required and as a condition to payment of the claim, the said Gerald Mackey shall be required to submit proof satisfactory to the Comptroller General that he has not obtained settlement of the claim from a person other than the United States and shall be required to surrender to the United States any and all claim on account of the injuries heretofore described as against any person other than the United States.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ESTATE OF THOMAS PERAGLIA

The Senate proceeded to consider the bill (H. R. 530) granting compensation to the estate of Thomas Peraglia, deceased, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "$7,500" and insert "$5,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the estate of Thomas Peraglia, deceased, late of Palisades Park, Bergen County, N. J., in full settlement of all claims against the Government of the United States for the death of the said Thomas Peraglia, resulting from injuries he sustained when shot by a Federal prohibition officer at Palisades Park, Bergen County, N. J., February 12, 1927: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KING. Mr. President, will the Senator explain the merits of the case?

Mr. WHITE. Mr. President, this is another House bill. It is a case of the kind which often comes before the Claims Committee. It provides for reimbursement because of the shooting of a person by a prohibition officer.

Prohibition officers heard there was a still being operated on certain premises in the town of Palisades Park, N. J. They went there, found the still, and were in possession of the premises. While they were on the premises Peraglia entered. The prohibition officer immediately shot him. The bullet went through his right lung. The man ran for a short distance, fell, and was found there. He was not armed. The bullet of the prohibition officer penetrated the right lung. The man lived about 5 years with an open rubber drain in the lung during that entire period of time; the man died, leaving a wife and children.

Mr. KING. I have no objection to the bill. The only regret I have is that we cannot compel the man who did the shooting to pay the claim.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

KNUD O. FLAKNE

The bill (S. 1446) for the relief of Knud O. Flakne was announced as next in order.

Mr. KING. Over.

Mr. WHITE. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. Very well.

Mr. WHITE. In the last Congress there was enacted legislation seeking to adjust the claims growing out of the draining of Mud Lake. That legislation designated the beneficiaries and specified the amount each beneficiary was to receive. Included among these designated beneficiaries was the F. H. Wellcome Co. Flakne was not named at all in the original legislation.

When the claim was presented to the Interior Department it appeared there was a conflict as to title. The bill does not increase the amount at all, it does not enlarge the obligation or liability of the United States over the legislation of last year, but it makes possible the determination of whether the amount of money named in the legislation of last year rightfully belongs to Wellcome Co. or to Flakne. That is all that is involved in it.

Mr. KING. I withdraw my objection.

There being no objection, the Senate proceeded to consider the bill (S. 1446) for the relief of Knud O. Flakne, which had been reported from the Committee on Claims with an amendment on page 1, line 7, after the words "amended by", to strike out the words "striking out the words F. H. Wellcome Co. and inserting in lieu thereof the words Knud O. Flakne", and inserting in lieu thereof the words "inserting the words 'or Knud O. Flakne' after the words 'F. H. Wellcome Co.'", so as to make the bill read:

Be it enacted, etc., That the act entitled "An act for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota", approved June 26, 1934 (Private, No. 368, 73d Cong.), is hereby amended by inserting the words "or Knud O. Flakne" after the words "F. H. Wellcome Co."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARY C. MORAN

The Senate proceeded to consider the bill (S. 1447) for the relief of Mary C. Moran, which had been reported from

the Committee on Claims with an amendment on page 1, line 7, after the word "amended" to strike out the words "by striking out the words 'Clarence Larson' and inserting in lieu thereof the words 'Mary C. Moran'", and inserting in lieu thereof the words "by inserting the words 'or Mary C. Moran' after the words 'Clarence Larson'", so as to make the bill read:

Be it enacted, etc., That the act entitled "An act for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota", approved June 26, 1934 (Private, No. 368, 73d Cong.), is hereby amended by inserting the words "or Mary C. Moran" after the words "Clarence Larson."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALEXANDER C. DOYLE

The bill (H. R. 240) for the relief of Capt. Alexander C. Doyle was announced as next in order.

Mr. ROBINSON. Mr. President, I should like to have an explanation of the bill.

Mr. WHITE. Mr. President, this is a bill authorizing the Comptroller General to adjust and settle the claim, but in a specified amount.

It appears from the papers in the case that this officer was stationed at Schofield Barracks, Hawaii. He was charged there with a great many duties. He was responsible for several million dollars' worth of Government property. He had direction of the police and sanitation. He was finance officer for the barracks. He was charged with the handling of the pay roll for the men and all the employees engaged in the various undertakings.

While he was engaged in these duties it was disclosed that there were irregularities in the pay roll amounting to some $3,300. The pay rolls were made up by subordinates in his office, submitted to him with their certification, and then approved by him.

The captain was court-martialed. He was tried and charged with neglect of duty, as the result of which it was alleged this loss occurred. The court martial which tried him exonerated him on every charge. There was no suggestion of wrong intent on his part. There was no suggestion that he profited in any way by the irregularities. There was no suggestion in the ultimate finding of the court martial that he was guilty of neglect or in any other respect was involved.

However, pending the investigation, pending the trial by the court martial, and notwithstanding the acquittal of the officer on all these charges, the War Department withheld a portion of his pay. Your committee felt that if the tribunal established by the War Department found him guiltless, the Department itself ought not administratively to penalize him. In other words, we felt that the War Department ought to abide by the verdict of its own tribunal, which was the court martial, and which, as I said, exonerated him in all respects of all charges.

Mr. ROBINSON. Did the Government sustain a loss by reason of his alleged neglect of duty?

Mr. WHITE. My impression is that there was a loss; but I desire again to emphasize to the Senator from Arkansas that the court martial exonerated this officer of the charge of neglect of duty. The basis of the court-martial proceedings was neglect of duty on his part, from which the loss resulted. That was the issue tried before the court martial; and he was acquitted not only upon that charge but upon various other suggestions which were involved in the court-martial proceeding. In other words, he got from the tribunal set up by the War Department a complete clean bill of health.

Mr. ROBINSON. Was there a report on the bill from the War Department?

Mr. WHITE. Yes.

Mr. ROBINSON. I do not see it in the report of the committee.

Mr. WHITE. It does not appear in the report of the committee, and I shall have to confess to the Senator that I cannot answer that question.

Mr. ROBINSON. I ask that the bill go over for the present.

The PRESIDENT pro tempore. The bill will be passed over.

BROWN & CUNNINGHAM, OF PORT DEPOSIT, MD.

The Senate proceeded to consider the bill (S. 684) for the relief of Brown & Cunningham, of Port Deposit, Md., which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the word "and", to strike out "Frank J. Cunningham" and insert "Nellie R. Cunningham"; in line 8, after the words "sum of", to strike out "$3,368.65" and insert "$2,400"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fred S. Brown and Nellie R. Cunningham, doing business under the name of Brown & Cunningham, Port Deposit, Md., the sum of $2,400, in full satisfaction of their claims against the United States for damages on account of loss of business and destruction of certain stock and fixtures caused by a Marine Corps truck (no. 1394), when such truck crashed into the store owned by said Brown & Cunningham at Port Deposit, Md., on October 12, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933, was announced as next in order.

Mr. KING. Mr. President, obviously that bill cannot be considered under the 5-minute rule.

The PRESIDENT pro tempore. On objection, the bill will be passed over.

TRIAL FOR MURDER BY NAVAL COURTS MARTIAL

The Senate proceeded to consider the bill (S. 1207) to authorize trial by court martial of any person in the naval service charged with the crime of murder committed without the geographical limits of the States of the Union and the District of Columbia, which was read, as follows:

Be it enacted, etc., That article 6 of section 1624 of the Revised Statutes is amended to read as follows:

"ART. 6. Any person in the naval service who is charged with the crime of murder may be tried by court martial and on conviction shall suffer death or such other punishment as a court martial may direct; but no person shall be tried by court martial for murder committed within the geographical limits of the States of the Union and the District of Columbia in time of peace."

Mr. ROBINSON. Mr. President, I inquire of the Senator from Florida [Mr. TRAMMELL] whether there is not now authority for the trial of persons serving in the Navy who are charged with homicide, where the crime is alleged to have been committed outside the geographical limits of the United States?

Mr. TRAMMELL. If they are connected with a vessel of the Navy, there is a law which provides for it; but if they are stationed at some post, the law does not cover a situation of that character. The Navy Department recommended the passage of this bill so that if an officer or other person in the naval service were entirely detached from a vessel he would be subject to its jurisdiction, instead of having to be turned over to the local authorities, wherever he might happen to be, outside of the United States. That is the purpose of the bill.

Mr. ROBINSON. I have no objection to the bill.

Mr. KING. Mr. President, may I ask the Senator whether in handling such a case under this bill a different method would be employed than that which would prevail if the man committed the homicide while on board a ship of the Navy?

Mr. TRAMMELL. That is a detail which has not been gone into in the discussion of the bill; but, of course, the accused would be tried by court martial at the post where he might happen to be, instead of being turned over to the local authorities. The explanation for the bill, as I understand, is that the present law provides for the trial of men connected with ships, but not for the trial of men stationed at some post without the United States.

Mr. KING. But they have to be in the naval service in order to be tried by court martial?

Mr. TRAMMELL. Oh, they have to be in the naval service.

Mr. KING. Suppose, however, the authorities of the country in which the homicide was committed arrested the man and sought to take jurisdiction of the crime. They would do so. We could not prevent their doing so.

Mr. TRAMMELL. Of course, that would depend upon the law of the particular nation involved.

Mr. KING. Suppose a national of the country in which the post was located should be killed by a seaman at the post. Then, quite likely, the government of that national might claim jurisdiction over the offending person.

Mr. TRAMMELL. Ordinarily I should not think our law would supersede their law unless by some treaty arrangement, and so forth, it should be done.

Mr. ROBINSON. I think the object is to give the naval authorities jurisdiction in just such cases as the Senator from Utah has suggested. The report states that under present conditions, unless a man is attached to a ship, there is no jurisdiction in the naval authorities to try him. Under this bill he would be tried by naval court martial whether or not he were attached to a ship.

Mr. TRAMMELL. That is the object of the proposed legislation, which I think is much more desirable than leaving the matter open as it is at present, so that he would be turned over to the authorities of the country in which he was located.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ASSISTANTS TO COMMANDANT OF MARINE CORPS

The bill (S. 1211) authorizing the assignment of two officers on the active list of the United States Marine Corps not below the rank of colonel to duty as assistants to the Major General Commandant of the Marine Corps was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That an officer on the active list of the United States Marine Corps not below the rank of colonel may be detailed as first assistant to the Major General Commandant, and, in case of the death, removal, retirement, resignation, absence, or sickness of the Major General Commandant, shall, unless otherwise directed by the President, as provided by section 179 of the Revised Statutes, perform the duties of the Major General Commandant until his successor is appointed or such absence or sickness shall cease.

SEC. 2. That an officer on the active list of the United States Marine Corps not below the rank of colonel may be detailed as second assistant to the Major General Commandant and in case of the death, removal, retirement, resignation, absence, or sickness of both the Major General Commandant and the first assistant to the Major General Commandant, shall, unless otherwise directed by the President as provided by section 179 of the Revised Statutes, perform the duties of the Major General Commandant until his successor is appointed or such absence or sickness shall cease.

BONDS OF OFFICERS OF NAVAL SUPPLY CORPS

The Senate proceeded to consider the bill (S. 1212) to amend section 1383 of the Revised Statutes of the United States, which was read, as follows:

Be it enacted, etc., That section 1383 of the Revised Statutes of the United States is amended to read as follows:

"SEC. 1383. Every officer of the Supply Corps of the United States Navy shall, before entering upon the duties of his office, give good and sufficient bond to the United States, to be approved by the Secretary of the Navy and in such sum as the Secretary may direct, faithfully to account for all public funds and property which he may receive. The Secretary of the Navy may, in his discretion, waive the requirements of this section in the case of officers of the Supply Corps who are not accountable for public funds or public property."

Mr. ROBINSON. Mr. President, what is the effect of this bill?

Mr. TRAMMELL. This is an administration measure, recommended by the Navy Department. It seems that under the present law all supply officers of the Navy are required to give bond whether or not they have custody of any funds or any supplies. The Navy Department recommends that the law be amended so that bond shall be required only in the event the officer is entrusted with funds or property. The bill seeks to relieve officers of the necessity of giving bond where not required for the protection of the Government.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LEADERS OF NAVY BAND AND MARINE CORPS BAND

The bill (S. 1609) for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That from and after the date of approval of this act the present leader of the United States Navy Band and the present leader of the band of the United States Marine Corps shall have the rank, pay, and allowances of a lieutenant in the Navy and of a captain in the Marine Corps, respectively; and in the computation of their pay and allowances all service in the Navy and the Marine Corps of whatever nature rendered by said leaders shall be counted as if it were commissioned service; and the said leaders of the United States Navy Band and the band of the United States Marine Corps shall, at such time as the President in his discretion may direct, be entitled to retirement as a lieutenant in the Navy and as a captain in the Marine Corps, in the same manner as other officers of the Navy and the Marine Corps of such rank and length of service, computed as stated above, would be entitled to retirement.

EXCHANGE OF LANDS AT QUANTICO, VA.

The bill (S. 1611) to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized on behalf of the United States to accept from the Richmond, Fredericksburg & Potomac Railroad Co., a corporation of the State of Virginia, free from all encumbrances and without cost to the United States, all right, title, and interest in fee simple in and to the following lands, together with all the right, title, and interest in and to the platted streets and riparian rights in Quantico Creek as may attach to the lots conveyed in subsection (a):

(a) Lots no. 21, 22, 23, 38, 39, 51, 58, 59, 72, and 85 in the town of Carborough, county of Prince William, State of Virginia, as shown on the original plat filed with the condemnation of the above lots by the Potomac Railroad Co., that lie to the east of a line drawn 100 feet east from and parallel to the present center line of the Richmond, Fredericksburg & Potomac Railroad Co., purchased from the Potomac & Manassas Railroad Co. by deed dated August 15, 1871, recorded January 1, 1872, in the clerk's office of Prince William County in deed book no. 28, page 452, excepting therefrom that portion of lot no. 22, sold by the Potomac Railroad Co. to J. W. Norton by deed dated November 24, 1883, recorded in the clerk's office, Prince William County, on December 8, 1883, in deed book no. 34, page 424, which portion is more particularly designated and described as lot no. 22–A on plan marked "V. D. 41–4, R., F. & P. R. R. Co. Proposed exchange of lands at Quantico, scale 1"=100 feet dated October 1, 1932, revised September 4, 1933", beginning at the United States Marine Corps Reservation corner no. 154 along the boundary between the United

States Marine Corps Reservation and lot no. 23, south 55° 16′ east, a distance of 38.3 feet to the corner of lot no. 23, the place of beginning; thence along boundary line of United States Marine Corps Reservation south 55°16′ east 131.7 feet to boundary monument no. 153 of United States Marine Corps Reservation; thence on said boundary line north 34°44′ east 141.6 feet to a point; thence leaving said boundary line north 64°46′ west 60 feet to a point; thence north 78°46′ west 48.5 feet to a point; thence south 59°54′ west 64.5 feet to a point; thence south 34°43′ west 53.8 feet to the point of beginning, containing three hundred and forty-eight thousandths of an acre.

(b) That certain parcel of land lying on the west side of the right-of-way north of Potomac Avenue, town of Quantico, county of Prince William, Va., beginning at a point where the western right-of-way line of the Richmond, Fredericksburg & Potomac Railroad Co. intersects the northern curb line of Potomac Avenue; thence along said western right-of-way line in a northerly direction 316.3 feet to a point; thence at right angles in an easterly direction 20 feet to a point; thence by a line parallel to the present western right-of-way line and 20 feet east from it in a southerly direction 175.3 feet to a point; thence at right angles in a westerly direction 7.5 feet to a point; thence in a southerly direction by a line parallel to and 12.5 feet east from the present western right-of-way line, 139 feet to a point on the northern curb line of Potomac Avenue; thence in a westerly direction along said northern curb line of Potomac Avenue 13.2 feet to the point of beginning, containing 5,256 square feet, subject, however, to the easement for a right-of-way for ingress and egress to the rear of the building leased to the Mutual Ice Co. over and through the above-described lot; said parcel being more particularly shown outlined in red on the map marked "R. F. & P. R. R. Co.,—Location Plan Buildings, Tracks, etc., Potomac Avenue; Quantico, Va., dated Nov. 13, 1931, No. 10–D–27."

The above properties, when transferred to the United States shall become a part of the Marine Corps Reservation, Quantico, Va.

SEC. 2. In exchange for the above-described lands, the Secretary of the Navy is authorized to transfer by appropriate conveyance to the Richmond, Fredericksburg & Potomac Railroad Co., free from all encumbrances, and without cost to the Richmond, Fredericksburg & Potomac Railroad Co., all right, title, and interest of the United States in and to the lands contained within the Marine Corps Reservation at Quantico, Va., described generally as follows:

(1) Those two small parcels of land, part of what is known as the "Shipping Board Tract" as shown on the map of the United States Marine Corps Reservation, Prince William County, Va., dated June 25, 1920, signed Thomas J. Brady, Jr., Public Works officer, that lies to the west of a line drawn parallel to and 100 feet east from the present center line of the Richmond, Fredericksburg & Potomac Railroad Co. and lying within the right-of-way of said railroad company, such land being shown more particularly in yellow on the map marked "V. D. 41–4—R. F. & P. R. R. Co.—Proposed exchange of land at Quantico, Scale 1″=100 feet dated Oct. 1, 1932, revised Sept. 4, 1933."

(2) That parcel of land adjoining the present eastern right-of-way line of the Richmond, Fredericksburg & Potomac Railroad Co. between Fifth and Sixth Streets in the town of Quantico, Prince William County, Va., beginning at a point where the present southern line of Fifth Street intersects the present eastern right-of-way line of the Richmond, Fredericksburg & Potomac Railroad; thence in an easterly direction along said southern line of Fifth Street 10.13 feet to a point; thence in a southerly direction by a line parallel to and 10.13 feet east from the present eastern right-of-way line of the Richmond, Fredericksburg & Potomac Railroad 56.58 feet to a point; thence bearing to the east by a line that is at right angles to the northern line of Sixth Street 180.17 feet to a point in said northern line of Sixth Street; thence in a westerly direction 39.57 feet to the eastern right-of-way line of the Richmond, Fredericksburg and Potomac Railroad; thence in a northerly direction along said right-of-way line 239.14 feet to the point of beginning; containing 5,047 square feet, all as more particularly shown in yellow on the map marked "V. D. 41–101—R. F. & P. R. R. Co. Easement desired from U. S. Govt. of Quantico, Va., dated Sept. 12, 1932."

JOHN J. MORAN

The bill (S. 211) for the relief of John J. Moran was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and paid to John J. Moran the sum of $296.42, being the amount paid by Mr. Moran as postmaster at Southington, Conn., to Raymond F. Keating and Keron R. Welch, employees at the post office for the period August 16 to September 30, 1918, which amount was not allowed by the Post Office Department, plus interest at the rate of 4 percent per annum.

BILLS PASSED OVER

The bill (S. 1439) amending the postal laws to include as second-class matter religious periodicals publishing local information was announced as next in order.

Mr. ROBINSON. Mr. President, let us have an analysis of this proposed change in the postal laws.

The PRESIDENT pro tempore. The bill was introduced by the Senator from Massachusetts [Mr. WALSH] and reported by the Senator from Tennessee [Mr. MCKELLAR]. Neither of those Senators appear to be in the Senate Chamber.

Mr. ROBINSON. Then the bill may be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1539) relating to undelivered parcels of the first class was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

PUNISHMENT FOR DELIVERY OF NONMAILABLE MATTER—RECOMMITTAL

The bill (S. 1541) to punish persons knowingly causing the delivery by mail of certain nonmailable matter was announced as next in order.

Mr. LA FOLLETTE. Mr. President, this bill was recently reported from the Committee on Post Offices and Post Roads, and it is my information that the bill did not have very careful consideration. It is rather sweeping in its effect. After a conference with the author of the bill, the Senator from Arizona [Mr. HAYDEN], he has agreed that the bill shall be recommitted to the committee for further consideration, especially in the light of certain hearings which have been held by the House committee.

I therefore ask unanimous consent that the bill may be recommitted to the Committee on Post Offices and Post Roads.

Mr. ROBINSON. Mr. President, the Senator has stated that that meets the approval of the Senator from Arizona [Mr. HAYDEN]?

Mr. LA FOLLETTE. It meets the approval of the author of the bill.

The PRESIDENT pro tempore. The Senator from Wisconsin asks unanimous consent that Senate bill 1541 be recommitted to the Committee on Post Offices and Post Roads. Without objection, it is so ordered.

ANNIVERSARY OF FOUNDING OF HUDSON, N. Y., AND PROVIDENCE, R. I.

The Senate proceeded to consider the bill (H. R. 6457) to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y.

Mr. METCALF. Mr. President, I wish to offer certain amendments to the bill which will authorize the issuance of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the city of Providence, R. I. This is one of the few bills introduced in Congress which will not cost the Government anything.

The PRESIDENT pro tempore. The amendments offered by the Senator from Rhode Island will be stated.

The CHIEF CLERK. On page 1, line 6, after the word "pieces", it is proposed to insert "and in commemoration of the three hundredth anniversary of the founding of the city of Providence, R. I., there shall be coined by the Director of the Mint 50,000 silver 50-cent pieces, in each case such coins to be."

The amendment was agreed to.

The CHIEF CLERK. On page 2 it is proposed to strike out lines 1 to 4, inclusive, and to insert:

SEC. 2. Coins commemorating the founding of the city of Hudson, N. Y., shall be issued at par, and only upon the request of the committee, person, or persons duly authorized by the mayor of the city of Hudson, N. Y., and the coins commemorating the founding of the city of Providence, R. I., shall be issued at par, and only upon the request of the Providence Tercentenary Committee.

The amendment was agreed to.

The CHIEF CLERK. On page 2, line 7, it is proposed to strike out all after the word "authorized" down to and including the word "projects", in line 9, and to insert "in section 2, and all proceeds shall be used in furtherance of the commemoration of the founding of the cities of Hudson, N. Y., and Providence, R. I., respectively."

The amendment was agreed to.

The CHIEF CLERK. On page 2, line 20, it is proposed to strike out all after the word "they" down to and including the word "coins", in line 23, and to insert "may be requested by the committee, person or persons duly authorized by said mayor of Hudson, N. Y., in the case of coins issued in commemoration of the founding of that city, and by the Providence Tercentenary Committee in the case of coins commemorating the founding of the city of Providence, R. I., and in each case only upon payment to the United States of the face value of such coins."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively."

OSAGE TRIBE OF INDIANS

The Senate proceeded to consider the bill (S. 2375) authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States, which was read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $776,742.03, being the net amount received by the United States from the sale of land of the Osage Tribe of Indians in the State of Kansas under article I of the treaty of September 29, 1865 (14 Stat. L. 687), credited to the "Civilization Fund" on the books of the Treasury of the United States and used for the benefit of Indian tribes other than the Osage, said Osage Tribe of Indians referred to herein now residing in the State of Oklahoma, as found by the Court of Claims in its opinion of May 28, 1928 (66 Ct. Cl. 64), in a case known as "B–38", entitled "Osage Nation of Indians against United States of America", instituted under act of February 6, 1921 (41 Stat. L. 1097).

SEC. 2. Said amount, when appropriated, shall be placed in the Treasury of the United States to the credit of the Osage Tribe of Indians and distributed in accordance with the rules and regulations governing payment of moneys accruing to members of the Osage Tribe of Indians.

SEC. 3. Said appropriation shall be in full, complete, and final settlement of the claim of the Osage Tribe of Indians against the United States arising under the treaty of 1865, above cited.

SEC. 4. The Secretary of the Interior is hereby authorized and directed to pay, out of said appropriation when made, the fees and expenses of the attorneys of record, in accordance with provisions and percentages in their contract as approved by the Secretary of the Interior May 5, 1931.

Mr. KING. Mr. President, I should like an explanation of this bill. It seems to appropriate a very large sum.

Mr. THOMAS of Oklahoma. Mr. President, a similar bill was passed by the Senate in the last Congress, carrying the same amount, with interest. The bill went to the House of Representatives, and the House attached an amendment striking out the provision for interest; but at that time it was too late to get the bill back to the Senate and have it passed.

The theory of the bill is this: A long time ago the Government made a treaty with the Osage Indians, who at that time were wholly illiterate, non-English speaking. The treaty was made in 3 hours, and in the treaty a clause was inserted providing that certain lands of the Osages should be sold, and the proceeds taken for a "civilization fund" to be expended among Indians residing within the United States. The Indians did not have any words in their language which meant "civilization" or "fund", so, apparently, they had no conception of what those words meant. After the land was sold the Government took the money and spent it among the other tribes, and the Osages got only $189. When the Osages learned what "civilization" meant and what "fund" meant, their money was gone; so they presented a claim, and the claim was approved by the Bureau of Indian Affairs, and has always been approved by the Bureau of Indian Affairs.

The Budget Bureau report that the bill is in conflict with their program. Of course all appropriations now are in conflict with their program.

That is a statement of the purpose of the bill. The Osages not having received the money, and the land having been theirs, they are convinced that this money should be appropriated for their benefit.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1504) authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I desire to ask the Senator from Montana [Mr. WHEELER] a question in regard to this bill. I observe that the statute of limitations is waived. The bill is not very clear as to the issues involved and the possible liability of the Government.

Mr. WHEELER. I ask to have the bill go over for the present.

The PRESIDENT pro tempore. The bill will be passed over.

PROTECTION AGAINST SOIL EROSION

The Senate proceeded to consider the bill (H. R. 7054) to provide for the protection of land resources against soil erosion, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. KING. Mr. President, may I state to the Senator from New Mexico [Mr. HATCH], who reported this bill, that a number of appeals have been made to me during the past 2 or 3 days—whether they have any merit or not I cannot say—that the bill ought to go over, for the reason that under the $5,000,000,000 appropriation measure which was passed a few days ago there will probably be considerable funds allotted for this particular purpose, and an organization under Mr. Bennett is now functioning, although I do not know the extent of its activities.

Mr. HATCH. Mr. President, before the objection is made, may I make just a brief explanation, and I believe the Senator will withhold his objection?

Mr. KING. I yield.

Mr. HATCH. It is quite true that under the work-relief law which has just been enacted a considerable fund is set up for soil-erosion-control work, but the purpose of the pending bill is to coordinate all the different branches of the Government which have been doing soil-erosion-control work in the past, the F. E. R. A., the Forestry Department, and other branches. This bill would create a new agency in the Department of Agriculture for the express purpose of coordinating all these activities, and making the funds to be expended by this particular agency applicable to the provisions of the work-relief law.

The pending bill was introduced in the House of Representatives by the Representative from New Mexico, Representative DEMPSEY. Previous to that the Senator from Arizona [Mr. HAYDEN] and the Senator from Colorado [Mr. COSTIGAN] and myself had introduced a bill in the Senate, and several other bills have been introduced in the Senate and in the House all having the same general purpose.

We have conferred with Director Bennett, the Secretary of Agriculture, and all the department heads interested. A subcommittee composed of the Senator from Kansas [Mr. MCGILL], the Senator from North Dakota [Mr. FRAZIER], and myself held quite extensive hearings on the bill, and we think it is very desirable to have the bill enacted as soon as possible in order that the organization may be set up and the work be coordinated and that duplication of efforts may be avoided in this very important work.

Mr. KING. Mr. President, one of the objections which has been urged to the bill, and it is one which appeals to me, is that it would place this activity in the hands of the Department of Agriculture, rather than in the Department of the Interior. As the Senator knows, there are millions of acres, perhaps nearly 200,000,000 acres, of public land under the control of the Department of the Interior. Some of us have a great deal of confidence in Mr. Ickes; I have, and I

should be pleased if his Department had control of this enterprise.

Mr. HATCH. The activity has already been turned over to the Department of Agriculture by Executive order.

Mr. KING. I regard it as a mistake to take away from the Department of the Interior control over the public domain.

Mr. HATCH. The transfer has already been made.

Mr. ROBINSON. Mr. President, surveys relating to soil erosion, it seems to me, clearly belong within the Department of Agriculture. I think an analysis of the work to be done would justify that conclusion.

Mr. KING. Mr. President, I dislike to disagree with the Senator from Arkansas, but with respect to the public domain, instead of a dual control of lands under the public domain, where titles are to be granted and surveys are to be made, there should be some one jurisdiction over such domain, and I doubt the wisdom of placing the public lands under the control of the Department of Agriculture.

Mr. ROBINSON. It seems to me the whole problem can better be handled by one department than by two.

Mr. HATCH. All the departments interested, as I have explained, have been consulted. The bill does not change the situation at all. It does create an agency in the Department of Agriculture.

Mr. KING. I shall withhold the objection, with the understanding and with the agreement that if upon further examination this afternoon and tomorrow I desire to move to reconsider, the Senator will join in granting the motion, and having the bill restored to the calendar.

Mr. HATCH. I shall be very glad to do so.

Mr. KING. And that the House of Representatives shall not be notified in the meantime of the affirmative action of the Senate on the bill.

Mr. HATCH. I agree.

The PRESIDENT pro tempore. The clerk will state the first amendment of the Committee on Indian Affairs.

The first amendment of the committee was, on page 1, line 7, after the word "provide", to insert the word "permanently", and on line 11, after the word "protect", to insert the words "public health", so as to read:

Be it enacted, etc., That it is hereby recognized that the wastage of soil and moisture resources on farm, grazing, and forest lands of the Nation, resulting from soil erosion, is a menace to the national welfare, and that it is hereby declared to be the policy of Congress to provide permanently for the control and prevention of soil erosion and thereby to preserve natural resources, control floods, prevent impairment of reservoirs, and maintain the navigability of rivers and harbors, protect public health, public lands, and relieve unemployment, and the Secretary of Agriculture, from now on, shall coordinate and direct all activities with relation to soil erosion, and in order to effectuate this policy is hereby authorized, from time to time.

The amendments were agreed to.

The next amendment of the committee was, in section 3, on page 3, line 8, after the word "enactment", to strike out the word "and" and to insert the words "of reasonable safeguards for the", and after the word "of", on line 9, to insert the words "State and", so as to read:

SEC. 3. As a condition to the extending of any benefits under this act to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of this act, require—

(1) The enactment of reasonable safeguards for the enforcement of State and local laws imposing suitable permanent restrictions on the use of such lands and otherwise providing for the prevention of soil erosion.

Mr. HATCH. Mr. President, I desire to propose a change in the committee amendment. On line 8 the word "of" in the committee amendment is not correct, and the word "and" should be inserted in place thereof.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The next amendment of the committee was, in section 4, on page 3, line 23, after the word "except", to strike out the words "that employees of the organization heretofore established for the purpose of administering those provisions of sections 202 and 203 of the National Industrial Recovery Act which relate to the prevention of soil erosion may be continued without regard to the civil-service laws or regulation and the classification act for a period not to exceed 4 months from the date of this enactment", and to insert in lieu thereof the words "for a period not to exceed 8 months from the date of this enactment, the Secretary of Agriculture may make appointments and may continue employees of the organization heretofore established for the purpose of administering those provisions of the National Industrial Recovery Act which relate to the prevention of soil erosion, without regard to the civil-service laws or regulations and the classification act, as amended"; on line 12, after the word "technical", to strike out the words "and expert" and to insert in lieu thereof the words "or practical"; on line 13, after the word "knowledge", to strike out the words "connected with any educational or research institution"; on line 14, after the word "be", to strike out the word "jointly"; on line 15, after the word "act", to strike out the words "and by such institution"; on line 23, after the word "act", to strike out the words "and any violation of any such regulation shall be punishable by a fine of not to exceed $100", so as to make the section read:

SEC. 4. For the purposes of this act, the Secretary of Agriculture may—

(1) Secure the cooperation of any governmental agency;

(2) Subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such officers and employees as he may deem necessary, except for a period not to exceed 8 months from the date of this enactment, the Secretary of Agriculture may make appointments and may continue employees of the organization heretofore established for the purpose of administering those provisions of the National Industrial Recovery Act which relate to the prevention of soil erosion, without regard to the civil-service laws or regulations and the Classification Act, as amended; and any persons with technical or practical knowledge, may be employed and compensated under this act on a basis to be determined by the Civil Service Commission; and

(3) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of law books and books of reference, for printing and binding, for the purchase, operation, and maintenance of passenger-carrying vehicles, and perform such acts, and prescribe such regulations, as he may deem proper to carry out the provisions of this act.

The amendments were agreed to.

The next amendment of the committee was, in section 5, on page 4, line 26, after the word "agency", to insert the words "to be known as the Soil Conservation Service", so as to make the section read:

SEC. 5. The Secretary of Agriculture shall establish an agency to be known as the "Soil Conservation Service", to exercise the powers conferred on him by this act and may utilize the organization heretofore established for the purpose of administering those provisions of sections 202 and 203 of the National Industrial Recovery Act which relate to the prevention of soil erosion, together with such personnel thereof as the Secretary of Agriculture may determine, and all unexpended balances of funds heretofore allotted to said organization shall be available until June 30, 1937, and the Secretary of Agriculture shall assume all obligations incurred by said organization prior to transfer to the Department of Agriculture. Funds provided in House Joint Resolution 117, "An act making appropriation for relief purposes" (for soil erosion) shall be available for expenditure under the provisions of this act; and in order that there may be proper coordination of erosion-control activities the Secretary of Agriculture may transfer to the agency created under this act such functions, funds, personnel, and property of other agencies in the Department of Agriculture as he may from time to time determine.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. It has been agreed by unanimous consent that the bill shall not be sent to the House of Representatives until after tomorrow, so that a motion may be made for reconsideration if any Senator shall desire to make such a motion.

SETTING ASIDE RICE LAKE FOR CHIPPEWA INDIANS

The bill (S. 2532) to amend an act entitled "An act setting aside Rice Lake and contiguous lands in Minnesota for the exclusive use and benefit of the Chippewa Indians of Minnesota", approved June 23, 1926, and for other purposes, was

considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act setting aside Rice Lake and contiguous lands in Minnesota for the exclusive use and benefit of the Chippewa Indians of Minnesota", approved June 23, 1926 (44 Stat. L. 763), be, and the same is hereby, amended to read as follows:

"That there be, and is hereby, created within the county of Clearwater, State of Minnesota, a permanent reserve to be known as 'Wild Rice Lake Indian Reserve', which reserve shall include Rice Lake and the following-described contiguous lands: Beginning at the northwest corner of the northeast quarter southeast quarter section 8, township 145 north, range 38 west, and running due east to the northeast corner of southeast quarter section 9; thence south to northeast corner of northeast quarter section 16; thence due east to northeast corner of northeast quarter section 14, township 145 north, range 38 west; thence due south to southeast corner of northeast quarter section 2, township 144 north, range 38 west; thence due west to southwest corner of northwest quarter section 3 of said township and range; thence due north to southwest corner of northwest quarter section 15, township 145 north, range 38 west; thence due west to southwest corner of northwest quarter section 16; thence due north to northwest corner of northwest quarter said section 16; thence west to southwest corner of southeast quarter southeast quarter section 8; thence north to point of beginning, which, excluding the lake bed, contains approximately 4,500 acres.

"SEC. 2. All unallotted and undisposed-of public or Indian lands held in trust by the United States within the area described in section 1 hereof are hereby permanently withdrawn from sale or other disposition and are made a part of said reserve; and the Secretary of the Interior is authorized to (a) accept in the name of the United States voluntary conditional grants, conditioned only upon the continued permanent use of said lands for the purpose hereinafter stated, and none other, of any lands within said reserved area now held in public, private, State, or Indian ownership; (b) acquire by purchase any of said lands not so conditionally granted at such price as he may deem fair and equitable; or (c) acquire by condemnation any of said lands not acquired by conditional grants or by purchase, so as to vest in the United States for the purposes of this act good title to all land included in any such reserve.

"SEC. 3. The Secretary of the Interior is authorized, in his discretion, to establish not to exceed three additional wild-rice reserves in the State of Minnesota, which shall include wild-rice-bearing lakes situated convenient to Chippewa Indian communities or settlements, including all lands which, in the judgment of said Secretary, are necessary to the proper establishment and maintenance of said reserves and the control of the water levels of the lakes. The Secretary is authorized to withdraw and acquire, on the same terms provided in section 2 hereof, all lands which, in his judgment, may be necessary for the proper establishment, control, maintenance, and operation of any reserve established under this section.

"SEC. 4. Any reserves established under this act, including the water levels therein, shall be maintained and operated under the supervision and control of the Secretary of the Interior, in conformity with such rules and regulations as he may prescribe, for the primary purpose of conserving wild-rice beds for the exclusive use and benefit of the Chippewa Indians of Minnesota. The said Secretary, upon such terms and conditions as he may deem proper, may enter into an agreement in writing with the State of Minnesota, through its department of conservation, or other proper State agency, for the administration of any reserve created under this act, and for its use for other or different purposes, conditioned only that such other and different uses shall not impair the primary purpose for which said reserve was created and its administration in strict conformity with said rules and regulations prescribed by said Secretary.

"SEC. 5. All costs of establishing the reserves herein authorized, including the acquisition of the lands and the construction of dams or other structures to regulate the water levels, are hereby authorized to be paid by the Secretary of the Interior out of the trust funds of the Chippewa Indians of Minnesota in the Treasury of the United States."

INCLUSION OF HOPS AS A BASIC AGRICULTURAL COMMODITY

The Senate proceeded to consider the bill (S. 626) to amend the Agricultural Adjustment Act so as to include hops as a basic agricultural commodity, which was read as follows:

Be it enacted, etc., That section 11 of the Agricultural Adjustment Act, as amended, is amended by adding after the word "rice" a comma and the word "hops."

Mr. KING. I ask that this bill go over.

Mr. McNARY. Mr. President, I hope the Senator will withhold his objection for the present, at least.

Mr. KING. Very well.

Mr. McNARY. The production of hops is a major horticultural industry in the far West. Hops are grown in Oregon, Washington, and California, and have a very strong appeal to those who are poor and are able to harvest the crop.

I introduced this bill after very many conferences with the hop growers in the West during the last summer and fall. I think I may say that practically 100 percent of the growers of hops are pledged to this measure, and realize that its enactment is vital to the industry.

The bill went before the Agricultural Adjustment Administration and received approval after a very exhaustive study. It received a favorable report from the Director of the Budget, and the Committee on Agriculture and Forestry.

I do not often urge an amendment of the act in the face of opposition, but the hop crop is ready now for cultivation and culture. Spraying time has come, training time has arrived, and if there is to be control of this commodity, the bill should be passed at once.

I have been a loyal supporter of the A. A. A. and of designating any commodity as a basic commodity. It has generally been understood that if the growers of a commodity wanted to come within the provisions of the act, they should have that opportunity, and I plead in behalf of the growers of this commodity, who must have this proposed legislation enacted at once, or there will be a very great loss in carrying on the industry. I have heard of no opposition to the bill. Every report has been favorable, and inasmuch as it is vital that action should be taken, I appeal to the Senator from Utah to allow the bill to be considered at this time. I cannot imagine that anyone in his State would object to it. Hops is a western product. It is a horticultural commodity which affects the women and children in the States where it is grown. It is important and imperative that quick action be taken, and I ask the Senator at this time to permit the measure to be considered.

Mr. KING. Mr. President, primarily I object to this bill because I do not regard it as properly within the functions of the Federal Government. I think many of the activities of the Agricultural Department denominating certain agricultural commodities as basic have been great mistakes, and that great harm has resulted.

I have received two letters in regard to this measure. I have not them with me, but I will say to the Senator that I have no personal interest in the matter, and I will withdraw the objection if we may have an understanding that upon examining the letters again by tomorrow morning, if I find that I should insist upon the objection, the Senator will be willing that the bill may be restored to the calendar. Then I will have no objection to taking it up at an early date.

Mr. McNARY. The Senator means that he will allow action to be taken on the measure today, and then that there may be a motion to reconsider tomorrow if he desires to object?

Mr. KING. Yes.

Mr. McNARY. Very well.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDENT pro tempore. It is agreed that the clerk will not send the bill to the House of Representatives until after tomorrow, so that if objection shall be made, there may be reconsideration.

Mr. McNARY. I thought definite action was taken; but if the Senator persists in his objection tomorrow, the bill will be restored to the calendar.

The PRESIDENT pro tempore. The bill has already been passed.

MYSTIC SHRINE CONVENTION IN THE DISTRICT

The joint resolution (S. J. Res. 97) authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the sum of $50,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, payable wholly from the revenues of the District of Columbia, to enable

the Commissioners of the District of Columbia to maintain public order and protect life and property in the District of Columbia from the 8th day of June 1935 to the 17th day of June 1935, both inclusive, including the employment of personal services, the payment of allowances, traveling expenses, hire of means of transportation, and other incidental expenses in the discretion of the said Commissioners. There is hereby further authorized to be appropriated the sum of $4,000, or so much thereof as may be necessary, payable as aforesaid, for the construction, rent maintenance, and for incidental expenses in connection with the operation of temporary public-convenience stations, first-aid stations, and information booths, including the employment of personal services in connection therewith during such period.

STABILIZATION OF BITUMINOUS COAL-MINING INDUSTRY

The bill (S. 2481) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States and to establish a national bituminous-coal reserve; to provide for the general welfare; and for other purposes, was announced as next in order.

Mr. LOGAN. Mr. President, I move that the Senate bill 2481, together with the printed hearings held by the subcommittee of the Committee on Interstate Commerce, be referred to the Committee on Mines and Mining.

The motion was agreed to.

Mr. WHEELER subsequently said: Mr. President, with reference to Senate bill 2481, introduced by the Senator from Pennsylvania [Mr. GUFFEY], I understand a motion was agreed to, referring it to the Committee on Mines and Mining.

Mr. LOGAN. Mr. President, that is true. That is where it should have been referred when it was originally introduced.

Mr. WHEELER. I cannot agree with the Senator. Similar bills have been introduced at previous sessions and have always been referred to and hearings had upon them by the Committee on Interstate Commerce.

Mr. LOGAN. If the Senator will pardon me, the last investigation, during which there were most extensive hearings, contained in some three volumes, amounting to 4,000 pages, was held by the Committee on Mines and Mining year before last.

Mr. WHEELER. That may be true with regard to year before last; but before that time similar bills were before the Congress, and hearings on the bills were had before the Committee on Interstate Commerce.

Mr. LOGAN. This bill refers exclusively to mining, the largest industry we have; and if there is any bill which should go to the Committee on Mines and Mining, this is the bill.

Mr. WHEELER. Mr. President, I am not interested in that. At the moment I am interested only in the fact that the Senator from Pennsylvania [Mr. GUFFEY] is not on the floor. He is interested in the bill. The Senator from West Virginia [Mr. NEELY], who presided at the hearings on this bill, is not present on the floor at this moment. It is not fair that a bill in which they have taken such interest, and which is on the calendar, should be sent to some other committee in their absence.

I ask the Senator from Kentucky if he will not wait until the Senator from Pennsylvania and the Senator from West Virginia are on the floor, so that they may be heard?

Mr. LOGAN. If the Senator from Montana will agree to have them on the floor when this bill comes up, I have no objection to that. However, I do not think it is unfair to make a motion to refer such a bill to the Committee on Mines and Mining for consideration simply because the author of the bill, or some Senator who is interested in the bill, is not here to look after it.

I do not have the slightest objection to waiting until the measure may be taken up when the Senator from Pennsylvania and the Senator from West Virginia are here; but I assert that I shall most earnestly urge the adoption of my motion. The Committee on Interstate Commerce has held hearings on this bill, but the Committee on Mines and Mining has the right to consider it before there shall be a final report or final consideration of the bill.

Mr. WHEELER. I have no interest whatsoever in the bill. The bill was introduced by the Senator from Pennsylvania [Mr. GUFFEY], and at his request came to the Committee on Interstate Commerce. I was requested to appoint a subcommittee. I did appoint a subcommittee, of which the Senator from West Virginia [Mr. NEELY] was chairman, which held hearings on the bill for something like a month, heard coal operators, heard miners, heard everyone interested in the bill who appeared. Even night sessions were held. In view of the fact that the Senator from Pennsylvania is so much interested in the bill, as is also the Senator from West Virginia, I feel it is not quite fair that the bill be taken up and summarily sent to another committee in their absence.

Mr. ROBINSON. Mr. President, it is my information that the order to refer the bill to the Committee on Mines and Mining has been entered by the Senate.

The PRESIDENT pro tempore. That is true.

Mr. ROBINSON. If that be true, it would be necessary to reconsider the vote by which that action was taken.

Mr. LOGAN. It is perfectly agreeable to me that that be done. I ask unanimous consent that the vote by which the bill was ordered referred to the Committee on Mines and Mining be reconsidered, and that the bill may stand on the calendar; and at some other time I shall make a motion to refer it to the Committee on Mines and Mining for consideration.

Mr. WHEELER. I thank the Senator for taking that action.

Mr. CONNALLY. Mr. President, on the question of propriety of taking that action, I think it ought to be said to the Senator from Kentucky that the bill was reached regularly on the calendar, and when a bill is before the Senate it is subject to any action which the Senate may see fit to take; and it is not the fault of Members who are present that other Members, who are absent and ought to be present, are not in the Chamber to be heard.

Mr. LOGAN. I thank the Senator from Texas for his statement, because it is true. The bill was regularly reached on the calendar. It would have been unfair to call it out of order, but that was not done by the Senator from Kentucky. It was reached in its regular order. However, I am sorry I left the impression upon anyone that what I asked to have done was unfair.

Mr. CONNALLY. When a bill is reached in its regular order, it can be objected to and passed over without referring the matter to anyone.

The PRESIDENT pro tempore. The Senator from Kentucky asks that the vote by which the Senate bill 2481 was referred to the Committee on Mines and Mining be reconsidered. Is there objection? The Chair hears none. The bill will be restored to the calendar.

Mr. LOGAN. And I ask that the bill be passed over.

The PRESIDENT pro tempore. At the request of the Senator from Kentucky, the bill will be passed over.

BERYL M. M'HAM

The Senate proceeded to consider the bill (S. 1578) for the relief of Beryl M. McHam, which had been reported from the Committee on Military Affairs with an amendment, at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Beryl M. McHam, who served in Company C, Twenty-sixth Regiment, and Company C, Eighth Regiment, United States Infantry, World War, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 7th day of July 1920: *Provided*, That no pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Oklahoma [Mr. THOMAS] if this bill is similar to the one which was vetoed by the President last year?

Mr. THOMAS of Oklahoma. Yes, Mr. President; but the bill has been modified by the committee so as to conform to the veto.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROBERT A. WATSON

The Senate proceeded to consider the bill (S. 373) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment on the claim of Robert A. Watson, which had been reported from the Committee on Claims with an amendment, on page 1, line 10, after the word "Justice", to strike out the comma and the words "and for interest upon the amount of such damages at the rate of 6 percent per annum from the date of such importation to the date of the final judgment of the Court of Claims pursuant to this act."

The amendment was agreed to.

Mr. KING. Mr. President, may I ask if that bill has not been before the Senate and rejected on a number of occasions? Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

HENRY HILBUN

The bill (S. 2252) for the relief of Henry Hilbun was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding there is no official record of his enlistment, appointment, or service in the United States Army, Henry Hilbun, of Laurel, Miss., who, while in France, voluntarily reported to the regimental commander, Three Hundred and Sixteenth Regiment United States Engineers, in July 1918, and requested training; who was accepted and attached by order of the regimental commander to a company of the Three Hundred and Sixteenth Regiment, United States Engineers, for such training; and who, while so attached, actively participated in the St. Mihiel and Meuse-Argonne offensives and was wounded in action, shall be considered to have served as a member of the United States Army and to have been honorably discharged therefrom on October 10, 1918: *Provided*, That this act shall confer no rights, past or future, to bounty, compensation, pay, pension, or allowance.

SCHOOL FACILITIES AT QUEETS, WASH.

The bill (S. 1534) to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $10,000 for the purpose of cooperating with the public-school board of district no. 20, Jefferson County, Wash., for the construction, extension, and betterment of a public-school building at Queets, Wash.: *Provided*, That the expenditure of any money so appropriated shall be subject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children of the village of Queets and Jefferson County, Wash., on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

FIVE CIVILIZED TRIBES IN OKLAHOMA

The bill (S. 2148) to provide for the leasing of restricted Indian lands of Indians of the Five Civilized Tribes in Oklahoma was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That from and after 30 days from the date of approval of this act the restricted lands belonging to Indians of the Five Civilized Tribes in Oklahoma of one-half or more Indian blood, enrolled or unenrolled, may be leased for periods of not to exceed 5 years for farming and grazing purposes, under such rules and regulations as the Secretary of the Interior may prescribe and not otherwise. Such leases shall be made by the owner or owners of such lands, if adults, subject to approval by the superintendent or other official in charge of the Five Civilized Tribes Agency, and by such superintendent or other official in charge of said agency in cases of minors and of Indians who are non compos mentis.

OSAGE INDIAN DRUG AND LIQUOR ADDICTS

The bill (S. 2214) conferring jurisdiction on United States district courts over Osage Indian drug and liquor addicts was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That whenever the superintendent of the Osage Tribe of Indians shall become satisfied that any person of Osage Indian blood is an habitual drunkard, or an habitual user of narcotics, then it shall be the duty of such superintendent to file a complaint in the United States district court in the district in which such Osage Indian may reside, charging said Indian with being an habitual drunkard from the use of intoxicating liquors, or an habitual user of narcotics; and if the court, after at least 5 days' notice to the person so complained against, shall find that such Indian is an habitual drunkard from the use of intoxicating liquors or an habitual user of narcotics, it shall order that such Indian be committed to some Government institution designated by the court where treatment is given for habitual drunkards, or habitual users of narcotics; and said court shall order and direct that such Indian remain in such institution until the proper authorities thereof shall be of the opinion that he or she is sufficiently recovered from the use of alcoholic liquors, or narcotics, to be able to refrain from the use of such intoxicating liquors or narcotics. Jurisdiction is hereby conferred upon the district courts of the United States to hear and determine such cases, and the judgment of such courts thereon shall be final. The court shall hear and determine said actions without a jury. It shall be the duty of the United States district attorney in the district where such cases are filed to prosecute the same.

SEC. 2. Any person who shall sell, trade to, or dispose of any intoxicating liquors or narcotic drugs to any Osage Indian who has been committed as provided in section 1 above shall be guilty of a felony, and upon conviction thereof shall be punished by imprisonment in the United States penitentiary for a term of not less than 1 year nor more than 5 years, and shall pay a fine of not less than $100 nor more than $500, and such person shall not be eligible to a parole unless said fine is paid, and then only under such rules and regulations as are provided by the Department of Justice of the United States.

OSAGE INDIANS OF OKLAHOMA

The Senate proceeded to consider the bill (S. 2482) relating to the tribal and individual affairs of the Osage Indians of Oklahoma.

Mr. ROBINSON. Mr. President, this appears to be a rather important bill. What are the purpose and effect of it?

Mr. THOMAS of Oklahoma. Mr. President, this bill was drawn by the Bureau of Indian Affairs after consultation and agreement with the tribal council of the Osage Indian Tribe. The main point in the bill relates to the payment to the Indians of the income on their oil leases. At the present time they are restricted to their income from such leases. This bill provides that if an Indian has as much as $10,000 surplus funds on deposit with the Bureau of Indian Affairs, and if his income is less than $1,000 a quarter, the Bureau of Indian Affairs is authorized to take from his surplus an amount sufficient to make up $1,000 per quarter and pay it to the Indian.

That is the most important provision of the bill. The remainder of the bill simply provides for a little change in their business affairs. The bill was drawn, as I stated, to conform to the wishes of the Osage Indian Tribe, and has the recommendation of the Bureau of Indian Affairs.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter the Secretary of the Interior shall cause to be paid to each adult member of the Osage Tribe of Indians not having a certificate of competency or his or her pro rata share, either as a member of the tribe or heir or devisee of a deceased member, of the interest on trust funds, the bonus received from the sale of oil or gas leases, and the royalties therefrom received during each fiscal quarter, not to exceed $1,000 per quarter, and if such adult member has a legal guardian, his current income not to exceed $1,000 per quarter may be paid to such legal guardian in the discretion of the Secretary of the Interior: *Provided*, That when an adult restricted Indian has surplus funds in excess of $10,000 there shall be paid such Indian sufficient funds from his accumulated surplus in addition to his current income to aggregate $1,000 quarterly; and in event any adult restricted Indian has surplus funds of $10,000 or less, such Indian shall receive quarterly only his current income not to exceed $1,000 per quarter: *And provided further*, That upon application and consent of any restricted Osage Indian the Secretary of the Interior may cause payment to be made of additional funds from the accumulated surplus to the credit of any Osage Indian under such rules and regulations as he may prescribe. Whenever minor members of the Osage Tribe of Indians have funds or property subject to the control or supervision of the Secretary of the Interior, the said Secretary may in his discretion pay or cause to be paid to the parents, legal guardian, or any person, school, or institution having actual custody of such minors, such amounts out of the income or

funds of the said minors as he deems necessary, and when such a minor is 18 years of age or over the Secretary of the Interior may, in his discretion, cause disbursement of funds for support and maintenance or other specific purposes to be made direct to such minor. The payments above provided shall be subject to such control and supervision as the Secretary of the Interior shall deem proper. Rentals due such adult members from their lands and their minor children's lands and all income from such adults' investments, including interest on deposits to their credit, shall be paid to them in addition to their current allowances above provided.

SEC. 2. That that part of section 1 of an act of Congress of February 27, 1925 (43 Stat. L. 1008), providing that—

"The Secretary of the Interior shall invest the remainder, after paying the taxes of such members, in United States bonds, Oklahoma State bonds, real estate, first-mortgage real-estate loans not to exceed 50 percent of the appraised value of such real estate, and where the member is a resident of Oklahoma, such investment shall be in loans on Oklahoma real estate, stock in Oklahoma building and loan associations, livestock, or deposit the same in banks in Oklahoma, or expend the same for the benefit of such member, such expenditures, investments, and deposits to be made under such restrictions, rules, and regulations as he may prescribe: *Provided*, That the Secretary of the Interior shall not make any investment for an adult member without first securing the approval of such member of such investment."

be, and hereby is, amended to read as follows:

"Hereafter the Secretary of the Interior in his official capacity may invest the accumulated funds to the credit of restricted members of the Osage Tribe, after paying taxes of such members, in United States bonds or other bonds guaranteed by the United States Government as to principal and interest. With the consent of adult Indians the Secretary of the Interior may purchase real estate and livestock, such expenditures and investments to be made under such rules and regulations as the Secretary may prescribe."

SEC. 3. That part of section 17 of the act of May 25, 1918 (40 Stat. L. 561–579), which provides for the change of designation of homestead allotments of Osage Indians to an equal area of their unencumbered surplus is hereby amended to read as follows: "That any and all members of the Osage Tribe may change the present designation of their respective homesteads to an equal area of their unencumbered surplus lands in Osage County, upon application to and under such rules and regulations as the Secretary of the Interior may prescribe; and the members of the tribe whose balances at the Osage Indian Agency are insufficient for the payment of taxes on taxable lands may in the same manner change the present designation of their respective homesteads to an equal area of the unencumbered inherited, purchased, or otherwise acquired lands in Osage County: *Provided*, That each tract after the change and designation shall take the status of the other as it existed prior to the change in designation, as to alienation, taxation, or otherwise, and that any order of change of designation shall be recorded in the proper office of Osage County."

SEC. 4. That section 3 of the act of March 2, 1929 (45 Stat. L. 1478) is hereby repealed.

SEC. 5. That no administrator or executor of an estate of an Osage Indian of half or more Indian blood or who does not have a certificate of competency at date of death, shall be appointed except on the written application or approval of the Secretary of the Interior.

SEC. 6. That section 5 of an act of Congress of March 3, 1921 (41 Stat. L. 1249), is hereby amended to read as follows:

"That the State of Oklahoma is authorized from and after the passage of this act to levy and collect a gross production tax upon all oil and gas produced in Osage County, Okla., and all taxes so collected shall be paid and distributed, and in lieu of all other State and county taxes levied upon the production of oil and gas as provided by the laws of Oklahoma, the Secretary of the Interior is hereby authorized and directed to pay, through the proper offices of the Osage Agency, to the State of Oklahoma, from the amount received by the Osage Tribe of Indians as royalties from production of oil and gas, the percent levied as gross production tax, to be distributed as provided by the laws of Oklahoma."

CONSOLIDATED HIGH SCHOOL, SHANNON COUNTY, S. DAK.

The bill (S. 1537) to provide funds for cooperation with the school board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $125,000 for the purpose of cooperating with the public-school board of Shannon County, S. Dak., for the construction and equipment of a consolidated public high-school building at Pine Ridge, S. Dak.: *Provided*, That such school shall be conducted for both white and Indian children without discrimination, and that practical training for vocations and home economics be provided, and that the cost of education of white children shall be defrayed by the State and local public-school authorities, in accordance with such agreement or agreements as may be made between the Secretary of the Interior and State or local officials, and any and all sums of money obtained by reason of such agreement or agreements shall be available for reexpenditure for support and maintenance of said school.

BILL PASSED OVER

The bill (S. 2265) extending the benefits of the Emergency Officers Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War, was announced as next in order.

Mr. GEORGE. Mr. President, on behalf of the senior Senator from Utah [Mr. KING], I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

LAND IN SOUTH CAROLINA

The bill (S. 1610) authorizing the Secretary of the Navy to accept on behalf of the United States a certain strip of land from the State of South Carolina was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act authorizing the Secretary of the Navy to accept on behalf of the United States title in fee simple to a certain strip of land and the construction of a bridge across Archers Creek in South Carolina", approved February 14, 1927, is amended to read as follows:

"That the Secretary of the Navy is hereby authorized to accept on behalf of the United States, free from encumbrances and without cost to the United States, for military purposes, the title to the following-described parcel of land, to be used for a road from Jericho Point to the Marine Corps Reservation on Parris Island, S. C.: Starting at a point on the north bank of Archers Creek, north 64°29′ west, 6,563 feet from monument no. 31 at the marine barracks, Parris Island, S. C., thence north 13°40′ west, 4,605 feet to a point at the mean high-water line near Jericho Point; thence north, 87°39′ east, 204 feet to a point also at the mean high-water line near Jericho Point; thence south, 13°40′ east, 4,565 feet to a point on the north bank of Archers Creek; thence south 76°20′ west, 200 feet to the point of beginning: *Provided, however*, That the acceptance of such tract of land by the Secretary is made upon the express condition and limitation that such tract shall be used only for military purposes, and when it shall cease to be actually used for military purposes the title and right of possession shall immediately revert to the State of South Carolina without notice, demand, or action brought."

PUERTO RICAN HURRICANE RELIEF COMMISSION

The joint resolution (S. J. Res. 88) to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Puerto Rican Hurricane Relief Commission, created by joint resolution entitled "Joint resolution for the relief of Porto Rica", approved December 21, 1928, is hereby abolished and all of the functions of the said Commission, together with its employees, records, supplies, equipment, and property of every kind, and unexpended balances of appropriations are hereby transferred to the Division of Territories and Island Possessions, Department of the Interior, to be administered under the supervision of the Secretary of the Interior: *Provided*, That personnel now temporarily assigned to the Puerto Rican Hurricane Relief Commission from the War Department and from the Department of Agriculture shall, without in any way affecting their permanent status in such Departments, continue to serve in their present capacity, but under supervision of the Secretary of the Interior, until June 30, 1935, unless sooner relieved by the Secretary of the Interior, and that the length of such service shall not be continued beyond June 30, 1935, except by special agreement between the Secretary of the Interior and the heads of the other Departments concerned.

REGULATION OF INTERSTATE TRAFFIC BY MOTOR CARRIERS

The PRESIDENT pro tempore. The calendar having been completed, the Chair, under the unanimous-consent agreement heretofore entered into, lays before the Senate, Senate bill 1629.

The Senate proceeded to consider the bill (S. 1629) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes, which had been reported from the Committee on Interstate Commerce, with amendments.

Mr. WHEELER obtained the floor.

Mr. ROBINSON. Mr. President, this is a very important bill. I understand the Senator from Montana [Mr.

WHEELER] expects now to explain its provisions. I ask if he will yield in order that I may suggest the absence of a quorum.

Mr. WHEELER. I yield for that purpose.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Johnson	Reynolds
Ashurst	Copeland	Keyes	Robinson
Austin	Costigan	King	Russell
Bachman	Couzens	La Follette	Schall
Bailey	Cutting	Lewis	Shipstead
Bankhead	Dickinson	Logan	Smith
Barbour	Donahey	Lonergan	Steiwer
Barkley	Duffy	McCarran	Thomas, Okla.
Bilbo	Fletcher	McGill	Thomas, Utah
Black	Frazier	McNary	Townsend
Borah	George	Metcalf	Trammell
Bulkley	Gerry	Minton	Truman
Bulow	Gibson	Moore	Tydings
Burke	Glass	Murphy	Vandenberg
Byrd	Gore	Murray	Van Nuys
Byrnes	Guffey	Neely	Wagner
Capper	Hale	Norris	Wheeler
Caraway	Harrison	O'Mahoney	White
Carey	Hastings	Pittman	
Clark	Hatch	Pope	
Connally	Hayden	Radcliffe	

The PRESIDING OFFICER (Mr. MOORE in the Chair). Eighty-one Senators having answered to their names, a quorum is present.

Mr. WHEELER. Mr. President, in taking up the consideration of Senate bill 1629, for the regulation of trucks and busses, I wish to state that I introduced the bill at the request of the Interstate Commerce Commission or, more particularly, at the request of the coordinator (Mr. Eastman). The bill came before the Interstate Commerce Committee of the Senate, where hearings were held on it for something like 2 weeks, and everyone who had a desire to be heard was heard. Meetings were held every morning, and sometimes in the afternoon.

This bill, in one form or another, has been before the Congress of the United States for 6 or 8 years. On one occasion a bill to regulate busses and trucks passed the House of Representatives, came over to the Senate, and was reported by the Committee on Interstate Commerce, with provisions confining its operations to busses. As I recall, it was directed to be sent back to the Committee on Interstate Commerce by the Senate, for the reason that it did not include provisions for the regulation of trucks. It has been before the Interstate Commerce Committee for elaborate hearings on several occasions.

This particular bill, introduced by me and reported by the Committee on Interstate Commerce with amendments, has the endorsement of the American Trucking Associations, Inc.; it has the endorsement of many of the shippers; it has the endorsement of the Interstate Commerce Commission; and, in most particulars, it has the endorsement of practically all the State commissions throughout the country. I make that statement, however, with the reservation that in one or two minor details they have suggested that amendments be made, but, generally speaking, the truck industry and all the bus industry of the United States have endorsed the provisions of the bill.

It provides for the regulation by the Interstate Commerce Commission of common carriers by motor vehicle, contract carriers by motor vehicle, brokers, and private carriers of property by motor vehicle insofar as qualifications, maximum hours of service of employees, and safety of operation and equipment are concerned. This provision, however, is only operative after investigation by the Interstate Commerce Commission and if the need is found for such regulation.

Wholly exempted from the bill are school busses solely transporting children and teachers to or from schools, and likewise exempted from the bill are taxicabs, hotel busses, busses in national parks and national monuments, and trolley busses. Furthermore, an exemption is made, unless the Interstate Commerce Commission finds that the law cannot be made to work without its inclusion to some extent, of the transportation of property locally or between contiguous municipalities or commercial zones, as between New York City and New Jersey, and also, for instance, as between Washington and Alexandria, and other contiguous cities where the transportation is regulated by the local governments themselves.

Transportation of passengers in similar localities or zones, provided the several States having jurisdiction regulate the operation, is also exempted and also casual or occasional or reciprocal transportation. In other words, we have exempted from the provisions of this bill the casual or the occasional person who engages in transportation for others, such as the farmer who may take his neighbors' products to market from their farms.

Common carriers must obtain certificates of public convenience and necessity; but all those operating in 1934 are blanketed in under what is known as the "grandfather clause."

All others operating when the act becomes effective can, if they file applications within 120 days, operate until ordered to stop.

Contract carriers must obtain a permit to do a contract business, but all operating in 1934 are blanketed in under the so-called "grandfather clause", and all others operating when the law takes effect have 120 days in which to apply and may continue until ordered to stop by the Interstate Commerce Commission.

All brokers must obtain licenses, but those in business when the act becomes effective have 120 days in which to apply and may continue until ordered to cease.

I am going now to analyze the principal provisions of the bill. The bill amends the Interstate Commerce Act and is designated as part II thereof. A companion bill, which is known as "Senate bill 1632", providing for the regulation of water carriers in domestic and foreign commerce, was originally designated as part II, but owing to the fact that the pending bill was reached first in the executive sessions of the committee, it has been renumbered part II, and all section numbers correspondingly changed.

I might say for the benefit of the Senate that the Interstate Commerce Committee also held hearings on Senate bill 1632, known as the "water carriers' bill", but that bill has not yet been reported out of the committee. I may say, however, that I am hopeful that we may secure action upon that bill before the session shall close.

Section 202 of the pending bill has to do with the declaration of policy and the delegation of jurisdiction.

Subsection (a) contains a comprehensive declaration of policy. As amended, it makes clear that the policy of the Congress is to deal fairly and impartially with transportation by motor carriers and to preserve the natural advantages of such transportation.

There was a fear upon the part of some of the bus and truck operators at first that if they were brought under the Interstate Commerce Commission they would not be dealt fairly with, and that their rates would be raised so as to make it possible for the railroads to get the business now carried on by them, but we specifically wrote into the bill, in the declaration of policy provision, and at other places throughout the bill, that the peculiar features of transportation by truck and by bus should be taken into consideration at all times by the Interstate Commerce Commission, and we put such a provision in the declaration of policy.

The exercise of authority by the Commission under certain sections of the bill is directly related to the declaration of policy and the added provisions with respect to discrimination, preference, and unfair or destructive competitive practices lay a stronger and more definite basis for administrative action.

Paragraph (b), page 3, describes the application of the bill and invests jurisdiction in the Interstate Commerce Commission. The committee amendments broaden the statement to include the operations of brokers, which are regulated by later provisions of the bill, and of persons who

as lessors of vehicles or otherwise may engage in transportation as common or contract carriers.

Paragraph (c), page 3, expresses a general policy of noninterference with regulation by the States, except to the extent that such regulation causes undue or unreasonable disadvantage or prejudice to persons or localities in interstate commerce.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Florida?

Mr. WHEELER. Certainly.

Mr. FLETCHER. If the Senator will allow me to interrupt him, I desire to say that I am not clear in my own mind as to the distinction between common carriers and contract carriers. Will the Senator explain the difference?

Mr. WHEELER. A common carrier is one that is engaged in the transportation of goods or passengers for the benefit of the general public. A contract carrier is one who goes out and takes a special job for a special group of individuals or for a particular individual. The regulation relating to common carriers is quite different from the regulation relating to contract carriers. In other words, there is more regulation of common carriers than there is of contract carriers. I shall come to that a little later.

Paragraphs (14) and (15), page 6: The term "common carrier by motor vehicle" includes both regular and irregular route operators and embraces the motor-vehicle operations of rail, water, express, and forwarding companies, except to the extent that these operations are subject to the provisions of part I. To the definitions of both common and contract carriers the committee added language intended to check evasion of the act by bringing within its terms such transportation operations as are performed through the leasing of motor vehicles or other similar arrangements which may constitute either common or contract carriage, according to the particular nature of the arrangements. The language inserted will enable the Commission to strike through such evasions where the facts warrant it.

The bill was drafted originally by Coordinator Eastman and approved by the Interstate Commerce Commission, which transmitted it to Congress. When it came to the committee and after the hearings, the committee took up the bill and spent every morning on it for perhaps a week and went over it in conjunction with Coordinator Eastman, and amended it and liberalized it as we felt it should be.

Paragraph 16, page 7: Attention is called to the fact that the term "motor carrier" includes common carriers and contract carriers and does not include private carriers.

Paragraph 17, page 7: The definition of "private carrier of property by motor vehicle" is transferred by the Committee from a later section and applies to persons transporting their own goods in their own vehicles for commercial purposes. The only regulation to which such carriers are subjected is that with respect to the maximum hours of service and qualifications of employees and the safety of operation and equipment—section 204 (a) (3). Such regulation is conditioned upon a finding, after investigation, of need therefor.

The reason why we put that regulation in the bill was because of the fact that in some instances, as was testified before the committee, private carriers, contract carriers, and common carriers frequently have their employees driving trucks and busses on the road for long periods of time without any effective regulation of any kind whatsoever. It seemed to us that there is really much more cause for regulating the hours of service of the truck drivers, contract, private, and otherwise, and the drivers of these great busses, than there is as a matter of fact for regulating the hours of labor on the railroads themselves. This is for the reason that when an engineer is on a railroad he has a track upon which his train runs; but a truck driver or bus driver is on the open highway, and if he should fall asleep he is not only endangering the lives of himself and his passengers, but likewise the lives of the general public.

Paragraph 18, page 7: The term "broker" was not defined in the original bill. The definition supplied is intended to cover the varied forms which brokerage operations now take. Without provision for the regulation of such operations, the act would be seriously defective.

By "brokers" we mean those persons who are engaged, for instance, in some city in going out and collecting business, and then letting the work out to various carriers, whether contract carriers or common carriers. The experience which the Michigan Commission has had, as disclosed by the testimony before the committee, has been such as to lead the Coordinator to believe that the brokers would have to be regulated and should be regulated because of the fact that otherwise they would completely break down the rate structure and everything else in the carriage of either freight or passengers.

One letter came to us stating that the brokers would solicit the business; that a common carrier or contract carrier by motor truck would come for the business and be told there was no business; that they would wait until the last minute before leaving to go home, and then would be told, "We have some business, but we cannot give it to you except at the very lowest possible rate." In that way they would beat him down in his price. The only person who would get the benefit of it would be the so-called "scalper" or broker and not the shipper.

Paragraph (19), page 7: The definition of "services" and "transportation" is intended to cover all facilities owned and used by motor carriers. The changes made by the committee remove any possibility of a construction which would include the facilities of shippers or others which the motor carriers may use for pickup or delivery of shipments.

Subsection (b): This paragraph wholly exempts from regulation, first, motor vehicles used solely in transporting school children and teachers to or from school; second, taxicabs; third, hotel busses; fourth, vehicles operated by or under the control of the Secretary of the Interior; and fifth, trolley busses.

Provision is also made that regulation shall not apply to what may be termed "intramunicipal" or "occasional" operations "unless and to the extent that the Commission shall from time to time find that such application is necessary to carry out the policy of Congress enunciated in section 202." The first of these two conditional exemptions concerns the transportation of passengers or property in interstate or foreign commerce within a municipality or between contiguous municipalities or within a zone adjacent to and commercially a part of any such municipality or municipalities, except when such transportation is part of a continuous carriage or shipment to or from a point without such local area. The committee has added an outright exemption of the operations of carriers of passengers in such local areas where such carriers are also lawfully engaged in the intrastate transportation of passengers over the entire length of their interstate route or routes in accordance with the laws of each State having jurisdiction.

At the present time some are regulated by each State. For instance, as between New York and Jersey City, if they are regulated by the State of New York and by the State of New Jersey, then they are exempt from the provisions of the bill. But if there is no regulation of their operations in either State, then the commission would have the right to regulate them.

The purpose of this exemption is to avoid duplication of regulation over bus operations, such as those conducted by street railways. However, the commission is authorized to take jurisdiction, where necessary, over busses operated within a municipality or between contiguous municipalities by motor carriers in interstate service and not so regulated by the States. The absence of such regulation has in some instances created chaotic conditions beyond the control of any State or municipal body. The second conditional exemption provided in the original bill applied to the "casual or occasional transportation of passengers or property in interstate or foreign commerce for compensation by any per-

son not regularly engaged in transportation by motor vehicle as his or its principal occupation or business." This provision was intended to exempt the operations of farmers and others who occasionally haul for hire, but who do not enter in any important way into for-hire transportation. The addition of the word "reciprocal" and the other change made in this paragraph broaden the exemption in line with suggestions made at the hearings.

Some of the shippers who came before us and some of the smaller individuals thought that the language should be broadened; and in order to cover that we used the word "reciprocal", which they had suggested.

I now come to section 204, page 10, dealing with the general duties and powers of the commission.

Mr. ROBINSON. Mr. President, before the Senator proceeds to that portion of the bill, I should like to call his attention to the definition of the word "highway", at the bottom of page 5. The definition is limited as follows:

The term "highway" means the roads, highways, streets, and ways in any State.

Does not this bill apply to the District of Columbia or to the Territories?

Mr. WHEELER. Above, on the same page, in (8), the Senator will notice it is provided that—

The term "State" means any of the several States and the District of Columbia.

Mr. ROBINSON. That is an odd definition. This is a minor matter; but I doubt the wisdom of writing into a statute the definition of a State as incorporating the District of Columbia or the Territory of Alaska.

The word "State" has a well-defined meaning. It does not mean the District of Columbia. Every lawyer recognizes that distinction. Of course, an arbitrary definition like this can be made to include anything the legislature says it includes. How would it apply, for instance, to Alaska? Does the bill apply to Alaska?

Mr. WHEELER. No; as I understand, the bill does not take in Alaska or the Hawaiian Islands. I may say to the Senator that the War Department stated that they thought the provisions of the bill ought to include Hawaii and Alaska. As a matter of fact, I had thought of suggesting an amendment to include Alaska and Hawaii.

Mr. ROBINSON. I suggest that there is hardly justification for giving words an arbitrary and very exceptional meaning. Why not use the words "any State or the District of Columbia"?

Mr. WHEELER. I have no pride of authorship in this bill——

Mr. ROBINSON. I understand that.

Mr. WHEELER. But I assume the only reason why it was worded in this way was so that it would not be necessary to repeat "District of Columbia" all through the bill. I do not know any other reason for it.

Mr. ROBINSON. I think it would be better to repeat words than to give a term an arbitrary definition which is, to say the least, unusual. To say that the word "State" means "the District of Columbia" is repugnant to reason. I pass the matter over, however. I understand fully the theory upon which the definition is based.

Mr. WHEELER. Very well.

Section 204, page 10. General duties and powers of the Commission:

This section confers on the Commission general powers to establish reasonable requirements with respect to service, accounts, records, reports, hours of service of employees, safety of operation, and so forth, of motor carriers, and authorizes the Commission to conduct any necessary investigations, to make orders, rules, and regulations, and to entertain complaints. The provisions requiring special mention are as follows:

Paragraph (a) (1), (2), (3)—the committee amended paragraphs (1) and (2) to confer power on the Commission to establish reasonable requirements with respect to the qualifications and maximum hours of service of employees of common and contract carriers, thus restoring provisions that were in the Rayburn bill, introduced in the Seventy-third Congress. This suggestion came to us, I think, from the chairman of the legislative committee of the Interstate Commerce Commission. Suggestions were made to us by some of the labor organizations that we ought to put in the bill at this time provisions specifically limiting the hours of labor; but by reason of the fact that the Commission felt that they would like first to make a study of the matter, and then come back and report to Congress, or be given permission to establish these requirements later, we left it as the Commission suggested, giving them power to make the investigation, and, if and when they found it necessary, to put in effect such rules and regulations as they might deem necessary.

In order to make the highways more safe, and so that common and contract carriers may not be unduly prejudiced in their competition with peddler trucks and other private operators of motor trucks, a provision was added in subparagraph 3 giving the Commission authority to establish similar requirements with respect to the qualifications and hours of service of the employees of such operators. The exercise of this power with respect to the three classes of carriers is intended to be contingent upon the results of the comprehensive investigation of the need for regulation of this kind provided for in section 225. There is considerable demand for the provision of specific hours of service in the bill itself. Owing to the great variety of motor carriers' services and of conditions under which they are conducted, it appeared to the committee to be unwise to go so far at this time. The investigation referred to will permit the Commission not only to develop whether there is need for regulation, but also to establish requirements which are adapted to the special conditions surrounding the different types and conditions of operation. The original bill conferred upon the Commission power to regulate the safety of operation and equipment of common and contract carriers, and in paragraph (3) of this section like authority has been conferred respecting the safety of operation and equipment of private carriers.

Paragraph (5), page 11, authorizes the Commission to avail itself of the cooperation of any research agency of the Federal Government in conducting investigations relating to the safety of operation and equipment of motor vehicles.

(c), page 12. This paragraph is of great importance. It enables the Commission to classify carriers performing special and distinct types of service, such as the hauling of milk, livestock, furniture, petroleum products, newspapers, and so forth, and to vary the regulatory requirements as to rates, records, reports, and other matters in accordance with the nature of the service and the public need. These provisions will promote flexible administration and enable the Commission to avoid imposing unnecessary burdens. It is to the interest of carriers, shippers, and the public that this paragraph be retained.

I think that is an exceedingly important paragraph, because of the fact that the Commission may find, for instance, that persons who are engaged simply in hauling furniture need one kind of regulations or rules that may be prescribed. Another classification may be those who are engaged in hauling oil or gasoline, and a certain type of regulations may be necessary for them. This paragraph gives to the Commission the power to handle those matters.

(d), page 12. This paragraph, which provides for entertaining complaints made by any person, State board, or body politic, or for investigation on the Commission's own initiative, has been amended by the committee to give the Commission power to dismiss complaints which do not state reasonable grounds for investigation and action on its part. This addition will check the filing of complaints where the purpose is solely that of harassing or crippling motor carriers.

It was urged that some of the railroads might come in and file objections and try to harass the motor carriers. This provision was put in so that where there was not a valid reason stated the commission of its own motion might

dismiss the complaint, if one person was merely seeking to harass another.

The same provision appears in section 318 of the original bill, but referred only to complaints against contract carriers. By adding the provision to paragraph (c) of this section, the power of dismissal is given general application to any complaints.

Section 205, page 14. Administration:

A basic principle of the bill is that the regulatory bodies of the several States shall share in its administration because of their intimate knowledge of local conditions, their more direct contacts with the carriers subject to regulation, and the relation of such regulation to the use of the State's highways. To that end provision is made for the primary consideration of all important matters by joint boards composed of the representatives of the States wholly or chiefly concerned.

There was some objection to this on the part of some shippers, who felt that the Interstate Commerce Commission should not cooperate in any way with the State commissions; but Coordinator Eastman and the members of the Commission themselves felt that they should cooperate with the local commissions, because practically every State at the present time has local commissions regulating busses and trucks, and they have accumulated much valuable information, and the Interstate Commerce Commission felt that by cooperating with them, and using these various bodies whenever they could, they could straighten out a great many of the details. The complaint which was made against this provision came to a large extent from one or two persons who complained that the present local commissions were dominated by the railroads, and said they did not feel that the local commissions should in any way have anything to say about interstate regulation.

However, let me point this out, that wherever these bodies make recommendations, their recommendations go into effect unless someone objects, or unless the Commission itself refuses to adopt them. That is the practice where not more than three States are involved. Where more than three States are involved, then the Commission sends its own men out to hold the investigation. But it is the judgment of Coordinator Eastman, and I think of the Commission, that, as a matter of fact, if they can get the various State commissions together for joint meetings on these matters, it will have a salutary effect upon the whole situation, and that the States will not feel that the Government is simply trying to usurp all the authorities of the State governments.

The bill contemplates submission of such matters to joint boards where the motor-carrier operation involves not more than three States and the optional use of the joint-board procedure where a greater number is involved. In order, however, to provide against unforeseen contingencies, the bill provides, in section 205 (c), that if legal proceedings should prevent reference to a joint board, the Commission may dispose of such matters as provided elsewhere in section 205.

The proposed plan of administration through such joint boards is criticized by various shippers' representatives as cumbersome and ineffective. It is urged that the States lack adequate facilities, and that it would be difficult to coordinate the action of so many joint boards, composed of a shifting personnel with a local rather than a national outlook. The joint board procedure is not essential in the regulation of motor carriers of passengers, but it most certainly is desirable and should be tried out in the case of truck operations. The work of the Commission can thereby be greatly facilitated and a wholesome tendency toward greater uniformity of State regulation will result.

I might say that I think all of the State commissions desire to have this provision in the bill, and it was upon their suggestion that the provision was included.

The fear that the boards will develop inconsistent policies appears to be unfounded, in that decisions made by them are subject to review by the Commission. One of the criticisms was that three States like Wisconsin, Minnesota, and some other State might get together and set up one policy, while three other States might set up a different one. But all of these things are subject to review by the Commission, and the Commission feels that they will all be coordinated into one uniform system.

Mr. GERRY. May I ask the Senator why the number of States was fixed at three?

Mr. WHEELER. It mentions three States. There could be 2 States or 3 States, according to my understanding of the bill, but if it exceeds 3 States, then the Commission sends out its own representatives, because it is felt that if there are more than 3 States it would be difficult, perhaps, to get them together.

It has been urged also that the constitutions of some States prohibit such cooperation with the Federal Government. If such limitations exist, they are confined to a few States, and in those instances the joint board procedure need not be followed.

Subparagraph (b), page 15, was amended by the committee to remove the approval of insurance policies, surety bonds, and so forth, from among the specific subjects of reference to the joint boards. The bill as it was introduced, as suggested by the Coordinator and the Commission, provided that the joint board should approve all insurance policies, and so forth. The committee struck that out and left it entirely up to the Commission to regulate that matter, because both the shippers and the truck people wanted that provision amended as the committee amended it. This change was made because ordinarily such matters are of a routine nature and can be handled more expeditiously by the Commission. If any necessity for reference of such matters to joint boards arise, such action may be taken under the provisions of this paragraph.

In subparagraph (c), the change in lines 19 to 21, page 17, is made to make it clear that the Commission shall prescribe rules for all joint board proceedings and not solely for joint boards created by it where the States fail to take the necessary steps.

Page 22, section 206: Application for certificate of public convenience and necessity.

Page 25, section 207: Issuance of certificate.

Page 26, section 208: Terms and conditions of certificate.

These sections require each common carrier of passengers or property to secure a certificate of public convenience and necessity. Such certificates are to be issued on a finding by the Commission that—

> The applicant is fit, willing, and able properly to perform the service proposed and to conform to the provisions of this part and the requirements, rules, and regulations of the Commission thereunder, and that the proposed service, to the extent to be authorized by the certificate, is or will be required by the present or future public convenience and necessity.

This is a provision which is in practically every State law at the present time. There was some objection to it, and a suggestion was made that we should not use the word "future" in connection with "public convenience and necessity", and that we should not use the words "public convenience and necessity." But those words have been adopted by almost every State in the Union where there is a law, they have been interpreted by the courts, and the committee felt that while perhaps some other language might have been just as appropriate, nevertheless, that language having been construed by the courts, it would be unwise for the committee to write some other language in the law which would have to be passed upon by the courts.

All persons furnishing a common-carrier service in 1934 are given certificates as a matter of right on a showing of bona fide operation and submission of an application within 120 days after this section takes effect. Originally the bill required application within 60 days, but a longer period seems appropriate from the viewpoint of both the Commission and the operators. The committee has added a provision that "if such carrier was registered in 1934 under any code of fair competition requiring registration, the fact of registration shall be evidence of bona fide operation to be considered in connection with the issuance of such certificate." This addition was made to facilitate the process of initial registration under the "grandfather clause."

In lines 6 and 8, page 23, the words "continuously" and "continuous" have been omitted in view of the objection that operators who have temporarily ceased operations for reasons beyond their control may be deprived of the benefits of the grandfather clause. For a similar reason the words "in either instance" have been added in lines 9 and 10 of page 23. Where a common carrier is engaged in interstate transportation but conducts his operations solely within a State and holds a certificate from that State, he is not required to apply for a Federal certificate but is otherwise subject to Federal regulation.

The omission in lines 11 and 12, page 24, is made merely to get rid of an unnecessary restriction. In order to protect operators who began business subsequent to the close of 1934 the committee has added a provision in section 206 (b) which permits such operators to continue their operations for a period of 120 days without a certificate and if they apply for a certificate within that period they may continue to operate until a contrary order is made. This is for the purpose of giving anybody who started, for instance, in the year 1935 a period of 120 days in which to file his application, and then until such time as his application was passed on he could continue to operate.

Section 208 (a), page 26, as amended, permits the Commission to attach to all certificates, whether granted under the grandfather clause or otherwise, reasonable terms, conditions, and limitations. In order to meet criticisms that the effect of these provisions would be to check the natural growth of operations if every increase in facilities required authorization by the Commission, the committee has amended section 208 (a) by striking out lines 14 to 16, page 26, and by adding a proviso which permits operators to add to their equipment and facilities as business conditions may require, provided they do not go beyond the route or routes or outside the territory specified in their certificate. There was objection to the provision as it came in by a great many, so the committee amended it to meet the objection.

Paragraph 208 (d), page 27, has been changed to permit bus lines to transport baggage of passengers in separate vehicles, a practice which is sometimes necessary, particularly in connection with charter operations. The Commission is authorized, but not required, to permit bus operators to carry in the same vehicle passengers, newspapers, baggage, express, or mail.

Section 209: Permits for contract carriers by motor vehicle.

Permits are to be issued to contract carriers under substantially the same conditions as certificates are issued to common carriers, except that the granting of a permit, not covered by the grandfather clause, is not made conditional on a showing of public convenience and necessity. In other words, contract carriers in their applications do not have to make a showing of public convenience and necessity.

Applicants are required to show, among other things, however, that the proposed operation, to the extent authorized by the permit, will be consistent with the public interest and the policy declared in section 202 (a). This section has been changed in lines 19–22, page 27, to make clear that the bill applies to the business of contract carriers and not merely to particular operations under the individual contracts.

Section 210, page 30. Dual operation: This section prohibits any person from holding at the same time a common carrier certificate and contract carrier permit, unless for good cause shown the Commission finds that both may be held consistently with the public interest and with the policy declared in section 202 (a). There are instances in which both types of operation can advantageously be conducted by the same operator and without prejudice to the public interest, but the possibility of abuses developing makes it advisable to give the Commission the power to pass on all cases in which it is proposed to combine the two types of operation.

Section 211, page 31. Brokerage license: This section is intended to give the Commission necessary authority to cope with the conditions which have been created by the rise of so-called "brokerage operations." These operations are of many different types. Some are beneficial and others are conducted in a manner which has seriously demoralized the trucking business and to a lesser extent the transportation of passengers. The unreliable broker, acting as an intermediary between shipper or traveler and carrier, frequently resorts to unfair practices which exploit both the carriers employed by the brokers and the shipping or traveling public and employees of the carriers. It is believed that many of the evils of long hours, unsafe operation, and low earnings of motor carriers are attributable to this type of broker.

Paragraph (a) has been amended by the committee to make the regulations proposed more effective. This section requires the broker to obtain a license and makes it unlawful for him to employ any motor carrier that is not the lawful holder of an effective certificate or permit and authorizes the Commission to impose reasonable regulations with respect to accounts, records, and reports. The broker is also required to furnish a bond or other security approved by the Commission for purpose of insuring his financial responsibility and the carrying out of the agreements to provide transportation which he enters into.

Paragraph (b), page 32, sets up conditions for the issuance of brokerage licenses similar to those mentioned above as applying in the granting of contract carrier permits. There is no "grandfather clause" covering brokers who were in operation in 1934, but provision is made for the continuance of operations if application is made within 120 days after this section becomes effective and until the Commission makes an order requiring cessation of operations.

Section 212, page 34. Suspension, change, revocation, and transfer of certificates, permits, and licenses: This section permits the transfer of certificates and permits, subject to such rules and regulations as the Commission may prescribe. The terms of such certificates, permits, and licenses may be modified upon application of the holder, upon complaint, or on the Commission's initiative, and the certificate, permit, or license may be revoked, in whole or in part, for willful failure to comply with any provision of this part or with any lawful order, rule, or regulation of the Commission made thereunder.

The committee amended that so that if they made this willful failure it could only be revoked after a reasonable time was given to them and they were notified to that effect. There has been a suggestion made to me that it probably should be amended to give them at least a 3-month period in which they could comply with the order. As a matter of fact, I have no particular objection to that suggestion. Neither has the Commission any objection, in my judgment. However, the Commission feels that it is imperative that they do have the right to revoke, because it said that the experience of the State commissions has been that revocation is one of the most effective ways of getting compliance with the law and with the rules and regulations.

Criticism was directed against the power of revocation thus conferred upon the Commission. It was suggested that the effect is to put the future of countless operators wholly in the hands of the Commission, which might act arbitrarily, and that the penalties elsewhere provided are ample to secure compliance. As I just stated, practically all State laws contain similar provisions, and they have been found the most effective means of enforcing regulations. The revocation provisions in the State statutes have not operated to hamper the growth of the motor-vehicle industry. However, it is fair that operators should have warning and an opportunity to comply before any revocation occurs. The committee has therefore amended paragraph (a) to provide that the Commission shall issue an order commanding obedience to any provision of this part or to any rule or regulation of the Commission thereunder which is alleged to be violated, and that revocation shall occur only where there is failure to comply with such an order within a reasonable time.

Section 213, page 35. Consolidation, merger, and acquisition of control: At present most truck operations are small enterprises. However, there are many rumors of plans for the

merging of existing operations into sizeable systems. In view of past experience with railroad and public-utility unifications, it is regarded as necessary that the Commission have control over such developments, where the number of vehicles involved is sufficient to make the matter one of more than local importance. This section, therefore, confers on the Commission jurisdiction over all consolidations, mergers, purchases, leases, operating agreements, and acquisitions of control through stock ownership where two or more motor carriers are involved or where a person other than a motor carrier undertakes to acquire control through stock ownership of two or more motor carriers, and prohibits all other forms of unification. An amendment made by the committee makes this jurisdiction applicable, except in the case of rail, express, or water carrier affiliations, only where the total number of vehicles involved is more than 20 (subpar. (e), p. 39).

In other words, we eliminated from this provision such a case, for example, as that of two small operators who might want to get together, and we made it apply only to cases where they had more than 20 vehicles, so that the small operators could get together without the necessity of going through a great deal of red tape with the Commission.

The language of paragraph (a) has been simplified without change in the intent of the original bill, except for a broadening of its scope with respect to contract carriers and operations effected by the substitution of the term "persons" for the term "corporation", as in line 11, page 36.

Carriers by rail, express, or water are permitted to consolidate or merge with motor carriers or to obtain control in any of the ways indicated above, but only on a showing that "the transaction proposed will promote the public interest and enable such a carrier other than a motor carrier to use service by motor vehicle to public advantage in its operations and will not unduly restrain competition." With this limitation, it will be possible for the Commission to allow acquisitions which will make for coordinated or more economical service and at the same time to protect the public against the monopolization of highway carriage by rail, express, or other interests.

Subparagraph (f), page 40, relieves any carrier or person receiving authorization from the Commission under this section from the operation of the antitrust laws.

Section 214, page 40. Issuance of securities: Common and contract carriers, and corporations authorized to acquire control of any such carrier, are made subject to the provisions of paragraphs (2) to (11), inclusive, of section 20 (a) of the Interstate Commerce Act, where the par value of securities to be issued, together with that of the securities outstanding, does not exceed $500,000. In the original bill it was proposed to repeal the provisions of the Securities Act, 1933, insofar as that act related to such security issues. The amendment adopted by the committee accomplishes the same intent without repeal by amending section 3 of the securities act so as to exempt securities of motor carriers herein subjected to regulation.

Section 215, page 41. Security for the protection of the public: This section confers power on the Commission to prescribe reasonable rules and regulations governing the approval of bonds, insurance policies, and other surety needed for the protection of the public and the patrons of motor carriers. The changes made by the committee are intended to guard against unreasonable or unworkable requirements. They give the operators the option of self-insurance or of providing policies of insurance in lieu of bonds.

Section 216, page 42. Rates, fares, and charges of common carriers by motor vehicle: This section requires common carriers by motor vehicle to establish and maintain rates, fares, regulations, and practices which are just and reasonable and free from undue discrimination, preference, or prejudice. It authorizes the Commission, on complaint or after investigation on its own initiative, to prescribe just and reasonable maximum or minimum rates, or maximum and minimum rates, and the classification, rules, regulations, or practices thereafter to be observed.

Paragraph (a), as amended by the committee, is confined to common carriers of passengers by motor vehicle. They are required to establish reasonable through routes with other such common carriers and to establish just and reasonable rates and equitable divisions thereof. In the original bill there was a provision for mandatory through routes and joint rates between all motor common carriers and carriers by rail, express, and water. There was substantially unanimous disapproval of this provision.

However, in my judgment, it should have been done; and I think the Congress should have been asked to do it, but many of the small operators were afraid that if this were done it would give preference to the railroads, and therefore they were afraid to ask it. Hence paragraphs (b) and (c) have been introduced by the committee in order to make joint through routes and rates permissive between motor carriers of property and between motor carriers of passengers or property and other agencies of transportation. The Commission is, however, given authority to pass on the reasonableness of any joint rates so established and to adjust the divisions thereof.

Paragraph (g), page 47, gives the Commission authority upon complaint or upon its own initiative to suspend proposed changes in rates, fares, or regulations for an initial period of not to exceed 90 days, and, if necessary, in order to complete the Commission's investigation, for a further period of not to exceed 90 days. Representatives of certain shippers vigorously oppose the power of suspension on the ground that it will seriously cripple the motor carriers and enable the railroads to harrass the small operator. However, the truck operators themselves are anxious to have the protection which the suspension provision will give them against destructive competition within their own ranks. They also realize that if the power of suspension is here eliminated the railroads will, with some justice, seek to be relieved from the power of suspension when reducing rates to meet motor carrier or other competition. The suspension power here conferred is similar to that given in the present Interstate Commerce Act, except that in the latter act the suspension period is 9 months.

It has been suggested that we should not give the power to the Commission to suspend rates. The railroads have also asked, with reference to themselves, that the Commission should not have the power to suspend truck-competitive rates. If in this bill we do not give the Commission the power to suspend motor-carrier rates, it will only be a question of time until the railroads themselves will be coming in and asking the committee and the Congress to remove the power to suspend railroad rates, and if this power is removed we will have cutthroat competition among the railroads; and we will have it among the busses and trucks if we do not give the Commission the power to suspend their rates. However, the Commission has seldom exercised that power in respect to rate reductions.

It was suggested that the Commission should only suspend rate reductions if the rates were below the cost of service; but the Commission recently pointed out that it is almost impossible to find the cost, because the cost of service depends upon so many different elements. It depends upon the amount of traffic the particular truck operators have, and upon so many different elements that it is almost impossible to ascertain them.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. WHEELER. Certainly.

Mr. ROBINSON. Does the bill define the purposes for which the Commission may suspend rates?

Mr. WHEELER. Yes; and it is very specific as to the reasons. The provision relating to that, found on page 47, reads as follows:

(g) Whenever there shall be filed with the Commission any schedule stating a new individual or joint rate, fare, charge, or classification for the transportation of passengers or property by a common carrier or carriers by motor vehicle, or by any such carrier or carriers in conjunction with a common carrier or carriers by railroad and/or express, and/or water in interstate or foreign commerce, or any

rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, the Commission is hereby authorized and empowered upon complaint of any interested party or upon its own initiative at once and, if it so orders, without answer or other formal pleading by the interested carrier or carriers, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate—

And so forth.

In the meantime the Commission may suspend the rate pending such hearing. If it does suspend the rate, of course, the rate the carrier has been charging will continue during that period of time. It only suspends the lower rate or the higher rate pending hearing and decision, and the carrier will still go on getting its published rate.

Paragraph (d), on page 44, prohibits unjust discrimination or undue prejudice or disadvantage. The committee has added a provision that this prohibition shall not be construed to apply to the traffic of any other carrier of whatever description.

In other words, some of the truck and bus operators were afraid that the railroads would come in and complain, and we added this provision so as doubly to protect the truck and bus operators.

This provision is added to meet the objection of certain interests that the original paragraph might have been construed so as to make it unlawful for a motor carrier to charge a rate which would place a rail carrier or any other carrier at a disadvantage. This contention is not well founded in our judgment inasmuch as the provisions of this paragraph are substantially the same as those in section 3 (1) of the Interstate Commerce Act, which has been in effect since 1887, and have always been interpreted as covering unequal and unjust treatment by a carrier of its patrons. However, as I said, to make assurance double sure, this provision was added.

Paragraph (i), page 49, sets forth certain elements to be considered by the Commission in the fixing of rates. The wording of this paragraph follows that of the amended section 15 (a) of the Interstate Commerce Act, except that, as an additional protection to the motor carriers, it directs the Commission to give due consideration to the inherent advantages of motor transportation. The intent is to require the Commission to fix truck rates on a basis that, so far as possible, reflects the costs and advantages of the motor service.

Section 217, on page 50, relates to tariffs of common carriers by motor vehicle. This section requires the common carriers by motor vehicle to file and adhere to tariffs which show all rates, fares, and charges for transportation and all services in connection therewith. These tariffs are to be published, filed, and posted in such form and manner as the Commission may prescribe, and the Commission is given full discretion to adjust its requirements to motor-carrier conditions. No change may be made in any tariff except after 30 days' notice, but the Commission may, in its discretion and for good cause shown, allow such change upon less notice, as it often does in the case of the railroads. It may modify the requirements with respect to posting and filing of tariffs either in the particular instance or by general order applicable to special circumstances or conditions.

Complaint has been made that the 30-day period was too long, inasmuch as some bus operators might want to reduce their rates very quickly in order to meet a certain competitive condition. The provision, however, gives the Commission the power, on a proper showing, even by telegraph, to allow the change to be made in less time. The Commission tell me that under proper conditions they could do it overnight, if the Commission, in their wisdom, thought it was necessary to be done.

As I see it, practically all the criticisms that have been made against the bill have been made on the theory that the Commission was not going to carry out the policies laid down by the measure. There has been a fear upon the part of some people—in my judgment, an unfounded fear—if the administration of this bill were turned over to the Interstate Commerce Commission, that Commission might regulate bus and truck transportation in the interest of the railroads and not in the interest of the general public, and that it might not give bus and truck operators a fair deal. It is fair to say to the Senate that the American Trucking Associations, Inc., and likewise the water carriers of the country, have insisted that the Commission should be reorganized and that a bill should be passed reorganizing the Commission if the truck bill and the water-carrier bill should pass, so as to set up in the Interstate Commerce Commission a special division for the handling of each particular kind of transportation. Coordinator Eastman has made recommendation to that effect, and I wish to say to the Senate that I have promised both the water carriers, if their water-carrier bill shall pass, and likewise the bus and truck interests, that I would try to have passed a bill in accordance with the recommendations of Coordinator Eastman.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. VANDENBERG. Unless something of that sort shall be done, is the Interstate Commerce Commission equipped at the present time to administer the provisions of this bill?

Mr. WHEELER. They could handle it, but they would have to set up within the Commission some kind of organization. It really ought to be a separate division of the Interstate Commerce Commission; I do not think there can be any doubt about that.

Mr. VANDENBERG. This bill provides a pretty substantial administrative addition to their responsibilities, does it not?

Mr. WHEELER. It does.

Mr. ROBINSON. It is necessary, or at least desirable, to have the function of regulating these agencies vested in the same body that regulates the other carriers.

Mr. WHEELER. Yes.

Mr. ROBINSON. Otherwise we might have one policy in force as to a certain class of carriers and an entirely different and conflicting policy in force as to this particular class of carriers.

Mr. WHEELER. Exactly.

Mr. ROBINSON. The whole purpose is to coordinate the effort to regulate and supervise so as to give fair opportunity to each and every class of carriers?

Mr. WHEELER. Yes. I might say that I talked this morning with Mr. Farley, who is connected with the water carriers, and was formerly on the Shipping Board and who is now I think receiver for some line of carriers or is engaged in some work of that kind. He said to me—and I do not think I am divulging any secret—he was extremely anxious that the bill to regulate water carriers by the Interstate Commerce Commission should be passed, with a provision for a separate division to handle that subject matter, because he said his experience on the Shipping Board convinced him that administrative duties and regulatory functions should not be in the same organization. He said it was inconsistent and impractical and that he himself and many of the shippers were extremely anxious that all the carriers should come under one body, and, as the Senator from Arkansas has pointed out, if we do not have them under one body we will have one commission pulling this way and another commission pulling the other way, and, in my judgment, there will be a chaotic condition.

Section 218, page 52, relates to schedules of contract carriers by motor vehicle.

Contract carriers are required to file with the Commission, publish and keep open for public inspection, in the form and manner prescribed by the Commission rate schedules, or, in the discretion of the Commission, copies of contracts containing the minimum charges of such carriers. Here also 30 days' notice of changes is required, unless the Commission permits changes on less notice. The Commission is authorized in paragraph (a), line 29, page 53, to grant relief from the provisions of this paragraph. This section is so worded as to permit of suitable flexibility and relief of operators from any requirements which may be unduly burdensome and not productive of any good result.

Paragraph (b), page 54, authorizes the Commission to fix the minimum charges and to prescribe the rules, regulations, or practices of contract carriers in order that they may not give any advantage or preference to any such carrier in competition with any common carrier by motor vehicle subject to this part, which the Commission may find to be undue or inconsistent with the public interest and the policy declared in said section (202 (a)). Exercise of this minimum-rate power is essential if present chaotic conditions in the field of motor transportation are to be corrected. The truck operators themselves want this section for their own protection. In their code they tried a cost formula as a basis for fixing minimum rates, and realize the necessity for a provision which will afford reasonable protection from rate cutting.

The committee has added an amendment in lines 21 to 25, page 54, for the purpose of giving greater assurance to the truck operators that, in the making of such minimum rates, the Commission shall consider the costs incurred by contract carriers and the effect of such charges upon the movement of traffic by such carriers and its possible diversion to private operators or other agencies of transportation. The suspension provisions of this section are the same as those which apply in the case of common carriers and the need for them is the same.

Section 219. Receipts or bills of lading: This section makes applicable to common carriers of freight the provisions of section 20 (11) of the Interstate Commerce Act. These provisions require the issuance of bills of lading, prohibit limitations of liability for loss and damage, and authorize the institution of suits against the initial carrier for loss or damage incurred on the lines of a connecting carrier.

Section 220, page 56. Accounts, records and reports: This section gives the Commission authority to require such reports and to prescribe such records as are required for the successful administration of the act. Section 203 (c) permits the Commission to adjust its requirements to the ability of the operators to comply with them. It is realized that somewhat simple accounting and report requirements will be necessary in the case of the small operator.

Section 221, page 58. Orders, notices, and service of process: This section requires each motor carrier and broker to file with the Commission and with the board of each State the name and post-office address of a person upon whom service of notices or orders may be made, and provides that orders of the Commission shall take effect within such reasonable time as the Commission may prescribe, and continue in force either for a specified period or until the Commission's further order.

Section 222, page 60. Unlawful operation: This section provides penalties, in the way of fines only, for violations of the act or the orders of the Commission, and authorizes the issuance of injunctions or other judicial process to enforce obedience.

Paragraph (c), page 61, prohibits rebates or other concessions or attempts to evade regulation by means of fictitious bills of lading, leases, or other devices.

Section 223. Collection of rates and charges: Gives the Commission the right to make rules and regulations for settlement of freight charges.

Section 224. Identification of interstate carriers: This section authorizes the Commission to require motor carriers operating under Federal certificates or permits to display suitable identification plate or plates, the cost of which is to be borne by the carriers. The substitution, transfer, or unlawful use of any such plate or plates is prohibited.

Section 225. Investigation of motor vehicle sizes, weights, etc.: This investigation is required in order to establish the need for Federal regulation of the sizes and weights of motor vehicles and of the qualifications and maximum hours of service of employees of all motor carriers and private carriers of property by motor vehicle. It will, if need is found for such regulation, serve to lay the basis for types of regulation which are adapted to the special and varied conditions surrounding the operations of such motor vehicles. The definition of a private carrier has been eliminated at this point and inserted in section 203 (a) as subparagraph (17).

Section 226. Separability of provisions: No discussion of this section is necessary.

Section 227. Time effective: In view of the difficulties which the Commission and the carriers will encounter in instituting the initial regulation, the Commission is authorized to stay the effective date of any of the several provisions of this act, but not beyond the 1st day of January 1936.

This practically concludes the discussion of the various sections. I have discussed all that are of importance. I appreciate the bill is not perfect, but the committee worked hard on it and we were practically unanimous in reporting it out. No minority report was filed. There was very little dissension over any of the provisions. We tried to modify it as much as possible to take away any fear that might exist in the minds of some that the motor busses and trucks were going to be regulated in the interest of the railroads. I think such fears were absolutely unfounded, although it was apparent that certain propaganda had been carried on for the purpose of stirring up that belief among groups of certain individuals in the United States.

This concludes my statement on the bill. I am ready to proceed if it is desired to continue its consideration.

Mr. McNARY. Mr. President, may I suggest to the Senator in charge of the bill that so much work is before the committees and before the Senate itself that many Senators necessarily otherwise engaged and absent at this time will want to read the very able discussion made this afternoon by the Senator from Montana. I think, in view of this fact, it might well be the part of wisdom to let the bill go over until another day, although we might consider committee amendments to the bill which are formal in their nature.

Mr. ROBINSON. Mr. President, the Senator from Montana, in a comparatively brief address, has presented what appears to me to be a very clear and impressive analysis of the provisions of the bill. It is gratifying to have that done touching a measure which is of so great importance. I do not know whether there is grave opposition to the measure. There is no disposition to press for quick action, but it seems to me if there are Senators who have studied the subject, and who care to express their views, we ought now to have the advantage of those expressions. In other words, we are expected now to recess until tomorrow, when, for good reasons, there will be a short session, a very short session unless my plans miscarry. [Laughter.]

I wish we might proceed this afternoon. I was informed by one Senator that he desires to address the Senate on the bill this afternoon, but he happens to be absent at the moment. Let us proceed with consideration of committee amendments. Let us get something done.

Mr. McNARY. Mr. President, I have no quarrel with that program. I think I made it clear a moment ago that I do not want final action taken now. I do not speak of any one in particular. I do not know whether there is opposition to the bill. I am willing to proceed with committee amendments at this time. When it comes to individual amendments and final passage of the bill I shall ask that it go over until another day.

Mr. ROBINSON. I shall make no objection if, at the proper time, the Senator states he thinks the bill should go over until another day. However, I think we might proceed with and complete the consideration of committee amendments this afternoon.

Has the Senator from Montana requested that the bill be read for amendment and that committee amendments be first considered?

Mr. WHEELER. I now submit that request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Adams	Coolidge	Johnson	Reynolds
Ashurst	Copeland	Keyes	Robinson
Austin	Costigan	King	Russell
Bachman	Couzens	La Follette	Schall
Bailey	Cutting	Lewis	Shipstead
Bankhead	Dickinson	Logan	Smith
Barbour	Donahey	Lonergan	Steiwer
Barkley	Duffy	McCarran	Thomas, Okla.
Bilbo	Fletcher	McGill	Thomas, Utah
Black	Frazier	McNary	Townsend
Borah	George	Metcalf	Trammell
Bulkley	Gerry	Minton	Truman
Bulow	Gibson	Moore	Tydings
Burke	Glass	Murphy	Vandenberg
Byrd	Gore	Murray	Van Nuys
Byrnes	Guffey	Neely	Wagner
Capper	Hale	Norris	Wheeler
Caraway	Harrison	O'Mahoney	White
Carey	Hastings	Pittman	
Clark	Hatch	Pope	
Connally	Hayden	Radcliffe	

The PRESIDING OFFICER. Eighty-one Senators having responded to their names, a quorum is present. The clerk will read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Interstate Commerce was, on page 1, line 4, after the words "referred to as 'part I'", to insert "is hereby amended by inserting at the beginning thereof the caption 'part I' and by substituting for the words 'this act' wherever they occur the words 'this part', but such part I may continue to be cited as the 'Interstate Commerce Act', and said Interstate Commerce Act", and on page 2, line 3, after the word "part", to strike out "III" and insert "(I)", so as to read:

Be it enacted, etc., That the Interstate Commerce Act, as amended, herein referred to as "part I", is hereby amended by inserting at the beginning thereof the caption "part I" and by substituting for the words "this act" wherever they occur the words "this part", but such part I may continue to be cited as the "Interstate Commerce Act" and said Interstate Commerce Act is hereby further amended by adding the following part (II).

The amendment was agreed to.

The next amendment was, on page 2, line 4, after the word "part" in the heading, to strike out "III" and insert "(II)", so as to make the heading read:

Part (II).

The amendment was agreed to.

The next amendment was, under the subhead "Declaration of policy and delegation of jurisdiction", on page 2, line 9, after "Sec.", to strike out "302" and insert "202"; in line 10, after the word "to", to strike out "promote, encourage," and insert "supervise"; in line 12, after the word "to", to strike out "develop" and insert "recognize"; in the same line, after the word "and", to strike out "maintain" and insert "preserve the inherent advantages of, and foster"; in line 14, after the word "carriers", to insert "in the public interest"; in line 15, before the word "adequate", to strike out "provide" and insert "promote"; in the same line, after the word "efficient", to strike out "transportation"; in line 16, after the word "carriers", to insert a comma and the words "and reasonable charges therefor, without unjust discriminations, undue preferences or advantages, and unfair or destructive competitive practices"; in line 19, after the word "between", to strike out "such carriers"; in the same line, after the word "and", to strike out "other agencies of transportation;"; in line 20, after the word "by", to insert "regulation of,"; in line 21, after the word "and" where it occurs the first time, to strike out "such"; in the same line, after the word "other", to strike out "agencies and the regulation thereof; foster" and insert "carriers; develop"; in line 22, after the word "preserve", to strike out "in the public interest"; in the same line, before the word "transportation", to insert "highway"; in line 25, before the word "cooperate", to strike out "to"; and on page 3, line 1, after the word "thereof", to insert "and with any organization of motor carriers"; so as to read:

PART (II)

SECTION 201. This part may be cited as the "Motor Carrier Act, 1935."

DECLARATION OF POLICY AND DELEGATION OF JURISDICTION

SEC. 202. (a) It is hereby declared to be the policy of Congress to supervise and regulate transportation by motor carriers in such manner as to recognize and preserve the inherent advantages of, and foster sound economic conditions in, such transportation and among such carriers in the public interest; promote adequate, economical, and efficient service by motor carriers, and reasonable charges therefor, without unjust discriminations, undue preferences or advantages, and unfair or destructive competitive practices; improve the relations between, and coordinate transportation by and regulation of, motor carriers and other carriers; develop and preserve a highway transportation system properly adapted to the needs of the commerce of the United States and of the national defense; and cooperate with the several States and the duly authorized officials thereof and with any organization of motor carriers in the administration and enforcement of this part.

The amendment was agreed to.

The next amendment was, on page 3, line 5, after the word "carriers", to strike out "engaged in interstate or foreign commerce" and insert "and to the procurement of and the provision of facilities for such transportation"; and in line 8, after the word "such", to strike out "commerce" and insert "transportation, and of the procurement thereof, and the provision of facilities therefor", so as to read:

(b) The provisions of this part apply to the transportation of passengers or property by motor carriers and to the procurement of and the provision of facilities for such transportation, and the regulation of such transportation, and of the procurement thereof, and the provision of facilities therefor, is hereby vested in the Interstate Commerce Commission.

The amendment was agreed to.

The next amendment was, on page 3, line 15, after the word "any", to strike out "State. It is not intended hereby" and insert "State, or"; in line 16, before the word "exercise", to strike out "exclusive"; in line 18, after the word "thereof" and the comma, to strike out "and notwithstanding this part, the intrastate operations of motor carriers on the highways of a State shall continue to be subject to the laws of the State regulating such intrastate commerce: *Provided, however*, That this shall not be construed to prevent the Commission from exercising its authority to protect" and insert "except where and only to the extent that such regulation causes undue or unreasonable disadvantage or prejudice to"; in line 25, after the word "persons", to strike out "and" and insert "or"; and on page 4, line 1, after the word "commerce", to strike out "against undue or unreasonable disadvantage or prejudice caused by any rate, fare, charge, classification, regulation, or practice of motor carriers made or imposed by authority of any State", so as to read:

(c) Nothing in this part shall be construed to affect the powers of taxation of the several States or to authorize a motor carrier to do an intrastate business on the highways of any State, or to interfere with the exercise by each State of the power of regulation of intrastate commerce by motor carriers on the highways thereof, except where and only to the extent that such regulation causes undue or unreasonable disadvantage or prejudice to persons or localities in interstate commerce.

Mr. DUFFY. Mr. President, I have been consulted by representatives of the Association of Railroad and Utilities Commissioners who object to the entire subsection (c) in the form in which it is reported by the committee, and I intend to offer an amendment as a substitute. I desire to suggest to the Senator in charge of the bill that possibly it would be better to go ahead with the other committee amendments that are not objected to, and then take up the amendment I wish to offer.

Mr. ROBINSON. Where is the point at which the Senator from Wisconsin proposes to offer an amendment?

Mr. DUFFY. Starting on line 12, page 3, section (c), I propose to offer a substitute for the entire paragraph, which has been considerably changed by the committee amendments, to a very large degree restoring the wording as it originally appeared in the bill.

Mr. ROBINSON. Would it suit the convenience of the Senator from Montana to pass over those amendments?

Mr. WHEELER. As I understand, the Senator from Wisconsin wishes to strike out the whole paragraph.

Mr. DUFFY. And insert a substitute.

Mr. WHEELER. Let us go ahead and amend the bill as proposed by the committee, and the Senator may afterward offer his substitute.

Mr. DUFFY. I merely make the suggestion so that I may not be precluded from doing that.

Mr. WHEELER. The Senator will not be precluded.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, under the subhead "Definitions", on page 4, line 6, to change the section number from "303" to "203", and in line 9, after the word "association", to insert a semicolon and the words "and includes any trustee, receiver, assignee, or personal representative thereof", so as to read:

DEFINITIONS

SEC. 203. (a) As used in this part—

(1) The term 'person' means any individual, firm, copartnership, corporation, company, association, or joint-stock association; and includes any trustee, receiver, assignee, or personal representative thereof.

The amendment was agreed to.

The next amendment was, on page 4, line 15, after the word "this", to strike out "act" and insert "part", and in line 18, after the word "regulate", to insert "the business of", so as to read:

(2) The term "board" or "State board" means the commission, board, or official (by whatever name designated in the laws of a State) which, under the laws of any State in which any part of the service in interstate or foreign commerce regulated by this part is performed, has or may hereafter have jurisdiction to grant or approve certificates of public convenience and necessity or permits to motor carriers, or otherwise to regulate the business of transportation by motor vehicles, in intrastate commerce over the highways of such State.

The amendment was agreed to.

The next amendment was, on page 4, line 24, after the word "section", to strike out "305" and insert "205", so as to read:

(4) The term "joint board" means any special board constituted as provided in section 205 of this part.

The amendment was agreed to.

The next amendment was, on page 5, line 6, before the word "broker", to strike out "motor transportation agent or", so as to read:

(7) The term "license" means a license issued under this part to a broker.

The amendment was agreed to.

The next amendment was, on page 5, after line 8, to insert:

(9) The term "express company" means any common carrier by express subject to the provisions of part I.

The amendment was agreed to.

The next amendment was, on page 5, line 11, to change the paragraph number from "(9)" to "(10)", and in line 13, after the word "between", to strike out "points" and insert "places", so as to read:

(10) The term "interstate commerce" means commerce between any place in a State and any place in another State or between places in the same State through another State, whether such commerce moves wholly by motor vehicle or partly by motor vehicle and partly by rail, express, or water.

The amendment was agreed to.

The next amendment was, on page 5, line 17, to change the paragraph number from "(10)" to "(11)", and in line 19, after the word "between", to strike out "points" and insert "places", so as to read:

(11) The term "foreign commerce" means commerce between any place in the United States and any place in a foreign country, or between places in the United States through any foreign country, whether such commerce moves wholly by motor vehicle or partly by motor vehicle and partly by rail, express, or water.

The amendment was agreed to.

The next amendment was, on page 5, line 23, to change the paragraph number from "(11)" to "(12)."

The amendment was agreed to.

The next amendment was, on page 6, line 1, to change the paragraph number from "(12)" to "(13)"; in line 3, after the word "by", to strike out "any" and insert "mechanical"; in the same line, after the word "power", to strike out "other than muscular power"; in line 4, after the word "highways", to strike out "for" and insert "in the"; in line 5, before the words "or property", to strike out "passenger" and insert "passengers"; and in line 6, before the word "vehicle", to strike out "motorcycle, or any"; so as to read:

(13) The term "motor vehicle" means any vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used upon the highways in the transportation of passengers or property, but does not include any vehicle, locomotive, or car operated exclusively on a rail or rails.

The amendment was agreed to.

The next amendment was, on page 6, line 8, to change the paragraph number from "(13)" to "(14)"; in line 9, after the word "undertakes", to insert "whether directly or by a lease or any other arrangement"; and in line 11, after the word "classes" to strike out "thereof" and insert "of property", so as to read:

(14) The term "common carrier by motor vehicle" means any person who or which undertakes, whether directly or by a lease or any other arrangement, to transport passengers or property, or any class or classes of property, for the general public in interstate or foreign commerce by motor vehicle for compensation, whether over regular or irregular routes, including such motor-vehicle operations of carriers by rail or water, and of express or fowarding companies, except to the extent that these operations are subject to the provisions of part I.

The amendment was agreed to.

The next amendment was, on page 6, line 18, to change the paragraph number from "(14)" to "(15)"; in line 20 to strike out "(13)" and insert "(14)"; and in line 21, after the word "agreements", to insert "and whether directly or by a lease or any other arrangement"; so as to read:

(15) The term "contract carrier by motor vehicle" means any person, not included under paragraph (14) of this section, who or which, under special and individual contracts or agreements, and whether directly or by a lease or any other arrangement, transports passengers or property in interstate or foreign commerce by motor vehicle for compensation.

The amendment was agreed to.

The next amendment was, on page 7, line 1, to change the paragraph number from "(15)" to "(16)."

The amendment was agreed to.

The next amendment was, on page 7, after line 3, to insert:

(17) The term "private carrier of property by motor vehicle" means any person not included in the terms "common carrier by motor vehicle" or "contract carrier by motor vehicle", who or which transports in interstate or foreign commerce by motor vehicle property of which such person is the owner, lessee, or bailee, when such transportation is for the purpose of sale, lease, rent, or bailment, or in furtherance of any commercial enterprise.

The amendment was agreed to.

The next amendment was, on page 7, after line 11, to insert:

(18) The term "broker" means any person not included in the term "motor carrier" and not a bona fide employee or agent of any such carrier, who or which, as principal or agent, sells or offers for sale any transportation subject to this part, or negotiates for, or holds himself or itself out by solicitation, advertisement, or otherwise as one who sells, provides, furnishes, contracts, or arranges for such transportation.

The amendment was agreed to.

The next amendment was, on page 7, line 20, to change the paragraph number from "(16)" to "(19)"; in line 21, after the word "include", to strike out "also" and insert "all"; in line 24, after the word "property", to strike out "including terminal facilities and property" and insert "operated or controlled by any such carrier or carriers and"; on page 8, line 2, after the word "the", to strike out "carriage, receipt, delivery, storage, refrigeration or icing, transfer, and handling" and insert "transportation"; in line 4, after the word "of", to insert "passengers or"; in the same line, after the word "property", to strike out "so transported, and all services" and insert "in interstate or

foreign commerce or in the performance of any service"; and in line 6, after the word "therewith", to strike out "affecting the value of the transportation", so as to read:

(19) The "services" and "transportation" to which this part applies include all vehicles operated by, for, or in the interest of any motor carrier, irrespective of ownership or of contract, express or implied, together with all facilities and property, operated or controlled by any such carrier or carriers and used in the transportation of passengers or property in interstate or foreign commerce or in the performance of any service in connection therewith.

The amendment was agreed to.

The next amendment was, on page 8, line 8, to change the paragraph number from "(17)" to "(20)."

The amendment was agreed to.

The next amendment was, on page 8, line 10, to change the paragraph number from "(18)" to "(21)."

The amendment was agreed to.

The next amendment was, on page 9, line 6, after the word "section", to strike out "302" and insert "202"; in line 7, after the word "of", to strike out "persons" and insert "passengers"; in line 14, after the word "zone", to insert: "and provided that the motor carrier engaged in such transportation of passengers over regular or irregular route or routes in interstate commerce is also lawfully engaged in the intrastate transportation of passengers over the entire length of such interstate route or routes in accordance with the laws of each State having jurisdiction"; in line 20, after the word "casual", to strike out "or"; in line 21, after the word "occasional", to insert "or reciprocal"; in the same line, after the words "transportation of", to strike out "persons" and insert "passengers"; in line 23, after the word "not", to strike out "regularly"; and in line 24, after the word "as", to strike out "his or its principal" and insert "a regular", so as to read:

(b) Nothing in this part shall be construed to include (1) motor vehicles employed solely in transporting school children and teachers to or from school; or (2) taxicabs, or other motor vehicles performing a bona fide taxicab service, having a capacity of not more than six passengers and not operated on a regular route or between fixed termini; or (3) motor vehicles owned or operated by or on behalf of hotels and used exclusively for the transportation of hotel patrons between hotels and local railroad or other common-carrier stations; or (4) motor vehicles operated, under authorization, regulation, and control of the Secretary of the Interior, principally for the purpose of transporting persons in and about the national parks and national monuments; or (5) trolley busses operated by electric power derived from a fixed overhead wire, furnishing local passenger transportation similar to street-railway service; nor, unless and to the extent that the Commission shall from time to time find that such application is necessary to carry out the policy of Congress enunciated in section 202, shall the provisions of this part apply to: (6) The transportation of passengers or property in interstate or foreign commerce wholly within a municipality or between contiguous municipalities or within a zone adjacent to and commercially a part of any such municipality or municipalities, except when such transportation is under a common control, management, or arrangement for a continuous carriage or shipment to or from a point without such municipality, municipalities, or zone, and provided that the motor carrier engaged in such transportation of passengers over regular or irregular route or routes in interstate commerce is also lawfully engaged in the intrastate transportation of passengers over the entire length of such interstate route or routes in accordance with the laws of each State having jurisdiction; or (7) the casual, occasional, or reciprocal transportation of passengers or property in interstate or foreign commerce for compensation by any person not engaged in transportation by motor vehicle as a regular occupation or business.

The amendment was agreed to.

The next amendment was, under the subhead "General Duties and Powers of the Commission", on page 10, line 2, to change the number of the section from "304" to "204."

The amendment was agreed to.

Mr. COUZENS. Mr. President, the Senate has now reached section 204, on page 10, and we are discussing paragraph 1 of section 204. I wish the Senator in charge of the bill would tell the Senate just what it is contemplated to do by that section.

I recall that during the discussions of the committee there were some differences of opinion with respect to fixing maximum hours of service of employees on motor vehicles, and minimum wages. It appears later on in the bill that the N. R. A. is not to apply after this bill shall become law. It also appears that after I left one of the committee meetings that general policy was changed, and I was not in the committee when the final draft of the bill was arranged. I happened to tell one of the Senators that the bill had provided for maximum hours and minimum wages.

I should like the Senator from Montana, if he will, to explain to the Senate why the committee changed the first undertaking.

Mr. WHEELER. Let me say to the Senator that I do not think the committee ever adopted the suggestion to which he has referred. As the Senator will recall, what happened was that the labor representatives from the Truck Drivers' Association in New York came before the committee and wanted certain definite regulations with reference to maximum hours of service and minimum wages. Then the railroad brotherhoods appeared before the committee and asked for certain regulations with reference to maximum hours of service. I have forgotten the specific provision they wanted. Then a provision was desired giving the truck drivers the right to have collective bargaining. Since the Wagner bill was pending, and would apply to all industries, it was thought perhaps it was not advisable to write such provisions into this bill; and then, in talking with Mr. Eastman about the matter, we accepted the suggestion of Mr. McManamy, who is chairman of the legislative committee of the Interstate Commerce Commission. He suggested the language we have inserted. It seemed to be the view of the Commission that they wanted the power to investigate these conditions, and so, on page 66, the bill provides as follows:

The Commission is hereby authorized to investigate and report on the need for Federal regulation of the sizes and weight of motor vehicles and combinations of motor vehicles and of the qualifications and maximum hours of service of employees of all motor carriers and private carriers of property by motor vehicle; and in such investigation the Commission shall avail itself of the assistance of all departments or bureaus of the Government.

Then we gave them the power, in section 204—

To supervise and regulate common carriers by motor vehicle as provided in this part, and to that end the Commission may establish reasonable requirements with respect to continuous and adequate service, transportation of baggage and express, uniform systems of accounts, records, and reports, preservation of records, qualifications and maximum hours of service of employees, and safety of operation and equipment.

It was felt that the Commission and the committee did not have sufficient information before them to enable them to specify definitely the maximum hours of service. There are regulations in some of the States fixing 12 hours, and in some States 16 hours is fixed as the maximum service, but there does not seem to be in any of the States, so far as we have been able to find, any carrying out of those laws.

I myself thought that the best thing that could be done at this time would be to have the bill passed and then have the Commission to make a study and report its findings back to Congress, because the measure involves many different kinds of carriers, and if we fix at this time hours of service for all kinds of carriers, it will be difficult to enforce them. At least, I did not feel that I had sufficient information upon which I could intelligently say what the hours of service should be or what the pay should be for all sections of the country.

Mr. COUZENS. Mr. President, the Senator recognizes, of course, that section 225 on page 66 merely authorizes an investigation. It does not give any authority or any opportunity to fix maximum hours or minimum wages.

Mr. WHEELER. But on page 10, in section 204, the Commission is given the power to establish reasonable requirements with respect to the qualifications and maximum hours of service of employees, and the safety of operation and equipment.

Mr. COUZENS. But I point out what I said before, when I think perhaps the Senator was out of the Chamber for a moment, that further on in the bill there is a provision for removing these activities from the code authorities, and, in effect, this will make employees of an industry of this kind worse off than any other class of employees, because they now have a minimum wage under the codes, and there is no minimum wage provided in the bill.

Mr. WHEELER. Mr. President, I do not agree with the Senator. As I read the bill, insofar as the code authorities conflict with the provisions of the bill, then the provisions of the bill shall prevail; but the bill certainly would not now repeal the hours of service provided in the code authority.

Mr. COUZENS. I am not talking about the hours of service.

Mr. WHEELER. It has nothing to do with the wages. As a matter of fact, when we pass a railway labor bill, or a bill regulating interstate commerce, we do not and we cannot fix by law, it seems to me, the rates of wages to be paid to employees. We cannot do it with reference to railroad labor, we cannot do it with reference to truck and bus labor, we cannot do it with reference to any other class of labor. All we can do is to say to them that they can fix the maximum hours. We could specify that it was thought to be wise to do that instead of giving the Commission the power to fix the maximum hours, to specify that the limit of hours should be 12, or 10, or 16, or whatever we wanted to make it. But that is as far as we could go, it seems to me, in legislation of this kind. We cannot fix the rate of wages in a bill such as this.

That is the matter which must be handled by contractual arrangement between the truck operators and their employees. We have given the power to the Commission to regulate the hours of service. If it is thought best to do it in the bill, that is all right with me, but the Commission felt they did not have sufficient information at the present time upon which to base that kind of a regulation and to put it into the law at the present time.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. AUSTIN. I should like to ask the Senator from Montana whether it is intended to add anything to the verb "regulate" by inserting in the text, on page 10, the additional verb "to supervise"? He will notice that verbiage in lines 4, 12, and 24. Just what was the purpose of putting into the bill the verb "to supervise"?

Mr. WHEELER. That language is found in all such bills prepared by the Interstate Commerce Commission. It was agreed to by those who themselves were to be regulated, and nobody has objected to it. It was for the purpose of giving the Commission the power to supervise and regulate, just as it says.

Mr. AUSTIN. Then, I understand, there is no intention to increase the power over such power as is given by the verb "to regulate"?

Mr. WHEELER. No.

Mr. AUSTIN. May I ask one further question?

Mr. WHEELER. Certainly.

Mr. AUSTIN. I have said that I have had no opportunity to read the bill through, but in the brief time available I have read page 12, and I admit that I canont understand paragraph (b), lines 1 to 8. What is the meaning of that paragraph?

Mr. WHEELER. It simply means that the code authority will have no effect after the enactment of the bill, where the code authority conflicts with the action taken by the Commission under the law.

Mr. AUSTIN. Would not the Senator wish to have a sentence there, or does he wish to leave it as it is? I do not find a complete sentence there.

Mr. WHEELER. There must be a correction in the language which we have marked to be changed, which correction will straighten it out.

Mr. AUSTIN. Striking out the word "which" in line 6?

Mr. WHEELER. We are going to strike out, in line 6, the word "which" and insert it after the word "effective" in line 7. That was a clerical error.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the committee was, on page 10, line 9, after the word "records", to insert the words "qualifications and maximum hours of service of employees", so as to read:

(1) To supervise and regulate common carriers by motor vehicle as provided in this part, and to that end the Commission may establish reasonable requirements with respect to continuous and adequate service, transportation of baggage and express, uniform systems of accounts, records, and reports, preservation of records, qualifications and maximum hours of service of employees, and safety of operation and equipment.

The amendment was agreed to.

The next amendment was, on line 16, after the word "records", to insert the words "qualifications and maximum hours of service of employees", so as to read:

(2) To supervise and regulate contract carriers by motor vehicle as provided in this part, and to that end the Commission may establish reasonable requirements with respect to uniform systems of accounts, records, and reports, preservation of records, qualifications and maximum hours of service of employees, and safety of operation and equipment.

The amendment was agreed to.

The next amendment was, on page 10, after line 18, to insert a new paragraph, as follows:

(3) To establish for private carriers of property by motor vehicle, if need therefor is found, reasonable requirements with respect to the qualifications and maximum hours of service of employees, and safety of operation and equipment.

The amendment was agreed to.

The next amendment was, on page 10, line 24, to strike out "(3)" and to insert in lieu thereof "(4)"; and on line 24, after the word "regulate", to strike out the words "motor-carrier transportation", so as to read:

(4) To supervise and regulate brokers as provided in this part, and to that end the Commission may establish reasonable requirements with respect to licensing, financial responsibility, accounts, records, reports, operations, and practices of any such person or persons.

The amendment was agreed to.

The next amendment was, on page 11, line 5, to strike out "(4)" and insert in lieu thereof "(5)", and on line 7, after the word "several" to strike out the word "existing", so as to read:

(5) For the purpose of carrying out the provisions pertaining to safety, the Commission may avail itself of the assistance of any of the several research agencies of the Federal Government having special knowledge of any such matter, to conduct such scientific and technical researches, investigations, and tests as may be necessary to promote the safety of operation and equipment of motor vehicles as provided in this part; the Commission may transfer to such agency or agencies such funds as may be necessary and available to make this provision effective.

The amendment was agreed to.

The next amendment was, on page 11, line 15, to change the paragraph number from "(5)" to "(6)."

The amendment was agreed to.

The next amendment was, on page 11, line 19, to change the paragraph number from "(6)" to "(7)."

The amendment was agreed to.

The next amendment was, on page 12, line 1, to insert a new paragraph, as follows:

(b) The provisions of any code of fair competition for any industry embracing motor carriers or for any subdivision thereof approved pursuant to the National Industrial Recovery Act or any present or future act amendatory thereof, or supplementary thereto, or in substitution therefor, which shall have no force or effect after this section becomes effective is in conflict or inconsistent with any action under the provisions of this part.

Mr. WHEELER. Mr. President, I move to amend the committee amendment on page 12, line 6, by striking out the word "which" and inserting the word "which" in line 7 after the word "effective."

The amendment to the amendment was agreed to.

Mr. WHITE. Mr. President, does that clarify the language to the Senator's satisfaction?

Mr. WHEELER. I am just studying it.

Mr. WHITE. I suggest that this amendment go over, because I think that even with the modification now presented by the Senator the language of the section is not clear.

Mr. WHEELER. I ask that the amendment be passed over, and we will work it out.

The PRESIDING OFFICER. The amendment will be passed over. The clerk will state the next amendment reported by the committee.

The next amendment of the committee was, on page 12, line 9, to strike out "(b)" and to insert in lieu thereof "(c)"; on line 10, after the word "classifications", to insert the words "of brokers"; on line 11, after the word "or", to insert the word "of"; on line 14, after the word "carriers", to insert the words "or brokers"; on line 17, after the word "carriers", to insert the words "or brokers", so as to read:

(c) The Commission may from time to time establish such just and reasonable classifications of brokers or of groups of carriers included in the term "common carrier by motor vehicle", or "contract carrier by motor vehicle", as the special nature of the services performed by such carriers or brokers shall require; and such just and reasonable rules, regulations, and requirements, consistent with the provisions of this part, to be observed by the carriers or brokers so classified or grouped, as the Commission deems necessary or desirable in the public interest.

The amendment was agreed to.

The next amendment was, on page 12, line 19, to strike out "(c)" and to insert in lieu thereof "(d)", and on page 13, line 4, after the word "therewith", to insert the words "Whenever the Commission is of opinion that any complaint does not state reasonable grounds for investigation and action on its part, it may dismiss such complaint", so as to read:

(d) Upon complaint in writing to the Commission by any person, State board, organization, or body politic, or upon its own initiative without complaint, the Commission may investigate whether any motor carrier or broker has failed to comply with any provision of this part, or with any requirement established pursuant thereto. If the Commission, after notice and hearing, finds upon any such investigation that the motor carrier or broker has failed to comply with any such provision or requirement, the Commission shall issue an appropriate order to compel the carrier or broker to comply therewith. Whenever the Commission is of opinion that any complaint does not state reasonable grounds for investigation and action on its part, it may dismiss such complaint.

The amendment was agreed to.

The next amendment was, on page 13, line 8, to change the paragraph number from "(d)" to "(e)."

The amendment was agreed to.

The next amendment was, on page 14, line 4, to change the paragraph number from "(e)" to "(f)."

The amendment was agreed to.

The next amendment was, on page 14, line 9, under the heading "Administration", to change the section number from "305" to "205."

The amendment was agreed to.

The next amendment was, under the subhead "Administration" on page 16, line 7, after the word "section" to strike out "304" and insert "204"; and in the same line after the semicolon to insert "and"; in line 9 after the word "brokers" to strike out the semicolon and the words "and the approval of surety bonds, policies of insurance, or other securities or agreements for the protection of the public, required on the issuance of a certificate, permit, or license, application for which is referred to a joint board:", so as to read:

(b) The Commission shall, when operations of motor carriers or brokers conducted or proposed to be conducted involve not more than three States, and the Commission may, in its discretion, when operations of motor carriers or brokers conducted or proposed to be conducted involve more than three States, refer to a joint board for appropriate proceedings thereon, any of the following matters arising in the administration of this part with respect to such operations: Applications for certificates, permits, or licenses; the suspension, change, or revocation of such certificates, permits, or licenses; applications for the approval and authorization of consolidations, mergers, and acquisitions of control or operating contracts; complaints as to violations by motor carriers or brokers of the requirements established under section 204 (a); and complaints as to rates, fares, and charges of motor carriers or the practices of brokers.

The amendment was agreed to.

The next amendment was, on page 17, line 18, after the word "and", to insert "to"; and in the same line, after the word "order", to strike out "thereon under such" and to insert "thereon. The Commission shall prescribe"; and in line 20, after the word "boards", to strike out "as the Commission shall prescribe, or it" and insert "and"; and on page 18, line 1, before the word "operations", to insert "or brokerage", so as to read:

(c) Whenever there arises in the administration of this part any matter that the Commission is required to refer to a joint board, or that the Commission determines, in its discretion, to refer to a joint board, the Commission shall, if no joint board eligible to consider said matter is in existence, create a joint board to consider the matter when referred, and to recommend appropriate order thereon. The Commission shall prescribe rules governing meetings and procedure of joint boards and may, in the event of legal proceedings preventing reference to a joint board, determine the matter as provided in paragraph (a) of this section. Except as hereinafter provided, a joint board shall consist of a member from each State in which the motor carrier or brokerage operations involved are or are proposed to be conducted. The member from any such State shall be nominated by the board of such State from its own membership or otherwise; or if there is no board in such State or if the board of such State fails to make a nomination when requested by the Commission, then the Governor of such State may nominate such member. The Commission is authorized to appoint as a member upon the joint board any such nominee approved by it. If both the board and the Governor of any State shall fail to nominate a joint board member when requested, then the joint board shall be constituted without a member from such State, if members for two or more States shall have been nominated and approved by the Commission. All decisions and recommendations by joint boards shall be by majority vote. If the board of each State from which a member of a joint board is entitled to be appointed shall waive action on any matter referred to such joint board, or if any joint board fails or refuses to act, or is unable to agree upon any matter submitted to it within 45 days after the matter is referred to it or such other period as the Commission may authorize, or if a member shall not be nominated for more than one State (except only when the operations proposed shall be into or through territory foreign to the United States), then such matter shall be decided as in the case of any matter not required to be referred to a joint board. When any proceeding required to be referred to a joint board shall involve operations of a motor carrier conducted or proposed to be conducted into or through territory foreign to the United States, if a single State shall be involved, or if only one State shall make nomination of a joint board member through its Governor or State board, then the Commission, in such case, may receive from that State the nomination of not more than three members and may appoint such nominees to constitute the joint board. Members of joint boards when administering the provisions of this part shall receive such allowances for travel and subsistence expenses as the Commission shall provide. A joint board shall continue in existence for the consideration of matters referred to it by the Commission until such time as its existence may be terminated by the Commission. A substitution of membership upon a joint board from any State may be made at any time by nomination and appointment in the same manner as an original nomination and appointment.

The amendment was agreed to.

The next amendment was, on page 21, line 21, after the words "under part 1", insert a semicolon and the words "*Provided*, That, where the Commission, in respect of any matter arising under this part, shall have issued a negative order solely because of a supposed lack of power, any such party in interest may file a bill of complaint with the appropriate District Court of the United States, convened under the Urgent Deficiency Appropriations Act, October 22, 1913, and such court, if it determines that the Commission has such power, may enforce by writ of mandatory injunction the Commission's taking of jurisdiction", so as to read:

(h) Any final order made under this part shall be subject to the same right of relief in court by any party in interest as is now provided in respect to orders of the Commission made under part I: *Provided*, That, where the Commission, in respect of any matter arising under this part, shall have issued a negative order solely because of a supposed lack of power, any such party in interest may file a bill of complaint with the appropriate District Court of the United States, convened under the Urgent Deficiency Appropriations Act, October 22, 1913, and such court, if it determines that the Commission has such power, may enforce by writ of mandatory injunction the Commission's taking of jurisdiction.

The amendment was agreed to.

The next amendment was, on page 22, line 10, after the words "motor carrier", to insert "or in any carrier by railroad, water, or other form of transportation", so as to read:

(j) No member or examiner of the Commission or member of a joint board shall hold any official relation to, or own any securities of, or be in any manner pecuniarily interested in, any motor carrier or in any carrier by railroad, water, or other form of transportation.

The amendment was agreed to.

The next amendment was, under the subhead "Application for certificate of public convenience and necessity", on page 22, line 20, after the word "Sec.", to strike out "306" and insert "206"; on page 23, line 2, after the word "section", to strike out "310" and insert "210"; in line 6, after the word "operated", to strike out "continuously"; in line 8, after the words "bona fide", to strike out "and continuous"; in line 9, after the word "except", to strike out "in either instance"; in line 16, after the word "within", to strike out "60" and insert "120 days"; in line 17, after the word "this", to strike out "part" and insert "section"; in line 18, after the word "effect", to insert "and if such carrier was registered in 1934 under any code of fair competition requiring registration, the fact of registration shall be evidence of bona fide operation to be considered in connection with the issuance of such certificate"; in line 24, after the word "section", to strike out "307" and insert "207"; on page 24, line 6, after the words "carrier of", to strike out "persons" and insert "passengers"; in line 7, after the word "between", to strike out "points" and insert "places"; and in line 11, after the word "board", to strike out "in any such case the Commission shall have no authority to issue any such certificate", so as to read:

SEC. 206. (a) No common carrier by motor vehicle subject to the provisions of this part shall engage in any interstate or foreign operation on any public highway, or within any reservation under the exclusive jurisdiction of the United States, unless there is in force with respect to such carrier a certificate of public convenience and necessity issued by the Commission authorizing such operations: *Provided, however,* That, subject to section 210, if any such carrier or a predecessor in interest was in bona fide operation as a common carrier by motor vehicle in 1934, over the route or routes or within the territory for which application is made and has so operated since that time, or if engaged in furnishing seasonal service only, was in bona fide operation in 1934, during the season ordinarily covered by its operation, except in either instance as to interruptions of service over which the applicant or its predecessor in interest had no control, the Commission shall issue such certificate without requiring further proof that public convenience and necessity will be served by such operation, and without further proceedings, if application for such certificate is made to the Commission as provided in paragraph (b) of this section and within 120 days after this section shall take effect, and if such carrier was registered in 1934 under any code of fair competition requiring registration, the fact of registration shall be evidence of bona fide operation to be considered in connection with the issuance of such certificate. Otherwise the application for such certificate shall be decided in accordance with the procedure provided for in section 207 (a) of this part and such certificate shall be issued or denied accordingly. Pending the determination of any such application the continuance of such operation shall be lawful: *And provided further,* That this paragraph shall not be so construed as to require any such carrier lawfully engaged in operation solely within any State to obtain from the Commission a certificate authorizing the transportation by such carrier of passengers or property in interstate or foreign commerce between places within such State if there be a board in such State having authority to grant or approve such certificates and if such carrier has obtained such certificate from such board. Such transportation shall, however, be otherwise subject to the jurisdiction of the Commission under this part.

The amendment was agreed to.

Mr. WHEELER. Mr. President, may I recur to subdivision (b) on page 12? In order to straighten out the language there, it should read:

(b) The provisions of any code of fair competition for any industry embracing motor carriers or for any subdivision thereof approved pursuant to the National Industrial Recovery Act or any present or future act amendatory thereof, or supplementary thereto, or in substitution therefor, which is in conflict or inconsistent with any action under the provisions of this part, shall have no force or effect after this section becomes effective.

Mr. WHITE. Mr. President, I think that clarifies the language.

Mr. WHEELER. I ask that the vote by which the amendment on page 12, lines 1 to 8, inclusive, was agreed to, be reconsidered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHEELER. I now move that the amendment I have suggested to the amendment on page 12, subsection (b), be agreed to.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 24, line 19, after the word "require" to insert: "Any person, not included within the provisions of paragraph (a) of this section, who or which is engaged in transportation in interstate or foreign commerce as a common carrier by motor vehicle when this section takes effect may continue such operation for a period of 120 days thereafter without a certificate and, if application for such certificate is made to the Commission within such period, the carrier may, under such regulations as the Commission shall prescribe, continue such operation until otherwise ordered by the Commission"; so as to read:

(b) Application for certificates shall be made in writing to the Commission, be verified under oath, and shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as the Commission shall, by regulation, require. Any person, not included within the provisions of paragraph (a) of this section, who or which is engaged in transportation in interstate or foreign commerce as a common carrier by motor vehicle when this section takes effect may continue such operation for a period of 120 days thereafter without a certificate and, if application for such certificate is made to the Commission within such period, the carrier may, under such regulations as the Commission shall prescribe, continue such operation until otherwise ordered by the Commission.

The amendment was agreed to.

The next amendment was, on page 25, line 5, to insert the subhead "Issuance of certificate"; in line 6, after "Sec.", to strike out "307" and insert "207 (a)"; and in the same line, after the word "section", to strike out "310" and insert "210", so as to read:

"ISSUANCE OF CERTIFICATE

SEC. 207. (a) Subject to section 210, a certificate shall be issued to any qualified applicant therefor, authorizing the whole or any part of the operations covered by the application, if it is found that the applicant is fit, willing, and able properly to perform the service proposed and to conform to the provisions of this part and the requirements, rules, and regulations of the Commission thereunder, and that the proposed service, to the extent to be authorized by the certificate, is or will be required by the present or future public convenience and necessity; otherwise such application shall be denied.

The amendment was agreed to.

The next amendment was, on page 26, line 2, after the word "Sec." to strike out "308" and insert "208"; in line 3, to strike out "307" and insert "206 or 207"; in line 13, after the words "limitations as to", strike out "the furnishing of additional service over the specified routes, between the specified termini or within the specified territory, and"; in line 16, after the words "extension of the", to strike out "line" and insert "route"; in the same line, after the word "or", to strike out "lines" and insert "routes"; in line 20, after the word "section", to strike out "304" and insert "204"; in the same line, after the word "and", to strike out "(5)" and insert "(6)" and the following proviso: "*Provided, however,* That no terms, conditions, or limitations shall restrict the right of the carrier to add to his or its equipment and facilities over the routes, between the termini, or within the territory specified in the certificate, as the development of the business and the demands of the public shall require", so as to read:

"TERMS AND CONDITIONS OF CERTIFICATE

SEC. 208. (a) Any certificate issued under section 206 or 207 shall specify the service to be rendered and the routes over which, the fixed termini, if any, between which, and the intermediate and off-route points, if any, at which, and in case of operations not over specified routes or between fixed termini, the territory within which, the motor carrier is authorized to operate; and there shall, at the time of issuance and from time to time thereafter, be attached to the exercise of the privileges granted by the certificate such reasonable terms, conditions, and limitations as the public convenience and necessity may from time to time require, including terms, conditions, and limitations as to the extension of the route

or routes of the carrier, and such terms and conditions as are necessary to carry out, with respect to the operations of the carrier, the requirements established by the Commission under section 204 (a) (1) and (6): *Provided, however,* That no terms, conditions, or limitations shall restrict the right of the carrier to add to his or its equipment and facilities over the routes, between the termini, or within the territory specified in the certificate, as the development of the business and the demands of the public shall require.

The amendment was agreed to.

The next amendment was, on page 27, line 9, after the words "to any", to strike out "point" and insert "place"; and in line 11, after the word "Commission", to strike out "may prescribe" and insert "shall have prescribed", so as to read:

(c) Any common carrier by motor vehicle transporting passengers under a certificate issued under this part may transport in interstate or foreign commerce to any place special or chartered parties under such rules and regulations as the Commission shall have prescribed.

The amendment was agreed to.

The next amendment was, on page 27, line 14, after the word "vehicle", to insert "with the"; and in line 15, after the word "baggage", to insert "of passengers"; and in line 16, after the word "mail", to insert "or to transport baggage of passengers in a separate vehicle", so as to read:

(d) A certificate for the transportation of passengers may include authority to transport in the same vehicle with the passengers, newspapers, baggage of passengers, express, or mail, or to transport baggage of passengers in a separate vehicle.

The amendment was agreed to.

The next amendment was under the subhead "Permits for Contract Carriers by Motor Vehicle", on page 27, line 19, after "Sec.", to strike out "309" and insert "209"; in the same line, after the word "No", to strike out "contract carrier by motor vehicle, subject to the provisions of this part" and insert "person"; in line 21, after the words "engage in", to strike out "any" and insert "the business of a contract carrier by motor vehicle in"; and in line 22, after the word "foreign", to strike out "operation" and insert "commerce"; on page 28, line 1, after "such", to strike out "operation" and insert "person to engage in such business"; in line 2, after "section", to strike out "310" and insert "210"; in line 5, after the word "routes", to insert "or"; in line 6, after the word "operated", to strike out "continuously"; in line 8, after "bona fide", to strike out "and continuous"; in line 9, after the word "except", to insert "in either instance"; in line 15, after the word "within", to strike out "60" and insert "120"; in the same line, after the word "this", to strike out "part" and insert "section"; in line 16, after the word "effect", to strike out the comma and insert "and if such carrier was registered in 1934 under any code of fair competition requiring registration, the fact of registration shall be evidence of bona fide operation to be considered in connection with the issuance of such permit"; in line 25, after the word "lawful", to insert "any person, not included within the foregoing provisions of this paragraph, who or which is engaged in transportation as a contract carrier by motor vehicle when this section takes effect, may continue such operation for a period of 120 days thereafter without a permit and, if application for such permit is made within such period, the carrier may, under such regulations as the Commission shall prescribe, continue such operation until otherwise ordered by the Commission", so as to read:

SEC. 209. (a) No person shall engage in the business of a contract carrier by motor vehicle in interstate or foreign commerce on any public highway or within any reservation under the exclusive jurisdiction of the United States unless there is in force with respect to such carrier a permit issued by the Commission, authorizing such person to engage in such business: *Provided,* That, subject to section 210, if any such carrier or a predecessor in interest was in bona fide operation as a contract carrier by motor vehicle in 1934 over the route or routes or within the territory for which application is made and has so operated since that time, or, if engaged in furnishing seasonal service, only, was in bona fide operation in 1934 during the season ordinarily covered by its operations, except in either instance as to interruptions of service over which the applicant or its predecessor in interest had no control, the Commission shall issue such permit, without further proceedings, if application for such permit is made to the Commission as provided in paragraph (b) of this section and within 120 days after this section shall take effect and if such carrier was registered in 1934 under any code of fair competition requiring registration, the fact of registration shall be evidence of bona fide operation to be considered in connection with the issuance of such permit. Otherwise the application for such permit shall be decided in accordance with the procedure provided for in paragraph (b) of this section and such permit shall be issued or denied accordingly. Pending determination of any such application the continuance of such operation shall be lawful. Any person, not included within the foregoing provisions of this paragraph, who or which is engaged in transportation as a contract carrier by motor vehicle when this section takes effect, may continue such operation for a period of 120 days thereafter without a permit and, if application for such permit is made within such period, the carrier may, under such regulations as the Commission shall prescribe, continue such operation until otherwise ordered by the Commission: *Provided further,* That nothing in this part shall be construed to repeal, amend, or otherwise modify any act or acts relating to national parks and national monuments under the administrative jurisdiction of the Secretary of the Interior, or to withdraw such authority or control as may by law be held by the Secretary of the Interior with respect to the admission and operation of motor vehicles in any national park or national monument of the United States.

The amendment was agreed to.

The next amendment was, on page 29, line 22, after the word "section", to strike out "310" and insert "210"; on page 30, line 7, after "section", strike out "302" and insert "202"; in line 9, after the words "permit the", to strike out the word "operations" and insert "business of the contract carrier"; in line 10, after the word "thereby", to insert "and the scope thereof"; in line 16, after the word "section", to strike out "304" and insert "204"; in the same line, after the word "and", strike out "(5)" and insert "(6)", a colon, and the following proviso: "*Provided, however,* That no terms, conditions, or limitations shall restrict the right of the carrier to substitute or add contracts within the scope of the permit, or to add to his or its equipment and facilities, within the scope of the permit, as the development of the business and the demands of the public may require", so as to read:

(b) Applications for such permits shall be made to the Commission in writing, be verified under oath, and shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as the Commission may, by regulations, require. Subject to section 210, a permit shall be issued to any qualified applicant therefor authorizing in whole or in part the operations covered by the application, if it appears from the applications or from any hearing held thereon that the applicant is fit, willing, and able properly to perform the service of a contract carrier by motor vehicle, and to conform to the provisions of this part and the lawful requirements, rules, and regulations of the Commission thereunder, and that the proposed operation, to the extent authorized by the permit, will be consistent with the public interest and the policy declared in section 202 (a) of this part; otherwise such application shall be denied. The Commission shall specify in the permit the business of the contract carrier covered thereby and the scope thereof and shall attach to it, at the time of issuance, and from time to time thereafter, such reasonable terms, conditions, and limitations consistent with the character of the holder as a contract carrier as are necessary to carry out, with respect to the operations of such carrier, the requirements established by the Commission under section 204 (a) (2) and (6): *Provided, however,* That no terms, conditions, or limitations shall restrict the right of the carrier to substitute or add contracts within the scope of the permit, or to add to his or its equipment and facilities, within the scope of the permit, as the development of the business and the demands of the public may require.

The amendment was agreed to.

The next amendment was, under the subhead "Dual operation" on page 30, line 24, after "Sec.", to strike out "310" and insert "210", and on page 31, line 6, after the word "section", strike out "302" and insert "202", so as to read:

SEC. 210. No person shall at the same time hold under this part a certificate as a common carrier and a permit as a contract carrier authorizing operation for the transportation of property by motor vehicle over the same route or within the same territory, unless for good cause shown the Commission shall find that such certificate and permit may be held consistently with the public interest and with the policy declared in section 202 (a) of this part.

The amendment was agreed to,

The next amendments were, under the subhead "Brokerage licenses", on page 31, line 9, after "Sec.", strike out "311" and insert "211 (a)"; in the same line, after the word

" shall ", to strike out " for compensation "; in line 10, after the word " sell ", to strike out " any ticket providing for the " and insert " or offer for sale "; in line 11, after the word " transportation ", to strike out " of any person by motor vehicle in interstate or foreign commerce " and insert " subject to this part "; in line 13, after the words " to provide ", to insert " procure, furnish, or arrange for such "; in line 14, after " transportation ", to strike out the words " of passengers or property by motor vehicle in interstate or foreign commerce for compensation "; in line 16, after the word " shall ", to insert " hold himself or itself out "; in line 17, after the word " advertisement ", to strike out " or "; in the same line, after the word " solicitation ", to insert " or otherwise as one who sells, provides, procures, contracts, or "; in line 18, before the word " for ", to strike out the words " attempt to arrange " and insert the word " arranges "; in line 19, after the words " holds a ", to strike out the word " brokerage " and insert the word " broker's "; in line 24, after the words " arrangement to ", to insert the word " sell "; in line 25, after the word " provide " to insert the words " procure, furnish, or arrange "; in the same line, after the word " transportation ", to insert the words " it shall be unlawful for "; on page 32, line 1, after the word " person ", to strike out the word " shall " and insert " to "; in the same line, after the word " employ ", to strike out the words " only a " and insert the word " any "; in line 2, after the word " carrier ", to strike out the words " or carriers holding a " and insert the words " by motor vehicle who or which is not the lawful holder of an effective "; in line 4, after the word " issued ", to strike out the words " by the Commission authorizing such carrier or carriers to perform the service required under such ticket, contract, agreement, or arrangement: *Provided* ", and insert " as provided in this part "; in line 10, after the word " carrier ", to strike out " as to authorized " and insert " so far as concerns ", so as to read:

SEC. 211. (a) No person shall for compensation sell or offer for sale transportation subject to this part or shall make any contract, agreement, or arrangement to provide, procure, furnish, or arrange for such transportation or shall hold himself or itself out by advertisement, solicitation, or otherwise as one who sells, provides, procures, contracts, or arranges for such transportation, unless such person holds a broker's license issued by the Commission to engage in such transactions: *Provided, however,* That no such person shall engage in transportation subject to this part unless he holds a certificate or permit as provided in this part. In the execution of any contract, agreement, or arrangement to sell, provide, procure, furnish, or arrange for such transportation, it shall be unlawful for such person to employ any carrier by motor vehicle who or which is not the lawful holder of an effective certificate or permit issued as provided in this part: *And provided further,* That the provisions of this paragraph shall not apply to any carrier holding a certificate or a permit under the provisions of this part or to any bona fide employee or agent of such motor carrier, so far as concerns transportation to be furnished wholly by such carrier or jointly with other motor carriers holding like certificates or permits, or with a common carrier by railroad, express, or water.

The amendment was agreed to.

The next amendment was, on page 33, line 1, after the word " section ", to strike out " 302 " and insert " 202 ", and in line 2, after the word " denied ", to insert: "Any broker in operation when this section takes effect may continue such operation for a period of 120 days thereafter without a license, and if application for such license is made within such period, the broker may, under such regulations as the Commission shall prescribe, continue such operations until otherwise ordered by the Commission ", so as to read:

(b) A brokerage license shall be issued to any qualified applicant therefor, authorizing the whole or any part of the operations covered by the application, if it is found that the applicant is fit, willing, and able properly to perform the service proposed and to conform to the provisions of this part and the requirements, rules, and regulations of the Commission thereunder, and that the proposed service, to the extent to be authorized by the license, is, or will be, consistent with the public interest and the policy declared in section 202 (a) of this part; otherwise such application shall be denied. Any broker in operation when this section takes effect may continue such operation for a period of 120 days thereafter without a license and if application for such license is made within such period, the broker may, under such regulations as the Commission shall prescribe, continue such operations until otherwise ordered by the Commission.

The amendment was agreed to.

The next amendment was, on page 34, line 1, in the subheading, after the words " transfer of ", to strike out " certificates and permits " and insert " certificates, permits, and licenses "; in line 4, after the word " Sec.", to strike out " 312 " and insert " 212 "; in line 16, after the word " license ", to insert a semicolon and the following proviso: "*Provided, however,* That no such certificate, permit, or license shall be revoked (except upon application of the holder) unless the holder thereof willfully fails to comply, within a reasonable time to be fixed by the Commission, with a lawful order of the Commission, made as provided in section 204 (d), commanding obedience to the provision of this part, or to the rule or regulation of the Commission thereunder, or to the term, condition, or limitation of such certificate, permit, or license, found by the Commission to have been violated by such holder ", so as to read:

SUSPENSION, CHANGE, REVOCATION, AND TRANSFER OF CERTIFICATES, PERMITS, AND LICENSES

SEC. 212. (a) Certificates, permits, and licenses shall be effective from the date specified therein, and shall remain in effect until terminated as herein provided. Any such certificate, permit, or license may, upon application of the holder thereof, in the discretion of the Commission, be amended or revoked, in whole or in part, or may upon complaint, or on the Commission's own initiative, after notice and hearing, be suspended, changed, or revoked, in whole or in part, for willful failure to comply with any provision of this part, or with any lawful order, rule, or regulation of the Commission promulgated thereunder, or with any term, condition, or limitation of such certificate, permit, or license: *Provided, however,* That no such certificate, permit, or license shall be revoked (except upon application of the holder) unless the holder thereof willfully fails to comply, within a reasonable time to be fixed by the Commission, with a lawful order of the Commission, made as provided in section 204 (d), commanding obedience to the provision of this part, or to the rule or regulation of the Commission thereunder, or to the term, condition, or limitation of such certificate, permit, or license found by the Commission to have been violated by such holder.

The amendment was agreed to.

The next amendment was, on page 35, line 1, after the word " section ", to strike out " 313 " and insert " 213 ", and in line 2, after the word " certificate ", to insert " or permit ", so as to read:

(b) Except as provided in section 213, any certificate or permit may be transferred, pursuant to such rules and regulations as the Commission may prescribe.

The amendment was agreed to.

The next amendment was, under the subhead " Consolidation, merger, and acquisition of control ", on page 35, line 5, after " Sec.", to strike out " 313 " and insert " 213 "; in line 7, after the word " more ", to strike out " interstate common " and insert " motor "; in the same line, after the word " carriers ", to strike out " by motor vehicle "; in line 9, after the word " thereof ", to strike out " with each other or with those of one or more interstate contract carriers by motor vehicle which are not also carriers by railroad,"; in line 14, after the word " such ", to strike out " common " and insert " motor "; in line 15, after the word " such ", to strike out " common "; in line 17, after the word " such ", to strike out " common or contract "; in the same line, after the word " carrier ", to strike out " or for any such contract carrier or two or more such contract carriers jointly, to purchase, lease, or contract to operate the properties, or any part thereof, of any such common carrier "; in line 21, after the word " such ", where it occurs the first time, to strike out " common " and insert " motor "; in the same line, after the word " such ", to strike out " common "; in line 22, after the word " carrier ", to strike out " or of any such contract carrier "; in the same line, after the word " stock ", to strike out " or for any such contract carrier, or two or more such carriers jointly, to acquire control of any such common carrier through purchase of its stock "; on page 36, line 1, after the words " for a ", to strike out " corporation ", and insert " person "; in line 2, after the words " not a ", to strike out " common or contract " and insert " motor "; in the same line, after the word " carrier ", to strike out " by motor vehicle "; in line 3, after the word " railroad ", to insert " or express, or water "; in line 4, after the word " more ", to strike out " such " and insert " motor."; in the same line, after the word " carriers ", to strike out " by motor vehicle

of which one or more is a common carrier"; in line 6, after the word "such", to strike out "corporation" and insert "person"; in line 7, after the word "more", to strike out "such common" and insert "motor"; in line 8, after the word "carriers", to strike out "by motor vehicle" and insert "to"; in line 8, after the word "such", to strike out "common or contract"; in line 10, after the words "carrier by", to strike out "railroad or express" and insert "railroad express, or water"; in line 11, after the word "any", to strike out "such common or contract" and insert "motor"; in line 12, after the word "carrier", to strike out "by motor vehicle"; and in line 13, after the word "its", to strike out "or their", so as to read:

SEC. 213. (a) It shall be lawful, under the conditions specified below, but under no other conditions, for two or more motor carriers which are not also carriers by railroad to consolidate or merge their properties, or any part thereof, into one corporation for the ownership, management, and/or operation of the properties theretofore in separate ownership; or for any such motor carrier or two or more such carriers jointly, to purchase, lease, or contract to operate the properties, or any part thereof, of another such carrier, or for any such motor carrier or two or more such carriers jointly, to acquire control of another such carrier through purchase of its stock; or for a person which is not a motor carrier or a carrier by railroad, or express, or water to acquire control of two or more motor carriers through ownership of their stock; or for any such person which has control of one or more motor carriers to acquire control of another such carrier through ownership of its stock; or for a carrier by railroad, express, or water to consolidate, or merge with, or acquire control of, any motor carrier, or to purchase, lease, or contract to operate its properties, or any part thereof.

The amendment was agreed to.

The next amendment was, on page 36, line 17, after the words "or the", to strike out "corporation" and insert "person"; on page 37, line 1, after the words "that the", to strike out "public interest will be promoted by the"; in line 2, after the word "proposed", to insert "will be consistent with the public interest"; and in line 8, after the word "may", to strike out "prescribe; and" and insert "prescribe: *Provided, however,* That if a carrier other than a motor carrier is an applicant, or any person which is controlled by such a carrier other than a motor carrier or affiliated therewith within the meaning of section 5 (8) of part I, the Commission shall not enter such an order unless it finds that the transaction proposed will promote the public interest by enabling such carrier other than a motor carrier to use service by motor vehicle to public advantage in its operations and will not unduly restrain competition", so as to read:

(1) Whenever a consolidation, merger, purchase, lease, operating contract, or acquisition of control is proposed under this section, the carrier or carriers or the person seeking authority therefor shall present an application to the Commission, and thereupon the Commission shall notify the Governor of each State in which any part of the properties or operations of the carriers involved in the proposed transaction is situated, and also such carriers and the applicant or applicants, and other parties known to have a substantial interest in the proceeding of the time and place for a public hearing. If after such hearing the Commission finds that the transaction proposed will be consistent with the public interest and that the conditions of this section have been or will be fulfilled, it may enter an order approving and authorizing such consolidation, merger, purchase, lease, operating contract, or acquisition of control, upon such terms and conditions as it shall find to be just and reasonable and with such modifications as it may prescribe: *Provided, however,* That if a carrier other than a motor carrier is an applicant, or any person which is controlled by such a carrier other than a motor carrier or affiliated therewith within the meaning of section 5 (8) of part I, the Commission shall not enter such an order unless it finds that the transaction proposed will promote the public interest by enabling such carrier other than a motor carrier to use service by motor vehicle to public advantage in its operations and will not unduly restrain competition.

The amendment was agreed to.

The next amendment was, on page 37, line 18, after the words "whenever a", to strike out "corporation" and insert "person"; in line 18, after the words "not a", to insert "motor"; in the same line, after the word "carrier", to strike out "by motor vehicle"; in line 21, after the word "carrier", to strike out "by motor vehicle"; in line 22, after the word "such", to strike out "corporation" and insert "person"; in line 24, after the word "section" where it occurs the first time strike out "304" and insert "204"; in the same line after the word "section", to strike out "320" and insert "220", so as to read:

(2) Whenever a person which is not a motor carrier is authorized, by an order entered under subparagraph (1) of this section, to acquire control of any such carrier or of two or more such carriers, such person thereafter shall, to the extent provided by the Commission, for the purposes of section 204 (a) (1), and section 220 (a) and (b), relating to accounts, records, and reports, and to the inspection of facilities and records, including the penalties applicable in the case of violations thereof, be subject to the provisions of this part.

The amendment was agreed to.

The next amendment was, on page 38, line 7, after the word "more", to strike out "common" and insert the word "motor"; in line 8, after the word "carriers", to strike out "by motor vehicle"; in line 9, after the word "railroad", to strike out "or of one or more such carriers and any contract carrier by motor vehicle", so as to read:

(b) (1) It shall be unlawful for any person, except as provided in paragraph (a), to accomplish or effectuate, or to participate in accomplishing or effectuating, the control or management in a common interest of any two or more motor carriers which are not also carriers by railroad, however such result is attained, whether directly or indirectly, by use of common directors, officers, or stockholders, a holding or investment company or companies, a voting trust or trusts, or in any other manner whatsoever. It shall be unlawful to continue to maintain control or management accomplished or effectuated after the enactment of this part and in violation of this paragraph. As used in this paragraph, the words "control or management" shall be construed to include the power to exercise control or management.

The amendment was agreed to.

The next amendment was, on page 39, after line 19, to insert a new subsection as follows:

(e) Except where a carrier other than a motor carrier is an applicant or any person which is controlled by such a carrier or carriers by railroad or affiliated therewith within the meaning of section 5 (8) of part I, the provisions of this section requiring authority from the Commission for consolidation, merger, purchase, lease, operating contract, or acquisition of control shall not apply where the total number of motor vehicles involved is not more than 20.

The amendment was agreed to.

The next amendment was, on page 40, at the beginning of line 3, to strike out "(c)" and insert "(f)", and in the same line, after the word "any", to strike out "corporation" and insert "person", so as to read:

(f) The carriers and any person affected by any order made under the foregoing provisions of this section shall be, and they are hereby, relieved from the operation of the "antitrust laws", as designated in section 1 of the act entitled "An act to supplement existing laws against unlawful restraints, and monopolies, and for other purposes", approved October 15, 1914, and of all other restraints or prohibitions by or imposed under authority of law, State or Federal, insofar as may be necessary to enable them to do anything authorized or required by such order.

The amendment was agreed to.

The next amendment was, on page 40, line 15, after the word "sec.", to strike out "314" and insert "214"; in line 18, after the word "section", strike out "313" and insert "213"; on page 41, line 3, after the word "further", to strike out "That the provisions of the 'Securities Act, 1933' are hereby repealed insofar as they relate to security issues subject to this section" and insert "That the exemption in section 3 (a) (6) of the 'securities Act, 1933' is hereby amended to read as follows: '(6) Any security issued by a common or contract carrier, the issuance of which is subject to the provisions of section 20a of the Interstate Commerce Act, as amended;'", so as to read:

ISSUANCE OF SECURITIES

SEC. 214. Common or contract carriers by motor vehicle, corporations organized for the purpose of engaging in transportation as such carriers, and corporations authorized by order entered under section 213 (a) (1) to acquire control of any such carrier, or of two or more such carriers, shall be subject to the provisions of paragraphs 2 to 11, inclusive, of section 20a of part I of this act: *Provided, however,* That said provisions shall not apply to such carriers or corporations where the par value of the securities to be issued, together with the par value of the securities then outstanding, does not exceed $500,000. In the case of securities having no par value, the par value for the purpose of this section shall be the fair market value as of the date of their issue: *Provided further,* That the exemption in section 3 (a) (6) of the "Securities

Act, 1933" is hereby amended to read as follows: "(6) Any security issued by a common or contract carrier, the issuance of which is subject to the provisions of section 20a of the Interstate Commerce Act, as amended."

The amendment was agreed to.

The next amendment was, under the subheading "Security for the protection of the public", on page 41, line 12, to renumber the section from "315" to "215"; in line 14, after the word "such", to insert "reasonable"; in line 16, after the word "insurance", to insert "qualifications as a self-insurer"; in line 18, after the word "such", to insert "reasonable"; in line 20, after the word "insurance", to insert "qualifications as a self-insurer"; on page 42, line 1, after the word "property", to insert "of others"; in line 4, after the word "bond", to insert "policies of insurance, qualifications as a self-insurer, or other securities or agreements"; in line 8, after the word "property", to strike out "and/or money"; in line 15, after the word "bond", to insert "policies of insurance, or other securities or agreements", so as to read:

SEC. 215. No certificate or permit shall be issued to a motor carrier or remain in force, unless such carrier complies with such reasonable rules and regulations as the Commission shall prescribe governing the filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer or other securities or agreements, in such reasonable amount as the Commission may require, conditioned to pay, within the amount of such surety bonds, policies of insurance, qualifications as a self-insurer or other securities or agreements, any final judgment recovered against such motor carrier for bodily injuries to or the death of any person resulting from the negligent operation, maintenance, or use of motor vehicles under such certificate or permit, or for loss or damage to property of others. The Commission may, in its discretion and under such rules and regulations as it shall prescribe, require any such common carrier to file a surety bond, policies of insurance, qualifications as a self-insurer, or other securities or agreements, in a sum to be determined by the Commission, to be conditioned upon such carrier making compensation to shippers and/or consignees for all property belonging to shippers and/or consignees, and coming into the possession of such carrier in connection with its transportation service. Any carrier which may be required by law to compensate a shipper and/or consignee for any loss, damage, or default for which a connecting motor common carrier is legally responsible shall be subrogated to the rights of such shipper and/or consignee under any such bond, policies of insurance, or other securities or agreements, to the extent of the sum so paid.

The amendment was agreed to.

The next amendment was, under the subheading "Rates, fares, and charges of common carriers by motor vehicle", on page 42, line 20, to change the section number from "316" to "216"; in line 22, after the word "carriers", to strike out "and with common carriers by railroad and/or express and/or water;" in line 25, after the word "passengers", to strike out "or property"; on page 43, line 3, after the word "fares", to insert "and"; in the same line, after the word "charges", to strike out "and classifications"; in line 5, after the word "tickets", to strike out "receipts, bills of lading, and manifests, the manner and method of presenting, marking, packing, and delivering property for transportation;" and in line 10, after the word "passengers", to strike out "or property", so as to read:

SEC. 216. (a) It shall be the duty of every common carrier of passengers by motor vehicle to establish reasonable through routes with other such common carriers and to provide safe and adequate service, equipment, and facilities for the transportation of passengers in interstate or foreign commerce; to establish, observe, and enforce just and reasonable individual and joint rates, fares, and charges, and just and reasonable regulations and practices relating thereto, and to the issuance, form, and substance of tickets, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the transportation of passengers in interstate or foreign commerce; and in case of such joint rates, fares, and charges, to establish just, reasonable, and equitable divisions thereof as between the carriers participating therein which shall not unduly prefer or prejudice any of such participating carriers.

The amendment was agreed to.

The next amendment was, on page 43, after line 15, to insert a new paragraph, as follows:

(b) It shall be the duty of every common carrier of property by motor vehicle to provide safe and adequate service, equipment, and facilities for the transportation of property in interstate or foreign commerce; to establish, observe, and enforce just and reasonable rates, charges, and classifications, and just and reasonable regulations and practices relating thereto and to the manner and method of presenting, marking, packing, and delivering property for transportation, the facilities for transportation, and all other matters relating to or connected with the transportation of property in interstate or foreign commerce.

The amendment was agreed to.

The next amendment was, on page 44, after line 2, to insert a new paragraph, as follows:

(c) Common carriers of property by motor vehicle may establish reasonable through routes and joint rates, charges, and classifications with other such carriers or with common carriers by railroad and/or express and/or water; and common carriers of passengers by motor vehicle may establish reasonable through routes and joint rates, fares, or charges with common carriers by railroad and/or water. In case of such joint rates, fares, or charges it shall be the duty of the carriers parties thereto to establish just and reasonable regulations and practices in connection therewith, and just, reasonable, and equitable divisions thereof as between the carriers participating therein which shall not unduly prefer or prejudice any of such participating carriers.

The amendment was agreed to.

The next amendment was, on page 44, line 16, to strike out "(b)" and insert "(d)"; and in line 24, after the word "whatsoever", to insert:

Provided, however, That this paragraph shall not be construed to apply to discriminations, prejudice, or disadvantage to the traffic of any other carrier of whatever description.

So as to make the paragraph read:

(d) It shall be unlawful for any common carrier by motor vehicle engaged in interstate or foreign commerce to make, give, or cause any undue or unreasonable preference or advantage to any particular person, port, gateway, locality, or description of traffic in any respect whatsoever, or to subject any particular person, port, gateway, locality, or description of traffic to any unjust discrimination or any undue or unreasonable prejudice or disadvantage in any respect whatsoever: *Provided, however,* That this paragraph shall not be construed to apply to discriminations, prejudice, or disadvantage to the traffic of any other carrier of whatever description.

The amendment was agreed to.

The next amendment was, on page 45, line 3, to strike out "(c)" and insert "(e)"; in line 7, after the word "section", to strike out "317" and insert "217"; in line 14, after the word "express", to insert the words "and/or water"; in line 16, after the word "carrier", to insert the words "or carriers"; on page 46, line 3, after the word "routes", to strike out the words "joint classifications"; in line 5, after the word "passengers", to strike out "or property"; in line 6, after the word "vehicle", to strike out the words "or by any such carrier or carriers in conjunction with any common carrier or carriers by railroad and/or express;" so as to make the paragraph read:

(e) Any person, State board, organization, or body politic may make complaint in writing to the Commission that any such rate, fare, charge, classification, rule, regulation, or practice, in effect or proposed to be put in effect, is or will be in violation of this section or of section 217. Whenever, after hearing, upon complaint or in an investigation on its own initiative, the Commission shall be of the opinion that any individual or joint rate, fare, or charge, demanded, charged, or collected by any common carrier or carriers by motor vehicle or by any common carrier or carriers by motor vehicle in conjunction with any common carrier or carriers by railroad and/or express, and/or water for transportation in interstate or foreign commerce, or any classification, rule, regulation, or practice whatsoever of such carrier or carriers affecting such rate, fare, or charge, or the value of the service thereunder, is or will be unjust or unreasonable, or unjustly discriminatory or unduly preferential or unduly prejudicial, it shall determine and prescribe the lawful rate, fare, or charge, or the maximum or minimum, or maximum and minimum rate, fare, or charge thereafter to be observed, or the lawful classification, rule, regulation, or practice thereafter to be made effective, and the Commission shall, whenever deemed by it to be necessary or desirable in the public interest, after hearing, upon complaint or upon its own initiative without a complaint, establish through routes and joint rates, fares, charges, regulations, or practices, applicable to the transportation of passengers by common carriers by motor vehicle, or the maxima or minima, or maxima and minima, to be charged, and the terms and conditions under which such through routes shall be operated.

The amendment was agreed to.

The next amendment was, on page 46, line 12, to strike out "(d)" and insert "(f)"; in line 18, after the word "express", to insert "and/or water", so as to make the paragraph read:

(f) Whenever, after hearing, upon complaint or upon its own initiative, the Commission is of opinion that the divisions of joint

rates, fares, or charges applicable to the transportation in interstate or foreign commerce of passengers or property by common carriers by motor vehicle or by such carriers in conjunction with common carriers by railroad and/or express, and/or water are or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the carriers parties thereto (whether agreed upon by such carriers, or any of them, or otherwise established), the Commission shall by order prescribe the just, reasonable, and equitable divisions thereof to be received by the several carriers, and in cases where the joint rate, fare, or charge was established pursuant to a finding or order of the Commission and the divisions thereof are found by it to have been unjust, unreasonable, or inequitable, or unduly preferential or prejudicial, the Commission may also by order determine what would have been the just, reasonable, and equitable divisions thereof to be received by the several carriers, and require adjustment to be made in accordance therewith. The order of the Commission may require the adjustment of divisions between the carriers, in accordance with the order, from the date of filing the complaint or entry of order of investigation or such other date subsequent as the Commission finds justified and, in the case of joint rates prescribed by the Commission, the order as to divisions may be made effective as a part of the original order.

The amendment was agreed to.

The next amendment was, on page 47, line 14, to strike out "(e)" and insert "(g)"; in line 20, after the word "express" to insert the words "and/or water"; on page 49, line 1, after the word "operation" to strike out "as provided in" and insert "when this"; and in line 1, after the word "section" to insert the words "takes effect" and to strike out "306 (a)", so as to make the paragraph read:

(g) Whenever there shall be filed with the Commission any schedule stating a new individual or joint rate, fare, charge, or classification for the transportation of passengers or property by a common carrier or carriers by motor vehicle, or by any such carrier or carriers in conjunction with a common carrier or carriers by railroad and/or express, and/or water in interstate or foreign commerce, or any rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, the Commission is hereby authorized and empowered upon complaint of any interested party or upon its own initiative at once and, if it so orders, without answer or other formal pleading by the interested carrier or carriers, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, fare, or charge, or such rule, regulation, or practice, and pending such hearing and the decision thereon the Commission, by filing with such schedule and delivering to the carrier or carriers affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such schedule and defer the use of such rate, fare, or charge, or such rule, regulation, or practice for a period of 90 days and if the proceeding has not been concluded and a final order made within such period the Commission may, from time to time, extend the period of suspension by order, but not for a longer period in the aggregate than 180 days beyond the time when it would otherwise go into effect; and after hearing, whether completed before or after the rate, fare, charge, classification, rule, regulation, or practice goes into effect, the Commission may make such order with reference thereto as would be proper in a proceeding instituted after it had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed change or rate, fare, or charge, or classification, rule, regulation, or practice, shall go into effect at the end of such period: *Provided*, That this paragraph shall not apply to any initial schedule or schedules filed by any such carrier in bona fide operation when this section takes effect.

The amendment was agreed to.

The next amendment was, on page 49, line 3, to change the paragraph number "(f)" to "(h)."

The amendment was agreed to.

The next amendment was, on page 49, line 13, to strike out "(g)" and insert "(i)"; in line 14, after the words "transportation of", to strike out "persons" and insert "passengers"; in line 17, before the word "transportation", to strike out "circumstances and conditions peculiar to" and insert the words "inherent advantages of"; in line 19, after the word "traffic", to insert the words "by such carriers", so as to make the paragraph read:

(i) In the exercise of its power to prescribe just and reasonable rates for the transportation of passengers or property by common carriers by motor vehicle the Commission shall give due consideration, among other factors, to the inherent advantages of transportation by such carriers to the effect of rates upon the movement of traffic by such carriers; to the need, in the public interest, of adequate and efficient transportation service by such carriers at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable such carriers, under honest, economical, and efficient management, to provide such service.

The amendment was agreed to.

The next amendment was, on page 50, line 1, to change the paragraph number from "(h)" to "(j)."

The amendment was agreed to.

The next amendment was, on page 50, line 4, to change the section number from "317" to "217"; in line 6, before the word "public", to strike out the word "the"; and in line 18, after the word "regulation", to insert the word "shall", so as to make the paragraph read:

TARIFFS OF COMMON CARRIERS BY MOTOR VEHICLE

SEC. 217. (a) Every common carrier by motor vehicle shall file with the Commission, and print, and keep open to public inspection, tariffs showing all the rates, fares, and charges for transportation, and all services in connection therewith, of passengers or property in interstate or foreign commerce between points on its own route and between points on its own route and points on the route of any other such carrier, or on the route of any common carrier by railroad and/or express, when a through route and joint rate shall have been established. Such rates, fares, and charges shall be stated in terms of lawful money of the United States. The tariffs required by this section shall be published, filed, and posted in such form and manner, and shall contain such information, as the Commission by regulations shall prescribe; and the Commission is authorized to reject any tariff filed with it which is not in consonance with this section and with such regulations. Any tariff so rejected by the Commission shall be void and its use shall be unlawful.

The amendment was agreed to.

The next amendment was, on page 52, line 10, to change the section number from "318" to "218"; in line 22, before the word "charges", to insert the word "minimum"; on page 53, line 3, after the word "manner" to insert the following: "but the Commission may, in its discretion and for good cause shown, allow such change upon less notice, or modify the requirements of this paragraph with respect to posting and filing of such schedules or copies of contracts, either in particular instances, or by general order applicable to special or peculiar circumstances or conditions"; and on page 54, line 2, after the word "section", to strike out the numerals "302" and insert "202", so as to make the paragraph read:

SCHEDULES OF CONTRACT CARRIERS BY MOTOR VEHICLE

SEC. 218. (a) It shall be the duty of every contract carrier by motor vehicle to file with the Commission, publish, and keep open for public inspection, in the form and manner prescribed by the Commission, schedules or, in the discretion of the Commission, copies of contracts containing the minimum charges of such carrier for the transportation of passengers or property in interstate or foreign commerce, and any rule, regulation, or practice affecting such charges and the value of the service thereunder. No such contract carrier, unless otherwise provided by this part, shall engage in the transportation of passengers or property in interstate or foreign commerce unless the minimum charges for such transportation by said carrier have been published, filed, and posted in accordance with the provisions of this part. No reduction shall be made in any such charge either directly or by means of any change in any rule, regulation, or practice affecting such charge or the value of service thereunder, except after 30 days' notice of the proposed change filed in the aforesaid form and manner; but the Commission may, in its discretion and for good cause shown, allow such change upon less notice, or modify the requirements of this paragraph with respect to posting and filing of such schedules or copies of contracts, either in particular instances, or by general order applicable to special or peculiar circumstances or conditions. Such notice shall plainly state the change proposed to be made and the time when such change will take effect. No such carrier shall demand, charge, or collect a less compensation for such transportation than the charges filed in accordance with this paragraph, as affected by any rule, regulation, or practice so filed, or as may be prescribed by the Commission from time to time, and it shall be unlawful for any such carrier, by the furnishing of special services, facilities, or privileges, or by any other device whatsoever, to charge, accept, or receive less than the minimum charges so filed or perscribed: *Provided*, That any such carrier or carriers, or any class or group thereof, may apply to the Commission for relief from the provisions of this paragraph, and the Commission may, after hearing, grant such relief to such extent and for such time, and in such manner as in its judgment is consistent with the public interest and the policy declared in section 202 (a) of this part.

The amendment was agreed to.

The next amendment was, on page 54, line 10, after the word "section", to strike out the numerals "302" and insert the numerals "202"; in line 18, after the word "part", to strike out the words "except to the extent, if any, and in such manner, as" and insert the word "which"; in line

19, after the word "may", to strike out the words "deem consistent" and insert the words "find to be undue or inconsistent"; in line 21, after the word "section", to insert the words "and the Commission shall give due consideration to the cost of services rendered by such carriers and to the effect of such minimum charge, or such rules, regulations, or practices, upon the movement of traffic by such carriers"; and on page 55, line 2, after the word "oath", to strike out the words "whenever in its judgment the Commission is of opinion that any complaint does not state reasonable grounds for investigation and action on its part, it may dismiss such complaint", so as to make the paragraph read:

(b) Whenever, after hearing upon complaint or its own initiative, the Commission finds that any charge of any contract carrier or carriers by motor vehicle, or any rule, regulation, or practice of any such carrier or carriers affecting such charge, or the value of the service thereunder, for the transportation of passengers or property in interstate or foreign commerce, contravenes the policy declared in section 202 (a) of this part, the Commission may prescribe such minimum charge, or such rule, regulation, or practice as in its judgment may be necessary or desirable in the public interest and to promote the policy declared in said section. Such minimum charge, or such rule, regulation, or practice, so prescribed by the Commission, shall give no advantage or preference to any such carrier in competition with any common carrier by motor vehicle subject to this part, which the Commission may find to be undue or inconsistent with the public interest and the policy declared in said section, and the Commission shall give due consideration to the cost of the services rendered by such carriers and to the effect of such minimum charge, or such rules, regulations, or practices, upon the movement of traffic by such carriers. All complaints shall state fully the facts complained of and the reasons for such complaint and shall be made under oath."

The amendment was agreed to.

The next amendment was, on page 56, line 14, after the word "operation", to strike out the words "as provided in section 309 (a)" and insert in lieu thereof the words "when this section takes effect", so as to make the paragraph read:

(c) Whenever there shall be filed with the Commission by any such contract carrier any schedule or contract stating a reduced charge directly, or by means of any rule, regulation, or practice, for the transportation of passengers or property in interstate or foreign commerce, the Commission is hereby authorized and empowered upon complaint of interested parties or upon its own initiative at once and, if it so orders, without answer or other formal pleading by the interested party, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such charge, or such rule, regulation, or practice, and pending such hearing and the decision thereon the Commission, by filing with such schedule or contract and delivering to the carrier affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such schedule or contract and defer the use of such charge, or such rule, regulation, or practice, for a period of 90 days, and if the proceeding has not been concluded and a final order made within such period the Commission may, from time to time, extend the period of suspension, but not for a longer period in the aggregate than 180 days beyond the time when it would otherwise go into effect; and after hearing whether completed before or after the charge, or rule, regulation, or practice goes into effect, the Commission may make such order with reference thereto as would be proper in a proceeding instituted after it had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed change in any charge or rule, regulation, or practice shall go into effect at the end of such period: *Provided*, That this paragraph shall not apply to any initial schedule or schedules, or contract or contracts, filed by any such carrier in bona fide operation when this section takes effect.

The amendment was agreed to.

The next amendment was, on page 56, line 17, to change the section number from "319" to "219."

The amendment was agreed to.

The next amendment was, on page 56, line 21, to change the section number from "320" to "220."

The amendment was agreed to.

The next amendment was, on page 58, line 9, to change the section number from "321" to "221."

The amendment was agreed to.

The next amendment was, on page 59, line 12, after the word "every", strike out the word "such", so as to make the paragraph read:

(c) Every motor carrier shall also file with the board of each State in which it operates a designation in writing of the name and post-office address of a person in such State upon whom process issued by or under the authority of any court having jurisdiction of the subject matter may be served in any proceeding at law or equity brought against such carrier. Such designation may from time to time be changed by like writing similarly filed. In the event such carrier fails to file such designation, service may be made upon any agent of such motor carrier within such State.

The amendment was agreed to.

The next amendment was, on page 60, line —, to change the section number from "322" to "222."

The amendment was agreed to.

The next amendment was, on page 61, line 3, after the word "shipper", to insert the word "consignee", so as to make the paragraph read:

(c) Any person, whether carrier, shipper, consignee, or broker, or any officer, employee, agent, or representative thereof, who shall knowingly offer, grant, or give, or solicit, accept, or receive any rebate, concession, or discrimination in violation of any provision of this part, or who by means of any false statement or representation, or by the use of any false or fictitious bill, bill of lading, receipt, voucher, roll, account, claim, certificate, affidavit, deposition, lease, or bill of sale, or by any other means or device, shall knowingly and willfully assist, suffer, or permit any person or persons, natural or artificial, to obtain transportation of passengers or property subject to this part for less than the applicable rate, fare, or charge, or who shall knowingly and willfully by any such means or otherwise fraudulently seek to evade or defeat regulation as in this part provided for motor carrier or brokers, shall be deemed guilty of a misdemeanor and upon conviction thereof be fined not more than $500 for the first offense and not more than $2,000 for any subsequent offense.

The amendment was agreed to.

The next amendment was, on page 61, line 25, after the word "carriers", to insert the words "or brokers"; and on page 62, line 1, after the word "section", to strike out the numerals "320" and insert the numerals "220", so as to make the paragraph read:

(d) Any special agent or examiner who divulges any fact or information which may come to his knowledge during the course of the examination of the accounts, records, and memoranda of motor carriers or brokers as provided in section 220 (b), except as he may be directed by the Commission or by a court of competent jurisdiction or judge thereof, shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not more than $5,000 or imprisonment for a term not exceeding 2 years, or both.

The amendment was agreed to.

The next amendment was, on page 63, line 22, to change the section number from "323" to "223."

The amendment was agreed to.

The next amendment was, on page 65, line 17, to change the section number from "324" to "224."

The amendment was agreed to.

The next amendment was, on page 66, line 6, to change the section number from "325" to "225."

The amendment was agreed to.

The next amendment was, on page 66, line 14, after the word "matter", to insert the words "and of any organization of motor carriers."

Mr. WHEELER. On page 66, line 14, the committee amendment is in the wrong place. It should appear after the word "Government" in line 13.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. On page 66, line 13, after the word "Government", insert the words "and of any organization of motor carriers"; and in line 14, after the word "matter", strike out the words "and of any organization of motor carriers", so as to make the sentence read:

The Commission is hereby authorized to investigate and report on the need for Federal regulation of the sizes and weight of motor vehicles and combinations of motor vehicles and of the qualifications and maximum hours of service of employees of all motor carriers and private carriers of property by motor vehicle; and in such investigation the Commission shall avail itself of the assistance of all departments or bureaus of the Government and of any organization of motor carriers having special knowledge of any such matter.

The amendment to the committee amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 66, after the word "matter", in line 14, to strike out the following:

The term "private carrier of property by motor vehicle" shall mean any person not included in the terms "common carrier by motor vehicle" or "contract carrier by motor vehicle" as defined in this part, who or which transports in interstate or foreign commerce by motor vehicle property of which such person is the owner, lessee, or bailee, when such transportation is for the purpose of sale, lease, rent, or bailment, or in furtherance of any commercial enterprise.

The amendment was agreed to.

The next amendment was, on page 67, line 2, to change the section number from "326" to "226."

The amendment was agreed to.

The next amendment was, on page 67, line 8, to change the section number from "327" to "227."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. ROBINSON. Mr. President, does the Senator from Oregon [Mr. McNARY] desire that the bill go over until tomorrow for final action?

Mr. McNARY. Yes, Mr. President; I think I must adhere to my former expressed view on that point.

Mr. ROBINSON. Is that satisfactory to the chairman of the committee?

Mr. WHEELER. Yes, it is.

Mr. STEIWER. Mr. President, I should like to ask the Senator from Montana a question. In order that I may have opportunity to reflect upon the matter between now and tomorrow, I wish to ask about the references to transportation by water occurring on pages 44, 45, and 46 of the bill, and possibly also on page 47. Is it intended by inclusion of the phrase "and by water" or the phrase "and/or water" to bring the ocean-shipping services within the jurisdiction of the Interstate Commerce Commission?

Mr. WHEELER. Only so far as they are at the present time. We had a separate bill before the committee for the regulation of water carriers on wnich we held hearings, but that bill has not as yet been reported out of the committee.

Mr. STEIWER. Am I correct in assuming that the inclusion of the phrase "and/or water" in the bill now pending before the Senate——

Mr. WHEELER. That simply provides for permissive through routes and joint rates.

Mr. STEIWER. Either by combination of truck and train or by combination of truck and ship?

Mr. WHEELER. Exactly.

Mr. STEIWER. Is that applicable to such service only in intercoastal trade, or is it applicable to other kinds of shipping services?

Mr. WHEELER. It permits all water carriers to enter into such agreements. We had a mandatory provision for through routes and joint rates in the bill, but the shipping interests, the railroads, the brokers, and everybody except the bus lines wanted the mandatory provision taken out, so we took it out in the committee as to everybody except the common-carrier bus lines who must make such arrangements with each other. We made it permissive that the trucks, the railroads, the express companies, and the water lines may make joint rates.

Mr. STEIWER. Is it the Senator's opinion that the permission to which he has referred is more likely to be helpful to the water services than hurtful?

Mr. WHEELER. Oh, yes. It was made only with their approval. The Interstate Commerce Commission cannot force them to make such rates, but if the shipping interests want to make joint rates with some bus company or some trucking company they are permitted to do so.

Mr. STEIWER. I thank the Senator.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. MOORE in the chair), laid before the Senate a message from the President of the United States submitting sundry nominations in the Army, which was referred to the Committee on Military Affairs.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of Claro M. Recto, of the Philippine Islands, to be associate justice of the Supreme Court of the Philippine Islands, vice Thomas A. Street, resigned.

Mr. HAYDEN (for Mr. McKELLAR), from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the Clerk will state the first business in order on the calendar.

POSTMASTERS

The legislative clerk read the nomination of Jacob Moore, to be postmaster at New City, N. Y.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. ROBINSON. I ask unanimous consent that nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

That completes the calendar.

TREATY—INTERNATIONAL TRADE IN ARMS AND AMMUNITION

Mr. PITTMAN. Mr. President, the Senator from Utah [Mr. KING] desired to have notice of the intention to ask the Senate to proceed to the consideration of Executive H (69th Cong., 1st sess), a convention for the supervision of the international trade in arms and ammunition and in implements of war, signed at Geneva, Switzerland, on June 17, 1925.

I now give notice that at the next executive session I shall call up that treaty for action by the Senate.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 8 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Tuesday, April 16, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 15, 1935

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Capt. Arthur John McChrystal, Infantry (detailed in Adjutant General's Department), with rank from July 1, 1920.

TO QUARTERMASTER CORPS

First Lt. Elmer Matthew Webb, Infantry, with rank from September 1, 1933.

TO AIR CORPS

Second Lt. Lawrence Browning Kelley, Field Artillery (detailed in Air Corps), with rank from June 13, 1933.

PROMOTION IN THE REGULAR ARMY

TO BE MAJOR

Capt. Clyde Charles Alexander, Field Artillery, from April 5, 1935.

TO BE CAPTAINS

First Lt. James Clyde Welch, Infantry, from April 4, 1935.

First Lt. Miner Welsh Bonwell, Infantry, from April 5, 1935.

TO BE FIRST LIEUTENANTS

Second Lt. George Frederick Kehoe, Air Corps, from April 4, 1935.

Second Lt. Roy Henry Lynn, Air Corps, from April 5, 1935.

CONFIRMATIONS

Executive nominaions confirmed by the Senate April 15, 1935

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

Capt. Leighton Nicol Smith to Finance Department.

First Lt. Walter Godley Donald to Ordnance Department.

PROMOTIONS IN THE REGULAR ARMY

John Jennings Kingman to be colonel, Corps of Engineers.

Robert Philip Howell to be colonel, Corps of Engineers.

Thomas Matthews Robins to be colonel, Corps of Engineers.

Ralph Edward Haines to be lieutenant colonel, Coast Artillery Corps.

Thomas Hardaway Jones to be lieutenant colonel, Coast Artillery Corps.

John Thomas Hazelrigg O'Rear to be lieutenant colonel, Coast Artillery Corps.

Laurence Watts to be lieutenant colonel, Signal Corps.

Stephen Joseph Idzorek to be major, Air Corps.

John Thomas Sallee to be major, Quartermaster Corps.

Clarence LeRoy Strike to be major, Signal Corps.

John Roscoe Holt to be major, Quartermaster Corps.

Rolland Edward Stafford to be major, Signal Corps.

Francis James Gillespie to be captain, Infantry.

Jesse Lewis Gibney to be captain, Infantry.

Robert Hale Vesey to be captain, Infantry.

Clarence Miles Mendenhall, Jr., to be captain, Coast Artillery Corps.

Kester Lovejoy Hastings to be captain, Quartermaster Corps.

George McKnight Williamson, Jr., to be captain, Field Artillery.

Howard Waite Brimmer to be captain, Field Artillery.

Charles Milner Smith to be captain, Infantry.

Walter Joseph Muller to be captain, Infantry.

Harry Lovejoy Rogers, Jr., to be captain, Infantry.

George Bryan Conrad to be captain, Field Artillery.

William Stephen Murray to be captain, Infantry.

Raymond Wainwright Odor to be captain, Infantry.

George Graham Northrup to be first lieutenant, Air Corps.

Thomas Sarsfield Power, first lieutenant, Air Corps.

Lloyd Harold Watnee, first lieutenant, Air Corps.

Philip David Coates, first lieutenant, Air Corps.

Talma Watkins Imlay, first lieutenant, Air Corps.

John Herold Bundy, first lieutenant, Air Corps.

Mills Spencer Savage, first lieutenant, Air Corps.

Harold Webb Bowman, first lieutenant, Air Corps.

Lorry Norris Tindal, first lieutenant, Air Corps.

Merlin Ingels Carter, first lieutenant, Air Corps.

John Walker Sessums, Jr., first lieutenant, Air Corps.

Charles Kenneth Moore, first lieutenant, Air Corps.

Austin August Straubel, first lieutenant, Air Corps.

Wycliffe Eugene Steele, first lieutenant, Air Corps.

POSTMASTER

NEW YORK

Jacob Moore, New City.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 15, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we pause in recognition of the kingship of our Lord and Savior. In His earthly life heaven lies mirrored as a radiant sky in the summer sea. We thank Thee that the angels of Thy love have encamped on our right hand and at our left. Enable us to nourish the best aspirations and transmute them into the beatitudes of love, sympathy, and service; these are the distinguishing glory, flower, and crown of manhood. In Thy holy name inspire us with the blessedness of the peacemaker, who lessens strife, heals enmities, and recovers man out of a state of bitterness and hate. Oh, happy is the country whose citizens seek to realize the ideal of good will toward all men. Satisfy us early with Thy mercy, and encourage us with a simple regard for usefulness and a losing sight for applause. In our Redeemer's name. Amen.

The Journal of the proceedings of Saturday, April 13, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

LEAVE OF ABSENCE

Mr. BIERMANN. Mr. Speaker, my colleague the gentleman from Iowa, Mr. UTTERBACK, was called to his home in Des Moines yesterday on account of a death in his family. I therefore ask unanimous consent that he may be excused for the rest of the week.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SOCIAL SECURITY BILL

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, in the security bill which is now before the Congress, and which is causing so much stir among my colleagues as to the method of creating an old-age-pension set-up, I wish to go on record now in voicing my positive disapproval of the method of paying an old-age pension such as this bill calls for.

The administration is wedded to the payment of a reasonable pension to our aged citizens because of the President's original promise to bring such a law about, but this bill is a "buck-passing bill" and attempts to offer a small amount to the aged conditioned upon this same amount being matched by the State. Anyone knowing the condition of the States of the Union knows that more than 65 percent of these States are more or less insolvent and can in no wise meet this condition precedent; and this being true, such an old-age-pension plan of alleviating the suffering of those who are walking toward the valley without a sufficient amount of money to make them comfortable is, in reality, nothing but a foolish gesture. I desire to go on record at this juncture of the debate on this bill to say that we ought to pass a reasonable old-age-pension bill free from the ties this bill contains or else pass no old-age-pension bill at all. I do not believe in telling those citizens of our country who happen to live in wealthy States that they will be fortunate enough to get their pension because their State is able to match the Government appropriation of $15, while those who live in States not so wealthy, and these are by far the majority States, will not be able to get theirs because their State is not able to match the amount offered by the Government.

This bill should be amended so as to definitely assure our people who reach the age of 60 years and are in need that they will be comfortable and will not be compelled to depend upon local politics to give them that which is righteously theirs. The age should be 60 and not 65.

SECRETARY ICKES ANSWERS LEWIS DOUGLAS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech made by Secretary Ickes this morning in Philadelphia and also to extend my own remarks in connection with his speech.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, today at 11:15 a. m. the Honorable Harold L. Ickes, Secretary of the Interior and Administrator of Public Works, made a speech before Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia, Pa., which was broadcast by the Columbia Broadcasting System, in which he completely answered a speech against the new deal which was delivered by a former Director of the Budget of the United States, Lewis W. Douglas. I ask unanimous consent to insert the speech in the CONGRESSIONAL RECORD and to extend my own remarks in connection therewith.

I have taken the liberty of headnoting the different paragraphs of the speech. It is as follows:

LEWIS W. DOUGLAS ANSWERED

A month ago Lewis W. Douglas, former Director of the Budget of the United States, had the pleasure that I am experiencing at this moment, of speaking to you on a subject of absorbing public interest. May I say at the outset that my very pleasant association with Mr. Douglas during the time that we were fellow members of the Government not only gave me a very real liking for him personally, but a feeling of profound respect for his ability, his patriotism, and his essential integrity as a man and a citizen. I want to add that in the field of economics and finance Mr. Douglas' attainments are far superior to mine. I have never laid claim to an economic mind. So, in discussing today some of the propositions advanced before this same audience by Mr. Douglas, I do not want to be understood as speaking either with special knowledge or with any assumption of authority.

IMPORTANT QUESTIONS VIEWED THROUGH BLURRED GLASSES OF AVERAGE MAN

I am approaching the questions raised by Mr. Douglas purely from the point of view of the average man. As my justification for so doing I would like to plead that, after all, questions of finance and economics under our democratic form of government must in the final analysis be solved in the interest of the average man by the average man. As a Nation we will go up or down on the basis of our solution as a people of these and allied questions. It would, therefore, do those of you who are students of economics and finance no harm to put on the glasses of the average man, however blurred they may be, and through them seriously look with me at some of the questions in which your welfare and mine are inextricably bound up.

DOUGLAS PROTECTS FEW, DESTROYS MANY—ICKES PROTECTS ALL, DESTROYS NONE

In summing up his very able address to you, Mr. Douglas said: "What is the function of government—to destroy the many for the few or to protect all?" The answer, of course, is implicit in the question which was artfully, although legitimately, put to instill in the minds of his hearers the thought that, of course, the function of government is to protect all and that, in protecting all, one must not depart by so much as the fraction of an inch from those laissez faire economic policies which, if they were not responsible for the dolorous state in which we today find ourselves, at any rate offered no obstacle to the catastrophe that overwhelmed us in 1929, nor since that date, have availed to save us from its consequences.

The penultimate paragraph of Mr. Douglas' address contained this language: "Which is the more brutal? To spend recklessly, extravagantly for the benefit * * * of 10 millions * * * or to spend conservatively for the purpose of protecting the entire population?"

I take it that the "10 millions" referred to by Mr. Douglas constitute the army of unemployed persons in the United States today. I do not know whether his figures are accurate or not. The more or less expert estimate the number of the unemployed variously at from 10 to 12 millions or even higher. But these 10 millions, if we accept Mr. Douglas' figures, do not constitute the total of those who are suffering from unemployment. These 10 millions have dependents, and therefore should be multiplied by not less than 2, if we choose to be ultra-conservative; or, more probably, by 3 or 4, in order to arrive at the whole number of those who are either out of work themselves or dependent upon those who are unemployed. Now I say that the suffering of 20 to 30 millions of people, even out of a total population of 126 millions, is not lightly to be ignored by a Government whose function, according to Mr. Douglas' eloquent peroration, is "to protect all." Be it observed that Mr. Douglas exhorts us to protect the 126 millions, even if his 10 millions have to be sacrificed, by some method that he hints at but does not explain. Listen again to his rhetorical question which is worth repeating: "Which is the more brutal? To spend recklessly, extravagantly for the benefit * * * of 10 millions * * * or to spend conservatively for the purpose of protecting the entire population?" Be it noted that Mr. Douglas apparently thinks we are "benefiting" people if we merely refuse to permit them to die of hunger or privation.

DOUGLAS SAYS HELP PEOPLE, BUT, BUT, BUT

By what method would Mr. Douglas "protect the entire population?" He does not say. What effective step does he suggest that we take in this emergency besides giving up enervating hot baths? The record is silent on this point. Mr. Douglas' address was full of admonitions. We mustn't do this; we mustn't do that. Don't, don't, don't; and especially don't let our hearts grow commiserate as we contemplate the miseries of the ten millions of unemployed. If he made a single affirmative suggestion of a policy designed to correct or even to ameliorate the distressful condition in which we today find ourselves, it escaped my notice. Deep student that he is of economics and of government, he offered us no alternative remedy. Undoubtedly, if he had known what we might do in order to set satisfied feet on the path of economic recovery, he would have told us.

PEOPLE'S CREDIT USED TO PROTECT PEOPLE

We have heard much of balancing the Budget. We have been told many times, and never more forcefully than by Mr. Douglas, that an unbalanced Budget will not only destroy our currency but will undermine our liberties. No one will dispute that these dreadful forebodings may turn out to be true prophecies if our Budget is too seriously unbalanced over too long a period. And yet, in the absence of any statement from Mr. Douglas as to what measures he would adopt to bring about economic recovery, I am wondering whether, if it is the function of government, as he says, "to protect all", we are not justified in drawing somewhat upon our credit to provide at least a minimum of food and shelter for our unemployed and to restore motion to the idle wheels of industry through the employment of labor on useful public works.

AN INDIVIDUAL WILL NOT STARVE BEFORE DRAWING OUT OF OWN CAPITAL—WHY SHOULD NOT NATION ADOPT SAME POLICY?

Suppose any one of you should fall upon evil days; you lose your job or you have a long period of illness. No longer do you have an income to support you, but happily when you were able to work and had work to do you laid something aside. It is your reasonable expectation that your unemployment will be only temporary. In such circumstances what do you do? Do you heroically say to yourself: "Since I have no income I will not eat; I will not call in a doctor; I refuse to unbalance my budget; I firmly decline to cut down my surplus in the savings bank; I am chockfull of the old virtues; I prefer to die heroically rather than to pay for food or medicine out of my capital"?

PRESENT POLICY OF GOVERNMENT WOULD BE PURSUED BY ANY SENSIBLE, SANE BUSINESS MAN

Or take a business, even a great one. During its days of prosperous activity, if it is a well-managed business, it does not pay out all of its earnings in dividends to its stockholders or even in salaries and bonuses to its officers. It accumulates a surplus. A period of depression comes and the business is faced with the choice of losing its customers, of discharging all of its trained personnel or of drawing upon its reserves. Is there any doubt what this business will do even under our laissez faire economic system? Not the slightest. The officers and the directors will reason that reserves were accumulated just to tide over such a situation as this.

GOVERNMENT NOW DOING WHAT AN INDIVIDUAL WOULD DO

Even if the individual temporarily out of employment, or the corporation for the time being fallen upon hard times, has no savings, each will use his credit in such circumstances as I have described up to the limit of that credit. There is no thought of insisting upon a balanced budget either for an individual or for a private corporation in times when income has temporarily ceased, if there are reserves or credit to draw upon. Yet it is demanded in many quarters that the Government in a time of national calamity refrain from doing what an individual or a business concern does as a matter of course when misfortune comes.

PROPER FOR INDIVIDUAL OR BUSINESS INSTITUTION, PROPER FOR NATION

After all, a nation is an aggregation of individuals. No sane man would advocate an unbalanced National Budget as a permanent policy. Such a course would in time produce all of the dire results foreseen by Mr. Douglas. But I insist that it is just as proper for a nation in such a time as this to draw on its reserves and its credits, if necessary to save its people from starvation and bring about economic recovery, as it is for an individual to draw on his reserves and his credit in order to tide himself over evil times. That is what reserves are for. That is what credit is for. In this connection may I say that I may not agree with Mr. Douglas that even such a crisis as this will not justify an unbalanced Budget, but I am in hearty accord with his remark that "man has a peculiar ability to lose his sense of proportion."

GOVERNMENT DOING WHAT PRIVATE BUSINESS WOULD DO

Mr. Douglas insists that a Government Budget is unbalanced if expenditures over and above the amount matched by income are its total expenditures in any one year exceed its income, even if the capital expenditures. In other words, he would not permit any investment in permanent improvements by the Government unless it is charged against income. Yet he suggests no such rule for the individual or for the private corporation. Rarely, if ever, does a private business pay for capital expenditures out of income. It uses its income to meet current expenses, to pay interest and dividends, and even to build up a reasonable surplus. The practice of many corporations in the past has been to issue new securities against large surpluses and give those securities as stock dividends to its stockholders. When it contemplates an additional plant, the average corporation raises the necessary funds by selling its securities. Rarely, if ever, is a capital expenditure budgeted by a private business concern as a current expense to be met by current income.

Just why American business men, who boast themselves to be the ablest in all the world, should not insist upon keeping their

own capital expenditures within current income when they demand that the Government do so, is something that my average mind is unable to grasp.

ALL AGREE THAT EMPLOYMENT MUST BE FURNISHED

Mr. Douglas and those who think along the same lines with him are in complete agreement that in order to pull ourselves out of this depression we must give people who are able and willing to work an opportunity to do so. To do this requires the investment of capital, particularly in the heavier industries. Their reasoning seems to be along this line: Business must be stimulated; only the investment of money can stimulate business; banks and private individuals possessing funds refuse to invest; the Government alone has both the money and the will to stimulate business; therefore the Government must not spend any money for this purpose but, on the contrary, must keep strictly within its Budget.

GREATER CIRCULATION OF MONEY NECESSARY—LOGICAL FACTS MUST BE FACED

This line of reasoning, in addition to its absurdity, would seem to me more inevitably and inexorably to lead to the destruction of the America that you and I have known and loved than the course that the Government is pursuing, which is that of stepping into the breach and, to some extent at least, making an effort to stimulate business and thus bring about economic recovery. Exponents of laissez faire as well as those who advocate the policy now being followed by this administration under the leadership of President Roosevelt are in perfect agreement as to the necessity of a greater circulation of money if there is to be a business recovery. The new deal, however, is not afraid to follow through to the inevitable conclusion that if private capital will not perform its functions, public capital must and will. We will not adopt a defeatist attitude. We decline to run away from logical facts. If the circulation of money alone will restore health to the economic system and only the Federal Government is both able and willing to provide that money, then the Federal Government must and will provide it.

HALF OF NATIONAL DEBT CARRIED OVER FROM WAR

Those who would balance the Budget at once without regard to consequences seem to forget that if our national debt is considered large at the present time it is largely so because the administrations during our prosperous years following the war adopted a policy of tax reduction rather than one of vigorous debt reduction. It should be kept in mind that about half of our national debt has been carried over from the war. Failure to reduce this indebtedness as rapidly as it should have been done during the days of plenty appears to have been overlooked as one of the causes of a present unbalanced Budget.

INCREASED EXPENDITURES WILL CAUSE INCREASED TREASURY RECEIPTS

The Budget balancers also ignore the fact that expenditures for capital improvements result in increasing the whole level of incomes, and therefore broadens the tax base, which is the foundation for Treasury revenues. That this is true, there can be no doubt. Treasury receipts for the first quarter of 1935 were 21.6 percent higher than for the corresponding quarter of last year and income-tax payments were from 35 to 40 percent higher.

BALANCING BUDGET NO MORE IMPORTANT THAN MORALE OF AMERICAN PEOPLE

There are many other factors to be considered in this situation that are just as important as an immediate balancing of the Budget. Not the least of these is the morale of the American people. To my way of thinking, it is more important in these times to preserve the morale of the people than it is to balance a set of books.

MONEY IS THE BLOOD OF THE BODY POLITIC

There is still another way of looking at this problem. The reservoir of money in the country must be tapped for lifeblood to infuse into the veins of industry in order to combat the pernicious anemia from which it has been suffering. There are two sources through which this lifeblood can be obtained; one is private capitalism and the other is the Federal Treasury. If one source is clogged, then, if the patient is to be saved, the other outlet must be resorted to. After all, in theory, does it make a great deal of difference which faucet is turned on in order to get this money into circulation? It is the same money regardless of its depository. It is the wealth of America, the accumulation of the brawn of the workmen of America, as well as of the brains of the capitalists of America.

DOUGLAS FAVORS POLICY FOR BUSINESS THAT HE OPPOSES FOR GOVERNMENT

Mr. Douglas, from the remarks he made here, is no more reconciled to the public-works program of the Federal Government than he was as Director of the Budget. He says, "The huge obligations entered into on account of public works, even if no further appropriations for public works are made, will continue for many years to constitute tremendous drains on the Federal Treasury." Imagine a board of directors of a great corporation declaiming against the expenditure of money for the building of a badly needed fabrication plant because the obligation, if entered into, "would constitute a tremendous drain upon the resources of its treasury." This is not merely laissez faire; it is economic sclerosis. Needed or useful capital expenditures constitute assets and not liabilities. And at what better time can capital be put into permanent improvements than in a time of depression when building is comparatively cheap and the employment of men will contribute to economic recovery?

If an investment in a permanent improvement constitutes an economic burden, then no addition to plant equipment would ever be justified. As a matter of fact, the pursuit of this doctrine to its logical conclusion would inhibit not only additions to the plant, but the initial building of the plant itself. It would mean that a man should not deposit money in a bank because the banker might lend it to an industrialist to increase the operating capacity of his factory. The only sound course to pursue would be to tie it up in the traditional sock and hide it under the mattress.

SPENDING FOR PERMANENT IMPROVEMENTS HELPFUL

Many billions of dollars could properly be spent in the United States on permanent improvements. Such spending would not only help us out of the depression, it would do much for the health, well-being, and prosperity of the people. I refuse to believe that providing an adequate water supply for a municipality or putting in a sewage system is a wasteful expenditure of money. Any money spent in such fashion as to make our people healthier and happier human beings is not only a good social investment, it is sound from a strictly financial point of view. I can think of no better investment, for instance, than money spent to provide education and to safeguard the health of the people. Sound and well-trained minds in sound bodies would add more to the actual prosperity of this country, measured purely in money values, than anything I can think of at the moment.

COWARDICE OF PRIVATE CAPITAL FORCED PUBLIC-WORKS PROGRAM

It need not be explained again that the Government embarked on the public-works program because of the cowardice of private capital and its refusal to come out from under the bed. Something had to be done about the depression if we were ever to shake it off. And fortunately the great majority of the people wanted to do something about it. They wanted to march out and engage the enemy in hand-to-hand conflict. President Roosevelt had the same impulse, and immediately after his inauguration he set out to engage in mortal combat as insidious and as relentless a foe as a champion has ever faced.

Among the measures promptly advocated and as promptly put into effect under the National Industrial Recovery Act was a program of public works. Without an organization, without a plan, with no precedents out of the past to guide it, the Public Works Administration, launched almost overnight, was charged with the duty of expending the enormous initial sum of $3,300,000,000, to which amount $400,000,000 more were added under the deficiency appropriation bill of 1934.

NO FAVORITES—POLITICS EXCLUDED

In spite of inevitable delays, due to the strangeness of the task, the necessity of building up a strong organization capable of handling the job and the difficulties on the part of local governmental bodies in overcoming legal and financial obstacles in actually putting the money to work, the program has been carried out with due speed. No favorites have been played in the expenditure of these funds. Politics have been rigorously excluded. As competent and qualified a staff as can be found in any private organization was built up on the basis of character and ability alone.

NO SCANDAL—GRAFTPROOF—PROMPT PROSECUTIONS

The money has been allotted without any scandal reflecting on the Government. We have regarded these funds as trust funds and we have surrounded their allocation and disbursement with every possible safeguard. We have never hesitated to expose any intended misuse of this money or to cause the heavy hand of the law to be laid upon those who attempted to make an improper use of it. Our vigilance has brought to the bar of justice a number of men, Democrats as well as Republicans, some of them holding high public office, with the result that the country is thoroughly persuaded that the public-works fund is as graftproof and is as efficiently managed as it is possible for a human institution to be.

P. W. A. SPENDING $3,700,000,000 IN 2 YEARS WHILE PRIVATE CAPITAL NORMALLY SPENDS 11 TO 15 BILLIONS ANNUALLY

No fair-minded person would expect that the expenditure of $3,700,000,000 on public works by the Government would employ as many men or accomplish anything approaching the beneficial results of the customary annual expenditure in this country on construction prior to 1929. The total volume of construction work in normal times in the United States is not definitely known, but various experts have estimated that in the peak years of the 1920's from 11 to 15 billions of dollars were spent each year. Yet captious critics have sneeringly accounted P. W. A. a failure because its comparatively small appropriation spent over a 2-year period did not have the same stimulating effect on business and industry as did an annual sum many times greater during the predepression years.

MILLIONS GIVEN EMPLOYMENT MAKING NEEDED AND PERMANENT IMPROVEMENTS

Yet I know that as a result of P. W. A. 109,600,000 man-weeks of employment have already been provided. Of the 19,000 P. W. A. projects, 17,000 have been completed or are under construction, with 11,500 of them actually finished and in use. On practically all of the remainder, contracts have been let and construction is ready to go forward. Over 2,000,000 persons have had direct employment at the sites. Many millions more, employed in mills, factories, quarries, forests, or in transportation services, have benefited indirectly.

SELF-LIQUIDATING PROJECTS—GOVERNMENT MAKES MILLION CLEAR PROFIT

Mr. Douglas must know, but he did not tell you, that many of our projects are self-liquidating; that more than a billion dollars will be returned to the Government with interest, and that the Government is protected by collateral on approximately three-fourths of the reimbursable amount. Nor did he make it known to you that already P. W. A. has sold approximately $75,000,000 worth of bonds taken by it to secure advances on construction projects at a profit to the Government of more than a million dollars.

NOT ENOUGH MONEY AVAILABLE FOR P. W. A.

In view of the record, it is, of course, absurd for anyone to say that P. W. A. has been a failure because it has not taken men off of relief rolls and put them onto pay rolls. The real difficulty has been that not enough money has gone into the Federal P. W. A. program. You cannot do the work of fifteen billion dollars a year with three billion seven hundred million spread over 2 years. Some people either expected too much or they cannot forego even a poor opportunity to criticize.

DRIVING FORWARD TOWARD PEACE, PROSPERITY, AND HAPPINESS OF PEOPLE

Lacking divine power, the Administrator could not perform a loaves and fishes miracle. Fortunately, Congress has just made an appropriation for the continuation of the public-works program. The country may be assured that we are not turning backwards. We are not even halting in our tracks. We are driving straight forward, our hands on the plow, following the furrow that we hope and believe will turn the soil for such a harvest as will add to the peace, prosperity, and happiness of the people.

TAKING THE PROFIT OUT OF WAR

Mr. Speaker, the Secretary of the Interior, Mr. Ickes, in this address, mentioned the fact "administrations during our prosperous years following the war adopted a policy of tax reduction rather than one of vigorous debt reduction."

It is not generally known that the administration of President Woodrow Wilson adopted a policy that would have drafted war profits to pay the cost of the World War, had not succeeding administrations changed this policy.

If the tax rates that were adopted to pay the cost of the World War had continued in effect, and the Andrew Mellon tax-reduction bills in favor of big business and war profiteers had not been adopted, our Nation would not likely have been in debt a penny on June 30, 1927, and would in all probability have had a surplus in the United States Treasury of $1,542,197,000.

Instead of making the war profiteers pay the cost of the World War as contemplated by President Woodrow Wilson, the Republican administrations of Harding and Coolidge, under the complete domination and control of Andrew W. Mellon, Secretary of the Treasury, caused the tax-reduction bills to be enacted, which resulted in Andrew W. Mellon and the other war profiteers escaping the payment of a just obligation and caused the Government to have a public debt on June 30, 1927, of $18,510,000,000, instead of a billion and a half dollar surplus.

MELLON WAS IMPEACHED

Andrew W. Mellon is the same Secretary of the Treasury that I brought impeachment charges against in January 1932. The Committee on the Judiciary of the House of Representatives heard the charges for a week. At the hearing he was represented by counsel who could not defend him because the facts were conclusive that he was holding office in violation of the law and had so held such office in violation of the law since March 4, 1921; that he had used the office to benefit himself, his companies, and his family. Since the charges could not be answered he very quickly resigned and accepted a less important office in a foreign country. He resigned under fire. Evidently it was unpleasant to him to be compelled to resign under such conditions but that was the only thing he could do to save himself and the Republican Party. If the investigation had continued he would have been impeached and indicted. Since he had no defense to the charges it was improbable that he would have escaped punishment. The exposé would have destroyed the Republican Party. These hearings are printed in two volumes.

HONESTY OF DEMOCRATIC ADMINISTRATIONS VS. DISHONESTY OF REPUBLICAN ADMINISTRATIONS

It is interesting to note the absence of graft and corruption during the World War when billions of dollars were spent and the absence of graft and corruption of officials appointed by President Roosevelt during the present administration while billions of dollars more are being spent, in connection with the wholesale stealing and racketeering during the three Republican administrations between the administrations of President Wilson and President Roosevelt.

THE BILLIONS WILL BE HONESTLY EXPENDED

There will probably be isolated cases of dishonesty among the various people who have been and who will be intrusted with the expenditure of the billions of dollars during the present administration, but they will be promptly and vigorously prosecuted just as Mr. Ickes has said in his address. It is my sincere belief that honest and capable people will continue to administer the expenditure of these large amounts and that no corruption or dishonesty will ever occur among these high officials who are responsible.

REPEAL OF EXCESS PROFITS TAXES

The following table discloses the information in regard to the payment of the national debt before June 30, 1927, and is self-explanatory:

Estimate of additional revenue that would have been derived under the income and excess-profits tax rates of the year 1918 continued in subsequent years, with effect upon the public debt by the application of such additional revenue thereto

INDIVIDUAL—INCOME TAX

Year	Actual net income	Actual tax	Theoretical tax	Excess
1918	$15, 924, 639, 000	$1, 127, 722, 000	$1, 127, 722, 000	
1919	19, 859, 491, 000	1, 269, 630, 000	1, 406, 052, 000	$136, 422, 000
1920	23, 735, 629, 000	1, 075, 054, 000	1, 680, 483, 000	605, 429, 000
1921	19, 577, 213, 000	719, 387, 000	1, 386, 067, 000	666, 680, 000
1922	21, 336, 213, 000	861, 057, 000	1, 510, 604, 000	649, 547, 000
1923	24, 777, 466, 000	661, 666, 000	1, 754, 245, 000	1, 592, 579, 000
1924	25, 656, 153, 000	704, 265, 000	1, 816, 456, 000	1, 112, 191, 000
1925	21, 894, 576, 000	734, 555, 000	1, 550, 136, 000	815, 581, 000
1926	21, 958, 506, 000	732, 471, 000	1, 554, 662, 000	822, 191, 000
Total	78, 795, 247, 000	6, 758, 085, 000	12, 658, 705, 000	5, 900, 620, 000
1927	22, 545, 091, 000	830, 639, 000	1, 596, 192, 000	765, 553, 000
Total	101, 340, 338, 000	7, 588, 724, 000	14, 254, 897, 000	6, 666, 173, 000

CORPORATIONS—INCOME AND EXCESS-PROFITS TAXES

Year	Actual net income	Theoretical net income	Actual tax	Theoretical tax	Excess
1918	$8, 361, 511, 000		$3, 158, 764, 000		
1919	9, 411, 418, 000	$8, 031, 704, 000	2, 175, 342, 000	$3, 034, 137, 000	$858, 795, 000
1920	7, 902, 655, 000	6, 542, 608, 000	1, 625, 235, 000	2, 471, 601, 000	846, 366, 000
1921	4, 336, 048, 000	3, 399, 895, 000	701, 576, 000	1, 284, 378, 000	582, 802, 000
1922	6, 963, 811, 000	5, 222, 858, 000	783, 776, 000	1, 973, 060, 000	1, 189, 284, 000
1923	8, 321, 529, 000	6, 241, 147, 000	937, 106, 000	2, 357, 743, 000	1, 420, 637, 000
1924	7, 586, 652, 000	5, 689, 989, 000	881, 550, 000	2, 149, 530, 000	1, 267, 980, 000
1925	9, 583, 684, 000	7, 187, 763, 000	1, 170, 331, 000	2, 715, 350, 000	1, 545, 019, 000
1926	9, 673, 403, 000	7, 255, 052, 000	1, 229, 797, 000	2, 740, 770, 000	1, 510, 973, 000
Total	63, 779, 200, 000	49, 571, 016, 000	9, 504, 713, 000	18, 726, 569, 000	9, 221, 856, 000
1927	8, 981, 884, 000	6, 736, 413, 000	1, 130, 674, 000	2, 544, 842, 000	1, 414, 168, 000
Total	72, 761, 084, 000	56, 307, 429, 000	10, 635, 387, 000	21, 271, 411, 000	10, 636, 024, 000

Public debt June 30, 1926		$19, 643, 000, 000
Additional revenue if rates continued through 1926	$15, 122, 476, 000	
Probable saving in interest by annual payment of such additional revenue on public debt	2, 450, 000, 000	
		17, 572, 476, 000
Balance of debt, 1926		2, 070, 524, 000
Public debt June 30, 1927		18, 510, 000, 000
Additional revenue if rates continued through 1927	17, 302, 197, 000	
Probable saving of interest by annual payment of such additional revenue on public debt	2, 750, 000, 000	
		20, 052, 197, 000
Surplus after complete payment of public debt		1, 542, 197, 000

NOTE.—It is assumed that business profits (net income) would not have been depressed by the high tax.

(This statement prepared by the Joint Committee on Internal Revenue Taxation. Mr. L. H. Parker, Chief of Staff.)

SOLDIERS' BONUS

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes so that I may correct an error concerning myself appearing in an extension of remarks in the CONGRESSIONAL RECORD of April 11.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STACK. Mr. Speaker, the gentleman from Texas [Mr. PATMAN], under the privilege of extending his remarks in the RECORD concerning an analysis of the vote in the House of Representatives on the question of paying the adjusted-service certificates and American Legion secret executive committee meetings, among other things, at the top of page 5466, said:

> Mr. John Thomas Taylor, the legislative representative for the American Legion, who claimed that the Vinson bill was so strong in the Senate where he never asked anyone to introduce it, resides in the Sixth District of Pennsylvania. His own Congressman voted against the payment of the adjusted-service certificates.

I happen to represent the Sixth District of Pennsylvania. I met Mr. Taylor once and understand he resides in the Seventh District of Pennsylvania, so well and ably represented by my esteemed colleague, Mr. DARROW.

Mr. PATMAN. Will the gentleman yield?

Mr. STACK. I yield to the gentleman from Texas.

Mr. PATMAN. I want to apologize to the gentleman for making that mistake. I am glad it was no worse than it is. However, it is true that the gentleman who represents the district in which Mr. John Thomas Taylor resides did vote against paying the adjusted-service certificates?

Mr. STACK. The gentleman is correct.

Mr. PATMAN. So I had only the number of the district wrong?

Mr. STACK. Yes.

Mr. RICH. Will the gentleman yield?

Mr. STACK. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman would not expect a Representative like the gentleman from Pennsylvania [Mr. DARROW] to vote for an inflationary bill, such as the Patman measure?

Mr. STACK. Replying to the gentleman's question, may I say that I am not going to crawl into the gentleman's mind or into the mind of Mr. DARROW to find out what either of the gentlemen will do. I cannot do that. I am not infallible. I am human like the gentleman. However, answering the gentleman's question further, I deny there is any inflation in that bill.

Mr. RICH. Whenever we start the printing presses of this country to printing money it is very much like General Johnson's statement in reference to Father Coughlin. It will be "funny" money.

Mr. STACK. I yielded only for a question.

[Here the gavel fell.]

Mr. STACK. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

Mr. SNELL. Mr. Speaker, what is before the House? The gentleman was talking so low that no one over here could hear him.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to proceed for 2 minutes. Is there objection?

There was no objection.

Mr. STACK. Mr. Speaker, answering the gentleman from Pennsylvania [Mr. RICH], personally I think that when the Patman bill was passed by this House it was a direct answer to Mr. Roosevelt's appeal on March 4, 1933, to chase the money changers out of the temple.

Mr. TRUAX. Will the gentleman yield?

Mr. STACK. I yield to the gentleman from Ohio.

Mr. TRUAX. The gentleman from Pennsylvania, who is doing the interrogating here, is a banker. I wonder what he thinks of the bankers' paper money they have been issuing since 1864?

Mr. BLANTON. Will the gentleman yield?

Mr. STACK. I yield to the gentleman from Texas.

Mr. BLANTON. I think the final vote on the Patman bill was 318 for.

Mr. STACK. Yes.

Mr. BLANTON. With a final count of 318 votes for a Democratic measure like the Patman bill, and only 70 votes against it, the gentleman would not expect such an old-guard Republican like the gentleman from Pennsylvania [Mr. DARROW] to be one of the 318 who voted for it, would he?

Mr. STACK. Why, I would rather not say what I would expect. The gentleman from Texas [Mr. PATMAN] was invited to Philadelphia, the quondam citadel of Republicanism and Toryism, on Saturday, April 27, at which time over a Nation-wide hook-up the gentleman from Texas [Mr. PATMAN] will tell the country why he thinks the Patman bill is the best bill and a real recovery measure; and, Mr. Speaker, we will be glad to have you up there or any other Members who desire to come.

THE LAND OF QUIVIRA

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARPENTER. Mr. Speaker, what is the condition of the country today? The banks have money on deposit, but do not know how or where to loan it. The Treasury of the United States now has more gold and silver in its vaults than it has ever had in its history, but with less currency outstanding than before.

The following table, as prepared by the United States Treasury Department on April 9, 1935, indicates the changes in the amount of the various kinds of currency, standard silver dollars, subsidiary silver, and minor coin outstanding on February 28, 1935, as compared to March 31, 1933:

	Mar. 31, 1933	Jan. 28, 1935
Silver certificates	$376,185,525	$598,926,983
Treasury notes of 1890	1,213,500	1,183,874
United States notes	265,827,482	262,883,448
Federal Reserve notes	3,621,438,735	3,118,678,960
Federal Reserve bank notes	17,191,008	93,693,187
National-bank notes	878,807,515	822,800,465
Standard silver dollars	28,346,934	31,176,351
Subsidiary silver	258,284,125	288,930,954
Minor coin	112,219,848	122,917,162
Total	5,559,514,672	5,341,191,389

Not only less paper money, but even the gold money has been withdrawn from circulation. To be sure, more Government bonds have been issued by the Government, but this gold has no longer any relation to them. At the same time we have many owners of both farm and city properties who need help and cannot get it either from the banks or the Government. While at the same time we have all kinds of extravagant spending schemes indulged in by the Government and more people both on the relief rolls and on the Government pay rolls. All this money either in the banks or in the Treasury should be the lubricant with which to run the business machinery in this country, and without which friction prevents it from operating. Business in general has been going around in circles, trying to find the straight road of confidence that will ultimately lead to business recovery and that state called prosperity.

It is stated by economists that the only way for business to expand is for an expansion of bank credit. This no doubt plays a great part in modern business, but it always has strings tied to it and is subject to manipulation. At present, credit is timid because of too much governmental interference. If you had a million dollars today to invest in some business, what would you invest it in? You would not know because of the uncertainty of its being regulated out of existence by the Government.

Many years ago there was an explorer who lived in Spain, by the name of Coronado, who went out to find the land of Quivira and the fabled "seven cities", where the streets were paved with gold. We thought we had discovered the land of Quivira when we gathered up all the gold and put it in the Treasury of the United States, and then we thought miracles would occur when we cheapened it. Both of these steps we were given to understand by the "wise men of the East" would not only be the stars to signal confidence but would save us from the heretics of unsound money and guide us to the promised land.

The first step, that was when the Government confiscated all the gold, merely transferred the private hoarding of gold to Government hoarding of gold. The second step, the cutting the content of the gold in the dollar, or cheapening the gold, had no effect in this country, because the gold was impotent. All that gold is good for at this time is in relation to foreign exchange, and as we have little or no foreign trade, it is not now necessary for that purpose. No longer is the currency of this country or are its bonds redeemable in gold, therefore all this gold has no use at this time, and might as well been dumped into the Atlantic Ocean or deposited on some desert isle.

On the other hand, much good might have come from both of the above-mentioned steps, and the promised land of better times reached if we had proceeded in the direction in which we started, if this gold had been used as a base upon which the Government had issued the necessary currency. When the gold content of the dollar was lowered, that is, when the gold was cheapened with no expansion of the currency, there was no longer any need for the Government to corner all the gold and further prohibit its circulation and possession by individuals. We could then have gone back to the gold standard. All that I have said concerning gold would likewise apply to silver if it had been confiscated by the Government along with the gold. Instead of establishing a sound currency on the basis of gold, we have established a huge indebtedness based upon unsound and speculative taxation.

Notwithstanding the announced monetary purpose behind the move to confiscate all the gold in this country, I sometimes wonder if the Government officials who initiated this movement did not have in mind the security it would give the Government to possess all of this gold in case of a revolution or in case of war.

In my judgment we should either proceed on a sound currency expansion based upon the gold and silver we have or else return this gold and silver into the channels of trade and commerce; and we should, I believe, remonetize silver and provide for its free and unlimited coinage.

A. A. A. AMENDMENTS BENEFICIAL TO ALL PRODUCERS AND TO ALL ACTUAL CONSUMERS

Mr. AYERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech made Saturday afternoon by Chester Davis on the proposed amendments to the A. A. A.

Mr. RICH. Mr. Speaker, reserving the right to object, if the speech is not one that requests Congress to give authority to extend the A. A. A., then I do not object.

Mr. AYERS. It does.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. AYERS. Mr. Speaker, a great deal of propaganda has been coming to Members of Congress in opposition to the bill commonly known as the "A. A. A. amendments bill." We Members from the agricultural areas know that this propaganda is inspired by the powerful organization of middlemen in their efforts to continue profiteering from both ends—from both the producers and the consumers. To the farmers who have given this bill serious consideration and to the Members of Congress from agricultural areas, there is no doubt as to the inspiration of the propaganda against this bill. But for the others, I know and you know, Mr. Speaker, that the facts should be laid before them.

The interests of the producer and the actual consumer, in the production and the ultimate consumption of agricultural products, are the same insofar as this amendments bill is concerned.

Mr. Speaker, the Honorable Chester C. Davis, who so ably administers the Agricultural Adjustment Act, explained the purpose of this bill last Saturday in a radio address over a coast-to-coast hook-up, in a more enlightening manner than I have yet heard. He hit the nail right on the head. He did not mince any words. He placed the responsibility of this propaganda opposition where it belongs—upon the "two-end profiteers."

I am sure Mr. Davis' remarks will be enlightening to every Member of Congress and to all readers of the CONGRESSIONAL RECORD, and therefore, Mr. Speaker, under the unanimous-consent request granted me, I include Mr. Davis' speech, which is as follows:

A PLEA FOR EQUALITY

I appreciate deeply this opportunity to speak to the farm families of the United States as guest of the American Farm Bureau Federation, on their hour today. Even more, I feel the responsibility that became mine when I accepted this invitation. For in the time at my disposal today I am going to state, as clearly and as simply as I know how, a few of the problems now confronting agricultural adjustment, and lay before you the significance of some of the moves now under way which, if successful, will sharply limit, if not actually end, the new force in government which has been set up for the use of farmers in the protection of their own industry.

HISTORY OF A. A. A.

The Adjustment Act was passed 23 months ago yesterday. It had its inception when a band of serious men, battle-scarred leaders of organized agriculture in the United States, met in Washington to recommend to the new administration the legislative basis for a new American agricultural policy. Those men were not theorists or dreamers. They had led in every stage of the post-war battle for agricultural equality; they had gone through successive efforts to end the inequalities that were draining the lifeblood from the American farms.

These men knew that the job was no easy one. Prices to farmers were lower, then, than any of them had ever experienced before, yet these low prices—the 12-cent corn, 30-cent wheat, $2.60 hogs, and 5-cent cotton—had not moved into consumption, either here or abroad, all that the farmers had grown. There was no ready export outlet for surplus stock as there had been before the war when the United States was a debtor nation, or after the war when we were lending billions abroad to enable other nations to buy from us while they were building their farm production back and expanding it. You know that story, you have heard it many times before.

These men also saw that while farmers had maintained their full production practically at the 1929 level, their prices had been driven down to 60 percent below 1929 prices; manufacturing industries, on the other hand, had held their prices up to an average level not far below that of 1929 by cutting the volume of their production nearly 60 percent below the 1929 volume. These men knew that six and a half million farmers could not expect to compete with corporate organization for a living share of the Nation's income; and they asked the Federal Government to supply the implement through which the farmers could effectively cooperate. The Agricultural Adjustment Act was passed substantially along the lines of their recommendations.

Farmers have operated under that act for nearly 2 years. Over 3,700,000 contracts with individual farmers, producers of eight of the basic commodities defined in the act, are in effect today. Based on these contracts, supplemental income is pouring out to the farms as it is derived from processing taxes, while the gigantic cooperative effort of these farmers toward a balanced production is aiding to establish and maintain prices for the basic crops nearer to that fair exchange value laid down in the Adjustment Act as desirable for the farmers and best for the entire Nation.

These original sponsors of agricultural adjustment believed that they had blue-printed a mechanism that would be Nation-wide in its application. There were adjustment programs financed by processing taxes for the producers of the great staple crops; and there were marketing agreements backed by license powers in the act for the producers and sellers of whole milk, and of fresh and canning fruits and vegetables and other special crops.

Nearly 2 years of experience have shown up defects in the original provisions of the Agricultural Act. Congress had given the administrators of the act a job to do, in cooperation not only with the producers of wheat, and cotton, and corn, and hogs, and tobacco, but with the farmers of the diversified regions of the Northeast, the dairy belt, and the coast fruit and vegetable States as well. But in some respects the commitment of the job was not clearly backed up by definite provisions which could be used to make the act speedily and effectively workable for the Nation as a whole.

AMENDMENTS ARE TOOLS TO MAKE A. A. A. SUCCESSFUL

Senator ELLISON D. SMITH, the veteran Chairman of the Senate Committee on Agriculture and Forestry, stated the case the other day. He said: "We have given you a job to do; now we have to give you the tools to do it with."

That explains, in short, why bills are pending in both the Senate and the House of Representatives of the United States, which, if enacted, will amend in some particulars the Adjustment Act. Some of the amendments relate to the broad adjustment programs for the crops that are named as "basic" in the law; some of them relate to the marketing agreements and licenses. It is around the latter amendments, I regret to say, that a great deal of controversy has arisen; controversy and an astonishing amount of misunderstanding and even misrepresentation of the powers and principles involved in the amendments.

INTENT OF A. A. A. IS TO SERVE FARMERS

The administrators of the Agricultural Adjustment Act believe that Congress intended the law to serve the farmers of one section

of the country as well as those of another. As it stands, so much is missing from the brief outline of marketing agreements and licenses in the original act that the Adjustment Act stands like a square table with legs at only three corners—the leg that should support the diversified agriculture of the Northeast, the Pacific Coast States, and the whole-milk producers for the large cities is shown by experience to be too weak to support that corner. Until it is strengthened by a clear statement of powers and limitations with respect to marketing agreements and licenses, the whole table is unsteady.

ALL FARMERS MUST COOPERATE

Farmers of the wheat, cotton, tobacco, and livestock regions may say, "We don't need to use the marketing agreements and licenses; why, then, do those particular amendments concern us?" To them I say, "They concern you in just this way: Unless the act can be made fully effective as a national instrument, serving the 2,000,000 farmers who grow special crops or milk, then, with support from that group missing, the whole act is in danger."

I don't know whether it will be possible in these few minutes to clear away all of the underbrush that has been growing up around these amendments, but I want at least to try. Just what do the amendments provide, and what is the shooting all about? Here are some of the main points.

One amendment provides a way in which stocks of a commodity, on which special Government loans have been extended, may be turned back to the farmers in return for reduced plantings in subsequent years. This is essential if the commodity loans, such as have been made on corn and cotton, are to continue as part of the national agricultural policy. Opponents of the amendments, particularly the organization to which I will refer later, have gone so far as to tell the country that under this amendment we will be asking the cotton farmer to take wheat in return for his adjustment, or the corn farmer to take bales of cotton. Such a statement, of course, is too ridiculous to require extended comment.

Another amendment of some significance will authorize future contracts to be based on adjustment of acreage without requiring reduction, as the act now does. This would provide for judicious increases from the low acreages necessary in 1933 and 1934 when main effort was to work down surpluses that had accumulated before the act was passed. It is in line with the policy of keeping the Adjustment Act flexible to meet changing conditions as they develop.

AMENDMENTS WILL HELP EXPORT TRADE

The House draft of the legislation would broaden the power to promote export sales of surplus crops and their products; certain revenue changes also are set forth in the draft before the House committee, including one that directs us to use two new factors in farmers' cost of production in calculating the parity or fair exchange price of a commodity, the new factors being average per acre interest and tax payment on farm real estate. Another provides that the processing tax may be increased within limits to offset exemptions from the tax for charitable purposes and upon processing by State institutions.

Up to date the provisions I have mentioned have not drawn the fire of concentrated opposition. That opposition has been centered upon the licensing sections, which would enable the producers of whole milk and the miscellaneous crops not susceptible to treatment in the usual adjustment program to operate effectively through marketing agreements. Let me emphasize the point that these special crops constitute the means of livelihood of 2,000,000, or nearly one-third, of the farmers of the United States.

I think I should make it perfectly clear that our present act contains a very brief authorization for the Government to enter into marketing agreements with processors and handlers of farm commodities in order to help carry out the declared policy of the act, which is to assist farmers to establish and maintain fair prices for farm commodities. The present act also—and this is something which I believe the business interests of the country do not clearly understand—has already placed power in the hands of the Secretary of Agriculture to license all handlers of agricultural commodities and to revoke their licenses if they do not comply with the terms and conditions thereof. The trouble is that Congress in the original act did not explicitly state that the terms and conditions of a license might be such as would carry out the marketing plan set forth in the marketing agreement. That omission, incidentally, has been raised in court action against one of the farm marketing plans with respect to whole milk.

BENEFICIAL EFFECT OF LICENSING FEATURE

We have suggested, and the pending amendments provide, that licenses may be issued under three conditions:

First. To eliminate unfair practices and charges (and in this respect the license provision is identical with the language of the existing law);

Second. To insure the carrying out of a marketing agreement when the agreement has been entered into by more than 50 percent of the specific class of handlers or processors of the particular commodity whose cooperation is necessary to make the marketing agreement work; and

Third. As a reserve power limited by every proper safeguard against abuse in order to carry out a marketing agreement even though a majority of the handlers of the specific commodity within the area covered by the agreement may not have signed it.

In the third use of the licenses we come down to the crux of the difficulty—the point on which the shooting is centered. We have advised the leaders of Congress that if marketing agreements are to work, there must be a final reserve power in the act to declare a marketing plan in effect and to secure its operation by uniform licenses affecting only those shippers or handlers or buyers, or canners, or processors whose cooperation is necessary to carry out the plan. We did not ask for authority to go one step further, and we have asked that this be limited by requiring the approval of the President before the license may be issued, by permitting its use only where no other practical method of accomplishing the purposes of the act for the producers can be devised, and by requiring that at least two-thirds of the producers of the commodity affected must consent to the plan before it is put into effect.

EXPLANATION OF MARKETING AGREEMENTS

Now, I think before I consider the objections that have been raised against that third class of license I ought to take time to explain just what a marketing agreement is and how it functions.

In the first place, the marketing agreements we have entered into have all been limited to a definite and restricted region or area in which a particular commodity is grown and marketed under substantially identical conditions. The Boston or the Chicago milk sheds, the Florida, the California, and the Texas citrus-fruit regions, the California cling-peach region, illustrate the type of area and commodity I am talking about.

The object of each agreement is to secure fair returns upon their products for the producers within the area it covers. The means to accomplish this objective varies with the region and the commodity. With whole milk, we have simply attempted to establish a fair minimum price below which the dealers cannot buy milk, and to insure to each producer his fair share of the whole-milk market he normally helps to supply.

With fresh fruit, the means chosen may be to regulate shipments to the several markets at a rate which the markets can take at a reasonable price, and to prorate the shipments equitably and fairly. Management of the marketing plans usually rests in an industry board composed equally of representatives of producers and of the particular industry, whether shippers, or canners, or processors, whose cooperation is necessary to make the plan work, with an odd man, either chosen by the combined groups or appointed by the Secretary of Agriculture.

In most cases the business groups concerned show a willingness to cooperate with the producers in the development of a marketing plan. The danger is that if that reserve power to which I have referred, is not expressed by Congress, the middleman has the final veto power when we sit down with him and the producers to work out the marketing plan. Frankly, we are out to help the producers develop marketing plans for their special crops that will stabilize their business and their income. We believe it is of primary concern to the Nation that this be done. The middlemen sometimes are not as interested in that objective as the farmers are. If a small group is in position to say, "no", then without reserve power I have mentioned, the plan ends. We can go no further.

When we sit around the table with the interested business groups and with the growers to develop a marketing plan, we want to be able to back the growers up with adequate powers. If those powers are expressed, I believe we are in position to say from our experience that we will rarely be called upon to use them. That power simply puts the growers in infinitely better bargaining position than they are without it.

PRODUCERS AND CONSUMERS INTERESTED ALIKE

A few illustrations will show why these marketing agreements and license provisions are important to the Nation. If we are to go ahead with a program to put a firm plank under the hard-working men who produce the whole milk for our city markets, we must be in position to hold up the Federal end of a cooperative effort with the State governments, which will require dealers to pay an agreed fair price to the producers. If this cannot be done, there is nothing to stop the dealers at any time from going out and locating cheaper supplies of milk to bring in and break the market. It has often been done.

I am advised that about 25 percent of the grapefruit from Florida this year has sold on the auction markets of the big cities at prices that failed to meet the direct out-of-pocket costs of picking, packing, and marketing the crop, leaving nothing whatever to pay the grower for his crop on the tree.

If the citrus grower in Florida can average a half a cent apiece on the tree for his commercially marketable oranges, he can become again a strong economic factor in this Nation—a buyer of American goods. Middlemen's charges, including transportation, are a fixed charge on his fruit, amounting to three times as much as the grower gets when he is securing a reasonable return. Even when the orange grower gives his fruit away on the tree the cost to the consumer in New York City stays up. It makes very little difference in the consumer's cost whether the grower receives a fair price or whether he gets nothing, but it makes all the difference between success and bankruptcy to the grower.

What I have said about oranges and milk applies equally to potatoes in Maine or Idaho and to fruits and vegetables and dozens of other commodities all over the Nation. We want to be in position to turn this thing around so that the farmer can start with a fair return. We believe that is what Congress intended. We believe that the proposed amendments are vital to its accomplishment.

MIDDLEMEN OPPOSE AMENDMENTS

Now, I want to spend some time on the nature of the opposition that has developed to these amendments and the manner in which

the opponents have been working. I recognize, of course, that every business man has a perfect right to oppose any act pending in Congress or any proposed policy of an administrative office. No one questions that or is disturbed by it. During the past 6 months I believe I have discussed the principles of the legislation now pending with representatives of every important food-handling industry in the country. I do not believe the heads of these industries are as concerned over the amendments as some recent activities indicate. These business groups, however, do show a remarkable capacity for cooperation with each other—a capacity which certainly is not equaled in the agricultural ranks.

MISLEADING PROPAGANDA AFLOAT BY MIDDLEMEN

These amendments now before Congress are being fought by every means the groups of middlemen can command. Leading the fight is an organization called the "Agricultural Industries Conference." They have exerted pressure to stop the amendments; they have flooded the country with exaggerated and misleading propaganda intended to confuse farmers and consumers and get them working against their own interests. But just who makes up this Agricultural Industries Conference is not known. It is a powerful and an active group, working for the interests of middlemen; but so far it has kept the identity of those it represents carefully concealed from the public. It puts out quantities of propaganda to the newspapers and elsewhere, attacking the A. A. A. amendments; but the propaganda is anonymous, as though those who put it out had something to conceal.

This organization—the Agricultural Industries Conference—has apparently inspired a concerted effort to cause the publishers of weekly and daily newspapers and periodicals throughout the country to believe that their advertising revenues are in some way endangered by the pending amendments. Newspaper publishers ought to know, and do know, that the purchasing power of the farmers in their territory is absolutely essential to their advertising revenue. To these publishers I want to say, first, that the proposed amendments to the act do not broaden in any way any possible powers of the Department of Agriculture over advertising; second, that the Agricultural Adjustment Administration has taken no steps inimical to advertising and has steadfastly refused to do anything which might be construed as an attempt to restrict the freedom of the press through the control of advertising expenditures; and, third, that the operation of the Agricultural Adjustment program has been accompanied by large increases in expenditures for advertising throughout the country.

NO LICENSE ON RETAILERS

I have been amazed by the extent to which these organized propagandists have apparently convinced the retailer, the grocer, and the butcher that in some manner these pending amendments propose to license them and to regulate their business. Now, as a matter of fact, except as the great centralized dairy interests and consolidated grocery concerns buy directly from the farmers, and handle their products in large quantities, these licensing powers would not apply to the retailer at all. The Department of Agriculture certainly has no desire for power to issue and administer licenses just for the sake of licensing. Any marketing plan that has developed for a particular commodity in a particular region would concern itself with that stage of processing or handling through which the commodity passes where the fewest possible number of business units would be required to cooperate.

MIDDLEMEN INSPIRE LETTERS TO CONGRESS

I think Congress has rarely seen a flood of propaganda as one-sided as that which has swept upon it since these amendments were proposed. There is plenty of evidence that this propaganda has been deliberately stimulated.

For example, two batches of multigraphed letters from certain parts of New York and Brooklyn came to my attention the other day. Each batch contained about 150 letters. All the 300 or more letters were addressed to the President. All the letters in each batch were identical, and all had apparently been run off on the same machine on the same date, April 4. Many persons had signed each of the two letters.

One set of the letters urged repeal of the processing tax on cotton. The other set purported to protest against the A. A. A. amendments in the pending House and Senate bills. But in referring to the Senate bill, the letters all protested not against S. 1807, containing the A. A. A. amendments but against S. 807. This, as it happens, is an entirely unrelated measure granting an honorable discharge from the Army to a Y. M. C. A. secretary who had served in France as a chaplain. So far as a quick check of the New York City directory could identify the individuals, they are employees including janitors, porters, clerks, and officials of one textile corporation in New York City. The two batches of letters show that the attack on the processing tax and the amendments is being directed from identical sources. It is a double-barreled attack designed to undermine the act.

CHAMBERS OF COMMERCE ARE DECEIVED

Word came to me from Oregon that representatives of one of the large national food companies whose name is a household word in every home had called up every little chamber of commerce in the State, urging them to rush in telegrams to the members of the Senate and House Committees on Agriculture in opposition to these pending bills which the chambers of commerce had never even seen. Obviously, these people who had been influenced to send in letters and telegrams of protest were not in position to know what they were protesting about.

This organization, the Agricultural Industries Conference, has done a very thorough job. Sometimes I wonder if they have not overdone it. As I see it, the consumer is just as much interested as the farmer in what has taken place. After all, middlemen's charges, including transportation, take about two-thirds of the consumer's dollar, leaving only about one-third on the average for the farmer. I wonder if this intense activity on the part of some of the zealous spokesmen for middlemen's interests will not serve to concentrate the attention of both the consumer and the farmer on how that two-thirds of the consumer's dollar is divided up where it goes.

ATTACK ON AMENDMENTS IS DIRECTED AT ACT

The attack on the A. A. A. amendments is actually an attack on the act itself. It is part of a concerted movement against the whole farm program. That general movement includes the attempt to knock out the processing taxes, which are the financial basis of the entire benefit payment plan of getting farmers parity prices. The movement against the amendments and the processing taxes—which are in effect the farmer's tariff—is fostered by the same processing and handling interests which sought to prevent adoption of the original act. Some of those behind the great lobby fighting the amendments have opposed every important piece of legislation sought by the farmers for the past 20 years.

ACT AND AMENDMENTS ARE FOR FARMERS

In the last analysis, what the farmers of America are working through is an Agricultural Adjustment Act, not an act for middlemen or processors. The act is the culmination of the farmers' long fight for economic equality. But this fight will not really be won until the act is strengthened so that it can be available to all the farm groups in the United States as an instrument for attainment of the economic rights declared by Congress to be theirs.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7260, with Mr. MCREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, I yield 25 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, what I have to say shall be extemporaneous, and I hope to touch most of the numerous titles of the bill. Practically every Member who has spoken on this bill up to this time has prefaced his remarks with a statement to the effect that this is the most important measure that Congress has considered during his incumbency or has ever considered. I do not know that I want to go that far, but I think I can go this far with safety: I think this is the most far-reaching piece of legislation we have considered in the 10 or 11 years I have been here. I do not know that it is the most important, because that is a relative term; but when I say far-reaching, I mean it is far-reaching in the fact that it is going to be permanent.

We passed not long ago what we have since known to be the famous "N. R. A. or the N. I. R. A." law. This may have been a very important piece of legislation, and no doubt was important; but it is not necessarily permanent. According to Hugh Johnson, sometimes it is from earth to egg and sometimes it is from egg to earth; and according to other dignitaries, it is necessary while others prophesy its early repeal. The same thing is true of the big recovery relief act, which we passed a few days ago. This calls for $5,000,000,000 to be turned over to the President, and it was very important, inasmuch as no legislation appropriating any such colossal amount has been enacted heretofore, and I hope we will never have a President who will even ask for that much money in the future, much less demand it. However, it is not permanent legislation and we are surely not going to appropriate that much every year.

This legislation when it is once enacted, if it is of any value at all, it is of value by reason of its permanency, or at least its promise of permanency.

We are launching on a program, several titles of which call for the cooperation of the States. If they cooperate this will be permanent. The title with respect to old-age pensions is to be put into effect in cooperation with the States; in fact, every individual title of the 10 or 11 titles of this measure is permanent, it is far-reaching, and is going to be with us in the next year and in the next Congress and in the next generation, unless sooner repealed.

This is why I say we ought to be careful about it. I think it is safe to say that the overwhelming sentiment of this Congress is in favor of doing something by way of economic security.

I think we Republicans, whether we have wanted to come to it or not, and for one I have for many years been willing and anxious to come to it, have been forced to the conclusion that the world moves on, that progress is the watchword and forward do we range. If this is the case I do not think there will be any trouble at all about passing in this session of Congress without any partisanship, a large percent of this legislation. Most of this legislation is just like immigration and various other great problems we have to contend with in the Congress. They are not factional, they are not partisan, neither are they sectional. They take into consideration the welfare of the entire Nation.

Insofar as this bill provides for the furtherance of public-health measures it is neither factional nor political. If we were to consider that phase of it and if we went back to its origin, I do not doubt we would find it was passed by this Congress under Republican administrations. Appropriations for public health is probably more clearly for the general welfare than any of these titles. In the same way, I feel sure, you could go back to the origin of the provision with respect to rehabilitation and I think you would find that the original rehabilitation act was passed under a Republican administration.

I cite these facts only to show you that we ought to approach this great problem in a nonpartisan way as far as possible, because we are going to launch this measure in this session of Congress and after 1936, no doubt, we will have a Republican President in the White House and therefore it means a lot to the Republicans as well as to the Democrats. We have got to legislate for the future and not for today only.

The Republican members of the Ways and Means Committee worked on this bill just as assiduously as did the Democratic members. Their contributions to the bill by way of discussion and suggestion were as beneficial as those of the Democrats. I wish to pay a tribute to the distinguished Chairman of the Ways and Means Committee. I may say that never in my experience in Congress have I seen a more fair-minded or a more courteous or a more gentlemanly chairman than our distinguished chairman. [Applause.] He did not break his rule in the handling of this measure, not in the least. He conducted the affairs of the committee in a most honest, upright, and fair manner; and in the consideration of this measure I want the Republicans especially to know this bill was considered just as assiduously by the Republican members of the committee, and we gave it just as consistent and persistent and religious attention as did anyone else.

Leaving myself out, many contributions were made by the Republican members of the Ways and Means Committee that found their way into the language of this bill. These Republican members, in summing up their ideas of the bill, have prepared a report designated as "minority views." This report does not bind any individual members, neither does it bind the Republicans as a group, but it sets out to you succinctly what the Republican members of the Ways and Means Committee think would be a fair general statement.

I agree with the first part of the report submitted by the Republican membership of the Ways and Means Committee. I maintain that this bill separates itself into two general categories:

First. Those which spring from the desire of the Federal Government to provide economic assistance to those who need and deserve it.

Second. Those which are based upon the principle of compulsory insurance.

In the first group are—

Title I, granting aid to the States in meeting the cost of old-age pensions;

Title IV, granting aid to the States in caring for dependent children;

Title V, granting aid to the States in providing for maternal and child welfare; and

Title VI, granting aid to the States in providing for public health generally.

Many people in this country deserve assistance of the Government, both State and National, and they are not "charity" people. They deserve it because the iron hand of vicissitude has rested heavily upon them, on many occasions for which they are in no way responsible. There is truth in the statement that the Government, both State and National, owes something to some people. Naturally it does. The Government feels its obligation, and it feels it wants to pay this debt. What is one of them? One of those debts is to pay old-age pensions to those who approach the setting sun of life without sufficient means to provide themselves decently, and another one is to grant aid of the States for the care of dependent children. Let me go into that briefly. I will not discuss old-age pensions at length, because that subject has been discussed here by many Members. I have been in favor of old-age pensions for years. I helped procure for Ohio the law under which that great State now operates. Ohio has probably the most modern old-age-pension law of any of the States, and I have for years advanced State legislation for Ohio that would result in better care for widows whose husbands have been taken away leaving children who must either be separated from the mother or the mother must receive aid. I think every child is entitled to the care of its mother if she is at all worthy. Not many of those who have spoken have said much about title IV, which grants aid to States for the care of dependent children. Several States have laws dealing with this subject. They handle it in different ways—each State has its own plan. We should have some provisions like that in the Federal law. We should incorporate all these beneficent legislative proposals into one plan or group so that the Government could reach out its long arm to help all worthy groups. We are trying to stabilize this business of helping dependent children. We are trying to pass a law here that will be a model for the States, and we are asking for State contribution, we are asking that each State set up its own organization.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. SAMUEL B. HILL. I understood the gentleman to say this is already in the law, that is, Federal participation in caring for dependent children. The gentleman does not mean that.

Mr. JENKINS of Ohio. No; I did not mean quite that, that we have the set-up made; but I mean it relates to the rehabilitation of children, and we have the germ of that on the statute books.

Mr. SAMUEL B. HILL. We have certain child-welfare provisions on the statutes, but they do not cover this particular phase at all.

Mr. JENKINS of Ohio. I did not intend to give the impression that we already have ample and sufficient legislation. I wanted to leave the impression that in this program of rehabilitation and child welfare, all of these correlated together, and the germ has been planted a long time. It has grown to fruition in the shape of legislation for rehabilitation, and in several of the States it has grown, but in no State has this thing developed systematically, it has

never developed as a tree would, well rounded. It has developed under hard circumstances. Take the great State of Ohio, that great commonwealth of which we are all proud. We have a law there that deals with the blind, but it is poorly administered. We have not any provision in this bill with reference to the blind, and I hope when we come to the amending of the bill that some such provision will be put into it, because it also springs from this same inclination to do something for those who need to have something done for them.

The Republican membership on the Ways and Means Committee have by their report favored the enactment of title I, the old-age-pension title, and title IV, the provision for the assistance and care of dependent children.

Title V grants aid for maternal and child welfare. The Republican membership has unqualifiedly endorsed this title and the Republican Party endorses it and we will not yield to anybody, regardless of partisanship, to lay his unhallowed hand on this proposal and claim this legislation is now his own, that it is original with him. It is not legislation that belongs to any party. This is legislation that has sprung up out of a desire of the people of this country to have the Federal Government participate and help out the States in this grand and wonderful work. The same is true of title VI, which deals with public health.

I hope that every provision that I have mentioned, which has been endorsed by the Republican group, finds its way into this legislation.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes; I yield gladly to the distinguished gentleman from Georgia.

Mr. COX. The gentleman has referred to the minority views on this bill. Personally I was favorably impressed with the statements set forth, but somewhat disappointed to find in the report one phrase, which I will call to the gentleman's attention:

> We favor such legislation as will encourage States already paying old-age pensions to provide for more adequate benefits, and will encourage all other States to adopt old-age-pension systems.

And I now read the sentence, to which I refer:

> However, we believe the amount provided in the bill to be inadequate, and favor a substantial increase in the Federal contribution.

Does the gentleman believe, in view of what he knows about the whole question and the condition of the country, that the Government could stand a heavier burden than is imposed by the terms of this bill as drawn?

Mr. JENKINS of Ohio. I should say, in answer to the gentleman, that he realizes the word "substantial" is a far-reaching word. Being a good lawyer, the gentleman knows that the word "substantial", as used in the law, means "reasonable."

Mr. COX. Does the gentleman actually favor an increase of Federal contribution?

Mr. JENKINS of Ohio. If the gentleman desires my position, I can tell him. I think that at this time $15 is a fair approximation, but there are some States and municipalities which pay much more than that amount. Suppose there is a municipality which wants to pay a maximum of $30, then it will take the Federal contribution of $15, which will make a total of $45. That community pays in the ratio of 2 to 1, as compared to what the Government will pay. Some other community can barely match what the Federal Government contributes. Therefore, that makes an inconsistency and unfairness to some municipalities or States. However, I think the maximum of $15 is a fair maximum now. After we have tried this law out for a year or two and we find that there are municipalities which would like to pay more, then it can be increased. I am perfectly willing to increase this to $20, but why not start it within reach of the weaker States?

Mr. COX. Will the gentleman yield further?

Mr. JENKINS of Ohio. I yield.

Mr. COX. The gentleman would not favor a Federal grant to a State whose financial condition was bad, in one amount, and then give a greater amount to a State that was prosperous, would he?

Mr. JENKINS of Ohio. I do not understand the gentleman.

Mr. COX. In other words, the gentleman favors uniformity in whatever is done on the part of the Federal Government, does he not?

Mr. JENKINS of Ohio. This bill up to the $15 is only a voluntary maximum. A State can provide for $5 a month, and the Government would only put up $5 a month. So that the bill already provides a sliding scale. That is for the benefit of the weaker communities. I think that is a wise thing, because there is no use breaking the back of a weak individual in order to test the strength of a strong one.

Mr. COLDEN. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. COLDEN. With reference to the minority report, in which it is stated that the minority favors a substantial increase in the Federal contribution, is it not possible to find considerable revenue by increasing the inheritance taxes, which might be applied for this purpose?

Mr. JENKINS of Ohio. Oh, I think the gentleman knows the answer to that question without asking me.

Mr. THOM. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. THOM. Was the gentleman's attention called to a letter from an Ohio doctor with reference to the aid granted for crippled children, pointing out that in Ohio the money is distributed through counties, instead of through the State, and that possibly the language of this law, compelling the matching of funds by the State, might exclude relief in the State of Ohio?

Mr. JENKINS of Ohio. No. I do not recall having received such a letter. I may have done so. But I do not know how that would exclude relief in Ohio. As the gentleman knows, we need some changes in our Ohio laws. For instance, in a great State like Ohio we should provide some system whereby the various agencies set up for relief should be coordinated. I do not mean that our agencies are inefficient in their own line of work, but in a great Commonwealth like Ohio, where there are many large municipalities and much revenue, the small county should not be thrown out on its own responsibility. It ought to be taken care of. It ought to get some relief from some of the larger counties. This thing ought to be systematized. If I thought this bill would not help the State of Ohio to round out the assistance to her poor people better than it does today, I would not be for these provisions of the bill. The State of Ohio probably does more today than a great many other States, but it does not do as well as it can do. I hope that these different titles will be of great benefit to that great State.

Mr. THOM. But the question I was interested in was this: Is it a fact that in Ohio the money for the crippled children is provided by the counties instead of the State?

Mr. JENKINS of Ohio. I do not know the full details of how that is carried on. The best work done in Ohio, that I know of, is the rehabilitation done under the Federal rehabilitation law, in cooperation with the local authorities. They took charge of a great many crippled children that I know of, and the counties in that way are encouraged to extend themselves to the limit, as well as the county agencies. It is supervised generally by the organization in Columbus, which I think gets its organization from Washington.

Now, let me proceed. As I stated before, the Republican Membership, has by its reports, indicated how it stands on these different measures. I am not trying to say how any individual Member is going to vote or how I am going to vote, but I think it would have been wiser if this legislation had been divided into two categories. There are many Members, both Republicans and Democrats, who believe as I do on that proposition. If we had provided in one bill the relief that I have heretofore indicated, that would all have been consistent. It would all have been right along one line. But there has been added to this bill many other

matters. This bill really had its origin in nothing but the upwelling charity of the American people as it is demonstrated by the actions of representatives in Congress and by people generally. Everybody is human and reacts to human impulses, regardless of whether he is a Senator, or the President, or what not. So I say to you that all of these various titles except two had their origin from that inclination, and we ought to recognize that. If it had been carried out along those lines, then we would not be overwhelmed with trouble about a lot of questions that will come up with regard to these other titles. There are many Members of Congress, regardless of politics, who feel just exactly as I feel about this. If they had had their own way, if they had not been lashed into line, if they had not been under pressure, they would not have agreed to this. I am not criticizing them. I recognize that when you are part of a political group you have to go along to some extent; you have to be loyal; but there comes a time when that goes too far absolutely. When more than loyalty is demanded then tyranny begins. It is out of line with your common sense. It is going too far now. We should remember that we are legislating for posterity and not for the 1936 elections.

It is out of line with your own judgment; it is out of line with your own reason, and we ought to stop.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield to my friend and colleague from Ohio.

Mr. MARSHALL. Does not the gentleman also think it would have been wiser to have divided the bill still further and separated the old-age-pension titles from the compulsory insurance titles in this bill?

Mr. JENKINS of Ohio. The gentleman is exactly right in that.

The next paragraph of the report deals with the question of unemployment insurance. I shall proceed to a discussion of that at this time. I am not here to try to force my views on you as the views of the committee. I know there are members of the committee and other Members of the Republican branch of the House—for instance, the gentleman from Ohio [Mr. MARSHALL], who interrogated me a moment ago—who maintain that it would have been better to keep all these insurance matters by themselves. I favor the principle of unemployment insurance and have favored it ever since it has gotten to be a question of vital importance to the people. I do not want to refer to personal experiences too much in my remarks, but in Ohio we have a workmen's compensation law that is looked up to by all the States as a model. It is looked up to by those who administer that law in the United States as a model, and it was selected as a model upon which the Congress of the United States built its workmen's compensation law for the District of Columbia. I had a more or less prominent part in perfecting the Ohio law and in preparing the District of Columbia law. It is a fine thing in principle. Why should not industry carry its load? It should carry its load of injuries that come to its employees; and no State, where they have adopted this type of protection, would abandon it now—I think I am safe in saying that practically every State in the Union has a workmen's compensation law. It has long since passed the stage of experimentation—none of these States would give it up.

There is a relationship between unemployment insurance and workmen's compensation, but there is a very wide difference. Now, this very wide difference, no doubt, will be developed here by some of those who are opposed to this proposition. I am not opposed to it. I do not know whether it is wise to enact it now; I am not so sure about that, but if we are going to enact it, I hope it works itself out, but I think you will find it will not work itself out with quite the harmony with which the old-age-insurance provisions will work themselves out; it will not work itself out with the harmony with which these other titles will work themselves out. But be that as it may, if it is enacted we shall do the best we can by it, cure its mistakes and defects as they arise, and improve its good qualities as we see them develop. I propose to vote for the bill with that proposition in it; I will accept it, as I said before, in the hope that good will result from it.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. SAMUEL B. HILL. I want to ask the gentleman a question. On last Friday when I addressed the House I said that we appreciated the fine cooperation which the Republican members of the committee gave to the study of this legislation, and especially do I want to mention, in this connection, my friend who is now addressing the House, and as I understand from his discussion here the gentleman from Ohio is not opposed to the principle of any of the titles in this bill. Is that correct?

Mr. JENKINS of Ohio. Oh, yes; I am. I am opposed to the provisions of title II and title VIII, but I have not come to them yet.

Mr. SAMUEL B. HILL. The gentleman is opposed to the principles underlying the provision for old-age benefits?

Mr. JENKINS of Ohio. The gentleman, I think, is making his statement to suit himself. I am just opposed to that principle in this bill. I do not want it qualified.

Mr. SAMUEL B. HILL. Is the gentleman opposing it as a general proposition?

Mr. JENKINS of Ohio. I oppose it generally and specifically, if that will help the gentleman.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 additional minutes to the gentleman from Ohio.

Mr. SAMUEL B. HILL. If the gentleman will yield further I want to pursue my line of thought a little further, and ascertain from the gentleman from Ohio whether he is opposed to the principle underlying title II, which is old-age benefits, and title III, which deals with unemployment compensation.

Mr. JENKINS of Ohio. I cannot answer the gentleman "yes" or "no", because I maintain that title III is not identical with title II.

Mr. SAMUEL B. HILL. No; it is not.

Mr. JENKINS of Ohio. There are principles involved in title III which are not involved in title II.

Mr. SAMUEL B. HILL. I appreciate they are two distinct subjects, but I am asking the gentleman whether he is opposed in principle to either of these titles.

Mr. JENKINS of Ohio. Yes; I have stated definitely that I was opposed to title II and opposed to its accompanying title VIII; but I am not opposed to title III. I doubt, however, whether this is the proper time to enact it. I think it would be better if it were separated and put in a bill by itself away from these other provisions so it would have a fair chance and so it would operate on its own steam, so we could find out its weaknesses if it has any and improve its merits if it develops any.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield to my genial Democratic friend from the Kentucky mountains.

Mr. MAY. I think the gentleman from Ohio has expressed one thought that is almost universal in the House of Representatives, and that is the proposition that all these various subjects ought to have been separated in this legislation so that if a Member wanted to vote for old-age pensions, although opposed to some other title in the bill, he would have the opportunity to vote for it without having to vote for or against all the other titles in the bill.

Mr. JENKINS of Ohio. The gentleman has the right idea, and I think he has expressed the overwhelming sentiment of the House except that based on partisanship. It is unfortunate that this overwhelming sentiment is not permitted to crystallize into legislation without White House intervention. I congratulate my Kentucky friend for the attitude he is taking.

Mr. MAY. In the consideration of the unusually large appropriation bill we had a double-barreled proposition where we had to vote for both relief and public works. This matter should be presented to us in such a way that

we could vote against one proposition without voting against all of them.

Mr. JENKINS of Ohio. Yes; I agree most heartily with the gentleman.

Mr. MAY. I think that practice ought to stop and the Members should be given a chance to vote for the things that they want to vote for. [Applause.]

Mr. JENKINS of Ohio. I agree with the gentleman, and that has been the practice of this administration from the time of the enactment of the Economy Act down to the present time. I am glad that the Members applaud the statement of my Democratic friend, and I hope that those who applaud will vote that way when we move to separate these titles later. The policy of the administration has been to join unpopular measures with popular measures and to thereby compel the passage of unpopular measures on the strength of a popular measure. When are you on the Democratic side going to rise up and say that you are Democrats? When are you going to rise up and say that you have in your system some blood of John C. Calhoun and those other distinguished Democrats who stood up for State rights? Are you going to continue to allow State lines to be eradicated? Are you going to let the Chief Executive transcend the rights of the legislative branch? When are you, with your majority of 3 or 4 to 1, going to wake up? When are you going to strike off the yoke? I am glad that one Democrat from the mountain section has risen and given a reason for the faith that is within him. It is seldom that any Democrat stands up in this House and eulogizes Andrew Jackson. Democracy today is not what it used to be.

Mr. MAY. The gentleman will remember that I voted against the rule for the consideration of the large appropriation bill because I wanted these things separately considered.

Mr. JENKINS of Ohio. I thank the gentleman for his contribution.

Mr. ARNOLD. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Illinois.

Mr. ARNOLD. Under the rule under which this bill is being considered, have not the Members of the House the right to vote up or down every single proposition in the bill?

Mr. JENKINS of Ohio. Yes; they have.

Mr. ARNOLD. And they have that right with reference to every title separately?

Mr. JENKINS of Ohio. May I say that the gentleman is advancing that as a compliment to his party. The gentleman has no right, and the Democrats as a whole have no right, to claim any compliment for reporting out this bill under an open rule. Why? Because you did not dare report it out any other way. That is the reason. A canvass of your own Members showed that you did not dare vote out a closed rule. You were forced to bring this bill out under an open rule, and that is the kind of rule that should always be brought upon the floor of this House for the consideration of any important measure. If a gag rule had been offered, it would have met the opposition of a united Republican vote and of a large group of Democrats who occasionally venture far enough to yet say their life is their own.

Mr. ARNOLD. I understood the gentleman to say that the Members of this body had to take this bill as a whole with these several titles. I know the gentleman does not mean to make that statement when we have the right to vote out any section or title of this bill and we also have the right to consider and adopt any germane amendment.

Mr. JENKINS of Ohio. I do not think the gentleman heard all of my discussion, because I stated the ultimate result and the ultimate effect was due to partisanship. That is what I say now.

Mr. Chairman, I proceed to the last paragraph of the report, which deals with title II and VIII. I may say that those on the Democratic side will not take advice from me, and I do not want to inflict my advice on the Republican side, but it is my opinion titles II and VIII should come out of this bill. They have no business in there. They are being linked with these other popular titles and will be forced to passage if possible. It is an encroachment upon a public sentiment that wells up from the finest impulses of the American heart.

It is purely a business transaction loaded upon charity, you may say, and has no real relation to these other bills. You Democrats ought to rise up in your might and strike out these sections, because future generations, if these titles are stricken, will rise up and call you blessed. I am a friend to this legislation, and I have no hesitancy in saying that the legislation would be much improved. When the people find that you have saddled upon old-age pensions and these poor mothers and these weak and crippled children these objectionable titles, they will demand to know the reason why. They will be entitled to know.

There was testimony before the committee to the effect that in one section of the country one-half of the births in that section were unattended by a physician, and who would refuse to continue a work now being done to relieve that situation. I have voted for this principle several times. Now, let us make it a part of our permanent national policy.

Why do you load on this bill an insurance matter? Titles II and VIII are strictly matters of insurance. Under these titles a wage earner is compelled to take this compulsory insurance whether he wants to take it or not. These two titles have been a thorn in the side of the administration, the "brain trust", and the Democratic Members. In the Ways and Means Committee they have done their best to remove their unconstitutional features, but they have failed. Verily a leopard cannot change his spots. Under these titles the Government is put into the insurance business on a tremendous scale. The following table illustrates that under this bill it is estimated that by 1970 the receipts into this insurance fund will reach over two thousand million annually and that the insurance fund will have a reserve of nearly thirty-three thousand million. This figure is so large that the human mind can hardly comprehend it. Why not wait until we can see our way clear before we venture on these untried courses?

TABLE IV.—*Estimated appropriation, benefit payments, and reserves under title II*

[In millions of dollars]

Fiscal year ending June 30—	Appropriation	Interest on reserve	Benefit payments	Amount carried forward to reserve	Reserve
1937	255.5	0.0	1.8	253.6	253.6
1938	513.5	7.6	7.2	514.0	767.6
1939	518.5	23.0	14.4	526.9	1,294.5
1940	662.2	38.8	22.0	679.1	1,973.6
1941	807.2	59.2	29.7	836.7	2,810.3
1942	814.8	84.4	60.4	838.7	3,649.0
1943	970.0	109.5	114.2	965.3	4,614.3
1944	1,126.6	138.5	173.1	1,091.9	5,706.2
1945	1,137.0	171.2	231.4	1,076.4	6,782.6
1946	1,291.0	203.5	302.0	1,192.9	7,975.5
1947	1,447.1	239.3	381.2	1,305.2	9,280.7
1948	1,460.1	278.5	457.5	1,281.1	10,561.8
1949	1,621.0	316.8	535.8	1,402.1	11,963.9
1950	1,783.3	358.9	612.6	1,529.6	13,493.5
1955	1,861.3	579.3	1,076.0	1,364.5	20,672.6
1960	1,939.1	765.6	1,672.7	1,032.0	26,551.8
1965	2,016.9	896.0	2,235.1	677.8	30,543.8
1970	2,094.8	975.2	2,792.1	277.9	32,782.9

Mr. Chairman, ladies and gentlemen, the report filed by the majority members of the Ways and Means Committee says not a word about the constitutionality of these titles no. II and no. VIII. I presume this omission is a studied omission on their part. They seek thereby to keep from the Membership the fact that this question gave them more worry than all the rest of the bill put together. In many sessions of the committee, arguments were advanced to show that these titles are unconstitutional. Why has nothing been said about that matter on the floor of this House? Why did not the chairman of the committee address himself for a few minutes at least to the constitutionality question? I will tell you why. It is because he knows and the committee knows that when the Supreme Court comes to interpreting this measure, the Supreme Court may look as it generally does to the discussions had in

committee and to the committee reports as to what was said, and to what is said in the debates on the floor of the House. If I do not say anything else on the floor, I want to say that one Republican at least rose up in his weak way, and to the best of his ability, and protested against this procedure and wants the records here to show of these numerous protests as to the unconstitutionality of these titles. I want this to be positive in the RECORD. Let the Supreme Court know, if it does read the RECORD of Congress on this proposition, that one individual rose and said that he doubted the constitutionality of this bill, and that the facts are that great fear has been expressed by many members of the committee in this respect.

In support of my position, may I say that this bill first came to the Congress for consideration in the form of the Lewis bill. Later Mr. DOUGHTON, the chairman of the committee, introduced an identical bill. Many changes have been made in the bill since then. When we first commenced hearings on it, the "brain trusters" and the administration spokesmen and even Miss or Mrs. Perkins thought it was in perfect form, but there have been more changes made and more legislative carpentry done upon it than any other bill that has gone through this Congress that I know anything about. They have changed it in many ways. These provisions covered by titles II and VIII that were once all together have been taken out and separated. This was done after weeks of hearings for no other reason than that they were afraid of the test as to its constitutionality.

Mr. Chairman, the constitutionality of these two titles is going to depend on this point: Are they related or are they separate? I would like to have those Members who are not lawyers remember that that is going to be the constitutional test, namely, are titles II and VIII related? If they are not related in any way, then this bill is probably constitutional. If they are related, then the question arises, what about the relationship and how does the relationship interfere with its constitutionality?

How did the committee or the group who wrote this bill interpret this proposition? Let me tell you how they interpreted it. They put the provisions of these two titles together. They put the tax provision and the appropriating provision together, and the Attorney General's Office no doubt passed upon it. They no doubt thought it was constitutional.

If you will look at the report you will find there are 500 or 1,000 names of distinguished people who appear to have collaborated in the preparation of this bill. The list includes dozens of prominent and near prominent persons, and many unheard-of persons. No doubt all were capable and unselfish. In this list were many professors.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. JENKINS of Ohio. As I was about to ask, how did the "brain trust" and the Attorney General interpret this measure? Here is the way they interpreted it. They connected them together and after we had been in session about 7 weeks and when we went to work to draw it up, what happened? We have a man here who works for us in the Congress who is not a Member of the Congress, a man who works as the head of the Legislative Reference Bureau. Do you know what he told us? He told us that a lot of this bill was unconstitutional, and do you know who is entitled to the credit for drawing up this last bill? It is not the Attorney General; it is none other than Mr. Beaman, and I here and now nominate Mr. Beaman for the Attorney Generalship of the United States. He ought to be down there, because he is the man who told them what to do. They have tried the best they could to separate these propositions so that title VIII could pass the test as a taxing title and so that title II could be acceptable as an appropriating title and would be free from constitutional objections.

Mr. Chairman, title II and title VIII are not separate in the new bill, and let me show you why. They may be physically separate but they are one in spirit. Under title II you will find what? You will find that all the exemptions under title II are just exactly as under title VIII. See pages 14 and 46 of the new bill. And all the taxes levied under title VIII and all the designations and classifications under title II are carried in title VIII, word for word. See pages 46 and 14 of the new bill. There is not a line taken out. They are just exactly alike. Why are the majority Members so careful not to make the slightest reference to the connection between titles II and VIII. The beneficiaries under title II are the identical persons taxed under title VIII.

In a brief filed by the Attorney General they cite a lot of decisions, but this brief appears nowhere in the record of the proceedings of the committee; neither do the long speeches, consuming nearly 2 days by representatives from the Attorney General's office. I maintain that titles II and VIII should be stricken from the bill because they do not aid the more important provisions of the bill, but are a weight on the bill. I also maintain that these titles are unconstitutional because title VIII is not a tax-levying title but is in reality a part of the plan to put compulsory annuities into effect, and that title II depends absolutely upon title VIII for its premiums. I further maintain that title II invades the rights of the State and that there is no constitutional provision granting Congress the power to legislate in the manner sought in title II.

In the Attorney General's brief he seeks to establish the proposition that the courts in passing upon the validity of a statute which on its face purports to be a tax measure will not consider the question whether the motive of the legislative body was some other than that to raise revenue. He cites as proof of his contention the case of *Veazie Bank* v. *Fenno* (8 Wall. 533) and *McCray* v. *United States* (195 U. S. 27, 59).

Neither of these cases is exactly in point, for in both of these cases the statute in question bore every evidence on its face of being a taxing statute. The court in each of these cases held that it was not concerned with the motive of the legislative body provided the statute on its face recited its proposition clearly. In neither of these cases was there any accompanying sections that were dependent upon each other. In this bill that we are now considering, title II is absolutely of no consequence without title VIII. And title VIII is inserted in the bill for no other purpose than to furnish the premiums with which to operate title II. These two titles, taken together, put the Government into the insurance business. That is their purpose. Title VIII is not a revenue-raising section but it is the means by which premiums are forced from the wage earners of the country without their consent.

They cite the case of *United States* v. *Doremus* (249 U. S. 86) as a case proving the same point. That case is not in point with what is sought to be done in this bill, for in that case the law was attacked on the ground that the regulations seeking to enforce the revenue-collecting feature of the law were unconstitutional. The court held that the law in question was on its face and in fact a revenue-raising measure and that was its principal purpose. It further held that the regulations sought to be declared illegal were legal regulations in that they assisted the taxing authorities to enforce the taxing provisions of the statute.

They also cite the case of *Manano* v. *Hamilton* (292 U. S. 40). On page 46 the following language, which refutes their contention, appears in the opinion, which is a very short one:

> The statute here under review is in form plainly a taxing act, with nothing in its terms to suggest that it was intended to be anything else. It must be construed, and the intent and meaning of the legislature ascertained, from the language of the act, and the words used therein are to be given their ordinary meaning unless the context shows that they are differently used.

In this brief the following language appears:

> The conclusion is inescapable that the motive of the Congress in enacting a law which, on its face, purports to be a revenue measure, is immaterial and will not be considered by the courts in passing upon its validity.

This is not a correct proposition of law. There is an abundance of authority to prove that such a proposition is

entirely too narrow and restricted. In fact, it is not a fair conclusion for a partisan even to deduce from the cases cited.

There is an abundance of cases decided by the Supreme Court which holds that the Court is much concerned with the real purpose of any law the constitutionality of which is brought in question before the Court. In the Child Labor case as reported in Two Hundred and Fifty-ninth United States Reports, page 20, Chief Justice Taft, in holding the law unconstitutional, says:

> In the light of these features of the act, a court must be blind not to see that the so-called "tax" is imposed to stop the employment of children within the age limits prescribed. Its prohibitory and regulatory effect and purpose are palpable. All others can see and understand this. How can we properly shut our minds to it?
>
> It is the high duty and function of this Court in cases regularly brought to its bar to decline to recognize or enforce seeming laws of Congress, dealing with subjects not intrusted to Congress but left or committed by the supreme law of the land to the control of the States. We cannot avoid the duty even though it require us to refuse to give effect to legislation designed to promote the highest good. The good sought in unconstitutional legislation is an insidious feature because it leads citizens and legislators of good purpose to promote it without thought of the serious breach it will make in the ark of our covenant or the harm which will come from breaking down recognized standards. In the maintenance of local self-government, on the one hand, and the national power on the other, our country has been able to endure and prosper for near a century and a half.
>
> Out of a proper respect for the acts of a coordinate branch of the Government, this Court has gone far to sustain taxing acts as such, even though there has been ground for suspecting from the weight of the tax it was intended to destroy its subject. But, in the act before us, the presumption of validity cannot prevail, because the proof of the contrary is found on the very face of its provisions. Grant the validity of this law, and all the Congress would need to do, hereafter, in seeking to take over to its control any one of the great number of subjects of public interest, jurisdiction of which the States have never parted with, and which are reserved to them by the tenth amendment, would be to enact a detailed measure of complete regulation of the subject and enforce it by a so-called "tax" upon departures from it. To give such magic to the word "tax" would be to break down all constitutional limitation of the powers of Congress and completely wipe out the sovereignty of the States.

Also in the case of *Hill* v. *Wallace* (259 U. S., 66), the following language appears in the opinion of the Court:

> It is impossible to escape the conviction, from a full reading of this law, that it was enacted for the purpose of regulating the conduct of business of boards of trade through supervision of the Secretary of Agriculture and the use of an administrative tribunal consisting of that Secretary, the Secretary of Commerce, and the Attorney General. Indeed the title of the act recites that one of its purposes is the regulation of boards of trade.
>
> The manifest purpose of the tax is to compel boards of trade to comply with regulations, many of which can have no relevancy to the collection of the tax at all.
>
> The act is in essence and on its face a complete regulation of boards of trade, with a penalty of 20 cents a bushel on all "futures" to coerce boards of trade and their members into compliance. When this purpose is declared in the title to the bill, and is so clear from the effect of the provisions of the bill itself, it leaves no ground upon which the provisions we have been considering can be sustained as a valid exercise of the taxing power.

I should like to go further into the discussion of this feature of titles II and VIII of this bill, but I hope I have said enough to impress you with my sincerity and with the fact that this is a very important matter and that you should give it your best attention. I think it is as much the duty of the Attorney General to give both sides of these matters careful consideration as it is our duty to do so. I do not think he is justified in taking a partial position. I am glad that the people of the country yet have a right to look hopefully to the Supreme Court as one branch of the Government that will give consideration to both sides of any case. Title VIII is not a revenue title. This whole bill is not a revenue bill. It is an economic-security bill. Sometimes I think that Mr. CONNERY, of Massachusetts, is absolutely right when he insists that there is some question whether this bill should ever have been considered by the revenue-raising committee and that it might properly have been referred to the Labor Committee to consider it from the standpoint of its being an economic-security bill. I should like to ask the Democratic leaders who are members of the Rules Committee why they found it necessary to bring this bill up for consideration under a special rule if the bill is rightfully a revenue bill? We all know that a revenue bill properly reported from the Ways and Means Committee is a privileged bill, and it is not necessary for a special rule to be ordered for the consideration of a privileged bill.

My friends, I repeat that title I and title VIII were one and the same in the minds of those who conceived this measure. They were one and the same in the original bill. They have been separated by letter and word, but they are one in spirit. Who is it that has not heard that great sentence, "The letter killeth but the spirit quickeneth and maketh alive"? When the Supreme Court comes to interpret this bill, if it becomes a law, I am thankful for the faith that the American people yet have in that high tribunal that it will give heed to the spirit of legislation as well as to the letter.

Under our theory of government the State is the real nucleus of power and authority. Some people have the mistaken idea that government is built up from the family community and the township to the county and from the county to the State and from the State to the Nation. This is not the case. Originally we had 13 States. These States passed their own laws providing for their lesser subdivisions of counties, townships, and municipalities. These 13 States also gave up a sufficient of their own sovereignty to establish a Federal Government. The States built down to the lowest unit and the States built up to the highest unit. The Congress of the United States can enact only such legislation as is permitted under the Constitution. Why harm and hinder these great programs of economic security, with which we all agree, by attaching to them provisions that load them down with uncertainty as to merit, as to justice, and as to constitutionality? I beseech of you that you give these far-reaching propositions the thought and consideration that true, patriotic citizens should give who have no other purpose in mind than the best interests of the Republic. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CULLEN].

Mr. CULLEN. Mr. Chairman and ladies and gentlemen of the Committee, my distinguished friend from Ohio [Mr. JENKINS] has tried to lead the House to believe that this is not a tax bill, that it is not a revenue bill, and therefore the Ways and Means Committee did not have jurisdiction over it. The gentleman knows better than that. He sat with the committee for 8 weeks, and he knows that among the provisions of the bill is an imposition of a 5-percent tax, which brings it within the jurisdiction of the Committee on Ways and Means. His contention is so absurd that I am astonished.

Mr. JENKINS of Ohio. The gentleman does not contend that the spirit of the bill is a revenue bill?

Mr. CULLEN. The spirit of the law or the bill provides for a tax, and therefore the jurisdiction was rightly in the Committee on Ways and Means.

Now, in regard to his statement about the titles, no individual Member is denied the right to vote for any particular title, and therefore that argument falls to the ground. Of course, the bill has been changed. Whenever you have structural legislation, you must make changes to meet conditions. The main principles of the bill are preserved. The gentleman from Ohio participated in all the hearings. He loaned the committee his wisdom, ability, and experience to perfect the bill, and yet he comes here and says that we have to go down the line with our party. The gentleman would have to go down the line with his party if the shoe was on the other foot.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. CULLEN. Yes.

Mr. JENKINS of Ohio. The gentleman knows that there is not a line in it from the two distinguished gentlemen who prepared it; the gentleman knows that that was thrown out, and you had to send out and get another.

Mr. CULLEN. Thanks to the wisdom of the committee, some things were thrown out and it was built up again. The gentleman was one of the minority, and the committee had the benefit of his information, his experience, and his wis-

dom. The gentleman says that this security legislation is a party question. That is the most absurd thing I ever heard of.

Mr. McCORMACK. Will the gentleman yield?

Mr. CULLEN. I yield.

Mr. McCORMACK. There is nothing strange about that, for a committee in executive session to call in advice from those in the Government service.

Mr. CULLEN. Certainly, you are right, Mr. McCORMACK. They sat in and participated and suggested things about the construction of it. The minority said, "We will not vote against it", but they did cast a half a vote against it by voting "present."

Mr. McCORMACK. Has the gentleman found out yet when the minority members of the Ways and Means Committee made up their mind to vote against title II?

Mr. CULLEN. After they had several conferences in which I am led to believe they did not always agree. It would not be surprising if some of the minority would vote for the bill in its entirety, including title II.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. Yes.

Mr. JENKINS of Ohio. I do not want to let the facetious remarks of the gentleman from Massachusetts [Mr. McCORMACK] go unchallenged. There might have been some discord among the Republicans about title II and title VIII, but the gentleman knows that all through the discussion the members of the minority opposed that, and, furthermore, the gentleman knows that there are members on his side who opposed this proposition. The gentleman from Massachusetts was not always in unison with that measure.

Mr. McCORMACK. The views of the gentleman from Massachusetts were substantially incorporated when the so-called "voluntary annuity" was reserved by the committee for further study.

Mr. CULLEN. Mr. Chairman, in the statement that I am about to make in regard to this legislation, I respectfully ask not to be interrupted until the conclusion of the statement.

The economic-security bill which is now before us for final consideration is one of the most important pieces of legislation which have come before the House for many years. Nearly a year ago, on June 8, our great humanitarian President, Franklin Delano Roosevelt, transmitted a message to Congress advocating social-security legislation, and shortly thereafter he created by Executive order a committee whose purpose was to make a comprehensive study of the many complicated factors in industrial life which lead to dependency and destitution, and make proper recommendations for overcoming such causes of insecurity.

While we are now considering old-age and unemployment-insurance legislation it is nevertheless not entirely new to the country because it has been advocated by fraternal organizations, and particularly the Eagles.

Our great President himself advocated it when he was Governor of the State of New York, at which time he was already thinking of the masses of the people of our country.

Insofar as Congress is concerned, this is pioneer legislation of a humanitarian character, and the bill reported to the House by the Committee on Ways and Means is based upon the recommendations of the President in his message to both Houses of Congress on January 17 of this year.

The Ways and Means Committee, to whom the President's recommendations for security and unemployment-insurance legislation were referred, held extensive hearings on the bill and after 8 weeks of intensive work the committee reported a bill to the House which, in my opinion, is as near perfect as possible. The committee gave the most thorough study to every phase of this important subject of social-security and unemployment insurance.

The economic-security bill presents the most substantial evidence to date that our twin objectives of recovery and reform are found in an inseparable unity of purpose and action. While the horror of the depression is still fresh upon our memory, we are taking decisive steps to shake off its lingering aftermath, to prevent its recurrence, and to set up safeguards for those who may suffer in the future from economic forces beyond the control of the individual.

Old age, unlike unemployment, is a natural consequence that descends upon mankind everywhere with unfailing regularity. Therefore the bill treats this problem primarily on a national basis. It sets up a Federal system of compulsory old-age insurance, which will provide at least the minimum requirements for health and decency to every worker who has reached 65 years of age. At the same time, the measure is careful to make special provisions for workers who are now so near the retirement age that they will have no chance to insure themselves by their own contributions.

Another important feature of this bill is the provision for unemployment insurance. There is no reason why the worker unemployed through no fault of his own should be more neglected than machinery that is idle during the slack season. There is no justification for giving the man who has grown old and tired in the performance of his life's work no consideration for his efforts. The day has passed when the wealthiest nation in the world can remain the most delinquent in its treatment of the most pressing of all social questions.

The proposed legislation is not confined to old-age pensions and unemployment insurance. Federal subsidies are provided to help the States in caring for dependent children, in promoting maternal and child welfare, in aiding the crippled, and in advancing public health. While most of this money is to be allocated among the States on a dollar-for-dollar matching basis, there is enough flexibility to safeguard the poorer localities which are unable to help themselves.

Of course, it must be realized that the bill does not represent the zenith of perfection in social-security legislation. But considering that we are venturing into a region that heretofore has been practically unexplored by the National Government in this country, the bill does embody a step forward that is almost unparalleled in its boldness and scope. We are breaking the ground for a structure in which economic wisdom and humanitarian impulses shall be blended in perfect proportion to protect millions of our citizens from undernourishment during their formative years, from privation in their prime of life, and from destitution in their old age.

The President emphasized his belief that the Economic Security Committee had evolved a program that would appeal to the sound sense of the American people.

It had not attempted the impossible—

He said—

nor has it failed to exercise sound caution and consideration of all the factors concerned; the national credit, the rights and responsibilities of the States, the capacity of industry to assume financial responsibilities, and the fundamental necessity for proceeding in a manner that will merit the enthusiastic support of citizens of all sorts.

Another principle, the President said, was that the actual management of the plan, except possibly in the case of old-age insurance, should be left to the States, subject to standards established by the Federal Government. He held, however, that the financial management of funds and reserves should be retained as a trusteeship by the United States Treasury.

Legislative proposals to carry out these principles were incorporated in the bill, which has been worked out in collaboration with the men and women who compiled the social-security report for the President as well as the Ways and Means Committee.

The President stressed the importance of State legislation, and to this end asked the speediest action by Congress.

In that connection I might say that Governor Lehman, of New York, which is also my State, advocated the adoption of social-security and unemployment legislation modeled on the bill now pending in Congress. I am happy to state that both the Assembly and Senate of the New York Legislature has approved such a measure, and it is now before the Governor for signature.

In view of New York's record as to the adoption of all social legislation, it is not surprising that this should be the fourth State in the Nation to adopt unemployment insurance. I believe that only Utah, Wisconsin, and Washington preceded New York.

There are other proposals pending in the Congress on this subject, yet in my opinion it is wise for us to proceed cautiously and carefully in this initial legislation. Therefore, I believe that the bill before us is a step forward in the direction of economic-security and unemployment insurance and the careful study that it has received in the hands of the Ways and Means Committee, led by that rugged and sincere personality, Chairman DOUGHTON, who guided us through this complex problem, I sincerely hope and trust when the debate is closed on this bill and when we proceed to the 5-minute rule, that the House in its wisdom will keep it intact in every particular and pass it just as it has come from the Ways and Means Committee and uphold the hands of our great President in the adoption of this humane legislation. [Applause.]

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The gentleman is correct in saying that this legislation is not new in America, and he should also include foreign countries which adopted it and where it is working successfully.

Mr. CULLEN. Yes. I yield back the remainder of my time.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Maryland [Mr. LEWIS].

[From a speech by Charles W. Eliot, president of Harvard, Faneuil Hall, July 4, 1911]

A declaration of independence, if it were written now, would among other things set forth that every citizen in a free State has an inalienable right to that amount of employment which will yield for him and his family a decent living; that every worker has a right to be insured against the personal losses due to acute sickness, chronic invalidism, injuries through accident, and the inevitable disabilities of old age.

Mr. LEWIS of Maryland. Mr. Chairman, I enter this discussion with a full appreciation of the lack of time to explore fully the values of this bill, and that it is only possible to touch upon some of its ruling considerations. I ask my colleagues under such circumstances to excuse me from answering particular questions, which might be better deferred, I think, until we come to a minute consideration of the bill.

It was my privilege for the first time to visit the lands of our ancestors in 1931. The depression was already upon us. When I returned, friends were always asking, "LEWIS, how did you find things in Europe?" My answer was that in Holland, Belgium, France, and Switzerland at that time conditions seemed to be about their normal, but that in Germany and Great Britain, notably, their conditions of unemployment resembled those within the United States, with this important difference: The agony was taken out of it for the working men of Germany and Great Britain by their social-insurance systems. Over there I found the Prime Minister did the worrying, and why should he not? Who, more than the Prime Minister, the government of a country, was responsible for the unemployment which prevailed?

Has it not been a matter of state policy for a century throughout western civilization for governments to encourage the scientists, encourage inventors by granting exclusive patent monopolies, and here in our own land even to organize large corporations, resembling a state in their characteristics rather than the individual, for the purpose of mass production? And all to what end? We all know—to advance the common welfare, as they saw it, by reducing the labor costs which govern the prices of products to the American people. And their policy has succeeded. Even in 1929, 2,000,000 persons willing and able to work were vainly crying for the privilege. Yes; these governmental policies have succeeded, and this success means that 8 men now can do the work for which 10 men were required half a generation ago.

Now we have to thank the scientist, the inventor, and the engineer for their great achievements, and we do thank them. In the long run, doubtless, it is desirable that the work of the world should be accomplished with a minimum of labor. But allow me to affirm, with all the earnestness of my nature, it is only desirable provided certain fundamental conditions are not violated. One of those conditions is the right of a human being to earn his living in the sweat of his face. [Applause.] The world does not owe a man a living, I grant you, but as surely as a God rules the heavens, it does owe him a chance to make a living! [Applause.]

And when by adopting such policies the Government has deprived him of that chance, and when the Government's help is asked to save him from starvation—is that help to be regarded as compensation or sneeringly referred to as a dole? Do we take property from our people without compensation? Yet these rights of the worker have been taken away, and this measure is only a partial recognition of the right of the disemployed to compensation and equality before the law.

EQUALITY BEFORE THE LAW

What do we mean by equality before the law? We are very proud of the principle in this country. The fathers in one of your home towns find it necessary, we will say, to cut a new street across from one avenue to another, but the owner of the property objects. His father died there, he says, he was born there, he wishes to die there too.

However, the city fathers answer that the welfare and convenience of that community must prevail over his individual sentiment, and they evict him from the premises and tear the building down. But mark you, they do not evict him until they have given him just compensation for the rights of property taken away.

Ladies and gentlemen, other countries have long preceded us in granting these disemployed workers some compensation in the moment of their needs and their suffering. Shall we deny them here, in the country of Washington, like equality fore the law?

UNEMPLOYMENT CHRONIC

I fear the unemployment to which I have referred represents a chronic condition. I know it is more pleasant to think of it the other way.

There are two kinds of inventions, one that reduces the amount of employment and another which increases it. Unhappily, the emphasis is being placed on inventions and methods reducing employment. Let me give two concrete examples that will suffice. You have, for example, in the work-increasing field, the automobile, with the great road-building activities accompanying it. In the other field I refer to there is the ditch-digging machine that is said with two men to displace as many employees, perhaps, as a hundred. Now, if those inventions fell like rainfall, if they came equally, they would compensate each other. If, like the sexes, there was some power to say, "One little boy, one little girl; one little girl, one little boy", then in the throw of nature an equilibrium would result, and we perhaps might not be so seriously minded about our great problem.

But unhappily the emphasis, I say, is placed on the work-reducing inventions. In the shops and great factories of our country you will find a suggestion box where the worker, however humble, is invited to contribute his suggestion about plant improvement, reducing expenses here, simplifying processes there, all of them working to reduce the gross employment necessary. To what has it led? We had 2,000,000 unemployed when the depression came on in 1929. Later augmented by the break-down of business confidence, it reached the terrible proportion of 12,000,000. It is said now to be at 6,000,000. I say I regard this condition of unemployment as chronic. I fear if the laissez-faire policy is still to obtain, we will come out of the depression with at least 4,000,000 of willing, competent persons unable to secure an opportunity to earn their living by their own labors.

Indeed, ladies and gentlemen, we are developing a new class in the United States. It consists of the men and

women who, at 45 years of age, have reached the age limit of employability. I christen them "America's untouchables." Such is the competition between labor for an opportunity to labor, that gladiatorial qualifications now are required for the candidate who is seeking a job. But the American workshop is not a gladiatorial arena, even if it often does require as great courage and personal sacrifice equally tragic.

THE EMPLOYMENT ASSET

Have we not as thinkers and lawmakers come to the point in our path when we must look upon the employment asset as the most important asset in our lives, and as a great social responsibility? Of course, I know that the employer may not always regard it that way.

His thought has not been sufficiently directed to it. He is naturally disposed to look upon the employment attribute of his factory as he looks upon the physical property itself—like his own house—and as if he owned it wholly. But he does not own it wholly. The employment attribute belongs as well to the human beings who must exercise it in order to live. Our industrial order, like the industrial orders which have preceded, must accept its obligation to meet the primary needs of the human race dependent upon it. Previous systems have not denied such duties. Under the feudal system a place was found for the humblest villein. Even under slavery, the owner did not deny his obligation to feed and clothe and doctor the slaves, no matter what might happen to crops or to markets.

LEGAL SANCTIONS AND THE RIGHT TO WORK

Ladies and gentlemen of the House, there is an absent chapter in our treatment here today. The bill does not err by excess of provisions—it errs by a serious omission. Before we have done full justice in this subject and have acted in full wisdom toward it, legal sanctions must be provided for a man's right to work. The industrial order must give him his fair share of the employment available. It must abnegate the privilege of turning thumbs down on the father at 46. Each worker must be given his day in court with full legal remedies provided to effectuate this right to work, just as they are provided for all the forms of property. [Applause.]

How does it happen that this right to work that nobody has ever disputed in the history of the world—a moral right as fixed as the foundations of society—will not secure a single wageworker a loaf of bread tomorrow or save his family from eviction? How does it come that all kinds of property, property in cats, dogs, cows, or anything imaginable, is provided protection through the processes of the courts and nothing in the way of legal defense is provided this worker for his inalienable right to work?

I do not charge any conscious class discrimination against the lawmaker for the discrimination between property rights and this personal right to work. But I do fear the worker has been the victim of an unconscious class bias.

THE GENERAL WELFARE

I only have about 10 minutes remaining, and I shall go to the Constitution and our general welfare.

The general welfare—the aged grandma, and the aged grandpa long turned away from the mills, the disemployed workmen, now do they relate to this general welfare? My answer is that the causes of their deprivation, as well as unemployment, are general in character. They are not local or personal causes.

By " general welfare ", I mean what the makers of the Constitution meant—interstate welfare. I mean that portion of the public welfare over which the State can exercise no competent legislative power. Wherever the causes and their effects are not both circumscribed within a single State so as to be reached by the processes of its courts or by the mandate of its lawmakers, they are interstate in character. Our unemployment conditions are certainly interstate and can be said to be often international in character. So I say to you that we have a general or interstate welfare problem before us in our subject today.

Now, how about the Constitution on the subject of such general welfare? I do not need to say to you, I am sure, that the general welfare is one of the triology of great objectives mentioned in its preamble as the purpose of the Constitution. But it also received much more specific attention. I am glad to see Virginia faces here today, for I have now to refer to names and incidents that ought to arouse a feeling of pride in the Virginia breast.

When the Virginia delegation reached Philadelphia, somewhat ahead of the delegations from other States, they prepared a plan for a Constitution. General Washington headed that delegation. Governor Randolph, Mr. Madison, and, I think, also Mr. Mason were members. What did they propose with regard to this subject? I read now from the preamble of the Virginia plan:

Resolved, That the articles of confederation ought to be so corrected and enlarged as to accomplish the objects proposed by their institution; namely, common defense, security of liberty, and general welfare.

But how attain this general welfare? Well, the plan provided " that the Congress should enjoy the power to legislate in all cases to which the separate States are incompetent."

In other words, Mr. Chairman, when the subject matter transcended the powers of the State because of its geographical inability to reach both cause and effect, they recognized a general or interstate subject. In such cases the Federal Government should enjoy legislative power to act. Obviously these great makers of the Constitution, Mr. Chairman, were far from intending to leave a vacuum in the Constitution as to the field of legislative subject matter on which the State was geographically incompetent to act. They left no such vacuum in the judicial power to act where plaintiff and defendant reside in different States. The intention of the Convention was completely manifest: That the sum total of the powers of the State legislature plus the power of the National Legislature should equal the sum total of the powers of the colonial legislature and the House of Commons before their separation. Why not? The Virginia plan in this respect was voted on favorably a number of times in the Convention.

The CHAIRMAN. The Chair reminds the gentleman from Maryland that he has 5 minutes remaining.

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 5 additional minutes to the gentleman from Maryland.

THE GENERAL WELFARE CLAUSE

Mr. LEWIS of Maryland. I thank the gentleman from Washington [Mr. HILL]. What did the Convention do? The Washington, or Virginia, plan with regard to this matter became the general welfare clause in the Constitution. And now, Mr. Chairman, I have to call your attention to a most important accident in the history of the Constitution. As you read the Washington Convention copy of the Constitution of September 12, just 3 days before final signature, you will find that the welfare clause was preceded by a semicolon at the end of the clause on taxation. That is, the taxation and welfare clauses were separated by a semicolon. I read:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises—

Semicolon after excises—

to pay the debts, provide for the common defense and general welfare of the United States.

I am reading from the printed intra-Convention copy of George Washington, who was President of the Convention. The copy was turned over to a copyist to write out in hand on parchment for engrossment, and then a mistake occurred. A comma was substituted for the separating semicolon. I want to affirm here that the journal evidence indicates that members of the Convention signing the final Constitution 3 days after were entirely unadvised of the displacement of the semicolon by a comma.

There was no Convention print of the copy they signed. The engrossed written document was read to them like documents are read to us here from the desk. Of the semicolon they were conscious. Printed copies were before the Members carrying the semicolon. They had no copies of the Constitution they signed.

And now, Mr. Chairman, may I continue the exposition by quoting from a dialog with Senator NORRIS and the late Senator Walsh in the Judiciary Committee of the Senate:

Senator WALSH of Montana. If I understand the question of the chairman right, the idea in his mind is that it is equally as well when you put a comma there, it is equally as well set apart from what goes before as though there was a semicolon there, and if the clause "to provide for the payment of debts and general welfare" is a modification of what precedes, you should not have either a comma or a semicolon.

Mr. LEWIS. Exactly so. The erroneous comma is meaningless as a modifier unless you interpolate some phrase like "in order." Of course, no interpolation whatever would have been admissible had the semicolon remained. If the comma be read to mean "and", as the history of the subject requires, then a distinct legislative power is carried.

The CHAIRMAN. The contention is this, as I understand it, that where you have a comma there it is the same as though it read like this:

"Congress shall have power to lay and collect taxes, duties, imposts and excises 'in order' to pay the debts."

Mr. LEWIS. Yes. That is the contention that is made by the contractionist.

The CHAIRMAN. "And provide for the common defense and general welfare."

If that were true, then the authority to pay debts, provide for the common defense and general welfare of the United States would be limited to the powers given in the first part of the sentence, to wit, to lay and collect taxes, duties, imposts and excises. Is that the contention?

Mr. LEWIS. That is the contention and the purpose of the interpolation of the contractionists who would destroy this clause as a power.

Senator WALSH of Montana. As I understand you, Mr. LEWIS, you contend it should be construed as though Congress had power to lay and collect taxes, imposts and excises; that Congress shall have the power to pay the debts of the United States; that Congress shall have the power to provide for the common defense and the general welfare of the United States?

The other contention is that Congress shall have the power to lay and collect taxes, imposts and excises "in order" to pay the debts and provide for——

The CHAIRMAN. It seems to me to get the last construction you would have to take the comma out. What is the use of the comma?

A NECESSARY POWER

Mr. Chairman, I think it is clear that with comma or semicolon the clause was intended as a power, and that Congress may "provide for the general welfare" not merely through the levying of a tax but by other logical and legitimate methods; for example, the prescription of justiceable rights and duties generally. It is true that such a power is applicable to but a limited part of the total field of legislative subject matter. But when applicable it possesses characteristics and properties like the postal clause, enabling the lawmaker to fully control the subject matter. The break-down of the principle of competition in farming and coal mining which calls for a limitation of the production of such products, the equal right of competent men to work and to a share of the Nation's employment, all subjects which the separate State is organically unable to encompass for geographical reasons are examples of interstate subjects, the evils of which may run into catastrophes if an equal interstate power to treat them be denied.

Ladies and gentlemen of the House, we are at the crossroads of history. The State is incompetent to act. Either the people have power to act through their general government or we fail in our generation. Once before we were at these crossroads. It was on the subject of slavery. The statesmen of that day found an adjustment in the Missouri Compromise Act. But the act was declared void; there was no authority under the flag, it was said, to deal with that problem, and a sword was placed in every man's hand. Ladies and gentlemen, if authority is now denied us, if it is declared that on our problems of the general welfare there is a like vacuum in the legislative authority, down into the vacuous chasm may fall the proud structure of our dual form of government, to arise—if arise we can—not as a Federal Republic but as some soviet or fascist power with all our honored State lines effaced forever.

Mr. Chairman, there are a half dozen industrial countries of the world like Germany, England, and the United States that are facing now—I shall not say the most ominous, but I will say the most difficult problem the human family has ever had to face. Shall this our American House of Commons enjoy the same privilege of dealing with those subjects enjoyed by the other parliaments of the world, or shall we, in a contractionist spirit toward our beloved Constitution, deny its healing hand to suffering humanity? Yes, indeed; we face the cross roads. Do not give trust to a policy of drift and fortune. It may lead us further down into the swamps of human suffering and despair. We have examples of how neglect to act has brought indescribable misery to the human race. Look into the Empire of India with its submerged millions. Behold it as the possible future of your own children. And so warned, let us, my colleagues, take the path that leads forward to the uplands of justice and social security. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield one-half minute to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, I do not desire this time to ask the gentleman from Maryland a question, because I, as well as all other Members of the House, have listened with interest to the masterful manner in which the gentleman has presented this subject. I simply wish to say to the membership that my able colleague [Mr. LEWIS] went into the mines at the age of 9 years and knows the problems of the worker. He understands what it means to earn a livelihood by the sweat of his brow. I believe the Members of the House should know the fact. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, I want to preface my remarks with the statement that, in my judgment, the amended Doughton bill, H. R. 7260, will pass the House of Representatives by a large number of votes. I say "amended" because I believe there will be worth-while amendments offered and adopted. I have amendments that I desire to offer and other Members have amendments which they desire to offer. I am sure that the Ways and Means Committee, which has given so freely of its time and used so much of its efforts and energies to report a bill to the House that might be practicable and workable, will view these meritorious amendments in the same spirit which they are offered.

Mr. Chairman, I unhesitatingly state that I am in somewhat hearty accord with the purposes of the 10 titles of this bill, under which its various provisions are fully covered. I think we are all in accord with the main objectives of the bill, namely, no. 1, old-age pensions; no. 2, compensation for the unemployed; no. 3, governmental aid to mothers and their dependent children; and no. 4, governmental aid and financial assistance for the protection, conservation, and maintenance of the public health. I think it is generally admitted by the sponsors of the bill that it is by no means perfect.

Mr. Chairman, I think that they generally admit, as we all do, that this bill does not in any manner or means adequately or satisfactorily solve the problems which we seek to solve. However, we all admit that this is a beginning. We admit that unless more effective provisions, such as increasing the amount of old-age pensions, finding additional sources of revenue, and increasing in the end unemployment compensation, this legislation will eventually fall by its own weight. But, having made a start and having struck the goal which we seek, I am sure that the Congress and those to follow in its path will think of progress and that they will go forward instead of backward. I think that we Democrats may say that the enactment of this legislation is not only a redemption of the pledges of our great President, Franklin D. Roosevelt, but that it is also a redemption of the pledges of the Democratic Party, and, further, we are giving a favorable answer to millions of distressed farmers, distressed wage workers, small business men, independent producers, and war veterans, all of whom will be benefited directly and indirectly by the passage of this humanitarian legislation.

I think that we all admit that the cost of this legislation will rapidly increase year by year, not only because of the natural and rapid increase in the number of persons 65 years of age and over, but because of the very fact that thousands and hundreds of thousands of individual incomes

have vanished and have been wiped out by this recent and prolonged depression, and by the further fact that the enormous concentration of wealth and money in this country has made it impossible for the sons and daughters to longer support their parents as was the custom in the past.

At this point, Mr. Chairman, I ask unanimous consent to introduce a table giving the figures on the number of aged people over 65 years.

Mr. KNUTSON. Mr. Chairman, reserving the right to object, will the gentleman yield to me for a brief time?

Mr. TRUAX. I will yield for a question.

Mr. KNUTSON. I withdraw the objection, Mr. Chairman.

The CHAIRMAN (Mr. BURCH). Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KNUTSON. The gentleman stated a moment ago that this legislation is a fulfillment of a pledge in the Democratic platform.

Mr. TRUAX. Yes.

Mr. KNUTSON. It reads as follows:

We advocate unemployment and old-age insurance under State laws.

Mr. TRUAX. That is what we are doing. We are cooperating with the States and furnishing half of the money.

Mr. KNUTSON. You are detouring in doing it, though.

Mr. TRUAX. Well, we are bridging the gap that was created by the failure of the Republican Party to do anything at all. [Laughter.]

Mr. KNUTSON. May I suggest that we did not need any pensions when we were in power, because everybody had jobs.

Mr. TRUAX. I cannot yield further, Mr. Chairman, I am sorry.

Now, Mr. Chairman, there are other plans for old-age pensions that have received Nation-wide publicity and have been somewhat freely discussed by Members of this House. One of the plans which is nationally known, is the so-called "Townsend plan."

Under the old Townsend-plan bill, which was introduced, some twenty to twenty-four billion dollars per year was required to finance it. This bill was to be financed by a sales tax.

I have always been unalterably opposed to the imposition of any sales tax whatsoever, because all sales taxes are successful attempts to shift the tax burden from the rich to the backs of the poor.

George White, Governor of Ohio, 1931–35, was commonly known as "Sales Tax George." He was adamant and unyielding in his chosen role of special anointer to and for the rich. He called the Ohio State Legislature back repeatedly, browbeat them, wore their resistance down until in the end he obtained a 3-percent sales tax. Voters of Ohio exhibited their resentment and enmity by defeating Governor White for United States Senator in the August 1934 primaries. Former Gov. Vic Donahey, known as "Honest Vic", and a lifelong opponent of sales taxes, defeated Sales Tax George to the tune of 2 to 1.

Certain features of the Townsend plan are highly meritorious and worth the support of any Member of this Congress. The plan to retire men at the age of 60, remove them from active participation in industry, thus making room for unemployed men of younger ages is most commendable. The age limit of 65 fixed in the Doughton bill is undesirable and not entitled to favorable consideration by the real friends and supporters of equitable old-age pension legislation. I heartily favor reducing the age limit in the Doughton bill to 60 years.

The provisions in the Townsend plan which provide for an immediate spending of all pensions received within 30 days is admirable and one designed to place money immediately in circulation with its corresponding increase in the Nation's buying power. The pensions received by recipients under the Townsend plan would mean a considerable amelioration of the hardships and tragedies of unemployment. Idle men in the crafts, the carpenter, the painter, the steel worker, common laborer, could be gainfully employed in useful work. The butcher, the baker, the hardware man, the garage proprietor, the automobile salesman, all would be benefited by payment of old accounts, new purchases, and services. The whole idea involved here is quite the antithesis of the practices and purposes of the greedy and selfish and idle rich whose sole aim, whose sole ambition in life is to amass more and more and more of filthy lucre.

We are now informed that under the provisions of the new bill which has been substituted by Representative MCGROARTY for the original Townsend plan that the amount will be reduced to $50 per month instead of $200. In the event of enacting this plan into law the system would be pay as you go. No debts, or tax-exempt bonds would be needed. Recipients of pensions would receive the money only as it was collected from the taxing sources. This plan of financing certainly has much to commend, and in the event of failure to tax wealth and to tax incomes the way they should be taxed might well be considered. Certain it is that such a plan would restore a vigorous purchasing power among the very classes with whom purchasing power is nonexistent. The revolving-fund idea is not only new, it is unique. Instead of hoarding money it undertakes a real redistribution of money.

As a member of the Committee on Labor, I may say that I was one of seven who voted to report favorably the so-called "Lundeen workers' bill."

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield for a question?

Mr. TRUAX. For a question; yes.

Mr. SAMUEL B. HILL. What would that cost per year in taxes?

Mr. TRUAX. I have no idea, I may say to the gentleman from Washington, probably $3,000,000,000 per year. [Laughter.]

I will state to the gentleman, however, that the best feature of the Lundeen bill is the provision to tax wealth and all incomes in excess of $5,000 per year. Any gentleman who has an income of $5,000 per year and who is unwilling to contribute his share to keep the unemployed and the old people who have no income or no property, is unworthy of the respect of clear-thinking men and women, and I am sure the gentleman from Washington does not belong to that class. [Applause.]

Mr. KENNEY. Mr. Chairman, will the gentleman yield for a question?

Mr. TRUAX. Not just now. Let me first complete my statement.

SOCIAL SECURITY

I repeat and summarize certain statements made earlier in my remarks:

The enactment into law of old-age pensions, unemployment compensation, protection for mothers and dependent children, and the preservation of public health will mark another milestone in the battle for human rights waged by President Franklin D. Roosevelt and the Seventy-fourth Congress.

It is admitted by the sponsors of the bill that it does not adequately meet the situation or solve the problem. It is a beginning, however. I would amend the bill so that recipients would receive $30 to $50 per month at the age of 60, $75 at the age of 65, and $100 at the age of 70, rather than the $15 proposed. I would reduce the age limit from 65 to 60 years. Applicants for pensions should not be subjected to a property test or be blackjacked into signing a pauper's oath. Instead of taxing the public or issuing additional tax-exempt bonds to raise the extra funds as advocated here, they would be obtained by a capital tax levy on the millionaires, proper taxes on inheritances, gifts, and excessive incomes.

Unemployment is due not only to the depression but to tremendous concentration of wealth in the hands of a few, massed industry, and the mechanistic age. I heartily approve of unemployment compensation. The cost should be borne, however, by the large industrialists who profit by the

sweat and toil of wage workers. The exemption of agricultural workers in this bill is unjustifiable and indefensible. Farm workers are entitled to the same consideration as given industrial workers.

Certain features of the Townsend plan are highly meritorious and worth the support of all. The plan to retire men at the age of 60, removing them from active participation in industry, is most commendable. The revolving plan for spending all pensions within 30 days is admirable and one designed to place money immediately in circulation. Instead of hoarding money it undertakes a real redistribution of money. The whole idea involved here is quite the antithesis of the practices and purposes of the greedy and selfish idle rich; namely, the hoarding of more money and wealth.

As a member of the Committee on Labor I voted to report favorably the Lundeen unemployment, old-age, and social-insurance bill. Unemployment compensation provided for in this bill is $10 per week for the head of a family and $3 per week for each dependent child, certainly not an excessive nor extravagant amount. The Lundeen bill is self-financing in that it provides for the levying of sufficient taxes on all gifts, inheritances, and incomes over $5,000 per year.

The contents of the bill are covered in 10 titles. In title I the Federal Government proposes to match an amount equal to that contributed by the States for old-age pensions. The annuity system, commonly known as "old-age benefits", is provided for in title II, becoming effective to people who have reached the age of 65, benefits beginning in 1942. The amount of the benefits is to be determined by the amount of wages formerly received by the annuitant, and does not take into consideration the actual need of the recipient. In title III we cover the administrative costs of State unemployment-compensation systems by grants in aid to the various States.

It is a well-known fact that dependent children are one of the big factors in forcing unemployed fathers to the bread lines and relief lists. In title IV we provide Federal assistance to the States so that they may properly give direct aid to these dependent children. The Federal Government furnishes one-third of the total amount used in the State for this humanitarian purpose.

In my State of Ohio we know something about so-called "mothers' pensions", which is really a misnomer. In title V we are making grants to States for assistance in the vocational rehabilitation of crippled and disabled children. The funds to be used are upon a 50–50 basis between the State and Federal Government. Serving as a member of the Ohio State Board for Vocational Rehabilitation for a period of 6 years, I am happy to endorse this feature of the social-security program in the highest possible terms. In title VI we provide for grants in aid to the States for developing their public-health services. In Ohio the department of health is under the personal direction of the Governor. The director of public health is a member of the Governor's cabinet. The Federal Government proposes to continue its Public Health Service, and particularly in its investigatory work, with every effort at its command.

The social-security board created under title VII is to be an independent agency within the Department of Labor. There is much difference of opinion here as to the merits of this plan or the advisability of having a wholly separate and independent agency in charge of the administration of this broad and far-reaching program.

Under title VIII we levy an income tax determined by a certain percentage of wages, starting with 1 percent in 1937 and increasing to 3 percent by 1949. Unfortunately and unwisely, in my judgment, the bill exempts domestic servants and agricultural laborers. I can find no justifiable reason for these exemptions, particularly as relating to farm workers. Certainly the farmer and the farm hand are entitled to every consideration and every protection that may be given to workers in manufacturing industry. Agriculture is the mast wheel of the world. Accelerate the motion of it but the slightest and the smaller wheels will double their velocity.

By the provisions of title IX we levy an excise tax on employers of 10 or more individuals with the same exceptions as noted in title VIII; the amount of the tax to be levied will be determined by 1 percent of the wages payable for 1936 and increasing to 3 percent by 1938. The operative date of this levy will be January 1, 1936, and is payable 1 year later. For those employers who have already contributed to State unemployment funds under State unemployment compensation laws, credits against the tax will be allotted up to 90 percent of the amount contributed.

Title X merely outlines the general definitions of the bill and the various and sundry provisions applying thereto.

OBJECT OF THE BILL

The bill has four main objectives:

First. Old-age security, or "old-age rewards", as I choose to call them.

Second. Unemployment compensation.

Third. Protection for mothers and welfare of their dependent children.

Fourth. The protection, preservation, and betterment of public health.

I repeat, this country has approximately 7,500,000 men and women aged 65 and over. Of this number, practically 1,000,000 are dependent upon relatives, the public, or the Government for support and maintenance. The large majority of these unfortunates are on Government relief. The number of aged persons over 65 will increase in the future not only because of the rapid natural increase of persons of this age but also because of the fact that thousands of older workers now gainfully employed will never be steadily employed again, the wiping out of the life savings of thousands of worthy persons nearing old age and astonishing inability of sons and daughters to no longer support their parents. At this point I introduce a table from the United States censuses giving startling figures with respect to old-age dependency:

TABLE I.—*Actual and estimated number of persons aged 65 and over compared to total population, 1860 to 2000*

Year	Total population	Number aged 65 and over	Percent aged 65 and over
1860	31,443,000	849,000	2.7
1870	38,558,000	1,154,000	3.0
1880	50,156,000	1,723,000	3.4
1890	62,622,000	2,424,000	3.9
1900	75,995,000	3,089,000	4.1
1910	91,972,000	3,958,000	4.3
1920	105,711,000	4,940,000	4.7
1930	122,775,000	6,634,000	5.4
1940	132,000,000	8,311,000	6.3
1950	141,000,000	10,863,000	7.7
1960	146,000,000	13,590,000	9.3
1970	149,000,000	15,066,000	10.1
1980	150,000,000	17,001,000	11.3
1990	151,000,000	19,102,000	12.6
2000	151,000,000	19,338,000	12.7

Source: Data for years 1860 to 1930 from the United States censuses.

Twenty-six States have already adopted old-age-pension laws. The plan outlined in this bill is one not to tear down nor destroy these State plans already in existence but to grant them aid and assistance by matching the amount of compensation that has already been provided for in these States.

It is admitted by the sponsors and framers of this bill that the legislation contained in the bill does not in any manner or means adequately or satisfactorily solve the problem. It is nothing more than a beginning, and unless other and more effective provisions, such as increasing the amount of compensation monthly and seeking additional sources of revenue, the legislation may fall of its own weight. Certain it is that the cost of old-age pensions will increase by leaps and bounds and that the only source of new revenue is the tapping of predatory wealth, the taxing of swollen fortunes, and proper limitations on huge individual incomes. Let the rich of the country, the plutocrats of the Nation, the millionaires,

and the billionaires finance the cost of this vital and necessary legislation. If the plan proposed in this bill is enacted into law, by 1960 it would cost the State and Federal Governments $2,000,000,000 a year. I introduce a table listing the States which have old-age-pension laws, together with statistics relating to same.

TABLE II.—*Operation of old-age-pensions law of the United States, 1934*

State	Type of law	Number of pensioners	Number of eligible age, 1930	Percentage of pensioners to number of eligible age	Average pension	Yearly cost
Alaska	Mandatory	446	3,437	11.1	$20.82	$95,705
Arizona	do	1,974	9,118	21.6	9.01	200,927
California	do	19,300	210,379	9.2	21.16	3,502,000
Colorado	do	8,705	61,787	14.1	8.59	172,481
Delaware	do	1,610	16,678	9.7	9.79	188,740
Hawaii	Optional	(1)	(1)	(1)	(1)	(1)
Idaho	Mandatory	1,275	22,310	5.7	8.85	114,521
Indiana	do	23,418	138,426	16.9	6.13	1,254,169
Iowa	do	3,000	184,239	1.6	13.50	475,500
Kentucky	Optional	(2)	(2)	(2)	(2)	(2)
Maine	Mandatory	(3)	(3)	(3)	(3)	(3)
Maryland	Optional	141	92,972	.2	29.90	50,217
Massachusetts	Mandatory	20,023	156,590	12.8	24.35	5,411,726
Michigan	do	2,660	148,853	1.8	9.59	306,093
Minnesota	Optional	2,655	94,401	2.8	13.20	420,535
Montana	do	1,781	14,377	12.4	7.28	155,523
Nebraska	Mandatory	(4)	(4)	(4)	(4)	(4)
Nevada	Optional	23	4,814	.5	15.00	3,320
New Hampshire	Mandatory	1,423	25,714	5.5	19.06	298,722
New Jersey	do	10,560	112,594	9.4	12.72	1,375,693
New York	do	51,228	373,878	13.7	22.16	13,592,080
North Dakota	do	(5)	(5)	(5)	(5)	(5)
Ohio	do	24,000	414,836	5.8	13.99	3,000,000
Oregon	do	(6)	(6)	(6)	(6)	(6)
Pennsylvania	do	(7)	(7)	(7)	(7)	(7)
Utah	do	930	22,665	4.1	8.56	95,599
Washington	do	2,239	101,503	2.2	(1)	(1)
West Virginia	Optional	(5)	(2)	(5)	(5)	(5)
Wisconsin	do	1,969	112,112	1.8	16.75	395,707
Wyoming	Mandatory	643	8,707	7.4	10.79	83,231
Total		180,003	2,330,390		16.48	31,192,492

[1] No information available or not computed.
[2] Not in operation.
[3] Not yet in effect.
[4] Not much being done due to lack of funds.
[5] No pensions being paid now.
[6] Administered by counties; no information available for State.
[7] Law just being put into effect.

Source: Data collected by the Committee on Economic Security.

So that the cost of old-age security may not become too burdensome in the years to come, and so that the aged may look upon this endowment as a human right, and not as a governmental gratuity, we establish through the mechanics of this bill a system of old-age benefits or annuities. These annuities are to be paid out of the Federal Treasury, and all administrative details will be handled by the Federal Government. The benefits provided are in proportion to the wages earned. Adjustments are available which tend to favor the lower-paid employees and those approaching old age. Benefit payments start at $10 and reach a maximum of $85 per month. It will act as an automatic equalizer on the old-age-pension funds and in future years it is believed that the funds provided for old-age pensions by State and Federal Governments will be reduced by $1,000,000,000 annually.

UNEMPLOYMENT COMPENSATION

During the World War there were practically no unemployed workers. From 1922 to 1929, 8 percent of industrial workers were unemployed. In 1930 to 1933 more than 25 percent of industrial workers were unemployed. Eighty percent of all the families now on Government relief are there because of unemployment. Unemployment is due to not only depressions and panics but also to the tremendous concentration of wealth, capital, and money, massed industry, and the mechanistic age. The steam shovel, the tractor, the road grader, the huge concrete mixer, the cigarette robot displace permanently thousands of workers. Here, unquestionably, shorter hours, less days per week, and at the same weekly wage level as was formerly received for the longer-hour day and week, must prevail in the end. To bridge the gap now between wholesale and ruinous unemployment, workers' compensation must be established.

If unemployment compensation had been established 15 years ago at the cessation of the World War with a 3-percent rate on industry, probably $3,000,000,000 would have been available for payment of benefits starting with the depression year 1929, when, on October 25 of that year, $30,000,000,000 zoomed out of Wall Street.

Unemployment compensation is a tried and proven fixture in the older European countries. No doubt the impelling reason for its adoption years ago in these countries is the fact that those older European countries then reached the period through which we now pass—namely, that period which marked a centralization of wealth in the hands of the few. In other countries where compensation for the unemployed has been tried, it is always retained. I would recommend that the entire cost of this movement for human rights be borne by the large industrialists who profit by the sweat and toil of wage workers. At this point I submit unemployment statistics for recent years. Estimates on unemployed workers furnished by the American Federation of Labor.

Persons unemployed during years 1920–34, inclusive

1920	1,401,000
1921	4,270,000
1922	3,441,000
1923	1,532,000
1924	2,315,000
1925	1,775,000
1926	1,669,000
1927	2,055,000
1928	2,200,000
1929	1,800,000
1930	3,947,000
1931	7,431,000
1932	11,489,000
1933	11,904,000
1934	10,894,000

SECURITY FOR CHILDREN

Helpless and dependent children are the real casualties of hard times. The whole Nation was shocked quite recently by the tragic happening when the lives of 14 high-school youths were snuffed out. Yet daily 9,000,000 boys and girls in this country must depend on Government doles for bread and meat to eat, clothing to wear, and fuel to keep their bodies warm. The Federal work-relief program will not solve this problem in its entirety. Jobs will not be possible for all. Seven hundred thousand children under the age of 16 have no fathers to win bread for them. The most humane provision that Government can provide for in these sad cases is public aid in their own homes; hence the wisdom and justification for the third major step of this social security bill.

MATERNAL AND CHILD WELFARE

Everyone believes in the old truism, "The hand that rocks the cradle rules the world." This section of the bill takes into consideration the welfare of 300,000 dependent and neglected children, 200,000 distressed children who are classed by the juvenile courts as delinquents, and 70,000 illegitimate children born annually.

PUBLIC HEALTH SERVICE

We boast of our high standards of living, our excellent sanitation, the successful battles in many instances that we have waged on disease and pestilence, yet only 528 of 3,000 counties in the United States have full-time health officers. Health is wealth. Good health cannot be bought by the millionaires' gold or the plutocrats' wealth. This enlightened Nation owes to its citizenship every opportunity to enjoy good health.

LUNDEEN WORKERS' UNEMPLOYMENT, OLD-AGE, AND SOCIAL-INSURANCE BILL (H. R. 2827)

The vote by which the bill was reported favorably was 7 for and 6 against. So, to my constituents who are interested in this meritorious bill I am happy to state that my vote was the deciding factor that reported the bill favorable. The Lundeen bill provides for the payment of insurance for unemployment, old age, part-time unemployment, sickness, accident, and maternity in amounts equal to average local

wages, the average local wage to be determined by the Department of Labor at Washington. In the case of part-time employment, the difference between the part-time employed worker's earnings and the average local wage would be paid. The cost for this insurance is to be paid for by the United States Government; and if further taxation is necessary, such taxation shall be levied on gifts, inheritances, and incomes over $5,000 per year. The insurance is to be administered by workers' and farmers' organizations under rules to be set up by the Secretary of Labor. It is specifically provided that insurance shall be paid to all workers and farmers unemployed through no fault of their own, including agricultural, domestic, professional, and office workers, as well as industrial laborers, who have reached the age of 18 years.

In unemployment compensation the Lundeen workers' bill provides for $10 per week for the head of a family and $3 per week for each dependent child; certainly not an excessive, exorbitant, or extravagant amount. With living costs soaring, and especially in the industrial centers where millions of wage workers live, the amount herein asked is not too much. This bill includes all workers, including unemployed farmers, domestic, professional, and office workers.

The failure of the administration bill to provide for these latter groups of toilers who form the basic structure of our Nation is regrettable and indefensible. Another highly commendable feature of the Lundeen bill is that it is self-financing in that it provides for the levying of sufficient taxes on all gifts, inheritances, and incomes over $5,000 per year. Can it be that any individual fortunate enough to have an income of $5,000 per year will be unwilling to help support his less fortunate brethren? If so, then he does not deserve the respect nor support of respecting men and women. My contention is that the finances to make it possible to place the bill in operation we are now considering, H. R. 7260, should be obtained from the superrich and from the swollen fortunes and huge incomes.

MY OWN POSITION

From 1910 to 1923 I was the proprietor of one of the larger purebred stock farms in the United States. During that period I made 26 public sales on my farm besides selling hundreds by mail and shipping my stock to every State in the Union and to Canada, South America, Australia, and Japan. As editor of the Swine World, published in Chicago, and field representative I attended dozens of sales for other breeders in many States of the Union.

For 6 years, 1923–29, I served as director of agriculture for the State of Ohio. In 1932 I was elected Congressman at large for the State of Ohio by the largest vote ever given a congressional candidate in my State. In 1934 I was reelected by a vote of 1,061,857, being high man in the number of votes received in 82 of 88 counties. My constituents, I am pleased to classify as being composed largely of farmers, wage earners, salaried and professional workers, small business men, and independent producers and manufacturers. I am a pioneer in old-age-pension legislation in Ohio. In the fall of 1933 I cheerfully gave my time and my best efforts and spent my own money in making speeches in nearly every county of my State in that historic campaign for the adoption of old-age pensions by the people. The people responded and adopted this legislation by an overwhelming majority. I shall continue my efforts and keep the faith. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MITCHELL].

Mr. MITCHELL of Illinois. Mr. Chairman, ladies and gentlemen of the Committee, I am glad, indeed, to have an opportunity to speak my word of approval for this great piece of humane legislation. I have sat here in the House for several days and listened with the greatest interest to the debate on this bill. I have heard the objections raised to it, and I have been wondering what can we say against this legislation that has any weight. I have been wondering if we can conscientiously object to an old-age pension such as is provided in this bill. Can we object to trying to insure the wages of these men without jobs? Can we have any objection to providing for the welfare of children and mothers? Who objects to better health conditions?

It seems that there is a great deal of alarm here among the Members of that side of the House because of the tremendous burden that this humane legislation will place on industry. I do not share that alarm. It so happens that I come from a group of people who are used to bearing burdens. They have been bearing the burdens of this country since they were brought here almost four centuries ago. I am happy to represent such a group. I am glad to be one of those who have borne the burdens and helped to build up this country.

May I not remind you that at this very moment when we are expressing alarm at the burden this legislation will place upon industry, we have in our vaults in this city nearly half the gold of the world. We boast that our country has the greatest natural resources of any country in the world. What are we to do except to use this gold and these resources for the citizens of this country who are now handicapped because of age, or because of disease, or because of the fact they are unable to secure work? Is it not the custom of those representing our industry to cry aloud when industry is about to be called upon to do its part in carrying the burdens of the Government?

We complain of this bill's being written by experts of the administration. It is such a change from what we have been used to with another party in control of the Government. Then bills were written by people on Wall Street.

Only a few years ago this Government, under a former administration, turned over to a citizen of my city $85,000,000 with which to try and keep a bank alive that was at the time insolvent.

In contrast to this, the present administration, in keeping with the customs and platform of the Democratic Party, went to the rescue of Sylvester Harris, a poor Negro farmer in the heart of Mississippi's Delta when he called the President, and informed him that he was about to lose his farm because he could not pay the mortgage and wanted the Government to come to his rescue.

It was a new day in politics when this Government went to the rescue of this poor Mississippi Negro farmer. It has long since been the custom of our Government, under another party, to go to the rescue of railroads, great industrial corporations, insurance companies, and so forth, where the benefits went direct to the privileged rich. It is a new day in politics when citizens of this Nation at the bottom of the ladder can call upon their Government and receive immediate relief. That was a new idea, and the President said to the man at the bottom of the ladder, "It is the purpose of this Government not only to help the rich but to help those who are overburdened and poor." [Applause.]

The only objection I could have to the bill is this: It seems to me that instead of helping these poor States that have no money, you are trying to forget them at least for the present, as the bill is drawn, and help those who in some measure can help themselves. I believe the bill ought to be so amended that there would not be a State in the Union, poor as it might be, whose citizens could not share immediately in the benefits of the bill. [Applause.] I do not think it means much for us to pass a law that will help Illinois, my State, because it might have resources to meet the requirements of the bill; and Massachusetts, that has already met them, and a number of other States, while the State of Alabama and the State of Mississippi and the State of Minnesota, and other poor States could not meet the requirements.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SAMUEL B. HILL. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. MITCHELL of Illinois. Mr. Chairman, the people in these poor States are suffering just as much as the old people in these other States, and must they starve and continue to be a burden on their relatives who cannot administer to their wants, while others from more favored States benefit under this bill? I believe the bill ought to be so amended that the Federal Government would take the burden on itself to see

to it that there is not an old person in the country above the age of 65 who would be left in want.

I know the purpose of those who framed this legislation in this way. You are afraid that you will encourage some States to remain indifferent on that particular point, but I believe an amendment could be drawn so that you could give these States a certain length of time to qualify, and all the time that they are qualifying these old people in these poor States would be taken care of as in the other States. I believe the time has come when we ought to think of all the suffering people in the country. The President's message which was delivered to us on the 17th of January admitted that there were a great many States unable to carry this burden, but after all, are not those the people we should help? How will we feel in our hearts if we make it possible for those of the more fortunate States to enjoy the benefits of this legislation while those that are suffering most in these other States which are not able to take care of that burden must continue to suffer. It is like saying to a sick person, "You are sick and you need some help, but you cannot get medicine until you are able to walk to the drug store and get it."

Mr. Chairman, I am new in this body and I do not want to take the responsibility of coming forth with an amendment so important as that, but I do hope some of those who are versed in that sort of thing will see to it that that amendment is offered so that I shall have an opportunity to vote for what I consider a most perfect and humane bill. [Applause.]

Mr. KNUTSON. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies and gentlemen of the Committee, it was most interesting to me to note the gracious reception and generous applause accorded our colored Democratic colleague from Chicago by our good Democratic friends from the South. He made a splendid speech and is the Representative of one of the great American districts. It seems that the attitude of our Democratic friends from the South has changed tremendously since the time a colored man sat on the Republican side of the House.

I am happy to have an opportunity to address you today on the so-called "social-security bill" which purports to give relief to aged needy people and dependent children and provide for maternal, child, and public health. I am not a recent convert. I have been advocating Federal old-age pensions, pensions for poor widows and for minor children, the needy blind, and the needy cripples for many years. I stood on the floor of this House about 15 years ago and defended the constitutionality of and urged the passage of a measure to provide Federal aid to the States in the rehabilitation of persons crippled in industry. The chief opponent of that legislation was one of the finest and ablest men who ever served in this House. I refer to our distinguished former colleague and Jeffersonian Democrat, Mr. Tucker, of Virginia. He really believed that the legislation then being proposed by the Republicans was unconstitutional and violated States' rights.

During my service in Congress I helped to pass many measures looking to child welfare and the public health; so this social-security program did not have its birth with President Roosevelt or the Democratic Party.

The bill before us now is known as "President Roosevelt's bill", but if the provisions in this bill for the needy old people, dependent minor children, and crippled children is to be a true test of the President's interest in these humanitarian policies, we can well say that all the humanity in this country does not rest in the bosom of President Roosevelt or within the hearts of the Democrats, or that there is no interest in social security or humanity among Republicans or the Republican Party. I do not know of a Member on the Republican side of this House that is not heartily in favor of adequate relief in the way of Federal grants or pensions to the aged needy, to dependent and crippled children, and public health, and nearly all that I have heard express themselves have expressed opposition to the very meager and inadequate provisions in this bill for these needy groups.

I have no purpose to criticize the Ways and Means Committee or its personnel. It is made up of a group of wonderful men, both Democrats and Republicans. There is no more splendid man in this House than the chairman, Mr. DOUGHTON, of North Carolina, and knowing other Democratic members on that committee, I feel sure that this bill does not express what they really desired to be done; but it is the President's bill, as I understand, prepared for him by one of the lesser lights of the "brain trust", and the President is forcing many of our Democratic friends to jump through the hoop on this bill as he has on other measures. I wonder if the time will come when these able, experienced, outstanding Democrats will cease to be mere rubber stamps for the President and the "brain trusters." No member of the Ways and Means Committee of this House wrote this bill.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I have only a limited time.

Mr. FLETCHER. Just to ask the gentleman a question.

Mr. ROBSION of Kentucky. I cannot yield, much as I should desire, because I have but a short time to cover the subjects I have in mind.

Mr. FLETCHER. Did not Mr. BANKHEAD support that bill?

Mr. ROBSION of Kentucky. Some of the Democrats supported the vocational education and rehabilitation bill.

Yes; I am very deeply and earnestly interested in old-age pensions and for aid for dependent and needy crippled children. I am in favor of the public health, welfare, and health provisions for poor mothers and needy children, and I am in favor of aiding the workers of this country to lay by something for their old age; but let me say to my Democratic friends, you will wake up before many months roll around and find out that this is the most disappointing legislation ever offered in Congress, provided you pass the President's bill which we are now considering.

INADEQUATE AND DISAPPOINTING

Many people are under the impression that if we pass this bill that the aged needy people over 65 years of age will receive a pension of $30 per month. Nothing could be further from the truth. It is also believed that the Federal Government under this measure is putting up $15 for each needy person over 65 years of age. This is not true.

In the first place, no one, however needy or however old, even a hundred years old, can secure one dollar in pension until the several States pass laws prescribing the conditions under which a pension can be paid and levy and collect taxes and match the Government's money, dollar for dollar.

This bill provides that the States can fix the minimum age anywhere between 65 and 70 years, until 1940. After that, the minimum age must not be more than 65. Any State can define what is dependency, and can and must fix the amount that it will contribute per needy person.

About 27 States of the Union have some form of old-age pension. Kentucky is one of these States, but its old-age pension law means less than nothing. It is a mere delusion. It merely gives the fiscal court of each county the right to levy and collect a tax to provide old-age pensions. So far as I know, no county in Kentucky has ever put into operation that provision of the Kentucky law. Only a few of the rich States have anything like substantial old-age pension laws. Twenty-one have no old-age-pension laws of any kind.

Under this law, every State in the Union, with the possible exception of Delaware, will have to change their old-age pension laws, and those States which have none will have to pass an old-age-pension law. It is contended that Kentucky and some other States will have to change their constitutions, requiring a vote of the people.

The appropriation of $49,750,000 is to be the Government's part for the year beginning July 1, 1935, and ending June 30, 1936. Perhaps in a few of the rich States they will be able to change their laws and provide means to match the Government's money and their old and needy will get some pensions, but I feel that I am perfectly safe in saying if

this bill is passed in its present form there will be no old-age pensions paid to anyone in Kentucky, however old or however needy, within the next year or 18 months, and perhaps not at all. Kentucky is deeply in debt, with a sales tax and other burdens on the back of the people of Kentucky, and the State is going deeper in debt every day. Kentucky may not be able to match the Government's money. We may have to change our constitution.

There never has been a time when the old and needy required help as they do now. The Democrats running for the House and Senate last year urged the people to send them to the House and Senate instead of Republicans, as the President and they were pledged to provide old-age pensions. They have led millions of old and needy people to think that this relief would come, and come now—not a year, 2 years, or 5 years hence.

Therefore, I am against the provisions in the President's bill allowing the States to fix the age at 65 to 70 years. It should not be more than 60 years. I am against the provisions of the President's bill that makes it impossible for any old needy person to get a pension until and unless the State matches the Federal money. I think the limit of $15 of Federal aid is not adequate. Under this measure, it will make it possible for the rich States to get more money and the poor States not to get any money. In other words, those who need aid most will receive the least, or none at all. The United States should treat all of its old and needy citizens alike. I shall favor an amendment to fix the age at not more than 60 and for the Federal Government to contribute at least $20 or $25 and this to be paid to all those who come within the provisions of the bill, without regard to the State contribution, and then in due course of time let the States make such additional contribution as they desire and are able to make.

These old people need help and they need it now. I want them to get this help and get it now.

SIXTEEN DOLLARS AND SIXTY CENTS A YEAR—FOUR AND A HALF CENTS A DAY

This bill provides only $49,750,000 for old-age pensions for the year beginning July 1, 1935. In the committee's report filed with this bill it is declared there are over 7,500,000 people in the United States that are over 65 years of age. At least 6,000,000 of these are needy and dependent. Mr. DOUGHTON, the chairman of the committee, says there are about 4,000,000, but he is very much in error.

Let us bear in mind that the Government does not put up $15 for each needy person. It only matches the State's contribution. If the State law fixes the State's contribution at $2 a month, then the Government would only put up $2 per month, making $4 per month in all. If the State puts up $5 per month for old and needy persons, the Government would put up only $5, making $10 per month in all. But let us suppose the State puts up $15 per month for each needy old person. Then, in that event, the Government would put up $15, making $30 per month in all.

Now, as we have already said, the Government in this bill puts up $49,750,000 for the year beginning July 1, 1935. Suppose all the States should come in and should match the Government's money with $49,750,000 more. Then we would have for old-age pension $99,500,000 for that year; but in order to get this sum all the States would have to come in and match the Government's money.

If we divide $99,500,000 among 6,000,000 persons, it would give each person the magnificent sum of $16.60 a year, about $1.40 a month, or about 4½ cents a day.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I have not the time. I cannot yield.

Mr. KNUTSON. I will grant the gentleman more time.

Mr. ROBSION of Kentucky. I yield under those circumstances.

Mr. KNUTSON. If we keep on importing from Japan and destroying our textile and other industries under the Roosevelt policies, we will be able to live on $16 per year.

Mr. ROBSION of Kentucky. We may be able to starve on policies and conditions like those, but we cannot live.

But now suppose we cut down the number to 3,000,000 and then what will each pensioner get under this bill, provided the States all come through? Thirty-three dollars and twenty cents a year, or about 9 cents a day. Suppose only 1,000,000 applied and were allowed pensions. That would be $99.50, or eight and a fraction dollars a month, provided, of course, the State should come through with its part.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. ROBSION of Kentucky. Sorry; I have only a few minutes.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. ROBSION of Kentucky. I only have a few minutes.

Mr. COOPER of Tennessee. Will the gentleman yield if I give him an extra minute?

Mr. ROBSION of Kentucky. I will yield if I get more time.

Mr. COOPER of Tennessee. I yield the gentleman 1 additional minute. I should like to ask the gentleman where he got the figure that there are 6,000,000 people in this country today over 65 years of age who are in need?

Mr. ROBSION of Kentucky. That is a general and accepted report of fact. You can get that anywhere.

Mr. COOPER of Tennessee. Well, where? It was not presented to the Ways and Means Committee in more than a thousand pages of testimony.

Mr. ROBSION of Kentucky. I know, but all the knowledge does not reside with the very splendid and able members of the Ways and Means Committee.

Mr. COOPER of Tennessee. And it does not all reside with the gentleman when he does not know what he is talking about either.

Mr. ROBSION of Kentucky. No; I do not claim that I have all knowledge. If you pass this, the President's old-age pension law, inside of 12 months you will find out where the 6,000,000 are. The life-insurance companies and the United States Government's actuaries show, and these figures have been accepted by the United States Government for many years, that of all the persons in the United States on an average who reach the age of 65, only one of them is well off. Four are able to support themselves with reasonable comfort. Five are able to support themselves only partially. Fifty-four are totally dependent upon public or private charity or relatives. There you have it. Out of 64 persons who reach the age of 65 years, only five are able to support themselves. Another five are only able to support themselves partially. Fifty-four are wholly dependent. In other words, more than four-fifths of the people who reach the age of 65 are wholly dependent and would come under the provisions of any reasonable old-age-pension law. The Ways and Means Committee report says there are now 7,500,000 people in the United States who are over the age of 65 years. Less than one-tenth of these are able to support themselves. Another group of less than one-tenth are able to support themselves only partially, leaving more than four-fifths that are wholly dependent and cannot support themselves in any way or at all. This gives you more than 6,000,000 needy and dependent people over the age of 65.

Mr. COOPER of Tennessee. The proof showed they were 1,000,000 instead of 6,000,000. The gentleman missed it just 5,000,000.

Mr. ROBSION of Kentucky. The report of the Ways and Means Committee shows there were substantially a million people in the United States over 65 that were either on relief or were the objects of public charity. It omitted the other 5,000,000 who are either being cared for by relatives who are unable to do so or are dragging through life hungry and cold. The committee's report shows that the number reaching the age of 65 years is growing. It is estimated that the number over the age of 65 by 1940 would be 8,311,000, by 1980 it would be 17,001,000.

But I said if you only counted 1,000,000, this set-up for the year beginning July 1, 1935, would pay only $8 per month—$4 by the Government and $4 by the State, provided, of course, the State came in. Many States will not be able for many years to match the Government's money, and I am afraid that is going to be the situation in Kentucky; and

for these and other good reasons, I shall strongly support and favor an amendment providing that the Federal Government shall pay a reasonable sum as an old-age pension to the old and needy of this country, without regard to State contributions, and do it now. They need it now. Under this bill, millions of them will die during the delay without getting anything.

Mr. FLETCHER. Will the gentleman yield?

Mr. ROBSION of Kentucky. I only have a short time remaining.

Mr. FLETCHER. Does Kentucky have an old-age-pension law?

Mr. ROBSION of Kentucky. Yes; it has one and it fools them not quite as badly as this one will fool them if you pass it in its present form.

ABOUT $2.75 PER YEAR OR ABOUT THREE-FOURTHS CENT PER DAY

Our Democratic friends boast of the aid this will give to the dependent children of America. The Ways and Means report shows, and this was emphasized by the distinguished chairman, Mr. DOUGHTON, that there are 9,000,000 children in the United States under the age of 16 and now on Government relief. This bill appropriates $24,750,000 for relief for these dependent, needy children for the year beginning July 1, 1935, and ending June 30, 1936. This is about $2.75 per child per year, or about three-fourths of 1 cent per child per day, and no State can receive any of these pensions until such State shall pass such laws and provide funds to match the Federal Government's fund of $1 to be put up by the Government and to be matched by $2 to be put up by the State. In other words, the State must put up 2 to 1.

And for all of these matters—old-age pensions, aid to dependent children, maternal and child health, crippled children, child welfare, vocational rehabilitation, and public health—there is provided in this bill the sum of $91,491,000. Of course, none of this is available to any State unless such State matches the Federal funds.

Yes; this small sum is to meet the problem of giving old-age pensions for an entire year to 6,000,000 or more needy people over the age of 65, more than 9,000,000 needy, dependent children, and no one knows how many crippled children or how many needy mothers will need aid in childbirth, or how many children will need health service and child-welfare care, or the hundreds of thousands of men and women who need vocational rehabilitation, or to cover the entire public-health service of the United States. It is grossly inadequate, and what a great disappointment it will be to the millions of needy old people, and to the millions of needy children; and even with this small sum, there is a string tied to it—the States must change their laws and constitutions where necessary and levy and collect the money before one dollar will be given by the Federal Government to these needy groups.

I am sorely disappointed with the inadequacy of the President's bill and when the bill is read for amendments I shall not lose an opportunity to help amend it so it will give adequate relief and give it when this bill is passed and becomes a law.

THE BLIND AND CRIPPLES

I never doubted but what the President's social-security bill would not only take care of in an adequate and substantial way the groups that are provided for in this measure but I most certainly thought it would include needy blind people and needy crippled people. Are there any groups in this country that need relief more than the poor blind and the poor permanently disabled cripples of whatever age they may be?

There is nothing in this bill for the blind and the cripples unless they live to be 65 or 70 years of age. I shall vote and work to have this bill amended to include the needy blind and the needy cripples and to give to them the same rate of pension as the needy old people.

LITTLE RELIEF FOR NEEDY AND VETERANS

This measure is grossly inadequate. Our Democratic friends last year urged support of the Democratic candidates for the House and Senate on the plea they were going to help the needy, unemployed, and pay the veterans cash on their adjusted-service certificates. The administration now tries to avoid payment of the bonus and to give adequate relief to the needy on the ground that we do not have the money. I pointed out in my speech when the $4,800,000,000 bill was up that a lot of our Democratic friends were voting for that bill and they would be unable to redeem their promises to the veterans and the needy people. My prediction is coming true. Under that measure the President proposes to increase the C. C. C. so that it will cost at least $600,000,000 for the next year. Congress has passed measures providing more than a billion dollars for the Army and Navy. This is by far the largest amount appropriated for these in peace time. The other day the House passed a measure providing nearly $170,000,000 for so-called "river and harbor improvement and the construction of canals" that, more than likely, will never be used much. We are spending hundreds of millions of dollars to burn pigs, to plow up cotton, and to pay people not to raise hogs, not to produce cotton, wheat, or corn. We are expending ten or more millions of dollars to maintain "hobo hotels." These encourage young men to leave home and spend their time in idleness. I could enumerate many other items running into the millions of dollars. Yes; we have plenty of money for all these, but nothing, or very little, for the defenders of our country and their dependents, or for the old and needy, for the blind and cripples, and for needy widows and their orphan children.

UNEMPLOYMENT INSURANCE A MISNOMER

I yield to no person my deep interest and sincere desire to help work out a plan to build up a fund that will help to take care of them after they may retire or be unable to follow gainful employment or unable to get work.

In the President's bill this is called "unemployment insurance." This is a misnomer. It has been improperly and incorrectly named. This bill does not provide anyone who is without work with a job. It does not provide one dollar of relief to the millions of unemployed in America unless they would be able to get in under the old-age pensions, but this so-called "unemployment insurance" deals solely and only with those who have jobs or may get jobs. It gives no relief whatever to the unemployed, either in jobs or in money.

Many of the outstanding leaders of labor groups tell us there are more than 11,000,000 workers unemployed in this country. I have heard a number of my Democratic colleagues on the floor of this House during the course of the debate on this bill say there are 15,000,000 unemployed. I am quite sure, if we would count the tenant and sharecroppers and the farm hands throughout the United States who were thrown out of work and taken off the farms because of the Cotton Control Act, the A. A. A., and other new-deal policies, we would find more than 20,000,000 people in this country unemployed. Secretary Ickes of the Interior Department, in a speech at Philadelphia on yesterday, declared that the expenditure of the nearly $5,000,000,000 so-called "works bill" was justified, as there were somewhere between 20,000,000 and 30,000,000 people in distress in this country.

From all that the President and others have said we were led to believe that the President was going to bring forth some measure that would give some relief to the unemployed, and when this measure was talked of as being one providing for unemployment insurance, many people believed it would benefit in some way the unemployed of this country.

This measure does not and will not put a single man back to work. It does not give any unemployment insurance or unemployment money to any one of these unemployed. What this bill means by unemployment insurance is that a man or woman who has a job and who continues to work for 5 years, and during all of which period of time he or she will have their wages taxed a certain percentage and the employer will be required also to pay a certain percentage of tax on these wages, these taxes paid by the worker and the employer will create a fund so that after this has been done for 5 years and the worker quits work or dies or reaches the age of 65 such worker then will get an

annuity—not on anything that the Government is giving to the worker, but on what the worker and his employer have paid in taxes into this annuity fund.

The ordinary workman under this plan would get a very small monthly annuity if he quit work or died after 5 years. If he died or had to quit work before he had worked and paid into this fund for 5 years, then he would receive 3½ percent of the wages he had earned up to that time. In other words, the worker would be taxed 3 percent, and if he quit paying before the 5 years were up he would get back 3½ percent. He would get one-half of 1 percent interest on what he paid in; but we must not forget that the Government does not pay anything into this fund to provide this annuity or pension.

And this only applies to persons employed by individuals or concerns that employ 10 or more persons. If a worker is employed by any person or concern that employs less than 10 men, he would have no opportunity to participate in this so-called "unemployment insurance."

Furthermore, farmers, farm laborers, and servants could not participate in this. This so-called "unemployment section" of this bill does not mean anything to farmers, farm hands, domestic servants, or to those who work for persons or concerns employing less than 10 people.

Now, let us see what sort of pension a worker would get. I present a statement set out in the report of the Ways and Means Committee on this bill.

TABLE III.—*Illustrative monthly Federal old-age benefits under title II*

Average monthly salary	Years of employment								
	5	10	15	20	25	30	35	40	45
$25	(1)	$15.00	$16.25	$17.50	$18.75	$20.00	$21.25	$22.50	$23.75
$50	$15.00	17.50	20.00	22.50	25.00	27.50	30.00	32.50	35.00
$75	16.25	20.00	23.75	27.50	31.25	35.00	38.75	42.50	46.25
$100	17.50	22.50	27.50	32.50	37.50	42.50	47.50	51.25	53.75
$125	18.75	25.00	31.25	37.50	43.75	50.00	53.13	56.25	59.38
$150	20.00	27.50	35.00	42.50	50.00	53.75	57.50	61.25	65.00
$175	21.25	30.00	38.75	47.50	53.13	57.50	61.88	66.25	70.63
$200	22.50	32.50	42.50	51.25	56.25	61.25	66.25	71.25	76.23
$225	23.75	35.00	46.25	53.75	59.38	65.00	70.63	76.25	81.88
$250	25.00	37.50	50.00	56.25	62.50	68.75	75.00	81.25	85.00

[1] Lump-sum payment of $52.50.

For instance, if your wages average $50 per month and you paid into this fund for 5 years and reached the age of 65 or were unable to go on further, you would draw an annuity of $15 per month; and if you worked for 45 years, averaging $50 per month and paid into the fund, and retired or were unable to continue work, you would draw $35 per month for the balance of your life. We must bear in mind that a worker's expectancy of life is not very great after he has worked continuously for 45 years. He will not live much longer.

You will also observe that if he earned $250 per month and paid 3 percent tax into the fund for a period of 5 years and then reached the age of 65 or was unable to continue work, he would draw $25 per month, and if he continued to work for 45 years and made a salary of at least $250 per month, at the end of 45 years he would only receive $85 per month for the balance of his life.

The great bulk of Americans now and for some time to come will not receive wages which, under the terms of this bill, would give them a very big annuity after they had worked 30 years or 45 years.

In naming this "unemployment insurance" and getting the impression over the country that something was being done in some way to help the unemployed, this measure will be a great disappointment. Let me repeat, this provision concerns itself solely and only with those who now have jobs or who may get jobs and who pay a part of their wages into the fund and the employer pays a part, for a period of 5 years or longer. In that event, and only in that event, will they receive an annuity.

LABOR AND INDUSTRY OPPOSED

So far as I have been able to learn from the workers living in my own district and the representatives of organized labor, they are opposed to the so-called "unemployment insurance provisions" of this bill. Labor thinks it is unfair to them to levy this tax on their wages; and while industry is also required to pay a tax on the amount of each woker's wages and the taxes from both go into this so-called "unemployment insurance fund", the workers believe that they would not only be required to pay their part of the tax on their wages but that the tax paid by industry on their wages would reflect itself in reducing the wages of the workers; and, so far as I have been able to learn, the workers and the representatives of organized labor are opposed to this bill of the President because it is wholly inadequate. The amount provided for old-age pensions and other relief is entirely too small.

Congress last year passed a compulsory unemployment insurance or pension bill for all of the railroad workers of the country. This act is now before the Supreme Court of the United States. Under that bill the railroad workers are taxed 2 percent of their wages, and a like tax is paid by the railroads. There is no provision in this bill to repeal that law. If this bill is passed in its present form, there will be a double tax on the workers.

Many other industries and their workers carry group insurance, and so on. This bill makes no exception or provision for conditions like that.

I think this so-called "unemployment provision" of the President's bill should go out and it should go back to the committee and a more comprehensive and equitable measure should be brought out.

As I have heretofore pointed out, this deals solely and only with people who have jobs or who get jobs, because in order to create a fund of this kind, the workers must have a job and their wages must be taxed.

My deep concern is now to work out a plan, and I think this might be done with a more comprehensive bill, to give relief to the millions who are out of work and who appear to have very little chance to get work.

I cannot understand why this so-called "unemployment insurance proposition" is thrust into this bill. Labor is against it and industry is against it, and I am advised that many of the lawyers on the Ways and Means Committee and other lawyers are inclined to think it is unconstitutional as it is now before us. Of course, if there is doubt as to its constitutionality, somebody will hold up this measure until it can be tested out in the Supreme Court, and this would cause further delay in bringing relief to the needy old people, to the needy and crippled children, and to the other groups we are attempting to provide for in this measure; and therefore, if given an opportunity, I shall vote to strike this provision from the bill and have it re-referred to the proper committee for further study and preparation, so that we may have a better bill before us.

THE FORGOTTEN MEN AND WOMEN

We are told that there are more than 50,000,000 workers in America. Twenty-seven percent of these are more than 45 and less than 65 years of age—in other words, about 13,000,000 workers in America are over 45 and under 65, and nearly all of this great army of people are out of work and cannot get work. Under this bill they are not considered, because they are under 65 years of age and are unable to get a dollar of this old-age pension money however needy they may be. They cannot come under the unemployment-insurance provisions of this bill because they are unemployed. We have pointed out that persons to get any benefits from this unemployment insurance must have a job because the fund out of which this insurance or annuity is paid is raised by a tax levy on his wages and another tax levy on his wages paid by his employer and he and his employer must continue to pay taxes in for at least 5 years.

So you can readily see that these workers, out of work, and who cannot get work, are not benefited by any of the provisions of this act; yet millions of them have been led to believe that because we speak of "unemployment insurance" and they are unemployed, this measure would help them. What an awakening and what a bitter disappointment this bill will be to them. They are forgotten in this bill, but

more tragic, they are the forgotten men and women of this country.

I know of no big coal mine in this country that does not require a coal miner when he enters their employ to sign a statement that he is not over 45 years of age. This is true of nearly all of the great factories, mills, and shops, and this is true, as I understand it, with the railroads. I have also observed that the United States Government, in prescribing its requirements to take civil-service examinations for jobs under the Federal Government, most of them fix the age limit at 45 or less, and I know of no civil-service examination that permits persons to qualify who are over 50 years of age unless it is for professional or scientific work. This same feeling exists in boards and commissions which employ those in so-called "white-collar" professions or occupations. Nearly all, including our Uncle Sam, are discriminating against the men and women who are over 45.

Ladies and gentlemen of this House, I ask you what is to become of this great army of 13,000,000 workers of the United States who are more than 45 and less than 65? This bill gives them no hope of relief until they reach the age of 65, and unless this bill is greatly amended, it offers very little hope to many of them then.

I have been putting this question to statesmen, lawyers, doctors, teachers, farmers, merchants, welfare workers, and industrialists for a long time. Most of them say, as my friend of whom I inquired on the floor of the House, they do not know. I inquired of my good friend, who is on the Ways and Means Committee, what there was in this bill to help this group, and he said, "Nothing." He ventured, however, to say we had passed the so-called "works bill" of $4,000,000,000. The most optimistic administration leaders do not expect the $4,000,000,000 works bill to give work to more than 3,500,000 people. There still remains, according to some estimates, from eight to twelve million people unemployed. There are millions of young, vigorous men and women under 45 who are out of work, and I am quite sure they will get a large part of these so-called "Federal works jobs."

It is claimed by the administration that this four billion works' job money will be spent by July 1, 1936. If this is the only hope for these workers over 45, there is not much encouragement for them. What will become of them after July 1, 1936?

Of course, I do not believe that the administration will put 3,500,000 unemployed people to work. I do believe, however, they are going to give jobs to tens of thousands of Democrats.

Can this great group of people be put back to work? Most men at the age of 45 have a wife and children. Their financial needs then, as a general rule, are as great or greater than at any other time in their lives. They have more to feed and clothe, provide educational opportunities for, and so forth. I consider this the most serious and pressing problem before the American people.

CAN THE NATION FURNISH THE JOBS?

All of us who have made a study of this matter agree that a great transformation has taken place in our country in the last few years. Under the present set-up is there any way to put back to work any material number of these persons over 45 and under 65? I do not think there is. There are millions of young, stout, able-bodied men and women under 45 years of age who are out of work, and most employers will give preference in the future, as in the past, to these younger men and women, just the same as the Federal Government does when it employs workers in its various departments and activities.

Why can we not put these people back to work? Machinery and efficiency have greatly increased production, yet consumption along many lines has decreased.

I cannot go into all of them, but, for example, it has not been many years ago that the average coal miner in America produced 1½ tons of coal per man per day. With modern machinery and equipment and efficiency, the average coal miner in America today is producing 5 tons of coal per man per day, and in many mines this has reached the high level of nearly 8 tons, yet last year America consumed over 100,000,000 tons of coal less than it did a few years ago in a single year. They now grind the coal and blow it into the furnace, and every little particle of coal gives up its energy. The use of oil and gas has been increased. I doubt if anyone would predict that for many years to come we are going to use as much coal per year as we did 10 years ago. Is it little wonder we have tens of thousands of coal miners out of work?

Take the railroads. I can remember years ago a railroad train would come along with 25 or 30 coal cars in a train, and most of them had 20 tons to the car, and it was considered a very big car if it carried 30 tons. There were many exclamations about "that long train." Now, in the coal regions of my district I sometimes see as many as 150 loaded cars in a single train and each car with 50 tons or more to the car, and it is not an uncommon thing to see trains with 85 to 100 loaded cars. The freight trains of these days are also going much faster—nearly twice as fast as the other train of years ago. Our present long, heavy train has one man less in the crew than the first train I mentioned. The trains now can and do carry from 6 to 10 times as much coal, and are making nearly twice as much speed, with one less man to the crew. This unit of transportation is one of the units of production. One man is doing as much as several men did 25 years ago. We find, also, automatic switches and automatic couplers. We again are not surprised that there are less than half the railroad men employed today than there were some years ago. These railroad men are out of work. How are we going to put them back to work?

In one of the great steel mills of my State I am advised by those who know about those things that a few years ago to do a certain unit of work required 121 men. With improved machinery and equipment 3 men now do what 121 men did.

I see great steam shovels making large excavations in a city block or on highways, with hundreds of idle men standing by watching the steamshovels.

I am informed that some years back it required one or more men to operate one loom in the textile mills. Now one person operates all the way from 40 to 170 looms. The big question in the textile strike last year was to do something about this stretch-out system.

We have the stretch-out system in the automobile factories, in the mills, shops, on the railroads, in the mines—yes, on the farm. When I was a lad on the farm we would put perhaps a thousand pounds of tobacco, corn, or wheat on a wagon and with a steady plodding old team it would require us about a day to go to town and deliver our load and return to our home. In the past year in Kentucky I observed some trucks with as much as 12,000 pounds of tobacco on a single truck, and this truck was going along at the rate of 45 or 50 miles per hour. This farmer could get his load of tobacco to town, unload it, and get back home almost before breakfast.

This stretch-out system entering into every activity of our complex American life has put millions of good Americans on the streets and highways looking for work. Yes; we have traveled far in the matter of economy and efficiency in mass production, but what about consumption?

As a general rule, well-to-do people and people who can afford it do not eat as much today on the average as they did 25 years ago. We do not wear any more shirts or dresses. It has been suggested that some wear quite a good deal less. In fact, one part of our population is greatly economizing in the use of silks and satins, cotton, and wool in their garments.

I realize that consumption could be greatly enlarged. There are countless millions in this country that are cold and hungry. They need food, clothing, and shelter, and other necessities. Does this condition threaten the welfare of our country and the perpetuity of our institutions?

THE GREAT AMERICAN MENACE

Many of our people are deeply concerned over what they claim is a growing sentiment in our country in favor of communism and sovietism. Others say it means nothing.

I have great faith in the patriotism and fine common sense of the average American. Communism and sovietism would mean very little in our country under normal conditions, but a great army of unemployed people in any country is a real menace.

Nearly all of these unemployed people are good Americans. Many of them fought gloriously on land and sea, in the air and under the sea, in defense of this Nation; others have lived splendid, industrious, sober lives. They are now caught between two great millstones. They are burdened with conditions for which they are not responsible for the making. They do not want charity. They merely want an opportunity to work and earn a support for themselves and their wives and children. They are only human. What must be the effect and what is the effect on their minds to seek work for weeks—yes, for months and into the years—that they might feed their hungry wives and children and provide shelter and clothing for them? What must be the suffering they undergo when they see their loved ones lacking the barest necessities of life and with no opportunities for education and advancement and with the cost of living mounting skyward, lacking meats, fats, and other elements of proper diet?

They are bound to be discouraged. It is an indictment of our Christianity and our twentieth-century civilization for their children to be brought up in these surroundings. The gloom, sorrow, and bitterness of the parents is bound to poison not only the minds and souls of the parents but of the children as well.

I really have been amazed at the fortitude and the splendid manner in which this great army of unemployed have deported themselves during these last 5 trying years. I know I have felt the sting of this depression, but not so deeply as millions of others. Being brought up as the son of a hillside tenant farmer, I know something of the problems of the poor, the meek, and the lowly. I do not see how these Americans, with their wives and children suffering with cold and hunger, could be otherwise than discontented and bitter, and added to this has been the policy of the Government of burning pigs, plowing up cotton, and destroying food.

This great problem must have the hearty cooperation in its solution of industry, agriculture, and commerce, of those who have jobs, and every good American. Humanity demands it, and the self-preservation of all of us and of our country requires it. It must be solved and solved right. It cannot wait forever for solution. After all, this is our country, and every honest, industrious man and woman is entitled to an opportunity to make a decent living for himself and his wife and children. He has a right to ask for that and we should strive to work out a plan whereby he may receive the answer.

Mr. KELLER. What is the gentleman's remedy?

Mr. ROBSION of Kentucky. There are but two things. We must work out a plan to create more work and provide more jobs, or divide the work and the jobs that now exist.

Mr. NICHOLS. You Republicans ought to do it. You put them out of work.

Mr. ROBSION of Kentucky. Cease making such futile, silly statements. The gentleman should suggest something more serious and illuminating. Nearly all thoughtful men and women now agree, not only here but in every country of the world, that the present plight of this country and every other country of the world was largely brought about by the World War. It was under your good Democrat, President Wilson, and other Democrats who urged the American people to elect him President on the promise he had kept us out of war and led the people to believe that he would continue to keep us out of war, when at that same time war was being planned by your Democratic administration.

All the records show that there are more people unemployed in America today than at any time in the Hoover administration. Taxes have been increased; the national debt has been increased to nearly $35,000,000,000. As Secretary Ickes declared the other day, there are from 20,000,000 to 30,000,000 people who need relief in this country. There were no such debts and no such number on the relief rolls when Mr. Hoover was President. Your party was elected on the pledge to reduce taxes, reduce the unemployment, and restore prosperity to the country. Your party has violated every pledge. Your party has had control now for over 2 years. Unemployment is on the increase, relief rolls continue to mount and climb, although during these 2 years Congress has placed in the hands of President Roosevelt more than $25,000,000,000, with unlimited and dictatorial power.

Therefore, it is up to your party. You have the control, you have the majority, you have the money, you have everything—it is up to you rather than the Republican minority to put people back to work.

But you will never put people back to work in this country so long as the Government sticks its finger into everybody's eye and its nose into everybody's business, so long as it issues its billions of tax-exempt securities, burns pigs, plows up cotton, destroys wheat and corn, and taxes the poor people to pay other people not to produce. If it is fair and right to tax coal miners and railroad workers to plow up cotton in the South and pay others not to produce cotton and pay people not to produce wheat and corn and hogs in the West on the theory that we have too much cotton and too many hogs and too much wheat and corn, it would be equally just to tax them to pay our idle miners not to dig coal and our idle railroad boys not to run the trains.

Your Democratic administration has put more people out of work and put more people on the relief rolls and put more politicians and faithful Democrats on the backs of the American taxpayers than any administration since the days of George Washington. The Washington papers the other day pointed out the fact that on pay day here, the 15th of April, 1935, it was the biggest sum paid out to Government workers ever paid out in a single day in the history of this country. While people are being pushed out of work and millions of people are hungry and cold, faithful Democrats are being saddled as never before on the backs of American taxpayers. The cost of living is out of reach of the average worker of this country—fatback 25 cents and 30 cents a pound, steak 50 cents a pound. If this administration will quit regimenting labor, industry, and commerce and will give the American people a chance, they will put people back to work and we will work out of this depression; but my Democratic friends will find out that you cannot waste and squander this country into prosperity. It has never been done and it never will be done.

No Democratic administration ever put people back to work. History records that every Democratic administration from the days of Martin Van Buren down to now put them out of work. There must be a restoration of confidence in this country. The policies of the Democratic Party have destroyed confidence. I really believe that if agriculture, commerce, and industry were given a real chance unemployment would be greatly lessened and we would soon be on our way to recovery. But coming back to the original proposition—this country cannot go on with 12,000,000 to 15,000,000 workers out of employment. They need relief—not 1 year from now, nor 5 years from now—they need help now. [Applause.]

Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein data showing what these people will receive as annuities and so on after they have worked for 5 years at a given salary.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I do not expect to consume the 10 minutes' time which was given to me, because I was informed there are at least 30 other Members who desire to speak on the social-security bill.

Mr. Chairman, I desire to take advantage or this opportunity to commend the gentleman from Kentucky [Mr. ROBSION], who preceded me.

Speaking as a member of the Committee on Labor, I wish to state that last year we held public hearings on the 5-day 6-hour bill. Many witnesses appeared before the committee, and some of them were officials of large industries who protested against the Connery bill. I asked these gentlemen if they had an age limit in their industries. Many of them replied in the affirmative. I ask the Members of Congress What are we going to do for the men and women between the ages of 45 and 65 who cannot obtain employment?

One of the first bills I introduced this session of Congress was to provide $100,000,000,000. This money was to be expended over a period of 10 years and was to be used for the purpose of eradicating slum districts, elimination of dangerous grade crossings, reforestation, drainage of swamps, flood control, soil erosion, the purification of rivers and streams, the construction of disposal plants, schools, and hospitals; for the development of surgical, medical, geological, biological, and other sciences and for every other purpose which will benefit mankind—in other words, to end poverty in the United States. According to my bill, $10,000,000,000 was to be expended in the period of 1 year, which would provide employment for 10,000,000 people in the United States who are out of work.

Mr. Chairman, the President of the United States is to be commended for recommending a bill to Congress which is to provide old-age pensions, unemployment insurance, and so forth. This bill in its present form will do but very little to help the aged and the unemployed.

I favor an adequate old-age pension and adequate unemployment insurance. The bill which is now pending before Congress does not meet the situation. I hope that we will be successful in amending this bill so that the aged, unemployed, and every person who is physically incapacitated will be provided for adequately.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, I was very much interested in the remarks made by the gentleman from Kentucky [Mr. ROBSION], who has been in Congress, I am told, for something over 15 years. During a great deal of that time we were in just as great need as we are today of old-age pensions, old-age annuities, and unemployment compensation; but from that inspired source, or the party which he represents, nothing was produced. Now that an idea has been crystalized into legislation we are told by the party represented by the gentleman, on the one hand, that the remedies are wholly inadequate and, on the other, they cry crocodile tears to the taxpayers that its cost is going to be terrible. It reminds me a great deal of the policy—in fact, it is carrying out the policy of that party from 1920 to 1932—in 1920, to the internationalists, they favored an "association of powers"; to the nationalists they were against the League of Nations; to the high- and low-tariff advocates alike they said that the Republican Party was the party of salvation. With the same speech their leader held together those in favor of operating Muscle Shoals and those against; to the drys prohibition was "noble"; to the wets it was an "experiment." They have ever been on both sides of all questions, and all things to all people. And so today they come before us again, telling the taxpayers that this is going to bring them down to ruin; telling those in need of relief that the appropriations are wholly inadequate. To those who desire to help they hand out the old well-tried shell game; to those who cry for help they read the Constitution.

This brings me, Mr. Chairman, to the proposition raised in the minority report of the committee, in which they boldly challenge the constitutionality of the bill. In view of the fact that the majority report says little or nothing on this subject, I wonder if it might not be worth while to discuss it for a minute.

Mr. Chairman, the United States is about the only country of any consequence in the world where the determination of the constitutionality of an act of the legislative body is not by the legislative body itself. For this reason we escape some responsibility, but not all, because as soon as we enact a bill instantly it is vested with a presumption, to be overcome only by facts beyond a reasonable doubt, that it is constitutional. We ourselves are acting under our oaths to support that Constitution. So we do owe an obligation to the people and to ourselves to examine into the constitutionality of this bill.

The Supreme Court, in describing this obligation, says in the case of *Knox* v. *Lee* (12 Wall. 457):

> A decent respect for a coordinate branch of the Federal Government demands that the judiciary shall presume, until the contrary is clearly shown, that there has been no transgression of power by Congress, all Members of which act under oath or obligation to the Constitution.

The same Court, in *El Paso & Northeastern Ry. Co.* v. *Gutierrez* (215 U. S. 87), brings this long-established doctrine down to date when it says:

> It is hardly necessary to repeat what this Court has often affirmed—that an act of Congress is not to be declared invalid except for reasons so clear and satisfactory as to leave no doubt as to its unconstitutionality.

Yet the minority report criticizes the brief of the Attorney General's office because of its "weak and apologetic language", wherein it argues for the constitutionality of this bill, in part, as follows:

> There may also be taken into consideration the strong presumption which exists in favor of the constitutionality of an act of the Congress, in the light of which and of the foregoing discussion it is reasonably safe to assume that the social-security bill, if enacted into law, will probably be upheld as constitutional.

The gentlemen say that is "weak and apologetic." The only thing that is weak and apologetic about that proposition, Mr. Chairman, is the fact that it is not expressed in terms anything like as forcibly as the Supreme Court has used many, many times. It is a proposition that we must consider here and we are entirely at liberty to consider.

Wherein is the unconstitutionality of this bill? I am not going to enter into a protracted legal discussion at this time. But, briefly, there are two titles in question: One title—title II—provides for payment out of taxes and excise receipts old-age annuities; the other—title VIII—provides for these taxes and excise duties. The power to pay annuities is certainly not one of the Federal functions delegated by the Constitution.

The same is true of the power to acquire new territory, to charter banks, to operate postal savings, to extend State aid in maternity cases, and to create Federal land-bank and farm-loan associations. Yet all of these functions have been sustained by the courts, either because the power involved was one of proper implication, or because the person challenging the right had suffered no damage. Protected by these principles, we operate our Public Health Service, Bureau of Education, Geological Survey, Bureau of Mines, Smithsonian Institute, National Art Gallery, and many kindred activities.

The Supreme Court, in upholding the constitutionality of the act creating Federal land banks, says:

> We, therefore, conclude that the creation of these banks and the grant of authority to them to act for the Government as depositories of public moneys and purchase of Government bonds brings them within the creative power of Congress, although they may be intended, in connection with other privileges and duties, to facilitate the making of loans upon farm securities at low rates of interest.

If the purchase of Government bonds is a proper basis for an implied Federal power, then the present law creating this annuity fund is certainly on solid rock. By 1970 it will have invested in United States bonds over $32,000,000,000. We shall have to rebuild our tariff walls and create some more panics to owe that much by that time. That means a restoration of our Government to the reactionaries, which is beyond the purview of sane prophecy today.

Mr. Chairman, may I say that appearing on the brief filed in the Federal Land Bank case was the name of Charles Evans Hughes. The names of some of the greatest constitutional lawyers of the country also appeared thereon. Mr. (now Chief Justice) Hughes' brief contained the following:

Congress may create in its discretion as in this instance it has created, moneyed institutions to serve as fiscal agents of the Government, and also to provide a market, as stated in the act, for United States bonds.

I trust, however, that before final adoption of this bill, either by this House or in the Senate, title II will be amended so as to provide for the distribution of the old-age-annuity fund through State agencies similar to those provided for in the distribution of unemployment relief. In this way we will remove from the bill the appearance of a grant by the Federal Government to a particular class, and will give the bill the additional strength of providing merely for grants to the States. The administrative difficulty arising from people moving from one State to another is certainly no more insuperable in the execution of this chapter than in many of the other present activities of the Government.

Is there anything unconstitutional in the taxing provisions of title VIII? It provides an income tax under the almost limitless powers conferred by the sixteenth amendment to the Constitution. It also levies an excise tax on employers for the privilege of hiring labor. This law is framed to operate uniformly throughout the United States, and comes directly under the provisions of section 8 of article 1 of the Constitution. But it has been stated by the gentleman from Massachusetts [Mr. TREADWAY] that, since the granting of annuities is an unconstitutional Federal function and the tax provision is to provide funds for this purpose, therefore the tax is unconstitutional. The premise of this argument, the unconstitutionality of the appropriation, is rather unstable, in view of the decision of the Supreme Court in *Smith* v. *Kansas City Title & Trust Co.* (255 U. S. 180), the *Land Bank case*, and *Massachusetts* v. *Mellon* (262 U. S. 447), upholding the Shepherd-Towner Maternity Act. The latter decision specifically answers the argument advanced on the floor of this House that the allotment to the States provided in the Social Security Act is but a cudgel to drive States under Federal control. The Court says:

But what burden is imposed upon the States, equally or otherwise? Certainly there is none, unless it be the burden of taxation, and that falls upon their inhabitants, who are within the taxing power of Congress as well as that of the States where they reside. Nor does the statute require the States to do or to yield anything. If Congress enacted it with the ulterior purpose of tempting them to yield, that purpose may be effectively frustrated by the simple expedient of not yielding.

This House is not interested in listening to an exhaustive legal brief, nor in discussing questions of constitutionality, further than to protect our membership under their oaths, and for that reason I have carefully avoided tedious detail and have made no reference to numerous pertinent cases that are available.

However, to summarize these decisions, we may safely say that there is apparently no precedent under which the courts could declare title 2 unconstitutional. If this should occur, about half of our present Federal activities will be discontinued. Is it within the bounds of reason, then, that title 8, the tax-raising title, otherwise on unimpeachable grounds, will be declared unconstitutional, because these tax funds go to a purpose alleged to be unconstitutional in fact although immune from attack. What a futile act that would be! It would simply mean that Congress would be required to provide funds to carry out title 2 from our general coffers and later reenact title 8 as a separate bill with no physical connection with the Social Security Act. That might have happened during the first decade of this century but hardly now.

Those were the days when the Supreme Court had this Congress supine and helpless so far as any effective regulation of business was concerned. Those were the days when Theodore Roosevelt and the Progressive Party smarting under restricted Federal lawmaking powers expressed ideals and dreamed dreams that could not come to fruition until a second Roosevelt came into power. Theodore Roosevelt believed that when from the nature of things States could not administer a necessary regulation (as they cannot do with unemployment relief), and this function was neither expressly excluded from the regulating power of the Federal Government nor expressly restricted to the States, then it was the duty of the Federal Government to assume control as being the only agency capable of protecting those rights which the Constitution reserved to the people. To reserve a right to the people generally and then furnish no Government to protect or enforce that right was to him unthinkable.

In a speech at Harrisburg, he said:

I cannot do better than base my theory of governmental action upon the words and deeds of one of Pennsylvania's greatest sons, Justice James Wilson He developed, even before Marshall, the doctrine * * * that an inherent power rested in the Nation outside of the enumerated powers conferred upon it by the Constitution, in all cases where the object involved was beyond the power of the several States and was a power ordinarily exercised by sovereign nations. He laid down the proposition that * * * whenever the States cannot act because the need to be met is not one of a single locality, that the National Government, representing all the people should have power to act.

Our Supreme Court has never accepted this as a legal principal, but in the practical operation of government, since 1912, we have gone a long way toward carrying it into effect. There is no present indication of a retreat.

In 1908, Gov. Charles Evans Hughes, in an address at New York City said: "We are under a Constitution, but the Constitution is what the judges say it is." With that viewpoint now presiding over the Supreme Court and with an executive genius leading the minds of our people back into paths of political and economic health, we need have little fear of the constitutionality of the Social Security Act. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN. Mr. Chairman, I want to state at the outset, if there is anyone among you—any dear friend of the beloved Ways and Means Committee and its outstanding chairman [Mr. DOUGHTON], or of the President of the United States, Franklin D. Roosevelt, I may say that my love for that beloved committee, its chairman, and for the fearless and peerless President of the United States is no less than his, but my love of my fellowman and my love of principle and justice exceed my love for both of them. It is for that reason, and that reason alone, that I assign myself the task of attacking the measure under consideration.

I may state at the outset that I believe this bill is one of the greatest snares and delusions that could be perpetrated upon the people of America. For as I analyze its provisions, in all fairness and justice, I cannot see where the American public at the present moment will benefit one iota by its provisions—not until 6 years hence, and then it is doubtful whether they will benefit at all.

I have analyzed its language, and I harken back to the decision of that now deceased Supreme Court Justice whose memory is revered and will always be revered by the liberal-minded and patriotic citizens of America, Justice Holmes, who in one of his famous decisions reprimanded insurance companies for permitting salesmen to go across the length and breadth of America, sell policies to the people of the country, send out a policy which, on its face, had very glowing and roseate promises, and on the second and third pages in small and fine print take away almost everything and give only a very limited amount of the proffered protection.

This bill, in large measure, fits that description of Justice Holmes.

For the purpose of enabling each State to furnish financial assistance assuring, as far as practicable, under the conditions in such State, a reasonable subsistence compatible with decency and health to aged individuals without such subsistence.

I read the language of the bill.

Then reading further within the measure, on the back pages thereof, I find that it provides for one-half of 1 percent of the salary of an individual and the term "qualified" individual includes those who do not earn less than $2,000.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. MONAGHAN. With due respect to my beloved colleague from Kentucky whom I respect and admire as much as any Member of the House. I am not going to yield to anyone, because I have not been given the time I was promised. I was promised 15 minutes and if the gentleman will obtain that time for me I shall yield, otherwise, I will not.

One-half of one percent of $2,000, or more is the basis if that $2,000 is earned after the period of December 31, 1936. Under the average salary of the average individual of America they would have to wait 3 years approximately before they would be able to get a bare $10 under this pauper's dole that is presented.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield in my own time?

Mr. MONAGHAN. If the gentleman will yield me the time, I yield.

Mr. SAMUEL B. HILL. Mr. Chairman, I yield myself one-half minute.

Is the gentleman talking about title I in connection with the back pages of the bill which he has mentioned here?

Mr. MONAGHAN. I am talking about the old-age-pension feature.

Mr. SAMUEL B. HILL. There is no connection between those two parts of the bill and the gentleman ought to know it.

Mr. MONAGHAN. There is with respect to the term "qualified."

Mr. SAMUEL B. HILL. Absolutely no connection at all; and the gentleman is misleading the House and the country by that statement. The gentleman ought to learn what is in the bill before he comes here and proposes to enlighten the House and the country upon it.

Mr. MONAGHAN. The gentleman is wrong if ne maintains that the Supreme Court or anyone else will not read this bill in its entirety and interpret it according to the language found therein.

Mr. SAMUEL B. HILL. I say that title I has no connection with what the gentleman is referring to in the last part of the bill—no connection whatever.

Mr. MONAGHAN. I am talking about the old-age-pension feature, and as I read the bill——

Mr. SAMUEL B. HILL. It is not affected by the $10 or the $2,000 provision or in any sense at all, by what the gentleman has referred to in the back part of the bill. There is no connection between them at all.

Mr. MONAGHAN. To avoid further argument, I will take the gentleman's word for it. However, under the provision of the bill whereby the amount of money is paid according to the salary, a person will not be qualified who does not have an accumulated salary of more than $2,000. Therefore, the average citizen will not qualify under this law or be entitled to a pension until 3 or 4 years hence.

In addition to this, I may point out the fact that this bill fails because it is dependent for its success largely upon the States that have so miserably failed in the past to cope with this great problem of old-age pension and security. To its great credit, that outstanding member of that organization that has done such splendid work to promote this great cause, the Fraternal Order of Eagles, Lester Loble, of my State, was the author of the first old-age-pension law in America. The State of Montana, therefore, was the first State in the Union to pass an old-age-pension law. That old-age-pension law is one of the most liberal in the country; and yet when I drove around the State of Montana last summer, I was met time after time by aged couples who came to me with tears in their eyes—people who had built up industry, who had pioneered this country, who had gone out and developed the great West and had the courage to do it—telling me that the county commissioners of their particular county had conferred upon them a draft for a mere $10 or $6 or $5 upon which they expected them to live, and if they could not find themselves able to live upon that sum, then they could return the $6, the $5, or the $10, and the commissioners would see to it that they were taken to the poorhouse.

I say to you, my fellow citizens, that the poorhouse is no place for a proud American citizen who has given his lifetime to the upbuilding of America, its industry and commerce. [Applause.]

Lloyd George, speaking on this subject, said, "the laboring man who has given health, strength, vigor, and skill to the creation of the wealth from which tax revenues are to be derived, has himself already built up the fund from which the pension is to be paid." [Applause.]

When the sun of life begins to set upon the aged of our country, the benevolent and protective hand of the Government should extend to them a relief from the weary toils of the day and to bring relief, comfort, and security to them when the burdens of life are hardest to bear and when the darkening shadows of approaching night begin to fall across his path to make further toil impossible, to make further travel insecure, a just reward which their toil has merited; an adequate old-age pension, and not a pauper's dole.

I say if you pass this bill today without amending it, without improving it, without giving to the people something substantial, you will be doing a more vain thing than if you did not pass it at all.

Consider the wonderful possibilities of an adequate pension, if we should enact one.

During the last session of Congress, after endless effort, overcoming the opposition of veteran Members of the House and strong forces in the Senate, that outstanding leader from Ohio [Mr. CROSSER], in poor health at the time, and myself battled against that opposition of House and Senate. I say Senate because we went over there, too, and worked, and were able to get on the statute books a retirement system, which, when put into operation in towns where railroading was the exclusive industry, ended unemployment for the railroad men. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, I voted for the rule making this bill in order because I felt, and still feel, that this is the time for adequate legislation for social security; and we finally have the opportunity of acknowledging this responsibility and giving social security to the people of the country. It will be a victory for those who have during the years been asking and demanding this type of legislation.

During the consideration of this bill we will have an opportunity to offer amendments to title I, which carries old-age pensions. And during the consideration of this title amendments will be offered which will have for their purpose the liberalizing of its provisions. When these amendments are offered, I shall be pleased to support such amendments as will increase the amounts paid our aged citizens in the form of old-age assistance.

During the past few months a good deal of propaganda has been disseminated throughout the country with reference to the so-called "Townsend revolving old-age pension plan." Those who advocated the Townsend plan have demanded that we as Members of Congress support that plan without amendment. You and I have all received hundreds and thousands of letters and other communications from constituents and from others throughout the country demanding that we adopt the original Townsend plan without any amendment whatsoever. From the beginning, I felt that the original Townsend plan was economically unsound, and have not hesitated to so state on the floor, as I have in newspaper releases in my district, and in reply to letters from my constituents. I am glad to see, however, that recently Mr. MCGROARTY, the Member who introduced the original Townsend plan in the House, has seen fit to submit a modified Townsend plan, and, in my opinion, the modified plan does away with many of the objectionable features of the original plan.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. In a few moments if I have the time. This modified plan, as I understand it, provides that pensions shall be paid in amounts not in excess of $200 a month, but you and I, as Members of this House, and everyone else who

has gone into the provisions of that bill and made a study of it, know very well that there will not be a sufficient amount of money provided under the provisions of that bill to pay pensions in excess of $50 a month. If that be true, as I believe even those who support the McGroarty bill admit, then why in the name of common sense do not the proponents of that legislation, and those who are speaking throughout the country in favor of the Townsend plan, say so, and stop the propaganda still coming to Congress, even at this late day, asking for the bill which our aged citizens are told will pay them $200 a month? [Applause.]

I am for old-age pensions and I am willing to vote for a pension plan that would pay $50 a month. That does not bother me. What is more, I am willing to reduce the age limit in this bill down to 60 years, as the Townsend men demand. I am willing to accept $50 or even $60 a month as necessary for a decent living for those of our aged citizens who are unable to provide for themselves. I am willing to reduce the age to 60 years, because I know that people over 60 years of age cannot find jobs in industry; but I as one Member of this House take this occasion to say that I cannot vote for the Townsend plan so long as it contains its present taxing provisions. I cannot vote for a transaction tax because it would "run out of business" every small industry in this country.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. COOPER of Tennessee. I remind the gentleman that Dr. Townsend himself when he appeared before the Committee on Ways and Means on the original bill stated that he intended and desired that Henry Ford and John D. Rockefeller and Morgan and Mellon and men of that type should share under his plan.

Mr. BOILEAU. They sure will share, not only in the pension, but in the benefit they will derive by knocking every small industry out of business—and why do I say that? This transaction tax would be levied against each and every transaction, and let me give you a few illustrations. Take, for instance, the chain stores. They do not buy from the wholesaler, they buy direct from the manufacturer, and thereby eliminate that one transaction, which is 2 percent. They buy direct from the manufacturer and distribute it to their own stores themselves. They thereby get the advantage of 2 percent over the independent merchant.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. In a moment. Let us take the automobile industry. Take the large manufacturer. He owns his own mine, he does not have to buy the ore, and he owns his own smelters. He transports the ore from his own mine to his own smelter and he avoids paying a tax on that transaction. He takes the steel into his factory. He owns his own timber and he avoids paying a tax on the timber because he owns the timber himself. He takes it to his own sawmills and brings all those materials into his factory without paying a single transaction tax. He does not have to buy these materials, because he operates on a large scale and manufactures his own raw materials. He pays the tax only on the ultimate selling transaction. The independent, the small manufacturer, has to pay the tax on his steel, on his tin, on his wood, on his glass, and rubber, and tires, and all those things, so that he has to pay a pyramided sales tax that will amount in many instances from 12 to 15 percent. The large manufacturer would have that much advantage over the small industry which assembles these products, and the result will be that the small man is put out of business. I yield to the gentleman from Oregon.

Mr. MOTT. The objection the gentleman raises, which is valid in the opinion of everyone, has already been met by an amendment that will be proposed in case the modified McGroarty bill is offered.

Mr. BOILEAU. If the Townsend plan is to be amended as to age and benefits and they are going to accept 65 years and all these other provisions, why talk about the Townsend plan, why not talk about our plan and get down to brass tacks? [Applause.]

Mr. DINGELL. Mr. Chairman, I call the attention of the gentleman to a statement of Dr. Townsend himself before the Ways and Means Committee. He said:

> It has been very obvious to all of us that it would be quite impossible to start pensioning all of the old folks who have attained the age of 60 at one particular time, but it is also very obvious that it will take several years even to register them—a good many months. Now, if we were to start at the age of 75, we will say——

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman from Wisconsin 2 additional minutes.

Mr. DINGELL. It is obvious to the gentleman, then, according to the statement of Dr. Townsend, that they have abandoned the idea of the 60-year pensionable age and have gone to 75. In this bill we start at 65, which is a reasonable compromise.

Mr. BOILEAU. Now, I want to point out the various obstacles to the Townsend plan.

As far as the State of Wisconsin is concerned, we are largely a dairy State. I received a telegram this morning from one of the large weekly newspapers in my district. It is the largest paper in one of my largest counties. This telegram stated that 90 percent of the people of Wisconsin are in favor of the Townsend plan and that if I did not vote for it at this session I would not have a chance in the next Congress.

Now, I am perfectly willing to accept that challenge. I do not know whether the people of my State are 90 percent in favor of the Townsend plan or not. I presume the author of the telegram must have meant the Townsend plan as it was originally written, because he got in touch with me some time ago and wanted my support of the original plan. He apparently does not know it has been greatly modified. But in my humble judgment, I can go back to my people and explain to them the obnoxious provisions of the Townsend plan and I will rely upon their good judgment to at least not vote against me on that issue. They may vote against me and defeat me for other reasons.

Mr. RANDOLPH. Will the gentleman yield?

Mr. BOILEAU. My time is very limited, but I will yield.

Mr. RANDOLPH. I just want to say that handling it in that way will raise us all in the estimation of the country.

Mr. BOILEAU. Now, this transaction tax will simply mean that the small crossroad cheese factory will be kicked out, because they do not operate on a 2-percent profit. The Kraft concern, for instance, and other large processors and handlers, could operate cheese factories and process the cheese without paying that one transaction tax, which competition will knock every small cheese factory out of the State of Wisconsin. The same thing will happen to our creameries.

In Wisconsin and all over the dairy sections of the country the Atlantic & Pacific Tea Co. have their own condensories. They would avoid that one transaction tax. If they had a 2-percent differential, they could knock out every condensory in my section. They would have such an advantage over the small, independent milk plant that the independents and cooperatives would be forced out of business.

I submit to you that the provisions of the Townsend bill with this transaction tax would absolutely wipe out all small, independent business. It would tend toward further monopolies, mergers, and combines. It would be the death knell to the small business man of this country, and I for one cannot favor it. It would tend to create more and more chain stores.

The gentleman from Oregon [Mr. MOTT] said they were going to offer an amendment to do away with it. How do they propose to raise the money? I would like the gentleman to reply briefly.

Mr. MOTT. The amendment that I suggested to the gentleman, and which will be offered in case the revised McGroarty bill is presented and held germane, would follow

section 2, after line 16, on page 6 of the printed bill, H. R. 7154, which is the section providing for the 2-percent transaction tax, and would read as follows:

Provided, however, That in the case of manufactured articles made by assembling together component parts thereof, such as automobiles, machinery, furniture, etc., the transaction tax herein provided shall be levied upon each of such component parts without regard as to whether the same were made by the manufacturer assembling said parts into such completed manufactured article or whether the same were purchased by said manufacturer from another; and in computing the transaction tax to be levied upon the gross dollar value of the completed assembled article there shall be added to such transaction tax a tax of 2 percent upon the gross dollar value of each component part thereof upon which a transaction tax has not been paid: *And provided further,* That in cases where the manufacturer of an article upon which a transaction tax is payable is also the producer or owner of the raw material from which said article is manufactured, then the transaction tax of 2 percent upon the raw material used in the manufacture of said article shall be added to the transaction tax to be levied upon such manufactured article and shall be paid by the manufacturer thereof.

In my opinion such an amendment would cure the objection the gentleman from Wisconsin was making when I interrupted him.

Mr. BOILEAU. I thank the gentleman very much. That is the multiple sales tax, nevertheless, is it not?

Now, I just want to say in conclusion that if we accept all these amendments——

Mr. MOTT. Perhaps I have not completely answered the whole of the gentleman's last question.

Mr. BOILEAU. I would like to conclude my remarks, as my time has nearly expired.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BOILEAU. The modification referred to by the gentleman from Oregon does not prevent the chain stores, mail-order houses, and the large operators in the dairy industry, and so forth, from having such an advantage over the independent merchant and small handler of such products that will destroy such smaller industries. In conclusion, I wish to say that if we are going to change the amount from $200 down to $50, if we are going to change the age limit from 65 to 60 years, if we are going to change the method of raising the money with which to pay the pensions, if we are going to eliminate this multiple sales tax and so completely change the proposal, who in the name of common sense has the nerve to say that it is the Townsend plan and can give any credit to that organization for the approval of the old-age-pension plan? [Applause.]

I want to take this opportunity to say that, in my opinion, the one organization that has done more to advance the interest of old-age pensions in this country than all others combined is the Fraternal Order of Eagles, an organization that has been consistently fighting for a program of old-age pensions for many years. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, I do not suppose I have to discuss the Townsend plan very much after the gentleman from Wisconsin [Mr. BOILEAU] has left the floor. It was exactly my opinion that the Townsend plan, which will be offered as a substitute, should be voted down.

Since I have sat here and listened to the colloquy and the questions and answers by my colleagues, no one has discussed the other proposed plan which will be offered as a substitute, which is the Lundeen bill.

I want to discuss the Lundeen bill briefly, and what I said over the air about this bill on March 20, 1935, I will say again: That the Lundeen bill goes almost farther than one can imagine. It proposes to take all the money out of the Treasury; whatever is there is going to be taken out. It will require about $14,000,000,000 to distribute $10 a week to each unemployed person, with $3 for each dependent. As though this were not enough, in addition everybody is to be assessed on all income he has over $5,000. I could almost forgive him for that, but it goes still further: The workers then will take the money—not the Government, not the Congress, not the President, but the workers—and distribute it in accordance with this plan. Now I see why all these Communists have been around my house for the last year, because I refused to subscribe to this particular plan.

Mr. Chairman, Congress is making history; it is doing something for the aged; and you and I know that when old age creeps upon one it does not affect the rich only or the poor only; it affects everybody, and God knows what a great thing it would be if the American Congress would pass an honest-to-goodness old-age-security plan and a general social-welfare plan. We must be careful what we do, however. There are some amendments that should be added to the present bill, but it seems to me the pending plan, offered by the administration, by the chairman of this committee, is very constructive, very firm, and has at least some background of policy upon which as time goes on we can construct a proper unemployment-insurance plan.

I say to you that all these so-called "plans" which spring up overnight ought to be discarded in one wastebasket. I venture the assertion that if somebody should propose a plan for $300 a month we would get a tremendous number of letters favoring it. The people do not seem to realize that the money has got to come from somewhere; that we cannot go into the Public Treasury and take out $14,000,000,000 and distribute it amongst a certain group of people, some of whom do not want to work.

Mr. GRANFIELD. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. GRANFIELD. I understand the Lundeen unemployment plan would cost the Government $14,000,000,000 a year.

Mr. DICKSTEIN. Yes.

Mr. GRANFIELD. And the original Townsend plan would cost the Government $24,000,000,000.

Mr. DICKSTEIN. That is approximately correct.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. DUNN of Pennsylvania. Will the gentleman please state the source from which he gets the figures that the Lundeen bill will cost $14,000,000,000 a year?

Mr. DICKSTEIN. Because it starts at age 18 and considers every able-bodied worker above the age of 18, the farmer, the butcher, the grocer, the errand boy, everybody is included in this plan; and the whole country would be working for the Government.

Mr. DUNN of Pennsylvania. One more statement, if the gentleman will permit. I think the gentleman is mistaken. If the gentleman will read the report he will find that a university professor of New York City maintained it would not cost more than $6,000,000,000 at the outside.

Mr. DICKSTEIN. My opinion is just as good as the professor's opinion.

Mr. DUNN of Pennsylvania. The pension plan only calls for $10 per week with an additional $3 for dependents under a certain age.

Mr. DICKSTEIN. I have gone to the trouble of taking pencil and paper and figuring out how many aged people and how many young people there were, beginning at age 18, and I say to the gentleman from Pennsylvania that it will take more than $14,000,000,000.

Mr. DUNN of Pennsylvania. The gentleman is mistaken in his figures, however.

Mr. MILLARD. Mr. Chairman, will the gentleman yield for a short question?

Mr. DICKSTEIN. I yield.

Mr. MILLARD. I understood the gentleman to say that the Communist Party endorses the Lundeen bill.

Mr. DUNN of Pennsylvania. It is a humanitarian measure. More power to the Communists for endorsing it.

Mr. DICKSTEIN. It is a fact they have endorsed it. I do not say that the gentleman from Minnesota [Mr. LUNDEEN] introduced his bill for any ulterior purpose. He took his action in good faith, but I say to you that this proposed bill, in my opinion, is nothing but an out-and-out communistic

program—that is the Lundeen bill, which seeks to distribute the wealth of the country in one form or another. I say to you that now I can understand why these Communists have paraded around my home and my city with big placards, demanding that we support and vote for the Lundeen bill, because it is going to put everybody over the age of 18 years on Uncle Sam's pay roll.

Mr. DUNN of Pennsylvania. Mr. Chairman, I know the gentleman desires to be very fair; will he yield for a short question?

Mr. DICKSTEIN. I yield.

Mr. DUNN of Pennsylvania. What would the gentleman say should be done to take care of the aged and the unemployed today? How much money does the gentleman think would be needed to take care of them?

Mr. DICKSTEIN. I want the gentleman to know that I will support any social legislation that is reasonable. I will go as far as any man in this House. I believe that an old man or an old woman who has done something for his or her country should be taken care of properly.

Mr. DUNN of Pennsylvania. I agree with the gentleman.

Mr. DICKSTEIN. I say, however, that if we are going to have legislation let it be on a constructive basis. We do not want any communistic platform or principles in the American Government. [Applause.]

Mr. DUNN of Pennsylvania. Does the gentleman believe that the gentleman from Minnesota [Mr. LUNDEEN] had that in mind when he proposed his bill?

Mr. DICKSTEIN. I do not charge that to the gentleman from Minnesota. They sold him a bill of goods when they gave him that bill; and I am surprised, even though I have the highest respect for the Committee on Labor, that that committee should have reported that kind of bill to the House.

Mr. DUNN of Pennsylvania. It is because we are very progressive, very intelligent, and very humane that we reported that bill out.

Mr. DICKSTEIN. But the gentleman and his committee were too "progressive" when they voted out that bill.

Mr. DUNN of Pennsylvania. In connection with anything we do which is humanitarian we are accused of being Communists, but I am glad to be a Communist if it is going to provide adequate old-age pensions and adequate unemployment insurance.

Mr. DICKSTEIN. The gentleman does not have to be a Communist to support old-age pension and old-age security legislation. I am with the gentleman and compliment him for his attitude. He does not have to be a Communist to support such measures, but when he votes out a bill which provides that the workers will distribute the money and we have nothing to do with it and the President has nothing to do with it—the workers going to the Treasury and taking out $14,000,000,000—I say it is not practical.

Mr. DUNN of Pennsylvania. The Labor Department is the Department which according to the Lundeen bill provides the money. That is in the Lundeen bill.

Mr. DICKSTEIN. I do not yield further.

Mr. Chairman, I will support any social-security bill which will definitely and positively care for the aged and the unemployed.

Not since the days of Woodrow Wilson and that history-making Sixty-third Congress, when so much important legislation was put on our statute books, has there been a Congress which did as much for the people of the United States as the present one. When hundreds of years hence, history of the United States will come to be written in terms of achievement we will have to hearken back to the debate of this floor which has now been conducted for several days to find such constructive and solid achievement of government. Our legislation today is record breaking and the statutes we are enacting today will forever lift the specter of want and depression from the shoulders of the American people. We are providing in short for social security, the security of every man and woman who is gainfully employed to see to it that they are not caught again in the throes of unemployment, and security provided for old age so that when men and women have passed their prime and are no longer in a position to be gainfully employed, the community should step in and save old age from want. Such in brief are the purposes of the bill, and such in brief are the ideals which this administration wishes to enact into law by way of stabilizing and assuring our people of a fair and honorable living.

Now, as to the means, the bill before the House is particularly commendable because of the fact that it places the burden of providing for social security on the several States rather than the Nation. It will encourage the States in making every liberal provision for old age and unemployment insurance as its finances may allow, and at the same time gives the Federal Government the right to supervise the vestments of the funds to be used in connection with the several features of the new law. The Federal Government is also going to match all of the funds in old-age insurance so that for every dollar a State may contribute in that connection the Federal Government is likewise going to contribute a dollar, with the proviso, however, that at no time shall the Federal Government be obligated to pay more than $15 per month for any one person. It, therefore, establishes a sort of standard of old-age insurance at the rate of $30 a month, which, while it may not be sufficient to make an old man live in affluence, nevertheless, it would definitely remove an old man or woman from the rolls of public charity. Personally, I should favor the law to be amended so as to provide for a minimum of $50 per month for the support of the aged.

The advance of science resulted in large numbers of men and women living to a ripe old age so that the number of people who would be dependent on old-age insurance is likely to grow with the years rather than diminish. It is estimated that in years to come there will be 15,000,000 old people in the United States over the age of 65, although at the present time there are only 7,500,000 men and women in this country who are over 65 years of age. Out of the 7,500,000 of old men and women approximately 1,000,000 are now dependent on public support, the great majority of them being on relief. In order to permit an individual to establish for himself old-age insurance, the Government is going to sell directly to everyone in the United States an annuity which will mature at the age of 65 years and which will enable anyone who wishes to carry his own insurance to do so at cost. The Government has not yet prepared any schedules to show in detail as to how this plan will work out, but undoubtedly this plan will become very popular, and there is no question but that large numbers of people will avail themselves of the opportunity of carrying their own insurance against the vicissitudes of old age. This will, of course, relieve the communities from the burden of caring for old men and women and will supplement to a very large extent the Government's program for social security.

Old-age security is not the only feature of the bill. Unemployment is even more of a curse of modern society than is dependent old age. Some plan of unemployment insurance had therefore to be devised if ours was to be a country where the individual was to live happily and enjoy the blessings of civilization. We must not permit a condition of affairs to arise where large numbers of men and women should find themselves an object of public charity because of their inability to secure employment. In this connection many plans have been proposed and many plans will be brought up on the floor of the House before the final vote is taken on the measure. There are plans which throw the entire burden of unemployment insurance on the State, others throw it upon the employer, and still other plans divide the burden between the employer and the employee. The bill as it stands seeks to impose this tax on the employer only, but each State is free to assess the cost not only on the employer but likewise on the employee, and as it appears from the report of the committee the State of Washington has already created this liability on employer and employee alike.

But no matter how unemployment insurance is to be handled, and irrespective of the method adopted, it should be

conducted on a sound actuarial basis free from any paternalistic form and free from any appeals to public prejudices.

I was always in the front ranks of those who believe that the "laborer is worthy of his hire"; who believe that labor should be adequately paid for its efforts. I believe that wages should be adequate to enable the worker to enjoy his life and to reap the benefit of his toil for himself and his family. I believe that the worker should be adequately compensated, adequately housed, adequately clothed, and adequately taken care of, but I do not believe that anyone should be supported by the Government or should become the ward of our Government.

If pernicious legislation of the type of the Lundeen bill is allowed to prevail, it will create a drain upon the Treasury which will eventually destroy this Government. We cannot live on bounties and we cannot create money out of nothing. This country has achieved its standing in the world through the labor of its masses, and only by labor can we expect to thrive and succeed.

I have always been a sponsor of the interest of the masses and the interest of labor. While a member of the State legislature and a Member of the American Congress, I always sponsored legislation to help, aid, and assist labor, and was always endorsed for election by labor as a legislator, who has the interests of labor at heart, and whose work benefits the toiling masses of our people. I belong to the same class to which my constituents belong, the class which works with brain or brawn, and which earns its living by the sweat of the brow.

I am therefore heartily in favor of this legislation, will support it in every way and feel that the interest of our country lies in the intelligent settlement of the great problem of old age and unemployment, which this bill so intelligently attempts to solve.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, I favor the enactment of titles I, IV, V, and VI of this act, covering as they do the provisions for old-age pensions, for maternal and child welfare, and for public health.

They seem to offer a hope of the solution of the problem of relief from that want and distress which eats out the very soul of many thousands, if not millions, of our fellow countrymen annually. In some small measure the provisions of this law should or ought to bring relief to and restore confidence in the body politic, without which there can be no recovery.

Old age, which comes to everyone who does not die prematurely, is a misfortune if no income has been provided with which to alleviate the burdens of the later years of life. It has taken us a long time to realize that there is a need for some safeguard against such misfortune, which no man can wholly eliminate in this world of ours.

While traditionally—and determinedly—opposed to the theory of paternalism in government and perhaps open to the charge of inconsistency, I have come thoroughly to believe that some such provisions as are contained in the titles to which I have above referred should be enacted into law.

I am constrained to admit that in the present emergency it is probably necessary that the Federal Government shall become cooperatively responsible for a contribution toward the payment of old-age pensions. I am still of the opinion that it is a matter that of right should be handled by the States as such, though some of the 28 States now having old-age-pension laws, in the present emergency, are not able to carry out the provisions of the law.

My own State of Vermont, at the session of its legislature which adjourned last Friday night, passed an old-age-assistance act by the terms of which assistance is to be given to qualified persons having attained the age of 65 years. It being provided that there be a maximum of $30 per month per single person, half of which is to be paid by the State and half by the Federal Government. A maximum of $45 a month is provided for man and wife living together.

The portion of the expense of the act which is to be borne by the State is to be met by the imposition of a head tax of $1 a year for the present year, and thereafter $1.75 per year. Payment of this head tax, it is interesting to note, shall be necessary for qualification as a voter, for registration of an automobile, and makes a husband responsible for his wife's head tax.

I regret that the good and the bad, as I see it, are so inseparably joined in this measure. I read the provisions of title II and VIII and III and IX and view with apprehension the result of the enactment of the provisions therein contained. I do not know, and I cannot find anybody who does know, what may be the collateral effects of the proposed unemployment insurance upon the conduct of industry, upon the mobility of labor, upon the regularity of employment, upon wage negotiations and the level of wages, upon costs of production, and upon the element of competition in industry. I cannot find the answer in the hearings before the Committee on Ways and Means on this bill to alleviate the hazards of old age, unemployment, and so forth. However, the experience of the countries that have tried out a similar scheme to that which this measure in those titles would establish has been other than satisfactory or encouraging for us, if I can read and understand the English language. Their experience should give us pause.

Everybody knows that the real price of unemployment to every community is measured by the lost productive capacity of the unemployed. The direct cost of unemployment consists of the cost of maintaining the unemployed, but it is none the less a charge against the individual taxpayer, whether it is met out of Federal or State funds; out of local contributions or by private charity, or from any other source.

It may be that the time has come when unemployment benefits must be held to be a national charge, but the Committee on Economic Security, in making its report to the President, frankly admitted that its recommendations with respect to unemployment compensation are "frankly experimental." The plan suggested by the committee, which is before us in substance, is, according to their own admission, one that will secure the much-needed experience necessary for the development of a more nearly perfect system. They anticipate it will require numerous changes, nevertheless they urge haste and experimentation. Why the necessity for haste? I am opposed to haste and experimentation at the people's expense. I am in favor of taking more time for a more careful study of the situation, and the eventual submission of a more satisfactory plan, which admittedly might later be submitted, if we were not in such a needless hurry to act first only to be sorry afterward.

The only satisfactory cure for unemployment is work, and it is idle to expect that any system of unemployment insurance will operate well or smoothly or satisfactorily, while unemployment remains at such an abnormal level as it has reached in these United States today. Unemployment is an international as well as a national problem. It results from the industrial system under which we live, of which the workers are not the authors, but the victims.

After having studied so serious a problem as this for but a year or two, in this era of experimentation, we are ready once more to experiment at a cost so terrific as to be staggering, if we can but comprehend what the result may be if the plan does not work. Other countries, after scores of years of experimentation and study, have hesitated to do some of the very things it is suggested that we, following inexperienced, theoretical, impractical but enthusiastic economists should blindly do.

In my opinion these provisions do the very things which the President would wish to have us avoid, namely, they disregard the sound and necessary policy for Federal legislation for permanent economic security by attempting to apply it on too ambitious a scale before a more careful and prolonged study of the actual experience of other countries would provide proper guidance for such permanently safe direction of our efforts.

Because the cost may be what it may be and the benefits which are offered for our allurement are so meager, even at

best, I believe as trustees of those whose interests we are sent here to serve, and as representatives of the people we ought to have something to say about legislation, and both comprehend and apprehend the good or evil bound to result from the action we take. Titles II and VIII and III and IX are loaded with dynamite, and I shall vote for the bill containing these features, if I do, with many misgivings. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. McCLELLAN].

Mr. McCLELLAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a resolution adopted by the General Assembly of Arkansas.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. McCLELLAN. Mr. Chairman, the limited time allotted me does not afford an opportunity for a discussion of the various titles of the bill and the provisions therein contained. Therefore I choose to address my remarks and invite your attention to title I, "Grants to States for old-age assistance."

Before expressing my views on this chapter of the bill, I cannot refrain from voicing what I intend as, and trust is, constructive criticism of the measure as a whole. In doing so, I do not impugn the motives or sincerity of purpose of our beloved President, and the leader of my party, nor of the Ways and Means Committee, who, after extensive hearings, reported the bill in its present form.

In this bill we are attempting to legislate on at least six different subjects, either one of which is of such magnitude and importance as to merit and command independent thought, consideration, and action. In my humble judgment the wiser course and policy would be to bring in separate bills for each title and subject treated in this measure. This is an omnibus bill and contains many good features and seeks a worthy objective, but there are also many objectionable provisions that should be eliminated. And notwithstanding several amendments may be adopted, in the final analysis, we shall be compelled to take the bad in order to preserve the good, or defeat it. I regret exceedingly our President and the Ways and Means Committee have deemed it wise to have these various subjects considered in an omnibus bill of this fashion. I am hoping I can support it on final passage, but I shall do so reluctantly and only because I am convinced it is the best that can be done at this session of Congress, and with the hope that it lays the foundation on which we can later build a structure of social and economic security worthy of democracy, and which is so sorely needed in this time of our greatest social and economic distress.

I am greatly interested in the provisions of title I. It is gratifying that the national responsibility and obligation to provide assistance to those of our citizens who, by reason of the infirmities of old age, can no longer earn a living, is being recognized and given legislative sanction. But the indirect way in which it is proposed this recognition shall be given warrants severe criticism. By the terms of this bill we make the obligation of the Federal Government direct to the several States, and in the nature of Federal aid to the States. Whereas the obligation of the Government is direct to every American citizen who comes within the class to be benefited, irrespective of State citizenship. This bill attempts to discharge the national responsibility in an indirect way and this policy is wrong and will result in unjust and harmful discrimination against citizens of the poorer States and favor those of the wealthier States.

This means that some American citizens, 65 years of age and older, will receive $15 per month out of the Federal Treasury, this by reason of their State citizenship. Whereas other American citizens of the same class and circumstances will be denied this aid because the States in which they happen to reside are unable to raise revenues to match Federal funds. This principle is wrong, inequitable, and is unfair and should be eliminated from this bill.

We may concede, without admitting, for the purpose of this discussion, that there is equal responsibility on the State governments and the Federal Government to provide this relief. If this is true, and the State is unable to meet its obligation in this respect, this does not justify the Federal Government in refusing to discharge its share of the obligation to the individual citizen.

Whether an old-age pension is treated as a gratuity, given solely in the nature of relief and charity, or as compensation merited by reason of loyal citizenship over a period of years, the principle involved is the same. If the Federal Government is going to make a gift to a class of its citizens, it should not give to some and withhold from others. Such gift should not be contingent upon the financial circumstances and ability of the State in which the citizen lives to match dollars for the same purpose with the Federal Government. If any State cannot carry its share of the burden this is all the more reason why the Government should discharge its share of the obligation rather than withhold it. State boundary lines should not be regarded. If it is a gift, the grant should be made, insofar as the Federal Government is concerned, to every citizen alike who qualifies as to age and financial circumstances. If it is considered a debt the Government owes, compensation, payment, or reward for services rendered, the same principle should apply.

My State is unable to meet the responsibility this law imposes, and I am persuaded there are other States that will be unable to raise sufficient revenues to match Federal funds, and thus the citizens of these States are going to be denied equal consideration by the Federal Government in this very worthy and commendable undertaking.

We must remember in this program we are dealing, not with property rights, but with human beings—with life itself, seeking to make it more secure. The purpose of this legislation is, or should be at least, to enable a class of our citizens to have and enjoy as they face the setting sun such comforts of life as humble necessities afford. These benefits should not be offered and made possible to some and withheld and denied others. If our Government is going to make a gift or payment for the benefit of her citizens of a certain age who have no means of support, or pay to them a merited compensation, it should be equitably distributed to this class regardless of their local residence. We must acknowledge that the Government has ascertained its ability and the propriety of paying $15 per month to this class of her citizens; therefore, justice demands that this blessing be spread upon the table for all and denied to none within this designated class.

The amount of the appropriation, $49,750,000, carried in this measure is inadequate. There are 7,500,000 persons in the United States 65 years of age and over. In my State there are 75,000 of this age. On this basis Arkansas would receive approximately $1 out of each hundred of this appropriation, or approximately $500,000. Of the 75,000 citizens in Arkansas 65 years of age and over, at least one-third, or 25,000—and this is very conservative—can and will qualify for these benefits. A very simple mathematical calculation shows that this $500,000 would only provide $20 per year, or $1.67 per month for each citizen in Arkansas entitled to this aid. Assuming this sum is matched by the State, the State and Federal funds will only provide $3.33 per month per person. This is wholly inadequate to provide any measure of substantial relief. It would be ample, possibly, to provide for a man and his wife the funds to buy a bottle of liniment for him and a box of headache tablets for her each month. If this be charity, my friends, it is small indeed. If it is compensation, is is too meager to mention.

If this bill is enacted in its present form it will prove a great disappointment to those whom it is designed to aid and assist. It will discriminate against citizens of the poorer States and favor those of the more wealthy. To that extent it is undemocratic, and we should amend this bill—and I trust it will be—so that the national responsibility, here recognized, to this class of our citizens shall be discharged

equitably and without discrimination against any American citizen regardless of his State citizenship.

I sincerely hope we will rise to the occasion and amend this law so that its benefits, although limited, will be denied to none whose age and circumstances qualify them for this assistance. [Applause.]

Mr. Chairman, the following is a copy of House Concurrent Memorial No. 8 of the General Assembly of the State of Arkansas:

House Concurrent Memorial 8

To the Honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the General Assembly of the State of Arkansas, respectfully represent that—

Whereas the Congress of the United States of America has now under consideration before the House Ways and Means Committee House Resolution 4120, by Mr. DOUGHTON, of North Carolina, which resolution provides for the payment of Federal pensions to needy and destitute citizens who have reached the age of 65 years; and

Whereas the provisions of this resolution require that the various States of the Union shall make an equal contribution to such pension fund before they, as such States, shall be entitled to the benefits of such old-age pensions; and

Whereas the State of Arkansas, with other States of this Union, are at this time in such financial distress that they are wholly unable to raise any appreciable funds for this great and pressing need, thereby depriving our citizens in sharing the benefits bestowed upon those of other and more favored States, possessed of much greater financial wealth and resources: Now, therefore, be it

Resolved by the House of Representatives of the State of Arkansas (the senate jointly concurring therein), That this assembly petition and memorialize the Congress of the United States of America, now in session at Washington, D. C., to take such action as to amend House Resolution 4120 that this most pressing need and worthy benefit may be received in some degree at least by those States which possess no resources at this time for this most worthy and humane purpose.

Approved March 21, 1935.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, may I request at the outset that I be not interrupted during my remarks. I will be glad to answer any questions when I get through with my main discourse. Let me state, Mr. Chairman, that insofar as the advocacy of old-age pensions and unemployment insurance is concerned, I yield to no man in this House as to a keener desire to serve the needy of this country. As far back as 1922 I have taken an active, energetic interest in the program sponsored by the Fraternal Order of Eagles and I have been of some help to that great organization.

Mr. Chairman, I want to point out at this time that the present administration under the leadership of President Roosevelt has undertaken to take care of the needy people of this country and he is particularly interested in the aged and infirm and underprivileged. He is interested in providing a method guaranteeing the future of those who today are able to purchase for themselves annuities which will be ample to provide for their declining days after they attained the age of 65.

Mr. Chairman, this bill has been under consideration by the Ways and Means Committee for over 10 weeks. We have had every conceivable kind of advice in connection with its possible operation and result and the fair-minded Member of the House will concede that the Ways and Means Committee is as generous toward the wishes of the membership and towards the needs and wishes of our people as is any other committee or any other Member of the House.

The Ways and Means Committee has taken into consideration the possibilities of this far-reaching measure and the ability of this Government at this tragic time to extend itself beyond reasonable limits. This administration has undertaken a broad, general program, adding this measure for social security, such a bill as has never been contemplated before; yet, in spite of that, we are faced today with a clamor for extreme radical legislation that has no basis for claim in this House at this time.

The members of this committee concede that while we would like from the very outset to create a bill that is perfect, it is humanly impossible to do so. We have examined and analyzed the practice and the experience of foreign countries with respect to similar legislation. We have examined the laws and the practice and whatever experience the respective States may have had with similar legislation, and with all this the committee has whole-heartedly gone into the building up of a bill that will meet the test of time.

It is manifestly clear that under the Doughton bill (H. R. 7260), with the volume of taxes and moneys coming to the Government for ultimate distribution to the needy of this country, billions will have to be collected and disbursed, and we must proceed in a cautious, careful manner.

Let us analyze, for example, whether or not the pension provision, or title I, of this bill is generous or not, at least as a first step in the proper direction. The average monthly relief cost in my State, which is Michigan, amounts to $30.22 for the average family with dependents, and the average relief cost in the United States of America is $25.83. Under the terms of this bill, if a State meets the $15 contribution of the Federal Government, an aged couple without dependents will receive the amount of $60 monthly from the State and Federal Governments. Roughly speaking, this is twice as much as families with dependents are receiving in my State today, and better than twice and a half the amount of the average over the United States of America. If this is not a generous, a good start, then we cannot appeal to the fairness of the Membership of this House.

My predecessor on the floor stated that the bill is niggardly and that it provides for only $50,000,000 on the part of the Federal Government, but he failed to take into consideration the fact that this amount is only for the first year. He failed to take into account the fact that the average State will have to enact laws to meet the minimum requirements of this bill, and this will take anywhere from 1 to 2 years, and in some instances, unless the Governor calls a special session of the legislature, it will take even longer, and therefore the entire 48 States will not be drawing upon the Federal Government for their pro rata allowance. However, the bill provides that for the second year and thereafter as much as is necessary to meet the demands of the respective States will be appropriated by the Federal Government.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. VINSON of Kentucky. May I suggest to the gentleman that $125,000,000 was in the original draft, but in the final draft of the bill (H. R. 7260) the committee allowed a sum sufficient to meet all demands of the States.

Mr. DINGELL. That is correct.

Mr. VINSON of Kentucky. And may I further say that this $50,000,000 for title 1 is on a 50–50 basis, which means $100,000,000 for old-age pensions in the first year. This sum is three and a third times the amount of money now being expended for old-age pensions in the 48 States.

Mr. DINGELL. I thank the gentleman from Kentucky.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield for a question in that connection?

Mr. DINGELL. I yield.

Mr. MARCANTONIO. Will the gentleman explain why the committee felt it was necessary to have a means test under title I? Does the gentleman think that is necessary?

Mr. VINSON of Kentucky. If the gentleman will permit, there is no Federal test. It is left wide open to the legislatures of the State to determine who is without subsistence and who needs pensions in order to have a suitable subsistence.

Mr. MARCANTONIO. So it is the opinion of the committee that this legislation by no means imposes on the States the necessity of requiring a means test?

Mr. VINSON of Kentucky. The legislature will set forth certain requirements, but there is no means test so far as the Congress is concerned. It is left open to the States to determine who should have the benefit of the measure.

Mr. DINGELL. That is correct.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New Jersey.

Mr. KENNEY. The gentleman stated that the pension systems of foreign countries were considered by the Ways and Means Committee.

Mr. DINGELL. Yes.

Mr. KENNEY. Did the committee consider the system in vogue in the countries of Norway and Sweden?

Mr. DINGELL. I could not say as to the Norwegian and Swedish systems, but the experience of European governments, as a whole, has been rather unsatisfactory and did not give the committee any encouragement. In the final analysis, as a whole, the pension schemes and plans in the European countries have fallen down.

Mr. KENNEY. The gentleman does not mean to say that the Norwegian plan has fallen down?

Mr. DINGELL. I am speaking of European systems as a whole. I am not singling out the Norwegian system at all.

I may say to the gentleman that so far as the work of the committee in connection with this legislation is concerned, we are taking into consideration and covering more territory and undertaking to take care of more people in a more generous way than any other similar plan that was ever advanced, at less cost to the citizens of this country than in any similar instance in the world.

Mr. KENNEY. I realize that, but I do not think the committee has gone the whole way as it could and as it should.

Mr. DINGELL. It is entirely possible that the committee, in its humanly deficient way, would probably fall short in examining everything in the most detailed manner.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. RANDOLPH. I agree with the gentleman from Michigan, who is a member of the committee, and compliment the committee on its splendid work, and I only wish to call the attention of the gentleman to the fact that the Denmark system of old-age pensions has worked successfully.

Mr. DINGELL. Has it met every test thus far?

Mr. VINSON of Kentucky. If the gentleman will permit, may I say in this connection, referring to the Denmark system, which the gentleman from West Virginia says has worked so satisfactorily, that it is on a noncontributory basis, and that for men the maximum monthly pension is $9 to $15.17; for women from $8.42 to $14.33; for married couples, both over the age of 65, from $13.42 to $22.50. This is the maximum monthly pension, with exchange at par, and I may say to the gentleman from West Virginia [Mr. RANDOLPH] that my friend from Michigan is correct in saying that the plan submitted to the House, which we are now considering, for old-age pensions, if enacted, will afford the greatest benefits of any country in the world.

Mr. RANDOLPH. Will the gentleman yield further?

Mr. DINGELL. I yield.

Mr. RANDOLPH. The reason that I spoke about the Denmark plan was because Ruth Bryan Owen, our Minister there, is familiar with it, and she has said that the plan is working well.

Mr. KENNEY. I wish to compliment the Ways and Means Committee on the job they have done in this bill, but I would like to ask the gentleman from Kentucky whether we cannot have a more liberal old-age pension than any other country anywhere in the world?

Mr. DINGELL. Mr. Chairman, I refuse to yield further. Mr. Chairman, I want to call the attention of Members to the fact that this clamoring for liberalizing the payments is something that you can take care of in your own respective States. If you want to pay $50 per month you can do so, but it seems to me that the Federal Government is liberal enough when it starts the thing along with $15. The individual State can pay $35 additional if it chooses.

My personal opinion is that if the Federal Government agreed to meet the individual States in any amount that the State legislatures might determine to pay its worthy aged citizens it would be in perfect order, because there will be a natural ceiling that the legislature will fix, when the demand becomes unreasonable the taxpayer will see to that. The taxpayer and pensioner must both be considered. Therefore, even if the limitation imposed by the Federal Government were entirely eliminated, a natural ceiling will be found in every State and will be established by the State legislature, governed by the sentiment of the people, particularly by those who are called upon to pay the tax.

My time does not permit further discussion of the provisions of this bill. The people are interested, however, in the various titles of the bill. The case of crippled children, dependent children, widows eligible for pensions, public-health services, and the unsolved question of unemployment insurance which is a recognized curse. We must master this problem regardless of the method employed, and we must do so at the earliest possible date. The specter of unemployment stalks the peace and contentment of our citizens and a solution is mandatory.

However deficient the bill might be, Mr. Chairman, and I allow it is not perfect, it is nevertheless a good start. Future sessions of Congress can in the light of experience correct and liberalize the law. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, in the consideration of this bill the first question which comes to me is, "Why has the United States been the last major country to give serious thought to the consideration of a comprehensive and adequate social-security program?" One must remember that we have gone along under a monetary and industrial system which has not only permitted, but one might say it has encouraged, great "washing outs" of savings, accumulated surplus, and both private and corporate capital structures. These "wash-outs" have occurred each and every time a great economic depression has taken hold of our economic structure, and they have come without the consent, without contributory negligence on the part of our people, and against their thrifty habits. The great mass of our people have been the victims of these great forces over which they had no direct control. I believe that all who think must agree that when the "social security" of a people passes away, they immediately begin to lose faith in the monetary and political structure under which they find themselves at the time. As we have clearly witnessed the last few years, and as we now witness, the people so afflicted revolt against the contemporary monetary, political, and administrative program.

Actual and estimated Federal expenditures for the 3 years 1934, 1935, and 1936 will, no doubt, approach $24,000,000,000. A very large proportion of this is, of course, for direct and indirect relief. In other words, it will have been spent for momentary "social security"—relief in the form of fats, fabric, and fiber—for a vast number of our people who are direct victims of the most recent "wash-out." Based upon the figures presented on page 15 of the report, we find the estimated Federal income from taxes here proposed will, within the next 15 years, amount to $15,000,000,000 under title VIII, sections 801 and 804, and under title IX about five and seven-tenths billions, or a total of $21,033,700,000—just three billions less than our total appropriations estimated for 1934, 1935, and 1936.

Under a plan such as that set forth in this bill there will be some system and pegging down and control and balance of the raising of the funds, the making of the appropriations, and the administration of the expenditures that must necessarily follow. This daily thought of having to provide the funds for the purpose of creating reserves through appropriations, to meet such expenditures hereafter, will be a constant reminder of the suffering that comes through these "wash-outs." It will, in my opinion, have a great tendency to cause us to figure the cost as we go along and thereby bring about a "national spirit", operating as a great force against those other forces which have occurred so often and which have been so ruthless in their attack and in their destruction through the "wash-out" methods too long applied to and against the great mass of our people. These "wash-outs" that have come so consistently and with increasing havoc will surely come again unless we set in motion forces that will prevent them. Our constant thought dwelling on the payment of the taxes here proposed, the

plans whereby the necessary appropriations will be made, and the administration of the funds flowing from those appropriations will, without question, have a wholesome influence on all of our people and thus help us to comprehend more fully the necessity of maintaining "social security" for the masses.

With regret I must acknowledge this bill does not, at the moment, give aid to those who are now in such dire need. This need must be cared for otherwise. It is also evident several years must come and go before the reserve funds, provided out of taxes to be paid, can show their strength in giving relief. As it is necessary to produce before there can be great distribution of wealth to the masses and thereby raising the level of individual possessions, just so is it necessary to give time in which to accumulate reserves out of which distributions may be made. We must not overlook the fact, however, that many of the benefits called for by this bill—such as those to dependent children and for the maternal and child-health services and service for crippled children and child welfare—can begin to operate without delay and on the completion and approval of the plans required to be set into operation by the respective States. The great tragedy which has come to those in our rural communities particularly and in areas specifically affected by the great economic distress of the past 4 years, calls for prompt action and cannot await the creation of reserves through the accumulation of a slowly working tax-collecting system. It is now mandatory on the part of Government to give this service without further delay or else we shall have to pay for it tenfold in the years to come. The great social harm now taking place through the destruction of the physical forces of those people who are the victims and who have not sufficient nourishment and mental and spiritual food that flows to them when life is full and complete, must be arrested.

This bill recognizes the institution of national relief as a permanent one. It recognizes the unemployment problem as one that will never pass away and old-age benefits as no longer in the main attainable by the individual.

One might make the observation that this is a "sorry day" in the life of a nation when opportunity for individual effort and accumulation and preservation of the labors of one's life work is no longer to be had. However, I for one am of the opinion that our method of mass production, specialization, classification, and failure to recognize sound methods of distributing as between worker and capital, the buying power of that which is produced, has brought us to this period in our national life. Certainly that class which we call our "agricultural workers" has not had its share of what was produced. As proof of this statement I only refer to the great agonies which the several Congresses since 1920 have passed through in their attempt to provide some sort of national legislation as would more equitably deal with the farm population. May I also refer to the "Garden of Gethsemane", through which this Congress shall have to pass in further dealing with this very problem. Just so long as these great inequalities exist, just so long will there be a growing need for legislation of the nature here proposed, and so much greater will be the need. I wish to express the hope that in our saner hours and when the pressure of distress is less exacting of our time and energy, we may set about providing means of production, distribution, and exchange which will make a great amount of the Federal relief here proposed entirely unnecessary. This by reason of the fact that the individual may be in position to again return to self-preservation and reliance and dependence in old age as well as in early and middle life. At one time this great country boasted of the existence of that very position. Wherein and how did we lose it? To me that question is very fundamental. Shall we now admit there is no longer such a chance for our people? Have those organic opportunities gone forever? Have we "slipped" in our political, monetary, and legislative performance? Is it now too late to make correction of our bad national habits? Shall we now admit that America no longer offers the opportunities of the past to the present and those coming generations?

Every Member of this House knows very well our people expect this Congress to enact adequate and fair social legislation, especially insofar as the old people who are now without income are concerned. Personally, I do not believe we should stop with providing only for "old-age benefits." I feel we should take a step toward providing for this unemployment problem. I believe our economic and industrial conditions are such as to make it practical and wise to provide adequate old-age benefits. I think our social, industrial, political, and spiritual situation is such as to demand that we, in this session of Congress, shall do this very thing. Insofar as legislation can make it possible, I am of the opinion we dare not evade this responsibility any longer. Speaking politically, it is my firm belief it will be a sorry day for the present administration and for the one that follows—let it be Democratic or Republican—if this matter of "old-age relief" is not provided for.

There are now too many men in this country between the ages of 55 and 65 who have, through no fault of their own, had taken from them all income and all accumulated surplus of the frugality of prior years. You know the facts as well as I. These people I refer to are not visiting Washington. They are not sending telegrams nor writing their Representatives what to do. They are quietly thinking, debating, praying, and considering in private homes, on the streets of our villages, at our church meetings and in conference with pastor, priest, and physician, these great economic disasters which visit our people too often, leaving them without income, without jobs, homes without a market value and all bringing about the loss of their savings as represented by homes, stocks and bonds, deposits in bank checking and savings accounts, and a situation wherein their children of 25 to 35 years of age cannot secure a job. These men, now dependent, have been expert workmen in factory; have served long arduous hours in the fields. Many of them are skilled in the arts and sciences of commerce, transportation, banking, and the professions. All their lives they have been good, honest, thrifty citizens making up the backbone of our Nation. Now, they will not be content to be discarded and thrown into the scrap heap like an old tin can out of which the food has been taken. They deserve and expect decent treatment. Again their demand will be exercised in the form of the ballot as it was in 1932. There is a rising tide of discontent gathering momentum throughout this Nation. It is growing more bitter every day. The signal flares are breaking out from the most unexpected sources. Our people have been believing, patiently waiting, and expecting the "light", but hope is waning now because of so many promises that have been unfulfilled so long. This Congress dare not scrap social security. It is my opinion our people back home will not take any excuse we may have to offer them next summer and fall when we face them. Why should they? This should not be a partisan question. While engaged in industry and before giving time to matters political, I saw the need of legislation along this line. Today I see a greater need for such legislation and I am in favor of passing it this session of Congress.

Mr. Chairman, H. R. 7260 is filled with good and bad. I think it will be a tragedy if this bill is not in some way made more acceptable and beneficial to our people in whose name it is being passed. In its present form it is my opinion it will bring great disappointment to our people. I am afraid it will impose great hardships on many. I see in it great discrimination.

Title II, creating the old-age reserve account through appropriations derived from taxes to be paid under title VIII, will prove to be one of the most far-reaching portions of the bill, both from the standpoint of taxes assessed and the effects the reserve-fund operations will have. This reserve fund will, in my opinion, play a most significant part in our entire financial and monetary structure, not only that of the Federal Government but of private industry in its mass-production form. I think our banking practices will be vitally

influenced by the operation of this fund. Table IV, page 6 of the report, indicates this reserve will grow to a minimum of say six and three-fourths billions of dollars within the first 10 years. Within 15 years this fund will probably be around $15,000,000,000, or, say, equivalent to about 70 percent of our national debt at that time. Here I am referring only to the old-age reserve account, and we have yet to deal with the unemployment trust fund.

Now, there is no question but what these open-market operations of the Secretary of the Treasury in the investment of these two funds will play a great part in the banking and monetary policies of this Nation. We are here setting into motion great forces. I might illustrate further by saying that at the present time our banks and large corporations have invested about $16,000,000,000 in Government securities, or, say, roughly 60 percent of our present outstanding Government bonded indebtedness, including direct and contingent obligations. It has heretofore been the custom for banks and large corporate institutions to largely carry in their portfolios bonds issued by the Government. Of course, in this manner the private individuals, who had money deposited in banks and who held equities in corporate entities through ownership of debentures, bonds, stocks, and insurance reserves, collectively held or rather owned these Government obligations. In that manner the holdings of the individuals on a collective basis were very materially woven into our financial operations and investment structure.

In this bill it is proposed that these bonds be taken from the portfolios of the banks, insurance companies, and large industrial concerns and be concentrated as reserve funds, still belonging, in a way, directly and indirectly, to the millions of our people. Will not this call for a reconstruction of the investment portfolios of first, the banks in a most material manner; secondly, those of large corporations having their idle funds invested in liquid bonds of the Government, and thirdly, the insurance companies? If the banks, deprived of their privilege to engage in the instant purchase and sale of Government bonds (by reason of a greater proportion of the outstanding bonds being absorbed through the investment of the reserve funds), must enter the general bond market it appears to me there will develop great competition as between banks, insurance companies, and large corporations (all seeking a somewhat liquid investment for their inactive deposits, premium reserves, and idle surplus) for the high class or triple A bonds of industrials and other units of government. It is also interesting to study the forces that are likely to develop as between the open-market operation of banks, large corporations, and insurance companies on the one hand versus the operations of the Secretary of the Treasury dealing in the purchase and sale of Federal obligations and the open-market operations of the Federal Reserve Board and System along the lines set forth in the proposed Steagall bank bill. Briefly, any plan which calls for removing from the open market the obligations of the Federal Government is so far reaching as to command our keenest thoughts in an attempted analysis of its consequences.

Mr. SAMUEL B. HILL. Mr. Chairman, does the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. SAMUEL B. HILL. Does the gentleman object to the policy of gradually withdrawing these Government bonds from private holdings and placing them in this reserve so that to that extent the tax exempts will be withdrawn from these private holdings?

Mr. CRAWFORD. I am not equipped to say that I object to that withdrawal. The thing I point out is the staggering influence the operation of this reserve fund will have upon our interior monetary and financial structure as it has been developed in this Nation.

Mr. SAMUEL B. HILL. But it is a gradual operation, the gentleman understands.

Mr. CRAWFORD. Yes.

Mr. SAMUEL B. HILL. It did not happen over night.

Mr. CRAWFORD. Understand that.

Mr. VINSON of Georgia. And the effect of it is to take the interest now paid upon the governmental securities and put that in the reserve account to be compounded and compounded for the increment of the reserve account.

Mr. CRAWFORD. I understand that; but the influence and effect is there just the same. We have built a bank structure today where every so-called "liquid bank" in the United States has placed the deposits which the gentleman and I and the other people have in those banks in Government bonds, and now we propose a situation which pulls those out of the investment structure of the Nation and concentrates them in the hands of the Secretary of the Treasury.

If I read title II correctly, there will have to be maintained an individual "case history" with each and every employee who contributes and who may be a recipient of the benefits of the old-age-benefit payments that are to be accumulated and distributed. Thus we can visualize millions and tens of millions of "cases" and a bureau personneled for the carrying out of the details involved. Title VIII, providing for the taxing of employees on full salary up to $3,000, while those drawing more than this amount are taxed on $3,000, only will appear to many as discrimination and unfair. It may be agreed the class which receives under $3,000 are more likely to need aid to tide over than those in a higher income class, except in times of great economic disaster—then I would assume they are about equal in actual need. The employer deposits 3 percent on same class and amount of wages as the employee pays his 3 percent on. The worker may, theoretically, receive back 3½ percent of the total taxed wages, or the wages on which tax was paid, or it may be paid to his estate if he is deceased. It appears possible for one to receive benefits who never paid a tax. Who knows what the Supreme Court may say about this?

Titles IV, V, and VI are all so much needed today that no voice of protest should be raised against any of them. The grants to States for dependent children is to be commended. Many years ago some of our fraternal orders recognized this great need and have gone out and given relief, without any preference to race, creed, or color. This problem has now grown so large it is one which commands the most serious attention of the Federal Government.

In rural areas and in those areas suffering from severe economic distress, the women are today without hospitalization. Throughout the farming areas particularly those hard-working and constructive fine mothers are in such great need of that provision set forth in title V for maternal and child-health service. I only hope that if the amount herein provided proves insufficient Congress in the future will take the necessary steps to meet this problem squarely as it should be met. We have now too long delayed this very necessary assistance.

Services for crippled and underprivileged children justifies itself without any comment. How this matter has been so long overlooked and uncared for is a question which should make us glad of the opportunity to take the necessary steps at this time. One only needs to come in contact with a home which is unable to provide any means of relief for a little child who has been stricken with paralysis to appreciate what this will mean to those homes so darkened with the suffering that follows such a catastrophe.

The ravages against our people as a direct consequence of the most recent great "wash-out" of their savings, income, and employment has brought squarely before us the great need for a national health service. Throughout the land we have millions of underfed, malnutritioned children growing up without that medical care so very necessary in childhood and youth if we are to have strong bodies when we mature into manhood and womanhood. The tragedy is before us. This is one way to meet the issue at this moment. This service should be made available by the States and the Federal Government quickly. We have, as a matter of fact, too long delayed this provision.

Section 602 (c) gives great power into the hands of the Surgeon General. I only hope that in the preparation of his rules and regulations and the administration thereof, great care will be taken that none of the agencies of medical relief and certain professions which are of great benefit and

entirely acceptable to our people will be discriminated against.

In the light of all the available information, it might be well to ask, Are we not now in normal times?

What proof is there we shall soon return to the high productivity of the 1923–29 period? Under world conditions as we know them today, what is normal? If we will give up our philosophy and practice of "the economy of scarcity" perhaps this question will answer itself.

I do believe that in some cases small operators will reduce the number of people in their employ to the end they may come under the "10 or more" employees on the pay roll. That will be a natural evasion, or rather avoidance, of the tax herein imposed. Regardless of whatever tax law may be designed, we find both evasions and avoidance of the tax. To this extent, unemployment will be increased. I think we all must admit this. Furthermore, where a small operator doing a similar business alongside another, and who is employing only 9 helpers while his competitor has a staff of, say, 11 or 12 helpers, will have somewhat of an advantage insofar as the incidence of the tax in section 901 is concerned. If the tax is to be a graduated one insofar as the number of employees are concerned, a situation of this kind cannot be helped. Any tax law that may be designed will have inequalities therein.

The situation in this respect is not, however, nearly so serious to me as that wherein the tax becomes assessed against an operation which runs, say, 80-percent direct labor cost versus one which runs only 20-percent direct labor cost. I believe it can be generally stated that a product carrying direct costs of 80-percent labor and 20-percent material generally sells on a much lower margin of profit mark-up than one which consists of 20-percent direct labor and 80-percent material. If this observation be true, it appears the first processor will be paying a 3-percent (more or less, depending upon the terms of the State law) pay-roll tax on 80 percent of his cost with a much lower margin of profit than does the operator who pays a 3-percent tax on only 20 percent of his cost with a higher margin of profit to work on. (Rough steel or iron castings might be used to illustrate the former, and machine tools or precision tools the latter.)

There is one phase of this proposed legislation which I cannot refrain from commenting on, and it is that wherein the farmer is exempt from paying an excise tax on his labor pay roll. He now has no way to control either his production or the price at which it sells. His costs are almost entirely that of labor. To tax him on this bill would add to his already impossible burden. For 15 years he has valiantly fought against the combination of forces working against him. His overhead burden is too great for him to carry and by the thousands he stands before his home watching the auctioneer and the sheriff "close him out", and in this manner the great "washing-out process", which started years ago, continues on its rampage. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. PFEIFER].

Mr. PFEIFER. Mr. Chairman and members of the Committee, the President, seeing the growth of discouragement and unemployment among the people, the dole having proved a failure, suggested legislation on social security which was read by the Clerk of this House at the beginning of this session. The object of this legislation was to provide ways and means for the welfare of the unemployed, old age, direct relief of the indigent sick, hospitalization, crippled children, maternity, and so forth.

Let us turn back to the year 1918, when the United States entered the World War. Do you not recall the active part the hospitals played in relieving the burden of the Government and Government hospitals? It was then a case of the Government appealing to the hospitals, now it is a case of the hospitals appealing to the Government.

In view of this, I would like to appeal to all Members of the House in reference to this legislation insofar as it concerns hospitals and the part which they are now being forced to play in this period of national reconstruction due to the depression. Permit me at this time, too, to call your attention to title IV of the bill referring to the social-insurance board.

The primary factor in working out a plan which would benefit hospitals throughout the country would be the securing of facts as to the financial status of the majority of hospitals which serve their respective communities.

The leading medical societies of the country and the American Medical Association, embracing in its membership some 100,000 of the physicians of the United States, have as their primary considerations the welfare of the people, the preservation of their health and their care in sickness, the advancement of medical science, the improvement of medical care, and the provision of adequate medical service to all the people. These physicians are the only body in the United States qualified by experience and training to guide and suitably control plans for the provision of medical care. I deplore and protest those sections of the bill which place in the Children's Bureau of the Department of Labor the responsibility for the administration of funds for these purposes. I also condemn as pernicious that section of the bill which creates a social-insurance board without specification of the character of its personnel to administer functions essentially medical in character and demanding technical knowledge not available to those without medical training. The doctors, therefore, should not only have a voice in the making of such a plan but also a voice in carrying out the said plan.

This subject is worthy of your intelligent and sympathetic consideration, as it affects so many of our people today. Due to the decrease in employment and the increased number of those on relief, who, when sick, seek free services in our hospitals, in many instances treatment being not only of an emergency type but sometimes of many weeks' duration. All of which adds greatly to the burden which the charitable hospitals scattered throughout these United States are now being forced to bear without any aid whatsoever from the Federal Government.

Hospitals found their pay patients disappearing and their charity patients increasing at a rate that threatens financial destruction.

This Government has appropriated and spent billions of dollars for home and work relief for the unemployed, but it as yet has not taken into consideration the sick men, women, and children who are in need of hospital care. The Government forgets all about them, and these unfortunates must look to private charity for mercy.

The charitable hospitals, in good times, find it impossible to balance their budgets, even after resorting to drastic economic measures, and never at the expense of the comfort and welfare of the patient. None of our institutions which depend upon public generosity for their maintenance are feeling the depression so much as the charitable hospitals. The majority of hospitals which have been ever ready to render aid and comfort to the indigent sick will be forced, due to lack of financial aid, to either curtail their services or close their doors if the Government does not step forward and provide some means in this bill to take care of this serious situation.

A majority of the people of this country believe that the charitable institutions are money-making plants and earnestly believe that the doctors working therein receive enormous salaries; but the truth is, as this great body knows, that these hospitals are charitable institutions and the doctors working therein receive no salaries and the help less than those on relief. Most of us fail to realize that these hospitals have to pay the same rate for gas, electricity, telephone, and so forth, as any other commercial or manufacturing business who can charge the cost to overhead; but not so with the hospital. Why, of course, they pay the butcher, the baker, the coal man, and every other man, plus the harsh injustice which is being done them by the collection of the process tax under the A. A. A. legislation, which has been estimated, imposes an additional burden upon the hospitals of millions of dollars per year. I do not think it was the intent of the legislature to do this; nevertheless, it is so interpreted by the Bureau of Internal Revenue. Thus, to my

way of thinking, they are taking advantage of taxing these charitable hospitals which are taking care of the needy sick in order that they may take care of the unemployed or needy well.

These charitable institutions have their backs up against the wall. Endowment funds disappearing, contributions few in number and amounts, private patients rapidly dwindling, free patients increasing in number both in the hospitals and out-patient departments, causing deficits which in one hospital in my State amounted to $215,000 in 1933. This situation which exists in my State exists in many others as well.

Mr. Chairman, permit me to read to this House clippings from newspapers in reference to this situation:

[From the Washington Times, Dec. 22, 1934]

The need for more hospitals has long been urged by health authorities. Whole sections in the South and sparsely settled Northwest and Southwest lack hospitals of the most meager sort. It is said that between 300 and 500 communities are without hospitals. The suggested $10,000,000 building fund would add at least 20,000 beds to the total in the Nation's hospitals.

[From the Washington Times, Feb. 14, 1935]

Increase in the number of applications for hospitals and dispensary care in January over December was reported today by Dr. R. F. Tobin, permit officer of the Board of Public Welfare.

There were 1,552 applications for hospital care last month, compared with 1,305 in December; 983 applications for dispensary care, compared with 655 in December; 41 applications for transportation of indigent persons, as against 34; 441 ambulance calls, as against 377; and 1,160 visits by physicians to the unemployed, as against 976 in December. Dr Tobin reported that admissions to practically all of the hospitals supervised by the Board of Public Welfare increased.

[From the American College of Surgeons; letter from E. W. Williamson, M. D., assistant director of hospital activities, Mar. 13, 1935]

There are approximately 6,500 hospitals in the United States, of which 1,776 are operated by the Government; i. e., Federal, State, county, city, and city and county. The American College of Surgeons surveyed 3,538 hospitals in 1934, of which 2,480 were approved. The capacity of the approximate 6,500 hospitals in the United States is given as 1,027,046, of which 694,473 are in Government hospitals.

Demands on the general hospitals for the care of charity cases is generally conceded to be increased from 10 to 50 percent. The total cost of maintaining voluntary hospitals in 1934 is estimated to be $475,000,000, while the revenue from patients was $215,000,000, and the income from philanthropy, including endowments, community chests, and public contributions, was $195,000,000. This leaves a deficit of $65,000,000 in voluntary hospitals for the year 1934.

As to out-patient service, the last hospital report of the American Medical Association states that in 1927, 13,804,566 patients were admitted to out-patient departments, while in 1933, 32,822,077 patients were admitted, an increase of 19,017,511.

[From the Washington Evening Star, Apr. 5, 1935, by the Associated Press, Cleveland]

One out of every 17 persons in the United States will go to a hospital in 1935, and many of the hospitals are worried where to find the funds to care for them adequately.

This was brought out at the opening session of a sectional meeting of the American College of Surgeons here yesterday. The 1935 estimate is based on the 1934 actual count, just finished. This shows 7,147,416 patients, 1,079,510 beds, and an average hospital stay of 14 days.

Half the beds, college authorities stated, are in tax-supported hospitals, but two-thirds of the hospitals are "voluntary", and to these latter go seven times as many patients as to the Government-supported institutions.

It is these "voluntary" hospitals, nonprofit making, where the bulk of the patients go, that face the financial dilemma. About 400 of them have closed in the past 5 years, against about a dozen new ones opening.

The patients who pay for services have decreased. Those asking charity treatment have increased. Dividends from endowments have dropped.

Voluntary hospitals have been unable to get Federal relief funds to aid in caring for persons who are on relief and who enter hospitals as charity cases, it was stated.

[From the Saturday Evening Post, Mar. 16, 1935]

None of our public institutions which look to the generosity of the public for their maintenance are feeling the pinch of depression more sharply than our hospitals. Many of them are compelled to operate upon a skeleton basis at a time when the demand for their services is most insistent. Many of them find it impossible to balance their budgets, even after enforcing these most drastic economies.

The reasons for present conditions are not far to seek. Income from endowment funds has been sharply cut. Gifts from regular contributions have fallen off. The number of private-room patients has steadily dwindled. While income has thus been reduced, outgo has often been unavoidably increased. As the number of pay patients has fallen off, the proportion of free patients has steadily mounted.

The public is always quick and bitter in its denunciation of institutions which turn away suffering and penniless patients; but hospitals are like their critics, in that they have to pay butcher, grocer, and coal dealer, whether they are breaking even or not. Well-managed institutions do not like to close their doors in the face of suffering humanity, but they are confronted by the same stern necessities with which the rest of us have to cope.

Persons unfamiliar with hospital management often expect more from these institutions than they can possibly render. So great is the free service they contribute to their communities, and so widely has it become expanded in recent years, that the public, for the most part, takes it for granted as a vested right, without asking or even wondering how it is financed or by whom the costs are ultimately paid.

Most of our hospitals deserve well of the public they have so long and so zealously served. The same public should stand behind them in the emergency, which no possible foresight or good management could have averted, and see to it that they are enabled to carry on. This is a serious matter of public safety.

[From the New York Times, Baltimore, Apr. 11, 1935]

For the first time since its founding 46 years ago, the Johns Hopkins Hospital will open an independent appeal for funds on April 24, seeking $200,000.

Decreases in net income, which had already caused the closing of 100 beds at the institution, made the campaign for funds necessary.

Henry D. Harlan, president of the board of trustees, said today there were only two choices open to the board.

"We could either curtail services still further to prevent continuing deficits", he explained, "or we could appeal to the people of Baltimore, for whom Johns Hopkins founded the hospital, and in whose service the present financial need arises.

"Because further curtailments can be made only at the expense of the sick poor, whose needs today are greater than ever, the second alternative could be our only choice."

There are other clippings, but time does not permit me to quote them.

As a fellow Member of this great body, I have laid the facts before you. As a surgeon, I beg of you to provide some means in this social-security bill which will alleviate the plight of the hospitals. If this is not done, you can rest assured we will be faced with conditions which will be much harder to remedy. [Applause.]

Under the permission granted me to extend my remarks, I submit herewith the following letter:

JANUARY 31, 1935.

Hon. JOSEPH L. PFEIFER,
House of Representatives, Washington, D. C.

MY DEAR MR. PFEIFER: Mr. Hopkins has requested me to reply to your letters of January 26 and 28, 1935, transmitting communications received from the superintendents of the Wyckoff Heights Hospital, Brooklyn, N. Y., of St. Catherine's Hospital, Brooklyn, N. Y., and of the Bronx Hospital, Bronx, N. Y., inviting attention to the need of hospitals for Federal aid.

The attention of this office has been called to the fact that many of the hospitals throughout the country are confronted with a difficult situation as a result of existing economic conditions. The problem of saving and maintaining these hospitals is, of course, of serious concern to all of us who are interested in preserving existing facilities for medical care as far as possible in an effort to provide for protection of health, especially in the present emergency. However, much as this administration is in sympathy with those who are seeking aid for these local institutions, it is believed that so far as the administration of funds appropriated for individual relief is concerned, the approach to the solution of the medical-care problem should be made with the needs of the individual primarily in mind, rather than from the standpoint of aiding the hospitals.

The working out of a solution of this whole medical-care problem has been a difficult task because of the relatively expensive character of the service required and the need for preserving a sound relationship between the amount expended for medical care and the total cost of all relief. To undertake to furnish hospital care to individuals on relief throughout the country would entail the expenditure of a sum of money greatly in excess of the amount now allocated to medical relief.

However, serious consideration is being given this problem, and it may be that a plan can be worked out whereby some hospitalization can be provided through the pooling of Federal, State, and local resources, at a cost that will not be prohibitive. What the future medical-relief program will be is problematical in view of the legislation now pending before the Congress. Until the

future scope and character of the medical-relief program are definitely determined, it is considered advisable to conform to the present program for medical care to persons on relief rolls.

Very truly yours,

C. E. WALLER, M. D.,
Medical Director.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the lady from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I know the House realizes the vital importance of keeping industry operating, if the employer is to contribute something to his employees in case of unemployment and if those employees are to receive anything.

I want to read just a paragraph from a letter which I received from a friend of mine, Mr. R. D. Redfern, who is connected with the chamber of commerce in his city in Maine and who has made a very wide study of industrial conditions. He states in part:

You know, of course, that the great Pepperell Mill plant at Biddeford, normally working 4,000 people, is now down to 1,800; with the York Manufacturing Co., in Saco, normally working 3,000, now operating with 800; and that the Saco-Lowell Shops, makers of cotton-mill machinery, are down very much below their normal working force; while the relief rolls of both cities have been increased 50 percent.

The cotton-textile situation and the plight of the cotton mills, both in the North and South, is most tragic. I do not need to tell the Members from the South. They realize the seriousness of the situation just as I do. It is not necessary to tell the cotton-growing farmers and the workers who pick the raw cotton what it means to those 9,000,000 people who gain their livelihood from raw cotton. It is not necessary, Mr. Chairman, to draw to the attention of this House the fact that Soviet Russia intends to export 1,000,000 bales more of cotton than ever before. The Soviet Government is paying her people a bounty, not to decrease production, but to increase it. She is allowing her farmers to sell their cotton at a lower cost abroad. You know what that will do to our cotton market in foreign countries. You know what it will do to your cotton farmers in the South, if the market for raw cotton in this country is killed.

I speak not from my heart alone. It is not a question of the heart, but it is a question of the mind of intelligence. I know you will help me in every respect to keep our market at home and to protect your cotton growers of the South and your textile mills of the South, just as we want to protect our northern mills. It is not a party matter. It is not a sectional question. It is a Nation-wide question. I am as sure as I can possibly be that the President will act to save the greatest basic industry in this country. He cannot do otherwise. [Applause.]

I yield back the balance of my time, Mr. Chairman.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, I want to take this opportunity to offer my sincere personal congratulations to the Chairman of the Ways and Means Committee and the members thereof for the painstaking and laborious work they have done in behalf of the measure which if considered in its present form as it is being denounced by those who have spoken today, would have been declared radical a few years ago. You gentleman are to be congratulated because of the grasp of the legislation as you bring it here before us today to act upon.

Personally I want to say that before the Seventy-fourth Congress convened I gave a statement to newspapers in my district, composed of 15 counties, so that my people would know exactly where I stood in regard to the so-called "fantastic and unworkable Townsend old-age-pension plan."

In doing so I believe I saved myself a great deal of embarrassment a little later, in the avalanche of mail which has come to Members of Congress who did not take a stand when they had an opportunity to do so. If permitted I would like to read a few lines from that statement.

I want no one to be misled as to my exact position on this matter. There is a vital need today for pension legislation to care for the indigent aged, but I am strongly opposed to the plan set forth by Dr. Townsend, and have so expressed myself in a letter several days ago. I feel that the people of my district and State know of my efforts in behalf of such progressive and needed legislation, and I look forward to joining my colleagues this coming session in waging an unceasing fight for old-age-pension laws that are right and just.

I believe the Ways and Means Committee has brought a piece of legislation to the membership of this House that is right and just and meets many of the requirements of the aged in our country.

I do not believe the aged people in my district approve of any of the plans, in which sentiment runs away with reason, which have been mentioned on the floor of this House in the discussion of the measure as brought forward by the administration and the Ways and Means Committee.

I would like to read just a part of a letter which I received recently from Mrs. Sarah J. Kennedy, a woman about 70 years of age, living at Salem, the town in which I was born. She says this:

I am sure you realize how hard it is for us ordinary folks to accumulate enough money to take care of our declining years. If we could be sure we would have an income it would take away the dread of becoming a burden to our loved ones. I am positive people would live much happier and longer lives.

That is what they are doing in Denmark and these other countries having old-age pensions, and the tables of pay to these persons, I understand, a member of the Ways and Means Committee will place in the RECORD, where they have at present helpful benefits to those who are aged.

I have another letter which, if I have time, I would like to read in its entirety. It is written by Mr. J. E. Means. He is 85 years of age. His wife joins him in the letter, and she is 80.

I want to quote this language:

I know that you are interested in old-age pensions, but we are interested especially in enactment of old-age pensions at this session of Congress. There are many of us it will not benefit if it is not passed now on account of our old age. My wife and I are 80 and 85 years old, respectively, and both of us are seriously afflicted. If we derive any benefit from the pension it would have to come soon.

He then goes on to give the reasons why we should have, not an unworkable old-age-pension scheme, but something that can actually be enacted into law at this session of Congress, as the President of the United State has asked us to do.

The State of West Virginia, I may say, is ready as one Commonwealth to come along and provide an adequate pension to match that of the Federal Government.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. RANDOLPH. Mr. Chairman, I shall read just a paragraph or two from a member of the State Senate of West Virginia, Mr. J. P. Beacon, who wrote me a letter a day or two ago, in which he said:

If Congress does nothing about this matter before it adjourns, the members of the West Virginia Legislature who are interested in the old-age pension in West Virginia will find it hard to convince our old friends that the Democrats have given them a new deal.

You can, I believe, count on this State's cooperation in working out some plan to provide funds to meet Federal demands. I for one pledge my whole-hearted support in a program for State's compliance in the West Virginia Senate, which will provide an adequate old-age pension in this State.

Ladies and gentlemen of the Congress, let us not forget our obligation to those poor old persons who fear the poorhouse more than the average persons feared the business depression. We have passed through the worst, and we now have it behind us; but there are millions of worthy old men and women in this country who now and in the future will face a real cause of fear a hundred times greater than the fear of depressed business.

Ingratitude is among the more reprehensible of human qualities!

Let us not be ungrateful for our delivery from the fear of poverty, and let us demonstrate our gratitude for this great blessing by helping to provide protection to those who are not in position to provide it for themselves.

There is plenty in this world for all of us. We cannot take anything with us when we cross the Great Divide. Moreover, the riches which most people accumulate come as the result of some form of cooperation from others. It is a great blessing to possess riches, but it is a greater blessing to possess, also, a heart that is willing to use riches in behalf of those who are helpless. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. GRANFIELD].

Mr. GRANFIELD. Mr. Chairman, by reason of the breakdown a few years ago in our economic system, it became greatly evident that legislation was necessary in order to protect our people from the ravages of unemployment and its devastating consequences. The Democratic Party, in its efforts to provide relief, under the leadership of President Roosevelt, formulated a program of social security which is being considered by the House today.

The social-security bill, which is before us, provides for the general welfare of our people by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws, to establish a social-security board, and for other purposes.

I am inclined to the belief expressed by the minority of the Committee on Ways and Means that this bill does not go far enough in making provision for those classes of our people affected by the legislation. I favor a system of old-age assistance which will furnish a more adequate security, and one that will encourage all the States of our Union to adopt an old-age pension system.

Under the terms of the bill now under consideration the Federal Government makes a monthly contribution of only $15 to those persons who meet certain legal requirements and who have reached the age of 65 years. The Federal contribution of $15 a month is positively insufficient. It provides a grudging and niggardly security against the trials and tribulations of old age. A Federal contribution of $15, matched with a State contribution of $15, fails absolutely to provide a proper subsistence. It is hardly necessary for me to go into the daily items of expense necessary to maintain a proper standard of living on the part of any individual, whether old or young. When one considers the items of food, of clothing, and of rent, and of fuel, it is impossible for the aged in our country to subsist in a decent manner on $30 a month. I hold the opinion that it is the duty and responsibility of our Government to provide not only a bare subsistence for this class of our people but that it is an obligation of our Government to furnish them with those little comforts which will make life worth living. I am persuaded to the conviction, after studying this problem for many years, that the contribution on the part of the Federal Government should be $30 a month, and that this contribution should be matched by each State which accepts the provisions of this bill, so that the old people of our country over 60 years of age, instead of 65 years of age, will be the recipients of $60 per month. On this sum, and only on this sum, can the aged in our country live with the peace and contentment that we hope to give them by the enactment of this legislation.

Massachusetts, always a leader in civilization's progress in America, has been foremost among the States of our Union in legislation for the social and economic advancement of our people. Under the present pension system in my Commonwealth, the average monthly pension paid is $24.35. This assistance at present is so bound up with red tape, and legal restrictions that many times the purpose of the law is defeated.

I can never be unmindful of the generosity of the people who for years resided in the most humble section of my district, known as "the ward" in Springfield, Mass., who early in my public career honored me with the right to represent them in the general court of Massachusetts. They, like many others, were the real builders of this Nation. They were the men and women who left their homes early in the morning to go into the factories and shops, returning home late at night, after a hard day's work. Although these people, with millions of others in America, worked hard and steadily for many years, they are today, through no fault of their own, dependent upon public charity. They are entitled to a better reward for honest and faithful toil. I realized then, as I do now, the necessity of legislation of the character of that which we are considering today.

I am no new convert to the movement of social security. As a member of the State legislature in 1917, with other of my Democratic colleagues, I urged and voted for the enactment of a system of old-age pension. Very few votes were cast for this legislation at that time. When the time-worn arguments were advanced against such a legislative innovation, some of us who sponsored this old-age-pension system for Massachusetts were characterized as Socialists. We were told that to provide such a system of security meant the disappearance of the virtues of thrift and independence, and that our Commonwealth would be taking a step backward instead of forward. However, the contest for social and economic advancement continued, and finally, several years ago, Massachusetts adopted a system of old-age security.

We know now, after years of suffering and hardship resulting from unemployment, that the time to have provided security for the aged was years ago. I do not intend, with the knowledge and experience that I have gained over the past 20 years, to subscribe to legislation that fails to meet adequately and properly the responsibility of the Government toward its aged.

I cannot forego the opportunity of paying my respects to the various plans which have been submitted to the Congress for consideration. Panaceas of every description have been urged upon the Membership of this House by many well-meaning citizens throughout the country. In my district, as in many districts, advocates of the Townsend plan have attempted to force that system of old-age security upon the Government. We have been ridiculed because of our attitude honestly expressed, as to the feasibility of the Townsend plan.

Several months ago, through the medium of the newspapers in Springfield, Mass., I bespoke, very plainly, my attitude on the original Townsend plan. From that day until this moment certain leaders in the movement have attempted to cajole and force me into an advocacy of this plan. Apparently some of them do not know me. I have been criticized and misrepresented before and I have seen leaders come and go. I have always been a firm believer that unless the article for sale is the best, it cannot be sold to Americans in America. Threats of defeat on election day do not scare me. I have been threatened many times by leaders of groups interested in their own selfish advancement, but I have always done my duty as I saw it. Abuse does not alter my course. I have been abused many times for doing my duty, and I can assure certain agitators of the Townsend plan that I will still do my duty to my country and my district as I see it.

The original Townsend plan has already departed to the realm where repose many other wild schemes of recovery. If the original Townsend plan was feasible and practical, it would have had no greater advocate in the Congress than myself. The original plan was abandoned by its promoters because of its unsoundness. It was not offered to the people of this country as a plan of old-age assistance. It was offered as a panacea for the depression. I have read the hearings which were held before the Committee on Ways and Means, and I have read the testimony of Dr. Townsend. I am satisfied, thoroughly so, that he failed absolutely to make out a case for his original plan. His plan of pay, $200 a month to those that qualified, over 60 years of age, would have caused our Government to spend annually a sum approximating $20,000,000,000. It would have raised the cost of living so that very few of our people could eat, let alone pay the taxes to support the plan. His original plan if adopted would have forced our great Government into bankruptcy. He contended that this sum of $20,000,000,000 could

be raised by a transaction tax. It was his theory that by taxing our people the Government could raise the money, and that the forced spending of it would revive industry to such an extent that the people of our Nation would enjoy the greatest prosperity that they had ever known. If his theory could have been put into practice, the way out of the depression would have been as simple as the recitation of the a-b-c's. His philosophy of more taxes and more spending, he contended, was the way out of the depression. His was a new economic philosophy, one that had few advocates, but apparently had many followers. If economic recovery could be attained by having six or seven million people spend $200 a month, why not have 20,000,000 people spend the same amount in order to accelerate recovery; it simply could not be done. It is regretted that any group, any place in our enlightened America, would attempt to delude and mislead the aged of this Nation. Our old people are not interested in $200 per month. Their only interest in this life is a safe and comfortable convoy during those years, which are few in number, before they pass to the Great Beyond.

Dr. Townsend, in the abandonment of his original plan, vindicates my statement to the press of Springfield, Mass., several months ago that it was "fantastic" and "absurd." He has sponsored a second plan, and now a third plan, which provides monthly payments ranging from nothing to $200, based upon a 2-percent transaction tax which he hopes will provide sufficient revenue to pay those over 60 years of age a monthly pension. This plan has his approval and is known as the "revised Townsend plan." I understand it will be considered by the Congress when efforts will be made to substitute the McGroarty bill when this legislation is read under the 5-minute rule. I understand further that certain Townsend agitators in my district and elsewhere continue in their attempts to fool our elderly people into the belief that Dr. Townsend still advocates a $200 a month pension for those over 60 years of age. This attitude of fooling the aged is indeed cruel and unpardonable.

Under this revised Townsend plan a maximum monthly payment to citizens over 60 years of age will be $50, and it is generally agreed now that a 2-percent transaction tax, at its best, could only provide $4,000,000,000 in revenue.

I am one Member of the Congress who is interested in the welfare of our elderly citizens, and I am hopeful that this Congress will make adequate provision for them, giving them the customary comforts of life so that the remaining years of their existence on this earth will be years of contentment.

The other provisions of this bill, relating to child welfare, public health, and unemployment insurance are worthy considerations.

While the provisions with reference to unemployment insurance fail to meet adequately my ideas they are a step in the right direction, and as we move into the years that are ahead, I am confident that by amendment and reform, the provisions relating to this subject will provide more substantial relief for our people.

I have endeavored to clearly state my position on that part of the bill which relates to old-age security. I trust that amendments will be offered when the bill is considered under the 5-minute rule, so that the amount of the Federal contribution will be increased from $15 a month to $30 a month, with the proviso that it shall be the duty of each State to provide for its citizens over 60 years of age, an additional $30 a month. This total of $60 a month, I believe, can be financed by the Federal and State Governments, and then ample provision will be made for the aged in our country.

I do believe, however, that all the purposes of this bill are praiseworthy, and that our National Government, by this legislation, will provide social relief for millions of our deserving citizens.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now arise.

The motion was agreed to.

Accordingly, the Speaker having resumed the chair, the Committee rose, and Mr. McREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 7260, the social-security bill, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the general debate on the social-security bill be extended 3 hours, to be equally divided and controlled by the gentleman from Massachusetts [Mr. TREADWAY] and myself, and that in the reading of the bill for amendment the bill shall be read by titles instead of by sections.

Mr. TREADWAY. Mr. Speaker, reserving the right to object—and I do not intend to object—I would like a thorough understanding on the point of reading the bill by titles. I understand that this in no way will interfere with the offering of amendments under any title, that each title is to be read separately, and while under consideration amendments germane can be offered on any section in the individual title. Am I correct in this assumption?

The SPEAKER. The gentleman is entirely correct.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, I appreciate the fact that this will not prevent Members from offering amendments, but, of course, with this modification—it would permit the distinguished Chairman of the Ways and Means Committee to move to close debate on any title and unless there is a very liberal allowance made for Members to offer amendments and have time to explain them the House could cut off Members from the opportunity of offering amendments to each of the sections of the bill.

Mr. TREADWAY. Mr. Speaker, as I understand the matter, it would simply necessitate any Member desiring to offer an amendment having his amendment ready. There are several pages in each one of these titles. Having considered this bill for a part of 2 weeks, it does seem to me as though Members could have their amendments ready when we come to the particular title in which they are interested. It is only a question of expedition at the request of the majority. Personally I have no particular interest in whether it is done or not, but I do think that every reservation of protection to the Members is being made under the program as mapped out.

It simply means that the gentleman and others similarly situated to him will have their amendments ready when a title is read. We recognize the fairness of the chairman of the committee and his associates. No one is going to lose any rights by this unanimous-consent request.

Mr. COOPER of Tennessee. I think the gentleman from Wisconsin will agree that the only effect that this will have is to probably limit pro forma amendments to some extent.

Mr. BOILEAU. I would not have any objection if all pro forma amendments were eliminated. As I read this bill, there are 70 sections, and there will be opportunity for 10 minutes debate on each of those amendments. Members will have an opportunity in that way to express their views as we go along.

Mr. DOUGHTON. I may say that there is no disposition at all to interfere with the presentation of amendments or to prevent any Member from offering amendments.

Mr. BOILEAU. If the gentleman will give his assurance that Members who have bona fide amendments to offer will have an opportunity to offer them, I have no disposition to object. I realize that is asking a great deal of the gentleman, and he may want to change his mind in this respect; but, as I said, I have no disposition to object if every Member who has a bona fide amendment to offer may have 5 minutes in which to explain his amendment.

Mr. DOUGHTON. He will have the same time and opportunity that he would have had under the rule as it is

now drawn. There might be so many amendments offered here that if 5 minutes were allowed to each Member it would keep us here until doomsday.

Mr. BOILEAU. There are some sections of the bill which are not considered very controversial. Some Members may have a desire to offer amendments to those particular sections and they would not have the opportunity under this request because the rules provide you cannot close debate until debate has begun. For this reason, there would be an opportunity for a 5-minute speech on every section.

Mr. DOUGHTON. We could not bind ourselves under this rule any more than under the original rule, but there is no disposition or intention to take advantage of anybody.

Mr. BOILEAU. With the gentleman's assurance that every Member will have a reasonable opportunity to offer amendments to the various sections, and particularly those that are controversial, I will not object.

Mr. DOUGHTON. The gentleman will have the same assurance as if the original rule were adopted.

Mr. MICHENER. Mr. Speaker, reserving the right to object, what advantage is to be gained by this procedure if the assurance asked by the gentleman from Wisconsin is given?

Mr. DOUGHTON. We may not gain any. It is the hope that we will be able to expedite the consideration of the bill.

Mr. MICHENER. We would just get through a section that much quicker and before we know it we are on the next section and it is too late to offer amendments to the last section.

Mr. COOPER of Tennessee. As I untertook to observe a few moments ago, the only thing that could be accomplished, as I see it, is to reduce the number of pro forma amendments. I think that is about the only result to be accomplished, and I think that would be desirable.

Mr. TREADWAY. I do not understand from the gentleman that it even prevents pro forma amendments. It would simply limit the number. The Members would not offer so many pro forma amendments perhaps.

Mr. COOPER of Tennessee. It would reduce them to some extent.

Mr. DOUGHTON. It will expedite the consideration of the bill, with due consideration to each and every Member.

Mr. BOILEAU. Is there any way in which we could limit debate to bona fide amendments and exclude pro forma amendments until all bona fide amendments have been considered? I appreciate, of course, what one gentleman might consider a pro forma amendment another gentleman might not so consider.

Mr. VINSON of Kentucky. A pro forma amendment might be used to get time in debate upon a so-called "bona fide" amendment.

Mr. BOILEAU. With the gentleman's assurance, I have no objection.

Mr. DUNN of Pennsylvania. Mr. Speaker, reserving the right to object—to ask the gentleman a question—a Member desiring to substitute another bill will have the opportunity to do so?

Mr. DOUGHTON. Absolutely. There is nothing in this unanimous-consent request that will prevent that.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1936

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report upon the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 5, 6, 7, 16, 17, 34, 44, 47, 53, 54, 55, 56, 57, and 59.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 9, 10, 19, 21, 27, 28, 30, 31, 32, 33, 43, 45, 46, 48, 49, and 52, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$376,755"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$11,308,419"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$61,635, of which $25,000 shall be expended in connection with State agricultural colleges for scientific investigation concerning control and eradication of bind weed"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", of which sum not exceeding $15,000 shall be used for experimenting in Sea Island cotton, including its hybridization with other varieties"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,983,497"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$154,435"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$9,958,462"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$11,600,973"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$363,930"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$71,741"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,254,434"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following "$7,793,-921"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$600,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and

agree to the same with an amendment as follows: In lieu of the sum proposed insert "$222,978"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$89,096"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,413,992"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$321,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$385,669"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed, insert "$423,269"; and the Senate agree to the same.

The committee of conference have been unable to agree on amendments numbered 8, 29, 58, and 60.

JOHN N. SANDLIN,
CLARENCE CANNON,
M. C. TARVER,
J. P. BUCHANAN,
LLOYD THURSTON,
JOHN T. BUCKBEE,
Managers on the part of the House.

RICHARD B. RUSSELL, JR.,
CARL HAYDEN,
E. D. SMITH,
HENRY W. KEYES,
GERALD P. NYE,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report, as to each of such amendments, namely:

The following amendments relate to the corrections of totals, allocations, textual errors, perfections of phraseology, etc.:

Amendments nos. 1, 4, 5, 6, 7, 9, 10, 11, 13, 18, 19, 22, 23, 26, 27, 28, 30, 32, 33, 34, 35, 36, 37, 41, 42, 43, 45, 48, 51, 52, 54, 55, and 56.

Amendment no. 2: Eliminates the House provision relating to the issuing of bulletins or reports advocating reduced consumption of any wholesome agricultural food commodity.

Amendment no. 3: Agricultural exhibits at fairs: Appropriates $85,000, as proposed by the House, instead of $97,030, as proposed by the Senate.

Amendment no. 12: Swamp fever: Appropriates $10,000, instead of $25,000, as proposed by the Senate, for studies of swamp fever affecting mules and other animals.

Amendment no. 14: Bindweed investigations: Appropriates $25,000 for investigations of bindweed only, instead of $100,000 "for bindweed and other noxious weeds", as proposed by the Senate.

Amendment no. 15: Sea Island cotton: Provides an allocation of $15,000 "for experimenting in Sea Island cotton, including its hybridization with other varieties", instead of $20,000 "for experimenting in Sea Island cotton", as proposed by the Senate.

Amendment no. 16: Mississippi-Alabama experiment station, West Point, Miss.: Strikes out the Senate provision allocating $7,500 of the appropriation for "forage crops and diseases" for the continuation of the station and leaves to the discretion of the Department the amount of the appropriation which shall be so allocated.

Amendment no. 17: Fermented fruit-juice work at Beltsville, Md.: Strikes out the appropriation of $27,500 provided by the Senate.

Amendment no. 20: Forest range investigations in Montana: Appropriates $20,000, instead of $40,000, as proposed by the Senate.

Amendment no. 21: Forest survey: Appropriates $250,000, as proposed by the Senate, instead of $129,703, as proposed by the House.

Amendment no. 24: Utilization of fruit and vegetable wastes and surpluses: Appropriates $15,000, instead of $35,000, as provided by the Senate.

Amendment no. 25: Naval stores investigations: Appropriates $71,741, instead of $61,741, as provided by the House, and $81,741, as provided by the Senate.

Amendment no. 31: Supersedure of the queen-bee studies: Appropriates $15,000, as proposed by the Senate.

Amendment no. 38: Control of predatory animals and injurious rodents: Appropriates $600,000, instead of $453,692, as proposed by the House, and $1,000,000, as proposed by the Senate.

On amendment no. 39, protection of migratory birds: Provides an increase of $55,000 for the sole purpose of enabling the Bureau to double its present force of 22 game wardens, instead of the increase of $110,000 for general purposes as provided by the Senate.

On amendment no. 40, enforcement of Alaska game laws: Provides an increase of $17,500 for the sole purpose of enabling the Bureau to double its present force of seven game wardens, instead of the increase of $92,890 for general purposes as provided by the Senate.

On amendment no. 44, use of airplanes in Alaska: Strikes out the Senate provision authorizing the Bureau of Biological Survey to expend $15,000 for the purchase and operation of airplanes in Alaska.

On amendment no. 46, public lands highways: Retains the Senate provision appropriating $2,500,000 for public highways through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than forest reservations.

On amendment no. 47, emergency construction of public highways: Restores the House language, stricken out by the Senate, allocating $100,000,000 of the appropriation contained in section 1 of the Emergency Relief Appropriation Act of 1935 for the emergency construction of public highways as authorized by the Cartwright-Hayden Act, approved June 18, 1934 (48 Stat. 993), being the remaining unappropriated amount of the $200,000,000 authorized to be appropriated by the said act.

On amendments nos. 49 and 50, snow surveys: Appropriates $15,000, instead of $36,000 as provided by the Senate, for snow surveys and forecasts of irrigation water supplies.

On amendment no. 53, enforcement of the Food and Drugs Act: Appropriates $1,515,879 as provided by the House, instead of $1,765,879 as provided by the Senate.

On amendment no. 57, soil-erosion investigations: Appropriates $281,362 as provided by the House, instead of $531,362 as proposed by the Senate.

On amendment no. 59: Strikes out section 2, inserted by the Senate, which provides that "no part of any appropriation contained in this act shall be used for the payment of personal services or for the maintenance of any activity not specifically authorized by law."

IN DISAGREEMENT

The committee of conference have not agreed to the following Senate amendments:

Amendment numbered 8, appropriating $10,000 for the establishment of a meteorological station in western Montana.

Amendment numbered 29, appropriating $15,000 for Mormon cricket control.

Amendment numbered 58, directing the Secretary of Agriculture to apportion and prorate the entire amount of the $10,000,000 authorized to be appropriated for the fiscal year ending June 30, 1936, for the construction of forest highways, and to incur obligations and approve projects for same.

Amendment numbered 60, pertaining to the collection of the processing tax upon cotton.

JOHN N. SANDLIN,
CLARENCE CANNON,
M. C. TARVER,
J. P. BUCHANAN,
LLOYD THURSTON,
JOHN T. BUCKBEE,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment no. 8: On page 19 of the bill, after line 18, insert: "Meteorological station, western Montana: For the establishment, equipment, and maintenance of a meteorological station upon a site to be selected by the Secretary for western Montana, $10,000, to be immediately available."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 29: Page 55, lines 18, strike out "$339,729" and insert in lieu thereof "$354,729."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

In lieu of the matter inserted by said amendment, insert the following: "$339,729, including not exceeding $15,000 for control and eradication of the Mormon cricket."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 58: On page 90, after line 11, insert a colon and the following: "That the Secretary of Agriculture shall, upon

the approval of this act, apportion and prorate among the several States, Alaska, and Puerto Rico, as provided in section 23 of said Federal Highway Act, the sum of $10,000,000 authorized to be appropriated for the fiscal year ending June 30, 1936, by the act approved June 18, 1934: *Provided further,* That the Secretary of Agriculture shall incur obligations, approve projects, or enter into contracts under his apportionment and prorating of this authorization, and his action in so doing shall be deemed a contractual obligation on the part of the Federal Government for the payment of the cost thereof: *Provided further,* That total expenditures on account of any State or Territory shall at no time exceed its authorized apportionment: *Provided further,"*

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 60: Page 91, line 20, insert:

"SEC. 3. That the processing tax authorized by Public Act No. 10, Seventy-third Congress, when levied upon cotton, shall be assessed and collected at the time that the goods are invoiced for sale by the processor."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

In lieu of the matter inserted by said amendment, insert the following:

"SEC. 2. The processing tax authorized by Public Act No. 10, Seventy-third Congress (48 Stat. 31), when levied upon cotton, shall be payable 90 days after the filing of the processor's report: *Provided,* That, under regulations to be prescribed by the Secretary of the Treasury, the time for payment of such tax upon cotton may be extended, but in no case to exceed 6 months from the date of the filing of the report."

The motion was agreed to.

A motion to reconsider the votes, by which the several motions were agreed to, was laid on the table.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—PHILIPPINE INDEPENDENCE

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

I transmit herewith for your information a copy, as received by radiogram from the Acting Governor General of the Philippine Islands, of Act No. 4200, enacted by the Tenth Philippine Legislature, first special session, on April 8, 1935, and approved on the same date, entitled:

An act to submit to the Filipino people for ratification or rejection the constitution of the Philippines, with the ordinance appended thereto, to appropriate funds therefor, and for other purposes.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 11, 1935.*

INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY (H. DOC. NO. 154)

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed.

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State with an accompanying memorandum, to the end that legislation may be enacted authorizing an appropriation of the sum of $8,000, or so much thereof as may be necessary, for the expenses of participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to convene at Brussels in June 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 15, 1935.*

A MESSAGE FROM CAPITOL HILL

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to place in the RECORD a speech delivered by our colleague, the gentleman from West Virginia [Mr. RANDOLPH], in St. Louis on Saturday night.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, under leave to extend my remarks, I include a speech delivered by our colleague, Hon. JENNINGS RANDOLPH, of West Virginia, before the Jefferson Club of St. Louis, Mo., on Saturday evening, April 13, 1935.

Mr. Toastmaster, ladies, and gentlemen, it has been my good fortune many times to visit this great city. On a previous occasion I addressed the International Convention of Lions which met here in July 1933. I am, however, particularly happy to have been able to accept the cordial invitation extended to me by my good friend, Congressman COCHRAN, to speak this evening upon the occasion of the observance of the anniversary of the birthday of Thomas Jefferson, one of the outstanding citizens of this Republic, in whose honor this club is named.

I enjoy the comradeship of the Missouri Representatives in the lower House, and I am happy to know that the first treasurer of the Jefferson Club is your own Congressman, TOM HENNINGS, who was one of a small group that organized this club and kept it intact during the lean days when Democrats had but little chance of victory and when it took stout hearts to fight the battles of our party.

It has also been my pleasure to become well acquainted with another Representative from St. Louis, J. R. CLAIBORNE, and I am also a great admirer and friend of the veteran, JACK COCHRAN, of whom you can well be proud. These three stalwart Democrats are important cogs in the new-deal machinery.

I have been interested in seeing the Democratic advances which have been made in St. Louis. I recall that your city and State contributed to the overwhelming victory of President Roosevelt in 1932 and that you gave unprecedented majorities to candidates on the Democratic ticket, from the top to the bottom. What is more, you did not stop, for I am told that in the spring of 1934, you elected a Democratic mayor and other city officials, who took over the affairs of city hall for the first time in almost a quarter of a century. And now, only a few days ago, you gave about a 50,000 majority to every candidate on the Democratic city ticket and only the ghosts of the Republican Party haunt the corridors of your municipal building.

We are here tonight to particularly honor Thomas Jefferson. The important part he played in the organization of the Republic during the first three or four administrations, his distinctive character, patriotism, and intellectual force have made him one of the greatest figures in American history. Perhaps the best story ever told about Jefferson to show his splendid sense of proportions, which set him apart as a true gentleman, concerns the time when he was chosen to be this Nation's Ambassador to France, following the return from that post of Franklin. Jefferson was met at the dock by Talleyrand, the noted diplomat and wit, who said in greeting: "Ah, Monsieur, you come to take the place of Franklin." And Jefferson replied: "No, I come not to take the place of Franklin; no man can do that. I come only to succeed him."

Many of you are leaders in the movement to place here a memorial to Thomas Jefferson for the part he played in opening up this truly wonderful region. His acts are interwoven with the history of this section, as it was due to his vision and foresight that this section became a part of the United States of America.

President Roosevelt, in paying tribute to Jefferson, said: "He was the one who at all times looked the farthest into the future, examining the ultimate effects on humanity of the actions of the present. Jefferson's methods were usually illustrative of government based upon a universality of interest. I can picture the weeks on horseback when he was traveling into the different States of the Union, slowly and laboriously accumulating an understanding of the people of his country. He was not only drinking in the needs of the people in every walk of life, but he was also giving to them an understanding of the essential principles of self-government."

Jefferson was one of the dreamer-doers of our Nation's onward march. He was a patternmaker of civilization and we shall not forget his service to America.

To the unfinished task before us we join now in working in the ranks of an administration which came into power at a time when the strongest leadership possible was demanded if we were to bring order out of chaos.

Let us contrast for a few moments the conditions which faced us 2 years ago and those of the present time. Two years ago the American people were gripped with fear and foreboding. For more than 3 years our people had fought losing battles and millions of unemployed could see no hope of relief, no way out for themselves and their families.

I would like to refer back to the attacks which were made upon Roosevelt by Mr. Hoover in the closing speech he delivered on October 27 in New York City. In that address it was said

that: "The grass will grow in the streets of a hundred cities, a thousand towns. The weeds will overrun the fields of millions of farmers. Their churches, their hospitals, and schoolhouses will decay."

Roosevelt was attacked on several points in that address in which Hoover pictured the disaster which would overtake the American people if Roosevelt was elected and Democratic policies put into effect. I wish to make no mistake tonight and shall quote directly from Mr. Hoover's address. He said: "A proposal of our opponents which would break down the American system is the expansion of Government expenditures by yielding to sectional and group raids upon the Public Treasury." Those were his exact words. He then went on to state: "No nation can conscript its citizens for this proportion of men's time without national impoverishment and destruction of their liberties."

Now, let us see what is the record of Roosevelt and this administration. There have been no sectional or partisan raids upon the public Treasury. Our great Chief Executive, who is destined to become one of the truly great leaders of mankind, has seen to it that in the conduct of the Public Works Administration, the Reconstruction Finance Corporation, the Federal Land Bank, the Home Owners' Loan Corporation, the Federal Housing Administration, and the Agricultural Adjustment Administration that there has been not one trace of an improper disposition of the funds and functions of these institutions. No one can show that during this administration there is evidence of special groups receiving special favors at the hands of those now guiding the destinies of our Nation from Washington, D. C.

In answer to the charge that we would have national impoverishment, let me say that it was not the policies of Roosevelt which brought the present crisis in our national life, but it was because of the policies of the former administrations in charge. That we would have a destruction of our liberties has been proven to be without foundation. The only liberties that have been taken away from anyone are those liberties which gave an employer the right to exploit child labor, to operate unsanitary sweat shops, and to deny to organized labor the right to collective bargaining. To be sure the liberty of unscrupulous bankers to destroy communities and cities has been denied. Fake brokers and stock salesmen have had their liberty taken away—a liberty by which they used to sell worthless securities to trusting investors.

Let us turn now to another attack which was made upon Roosevelt, in which it was said our Government would look into the banking business. Quoting exact words, his New York speech, Mr. Hoover said: "This proposal violates every sound principle of finance and our Government." Now let us look at the record. The administration has not taken over the personal banking business of the country. However, it has given the Federal Reserve Board the power to change the requirements of member banks so that they shall soon extend credit. Not credit which is brought about by pulling political strings, but credit for the financing of legal business under the National Recovery Act and similar measures. There must be an increasing pressure brought upon many banks that they become institutions willing and ready to cooperate with business by the extension of credit, and it is only when they will refuse credit that this Government, through the present administration, will step in and take needed control. Roosevelt is giving the banking institutions of this Nation an opportunity to make good.

We now come to a third charge. Hoover said: "Another proposal which would wholly alter our American system of life is to reduce the protective tariff to a competitive tariff for revenue." The record shows, however, that the present administration has sponsored no measure looking toward tariff reduction. Those in authority have sought only for a cooperation with European nations and those of South America, looking toward closer trade relations. It was also said, and I again quote the exact words: "Another proposal is that the Government go into the power business." It is also noteworthy to give his words again in that connection when he said: "I hesitate to contemplate the future of our institutions."

Hoover was correct when he spoke about these proposals because the Roosevelt administration, through legislation, has taken over Muscle Shoals. It is a known fact that for a long time power magnates have tried to keep towns and cities from operating their own plants. This Nation will not break up because of its ability to operate a plant which can distribute hydroelectric power cheaply through the South Central States.

Let us come now to another bitter attack which was made on Roosevelt. Hoover said, in speaking of Roosevelt: "He would support measures for the inauguration of self-legislating public works to provide employment for all surplus labor at all times. I protest against such frivolous promises being held out to a suffering people. No such employment can be found."

Not so many months ago it was estimated that 14,000,000 men were faced with enforced idleness in America. Banks and the business institutions of this country were ready to collapse. Under the leadership of President Roosevelt the administration realizes the fact that the true prosperity of this Republic depends on the men and women who produce the wealth of the 48 States. Immediate and progressive steps for the restoration of old jobs and the creation of new ones were taken.

The National Industrial Recovery Act became a law. Under its provisions labor received many of its most cherished blessings. The conditions of this act abolished child labor. Shorter hours than had ever been known in the history of America were given to hundreds of thousands of workers. Minimum wages were placed as much as 60 percent higher than some industries had ever before paid. The sweatshop was started on its way to oblivion and it is safe to say that more than three and one-half million idle workers have received jobs as a result of the N. R. A. program.

Mistakes, of course, have been made in a rapidly mobilized plan of reemployment, but we do know that the C. W. A. projects paid standard wages and gave back to the unemployed workers a large measure of this self-respect, placing back to work some four million men in approximately 1 month's time. This is one of the outstanding economic achievements in the history of the world. It was made possible through the intelligence, energy, and cooperative spirit of the American people.

Hundreds of thousands of men are now working on projects handled by the Public Work Administration and that number will soon be increased to several millions. It is necessary that we remember these projects will be almost entirely self-liquidating and the Government will lose nothing.

The Civilian Conservation Corps of the United States has placed more than a million young men to useful work in the forest areas of our country.

Surely the facts prove that this is not the program of a dictator, but of a savior for millions of suffering Americans and for the living dead who had lost faith in our land. No secret negotiations were entered into, no star-chamber gatherings were called for the purpose of exploiting our people. Instead our President has taken into his confidence the American people as a whole. Bravely and honestly he has seen fit to talk over in plain and understanding language through the medium of the radio the problems which confront the American people, and he has asked for their wholehearted cooperation in the solution which is certain to come about.

When Hoover went out of office on March 4, 1933, this Nation was on the brink of a revolution. It is too much to expect that the present administration can bring about any miracles. President Roosevelt; however, can and will continue to bring to this Nation forward-looking policies which already include national relief, bank reform, in which small depositors will be guaranteed; Civilian Conservation Corps; a sane and sensible inflation of our currency; relief for the home owner and the farm owner; the Muscle Shoals Act; our public-works program, and the National Recovery Act. America has struck its tents and once more is on the march led by a leader who, in the midst of all his triumphs, continues to work and smile; and because of the whole-hearted backing of the people of this Nation, we shall have a sustained prosperity and peace in the days that are ahead.

There is being considered in the House of Representatives at the present time a measure looking toward the security and welfare of the great bulk of our citizenry which provides for unemployment insurance and Federal old-age pensions.

It is highly significant that in a recent issue of Collier's, a conservative weekly, appeared an editorial, which says in part: "The most important fact in the history of labor during the last 12 months has been the great gain in employment. Business improvement has created more jobs. Many people have been excited and alarmed at the increased number of strikes during the year. There is no real occasion for concern. Strikes are a familiar experience during periods of recovery. At the bottom of a depression organized labor calls few strikes. Later, when there is more to be had, controversy naturally arises. The useful course is for labor and all other groups concerned now to work out a program and a policy to eliminate future need of emergency action. We can't see all of the future, but we know definitely that the unemployed in good times and bad must somehow be supported. If organized labor and organized employers give their best thought and energy to working out an American plan for unemployment insurance, such a plan could be established."

The plan and purpose of providing pensions for the aged is, as I conceive the facts, in full harmony with the Golden Rule laid down by the Master as a sound rule of human conduct. I am sure that there is no person who would wish to face old age burdened by the misery of poverty. We cannot truthfully say, in behalf of civilization, that it has produced a race of human beings who do unto others as if they were the others as long as we permit the old and decrepit people to be sentenced to poorhouses.

I do not believe that the Nazarene would condemn old people to a poorhouse. I believe that he would be shocked by the very thought of imprisonment for life in a poorhouse; therefore, I too, am shocked by the thought. We live in the richest country on this earth. We have an abundance of everything that human beings can use, both the necessities and the luxuries. We live in one Nation of this world where every form of freedom is given the greatest possible expression. And I say to you, my friends, that we have no right to enjoy these great blessings without a willingness to share them with aged people who, by the very nature of their physical beings, are not able to appropriate their share without our cooperation.

There is plenty in this world for all of us. We cannot take anything with us when we cross the Great Divide. Moreover, the riches which most people accumulate come as the result of some form of cooperation from others. It is a great blessing to possess riches, but it is a greater blessing to possess, also, a heart that is willing to use riches in behalf of those who are helpless.

The Man of Galilee said: "I was hungry and ye fed me, I was athirst and ye gave me drink, I was naked and ye clothed me; inasmuch as ye have done it unto the least of these, ye have done it also even unto me."

That is the rule of philosophy that should guide neighbor toward neighbor and friend toward friend.

I believe that that is the philosophy of life that accentuates the service of the man who today is the leader of these United States. Victor Hugo a long time ago wrote a significant sentence, in which

he said, "The smoothing out of rough places is the great policy of God." I believe that policy and I believe that this is the policy of the man who today is President of this Republic. It should be our delight also to aid those less fortunate than ourselves.

Tonight, ladies and gentlemen, we should be happy that we can have a part in the building of this Republic under the leadership of such an individual. We should be pleased to know that our services are called upon at this time when we are asked not to kill, but to give life anew; not to cripple, but heal; not to tear down, but to build up; not to have fear in our hearts, but to have faith in the institutions of America; and when we are asked not to walk the highways of this country and unjustly criticize, but rather to have confidence in our hearts.

At the Vatican at Rome in the Sistine Chapel there are 300 pictures all more than lifesize, and some are 15 feet long. These are the products of the hand of Michelangelo. For 23 months, day after day, week after week, he lay on his back in a cramped position bringing out his artistic soul in that wondrous masterpiece. This was done at arm's length and can be seen in lifesize by the people below. For days he never left his room. They sent up food to him with a string on a pail. When it was all over the old artist walked about the streets of Rome in a bent position with a crooked neck and his head over on one side. And he said, "My life is there on the ceiling of the Chapel of St. Sixtus."

Today the Master Artist sends out the call to every citizen that feels and understands to come into the spirit of Michelangelo and say, "I shall place a part of my life there at the altar of a struggling humanity."

Less than 3 months ago in Charles Town, W. Va., after I had spoken there during the campaign, I visited in the home of my friend Merle Alger. As we sat there in the modest living room of that American citizen, the door was open a little ways into a bedroom, and I saw his little daughter, 9 years old, kneeling at the bedside saying her prayers. I shall never forget her closing words. This is what she said: "And please, God, help President Roosevelt." I asked the mother and father if they had ever asked that little daughter of theirs to include that in her prayer, and they said they had never spoken to her about the President of the United States.

Tonight, ladies and gentlemen, something not only takes hold of the hearts of little children, but something takes hold of the hearts of men and women. We are asked not to pray alone, but to work in behalf of the further building of America under the leadership of a man who calls on us for cooperation that hovels shall become happy homes, that distress may be lightened, and additional security be given those who exist on the ragged edge of life.

THE FISCAL STATUS OF OUR GOVERNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio address delivered last evening by the Secretary of the Treasury on the financial condition of the country. I feel this is a very important document.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the speech delivered Sunday, April 14, 1935, at 7 p. m., by the Secretary of the Treasury, Henry Morgenthau, Jr., over a Nation-wide hook-up of the National Broadcasting Co. and Columbia Broadcasting System.

This address has been commended so highly by the press throughout the country this morning, and it is of such far-reaching importance to the business interests of our Nation that, with the express permission of the President of the United States and Mr. Morgenthau himself, I insert it in the RECORD herewith, as follows:

You will see in tomorrow morning's newspapers that the Treasury has called for redemption on the 15th of next October all of the fourth Liberty Loan bonds whose numbers end in 3 or 4. The last of the Liberty Loan bonds have now been called. And so in this seventeenth year after the armistice, these famous securities move from the realm of Government finance to the pages of history.

This administration has now called for redemption $8,000,000,000 worth of Liberty bonds. We did not have to call them; they were not due; it was good business sense that prompted our action. The bonds called today bear 4¼-percent interest while the average interest rate for all Government securities now outstanding is only 2.86.

It is impossible to estimate accurately how much we will save in interest on this new refunding because it has not yet been completed, but I can tell you how much we are saving on our previous $5,000,000,000 of refundings. In round numbers it amounts to $65,000,000 a year. If we do as well on the remainder, which seems to be a fair assumption, there will be an additional saving of $35,000,000 a year. That makes a total of $100,000,000 which will not have to be raised next year from the taxpayers.

Refinancing on this scale has the quality of high adventure. In England, when they undertook a similar operation to reduce debt charges, the Chancellor of the Exchequer felt called upon to ask that no new capital issues be offered during the period of the conversion, and that ban remained in effect 6 months. The operation was accompanied by appeals to patriotism; indeed, it resembled one of our war-time Liberty Loan campaigns. Here we have handled this same transaction so easily, and in such a commonplace manner, that many people have undoubtedly been unaware of its nature or significance.

But the benefits of this transaction do not end with the saving of $100,000,000 a year.

When we began our refinancing early in 1934 we faced a peculiar situation; there was plenty of money, and presumably it ought to have been cheap, but it wasn't. The bond market was stagnant, and prices were low. Scarcely any refunding was going on. There was a log jam in the capital market. The Federal Government took the initiative by refunding the first 5 billions of high-rate Liberty bonds into lower rate and longer bonds. In the 15 months between January 3, 1934, and April 3, 1935, the average price of representative municipal bonds rose 24 percent. High-grade railroad bonds rose 14.4 percent. Public-utilities bonds rose 12.1 percent. Industrial bonds rose 14.7 percent. These increases in the market value of bonds reflect the decrease in the cost of money.

The great importance of cheap money to improve business conditions is not generally realized. The great corporations came into the market to attend to their necessary financing. The financial pages of your newspapers reflect the impressive change in the dimensions of their operations. Let me give you the figures. During March 1934 the total volume of corporate refunding amounted to only 12½ million dollars, with no lowering in the interest rate. But during March of this year corporate refunding exceeded $112,000,000—or nine times as much as during the previous March. And the interest rate on the new issues this year shows an average decrease of almost 1½ percent, which meant a saving of more than 1½ million dollars. That is real refunding. It shows conclusively that the financial log jam has been broken.

These developments have a very definite meaning in your everyday life. They affect not only the taxpayer, but every stockholder, producer, consumer, and worker.

We are now just on the eve of seeing the substantial benefits of this fundamental change.

There is no longer any reason why capital should not flow normally into the arteries of business. In fact, with the splendid cooperation and wise guidance of the Federal Securities and Exchange Commission, it is doing so.

Although you may not have followed all this refinancing in detail, you have undoubtedly read headlines referring to the new-deal expenditures. Nobody denies that there have been expenditures—and large ones—but let us go into that subject realistically.

Soon after this administration came into office, March 4, 1933, the President submitted a comprehensive recovery program which the Congress approved. As the President clearly pointed out in his first Budget message in January 1934, that program called for an expenditure of $9,300,000,000 for the 2-year period ending June 30, 1935, above the estimated income. The deficit at the end of 21 months of that 2-year period was $6,300,000,000. With less than 3 months to go to complete the 2-year period, we are certain that expenditures will be $2,000,000,000 less than that original estimate.

Naturally you want to know what the Government got for its money. Emergency expenditures caused the deficit and here are the items: Loans made by the Reconstruction Finance Corporation, Public Works Administration, and various other governmental agencies, $1,700,000,000.

Public works, under which head I include the Boulder Dam, rivers and harbors, the Tennessee Valley Authority's projects, subsistence homesteads, and the vast program of Federal aid for good roads, $1,200,000,000.

The remaining $3,400,000,000 was expended for relief of American citizens in distress. This was the grand total for all forms of relief and includes even the $600,000,000 for the Civilian Conservation Corps, whose splendid work is worth every dollar of its cost.

In order to get the true picture it is important to remember that these expenditures are not loss or waste. We have acquired values for them. From the loans of $1,700,000,000 we may expect repayments in substantial amount which will go to reduce the public debt. The $1,200,000,000 for public works is invested in dams, roads, buildings, and other permanent improvements. These two items account for nearly half of the deficit.

The greatest single item of expenditure has been for relief. We have furnished food, shelter, clothing, and self-respect which comes of having a job—to millions who needed these things as never before. That item will continue to be the bulk of the real deficit.

Now, let's take up the public debt of the Federal Government. When this administration came into office the gross public debt was a little less than $21,000,000,000. As of March 31 this year it had increased in round numbers to $28,800,000,000, the largest in our history. Although there is no doubt anywhere about our credit being good—if it were not, we could not have refunded all of those Liberty bonds—some people raise a point about the cost for interest. But let us see how this cost at the present time compares with the cost in past years. The annual interest on today's debt amounts to $800,000,000. And you would naturally suppose, in view of the fact that the debt is the largest in our history, that the interest cost must also be the largest. But it is not.

We are carrying the greatest national debt in our history for less money than it cost back in 1925, when the national debt was smaller by $8,000,000,000.

Now, let's look ahead and see, first of all, what certainties the future holds. In July and August we know that we are going to retire $674,000,000 of interest-bearing Government securities. They are the Panama Canal bonds and United States consols that have already been called for redemption. The cash for that transaction is now in the Treasury.

Then we are going to finish the retirement of the Liberty bonds previously mentioned. For all practical purposes this gigantic operation will be out of the way when the time comes to raise the bulk of the money needed for the President's new work-relief program.

In his message submitting the Budget for 1936 to the present Congress the President said:

"If this Budget receives the approval of the Congress, the country will henceforth have the assurance that, with the single exception of emergency relief, every current expenditure of whatever nature will be fully covered by our estimates of current receipts. Such deficit as occurs will be due solely to emergency relief, and it may be expected to decline as rapidly as private industry is able to reemploy those who now are without work."

Since the President delivered that message new developments that would bear upon his forecast have been mostly favorable.

In looking ahead we are cheered by the fact that tax receipts for the first 9 months of the present fiscal year are $145,000,000 above the estimates.

On June 30, 1936, we should have, according to the Budget estimates, a national debt of $34,000,000,000, but those estimates did not take into account the retirement of the $674,000,000 of Government securities which I mentioned a moment ago.

The work-relief program, for which Congress recently appropriated $4,880,000,000, is scarcely started. In view of these two facts and our present comfortable margin within the Budget estimates, it is entirely possible that we shall find on June 30, 1936, a national debt of considerably less than thirty-four billions.

In conclusion, let us not forget a few central facts and figures. The new-deal expenditures are represented by money still right here at home. Some of it has been used to thaw out the frozen assets of banks for the benefit of depositors. Some of it is turning the wheels of industry. The greatest part of that portion which we shall not recover, in a material way, has been used to save human life, and to preserve the morale of our people.

Thank you and good night.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 34 minutes p. m.) the House adjourned to meet, in accordance with its previous order, tomorrow, Tuesday, April 16, 1935, at 11 o'clock.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Tuesday, Apr. 16, 10 a. m.)

Continuation of hearings on bill (H. R. 5530) amending the Oil and Gas Leasing Act.

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Tuesday, Apr. 16, 10:30 a. m.)

The Subcommittee on Public Health will continue hearings on smoke-control bills, room 345, old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

298. Under clause 2 of rule XXIV, a letter from the Secretary of the Treasury, transmitting draft of a proposed bill to authorize the President to attach certain possessions of the United States to Internal Revenue collection districts for the purpose of collecting processing taxes, was taken from the Speaker's table and referred to the Committee on Agriculture.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 7521) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DARDEN (by request): A bill (H. R. 7522) to authorize the erection of a United States Veterans' Administration hospital in the State of Virginia for colored veterans; to the Committee on World War Veterans' Legislation.

By Mr. DOXEY: A bill (H. R. 7523) to reduce interest rates on mortgage loans made by Federal land banks and by the Land Bank Commissioner, and on loans made by the Reconstruction Finance Corporation to drainage and similar districts; to the Committee on Agriculture.

By Mr. FERNANDEZ: A bill (H. R. 7524) to extend the benefits of the United States Public Health Service to certain seamen, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CARLSON: A bill (H. R. 7525) for the improvement of the Kansas River Watershed, beginning at Kansas City, to provide flood control and to encourage agricultural, industrial, and economic development; to the Committee on Flood Control.

By Mrs. NORTON: A bill (H. R. 7526) to amend the act approved February 20, 1931, Public, No. 703, Seventy-first Congress, entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters"; to the Committee on the District of Columbia.

By Mr. GEARHART: A bill (H. R. 7527) to repeal section 389 of the United States Code, being section 239 of the United States Criminal Code; to the Committee on the Judiciary.

By Mrs. KAHN: A bill (H. R. 7538) to provide advancement on the retired list of the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

By Mr. McSWAIN: Joint resolution (H. J. Res. 244) to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library"; to the Committee on Military Affairs.

By Mrs. GREENWAY: Joint resolution (H. J. Res. 245) to authorize the erection of additions to the existing Veterans' Administration facilities at Tucson, Ariz., and Whipple, Ariz.; to the Committee on World War Veterans' Legislation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 7528) for the relief of Mrs. Guy A. McConoha; to the Committee on Claims.

By Mr. BRUNNER: A bill (H. R. 7529) for the relief of Mariano Biondi; to the Committee on Claims.

By Mr. CANNON of Wisconsin: A bill (H. R. 7530) granting a pension to Hakon B. Duee; to the Committee on Pensions.

By Mr. CHRISTIANSON (by request): A bill (H. R. 7531) for the relief of Maj. Richard K. Smith; to the Committee on Military Affairs.

By Mr. JOHNSON of West Virginia: A bill (H. R. 7532) to authorize the appointment of First Sgt. Lyle E. White as a warrant officer, United States Army; to the Committee on Military Affairs.

By Mr. McLEOD: A bill (H. R. 7533) authorizing the Secretary of War to award a Distinguished Service Cross to James Bleha; to the Committee on Military Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7534) granting an increase of pension to William H. Whited; to the Committee on Pensions.

Also, a bill (H. R. 7535) for the relief of Frank Adrian; to the Committee on Military Affairs.

Also, a bill (H. R. 7536) granting a pension to Uriah J. Doneheu; to the Committee on Invalid Pensions.

By Mr. WOODRUM: A bill (H. R. 7537) for the relief of Venice La Prad; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7064. By Mr. BOYLAN: Resolution adopted by the executive committee of the Rhode Island Textile Association, relating to the cotton-processing tax, etc.; to the Committee on Agriculture.

7065. Also, resolution unanimously adopted at a meeting of the Independent Retail Tobacconists' Association of New York City, N. Y., favoring the continuance of the National Recovery Administration; to the Committee on Appropriations.

7066. Also, resolution of directors of American Rubber Products Corporation, New York City, N. Y., regarding the Smith bill (S. 1807) and the Jones bill (H. R. 5585), proposed amendments to the Agricultural Adjustment Act; to the Committee on Agriculture.

7067. By Mr. CITRON: Petition of the general assembly, submitting a resolution concerning damage to oyster beds in New Haven Harbor; to the Committee on the Merchant Marine and Fisheries.

7068. By Mr. DONDERO: Petition of the members of the Seventeenth District of the American Legion, State of Michigan, urging the approval and provision of an appropriation of sufficient money to build a Veterans' Administration hospital in Michigan of 500-bed capacity; to the Committee on World War Veterans' Legislation.

7069. By Mr. HEALEY: Resolution of the Governor of Massachusetts and Governor's council, representatives of the fishing and allied interests, and citizens of the Commonwealth of Massachusetts, relating to the matter of increasing fish as food, that the continued existence of the fishing industry requires the adoption of such tariff schedules and other limitations as will exclude the fish products of other countries where health, wage, and other standards are disregarded, thereby rendering it impossible for Americans to compete; to the Committee on the Merchant Marine and Fisheries.

7070. By Mr. HIGGINS of Massachusetts: Resolution adopted by Alma Mater Court, No. 114, Massachusetts Catholic Order of Foresters, protesting against the importation of Japanese-made goods that imperils the textile industry of Massachusetts; to the Committee on Ways and Means.

7071. Also, resolution of the Society of the Fifth Division, Veterans of the World War, favoring House bill 5252, purpose of which is to restore to Sgt. Samuel Woodfill his rank of captain, United States Army; to the Committee on Military Affairs.

7072. Also, resolution of Board of Aldermen of Chelsea, Mass., protesting against admission of Japanese-made goods; to the Committee on Ways and Means.

7073. By Mr. KENNEY: Resolution of the borough of Palisades Park, Bergen County, N. J., approving subject matter of financial relief of distressed municipalities; to the Committee on Appropriations.

7074. Also, petition of the executive committee of the Rhode Island Textile Association, requesting the Congress of the United States to institute action to abolish the Agricultural Adjustment Administration as being inequitably administered, ineffective in its activities, and an unwarranted and unjustified excess burden on the shoulders of American farmers and manufacturers; to the Committee on Agriculture.

7075. By Mr. KENNEDY of New York: Petition of the Legislature of the State of New York, requesting that consideration be given to the appeal made by the President of the Senate of Puerto Rico, the Honorable Rafael Martinez Nadal, and that the quota of sugar production in Puerto Rico be raised to 1,000,000 tons a year, so that that country might compete with foreign countries in the production of sugar for the bettering of the economic conditions in Puerto Rico; to the Committee on Ways and Means.

7076. By Mr. KING: Petition of the Legislature of the Territory of Hawaii, relating to accepting space in the Washington Monument at Washington alloted for a memorial stone from Hawaii; to the Committee on Public Buildings and Grounds.

7077. By Mr. McFARLANE: Petition of the Texas Legislature, requesting Members of the Senate and House of Representatives of the United States Congress to oppose the adoption of the Thomas bill and other similar bills; to the Committee on Interstate and Foreign Commerce.

7078. By Mr. McREYNOLDS: Two petitions containing the signatures and addresses of 196 citizens of Chattanooga, Tenn., asking favorable consideration of Congress of the extension of the National Recovery Administration; the Wagner labor disputes bill (S. 6288); the Connery bill (H. R. 6450), labor representation on codes; Connery Resolution No. 141, to prohibit use of Federal arms and supplies during strikes without authority from the Secretary of War; and the Byrns bill (S. 2039), to stop shipment of strike breakers over State lines during strikes; to the Committee on Labor.

7079. By Mr. MERRITT of New York: Resolution of the Association of Master Plumbers, Queensborough branch of the Greater New York Association, urging Congress to have the National Recovery Administration Code continued for at least 2 more years; to the Committee on Appropriations.

7080. Also, resolution of the New York State Code Authority for the Retail Tobacco Trade, 233 Broadway, New York, favoring the continuance of the National Industrial Recovery Act; to the Committee on Appropriations.

7081. Also, resolution of the Mutual Paper Box Manufacturers' Association of Central and Eastern New York, urging upon Congress to continue the National Industrial Recovery Act; to the Committee on Appropriations.

7082. Also, resolution of Anna Bores, of 656 Vanderbilt Avenue, and 325 additional residents of Brooklyn, appealing to Congress to defeat the Wagner labor-disputes bill; to the Committee on Labor.

7083. By Mr. MURDOCK: Resolution of the Utah Association of Master Craftsmen of the Building Industry, recommending the continuance of the National Recovery Administration and certain modifications of the National Industrial Recovery Act; to the Committee on Ways and Means.

7084. Also, resolution of the Cedarville National Farm Loan Association, requesting the passage of legislation to reduce interest on farm-credit loans; to the Committee on Agriculture.

7085. By Mr. PFEIFER: Petition of the American Rubber Products Corporation, New York City, concerning Senate bill 1807 and House bill 5585; to the Committee on Agriculture.

7086. Also, petition of the Merchants' Association of New York, concerning the economic security bill (S. 1130 and H. R. 7260); to the Committee on Ways and Means.

7087. Also, petition of Colonel A. L. Kline Camp, No. 99, Department of New York, United Spanish War Veterans, Brooklyn, N. Y., favoring the enactment of House bill 6995; to the Committee on Pensions.

7088. Also, petition of the New York State Code Authority for the Retail Tobacco Trade, New York City, concerning continuance of the National Recovery Administration; to the Committee on Appropriations.

7089. Also, petition of Anne Gurren, 184 Nassau Avenue, Brooklyn, N. Y., and 19 other residents of the Third Congressional District, New York, concerning the Lundeen bill (H. R. 2827); to the Committee on Labor.

7090. By Mr. ROGERS of Oklahoma: Petition of Sam C. Brown and numerous other citizens and residents of Savannah, Ga., urging immediate congressional action on House bill 2856, by Mr. ROGERS of Oklahoma, proposing to pension all citizens of the United States above the age of 55 years; to the Committee on Ways and Means.

7091. By Mr. RUDD: Petition of the New York Board of Trade, New York City, concerning the continuance of the National Recovery Administration; to the Committee on Appropriations.

7092. Also, petition of the New York State Code Authority for the Retail Tobacco Trade, New York City, concerning the continuance of the National Recovery Administration; to the Committee on Appropriations.

7093. By Mr. TRUAX: Petition of the International Union of United Brewery, Flour Cereal, and Soft Drink Workers of America, of St. Joseph, Mo., by their secretary, A. R. Hendricks, urging support of the Wagner-Connery labor relations bill (H. R. 1628) and the Black-Connery 30-hour-week bill (H. R. 7198); to the Committee on Labor.

7094. Also, petition of the Toledo Federation of Teachers, Local No. 250, by their secretary, George J. Hammersmith, Toledo, Ohio, realizing that the strengthening of section 7 (a) of the National Industrial Recovery Act is essential to the return of prosperity and also that there is a drastic need for an independent National Relations Board with power to enforce its decisions, and also asking support of the Wagner labor-relations bill; to the Committee on Labor.

7095. Also, petition of the Metal Polishers, Buffers, and Platers, Local Union No. 2, Toledo, Ohio, requesting support of any measure that has for its purpose the continuation and improvement of the National Industrial Recovery Act, as they believe that for the welfare of the Nation as a whole, and the workers in particular, the wages-and-hours provision of the National Recovery Act should be continued, though there are many points at which they should be improved; to the Committee on Labor.

7096. Also, petition of the Erambert-Case Camp, No. 77, United Spanish War Veterans, State Soldiers' Home, Sandusky, Ohio, by their adjutant, Harry Simmonds, urging support of House bill 6995, which has been substituted for House bill 100, as they know that under the economy act the Spanish-American War veteran has had to do a lot of suffering; to the Committee on Pensions.

7097. Also, petition of the Toledo (Ohio) Cloakmakers' Union, by their secretary, B. Rosencranz, favoring and urging support of House bill 7172, the Mead substitute bill, and House bill 6990, which provide for a 40-hour week for all postal employees; to the Committee on the Post Office and Post Roads.

7098. By Mr. WELCH: Assembly Joint Resolution No. 46 of the California Legislature, memorializing the President of the United States and Congress in connection with trans-Pacific air mail service; to the Committee on the Post Office and Post Roads.

7099. By the SPEAKER: Petition of the Interprofessional Association for Social Insurance; to the Committee on Labor.

7100. Also, petition of the National Council of the Muskogee Creek Nation; to the Committee on Indian Affairs.

SENATE

TUESDAY, APRIL 16, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of Monday, April 15, 1935, was dispensed with, and the Journal was approved.

THE LATE SENATOR JOHN J. BLAINE, OF WISCONSIN

Mr. LA FOLLETTE. Mr. President, 1 year ago today the late Senator John J. Blaine died at his home at Boscobel, Wis. The legislature of my State has passed a joint resolution reviewing his honorable and distinguished service both to the State of Wisconsin and to the Federal Government. I ask unanimous consent to have the resolution printed as a part of my remarks in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the resolution will be printed, as requested.

The resolution referred to is as follows:

Joint resolution relating to the life and public services of Senator John J. Blaine

Hon. John J. Blaine died April 16, 1934, at his home in Boscobel, Wis., leaving behind him a brilliant record of public achievement. There have been few men in the history of this State who have had a larger or more loyal following, and few men who have more truly merited such a following or more worthily filled the high offices which they occupied.

Mayor of Moscobel, member of the county board of Grant County, often a delegate to State and national conventions, State senator, attorney general, three times Governor of Wisconsin, United States Senator, and in the last year of his life director of the Reconstruction Finance Corporation—in public life for nearly 40 years—John Blaine contributed much to his community, State, and Nation. Every office that he held except the last was an elective one. To recount all of the many notable instances and measures in which Mr. Blaine had a leading part would practically amount to reviewing the entire history of this State in the present century and the national legislation for the 6 years he served in the United States Senate. On the day he began his term as State senator he attracted State-wide attention by challenging the large expenditures of the successful candidate for United States Senator in the preceding election. To that challenge this State owes its corrupt-practices act. As State senator he also served as a member of the interim committee which drafted the workmen's compensation act, and took a leading part in the enactment of the Wisconsin income-tax law.

As attorney general he successfully defended the constitutionality of the soldiers' bonus act. He was not technical as a lawyer, but made his legal principles rest on the broad foundations of the law.

John Blaine saw far ahead into the future. As Governor he gave Wisconsin an outstanding progressive administration, characterized by much legislation for the benefit of farmers and workmen. On his recommendation was enacted the first law outlawing filled milk enacted anywhere in the United States and which was subsequently copied verbatim by the Congress of the United States. It was also due to his initiative and energy as Governor that Wisconsin led her neighboring States in the matter of eradicating bovine tuberculosis, and thereby gained a strong foothold in the Chicago milk market.

During Governor Blaine's administration great progress was made in labor legislation. Under his leadership were enacted the old-age-pension law, the law regulating home work, the law providing for jury trial in contempt cases arising out of injunctions and labor disputes, the act legalizing picketing, the first law in this country regulating private detective agencies, the present minimum-wage law, the law regulating the hours of labor for women, the cab curtain law, and others.

During his administration were adopted the amendments to the constitution providing for home rule for cities and villages and the recall of elective public officials. There was enacted the first law in the Nation giving women equal rights with men in all respects and an act conferring upon counties the right of self-determination in all matters involving the joint expenditure of county and State funds. Governor Blaine was responsible for more than doubling the appropriation for capital expenditures at the State charitable and penal institutions and provided better schooling, housing, and educational facilities at the institutions for neglected, dependent, and delinquent children. It was during his administration that the Memorial Hospital was built and the soldiers' rehabilitation law passed. Never has Wisconsin had a Governor who did more for the betterment of the dependents and defectives of the State.

During Governor Blaine's administration inheritance taxes were doubled, the secrecy clause in the income-tax law was repealed, and the system of field audits was instituted which has made possible the collection of millions of dollars of back income taxes. With his recommendation the personal-property tax offset which canceled more than 40 percent of the income tax assessed was repealed and the additional revenue resulting thereby used to reduce property taxes. The State property tax for highway purposes was abandoned and in its place gasoline was taxed and motor-vehicle fees increased.

It was his record as Governor, made under great difficulties, which accounted for Governor Blaine's election to the United States Senate. As a Member of that body he was conscientious, able, influential. He was a hard fighter for what he believed to be right. He served on some of the most important committees and made a name for himself as an investigator, exposing single-handed the frauds in post-office leases, and played a prominent part in the investigations of the lobby and the stock exchange. He was one of the authors of the Federal anti-injunction law and blocked legalization of the Chicago water steal, strongly opposed branch banking, and criticized the national administration for extending relief only to great financial and industrial institutions.

His interests were universal and his labors tireless. With a buoyancy of spirit and youthfulness which characterized his entire life, he thoroughly enjoyed his arduous duties in the Senate and contributed much to its deliberations. He did his own thinking and voted as he deemed to be for the best interests of the country. In one term he established himself as one of the most useful Senators, and in his last session scored perhaps his greatest legislative victory when Congress adopted the Blaine resolution submitting the twenty-first amendment to repeal the eighteenth amendment to conventions in the several States.

As a director of the Reconstruction Finance Corporation, Mr. Blaine devoted himself to his task as whole-heartedly as he did to every other position he had held. To this work he devoted his entire energy. He kept completely out of the limelight, but he had his thumb on everything that the Corporation was doing and played a large part in deciding its policies.

Whether as Governor, Senator, or member of the Reconstruction Finance Corporation, John J. Blaine was a man of high ideals. He voiced his public sentiments in words of singular strength, clarity, and beauty. The following sentiments have been taken from some of his speeches:

"I refuse to permit designing, cunning, and scheming men to become engines of mischief in this State."

"I used all the constitutional and legal means at my disposal as Governor to preserve the constitutional guaranties of freedom of speech, freedom of press, and freedom of assembly."

"I fought back the forces of bigotry and intolerance that have divided the people of many States because of differences of religion and nationality."

"Criminal extortion and profiteering have become a menace to every housewife, making her heartsick in caring for her family. The principle of the law of usury should apply to the profiteers. Willful profiteers in the necessities of life, upon conviction of jury, should be jailed and their unlawful profits forfeited to the Commonwealth."

"The narrow and bigoted view of 'Americanism' recently proposed in our legislatures and promulgated in some educational circles is born of ignorance and intolerance."

"Education should be founded on the broad and liberal principles designed by the founders of our Government recognizing the various elements which have made this a strong and virile Nation."

"Extravagance does not mean progress—it spells ultimate failure and bankruptcy, defeat not victory, ruin not prosperity."

"I trust that any attempt that may be made to arouse personal animosity and jealousies to play the game of politics and to prolong the legislative sessions will be met by the prompt disapproval of the majority of this legislature."

Few Governors of a Commonwealth have possessed that great strength of English and vigorous marshalling of ideas exhibited by John J. Blaine in his numerous speeches.

Throughout his life the late Senator Blaine was something of a lone fighter. He was loyal to his friends and ever faithful to the causes in which he believed. He appreciated the necessity of teamwork to produce results, and was willing to compromise where principles were not at stake. He worked best alone, and made up his mind independently. Above all, he was a man of courage, never hesitating to follow his convictions regardless of consequences. Not once did he waver in his devotion to the progressive cause. One of his great gifts was his understanding of the temper of the people. He knew what the people wanted because he was one of them. His roots were among the people of Wisconsin, and he never thought of himself as having risen above them. He distinctly knew what was in the minds of the great mass of the common people, and to them he addressed all of his arguments and for them he expended all of his energies.

It is rare to find in a man, whose personality and character have so impressed themselves upon the history of a State, the humanitarian qualities with which John Blaine was so richly endowed. He had that precious thing, the common touch that made all men his friends. Those thousands who followed his leadership did not do so in awe of his high position but because of love for the warmth of the man and complete confidence in his integrity.

He enjoyed the daily routine of life; his hobby was the appreciation of simple things. He liked the outdoors, and often would go to Glen Park, Tower Hill, or other picturesque spots in Crawford County and cook a meal or two on the open fire. He took much pleasure in going on hunting or fishing trips with a few intimate friends to retreats he knew near Hancock or Park Falls. He enjoyed spending a week or so at the forestry headquarters on Trout Lake with Mrs. Blaine, tramping over the quiet and peaceful trails with a ranger as his guide. When the National Guard was encamped at Camp Douglas he liked to spend a week there, riding horseback and fraternizing with the men.

Although he was an ardent baseball and horse race fan, he never let those enjoyments interfere with his work. In fact, while he was in Washington, Senator Blaine never attended any of the many horse races outside that city, so intense was his sense of duty to his work.

Patience and perseverance were his strength; discouragement was a stranger to him.

He loved the companionship of his fellows and liked nothing better than to entertain his friends at his home in Boscobel. His home held a large place in his affections, and he always dreaded leaving it. He was happiest when he sat before a crackling fire in the fireplace with his family around him.

Senator Blaine died while still in the prime of life and far short of the Biblical three score and ten. His career was cut short, but the memory of his works will remain far beyond the lives of any now living. In honor of the memory of this great leader, whose life has enriched the lives of countless thousands: Be it

Resolved by the assembly (the senate concurring), That this resolution be spread upon the journals of both houses and that when both houses of the legislature adjourn on this day they adjourn in honor of this great son of Wisconsin; and be it further

Resolved, That duly attested copies of this resolution be sent to Mrs. John J. Blaine and to Mrs. Don M. Farris, daughter of the late Senator.

Mr. KING. Mr. President, in view of the statement made by the Senator from Wisconsin [Mr. LA FOLLETTE], I take this occasion to pay tribute to the late Senator Blaine who came to the Senate after a long political career which qualified him for important service in this body.

During his service in the Senate I had the pleasure of intimately associating with Senator Blaine upon a number of committees. He had served his State in various capacities, and had exhibited ability of a high order. As Governor of the State of Wisconsin he had demonstrated great executive capacity, and had contributed in many ways to the progress and development of his State. He had a profound knowledge of the law which enabled him, in his service in the Senate, to speak with authority when constitutional and other questions were involved.

By reason of his services in the Legislature of Wisconsin and as Governor, Senator Blaine brought to his work in the Senate a knowledge of legislative questions which enabled him to render most valuable services to our country. He was a member of the Judiciary Committee of the Senate, and the estimate in which he was held by the members of that committee is recorded in a letter which was addressed to the President of the United States on March 26, 1933. Though he was not of the political faith of the majority of the members of the committee, every Democrat upon the committee, as well as others who were available, joined in the letter referred to, signifying their regret at his departure from the committee, and their high regard for him as a man and as a public servant.

Mr. President, I believe this is an appropriate occasion to have inserted in the RECORD the letter referred to. I had the honor of presenting the letter to the President of the United States; and I am happy to add that the President, recognizing the ability and the splendid record of Senator Blaine, shortly thereafter appointed him a member of the Reconstruction Finance Corporation. His services upon this important Federal agency were all too short. While there, during his brief tenure, he served with marked ability, and won the confidence and esteem of his associates.

Mr. President, would the Senator from Wisconsin object to having inserted in the RECORD the letter to which I have referred?

Mr. LA FOLLETTE. Mr. President, on the contrary, I should be delighted to have that wonderful estimate of Senator Blaine's services by his colleagues on the Judiciary Committee incorporated in the RECORD of this day; and I thank the Senator from Utah for making the suggestion.

The VICE PRESIDENT. Without objection, the letter referred to by the Senator from Utah will be printed in the RECORD.

The letter is as follows:

WASHINGTON, D. C., *March 26, 1933.*

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The undersigned have been members of the Committee on the Judiciary of the Senate for a number of years and during such service had full opportunity to become acquainted with Senator John J. Blaine, who, during his service in the Senate, was a member of this important committee.

He was one of the most active and energetic members of the committee and discharged with courage and ability the responsibilities placed upon him. During his services many important measures, some of which he prepared and introduced, were considered by the committee and brought to the floor of the Senate and there debated and passed. His service in connection with these measures was outstanding, and demonstrated his great ability as a lawyer and as a legislator, and his profound knowledge of political and economic questions. He was also a member of other committees which reported important measures for the consideration of the Senate. He enjoyed the confidence and esteem of his associates upon the committee and impressed them with his honesty, integrity, and ability. He was eminently fair and impartial in the consideration of all questions before the committee, as well as before the Senate, and materially aided in the enactment of important legislation. He was an effective advocate of progressive measures and gave convincing proof of his knowledge of our Government and our political institutions. As a lawyer and student of public affairs and a patriotic public official, he endeared himself to his associates. Because of his fine character, his broad statesmanship, his industry, and outstanding qualities of leadership, he won the confidence and esteem of his associates; and they experienced a feeling of regret when he left the committee of the Senate.

The undersigned, because of their high regard for Senator Blaine, take the liberty of bringing his name to your attention for such consideration as you may deem proper in connection with Federal appointments.

Sincerely yours,

HENRY F. ASHURST.
WILLIAM H. KING.
HUBERT D. STEPHENS.
CLARENCE C. DILL.
SAM G. BRATTON.
HUGO L. BLACK.
MATTHEW M. NEELEY.
GEORGE W. NORRIS.
WILLIAM E. BORAH.
THOMAS D. SCHALL.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Costigan	La Follette	Robinson
Bachman	Couzens	Lewis	Russell
Bailey	Cutting	Logan	Schall
Bankhead	Dickinson	Lonergan	Schwellenbach
Barbour	Duffy	McGill	Sheppard
Barkley	Fletcher	McKellar	Smith
Bilbo	Frazier	McNary	Steiwer
Black	George	Metcalf	Thomas, Okla.
Borah	Gerry	Minton	Thomas, Utah
Bulkley	Gibson	Moore	Townsend
Bulow	Glass	Murphy	Trammell
Burke	Gore	Murray	Truman
Byrd	Guffey	Neely	Tydings
Byrnes	Hale	Norris	Vandenberg
Capper	Harrison	Nye	Van Nuys
Caraway	Hatch	O'Mahoney	Wagner
Carey	Hayden	Pittman	Wheeler
Clark	Johnson	Pope	White

Mr. AUSTIN. I announce that the Senator from South Dakota [Mr. NORBECK] and the Senator from Delaware [Mr. HASTINGS] are necessarily absent from the Senate, and that the Senator from Minnesota [Mr. SHIPSTEAD] is absent in attendance upon a funeral.

Mr. LEWIS. I rise to announce the absence of the Senator from Connecticut [Mr. MALONEY], the junior Senator from Louisiana [Mr. OVERTON], and the Senator from Ohio [Mr. DONAHEY], occasioned by illness, and the absence of the Senator from New Hampshire [Mr. BROWN], the senior Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], the Senator from Washington [Mr. BONE], my colleague the junior Senator from Illinois [Mr. DIETERICH], the senior Senator from Massachusetts [Mr. WALSH], the junior Senator from Massachusetts [Mr. COOLIDGE], and the Senator from Nevada [Mr. MCCARRAN], who are necessarily detained from the Senate. I ask that this announcement may remain through the day on the RECORD.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

COMPENSATION OF NON-INDIAN CLAIMANTS—PUEBLO LANDS BOARD

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report relative to non-Indian claimants who were found by the Pueblo Lands Board to have occupied and claimed land in good faith, but whose claims were not sustained and whose occupation was terminated under the act of June 7, 1924, which, with the accompanying papers, was referred to the Committee on Indian Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from Georgiana Arpin Buckley, of Wisconsin Rapids, Wis., transmitting an old-age home-insurance plan, which, with the accompanying paper, was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Kiwanis Club of Baltimore, Md., favoring the return of the frigate *Constellation* to Fort McHenry, Md., as a naval museum, which was referred to the Committee on Naval Affairs.

He also laid before the Senate petitions of several national committeewomen of the States of Kentucky and Virginia, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a memorial of sundry citizens of South Dakota, remonstrating against war and favoring the enactment of legislation to take the profits out of war, which was referred to the Special Committee on Investigation of Munitions Manufactures.

Mr. PITTMAN presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Mines and Mining:

Assembly joint resolution memorializing the President of the United States to initiate and carry into effect a movement, within his discretion, to furnish new employment in the mines of the United States

Whereas the return of seigniorage charges on the current production of silver to the producer thereof would greatly aid in the restoration of normal employment in the Western States: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, That the President of the United States be memorialized, in his discretion, to make such Executive order or promulgate, through the Treasury Department or any other Government agency that may be deemed proper to administer the provisions of any such order, to pay to the miners of silver in the United States the profits of the Government received from the production of silver in the form of seigniorage charges on their respective current productions of silver until such time as employment in the United States shall have reached a normal level, or until the domestic price of silver shall have reached $1.29 per ounce; and be it further

Resolved, That it is suggested for the consideration of the President in this respect that restrictions or regulations concerned with the disposal of said seigniorage may be subject to any or all of the following provisions: (1) That any miner of silver to whom said "seignoirage" charge is returned shall expend the entire amount of same for new employment wages, as follows: (a) The payment of wages to men employed on new underground development work; (b) the payment of wages for renovation and construction of plants and installation of equipment undertaken subsequent to the promulgation of the President's order. (2) That any producer of silver to whom the "seigniorage" charge is returned (in addition to the amount of the "seigniorage" to be spent for new employment wages, as outlined above) shall expend an amount equivalent to at least 50 percent of the amount of said "seigniorage" for labor, materials, equipment, power, and other ordinary expenses required in connection with said new development work, plant renovation and construction, and equipment installations undertaken and carried on subsequent to the effective date of the President's order; and be it further

Resolved, That the President of the United States is urgently requested to give to this resolution his best consideration; and be it further

Resolved, That copies of this resolution, with the request that it be adopted in substance by the other silver-producing States, be sent to the Governors thereof, with the request that in all those States in which the legislature is now or may soon convene that the Governor submit these resolutions to such legislatures for appropriate concurrent action thereon, and in all other cases the Governor is requested to express to the President of the United States such representation regarding the matter as may be proper and within the authority of such Governor; and be it further

Resolved, That properly certified copies of this resolution be sent to each of our Senators in the United States Senate and to our Representative in Congress, with the request that they and each of them use all honorable means to make such representation to the President of the United States as will tend to be in keeping with the desires expressed in this resolution.

Mr. TYDINGS presented the following resolution of the Senate of Puerto Rico, which was referred to the Committee on Territories and Insular Affairs:

I, Enrique González Mena, secretary of the Senate of Puerto Rico, do hereby certify that the following resolution was unanimously approved by the Senate of Puerto Rico on March 11, 1935:

"Resolution to request His Excellency the President of the United States, the Honorable Franklin Delano Roosevelt; the President of the Senate and the Speaker of the House of Representatives of the United States; the Chairman of the Committee on Territories and Insular Possessions of the Senate of the United States; the Chairman of the Committee on Insular Affairs of the House of Representatives of the United States; the Secretary of the Interior, the Honorable Harold L. Ickes; and the Resident Commissioner of Puerto Rico in Washington, the Honorable Santiago Iglesias, that approval be given to the legislation introduced in the Congress of the United States amending the Organic Act of Puerto Rico in the sense that the municipal bond issues to carry out self-liquidating projects be not charged against the borrowing capacity of the municipalities, and for other purposes

"Whereas a bill has been introduced in the Congress of the United States providing an amendment to the effect that the bond issues of the municipalities of Puerto Rico to carry out self-liquidating projects be not charged against their borrowing capacity; and

"Whereas such legislative measure, if definitely approved, would redound to the great benefit of the municipalities of Puerto Rico and would be of great use in improving the economic conditions thereof: Now, therefore, be it

"*Resolved by the Senate of Puerto Rico:*

"First. To request from His Excellency the President of the United States, the Honorable Franklin Delano Roosevelt; the President of the Senate and the Speaker of the House of Representatives of the United States; the Chairman of the Committee on Territories and

Insular Possessions of the Senate of the United States; the Chairman of the Committee on Insular Affairs of the House of Representatives of the United States; the Secretary of the Interior, the Honorable Harold L. Ickes; and the Resident Commissioner of Puerto Rico in Washington, the Honorable SANTIAGO IGLESIAS, the approval of the legislation introduced in the Congress of the United States amending the Organic Act of Puerto Rico in the sense that the bonds issued by the municipalities to carry out self-liquidating projects should not be charged against their borrowing capacity."

For transmittal to the honorable the Chairman of the Committee on Territories and Insular Possessions of the Senate of the United States, I have hereunto set my hand and caused to be affixed the seal of the Senate of Puerto Rico on this 12th day of March 1935.

[SEAL] ENRIQUE GONZÁLEZ MENA,
Secretary of the Senate.

Mr. TYDINGS also presented the petition of members of Snow Hill Council, No. 167, Junior Order United American Mechanics, of Snow Hill, Md., praying for the enactment of legislation to reduce immigration quotas, which was referred to the Committee on Immigration.

He also presented resolutions adopted by members of the St. James Holy Name Society, of Baltimore, and Santa Maria Council, No. 1733, Knights of Columbus, of Baltimore, in the State of Maryland, remonstrating against alleged religious persecutions in Mexico and favoring an investigation in the premises, which were referred to the Committee on Foreign Relations.

He also presented a memorial of sundry citizens of Baltimore, Md., remonstrating against alleged religious persecutions in Mexico and favoring the recall of the American Ambassador to that country, which was referred to the Committee on Foreign Relations.

He also presented the petitions of Joseph J. Green and Paul Young and sundry other citizens of Baltimore and vicinity, in the State of Maryland, praying for an amendment to pending old-age-pension legislation permitting employers to continue present annuity plans which are more favorable than those proposed, which were referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Baltimore, Md., remonstrating against the enactment of legislation providing for the payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented the memorial of members of the Seafood Dealers' Association of Baltimore, Md., remonstrating against extension of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of the State of Maryland, remonstrating against the enactment of legislation amending the Agricultural Adjustment Act, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by members of the Holy Name Society of St. Cecelia's Church, Walbrook, Baltimore, Md., remonstrating against the enactment of the so-called "Hastings birth-control bill" or any other similar legislation, which was referred to the Committee on the Judiciary.

CONSTRUCTION OF SCHOOLS IN BOROUGH OF QUEENS, N. Y.

Mr. WAGNER presented a resolution of the Parent-Teacher Association of Public School No. 140, Jamaica, N. Y., which was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

Whereas there is much unemployment in the borough of Queens, city of New York;

Whereas this unemployment can be relieved considerably by the immediate appropriation of P. W. A. funds for erecting and equipping much needed public schools in this borough;

Whereas we have eight senior high schools with a combined seating capacity of 27,003 and an enrollment, as of January 1935, of 43,676 pupils;

Whereas we have two vocational high schools with a combined seating capacity of 2,996 and an enrollment, as of March 1, 1935, of 2,506 part-time pupils and 2,134 full-time pupils: Be it

Resolved, That the Parent-Teacher Association of Public School 140, with an enrollment of 130 members, urge the immediate allocation of P. W. A. funds to New York City for the building of public elementary and high schools in the borough of Queens.

EXTENSION OF THE N. I. R. A.

Mr. WAGNER presented resolutions adopted by code authorities in New York City, N. Y., which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

NEW YORK STATE CODE AUTHORITY,
FOR THE RETAIL TOBACCO TRADE,
New York, N. Y., April 8, 1935.

Hon. ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.

DEAR SENATOR WAGNER: At a regular meeting of the Independent Retail Tobacconists' Association, held at the Hotel Edison on April 2, the following resolution was unanimously adopted:

"Whereas the National Industrial Recovery Act, by its elimination of predatory price cutting and unfair competition, has proved of inestimable benefit to the retailers of tobacco products; and

"Whereas were it not for the existence of this act many of the small retailers of tobacco products of the Nation could not have continued in their business: Be it

"*Resolved*, That the members of the I. R. T. A., consisting of 500 small tobacco retailers, are in favor of the continuance of this measure and plead for its extension."

Yours very truly,

ERIC CALAMIA.

CODE AUTHORITY,
INFANTS' AND CHILDREN'S WEAR INDUSTRY,
New York City.

The following resolution was duly authorized at a meeting of the Code Authority for the Infants' and Children's Wear Industry, held at its offices, 225 West Thirty-fourth Street, New York City, on Tuesday, April 9, 1935, at 8 p. m. o'clock:

"Whereas members of the infants' and children's wear industry were given an opportunity by a poll to give expression to their sentiments and desires with respect to the continuance of the N. R. A.; and

"Whereas the result of this poll overwhelmingly indicates that it is the wish and desire of the infants' and children's wear industry that N. R. A. be continued, with the minimum wages, maximum hours, abolition of child-labor provisions, and the fair-trade-practice provisions; and

"Whereas it is the desire of the Infants' and Children's Wear Code Authority, as representatives of the infants' and children's wear industry, to give public expression thereof: Now, therefore, be it

"*Resolved*, That the infants' and children's wear industry, having been under code jurisdiction for a period of 1 year, it is the consensus of opinion of this industry that sufficient value has been demonstrated to insure to it an opportunity by self-government of overcoming unfair competitive practices and destructive trade abuses, but that much more needs to be done to overcome shortcomings of code enforcement and compliance by the recalcitrant minority; be it further

"*Resolved*, That this industry places itself on record as approving the recommendation of the President of the United States that the National Industrial Recovery Act be extended for an additional period of 2 years, and it is its further conviction that to abandon the N. R. A. at this time and not to create legislation which will not only regulate wages, hours, and eliminate child labor but also establish fair trade practices would cause irreparable monetary injury to this industry; be it further

"*Resolved*, That copies of this resolution be sent to all Members of the House of Representatives and the Senate of the United States."

I, Max H. Zuckerman, executive secretary of the Infants' and Children's Wear Code Authority, do hereby certify that the above is a true copy of a resolution duly authorized at a meeting of the Infants' and Children's Wear Code Authority, held April 9, 1935.

MAX H. ZUCKERMAN.

Dated, New York, April 11, 1935.

REPORTS OF COMMITTEES

Mr. KING, from the Committee on the Judiciary, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1379. A bill to amend section 103 of the Code of Criminal Procedure for the Canal Zone and section 542 of the Code of Civil Procedure for the Canal Zone (Rept. No. 492);

S. 1380. A bill to regulate the defense of alibi in criminal cases (Rept. No. 493); and

S. 1383. A bill to amend an act entitled "An act to make persons charged with crimes and offenses competent witnesses in United States and territorial courts", approved March 16, 1878 (Rept. No. 494).

Mr. KING also, from the Committee on the Judiciary, to which was referred the bill (S. 1572) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended, reported it with amendments and submitted a report (No. 495) thereon.

Mr. ASHURST (for Mr. MCCARRAN), from the Committee on the Judiciary, to which was referred the bill (S. 2416) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved

July 1, 1898, and acts amendatory thereof and supplementary thereto, reported it with amendments and submitted a report (No. 498) thereon.

Mr. HATCH (for Mr. DIETERICH), from the Committee on the Judiciary, to which was referred the bill (S. 2453) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, reported it without amendment.

He also (for Mr. DIETERICH), from the same committee, to which was referred the bill (S. 2471) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, reported it with amendments and submitted a report (No 500) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 2467) for the retirement of William J. Stannard, leader of the United States Army Band, reported it without amendment and submitted a report (No. 496) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2292) for the relief of Emanuel Wallin, reported it with amendments and submitted a report (No. 497) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union, reported it with an amendment and submitted a report (No. 499) thereon.

FUNDS OF FEDERAL EMERGENCY RELIEF ADMINISTRATION

Mr. McKELLAR, from the Committee on Appropriations, to which was referred the resolution (S. Res. 115) relative to the distribution of funds placed under the administration of the Federal Emergency Relief Administration (submitted by Mr. COUZENS on the 8th instant), reported it with an amendment to the preamble.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAREY:

A bill (S. 2588) directing the issuance of patents to certain persons for homestead entries and for stock-raising homestead entries; to the Committee on Public Lands and Surveys.

By Mr. GEORGE:

A bill (S. 2589) to authorize the presentation of a Congressional Medal of Honor to Lewis Hazard; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 2590) for the relief of James E. McDonald; to the Committee on Claims.

By Mr. KING:

A bill (S. 2591) for the relief of Lyman C. Drake; and

A bill (S. 2592) to amend the act approved February 20, 1931 (Public, No. 703, 71st Cong.), entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters"; to the Committee on the District of Columbia.

By Mr. STEIWER:

A bill (S. 2593) to amend section 6 of title I of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, as amended; to the Committee on Finance.

By Mrs. CARAWAY:

A bill (S. 2594) for the relief of Felix D. Houck; to the Committee on Claims.

A bill (S. 2595) granting a pension to Minnie Clark; and

A bill (S. 2596) granting a pension to Edward H. Wolff; to the Committee on Pensions.

By Mr. PITTMAN:

A bill (S. 2597) for the relief of Irene de Bruyn Robbins; to the Committee on Foreign Relations.

By Mr. JOHNSON:

A bill (S. 2598) to extend the benefits of the United States Public Health Service to fishermen, trapmen, net tenders, and other persons subject to the laws relating to American seamen; to the Committee on Commerce.

A bill (S. 2599) for the relief of Elijah W. Leonard; to the Committee on Military Affairs.

A bill (S. 2600) for the relief of John T. Millan; to the Committee on Naval Affairs.

A bill (S. 2601) granting a pension to John O. Pelto; to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 2602) to provide equipment for Hardin Post, No. 8, American Legion of Montana, to be used in conducting military funerals at Custer Battlefield National Cemetery, and for other purposes; to the Committee on Military Affairs.

AMENDMENT TO ANTILYNCHING BILL

Mr. ROBINSON submitted an amendment intended to be proposed by him to the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching, which was ordered to lie on the table and to be printed.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

Mr. METCALF submitted an amendment intended to be proposed by him to the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF THE TAYLOR GRAZING ACT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (S. 2539) to amend sections 1, 8, and 15 of, and to add section 17 to, the act of June 28, 1934 (48 Stat. 1269), commonly known as the "Taylor Grazing Act", which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

AMENDMENT TO FARMERS' HOME CORPORATION BILL

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, which was ordered to lie on the table and to be printed.

COMMITTEE ON AIR COMMERCE AND CIVIL AVIATION

Mr. BYRD, Mr. ADAMS, and Mr. DICKINSON, jointly, submitted the following resolution (S. Res. 118), which was referred to the Committee on Rules:

Resolved, That rule XXV of the Standing Rules of the Senate be, and the same is hereby, amended by inserting on page 30, after the third line of paragraph 1, the following:

"Committee on Air Commerce and Civil Aviation, to consist of 12 Senators."

MYTHICAL MILLIONS—ADDRESS BY SENATOR BARKLEY

Mr. LEWIS. Mr. President, I tender a copy of a speech made by the able Senator from Kentucky [Mr. BARKLEY] over the radio, April 14, 1935, describing some of the financial proposals which now are presumed to be offered as relief for the present evil called poverty, and particularly as they relate to the pending financial measures before the Senate committees. I ask the privilege of having the address incorporated in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I shall discuss with you this evening some of the more fantastic remedies which are being proposed for the sudden solution of our present difficulties, and for their prevention for all time to come.

In looking into the merits of these so-called "remedies", it is well to remember that this is an old world in which we live; that from the beginning of human history men have thought, prayed, written, and fought over the right to life, liberty, and the pursuit of happiness; that from the beginning men have sought the means for the enlargement of life, of its opportunities, and its gratifications; that in all ages the questions of poverty and wealth, of good and evil, of right and wrong, of justice and injustice have engaged the thoughts of men in search of a solution; and that so far no sudden flash of genius has brought forth full-grown the one and only brand, blown in the bottle, which can assure us against the weaknesses of the flesh or the caprices of fortune.

Death itself is the only process by which all distinctions may be leveled, and we postpone that remedy as long as possible.

In the time at my disposal I can discuss only two of the nostrums which are now being advertised as a sort of twin assortment of Kickapoo Indian Salve, guaranteed to cure everything from which the body, the spirit, the mind, or the imagination can suffer.

I am sure the world would welcome some genuine potion which could translate us to a perpetual dreamland, where we might find refuge from all the sordid bedevilments which beset our feet on this earthly pathway which we are consigned to travel.

But there is no such potion and has never been.

OLD-AGE PENSIONS

First, let us examine the so-called "Townsend old-age-pension plan", said to have been conceived by Dr. F. E. Townsend, of somewhere in California.

I have no doubt that Dr. Townsend is a gentleman of kindly disposition and generous and gentle inclinations; and I assume that when he discovered or invented his pension proposal he thought he had unearthed the longed-for panacea for which the world had waited through all the centuries.

So thoroughly convinced was he of this that Members of Congress are receiving post cards on which in red letters appears a threat of defeat to all who do not rush to slake their thirst at the Townsend mirage of imaginary waters.

What is this Dr. Townsend's new discovery? The good doctor in his testimony before the committees of Congress boasted that he is not an economist. With this assertion we may all agree with safety.

The Townsend plan proposes that out of the Treasury of the United States a pension of $200 per month shall be paid to every resident of the United States who is 60 years of age and not in jail, provided each of them agrees to spend the entire sum during the month in which it is received. The pensioner is also required to cease all forms of work and loaf the balance of his or her life, except as they may be kept busy trying to find ways to spend the pension before the end of the month.

As proposed by Dr. Townsend, this $200 monthly pension is to take no account of need or circumstances. Henry Ford and John D. Rockefeller are to take their places in the line with those who have nothing, and draw down $200 per month, if they will just quit work.

Dives and Lazarus, Croesus, and the beggar at the well will find a common level. Dives and Croesus are required to spend Uncle Sam's $200 per month but not their own.

MYTHICAL MILLIONS

There are today approximately 11,000,000 people in the United States who are 60 years of age or older. If 10,000,000 of them draw this pension, it would cost $24,000,000,000, or twenty-four thousand million dollars per annum.

This would be more than one-half of the total income of all the people of the United States for 1934, and one-third of the total income of all the people for the peak year of 1929.

Ten million people constitute about 7 percent of our population. So that 7 percent of our people would draw out of the National Treasury more than the total income of the other 93 percent of the people upon the basis of our national income for 1934, in order to support this fabulous pension.

There are about 28,000,000 families in the United States today. The average income of these families is little more than $1,000 per annum. But in order to pay a pension of $24,000,000,000 per year to 7 percent of the people, these 28,000,000 families would be taxed more than $850 each per annum.

But in his testimony before the committees of Congress, Dr. Townsend stated that he was not interested in the cost.

According to the tables of mortality recognized in this country the average expectancy of life at the age of 60 years is 15 years. According to this expectancy it would take $360,000,000,000 to pay the pensions of those now 60 years old, taking no account of those who will reach 60 in the future.

It is difficult for the average mind to grasp the immensity of such figures. This is more than the total wealth of the United States at present by more than $100,000,000,000.

This plan compels all those who receive the pension to spend it during the month in which it is received. If they do not spend it all they do not get the pension for the following month and are taken from the rolls until they again qualify.

They are not required to spend it for things they need, or things that would be beneficial or of value. They may not need anything. But they must spend it any way. They must "blow it in" if they cannot get rid of it in any other way. They are not to be allowed to save any of it. They may spend it for "services" as well as "things."

They might hire their children, or relatives, or friends, or neighbors to do some nominal "service" in order to consume the whole $200 in each month. In order that the Government would know at the end of the month whether all the money had been expended and none of it buried, each pensioner would have to be constantly accompanied by a Government inspector, or all the neighbors would have to join the ancient and amalgamated order of snoopers.

Then all those under 60, who would be paying the cost, would be reporting to Uncle Sam on all those over 60, and those over 60 would be reporting on one another.

This process would undoubtedly absorb much of the present unemployment. But it would not help to produce the goods the pensioners would be required to buy nor the $24,000,000,000 with which each year they would be required to buy it.

This scheme requires the Secretary of the Treasury to deposit in some bank in the United States $200 each month to the credit of each pensioner.

The average annual income of the Government in normal times is about $3,000,000,000 from all sources. Even in abnormal times it is not over $4,000,000,000.

Yet this absurd proposal involves an expenditure equal to eight times the normal annual revenues of the United States Government.

PROPOSES PANACEA

But the Townsend panacea proposes to raise this vast annual outlay by levying a 2-percent sales or transactions tax on every transaction in the United States by which a dollar changes hands during the year.

Let us see what this will do to the American people. It is claimed that the dollars in circulation in the United States in 1934 turned over or revolved 34 times during the year, that in 1929 each dollar turned over 132 times, and that under the Townsend plan each dollar would turn over 528 times. Just why it would be 528 instead of 527 or 529 is not explained. But the advocates of this plan, at least those who are bold enough to claim that they understand it, assert that if 10,000,000 elderly people were required to spend $24,000,000,000 each year for something, then the demand for goods of one kind and another would be so great that each dollar would revolve exactly 528 times in each year.

In other words, each dollar would be so busy turning over each day of the year that every pocket in America would look like a bed of silvery ants in the hot seasons of the summer.

In order for this to occur four times as much business would have to be transacted each year as was ever transacted in the busiest year we have ever experienced in the whole history of the Nation.

If a 2-percent sales tax is collected on every dollar expended for any purpose in each year, then every dollar that turns over 34 times would involve a tax of 68 cents.

The dollar that revolved 132 times would be taxed $2.64; and if the dreams of the Townsend proposal should be realized, then for every dollar in circulation there would be a tax of $10.56 per annum.

EXORBITANT TAXATION

In other words, every farmer, every laborer, every professional man or woman, every teacher, in short, every consumer, in addition to all the taxes now being paid into National, State, and local treasuries, would be taxed an average of five or six times 2 percent on every article of luxury or necessity used during the year in any way that involved the spending of money.

If this scheme had no other defect, it would suffer from the fatal infirmity of not being able to work according to its plans and specifications. The dollar would not perform the miracles which are attributed to it under this paradise regained.

It has not done so in any country in which it has been tried.

In 1933 France, with a population of 42,000,000 people, collected $301,000,000 from a 2-percent transactions tax.

Germany, with a population of 69,000,000 people, collected $249,000,000 through a 2-percent transactions or sales tax.

In other words, on a 2-percent sales or transactions tax France collected $7 per capita and Germany collected $3 per capita in 1933.

There are in the United States approximately 130,000,000 people. If such a tax collection in this country ran as high as in France, it would raise only about $900,000,000, which is less than one twenty-fourth of the amount required to pay the annual pension.

If we collected twice as much as France in proportion to population, it would raise but $1,800,000,000 with which to pay $24,000,000,000.

In order to realize the required amount, we would have to collect 26 times as much per capita as France could collect on the same tax.

It is necessary only to state such a grotesque proposal to demonstrate its utter futility and impossibility.

In addition to all this, every person who produced anything for sale, or engaged in any business of selling anything, would be required to pay to the Government a license and secure a permit, the amount of the license to be fixed by the Secretary of the Treasury.

No farmer could sell a hog, a sheep, a chicken, a bushel of corn or wheat, a basket of potatoes, or a goose egg without obtaining a license so to do from Uncle Sam's Secretary of the Treasury.

No person engaged in the business of selling anything produced by another could engaged in that business without obtaining a permit under the Townsend dispensation.

We have been hearing much of regimentation during recent months. This would be a form of regimentation never conceived of by the most militant regimentor.

It is in behalf of such a fantastic and chimerical proposition that many well-meaning and honest people have been induced to join the organization set on foot by its original sponsor and to pay their modest sums as contributions to the cause.

The President and the Congress are now considering as a part of the economic-security bill a sound old-age pension plan.

While some of the States have enacted old-age pension laws, this is a new field of social legislation for the National Government. It is not a field which can be completely occupied at one step.

We must crawl and walk before we can run. We must build a solid foundation upon which we can expand in the years to come.

If we undertake at once to construct a fabric that will collapse of its own weight, we will retard indefinitely the progress we all hope to make toward a better social condition for all the people. However good or wise one may think he is, or others may think him to be, there is no greater enemy of mankind than he who holds before his fellows some fantastic or theoretical Utopia impossible of attainment anywhere on this earth.

DELUDING THE DESTITUTE

To delude the people is to betray them. No greater delusion has been fabricated out of the heart-rending extremities through which we have been passing than this Townsend prescription for the attainment of mythical millions.

I now come to the second of the visionary, political, intellectual, and economic hallucinations being vociferously and boisterously promulgated by the generous Don Quixote from Louisiana, Senator HUEY P. LONG.

He calls it the "share the wealth" decoction.

Whatever else depressions may do to the world, they offer periodical encouragement to those who would prey upon the misfortunes of the people by feeding to them unpalatable political and economic husks which have been passed from one generation of demagogues to another.

The pages of history are littered with the shattered hopes of countless millions whose dreams have turned to mockery before their eyes because seductive and alluring prospects, impossible of fulfillment, have enticed them into the quicksands of social, political, and economic vagaries which they trusted but could not understand.

I do not view lightly or with disdain the struggle, as old as the human race, to find a leveling process for the distinctions of wealth or power or social position. I do not scorn or despise the efforts which have been made through the ages to find some solvent for the elimination of the cruel differences which Nature has bequeathed to her children.

But there is no magic, and has never been, which can find a common denominator for the whole human race.

The creation and distribution of wealth have been subjects for study and suggestion by philosophers, moralists, and political economists in every age and clime and country.

Plato was not unmindful of it when he wrote of his Ideal Republic.

Aristophanes in one of his greatest comedies scoffed the effort to right all human wrongs by means of political reform.

The Master had to deal with it not only in His observation that "The poor we have with us always", but likewise when the rich young man came to Him with the question: "What shall I do to be saved?" to which Jesus replied, "Go and sell that thou hast, and give to the poor * * * and come follow me." And the story relates that the young man turned away sorrowfully, for he had great possessions.

In later days John Stuart Mill and Adam Smith devoted much of their lives to the study and solution of the problems of wealth. Numerous students and philosophers have in recent years overwhelmed us with divergent opinions upon this vexing problem.

In spite of all these labors of the mind and heart the question is yet unsolved. The wisest of men have found no means to bridge the yawning chasms of difference and division which have been set in the mental and physical make-up of man.

But Senator LONG tells us he has looked into the mystic crystal ball and found the vision of that universal system of liberty, equality, fraternity, which the French Revolution pronounced but never produced.

He calls it "share our wealth." But he has not told us by what method our "share" is to be "shared."

I have no disposition to indulge in personal abuse or vituperation in discussing this question. While I do not admire or approve the methods of Mr. LONG, while I abhor his unfairness and his apparent indifference to accurate statement when he is discussing others, and especially his grotesque references to and his malicious misrepresentations of the President of the United States, yet I harbor for him no personal animosity and can discuss his proposal without heat or personal rancor.

FUTILE HOPES

What is this great boon to humanity which the Senator from Louisiana has brought unbidden to our doors? What is this new astringent proposed by this new mystic healer for drawing together and holding the lose ends of all the financial and social wounds from which we suffer?

What is the nature of this unfailing support which our new chiropodist brings us for all the fallen arches of our economic system? What is this new rubbing process which our modern chiropractor holds out to soothe and strengthen the backbone of our social and moral structure?

He calls it "share our wealth." Whose wealth are we to share, and how are we to share it? The author of this plan has not taken us into his confidence as yet. He has not revealed to us the secret of its details, which are still locked within his own bosom. He tells us we are to "share" somebody's wealth, and that is sufficient.

It is not ours to ask him why.
It is but ours to do and die.

It is proposed by the author of this proposed plan, if it can be called a plan, to have the Government take from all those who have wealth all that they have above "three or four million dollars", in the form of a capital levy or capital tax, to be paid to the Government in cash or in kind, which means in cash or in the property itself which is taken.

It is proposed that with this surplus wealth or money or property so taken by the Government every family in America shall be given a home worth at least $5,000, in addition to an automobile and a radio. In this domestic set-up it should be remembered that by no means the least important item will be the radio; for through it the humblest citizen may enjoy the privilege of listening weekly (if not weakly) to the voice of the author of this great blessing which is to be his "share" of our wealth.

In his last speech on this subject, Senator LONG stated that this capital tax, to be paid in money or in property, would bring to the coffers of the Government $165,000,000,000 of wealth, $100,000,000,000 of which would be used to furnish homes worth $5,000 to all the people, and the remaining $65,000,000,000 would be used to build more and greater colleges and universities for the education of the people.

OTHER PEOPLE'S MONEY

I desire to emphasize the fact that the author of this plan has introduced no bill in Congress containing the merest suggestion as to how all this is to be done. He has not told us what shall be the standard by which such a program shall be brought about. He has not told us through what agency of the Government, or what personality, or what group, or under what rules or regulations we are to be assured that all of us will have such a home, such an automobile, or such a radio as that which he is holding in wait for us.

We are told that hereafter no person will be allowed to own more than three or four million dollars. But we have not yet been advised whether it is to be three million or four million or whether the scale will dangle somewhere midway between the three and the four million mark which at present constitutes the flexible maximum.

It is true that the Government has the power to levy taxes upon all the people for the support of the Government. It is true that the Government can levy those taxes in many forms. But there is a limitation upon the power of the Government to take property for public purposes without due process of law and without due compensation.

In his speech a few weeks ago undertaking to describe his "share the wealth" plan, Senator LONG gave the Ford Motor Co. and the Standard Oil Co. of the Rockefellers as examples of what this scheme would produce.

He assumed that the Ford Motor Co., owned by Henry and Edsel Ford chiefly, is worth $2,000,000,000, and that he would take from Henry or Edsel Ford all but three or four million dollars. In order to be generous, let us suggest that Henry Ford would be allowed to keep $4,000,000 of the present value of the Ford industry and that his son, Edsel, would keep four million for himself.

That would leave $1,992,000,000 which Uncle Sam would take, either in cash or in property. If the Fords were able to pay this governmental confiscation in cash, they would have to get possession of more than one-third of all the money now in circulation in order to pay the capital-levy tax into the Treasury. This would be manifestly impossible.

Not being able to pay the tax to the Treasury in money, the Treasury would presumably take over the ownership, possession, and operation of all the Ford Motor Co. plants and interests, except the two allocations of four million each to the two Fords. If the Government took over the Ford industry, then the Fords would become minority stockholders in an industry in which they would own but a small interest.

GOVERNMENT OWNERSHIP?

What would the Government do with this property? How would it be divided among the people? If under the Constitution the Government should be required to give due compensation for "property taken for public use" by paying for it, where would the Government obtain so vast a sum? And if under the Constitution the Government should be required to pay adequate compensation for all the property it took in cases where the owner could not pay the tax in money, then where would the Government get the incredulous outlay involved in taking over all this property in order that we might thus "share our wealth"?

In 1929 it was estimated that the total wealth of the United States and all the people therein amounted to $360,000,000,000. The author of the "share the wealth" plan proposes to leave $100,000,000,000 worth of property in the hands of the present owners, and then divide the rest among us. But in 1934 the total wealth of the people of the United States was estimated to amount to only $247,000,000,000. Therefore if $100,000,000,000 should be left with present owners, there would only be about $147,000,000,000 to divide among the rest of us.

But these figures are purely imaginary. No one knows today what the wealth of this Nation is. No one knows how much any man or woman is worth today, when all indebtedness, public and private, is deducted from the estimated value of all property in the Nation.

This proposed plan is to allow every person who is worth $4,000,000 keep what he or she has.

How many people are there today in the United States who own more than $4,000,000 worth of property? And what was the aggregate value of all property above $4,000,000 owned by those who owned that much in this Nation?

BUDGETING WITH BUBBLES

There are no absolutely accurate figures available showing the number of persons who possess wealth in excess of $4,000,000.

But from the most reliable sources available it is estimated that in 1929 there were 1,700 people in the United States who possessed wealth in excess of $4,000,000. The total wealth of these persons for that year was estimated at $20,000,000,000. Their total aggregate wealth in excess of $4,000,000 each was estimated at $13,200,000,000.

In 1932 it was estimated that there were 880 people in the United States who possessed wealth in excess of $4,000,000. Their total aggregate wealth in excess of $4,000,000 each was estimated at $5,480,000,000.

Thus, it will be seen that if the Government, according to the "share-the-wealth" plan could confiscate all the property in this country in excess of $4,000,000 each for those who possess that amount and divide it among the rest of us, the amount so confiscated and divided would be only about $5,500,000,000, which is but little more than the $4,800,000,000 recently appropriated by Congress for work relief and for relief during the coming year.

The author of the "share-the-wealth" plan proposes to allow no person to receive an income of more than $1,000,000 per annum in the United States, and it is suggested that this limitation will be a great boon to those of us who are to "share the wealth" of the Nation under this program.

I am not contending that any man ought to receive more than $1,000,000 per annum in this country, whatever his occupation or station may be. And it is difficult to see how any man who is to be allowed to keep only $4,000,000 of what he has can make more than $1,000,000 or even $1,000,000 as income in 1 year.

But let us suppose that this limitation on income is imposed. What will be the result, and how much wealth could the average man in America "share" as a result of the operation?

The largest number of persons who ever earned more than $1,000,000 per annum was in 1929. During that year, according to the reports of the Treasury Department, there were 513 persons whose income exceeded $1,000,000.

In 1930 there were 150, in 1931 there were 77, and in 1932 there were 20, and in 1933 there were 46.

Now I am wondering, and I suppose you are wondering, what effect it would have on the rest of us in this country—the rest of the 130,000,000 of our people—to have 20 people, or 46 people, or 150 people, or even 513 people, divide among the rest the excess of their income above $1,000,000 per annum? How many homes could we pass around among the people at that rate? How many automobiles could we buy or how many radios could grace our living rooms? How could any honest or sincere man conclude that out of this surplus a sum sufficiently large would be garnered to guarantee to every man in the Nation an annual income of net less than $2,500?

WHIMSICAL PIPE DREAMS

It has been asserted over and over again by the author of this whimsical pipe dream that before his election, and since his election, President Roosevelt committed himself to this silly and impossible remedy for our economic ills.

President Roosevelt believes, as all sensible men must believe, that there has been, and is, too great a concentration of wealth in this Nation for the wholesome development of our highest ideals of justice and equity. I believe that, more than any other man who has ever occupied the high station which he now holds, he has sought to bring about conditions in this Nation under which every man and every woman may enjoy more of the fruits of their toil, more of the fruits of Nature's bounty, more of leisure for mental and bodily relaxation, and more of the spiritual raptures which flow from a feeling of independence and self-respect.

But the President believes, as all sincere and honest servants of the people must believe, that the attainment of such an ideal is not an overnight operation but it must come in an orderly fashion under a Constitution which we all respect and under whose flexible warrants we seek the orderly and progressive solution of the great problems of our national life.

If anybody believes that the Government of the United States could take possession of practically all the property in the United States for the purpose of division or for the purpose of operation, that person is grossly mistaken as to the functions or powers of the Government.

While we all admit that not only in our Nation, but throughout the world and throughout all history, wealth has gravitated into the possession of vastly too small a proportion of the people, the remedy does not lie in taking by wholesale and by force the possessions of those who have and dividing them among those who have not. If such a division could be effected every Monday morning, in all probability by the following Saturday night the same people would have it who have it tonight.

To hold out such a hope to distressed and deluded people is to hold before them the sham instead of the substance. The fruit of such misguidance is bitter disillusionment and blasted hopes.

The first political speech I ever heard, as a boy in knee trousers, was in 1897. The speaker told us how a small portion of the people owned nearly all the wealth of the country and assured us if he could be elected to public office we who had nothing would obtain our "share" of the Nation's wealth. The people elected him to the office he sought. As an immature schoolboy, the speaker impressed me. But my "share" in the Nation's holdings has not materially increased from that day to this. Neither will my "share" nor your "share" increase under the program of futility and impossibility contained in this new vision of a new cornucopia presented by this new Jupiter to his new goat or goats Amalthaea.

It has been said that the devil can quote Scripture for his own purpose. Inasmuch as he has been engaged in this practice recently, may I, without assuming any of the attributes of his satanic majesty, quote the twelfth verse of the Forty-fourth Psalm:

"Thou sellest thy people for naught, and dost not increase thy wealth by their price."

THOMAS JEFFERSON—ADDRESS BY SENATOR SCHWELLENBACH

Mr. MURRAY. Mr. President, I ask that there be printed in the RECORD an address on Thomas Jefferson, delivered on April 13, 1935, by the Senator from Washington [Mr. SCHWELLENBACH] before the Jeffersonian Club of Waterbury, Conn.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THOMAS JEFFERSON, THE FOUNDER OF THE UNIVERSITY OF VIRGINIA

The selection by Thomas Jefferson of the legend for his gravestone, in which he mentioned his authorship of the Declaration of Independence, the Statute of Virginia for Religious Freedom, and the founding by him of the University of Virginia, has been the subject of continuous historical comment and discussion. The omission therefrom of his occupancy of the Presidency of the United States is significant, and it has been critically commented upon by many historical writers. To my mind this omission was due to the recognition by Jefferson of the fact that the occupancy of high office is not in itself of particular importance. The opportunity to create institutions or to enunciate political ideals is of inestimably greater importance. Through his authorship of these two documents Jefferson builded our democratic structure; by the founding of the University of Virginia, he made possible the successful functioning of that structure.

We are prone to misjudge the spirit of the time in which Jefferson lived. We assume that democracy was accepted spontaneously and well-nigh unanimously by the colonial people. In fact the contrary was true. The background of centuries of oligarchic rule had so firmly ingrained in the minds of the people the belief in its necessity that democracy was viewed with suspicion and distrust. The leaders of that day did not believe that the people were capable of ruling themselves. Almost alone stood Jefferson in this belief. He had confidence in the people. He knew that while they might make mistakes, and that while an oligarchy might function more effectively during short periods of time, nevertheless, the people were more capable of guaranteeing to themselves fair and just decisions on their problems than could be secured by the more efficient, but less responsible oligarchic government.

Jefferson, however, was not deceived as to the dangers with which a democracy would be confronted. He recognized that to continue its successful existence a democracy required leadership. He knew that that leadership must possess three outstanding qualifications. First, it must be capable. The problems of government are intricate—they are not easy of solution. Incompetency has done more to retard democratic progress than any other single factor. Second, it must be honest. Under democracy there is entrusted by the people to those whom they have chosen, the most sacred of human treasures; the confidence of the people in the institutions they have created. The betrayal of the people by those who have assumed this trust is the most dastardly of all crimes. Third, that leadership must be understanding. It must have a heart. It must by its experience know of the suffering and the hardships and privations necessary that democratic government might exist. Jefferson believed the best safeguard for a democracy to be a capable, honest, understanding leadership springing from the common people.

In order that American democracy might have this leadership, the University of Virginia was founded. Jefferson created the system of State-supported universities. He knew that through them could best be secured that understanding of the intricacies of governmental problems that was required. He knew that while training does not of itself insure honesty, that on the other hand, incompetency does breed dishonesty. He wanted leadership not merely from the rich and well born, because he doubted the ability of such leadership to fully comprehend the needs of a great people. To my mind the creation of the American system of public universities was Jefferson's outstanding accomplishment.

Why was Jefferson so determined in his effort to protect and preserve the governmental institution he helped to create? Because he knew of the age-old effort of mankind to raise itself to a standard by which it could be reasonably sure of peace, contentment, and happiness. He knew that every page of history was besmirched and defiled by the story of the effort upon the part of the few to deprive the great mass of the people of this assurance. He knew that from earliest time tribal chiefs, kings, emperors, and feudal lords crushed, destroyed, ruined, and killed that this aspiration upon the part of the people might not be consummated. The greed and lust of the few for wealth and power had delayed the attainment of this ambition throughout the centuries. Jefferson knew that oligarchies in any form were fundamentally opposed to human rights and human liberties, so he dedicated his life to the task of creating a new government under which oligarchy could not long exist.

We meet here tonight to commemorate the birthday of this man. We take a peculiar pride in the fact that as part of his activities he founded the political party to the maintenance and success of which we have pledged the fealty of our own political interest. But it will avail us nothing if we are satisfied to bask in the sunlight of his accomplishments. We could do no greater honor to

the memory of Thomas Jefferson than to study his teachings that we might apply their principles to present-day problems.

I read the other day a critical comment in one of the papers indicating that the efforts of the present national administration would not be to the liking of Thomas Jefferson. It sarcastically inferred that we have strayed far from his teachings, and that, should he return, he would be most ardent in his opposition. Personally, I have no such misgivings. The life of Jefferson, his writing and his utterances show that his most striking attributes were a hatred of oligarchy, a distrust of privilege, and violent opposition to corruption. I am convinced that Jefferson would realize today that in the course of a century and a quarter, despite the form of democratic government which he created, the industrial and financial interests of this country had built up an oligarchy just as powerful, just as lustful, just as corrupt, and just as inconsiderate of the rights of the people as any Jefferson gave his life work to destroy.

What king, emperor, or feudal baron ever possessed more power over the destinies of a people than did the Morgans and Mellons, or their kind, during the antedepression period? What monarch ever so thoroughly dominated governmental action than did those financial barons during the last decade? What ambitious chief ever perpetrated a more Judas-like betrayal of his tribe than did the American captains of finance, who in the 1920's succeeded in exchanging financial history's most worthless securities for the American people's hard-earned dollars? What autocrat ever evidenced a more callous disregard for the welfare of his helpless and starving slaves than did the leaders of the last administration exhibit toward the millions of unemployed Americans? What more blatant dishonesty has history ever known than was rampant during the saturnalia of corruption from Harding to Hoover? Do you think that Thomas Jefferson would have approved of this regime? Can you conceive of his opposing the efforts of any sincere leader who was trying to prevent its repetition?

The American people have suffered in these last few years; millions have been turned from their jobs into the paths of unemployment; millions have been robbed of their life savings, millions have had their self-respect well-nigh destroyed by being compelled to accept Government aid.

America's financial, industrial, and economic life reached its lowest point on the morning of March 4, 1933. The efforts of the last 2 years, however, bring new hope. The dark clouds of depression have parted, and between them we can see the bright sunlight of a returning prosperity, but as is always the case after the clearing of the storm, those who were most frightened, those who were most helpless, and those who were most abject and lacking in qualities of leadership are now bursting forth bravely in the sunlight, criticizing and carping and attempting to advise as to what should be done.

We should be increasingly conscious of the fact that fundamentally this next 12 months will be the most vital part of the recovery period. We are being constantly reminded that the emergency has passed, and we are being bombarded with the siren call to return to the "good old days." Unless all the suffering and hardship of the last 5 years is to be in vain, we must disregard that call and recognize that the mandate of the electorate in the referendum of 1932 was not merely for recovery, but for a permanent guarantee that never again shall the American people know anguish, want, and suffering.

Outstanding in the criticism is the charge that those reforms of a permanent nature that have been effected are radical. What a favorite has been this term? It has been used by every individual, group, or class which at any time opposed the march of progress. The term radical reform was the argument against the adoption of the Australian ballot. The direct election of the United States Senators was characterized by this opprobrium.

We were told that the use of the right to recall corrupt officials would wreck our system of government because the purpose was radical. Or, if we would go back further into history, we might be reminded that the crime of which Christ was convicted and for which he was crucified was in its final analysis the teaching of a then radical doctrine. Can it be expected that civilization, which has perfected new devices, new methods, and new structures for the operation of every other kind of business, is going to be satisfied with the maintenance of a status quo condition, so far as its machinery of government is concerned? Throughout the weary centuries of the past and into the unknown centuries of the world's great hereafter, divine destiny has set the foot of man toward an ever-receding horizon of perfection. Urged on by this great and noble destiny and inspired by their own history, the American people have taken high resolve to turn both the problems of the present and the possibilities of the future into great opportunities, and from this resolve they are not likely to be turned aside by the silly and outworn cry of radicalism.

The second method of attack is to charge that the Government's recovery measures destroy the American citizen's opportunity for individual advancement. In the first place, American individualism is a snare and delusion. It developed in the last few years to mean not an equality of opportunity, but an unlicensed and unbridled privilege upon the part of the few to cheat and destroy at the expense of the great mass of the people. Who can say that in a nation where 4 percent of the population had 85 percent of the wealth that the term "individualism" or the term "equality of opportunity" had any real meaning?

Some opponents complain that the policies of the present national administration are endangering our economic system. They forget that this economic system had practically ceased to function before the end of the Hoover administration. The purpose of an economic system is to serve human needs. To the extent that it can perform this service it is good or bad. We would be inconsistent with the teachings of Jefferson and not in agreement with Jackson or Lincoln should we maintain that an economic order should not be changed, if the interests of the people so require. Personally, I believe that the policies of the present administration carried to their logical conclusion will restore this economic system to usefulness. I am firmly convinced, however, that unless fundamental and far-reaching changes are made, that within a few years we will experience a depression so devastating that the system the President today is attempting to preserve cannot possibly avoid destruction.

Call it what you may, America's economic system must be placed upon a basis under which an opportunity of employment is given to all who desire employment. The right to have gainful and productive employment is inseparable from the right of life, liberty, and the pursuit of happiness, which is the foundation of our Nation. There can be neither stability of government, of economic order, or security of lives and property when millions of people live in want and idleness because of forced unemployment.

While employment of all of our people is the first and most vital necessity, it is of equal importance that they be protected as consumers because the capacity of the people to buy will be the eventual gages of production and employment, and no economic system can last capable of enormous production that creates bothersome surpluses that because of low incomes or high prices the people are unable to buy and consume.

Almost as important as employment and purchasing power is the control of the medium of exchange and credit that the people use for the purchase of commodities and the transaction of business. This control cannot safely remain in the hands of a small and selfish group who think only of their own personal fortune.

Thoughtful individuals in this country must recognize that in a majority of the nations of Europe fundamental political and economic changes have been effected. Of the 583,000,000 people in Europe, 447,000,000 live under absolute or partial dictatorship. The people of these nations have faced their problems and have sacrificed their liberties in order to relieve themselves of the economic suffering they have undergone. We, in America, after 5 years of a horrible depression, cannot blind our eyes to the possibility of a similar fate overtaking us.

Throughout the ages mankind has sought to reach two goals. The first of these is political liberty. The second is economic security. From earliest time man has sought the right of freedom of thought, freedom of speech, and freedom of action. We in this country were particularly fortunate to have acquired those rights at the time of the formation of our Government. Political liberty was acquired and has been maintained for us through the bloodshed and death of thousands of our patriots. For over 300 years men and women have sacrificed themselves in order that this institution of free government under which we live might be established and maintained. It is the most precious thing in our national life. It cannot be abandoned. It must not be impaired.

Unfortunately, however, we have always had many people who had the false belief that political liberty was an end in itself. With this conclusion I cannot agree. Without detracting one whit from its importance; without relinquishing to the slightest degree the respect in which it must be held, I must, nevertheless, conclude that the importance of political liberty lies in the opportunity it gives to its possessors to acquire that second goal of mankind, economic security. I do not feel that the right to vote and the right to participate in government, the right to speak, or any other of the political liberties which I cherish, are of particular importance to me if in their enjoyment I and my family are compelled to starve. The security of a home, the security of employment, the security for the future are the all-important things to be gained through the medium of political liberty.

In man's effort to acquire economic security he has met with the opposition of two forces: First, the force of nature, which has placed in his way every possible obstacle and impediment. The specter of famine and starvation has always haunted the human race. Man's problem has always been that of production. he has been faced with the almost insurmountable task of producing enough to supply food for the hungry mouths, clothes for the bodies, and shelter for the families of the teeming millions of the world. Man has conquered this opposition. The technological advancement of the last few years has enabled him to have reasonable assurance that in the future he will be faced with ever-increasing surpluses of the world's goods. From this point on the problem becomes one of distribution of those goods.

Man's second opposition in his effort to acquire economic security comes from a human source. The forces of selfishness, avarice, and greed have always opposed man's desire to reach this goal. That small percentage of the world's population which believes that it is entitled to the privilege of controlling the destinies of its fellowman has always obstructed every effort upon the part of mankind to advance and to progress. Peoples have been enslaved, governments have been prostituted, public officials have been corrupted, natural resources have been exploited, money and credit have been converted from a medium of exchange into a medium of control, all to the end that special privilege might prevail. The irony of the present situation is that today, having conquered the opposition of nature, having progressed to a point where he can produce all of those things necessary for maintenance, comfort, and happiness, man finds the instrumentality of distribution still under dominance and control of this privileged

class. In its effort to rob mankind of the fruits of its victory, the privileged class is taking advantage of the very surpluses which mankind is today able to produce, to prevent the reaching of the goal of economic security.

Finding ourselves in this situation, the all-important problem confronting the American people is whether or not they will acquire economic security under the medium of our present political system or whether they will turn like the peoples of Europe to the path of dictatorship. The insatiable desire of our people for economic security will not be denied. The people will not permit themselves to be robbed of this victory. The danger ahead lies in the possibility that in their desire to insure that security, they will be lead to abandon the political liberties which they have so dearly acquired.

In this period of crisis the Democratic Party has assumed responsibility of government. The accession to power by a political party involves not merely the opportunity of acquiring political offices but also the duty of effectively facing the problems confronting those offices. The Democratic Party must give to the Nation an administration that is efficient, honest, and understanding. We must choose carefully our leaders. We must require of them strict adherence to this principle. We must appreciate that mere recovery of prosperity will not suffice. We enter into the dawn of a new era. The glorious opportunity to extend to the American people the hope that the future holds in store for them a reasonable degree of economic security is ours. Whether it shall be called a "new deal" or "new freedom", or by any other phrase, the time has arrived when the Government must assume the responsibility for the protection of the people in their right to comfort, security, and prosperity. The Democratic Party is today having its chance. It must not fail. It must bring to the people of America the sweet assurance of another springtime of opportunity.

THE SILVER PURCHASE ACT—LETTER OF SENATOR M'CARRAN

Mr. MURRAY. Mr. President, I ask that there be printed in the RECORD a copy of a letter dated April 16, 1935, written by the Senator from Nevada [Mr. MCCARRAN], containing a very interesting discussion of the Silver Purchase Act.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., April 16, 1935.

Hon. HENRY MORGENTHAU, Jr.,
Secretary of the Treasury, Washington, D. C.

MY DEAR SECRETARY: I have your letter of April 11 in reply to that of mine of April 4.

May I distinguish the expressed purpose of the Silver Purchase Act from its acknowledgedly true purpose?

The expressed purpose of the silver program is to improve the monetary system of the country and, more specifically, to increase the proportion of silver in the metallic reserves back of our paper currency. I agree that this is the purpose explicitly stated in the President's message and formally declared in the language of the Silver Purchase Act. But behind this language is the true purpose that the proponents of silver had in mind. That purpose was to raise the price of silver to an objective of $1.29 per ounce, and by so doing aid agricultural and certain industrial interests by enabling them to compete on an equitable basis with the silver-using nations whose menace in trade became noticeable coincident to the sharp decline in the price of silver between 1926 and 1933.

I think that we should keep clearly in mind that the monetary interests in this country, represented by the banks and the bankers, by the congressional Committees on Banking and Currency, and even by your own Department, cannot claim the sponsorship of any legislation beneficial in the remotest degree to silver.

On the contrary, is it not well established in the press of the Nation that all monetary interests thus represented were openly hostile to silver legislation, and am I not correct in recalling your own objections appearing in the public press?

Consequently, may I disagree with you in your statement as to the true purpose of the Silver Purchase Act, as distinguished from its formal expressed purpose, and may I recall to your mind that no monetary agency of the Government and that no bank or bankers, I repeat, supported the bill which was designed by silver protagonists as an agricultural measure in accordance with its true purpose to raise the commodity price level.

In carrying out the provisions of this legislation is it not likewise true that though the price of silver has been raised in accordance with the intent of the act, there still remains a wide discrepancy between the amount of silver bullion held in our reserves and the amount which should be held for the formal purposes of the act to have been executed? Certainly silver bullion does not represent substantially any nearer one-fourth of our monetary stocks than silver bullion represented on the day the Silver Purchase Act became law.

In the execution of this legislation you most properly refer to our policy with respect to both gold and silver. On the treatment of these two monetary metals I am deeply concerned. There is no denying that vast differences appeared respecting our treatment of silver and our treatment of gold. Gold was the refuge of the hoarder; gold was the object of great speculation; gold was the medium of the flight of capital from this country in the years 1931, 1932, and early 1933. Trading in gold was subjected to no tax. The statutory price was paid for gold domiciled within our borders.

American citizens can today deal in gold in foreign markets and can do so solely in anticipation of profiting by governmental action without restriction of any nature and certainly without prohibitive taxation. Nor are those who purchase gold abroad in anticipation of higher prices penalized; nor have American citizens who have purchased gold abroad, in anticipation of profits due to governmental action, been penalized; nor are there any restrictions made with respect to residence of citizens 3 months abroad in order to trade freely in gold.

Not so with silver. On silver we have a policy reflecting perhaps the prejudice concerning it which exists in the minds of governmental agencies, banks and bankers, and even monetary committees of Congress. In the name of the national interest or the public interest, silver was made the subject of discriminatory legislation. The American citizen is penalized and denied an equal opportunity to profit in silver as distinguished by his opportunity to profit in gold.

The silver act specifically invites the American citizen to take residence abroad for 3 months to buy silver interests abroad, to buy from and sell to foreigners, if he would seek profits in silver due to governmental action. I repeat, with respect to gold no such restrictions exist, and I cannot reconcile the two policies. Because the President has permissive power to further increase the price of gold, the American citizen could deal in that commodity as a resident of America, and deal solely in anticipation of profiting by governmental action, without restriction of any nature and without prohibitive taxation. Distinguish this fact from the fact respecting silver. The President has the permissive power to further increase the price of silver. The American citizen resident in this country cannot deal in that commodity in foreign markets solely in anticipation of profiting by possible governmental action, without prohibitive taxation. In the case of the one, we simply set out to penalize American citizenship and American residence.

My interest is not in behalf of the hoarder or speculator. The way to control these activities is by exchange regulation. My interest is in the fact that we have given preferential treatment to gold as a monetary metal and we have discriminated against silver.

I firmly believe we should have a market established in America. We did have a silver market. We destroyed this market by law. We need that market today to carry out our silver policies. As a practical proposition our legislation dominates the silver policies of the world, and then our restrictive legislation destroys our own silver market in which the execution of these policies is carried to its fulfillment.

Why penalize the American market in favor of the London market? Why penalize the American trader who might profit by governmental action, and put a bounty on the foreign trader who can profit by the same action? Why assume in a world market that it is only the actions of the Government of the United States that can raise the price of silver, when at any time the actions of foreign nations can likewise raise the price of silver? And why be so solicitous about curbing the profit of the American national while all over the world foreigners can reap the benefits of any actions taken by any governments of the world, including our own?

Finally, and to repeat, why does this legislation run with respect to silver and not to gold?

You suggest with respect to section 6 of the Silver Purchase Act that its repeal, together with the repeal of section 3 of the Gold Reserve Act and section 2 of the Emergency Banking Act, "might paralyze action which the Government may have to take to protect our monetary system from possible crises in the international exchange markets and from speculative dealings in the monetary metals and other foreign exchange."

To my mind neither the acts of Congress nor regulations made in pursuance thereof can control international markets only with respect to American participation therein, and any attempt on our part to police world markets is certain to result in legislation discriminatory in nature with the penalties on our nationals.

In this connection may I ask you frankly what control you now have over gold dealings abroad by private American citizens or private American interests in the light of your statement that such control as is given under the Silver Purchase Act is claimed necessary for this very regulation?

In reply to that part of your letter relating to section 7, I have not overlooked the fact that the order nationalizing silver operated only on silver situated in this country on the date of its promulgation, August 9, 1934; nor can I overlook the fact that the President is empowered to issue a similar proclamation at any time he sees fit.

With respect to the silver tax covered by section 8, I realize that the statute makes adequate provision for abatement or refund of the tax on profits arising from transfers both for industrial purposes and also in hedging transactions in silver and foreign exchange. But the very fact that the tax is payable on silver profits arising from an increase in the price of silver due to the purchases which the Secretary of the Treasury is authorized and directed to make, to my mind as to yours, distinguishes classes within this country and penalizes the American who makes a profit through the advance of the world price of silver, while the foreigner is subject to no such penalty when he makes a profit due to our governmental action.

But beyond this I cannot agree in your assumption that the price of silver is solely the result of our governmental action. We levy a tax on the profits on the transfers of all silver. The profit may arise from contingencies which impel other nations to acquire silver. Profits may arise because other nations desire to hold certain stocks of silver while we are buying, and yet alone among the nations the American must be penalized on any profit that arises from any cause or agency which increases the price of silver.

I am opposed to the tax not because I fail to recognize the distinction between the industrial uses or hedging transactions, on the one hand, and silver profits arising from speculation, on the other; but I am opposed to the tax because it discriminates against American citizenship, because it places a premium on foreign citizenship, because it has destroyed our silver market, because it has transferred the daily control of silver to London, and because under it we seemingly have distinguished our treatment of gold and silver and utterly destroyed our own market, while we are intent on maintaining and strengthening foreign markets.

Nor for the life of me can I understand your attitude expressed in your words, "Surely it is not unfair to those whose profits are due to governmental action that half of those profits should revert to their Government." I had supposed that our whole interest with respect to recovery was the building of profits to the farmer, to labor, to industry, and to investors, and that wise governmental action is the hope of all classes of our citizens in building profit. Your statement cannot mean that profits as such and due to governmental action should revert to the Government to the extent of 50 percent of those profits.

I am wholly uninformed as respects the detail of your purchase of silver. I do not know whether you use any broker, foreign or domestic. I do not see what the standard provisions of all transfer tax laws have to do with the expressed provision of the Silver Purchase Act. I do not see how you can follow the so-called "standard provisions" in the light of the explicit provision of the Silver Purchase Act in levying this tax when the law is clear and definite in stating, "The provisions * * * (the tax) shall extend to transfers to the United States Government (the tax in such cases to be payable by the transferor) * * *."

Evidently it was not the intention of Congress to permit profits on sales to the United States Government to go untaxed, and your reference respecting the standard provisions of transfer taxes I do not think can be used to set aside the express provision I have quoted. This provision levies the profit tax on such transfers. I cannot believe that you have been advised that you are permitted to purchase abroad and that the tax on foreign purchases does not run.

This is not a question of the Government taxing itself. It is a question of the tax running on sales to the United States Government if a profit has been made on these sales. Whatever agency the Government uses must act for the Government and assume liability for the payment of any tax due by the vendor. I cannot understand how such an agency for the Government can safely assume such liability, and I feel certain that the only way out is through an agency or intermediary and that upon close investigation you will find this to be the practice.

Are not sales to the Government or its agent certified under this law? Are not profits certain under a rising silver market? And, between the profit maker and the Government or its agent, is there not an intermediary or dummy used in a "wash sale"? I am sure you will find this to be the practice.

Finally may I call your attention to the statement, "Foreign sellers prefer to offer their silver in their own markets, which, of course, they have every right to do." The converse of this statement substantially represents my whole thought on the question, and I paraphrase your words, "American sellers prefer to offer their silver in their own markets, which, of course, they have a perfect right to do."

It is the denial of this right which I had hoped in the most cooperative manner of which I am capable to bring to your attention that we together may break down some of the more glaring discriminations against silver and restore to Americans the privilege which we have wittingly or unwittingly given to foreigners. I am sincere in my desire to give every help to you in full freedom in executing the provisions of the Silver Purchase Act, and, contrary to a news report, I am making no charges against your administration of the act. I know you understand this.

On the other hand, as respects the policies of this Government, I feel free to press the principle of American rights not only on full equality with but preferentially above the rights of foreigners to profits arising out of governmental action. I am sure that if you will take this view of the subject, I will have that which I solicited and still solicit, namely, your full and intensive cooperation with the amendments to the Silver Purchase Act which I have introduced.

Sincerely yours,

PAT MCCARRAN.

REGULATION OF HIGHWAY TRANSPORTATION OF FREIGHT

Mr. BYRD. Mr. President, I ask permission to have printed in the RECORD a joint statement by representatives of certain agricultural groups and other producers and shippers of the necessities of life relative to the regulation of highway transportation of freight.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A JOINT STATEMENT BY REPRESENTATIVES OF THE AMERICAN FARM BUREAU FEDERATION, THE NATIONAL DAIRY UNION, AMERICAN NATIONAL LIVESTOCK ASSOCIATION, NATIONAL ASSOCIATION OF RETAIL DRUGGISTS, THE NATIONAL GRANGE, NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION, NATIONAL WOOL GROWERS' ASSOCIATION, AMERICAN ASSOCIATION OF CREAMERY BUTTER MANUFACTURERS, AND AMERICAN PORTS COTTON COMPRESS & WAREHOUSE ASSOCIATION

APRIL 15, 1935.

Hon. BURTON K. WHEELER,
Chairman Committee on Interstate Commerce,
United States Senate, Washington, D. C.

DEAR SENATOR WHEELER: Representing producers and shippers of necessities of life, the undersigned are unalterably opposed to the so-called "Eastman bill" which proposes restrictive regulation of highway transportation of freight. This opposition, already made plainly manifest during Senate and House hearings on the measure, now is reaffirmed and emphasized because resent developments may have created the wrong impression that users of highway transportation favor this proposed legislation.

No public demand for enactment of this legislation exists. Support for the measure comes almost entirely from those who seek to retain for railroads some vestige of the monopoly they formerly enjoyed and those who want to create a comparable monopoly in the field of highway freight transportation.

We are opposed to the proposed legislation for the following specific reasons:

1. The Eastment bill (S. 1629), if enacted, would increase the cost of highway transportation without respect to the cost of providing that type of transportation.

2. It would impair flexibility of highway transportation, thus taking a valued aid from farmers and other producers and distributors of life's necessities. This would have a direct effect upon the general public.

3. It would vest a Federal Commission with unlimited power to force increases of charges made by motor-truck operators for hire, or it would authorize such a Commission to suspend the schedules of motor-truck operators' rates embodying reduced charges to the shipping public.

4. It would impose rigid and extreme regulation, exceeding even the present extensive regulation of railroads, upon common and contract carriers of freight in the field of highway transportation.

5. Small purveyors of highway freight transportation would be "squeezed out." This would be the result of imposition of the measure's requirements relating to filing and publication of tariffs, filing of contracts and revisions of rates. Reliable and broadly accepted information, developed before the Senate Committee on Interstate Commerce and the House Committee on Interstate and Foreign Commerce, shows that 85.23 percent of the "for hire" motor-truck operators have only one truck each, and that the average for all such operators is 1.61 trucks per operator. Services made available and rendered by these small operators have kept and are keeping economic disaster from overtaking thousands of producers and shippers of agricultural and dairy products, livestock, and other basic commodities. By the same token, those services have made and are making possible movement of life's necessities from source to consumer with economy and facility that otherwise could not be attained.

Bus operations have many of the characteristics of a transportation system. Interstate bus movements may be regulated in the public interest without adverse effects on other types of vehicles.

We strongly urge that regulation of the bus industry be dealt with in a separate and independent legislative measure. This procedure would provide the Federal Government with opportunity to gather experience in a new field of regulation. Thus necessity of establishing an extensive regulatory system during the experimental stage of regulation would be eliminated.

We, the undersigned, for the organizations we represent, respectfully urge the Senate Committee on Interstate Commerce to reconsider the action, chronicled in the public prints, by which it gave approval to the general content of the Eastman bill, a measure which very obviously disregards the public interest by inviting results herein outlined.

We further definitely urge that this measure be defeated.

Respectfully,

Chester H. Gray, Washington representative American Farm Bureau Federation; Charles E. Blaine, traffic counsel, American National Livestock Association; Charles E. Blaine, traffic counsel National Wool Growers Association; R. C. Fulbright, counsel American Ports Cotton Compress & Warehouse Association; Donald Kane, counsel National Cooperative Milk Producers Federation; A. M. Loomis, American Association of Creamery Butter Manufacturers and the National Dairy Union; Fred Brenckman, the National Grange; Rowland Jones, Jr., Washington representative National Association of Retail Druggists.

SUPPORT OF THE ADMINISTRATION PROGRAM

Mr. ROBINSON. Mr. President, I ask that there be printed in the RECORD an editorial from the Washington Daily News entitled "Now Is the Time."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News]

NOW IS THE TIME

President Roosevelt today faces the largest and most vocal lot of chiselers and calamity howlers that have let themselves loose since he came into office.

With the work-relief law passed, many Members of Congress are ready to sidetrack the rest of the President's program. Hostile interests by direct and indirect opposition see a chance to block that program once and for all. They are willing to undermine public confidence in the President as a leader. That their success would play directly and inevitably into the hands of the Longs, Coughlins, and other self-appointed usurpers of the Presidential function, bothers them not at all. But it would bother the Nation plenty.

In normal times the question of whether a President loses his prestige or power is not a grave national issue but something merely for himself and his party to worry about. These, however, are not normal times. The emergency created by the depression still exists. The fate of more than a hundred million individuals is almost completely in the hands of Franklin Roosevelt. Any political enemy who ties his hands imperils the economic lives of the entire American people.

We may like him, or we may not. We may think him allwise, or we may think him a blunderer. Anyway, he is at the wheel—put there by the greatest vote ever given any man. He is going to be there for the next 2 years. These 2 years will see us well on the way out of the danger, or much deeper in. To try to wreck Roosevelt now is insanity. He cannot be wrecked without wrecking the Nation. Run him into the ditch, and American industry and labor go with him. Then we are all through—for a longer time than is pleasant to contemplate.

What is the alternative to cooperation with Roosevelt? It is to let the reactionaries have their way, though what that way is, no advocate of the "old deal" has had the courage or the imagination to state publicly. The alternative is to howl with the Longs and Coughlins—and the net result would be to compound the chaos. The result would be to block the only leadership backed by public endorsement and possessed of sufficient governmental powers to lead; to halt the only recovery program with even a chance of operating within the next 2 years. Even if the Roosevelt recovery program were weak, it would be better than the only alternative, which is no functioning program at all.

But the Roosevelt program is not weak. It is immeasurably stronger than any American dared hope for 2 years ago. We do not agree with all of it, any more than anyone else. We think parts of it will fail and should fail. All of it needs closer coordination. But its faults are few compared with the rich benefits it can bring to our harassed people, if it can be saved from the reactionaries of both old parties, the selfish interests of both capital and labor, and the radio propagandists.

The next step in that unfolding program is the legislative outline laid by the President before Congress. He has requested Congress to extend the N. R. A. and protect labors' rights, to pass the social-security bill for unemployment insurance and old-age pensions, to extend the Home Owners' Loan Corporation, to legislate on bank reform, railroads, utility holding companies, pure food and drugs, and the munitions racket.

The time has come to put the spotlight of publicity on the destructive agents, regardless of party, and upon the Democratic congressional leaders who are running out on both the President and their party's pledges. Committees which should be working to improve much needed, but in some instances poorly drawn, bills are loafing or sulking on the job. These men should be called out and bawled out, in a fashion to wake them up and get them back on the job.

The time has arrived for the President to crack down. The people need and want aggressive personal leadership. It must and will come from someone. Our people will not run in group circles indefinitely. We have respected the President's patience and his tolerance with those in high places whom he knows to be putting personal, political, and financial interests ahead of the public good. We have understood the necessity for some resort to political strategy. But we believe the time has arrived to lay aside the fly swatter and use a club. The first job is to uncover the wreckers, and let the people know them by name and by their acts.

Constructive criticism and honest debate are always in order, but now it is time to give the gate to the economic buccaneers, whether they wail in the citadels of big business or whine in the President's own party councils. It is time to call the roll on the wreckers who offer no constructive plans of their own, but who ruthlessly seek to scuttle the President's plan because it frankly refuses to lead us back to the reactionary conditions to which we owe our present plight.

Now is the time to turn the heat on the demagogues advocating revolution under the guise of plans they know will hold no more water than a sieve.

The propaganda to undermine the President's popular support has been ruthless and persistent. So far it has made little headway. But the President cannot remain on the defensive. Inaction will be interpreted as indecision. The people are impatient, it is true, not with the President, but with those who would scuttle his program, whether they be politicians, labor leaders, or plutocrats. Without action this impatience, in time, will seek some leader—and possibly with less wisdom than was shown in 1932.

The voters are not such fools as to turn for help to the financial riggers and business racketeers who betrayed them before. They are still looking to the President as their hope, still ready to back him. But the President must resume the initiative. If the depression is to be licked this year, a quick and crushing blow must be struck at the would-be wreckers of the administration program.

Meanwhile, across the country believers in the new deal and those who still vest their hopes of economic recovery and a better social order in the man they elected as their leader owe it to the President and to themselves, to the present and to the future, to stand up and speak out. On platforms and through the press; by letter and wire to Washington, to the President, to Senators and Congressmen, to political leaders at home; on the air and in public gatherings, let people shout their demands. That will get action. Official Washington has its ear to the ground, and after all it has heard from crackpots and demagogs in recent months will heed a shouted demand for a return to Presidential leadership.

In 1917 our leaders in every walk of life dropped partisanship and petty differences to unite in an epoch-making coalition to help save Europe. The hour and the moment offer a similar opportunity for national cooperation to help save ourselves.

Mr. President, the people today are looking to you for leadership and direction. State clearly and simply what popular support you desire and point out the men or the interests who are blocking action necessary to recovery. You will not be disappointed by the response.

SOIL EROSION—INCLUSION OF HOPS AS A BASIC AGRICULTURAL COMMODITY—MOTION TO RECONSIDER

Mr. KING. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. KING. I desire to enter and do enter a motion to reconsider the vote by which the bill (H. R. 7054) to provide for the protection of land resources against soil erosion, and for other purposes, was passed yesterday. I also enter a motion to reconsider the vote by which the bill (S. 626) to amend the Agricultural Adjustment Act so as to include hops as a basic agricultural commodity was passed.

Mr. COSTIGAN. Has the Senator from Utah any objection to the soil-erosion measure which was passed by the Senate yesterday?

Mr. KING. Mr. President, my objection to the soil-erosion bill, so called, is that the administration thereof ought to be put under the control of the Interior Department. I desire to have a consultation with several Senators who are interested in the bill and tomorrow the motion may be taken up. The bill is important and should receive prompt attention.

Mr. GORE. Mr. President, will the Senator from Utah yield?

Mr. KING. I yield to the Senator from Oklahoma.

Mr. GORE. Did the Senator make a motion to reconsider the vote by which the soil-erosion bill was passed on yesterday?

Mr. KING. Yes; and I consent that it may be taken up tomorrow.

Mr. GORE. That is satisfactory.

Mr. COSTIGAN. Mr. President, it is my understanding that the soil-erosion bill, in which, as coauthors of a similar measure, the Senator from Arizona [Mr. HAYDEN], the Senator from New Mexico [Mr. HATCH], and I have been particularly interested, is not at this moment being opposed on any major grounds.

Mr. KING. Quite the reverse. I approve its purpose and hope that by whom the measure shall be administered beneficial results may be received.

Mr. COSTIGAN. It is desired, perhaps, to have some further discussion of the measure before it is finally passed.

Mr. KING. That is correct.

Mr. ROBINSON. Mr. President, the Senator is not asking to have action on the motion to reconsider at this time, is he?

Mr. KING. No, Mr. President. I ask that the motion be considered tomorrow.

Mr. ROBINSON. The Senator now enters his motion?

Mr. KING. Yes.

The VICE PRESIDENT. The Chair understands that the Senator from Utah [Mr. KING] enters his motion at the present time.

PREVENTION OF LYNCHING

Mr. COSTIGAN. Mr. President, may I take this opportunity to give notice to the Senate that as soon as the pending bill shall be disposed of it is my intention to move to

take up Senate bill 24, introduced by the Senator from New York [Mr. WAGNER] and myself? The bill is usually referred to as an "antilynching measure."

RIVER AND HARBOR APPROPRIATIONS

Mr. COPELAND. Mr. President, not for several years have we had before Congress a river and harbor bill, but such a bill has passed the House and is now pending in the Senate. Hearings on this bill will begin next Monday at half past 10 in the Commerce Committee. I thought I should notify Senators, so that if they have any matters of interest in connection with the bill they may govern themselves accordingly.

Mr. ROBINSON. Can the Senator from New York give the Senate information regarding the status of the so-called "flood-control bill"?

Mr. COPELAND. The flood-control bill has not been considered by the Committee on Commerce, but we have before us the river and harbor bill, which may have in it projects for flood control.

Mr. ROBINSON. I understood the flood-control measure had not as yet come over from the House. The House Committee on Flood Control has jurisdiction of the bill to which I am now referring.

Mr. COPELAND. Yes.

Mr. ROBINSON. The Committee on Commerce in the Senate has jurisdiction of it.

Mr. COPELAND. Yes. It has not as yet come to us.

Mr. ROBINSON. The Senator does not now know as to its status?

Mr. COPELAND. I am sorry to say that I do not.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate nos. 8 and 58 to the bill and concurred therein; and that the House had receded from its disagreement to the amendments of the Senate nos. 29 and 60 to the bill and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

REGULATION OF INTERSTATE TRAFFIC BY MOTOR CARRIERS

The Senate resumed consideration of the bill (S. 1629) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes.

Mr. WHEELER. Mr. President, I move to reconsider the vote by which the committee amendment on page 34, line 16, to insert a proviso after the word "license" was agreed to, as I desire to offer an amendment to that amendment.

The VICE PRESIDENT. Without objection, the vote whereby the amendment was agreed to will be reconsidered.

Mr. WHEELER. In the committee amendment, on page 34, line 19, after the word "time", I now move to insert the words "not less than 90 days."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. DICKINSON. Mr. President, I should like to inquire of the Senator from Montana whether he is familiar with the objections filed by the various farm organizations to this bill, setting forth five reasons for their opposition, and, if so, I should further like to ask him whether or not the bill has been amended to cover any of those objections which have been made?

Mr. WHEELER. Mr. President, I will say to the Senator that I appreciate the fact that some of the farm organizations have filed protests against the bill. Mostly, however, they have been based on the theory that they were afraid the Interstate Commerce Commission was not going to regulate the busses and trucks as a separate institution; but we have exempted the casual or reciprocal transportation by the farmers from the operation of the bill should it become a law. In other words, any farmer who engages in casual trucking operations, say, from his farm to Des Moines, Iowa, for the purpose of carrying his products and his neighbor's products, is within the exemption.

There has been propaganda by some who do not want any regulation to the effect that this bill would cause an increase of rates up to the standard of the railroad rates. That contention is not based upon any fact, but is based upon pure propaganda, in my judgment, and is without foundation.

Coordinator Eastman has suggested—and we have written the suggestion into this bill specifically—that bus and truck operations should be viewed by the Commission in the peculiar light of their particular business, and that railroad rates should not be the yardstick for the rates which should be established for bus and truck operators.

Mr. DICKINSON. Is it the conclusion of the Senator from Montana that this proposal is based upon a rather false assumption?

Mr. WHEELER. I do not think there is any doubt about that.

Mr. President, on page 64, line 3, after the word "charges", I move to insert the words "including rules and regulations for weekly or monthly settlement."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. WHEELER. This amendment is offered because of the fact that some of the shippers wanted to make weekly or monthly payments rather than to have to make cash payments each day.

The other amendment which I offered was intended to satisfy some of the objectors who felt that the language should be more explicit, and that a certificate, a permit, or a license should not be revoked until after 90 days had elapsed from the time notice had been served upon the offenders that they were violating some of the provisions.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. DUFFY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 3, after line 12, it is proposed to strike out down to line 5 on page 4 and in lieu thereof to insert the following:

(c) Nothing in this part shall be construed to affect the powers of taxation of the several States or to authorize a motor carrier to do an intrastate business on the highways of any State. It is not intended hereby to interfere with the exclusive exercise by each State of the power of regulation of intrastate commerce by motor carriers on the highways thereof; and notwithstanding this part, the intrastate operations of motor carriers on the highways of a State shall continue to be subject to the laws of the State regulating such intrastate commerce: *Provided, however,* That the laws enacted in any State and regulations thereunder that relate to the maintenance, protection, safety, or use of the highways therein, which do not discriminate motor vehicles used in interstate commerce, shall not be deemed to be a burden on or an obstruction or impediment to interstate commerce, and the power to enact such laws and promulgate such regulations thereunder is hereby expressly recognized and confirmed to the respective States: *Provided further,* That transportation of persons or property by motor vehicle between points in the same State through territory outside thereof by reason of its local character is left subject to the regulation of the State within which such transportation takes place.

Mr. DUFFY. Mr. President, the National Association of Railroad and Utility Commissioners is an organization which represents 46 of the State commissions, which largely have to do with the regulating of bus and motor-truck transportation. This proposed amendment was submitted by me at the request of the representatives of these various State regulatory bodies. The amendment was submitted to the Committee on Interstate Commerce, and I have before me the hearings of that committee.

I desire to quote here the opinion of this association as to what the wording of subsection (c) as now found in the

bill would accomplish. It goes back to the old Shreveport Rate case, to the so-called "Shreveport doctrine"; and apparently it is the desire of the Interstate Commerce Commission to have the same broad powers over motor-truck transportation, even though it has to do with intrastate transportation, as they have with reference to the railroad rates. Irrespective of the fact that motor-truck transportation is, I understand, about 80 percent intrastate, nevertheless it is very clear to me, and is made clear from the quotation which I will make from the hearing, that the language of subsection (c) as now in the bill will give to the Interstate Commerce Commission over entirely intrastate motor transportation the same broad powers it now has as to railroad rates.

I quote from page 167 of the hearings. Mr. Benton, representing this association, was asked a question by the chairman of the committee, and he said in answer:

> Just exactly as it has now the right to regulate the intrastate rates that interstate railroads charge. There is no question, I think, with respect to that, Mr. Chairman.
> I will * * * point out the particular parts of the act which will give the Interstate Commerce Commission power to regulate the intrastate rates under the Shreveport doctrine.

And at the bottom of the page:

> It is because it will subject the intrastate rates not only of every interstate carrier who runs his bus or truck across the State line to the ultimate control of the Interstate Commerce Commission but it will subject the rates of every carrier who operates within the State, but not across the State lines, who carries any quantity of interstate merchandise, however small, to that regulation.

I agree with the contention of the members of the association of these various State commissions that since motor transportation and truck transportation are to a very large degree intrastate in character, jurisdiction over them should not be taken away from the various State commissions.

I quote further from the hearings, at page 168:

> That carrier, although he may not operate across any State line and may merely carry a very small quantity of interstate traffic, will be compelled to come to Washington to defend against that complaint.

I think that is another difference that should be borne in mind—that a small truck operator has not the facilities which the ordinary railroad company has, for instance, for coming here to Washington to defend himself or to appear before the Interstate Commerce Commission.

I have no personal interest whatsoever in the matter. It happens that the man in charge of the legislative committee of the association to which I have referred is a very valued member of the Wisconsin Public Service Commission, and I have a personal friendship with him, as a result of which he asked me to present on the floor of the Senate the contention of the National Association of Railroad and Public Utility Commissioners. Since motor transportation differs so greatly from railroad transportation, I do not think there is any justification for subjecting these people, doing practically entirely an intrastate business, to the jurisdiction of the Interstate Commerce Commission.

I recognize the fact that the committee has been technically advised in these matters by the representatives of the Interstate Commerce Commission. Very likely they would like to have more power; and it would be, from their viewpoint, a proper thing.

I do not intend to take the time of the Senate any more than to present the viewpoint of the various State commissions which have been in the business of motor-truck regulation and understand that subject. I submit that this amendment should be adopted. It would reserve to the various State commissions the power they now have, and which clearly would be taken away under this bill if it should be passed in the language in which the committee has reported it to the Senate.

Mr. WHEELER. Mr. President, the amendment offered by the Senator from Wisconsin [Mr. DUFFY] proposes to substitute the language submitted by him for the language on page 3, beginning with line 12, known as paragraph (c). The statement made by the Senator is hardly correct with reference to the present section of the bill giving to the Interstate Commerce Commission the same power with reference to trucks and busses that they now have over intrastate rates of railroads. This language does not go as far as that of section 13 (4) of the Interstate Commerce Act goes with reference to railroads. What it says is this:

> Nothing in this part shall be construed to affect the powers of taxation of the several States or to authorize a motor carrier to do an intrastate business on the highways of any State, or to interfere with the exercise by each State of the power of regulation of intrastate commerce by motor carriers on the highways thereof, except where and only to the extent that such regulation causes undue or unreasonable disadvantage or prejudice to persons or localities in interstate commerce.

I may say that the Coordinator, as a matter of fact, is not especially anxious about this particular clause. I myself rather favored the idea of leaving out of this bill the Shreveport doctrine; but the members of the committee, after hearing practically all those engaged in the truck- and bus-transportation business who were in favor of it, put in this language. I talked with Mr. Eastman about it, and Mr. Eastman himself feels that the language used in the bill should be included in it. It is not the idea of the Commission, and this paragraph does not give the power to regulate intrastate rates in general.

With reference to the idea of bringing the small shipper down here, as a matter of fact the Interstate Commerce Commission has suggested that the State commissions should be used in fixing the rates between the different States through use of the joint boards; so all the little shipper would have to do would be to appeal to these various boards rather than to come here to Washington.

Mr. DUFFY. Mr. President, will the Senator yield at that point?

Mr. WHEELER. I yield.

Mr. DUFFY. I note that the language which was originally in the bill is as follows:

> It is not intended hereby to interfere with the exclusive exercise by each State of the power of regulation of intrastate commerce.

The committee struck out the word "exclusive." It must have done that with a purpose, and it must have recognized when it did it that it would to a very considerable degree result in the regulation of rates as to intrastate commerce, or there would be no necessity of striking out the word "exclusive."

Mr. WHITE. Mr. President, the purpose in striking out the word "exclusive" I think was to harmonize the section with the exception which appears at the bottom of the page.

Mr. WHEELER. And which was put in by the committee itself.

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Oklahoma?

Mr. WHEELER. I yield.

Mr. GORE. I desire to ask both the Senator from Montana and the Senator from Wisconsin whether striking out the clause beginning on line 23, page 3 with the word "except" would meet the objection raised by the Senator from Wisconsin.

Mr. WHEELER. I think that would meet the Senator's objection. I wish to point out, however, that his amendment goes further and might seriously conflict with and perhaps render ineffectual the definition of interstate commerce in the bill as set out in section 203. The amendment of the Senator from Wisconsin proposes to go further, and to say to the Commission, "You shall not have any power to regulate rates where a truck goes from a point in a State outside the State and back into the State."

What is happening with reference to that is this: It was testified by some of the members of State commissions and some of the other witnesses before the committee that at the present time truck drivers, in order to get away from State regulation where they are located close to the border, will go outside of a State and then come back into the State, and claim that the State has no right to regulate them at all, because they are engaged in interstate commerce. The

definition of interstate commerce found in the bill as drafted includes the constitutional definition of interstate commerce, and it seems to me that that cannot be changed.

Mr. GORE. I inquired whether striking out that clause would meet the main objection raised by the Senator from Wisconsin, because in the main I agree with him as to the object which he is seeking to accomplish, but I was not quite clear as to the scope of his amendment.

Mr. WHEELER. In my judgment the language of the amendment offered by the Senator from Wisconsin is somewhat unfortunate, because it covers several different matters, and it is my opinion that his amendment as worded would not only reach the Shreveport case but it might seriously hamper the Commission in fixing and regulating the hours of service, or it might seriously interfere with the safety provisions included in the bill at the present time. In my judgment, therefore, it would be unfortunate if the amendment should be adopted.

Mr. GORE. I do not wish to vest in the Interstate Commerce Commission the power to regulate transportation by trucks and busses between Oklahoma City and Tulsa—entirely within the State of Oklahoma, and purely intrastate commerce. I realize the doctrine laid down in the Shreveport case, and I am not certain that it would in any event have application to truck transportation; but I will ask the Senator from Wisconsin whether striking out that clause would practically meet his objection, and rid the bill of the danger to which he refers?

Mr. DUFFY. I will say to the Senator from Oklahoma that I think the language was undoubtedly designed primarily to reach that situation, and I should have no objection to the suggestion made by the Senator from Oklahoma. I did, however, use in this amendment the language which was suggested by the National Association of Railroad and Public Utility Commissioners, who have made quite a study of the subject; and I really bowed to their judgment as to the scope of the wording, because I thought they knew more about it than I did.

Mr. GORE. I sympathize with their main objection and with that raised by the Senator from Wisconsin. I was wondering if the Senator would yield to me to enable me to move to strike out that clause. If that motion should fail, then the Senator could offer his amendment. Would that meet the objection?

Mr. DUFFY. That would be agreeable; but perhaps the better way would be to vote on the amendment I have offered, and then have the Senator from Oklahoma offer his amendment, in case mine should not prevail.

Mr. GORE. Very well. I thought possibly a motion to strike out the clause might be a little stronger than the amendment offered by the Senator from Wisconsin; but I yield to his suggestion.

Mr. WHEELER. Mr. President, I merely wish to say in conclusion that the amendment offered by the Senator from Wisconsin includes several different phases of the bill, and I earnestly hope it will not be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. DUFFY].

On a division, the amendment was rejected.

Mr. GORE. Mr. President, I move to strike out, on page 3, line 23, the clause beginning with the word "except." I think that meets the main objection raised by the Senator from Wisconsin [Mr. DUFFY]. I inferred that the Senator from Montana did not urge serious objection to its elimination, although I do not mean to commit the Senator.

I think the clause ought to be stricken out. I do not believe we ought to bring truck and bus transportation, which is entirely within a State, under the jurisdiction of the Interstate Commerce Commission on some sort of remote theory that it might directly or indirectly affect interstate commerce. If experience shall demonstrate the necessity of taking that further step, it can be taken in the future; but I believe for the present we ought to go more slowly and be guided by experience. Therefore I move to strike out that clause.

Mr. WHEELER. Mr. President, I myself have no particular objection. I rather took the view taken by the Senator from Oklahoma, but the majority of the committee took the other view. Mr. Eastman thought it was proper that this language should be in the law, but he had no particular objection to it being stricken out and stated that he was willing for the Commission to go ahead and attempt to carry out the law, even if that provision were not in it, and that if they found it was not satisfactory, they could come back to Congress later and urge its inclusion.

The PRESIDENT pro tempore. The Chair understands the Senator from Oklahoma has moved to strike out all the rest of paragraph (c), on page 3, commencing with the word "except", down to the end of that subsection. Is that correct?

Mr. GORE. Yes; and to insert a period at the proper place.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 3, line 23, it is proposed to strike out the words "except where and only to the extent that such regulation causes undue or unreasonable disadvantage or prejudice to persons or localities in interstate commerce against undue or unreasonable disadvantage or prejudice caused by any rate, fare, charge, classification, regulation, or practice of motor carriers made or imposed by authority of any State."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. AUSTIN. Mr. President, on page 10, I move to strike out the words "supervise and" wherever they appear, namely, in line 4, line 12, and line 24.

Mr. WHEELER. Mr. President, I have no particular objection to that. Our understanding is that the word "supervise" is used in the bill only in the sense in which the word "regulate" is used. I do not think it adds to or takes anything away from the bill, and I have no objection to its being stricken out.

The PRESIDENT pro tempore. The Senator from Vermont moves that the words "supervise and", on page 10, in lines 4, 12, and 24, be stricken out.

The amendment was agreed to.

Mr. AUSTIN. Mr. President, in line 10, page 2 of the bill, I move to strike out the words "supervise and."

Mr. WHEELER. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BYRD subsequently said: Mr. President, I should like to have the RECORD show that had there been a roll call on Senate bill 1629, commonly known as the "Eastman bill", providing for the regulation of interstate traffic by motor carriers, I would have voted in the negative.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. HAYDEN. I move that the Senate proceed to the consideration of the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes.

Mr. COSTIGAN. Mr. President, recognizing that an appropriation bill is privileged under Senate rules for the purposes for which the Senator from Arizona now moves, I take this occasion to renew the notice given earlier in the day that I will at the earliest practicable moment, and I hope as soon as action shall be completed on the bill now being presented for consideration, move to take up Senate bill 24, known as the "antilynching measure."

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 6223) making appro-

priations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. HAYDEN. Mr. President, I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that committee amendments receive first consideration.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ROBINSON. Taking note of the statement just made by the Senator from Colorado [Mr. COSTIGAN], it had been my understanding that, following the disposition of the Interior Department appropriation bill, the junior Senator from Alabama [Mr. BANKHEAD] would move to proceed to the consideration of Senate bill 2367, to create the Farmers' Home Corporation. I understand that the Senator from Colorado expects to move to take up the bill to which he refers at the earliest opportunity.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Oregon?

Mr. HAYDEN. I yield.

Mr. McNARY. On account of confusion in the Chamber I was unable to hear the colloquy between Senators. The Senator from Arkansas has made some statement in which no doubt some of us would be interested.

Mr. ROBINSON. I was merely stating, in reply to the announcement of the Senator from Colorado, that it was my understanding that the Senator from Alabama [Mr. BANKHEAD] had given notice that he desired to move to take up Senate bill 2367, to create the Farmers' Home Corporation, and so forth, which is a bill pending on the calendar. I also understand that the Senator from Colorado expects, when it is convenient, to move to take up the bill to which he has referred.

Mr. COSTIGAN. Mr. President, in view of the statement of the Senator from Arkansas, perhaps I ought to say that I have had no understanding with respect to the bill of the Senator from Alabama, and that I hope to make the motion of which I gave notice at the conclusion of the consideration of the bill now being presented by the Senator from Arizona.

The PRESIDENT pro tempore. The clerk will state the first amendment of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Office of the Secretary—Salaries", on page 2, line 3, after the name "Secretary of the Interior", to strike out "two Assistant Secretaries" and insert "First Assistant Secretary, Assistant Secretary", so as to read:

Salaries: For the Secretary of the Interior, First Assistant Secretary, Assistant Secretary, and other personal services in the District of Columbia, $421,590.

The amendment was agreed to.

The next amendment was, on page 2, line 10, after the words "of the", to strike out "Assistant Secretaries" and insert "First Assistant Secretary and the Assistant Secretary", so as to make the proviso read:

Provided, That in expending appropriations or portions of appropriations, contained in this act, for the payment for personal services in the District of Columbia in accordance with the Classification Act of 1923, as amended, with the exception of the First Assistant Secretary and the Assistant Secretary the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, as amended, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade, except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade but not more often than once in any fiscal year and then only to the next higher rate.

The amendment was agreed to.

The next amendment was, under the subhead "Division of grazing control", on page 4, line 23, after the word "vehicles", to strike out "$250,000" and insert "$150,000", so as to read:

For carrying out the provisions of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269), including traveling and other necessary expenses, not to exceed $111,080 for personal services in the District of Columbia, and not to exceed $5,000 for the purchase, exchange, operation, and maintenance of motor-propelled passenger-carrying vehicles, $150,000, to be immediately available and to be expended under the direction of the Secretary of the Interior.

The amendment was agreed to.

The next amendment was, under the subhead "Printing and binding", on page 7, line 18, after the name "Bureau of Reclamation", to strike out "$184,000, of which $35,000" and insert "$239,000, of which $50,000", and in line 21, after the name "National Park Service", to strike out "$45,000" and insert "$85,000", so as to read:

For printing and binding for the Department of the Interior, including all of its bureaus, offices, institutions, and services in the District of Columbia and elsewhere, except the Alaska Railroad, the Geological Survey, Vocational Education, and the Bureau of Reclamation, $239,000, of which $50,000 shall be for the National Park Service, $85,000 for the Bureau of Mines, and $46,500 for the Office of Education, no part of which shall be available for correspondence instruction.

The amendment was agreed to.

The next amendment was, under the heading "Mount Rushmore National Memorial Commission", on page 8, line 23, before the figures "$55,000", to insert "of which $20,000 shall be immediately available,", so as to read:

Mount Rushmore National Memorial Commission: For carrying into effect the provisions of the act creating the Mount Rushmore National Memorial Commission, approved February 25, 1929 (45 Stat., p. 1300), as amended by the act approved June 26, 1934 (48 Stat., p. 1223), of which $20,000 shall be immediately available, $55,000, together with the unexpended balance of the appropriation for this purpose for the fiscal year 1935.

The amendment was agreed to.

The next amendment was, under the heading "General Land Office—General expenses", on page 10, line 18, after the name "Secretary of the Interior", to strike out "$470,000" and insert "$700,000", so as to read:

Surveying public lands: For surveys and resurveys of public lands, examination of surveys heretofore made and reported to be defective or fraudulent, inspecting mineral deposits, coal fields, and timber districts, making fragmentary surveys, and such other surveys or examinations as may be required for identification of lands for purposes of evidence in any suit or proceeding in behalf of the United States, under the supervision of the Commissioner of the General Land Office and direction of the Secretary of the Interior, $700,000, including not to exceed $5,000 for the purchase, exchange, operation, and maintenance of motor-propelled passenger-carrying vehicles.

The amendment was agreed to.

The next amendment was, on page 11, at the end of line 10, to increase the appropriation for salaries and commissions of registers of district land offices from $73,000 to $80,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Indian Affairs—Salaries", on page 13, line 23, after the name "District of Columbia", to strike out "$470,290" and insert "$474,790", so as to read:

For the Commissioner of Indian Affairs and other personal services in the District of Columbia, $474,790.

The amendment was agreed to.

The next amendment was, on page 15, line 5, after the word "therewith", to strike out "$140,400" and insert "$145,000", so as to read:

For lease, purchase, repair, and improvement of agency buildings, exclusive of hospital buildings, including the purchase of necessary lands and the installation, repair, and improvement of heating, lighting, power, and sewerage and water systems in connection therewith, $145,000.

The amendment was agreed to.

The next amendment was, on page 15, line 15, after the word "exceed", to strike out "$275,000" and insert "$290,-

000 "; and in line 21, after the word "pupils", to strike out the colon and "*Provided*, That not to exceed $150,000" and insert "and not to exceed $160,000 of applicable appropriations", so as to read:

Vehicles, Indian Service: Not to exceed $290,000 of applicable appropriations made herein for the Bureau of Indian Affairs shall be available for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for the use of employees in the Indian field service, and the transportation of Indian school pupils, and not to exceed $160,000 of applicable appropriations may be used for the purchase and exchange of motor-propelled passenger-carrying vehicles, and that such vehicles shall be used only for official service, including the transportation of Indian school pupils.

The amendment was agreed to.

The next amendment was, under the subhead "Indian lands", on page 17, line 6, after the numerals "1936", to insert a colon and the following proviso: "*Provided*, That the unexpended balances of funds awarded to the Tesuque Pueblo and authorized to be used for water development and irrigation, and the purchase of land, are hereby made available also for the purchase of equipment for the industrial advancement of the Indians of said pueblo", so as to read:

Purchase of land and water rights, etc., Pueblo Indians, New Mexico (tribal funds): The unexpended balances of appropriations heretofore made, from the trust funds of the several pueblos, for the purchase of land and water rights, purchase of equipment for industrial advancement and fencing, irrigating, and improving lands, are hereby continued available for the same purposes until June 30, 1936: *Provided*, That the unexpended balances of funds awarded to the Tesuque Pueblo and authorized to be used for water development and irrigation, and the purchase of land, are hereby made available also for the purchase of equipment for the industrial advancement of the Indians of said pueblo.

The amendment was agreed to.

The next amendment was, on page 18, line 11, after the word "available", to strike out "$500,000" and insert "$1,000,000"; in line 12, after the word "exceed", to strike out "$15,000" and insert "$22,500", and in line 14, after the name "District of Columbia", to insert a colon and the following proviso: "*Provided*, That within the States of Arizona and Wyoming no part of said sum shall be used for the acquisition of lands outside of the boundaries of existing Indian reservations"; so as to read:

For the acquisition of lands, interest in lands, water rights and surface rights to lands, and for expenses incident to such acquisition, in accordance with the provisions of the act of June 18, 1934 (48 Stat., p. 985), including personal services, purchase of equipment and supplies, and other necessary expenses, to be immediately available, $1,000,000, of which not to exceed $22,500 shall be available for personal services in the District of Columbia: *Provided*, That within the States of Arizona and Wyoming no part of said sum shall be used for the acquisition of lands outside of the boundaries of existing Indian reservations.

The amendment was agreed to.

Mr. ASHURST. Mr. President, I ask unanimous consent to print in the RECORD at this point certain excerpts from pages 86, 87, and 88 of the hearings on the bill. These excerpts I desire to have appear in the RECORD following the adoption of the amendment on page 18, lines 14 to 17, inclusive.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Senator HAYDEN. I do not understand about how Oklahoma should be considered out of the picture so far as purchasing land for the Indians is concerned.

Mr. COLLIER. Let me explain it this way: Actually the mere buying of land in Oklahoma is possible under the Wheeler-Howard Act as passed, but the extension of credit to Oklahoma Indians is excluded by the act as passed, expressly. They cannot organize; and further, they cannot have credit. The buying of the land when no capital for development can be supplied is useless, and therefore any plan for supplying agricultural land to the Oklahoma Indians is rendered abortive.

If the pending bill be adopted, introduced by Senator THOMAS and Mr. ROGERS, all that is equalized in Oklahoma, becomes eligible to all of the benefits.

Senator HAYDEN. There has been considerable nervousness in my own State with respect to the authority granted by the Wheeler-Howard Act for the purchase of lands for Indians. Whether or not this fear is warranted, I do not know. What you stated a moment ago with respect to checkerboard lands is a problem that we have met through the Navajo boundary bill, and that apparently is a very satisfactory solution——

Mr. COLLIER. Yes.

Senator HAYDEN. Of a problem that was very acute for many years. But there is continual apprehension in the State of Arizona of a disposition on the part of the Indian Service to go outside of the boundaries thus fixed by law and acquire lands for the Navajos. There is also a fear of a disposition on the part of the Indian Bureau to acquire lands for other Indians in various parts of Arizona, when, as a matter of fact, within the State there is about 20,000,000 acres of land now reserved for use and occupancy by Indians.

In your judgment, is there any necessity for the acquisition of additional lands for Indians in Arizona at this time beyond what has already been provided for them?

Mr. COLLIER. I would answer it this way, Senator HAYDEN: At this time means with the present Indian population. I would say that if we are able to go in and save the range from denudation, stop the rapid destruction of the soil value, no. Generally speaking, no. If we cannot do it, we are going to witness this continuous process of the destruction of the Indian range, and the Indians being forced out and out and out upon other lands.

Senator HAYDEN. But I understand that substantial progress is being made to control soil erosion on the Arizona Indian reservations.

Mr. COLLIER. We are making progress, and we are hoping actually to meet the necessity.

Senator HAYDEN. I am speaking of the existing lands reserved for Indians in Arizona. If properly conserved, will they take care of the Indian population?

Mr. COLLIER. Stated with this qualification about the Navajos, that we may find it necessary—I am not speaking of any actual plan, but of a possibility that we may find that we cannot develop on the existing or proposed Navajo Reservation all of the land for sedentary farming, irrigated land that is needed, to give them a decent standard of living. We may find even after we have taken in for the Navajos some of their land down on the Colorado owned by the Indians, a part of it, still we will be compelled ultimately to go further and acquire some irrigated land.

Senator HAYDEN. I fear that you will have considerable difficulty in persuading the Navajos to leave their high, cool country and go down to reside in the Colorado River Valley where the summer weather is very hot.

Mr. COLLIER. I am not speaking to any immediate plan, and I think the most effective answer would be this, that this little money, $500,000, or a million, as it may be, or 2 million, is utterly insufficient to meet the needs of the Indians who are totally landless, or whose lands are so checkerboarded through allotment that they just as well be landless.

Senator HAYDEN. Then it is not your intention during the next fiscal year to purchase any land for Indians in Arizona?

Mr. COLLIER. Oh, no. I am sure we have no such intention.

Mr. STEWART. Senator HAYDEN, you recall that the Arizona-Navajo extension bill as passed contains a proviso against the use of this Wheeler-Howard Act money for the purchase of land in Arizona for the Navajo Indians.

Senator HAYDEN. We took care of that. But my people are very nervous. There has been over the years a continued expansion, expansion, and expansion, in the areas of land reserved for Indians. We must all frankly admit there has been a great expansion in the numbers of the Navajo Tribe. There were only about 4,000 of them when the Navajos were all prisoners of war at Bosque Redondo on the Pecos in 1865, and they have multiplied now to how many?

Mr. COLLIER. Forty-five thousand.

Senator HAYDEN. Forty-five thousand, which is a tenfold increase in 70 years. Now, if the same ratio of increase in population is to go on and Congress is to continue to buy land for them, within a few generations Arizona would be populated by none but Navajos.

Mr. COLLIER. It would.

Senator HAYDEN. The white people of Arizona cannot contemplate that situation with entire calmness. The Navajo Indians now have a reservation in Arizona and New Mexico that is about as large as the State of West Virginia, which should be sufficient to support the tribe. Under all the circumstances, my people will be reassured if it is understood that none of the money appropriated in this bill——

Mr. COLLIER. No.

Senator HAYDEN. Is to be used to purchase any lands outside of the boundaries of existing Indian reservations in the State of Arizona.

Mr. COLLIER. Yes; that could be stated as a definite pledge, and as a matter of fact the law itself could provide for that.

Senator HAYDEN. There is one other source of apprehension in the State, the so-called "San Carlos extension", an area of land that over a generation ago was eliminated from the Apache Reservation for mining purposes. Under the terms of the Wheeler-Howard Act that land might be again incorporated within the reservation. I think it would be a mistake to return such lands to the San Carlos Apache Reservation for the reason that in the intervening years, all of the valuable sources of water in that area has been acquired and now belong to white people.

Mr. COLLIER. Our office shares that view.

Senator HAYDEN. If the entire area south of the Gila again becomes an Indian reservation, the same story that you have just told of the evils of checkerboard ownership would again exist. It would be necessary for the Indian Bureau to condemn or otherwise acquire all of the white holdings in the area that was ceded

by the Apache Indians. They are the strategic holdings and are most valuable, because ownership of the water controls the range.

Mr. COLLIER. We think the Government, however, ought to compensate the Indians for the lands that are admittedly theirs.

Senator HAYDEN. With that statement I am inclined to agree. You will remember that Senator ASHURST suggested at a meeting of the Senate Committee on Indian Affairs held at San Carlos about 3 years ago that the land in the extension be paid for to the Indians at the rate of $1.25 an acre. That would require an appropriation of about $275,000. Legislation of that kind I am sure the Arizona delegation in Congress will be glad to sponsor.

May it be understood that the Indian Bureau prefers that kind of solution rather than to attempting to restore to the San Carlos Reservation an area which is checkerboarded and spotted with lands in white ownership and which would be useless to the Apache Indians unless the holdings of the present white residents were bought out?

Mr. COLLIER. Yes; that seems to be the common-sense idea.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee.

The next amendment was, on page 19, after line 13, to insert:

The Secretary of the Interior is hereby authorized and directed to withdraw from the Treasury of the United States and to pay to the Sac and Fox Tribe of Indians of Missouri the amount of $9,153.20, representing the amounts remaining in two separate funds, plus $268.71 interest, which has accrued to and including December 31, 1934, on the amount of $1,141.70 derived from the sale of lands of said Indians: *Provided*, That prior to the segregation and payment of the above amount to the Indians there shall be paid to certain attorneys who have rendered services to the Indians under an informal contract not to exceed $400, to reimburse them for expenses incurred for and on behalf of the tribe: *Provided further*, That this appropriation shall be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Industrial assistance and advancement", on page 20, line 20, after the word "purpose", to strike out "$150,000" and insert "$170,000", and on page 21, line 1, after the word "law", to insert a colon and the following proviso: "*Provided further*, That not to exceed $20,000 of the foregoing amount shall be immediately available for obligations incurred during the fiscal year 1935", so as to read:

For expenses incidental to the sale of timber, and for the expenses of administration, including fire prevention, of Indian forest lands from which such timber is sold, to the extent that the proceeds of such sales are sufficient for that purpose, $170,000, reimbursable to the United States as provided in the act of February 14, 1920 (U. S. C., title 25, sec. 413): *Provided*, That this appropriation shall be available for the payment of reasonable rewards for information leading to arrest and conviction of a person or persons setting forest fires in contravention of law: *Provided further*, That not to exceed $20,000 of the foregoing amount shall be immediately available for obligations incurred during the fiscal year 1935.

The amendment was agreed to.

Mr. KING. Mr. President, I rise to ask for information. I have just learned that the Interior Department appropriation bill is before the Senate, and a hasty examination of the report shows that the bill carries appropriations of $14,471,742 in excess of those of last year. I should like to ask the Senator why there has been such a large increase in the appropriation?

Mr. HAYDEN. Mr. President, the committee report also shows that the bill is under the Budget estimates for 1936 in the amount of $1,547,000.

The principal items of increase in the bill over the appropriations for the Interior Department for the last fiscal year are, first, the item for surveying public lands, under the General Land Office, in the sum of $666,000. Last year there was no new appropriation for that purpose, the activity being cared for from an unexpended balance and out of the public-works fund.

One of the largest items under the Indian Bureau is an appropriation of $1,000,000 for the purchase of lands for Indians, which is the Budget estimate.

Under the Wheeler-Howard Act there was an authorization for $10,000,000 for a revolving fund, to make it possible to lend money to Indians. The House of Representatives authorized two and a half million, and the Senate committee did not increase the amount.

The appropriation for roads and bridges on Indian reservations is the amount authorized by law, an increase of $2,000,000 over the appropriation for last year.

Under the Geological Survey there is an increase of $287,000 for topographic surveys, being the amount allowed by the Budget and the House of Representatives. The Senate Committee on Appropriations recommends an increase of $160,000 for geologic surveys and an increase of $429,000 for gaging streams. The last sum is necessary in order to bring the total amount up to the State appropriations, which are made to match the Federal appropriation.

Under the Bureau of Mines there is a total increase of $830,000 over the amount appropriated for the present fiscal year. Four or five years ago the appropriations for the Bureau of Mines were two and a half million dollars. This increase will bring the total to about $2,000,000. The Senator is well aware of the importance of the Bureau of Mines to the mining industry.

Mr. KING. I assent to that appropriation very gladly.

Mr. HAYDEN. For the National Park Service there is an increase for roads of two and a half million dollars, that being the amount authorized by law.

In the pending bill there appears an appropriation for public buildings and grounds in the District of Columbia, that function having been transferred to the Department of the Interior. The bill carries an appropriation of $1,632,000 over the appropriation last year on that account. For buildings and grounds outside of the District of Columbia, there is an appropriation of $383,000.

Mr. KING. Of course those are public buildings for use by the Government itself.

Mr. HAYDEN. Yes; under the care and control of the Department of the Interior. The Senator from Utah will remember that custody of a great many battlefields and monuments have been transferred from the War Department to the Department of the Interior. Consolidation of jurisdiction in the Department of the Interior accounts for such increases. While in this bill it appears as an apparent increase, it is not necessarily an increase over the usual appropriations for such purposes.

Mr. KING. I should like to ask the Senator what is the aggregate of the appropriation for the Indian Bureau? The Senator will recall that two sessions ago there was a very serious controversy over the appropriation, and assaults were made in a friendly way upon the policy of the Indian Bureau in the maintenance of a large number of schools at very great expense. The promise was made that many of the schools would be abondoned and that schools upon the reservations would be established, or more of the Indian children would be brought into public schools of the States in which the Indians were found.

Mr. HAYDEN. The Senator from Utah perhaps knows from his own observation that the policy of establishing day schools on Indian reservations has been very widely adopted. There cannot be day schools without buildings. There are substantial appropriations in the bill to carry on the building of new day schools on various Indian reservations. The record shows that in practically all Indian boarding schools the attendance has materially decreased. Instead of being sent away to boarding schools, children are being educated near their homes on the reservations.

Mr. KING. The Senator knows that there was great resistance by some white people in some of the States against closing the Indian boarding schools, and very great opposition to the establishment of schools upon the reservations for the Indian children.

Mr. HAYDEN. I am sure that anyone who has carefully thought the matter over realizes that young Indian children should not be sent away to Indian boarding schools. It is better to educate them at home. On the other hand, there is a proper use for boarding schools for the more advanced children to give them the education which they cannot obtain upon the reservations. It is the same as the situation in white families. We educate our children in the public schools and then send them away from home to college.

Many Indians desire that their children shall have the same advantage so that a balanced education may be obtained—and, I think, properly so. There should be some nonreservation boarding schools for higher education of Indians, but Congress should also provide for day schools on the reservations.

Mr. KING. I agree with that policy. I was wondering whether the plan which I understood had been agreed upon by Mr. Collier when he came into office that the number of boarding schools should be diminished is being carried into effect.

Mr. HAYDEN. The number of nonreservation boarding schools has been reduced and the attendance at the existing schools has been diminished, but it does take money to establish new day schools. The expenditures are now necessary for that purpose. Ultimately it will cost less to maintain the day schools.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Maryland?

Mr. HAYDEN. Certainly.

Mr. TYDINGS. The Senator will recall that not very long ago there were about 350,000 Hawaiians. Today, under the influence of civilization, that fine population has decreased until there are only about 20,000 native Hawaiians left. There has been a movement to get an appropriation to provide homesteads for those native Hawaiians in the hope that they might not disappear as a race. Outside of the appropriation for education in Hawaii and for the Governor of Hawaii, are there any appropriations in the bill looking toward the homesteading feature?

Mr. HAYDEN. I will say very frankly to the Senator that the matter was not considered by the Committee on Appropriations. We merely accepted the action taken by the House with respect to appropriations for Hawaii. I doubt the propriety of seeking to amend the bill now for a purpose of that kind unless we have definite information. The Senator's suggestion, however, is entirely proper and should be pursued.

Mr. TYDINGS. Does the Senator know whether or not it is contemplated by the Department of the Interior to augment the work now being done in Hawaii?

Mr. HAYDEN. All I really know about the subject is what I learned in a conversation with the Governor of Hawaii when I was in Honolulu last summer. Governor Poindexter stated that they were working on the problem of trying to save the remnant of the Hawaiian race, and that one of the best ways to do it is to provide them with small homesteads.

Mr. TYDINGS. I am not at all critical in making the observation, but it seems to me that the same treatment we afford the Indians, so to speak, to some extent should be afforded the Hawaiians. We have gone in there and taken the land in the same manner, after a fashion, and put them up against a type of life to which they are traditionally not suited. They are disappearing from the face of the earth, and it strikes me we have a moral obligation to assist them to get back on the land rather than to have them kicked about as they have been to a large extent by our different endeavors and interference in the affairs of the island. I am hopeful the Department of the Interior sometime in the future will enlarge on the plan now being adopted, and that Congress will appropriate sufficient money to give the people a chance to revitalize themselves, as they formerly lived in homesteads.

Mr. HAYDEN. From my own observation in the Hawaiian Islands, I think the Senator has interested himself in a very worthy purpose.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The next amendment of the Committee on Appropriations was, on page 21, line 10, after the word "reservations", to strike out "$15,000" and insert "$20,000", so as to read:

For the suppression or emergency prevention of forest fires on or threatening Indian reservations, $20,000, together with $25,000 from funds held by the United States in trust for the respective tribes of Indians interested.

The amendment was agreed to.

The next amendment was, on page 24, line 2, after the word "thereof", to insert "to be immediately available, $116,000, payable from tribal funds as follows: Fort Apache, Ariz., $25,000; Fort Peck, Mont., $30,000; Pyramid Lake, Nev., $11,000; Cheyenne River, S. Dak., $25,000; Shoshone, Wyo., $25,000", so as to read:

Industrial assistance (tribal funds): For the construction of homes for individual members of the tribes; the purchase for sale to them of seed, animals, machinery, tools, implements, building material, and other equipment and supplies; and for advances to old, disabled, or indigent Indians for their support, and Indians having irrigable allotments to assist them in the development and cultivation thereof, to be immediately available, $116,000, payable from tribal funds as follows: Fort Apache, Ariz., $25,000; Fort Peck, Mont., $30,000; Pyramid Lake, Nev., $11,000; Cheyenne River, S. Dak., $25,000; Shoshone, Wyo., $25,000, and the unexpended balances of funds available under this head in the Interior Department Appropriation Act for the fiscal year 1935, and the act of June 27, 1932 (47 Stat., p. 335), are hereby continued available during the fiscal year 1936.

The amendment was agreed to.

The next amendment was, under the subhead "Development of water supply", on page 32, after line 18, to insert:

For final payment to the Middle Rio Grande Conservancy District, N. Mex., in accordance with the provisions of the act entitled "An act authorizing the Secretary of the Interior to execute an agreement with the Middle Rio Grande Conservancy District providing for conservation, irrigation, drainage, and flood control for the Pueblo Indian lands in the Rio Grande Valley, N. Mex., and for other purposes", approved March 13, 1928 (45 Stat., p. 312), $311,452, or so much thereof as may be necessary, to be immediately available and to be reimbursed as provided in said act.

The amendment was agreed to.

The next amendment was, on page 39, line 12, after the figures "$12,000" and the semicolon, to insert "for enlarging hospital, including purchase of equipment, $24,000;", and in line 14, after the words "in all", to strike out "$141,250" and insert "$165,250", so as to read:

Sequoyah Orphan Training School, near Tahlequah, Okla.: For 350 orphan Indian children of the State of Oklahoma belonging to the restricted class, to be conducted as an industrial school under the direction of the Secretary of the Interior, $114,250; for pay of superintendent, drayage, and general repairs and improvements, $12,000; for enlarging hospital, including purchase of equipment, $24,000; for the purchase of land, $15,000; in all, $165,250.

The amendment was agreed to.

The next amendment was, on page 40, line 13, after the word "improvements", to strike out "$20,000; for improvements to heating system, $40,000" and insert "including improvements to heating system and shop facilities, $60,000", so as to read:

Chemawa, Salem, Oreg.: For 300 pupils, including not to exceed $1,000 for printing and issuing school paper, $106,500; for local vocational training program directed from the school, $20,500; for pay of superintendent, drayage, and general repairs and improvements, including improvements to heating system and shop facilities, $60,000; in all, $187,000.

The amendment was agreed to.

The next amendment was, on page 40, line 25, after the word "exceed", to strike out "$2,618,575" and insert $2,642,575", so as to read:

In all, for above-named nonreservation boarding schools, not to exceed $2,642,575.

The amendment was agreed to.

The next amendment was, under the subhead "General support and administration", on page 48, line 4, after the name "Fort Apache", to strike out "$24,000" and insert "$50,000"; in the same line, after the name "San Carlos", to strike out "$65,800" and insert "$55,800"; and in line 5, after the words "in all", to strike out "$99,300" and insert "$115,300", so as to read:

Arizona: Colorado River, $3,000; Fort Apache, $50,000; San Carlos, $55,800; Truxton Canyon, $6,500; in all, $115,300.

The amendment was agreed to.

The next amendment was, on page 49, line 1, after the name "Keshena", to strike out "$60,000" and insert "$61,500", so as to read:

Wisconsin: Keshena, $61,500, including $10,000 for monthly allowances, under such rules and regulations as the Secretary of the Interor may prescribe, to old and indigent members of the Menominee Tribe who reside with relatives or friends.

The amendment was agreed to.

The next amendment was, on page 49, line 6, after the word "exceed", to strike out "$448,200" and insert "$465,700", so as to read:

In all, not to exceed $465,700.

The amendment was agreed to.

The next amendment was, on page 50, line 9, after the name "Chickasaw Nations", to insert "at salaries at the rate heretofore paid for the said governor and said chief and $4,000 for the said mining trustee", so as to read:

Expenses of tribal officers, Five Civilized Tribes, Oklahoma (tribal funds): For the current fiscal year money may be expended from the tribal funds of the Choctaw, Chickasaw, Creek, and Seminole Tribes for equalization of allotments, per capita, and other payments authorized by law to individual members of the respective tribes, salaries and contingent expenses of the governor of the Chickasaw Nation and chief of the Choctaw Nation, one mining trustee for the Choctaw and Chickasaw Nations, at salaries at the rate heretofore paid for the said governor and said chief and $4,000 for the said mining trustee, and one attorney each for the Choctaw and Chickasaw Tribes employed under contract approved by the President under existing law.

The amendment was agreed to.

The next amendment was, on page 51, line 15, after the name "Indian Affairs", to strike out "$25,000" and insert "$50,000, of which amount $10,000 shall be immediately available,", and in line 20, after the word "specified", to insert a colon and the following additional proviso: "*Provided further,* That no part of this appropriation shall be available for per diem in lieu of all other expenses of members of tribal councils, business committees, or other tribal organizations, when in Washington, in excess of $6, nor for more than a 30-day period, unless the Secretary of the Interior shall in writing approve a greater amount or a longer period", so as to read:

Expenses of tribal councils or committees thereof (tribal funds): For traveling and other expenses of members of tribal councils, business committees, or other tribal organizations, when engaged on business of the tribes, including visits to Washington, D. C., when duly authorized or approved in advance by the Commissioner of Indian Affairs, $50,000, of which amount $10,000 shall be immediately available, payable from funds on deposit to the credit of the particular tribe interested: *Provided,* That, except for the Navajo Tribe, not more than $5,000 shall be expended from the funds of any one tribe or band of Indians for the purposes herein specified: *Provided further,* That no part of this appropriation shall be available for per diem in lieu of all other expenses of members of tribal councils, business committees, or other tribal organizations, when in Washington, in excess of $6, nor for more than a 30-day period, unless the Secretary of the Interior shall in writing approve a greater amount or a longer period.

The amendment was agreed to.

The next amendment was, on page 52, after line 3, to insert:

Audit of the tribal funds of the Menominee Indians: For the purpose of making an audit of the tribal funds of the Menominee Indians, including, without limitation, an engineering audit of the timber operations on the Menominee Reservation in Wisconsin to be immediately available, $20,000, payable from funds on deposit to the credit of said Menominee Indians: *Provided,* That to accomplish said audit the tribal council or business committee of said Menominee Indians may enter into a contract or contracts, to be approved by the Secretary of the Interior, with a firm of certified public accountants, and, with a timber engineer: *Provided further,* That this appropriation shall be available for related investigations, for services, travel, and other expenses necessary to a complete engineering and general audit, expenditures for such purposes to be paid upon presentation by attorneys acting for said Menominee Indians of itemized vouchers approved by the Commissioner of Indian Affairs.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Reclamation" on page 63, line 24, after the word "economic", to strike out "and/or" and insert "and", so as to read:

No part of any appropriation in this act for the Bureau of Reclamation shall be used for investigations to determine the economic and financial feasibility of any new reclamation project.

The amendment was agreed to.

The next amendment was, under the heading "Geological Survey—General expenses", on page 65, line 17, after the word "thereto", to strike out "$335,000" and insert "$450,000", so as to read:

Geologic surveys: For geologic surveys in the various portions of the United States and chemical and physical researches relative thereto, $450,000, of which not to exceed $270,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 65, line 21, after the name "Alaska", to strike out "$40,000" and insert "$100,000", and in line 23, after the word "exceed", to strike out "$20,000" and insert "$40,000", so as to read:

Mineral resources of Alaska: For continuation of the investigation of the mineral resources of Alaska, $100,000, to be available immediately, of which amount not to exceed $40,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 66, line 5, after the word "resources", to strike out "$617,000" and insert "$767,000", and in line 15, after the word "That", to strike out "$425,000" and insert "$575,000", so as to read:

Gaging streams: For gaging streams and determining the water supply of the United States, the investigation of underground currents and artesian wells, and the preparation of reports upon the best method of utilizing the water resources, $767,000, of which amount not to exceed $130,000 may be expended for personal services in the District of Columbia: *Provided,* That no part of this appropriation shall be expended in cooperation with States or municipalities except upon the basis of the State or municipality bearing all of the expense incident thereto in excess of such an amount as is necessary for the Geological Survey to perform its share of general water-resource investigations, such share of the Geological Survey in no case exceeding 50 percent of the cost of the investigation: *Provided further,* That $575,000 of this amount shall be available only for such cooperation with States or municipalities.

The amendment was agreed to.

The next amendment was, on page 67, line 18, after the word "thereto", to strike out "$200,000" and insert "$225,000", so as to read:

Mineral leasing: For the enforcement of the provisions of the acts of October 20, 1914 (U. S. C., title 48, sec. 435), October 2, 1917 (U. S. C., title 30, sec. 141), February 25, 1920 (U. S. C., title 30, sec. 181), and March 4, 1921 (U. S. C., title 48, sec. 444), and other acts relating to the mining and recovery of minerals on Indian and public lands and naval petroleum reserves; and for every other expense incident thereto, including supplies, equipment, expenses of travel and subsistence, the construction, maintenance, and repair of necessary camp buildings and appurtenances thereto, $225,000, of which amount not to exceed $56,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 70, at the end of line 3, to increase the total appropriation for the United States Geological Survey from $2,107,560 to $2,457,560.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Mines—Salaries and general expenses", on page 71, line 19, after the word "exceed", to strike out "$80,000" and insert "$100,000", and in line 20, after the name "District of Columbia", to strike out "$499,000" and insert "$669,000", so as to read:

Operating mine rescue cars and stations and investigation of mine accidents: For the investigation and improvement of mine rescue and first-aid methods and appliances and the teaching of mine safety, rescue, and first-aid methods; investigations as to the causes of mine explosions, causes of falls of roof and coal, methods of mining, especially in relation to the safety of miners, the appliances best adapted to prevent accidents, the possible improvement of conditions under which mining operations are carried on, the use of explosives and electricity, the prevention of accidents, statistical studies and reports relating to mine accidents, and other inquiries and technologic investigations pertinent to the mining industry; the exchange in part payment for operation, maintenance, and repair of mine rescue trucks; the construction of temporary structures and the repair, maintenance, and operation of mine rescue cars and the Government-owned mine rescue stations and appurtenances thereto; personal services, traveling

expenses and subsistence, equipment, and supplies; travel and subsistence, and other incidental expenses of employees in attendance at meetings and conferences held for the purpose of promoting safety and health in the mining and allied industries; purchase not exceeding $5,000, exchange as part payment for, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles for official use in field work; purchase and exchange in part payment therefor of cooks' uniforms, goggles, gloves, rubber boots, aprons, and such other articles or equipment as may be necessary in connection with the purposes of this paragraph; including not to exceed $100,000 for personal services in the District of Columbia, $669,000.

The amendment was agreed to.

The next amendment was, on page 72, line 11, after the name "District of Columbia", to strike out "$110,400" and insert "$210,400", and in line 12, after the word "exceed", to strike out "$27,600" and insert "$32,600", so as to read:

Testing fuel: To conduct inquiries and scientific and technologic investigations concerning the mining, preparation, treatment, and use of mineral fuels, and for investigation of mineral fuels belonging to or for the use of the United States, with a view to their most efficient utilization; to recommend to various departments such changes in selection and use of fuel as may result in greater economy, and upon request of the Director of the Bureau of the Budget, to investigate the fuel-burning equipment in use by or proposed for any of the departments, establishments, or institutions of the United States in the District of Columbia, $210,400, of which amount not to exceed $32,600 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 72, line 25, after the word "exceed", to strike out "$2,500" and insert "$12,000"; on page 73, line 3, after the word "exceed", to strike out "$18,800" and insert "$23,800", and in line 4, after the name "District of Columbia", to strike out "$128,860" and insert "$288,860", so as to read:

Mineral mining investigations: For inquiries and scientific and technologic investigations concerning the mining, preparation, treatment, and utilization of ores and mineral substances, other than fuels, with a view to improving health conditions and increasing safety, efficiency, economic development, and conserving resources through the prevention of waste in the mining, quarrying, metallurgical, and other mineral industries; to inquire into the economic conditions affecting these industries; and including all equipment, supplies, expenses of travel and subsistence, and the purchase, not to exceed $12,000, including exchange, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles for official use in field work, including not to exceed $23,300 for personal services in the District of Columbia, $288,860.

The amendment was agreed to.

The next amendment was, on page 73, line 20, before the word "exchange", to strike out "$3,000" and insert "$6,000"; in line 23, after the word "aprons", to strike out "$122,866" and insert "$237,866"; in line 24, after the word "amount", to insert "$40,000 shall be immediately available and"; and on page 74, line 1, after the word "exceed", to strike out "$17,500" and insert "$22,500", so as to read:

Oil and gas investigations: For inquiries and investigations and dissemination of information concerning the mining, preparation, treatment, and utilization of petroleum and natural gas, including economic conditions affecting the industry, with a view to economic development and conserving resources through the prevention of waste; for the purchase of newspapers relating to the oil, gas, and allied industries: *Provided*, That section 192 of the Revised Statutes (U. S. C., title 5, sec. 102) shall not apply to such purchase of newspapers from this appropriation; and for every other expense incident thereto, including supplies, equipment, expenses of travel and subsistence, purchase, not to exceed $6,000, exchange as part payment for, maintenance, and operation of motor-propelled passenger-carrying vehicles for official use in field work, purchase of laboratory gloves, goggles, rubber boots and aprons, $237,866, of which amount $40,000 shall be immediately available and not to exceed $22,500 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 74, line 12, before the words "of which", to strike out "$145,450" and insert "$195,450"; and in line 13, after the word "exceed", to strike out "$13,140" and insert "$16,500", so as to read:

Mining experiment stations: For the employment of personal services, purchase of laboratory gloves, goggles, rubber boots and aprons, the purchase not to exceed $3,000, exchange as part payment for, maintenance and operation of motor-propelled passenger-carrying vehicles for official use in field work, and all other expenses in connection with the establishment, maintenance, and operation of mining experiment stations, as provided in the act authorizing additional mining experiment stations, approved March 3, 1915 (U. S. C., title 30, sec. 8), $195,450, of which amount not to exceed $16,500 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 74, line 22, after the word "improvements", to strike out "$67,690" and insert "$87,690", so as to read:

Buildings and grounds, Pittsburgh, Pa.: For care and maintenance of buildings and grounds at Pittsburgh and Bruceton, Pa., including personal services, the purchase, exchange as part payment for, operation, maintenance, and repair of passenger automobiles for official use, and all other expenses requisite for and incident thereto, including not to exceed $5,000 for additions and improvements, $87,690.

The amendment was agreed to.

The next amendment was, on page 75, line 17, after the word "foregoing", to strike out "$262,855" and insert "$275,855"; and in line 18, after the word "exceed", to strike out "$210,000" and insert "$233,000", so as to read:

Economics of mineral industries: For inquiries and investigations, and the dissemination of information concerning the economic problems of the mining, quarrying, metallurgical, and other mineral industries, with a view to assuring ample supplies and efficient distribution of the mineral products of the mines and quarries, including studies and reports relating to uses, reserves, production, distribution, stocks, consumption, prices, and marketing of mineral commodities and primary products thereof; preparation of the reports of the mineral resources of the United States, including special statistical inquiries; and including personal services in the District of Columbia and elsewhere; purchase of furniture and equipment; stationery and supplies; typewriting, adding and computing machines, accessories and repairs; newspapers; traveling expenses; purchase, not exceeding $1,200, exchange as part payment for operation, maintenance, and repair of motor-propelled passenger-carrying vehicles for official use in field work; and for all other necessary expenses not included in the foregoing, $275,855, of which amount not to exceed $233,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 76, line 1, after the word "military", to strike out "and/or" and insert "and", so as to read:

Helium production and investigations: The sums made available for the fiscal year 1936 in the acts making appropriations for the War and Navy Departments for the acquisition of helium from the Bureau of Mines shall be transferred to the Bureau of Mines on July 1, 1935, for operation and maintenance of the plants for the production of helium for military and naval purposes, including laboratory gloves, goggles, rubber boots and aprons, purchase, not to exceed $2,500, and exchange as part payment for maintenance, operation, and repair of motor-propelled passenger-carrying vehicles for official use in field work, and all other necessary expenses, and including $11,300 for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 79, line 13, to increase the total appropriation for the Bureau of Mines from $1,417,311 to $2,045,311.

The amendment was agreed to.

The next amendment was, under the heading "National Park Service", on page 82, line 10, after the word "work", to strike out "$57,600" and insert "$62,600, of which $5,000 shall be immediately available", so as to read:

Crater Lake National Park, Oreg.: For administration, protection, and maintenance, including not exceeding $780 for the maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, $62,600, of which $5,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 88, after line 5, to insert:

Big Dry Wash Battlefield: For erection by the National Park Service in cooperation with the United States Forest Service, of a marker to commemorate the battle at Big Dry Wash, Ariz., during the Indian wars on ground owned by the United States, $500, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 91, after line 23, to insert:

Salaries and general expenses, public buildings and grounds in the District of Columbia, National Park Service, fiscal year 1935: For an additional amount for administration, protection, and

maintenance of public buildings and grounds in the District of Columbia, including the same objects specified under this head in the Department of the Interior Appropriation Act, 1935, $432,900, to be immediately available: *Provided*, That the limitation on expenditures for personal services in the District of Columbia is hereby increased from $3,114,000 to $3,231,000.

The amendment was agreed to.

The next amendment was, on page 92, after line 19, to insert:

Salaries and expenses, public buildings outside the District of Columbia, National Park Service, fiscal year 1935: For an additional amount for administration, protection, and maintenance of public buildings outside the District of Columbia, including the same objects specified under this head in the Department of the Interior Appropriation Act, 1935, $47,000, to be immediately available.

The amendment was agreed to.

The next amendment was, under the heading "Government in the Territories—Territory of Alaska", on page 98, line 4, after the name "Territory of Alaska", to strike out "$4,000" and insert "$50,000", and in line 8, after the word "such", to strike out "$4,000" and insert "$50,000", so as to read:

For the establishment and maintenance of public schools, Territory of Alaska, $50,000, together with the unexpended balance on June 30, 1935, for this purpose in the special fund, public schools, Alaska fund, to continue available until expended: *Provided*, That expenditures under such $50,000 shall not exceed the aggregate receipts covered into the Treasury in accordance with section 4 of the Permanent Appropriation Repeal Act, 1934.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. HAYDEN. Mr. President, by direction of the Committee on Appropriations, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 3, after the word "Interior", it is proposed to insert the following:

Under Secretary (which position is hereby established in the Department of the Interior, with compensation at the rate of $10,000 per annum, and with appointment thereto by the President, by and with the advice and consent of the Senate).

And on page 2, line 6, after the name "District of Columbia", it is proposed to strike out "$421,590" and insert "$431,590."

Mr. McNARY. Mr. President, will the Senator explain the nature of the amendment now proposed?

Mr. HAYDEN. The amendment proposes to create in the Department of the Interior the office of under secretary at a salary of $10,000 per annum, the Under Secretary to be appointed by the President and confirmed by the Senate. The amount proposed to be provided and the language of the amendment were included in the Budget estimates as submitted to the Congress. The item as I have offered it was favorably reported by the House Committee on Appropriations but was stricken out on the floor of the House on a point of order. The amendment was brought to the attention of the Senate Committee on Appropriations. Secretary Ickes appeared in person and earnestly urged that he needed the help which will be afforded by the appointment of an Under Secretary, and I was authorized by the committee to offer the amendment.

Mr. McNARY. As the bill passed the House it provided for two Assistant Secretaries. The Committee on Appropriations of the Senate evidently changed that to read "First Assistant Secretary and Assistant Secretary."

Mr. HAYDEN. If the Senator will permit me to explain the situation, the law provides, at the present time, for a First Assistant Secretary and an Assistant Secretary. When the bill was reported to the House from the House Committee on Appropriations it contained a provision for an Under Secretary and two Assistant Secretaries. We thought it was proper that the First Assistant should retain his title and that is why the action was taken by the Senate Committee on Appropriations, so that the bill will now provide, if the amendment shall be adopted, for an Under Secretary, a First Assistant Secretary, and an Assistant Secretary.

The amendment merely adds an Under Secretary and does not take the title of First Assistant away from the present First Assistant Secretary.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arizona.

Mr. KING. Mr. President, may I inquire of the Senator, does this mean that we are creating another office?

Mr. HAYDEN. That is the effect of the amendment.

Mr. KING. We are not abolishing one of the Assistant Secretaries?

Mr. HAYDEN. Not at all. We are leaving the set-up in the Department exactly as it is, with the same titles the present officials now have, and are merely adding an Under Secretary.

Mr. KING. Is it necessary to have another official there?

Mr. HAYDEN. I believe the Senator will agree with me that no member of the Cabinet has such manifold duties imposed upon him as has the Secretary of the Interior.

Mr. KING. I quite appreciate that, and I should like to give him more duties, because he is efficient.

Mr. HAYDEN. That is true; and Secretary Ickes feels that he ought to have in the Interior Department an Under Secretary to whom he can delegate a part of his authority. The Committees on Appropriations of both Houses felt that it was the proper thing to do, particularly since it is estimated for in the Budget.

Mr. THOMAS of Oklahoma. Mr. President, I believe the RECORD should show that during the past 2 years many activities have been transferred to the Secretary of the Interior, and for that reason this additional officer does not appear to be out of place.

Mr. ROBINSON. Mr. President, there is no question that the duties and responsibilities of the Secretary of the Interior have been very greatly increased during the last few years. Some of them, as stated by the Senator from Oklahoma, pertain to activities that have been transferred to his Department; others relate to duties that are not intimately connected with the affairs of his Department. It seems to me that, under the circumstances, the creation of this new office is justified.

Mr. LEWIS. Mr. President, I cannot let this moment pass without bringing to the attention of the Senate that which I feel is due to the Secretary of the Interior. I have the honor to be one of those representing in the Senate the State of Illinois. This particular appointee whom Senators have described as Secretary Ickes is from the State of Illinois. I think it is but fair that we contemplate for a moment that when he became a member of the Cabinet he had previously held no Federal office. He came directly from the profession and practice of the law, largely devoted to what may be called its domestic branch—civil law, property, and local finance. Politically he had altogether aligned himself with matters of governmental reform, particularly against municipal corruption, without regard to the political party which might be in power. He has been trusted and clothed with the privileges of office unparalleled by precedent or example in government. The Senator from Arkansas, the leader of the majority, and the Senator from Arizona, in charge of the bill, have stated, and the Senators from Oklahoma and Utah have confirmed, that a great many duties have been appended to the office of the Secretary of the Interior which heretofore were foreign to it. This gentleman in conducting his office has had to distribute money to the amount of millions and hundreds of millions of dollars, passing ultimately into larger sums of billions. He has had to direct and supervise numbers of contracts of every form and nature, many limited and unrestrained. He has had to administer varied forms of undertaking. With this vast load of toil borne upon him and carrying responsibilities multiplied, there has been no comment from any source other than approval of his industry and devotion to duty. Whatever discordance from time to time there has arisen as to the method of administration from those who may have been desirous or anxious for immediate expedition, it is well to observe here, as I do, that nowhere at any time has allusion been made touching his integrity, but of praise or reflecting upon his official probity

only as the highest and most honorable. And this I assert is of universal application in all our Nation where his office and authority operate.

The example this officer has set in his marvelous and helpful results and his achievements guided for the Nation, I, as United States Senator, commend to the honorable Senate. I speak in behalf of this Cabinet appointee from the State of Illinois on his record. I take pride in bringing to the attention of the Senate the great usefulness and distinction of all Illinois appointees as aids to the President. And as to the Secretary of the Interior, I press upon the consideration of the Senate the expression of approval of the proposal now offered to give him relief from the severe burden borne, and with it reflect the deserved degree of honor.

Mr. HAYDEN. Mr. President, for the purpose of the record, I desire to have printed at this point a brief excerpt from the hearings justifying this proposed change in the law.

The PRESIDENT pro tempore. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

UNDER SECRETARYSHIP

Secretary ICKES. Under this administration the following new activities have been transferred to the Department of the Interior: Office of Public Buildings and Public Parks of the National Capital; Public Buildings Commission; Arlington Memorial Bridge; Agriculture Department Buildings, 11 for full maintenance, 13 for partial maintenance; Veterans' Administration Buildings, 4 of them; buildings outside the District of Columbia, 11; cemeteries and parks, from the War Department, as follows: 11 national military parks, 2 national parks, 10 battlefield sites, 10 national monuments, 4 miscellaneous memorials, 11 national cemeteries. Then, national monuments from the Department of Agriculture, 16 areas; George Rogers Clark Sesquicentennial Commission; Commission of Fine Arts; Mount Rushmore National Memorial Commission; the Bureau of Mines; the Federal Board for Vocational Education; the United States Geographic Board; Puerto Rico; grazing control; and as an emergency organization, Subsistence Homesteads.

Now, if I may make a purely self-serving statement, Mr. Chairman and Senators, I really need additional help of a sort that can be effectively given only by an Under Secretary. Since accepting this position, which I did with a great deal of pleasure, I have worked from early morning till late at night. Customarily I am at the office at 8 o'clock in the morning. On winter days sometimes I am 15 or 20 minutes late. I work through till 6:15 without pausing for lunch. I go home for dinner. I come back at night and work till 10:15. That is true of Saturdays also. Sundays I "knock off" at 1 and take work home with me. I do the same on holidays. Now, I love it, and I seem to thrive on it; but I think I could do a more effective job if I had an Under Secretary who in a sense would be an understudy who would help me carry the general load, that cannot be done by a divisional set-up at all.

I told the chairman of the subcommittee I was going to put him on as my witness, because he told me outside here—I will give him away—that if he had his way he would make every head of a department spend at least 50 percent of his time out of Washington.

* * * * * * *

Senator HAYDEN. The fact is that every administrative officer, if he so determines it to be his course, can spend all of his time handling papers in his office. He can also meet people who come from various parts of the United States but whose time is always limited. There is an old Japanese proverb that "One look is better than a thousand words." There can be no question so far as the efficiency of any executive officer is concerned, particularly one who deals with problems such as those which arise in the Interior Department, where great national resources are concerned, where the welfare of hundreds of thousands of people are involved, that to actually see the conditions on the ground is an immense advantage. That is a substantial argument in favor of creating the position of undersecretary of the Interior. The Secretary would then have more opportunity to get out in the field and see things for himself.

You did not mention among your other duties the assignment that was given to you by the President with respect to the Public Works Administration.

Secretary ICKES. Well, I have two other "chores", of course, Administrator of Public Works and Oil Administrator.

Senator HAYDEN. Necessarily, those two "chores" take a considerable part of your time.

Secretary ICKES. Yes; they take quite a lot of time. I thank you for the suggestion. That should not have been overlooked.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, on page 15, line 13, I move to strike out the figures "$100,000" and insert in lieu thereof "$150,000."

This item is intended to pay the expenses of the Indian Office in assisting Indians to organize chartered corporations. Such corporations were authorized by section 9 of what is known as the "Wheeler-Howard Act." I desire to place in the RECORD at this time the section referred to.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The section referred to is as follows:

SEC. 9. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary, but not to exceed $250,000 in any fiscal year, to be expended at the order of the Secretary of the Interior, in defraying the expenses of organizing Indian chartered corporations or other organizations created under this act.

Mr. THOMAS of Oklahoma. It will be seen that under the existing law an authorization of $250,000 is provided for each year. The Budget approved the item for $250,000, but the House, in its deliberations, reduced the sum to $100,000.

This money is intended to assist the Indians to perfect organizations so that they may participate in the revolving funds. The revolving fund authorized is the sum of $10,000,000, but the Budget cut that to $5,000,000, and in this bill it is only two and a half million dollars. Before the Indians can get the benefit of this fund they must perfect organizations something like a corporation. Of course, they do not know how to proceed; someone must educate them and guide them, and this money is for the purpose of assisting the Indians throughout the United States in perfecting their chartered organizations or corporations.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. Two years ago, when we paid a great deal of attention to the Indian appropriation bill, the evidence showed that there were something like, as I remember, 8,000 employees in the Indian Bureau, a number greatly in excess, as I believed, and as many other Senators believed, of any legitimate demand. There were promises of reforms and a reduction of salaries and of the number of employees. The figures showed that there was 1 Indian Bureau employee for every 6 or 7 Indians, and that, while there was a diminution in the number of Indians in the United States, there was a constant increase in the number of employees in the Indian Bureau. In view of that background, I ask the Senator if there are not sufficient employees in the Indian Bureau, and if there are not in that Bureau many lawyers competent to organize the various corporations which are to be set up in order to enable the Indians to secure the benefit of the fund to which the Senator has referred?

Mr. THOMAS of Oklahoma. Mr. President, if my memory serves me correctly, the estimate given of the number of employees was too large by about 2,000. I think the aggregate number is more nearly 6,000 than 8,000.

Furthermore, the appropriations for the Indian Service have been materially decreased during the past few years. I think the record will show that we are now appropriating less money by something like $10,000,000 than we appropriated a few years ago. If the Indians were all in one State, the argument of the Senator from Utah would, in my judgment, be valid; but the Indians are scattered in 20 States, and in those 20 States they are scattered throughout the length and breadth of the States themselves. In my State, Oklahoma, we have 77 counties, and practically every county in the State has numerous Indians. So we have in my State alone seven different agencies. We have several hospitals; we have several schools; which make it necessary to have an unusually large number of personnel in order to man the agencies and schools and hospitals, and so forth. I submit the amendment, Mr. President, to increase the amount to $150,000.

Mr. HAYDEN. Mr. President, the Senator from Oklahoma correctly states that the budget estimated for this item is in the sum of $250,000. He proposes to increase the amount as provided by the House and as reported by the Senate committee from $100,000 to $150,000. The reason that both the House Committee on Appropriations and the Senate Committee on Appropriations were unwilling to make a very large appropriation for a revolving loan fund to

Indians was that heretofore the experience has been that loans made to Indians have not been repaid. The new plan contemplates a form of organization similar perhaps to a local farm-loan committee. It would seem to be entirely proper that the Indian Service should perfect such organizations before Congress appropriates any large sum of money to be loaned to Indians. For that reason I am willing to take the matter to conference, and therefore, I accept the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, on page 25, line 10, I move to strike out the figures " $2,500,000 " and insert in lieu thereof " $5,000,000."

The object of this amendment is to provide the amount which the Budget estimated for the loan fund authorized originally in the so-called " Wheeler-Howard Act." The act authorized $10,000,000. In support of this amendment I desire to read briefly from the testimony of Secretary Ickes before the Senate committee:

The Interior Department appropriation was cut $3,297,409 in the House. Of this total $2,997,675 was taken from the Indian Service.

The major cuts by the House, affecting the Indian Service, were cuts in the appropriations authorized by Congress and allowed by the Budget for making the Wheeler-Howard Act, or Indian Reorganization Act, effective.

Congress authorized the $10,000,000 revolving fund for loans to Indians. The Budget allowed only $5,000,000 of this sum, and the House cut it to $2,500,000. There is at present no credit available to Indians, other than an amount approximating $1.25 per capita per annum, which is loaned them in the form of goods. All other credit to Indians is unauthorized and unsecured. Manifestly, $2,500,000 as a credit fund for the 340,000 Indians is inadequate; $5,000,000 should be the minimum sum appropriated. Inasmuch as the Indians cannot borrow under the farm-credit system, to deny them this small fund is a positive discrimination, and its practical effect is to drive them to let whites use their resources and to purchase at inflated prices from traders.

Also in this connection, Mr. President, I desire to read from the testimony of Mr. John Collier, Commissioner of the Bureau of Indian Affairs:

As we see the matter, the two and one-half million is grossly inadequate. It is the industrial loan fund for all the Indians, and there is no other, except these infinitesimal reimbursable loans that come to about a dollar per capita a year, a negligible amount. They cannot borrow from any of the ordinary sources of credit, private or governmental.

So that what we are doing here is to institute the credit fund for all of these Indians all over the country, and the only credit fund, and only $2,500,000, is not a generous amount. Ten million dollars would not be an overgenerous amount.

And further on he says:

There are two classes of reimbursable loans, those extended by the Government direct to individual Indians and those extended by tribes to their members. In the reimbursable loans extended to individual Indians direct I would think that the record is not discreditable, but it is not brilliant. We get repayments. Ultimately we get full repayment, but it lags for years and years. When we get to the tribal loans to the individual members of the tribes, where there is local responsibility for collecting loans, when a delinquency inflicts an immediate injury upon one's neighbors, there we get excellent results.

In the Crow Reservation, for example, we are obtaining substantially a hundred percent collections, because we have organized that loan system upon a local basis, with a credit union arrangement. That is the way we are proposing to organize this credit system.

Senator HAYDEN. The plan is somewhat similar, then, to a local farm-loan association under the Farm Loan Act?

Mr. COLLIER. It is not only similar, but we are adopting the identical methods. We are duplicating that set-up. In the pending Oklahoma bill we duplicate it right down the line.

Again I quote from Mr. Collier:

Now we ask you to restore this appropriation to $5,000,000, the amount which the Budget allowed, and which seemed to us the least that we could hope for. There are 300,000 Indians, or 325,000, and their needs are far in excess of the $5,000,000. We would expect to be able to come back here and demonstrate a greater need and to demonstrate that the loans are being repaid, and thereby to justify an increase up to the $10,000,000 authorized next year.

Mr. President, as I understand, there were two factors which were important in persuading the House committee and the Senate committee not to grant the increase which I have offered in this amendment. One was that prior to the enactment of the Wheeler-Howard Act the collection of loans previously made to Indians was slow; secondly, that the Indians in Oklahoma were not included in the Wheeler-Howard Act, and that therefore a large number of the Indians were eliminated from the consideration of the purview of the Wheeler-Howard Act, and to that extent the committees respectively felt justified in reducing the amount.

I submit, however, that, so far as the first contention is concerned, we are not justified in judging the effective results under the Wheeler-Howard Act until the act shall have had an opportunity to function. And, in the second place, so far as the objection concerning the Indians living in Oklahoma is concerned, there is a bill pending in this body, introduced by the distinguished Chairman of the Committee on Indian Affairs, which will make the Indians in Oklahoma eligible to all the benefits under the Wheeler-Howard Act.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. THOMAS of Oklahoma. When this bill was formerly in the House the Oklahoma Indians could not participate in any loan fund, because, as has just been stated, they were not included in the provisions of the Howard-Wheeler Act. Since that time there has been introduced in the Senate and in the House a bill proposing to bring the Oklahoma Indians under the terms of the Wheeler-Howard Act, and another measure which proposes to extend the loan privileges to the Oklahoma Indians.

In the entire country there are about 300,000 Indians. Of that number, 140,000 are in Oklahoma. Because almost one-half of the Indian population were not included under the Wheeler-Howard Act, the House committee saw fit to reduce the item one-half, or to two and one-half million dollars. I have every confidence that had the Oklahoma Indians been under the Wheeler-Howard Act, the committee would have allowed the Budget estimate of $5,000,000.

Mr. LA FOLLETTE. I understand the Senator proposes to press that bill, perhaps, for enactment at this session?

Mr. THOMAS of Oklahoma. During the past week we had hearings on the bill in the Senate committee. The hearings have been concluded. The subcommittee will make report in the next few days, and the bill will be before the Senate for consideration.

Mr. LA FOLLETTE. Mr. President, there is constant criticism of the achievements which are being made in the effort to bring economic rehabilitation to the Indians of this country. Yet at the first opportunity we have had for an appropriation to make it possible to give the Indians loans in order that they may acquire economic independence, the Congress fails to provide even the amount which the Budget allowed.

All Senators know that the Budget Bureau is very circumspect in its scrutiny of every item of which it approves. We may rest assured that when the Bureau of the Budget errs, it does not err upon the side of providing too generous amounts which it is willing to recommend to the Congress for consideration. As a matter of fact, the Bureau of the Budget has already cut in two the authorization contained in the Wheeler-Howard Act for this laudable purpose.

Mr. President, when we consider the appropriations which are being made for all other purposes, it seems to me there can be no excuse for Congress assuming a niggardly attitude and failing to provide the necessary funds to take this most important forward step in an attempt to bring about the economic rehabilitation of the Indians of the country, to place them upon their own feet, so that they may be self-supporting and self-sustaining. Instead of that, we are providing a meager basis of relief which will accomplish little so far as the future of these wards of the Government is concerned.

I am not criticizing any member of the committee or the committee itself; but it was entirely unjust for the committee to take action upon the basis upon which I understood the action was premised, for the simple reason that

until we provide a sufficient amount of money in order that this very important forward step may be taken, we cannot expect any concrete, constructive achievements so far as the Indians of the country are concerned.

I sincerely hope the Senate will adopt this amendment, and that the Indians may have this relatively small amount of money; for, after all, I am only asking for an increase of this loan fund by two and a half million dollars, to bring it up to the amount which the Bureau of the Budget itself authorized.

I do hope the amendment will prevail, and that the Senate will not postpone the beneficial results which I think every person who has given any consideration to the purposes of the Wheeler-Howard Act feels certain will follow, once it has been given an opportunity to function.

Mr. HAYDEN. Mr. President, the committee listened with great attention to the Secretary of the Interior and to the representations made by the Commissioner of Indian Affairs. There was no desire on the part of the committee to deprive the Indians of the United States of proper access to credit. The prime necessity, however, is for the establishment of suitable organizations to make that credit available, because experience has shown that in the past loans made to individual Indians and loans even to groups of Indians have not been repaid. The Indians have accepted such loans either as gifts or have been exceedingly slow in making repayments.

The Commissioner of Indian Affairs has apparently developed an excellent plan, which is to establish local credit unions, and have local responsibility with respect to making and collecting such loans, just as is provided in the Federal Farm Loan Act. Yet all such local organizations remain to be created, and they will be created not out of this appropriation, which carries the money to be loaned, but out of the appropriation of $150,000 provided for in the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

The House appropriated $100,000 for that purpose. If the Oklahoma Indians are to come in under the Wheeler-Howard Act and to obtain the benefit of this credit, the additional $50,000 will permit them to organize credit unions in that State. If the Indians are properly organized and in condition to obtain the loans, Congress will meet again next winter and can then make the necessary appropriation.

Let me say to the Senate that two and a half million dollars, while it is spoken of as a small sum, is a substantial amount of money, and a much larger sum of money than has ever heretofore been available to the Indians for credit purposes. The judgment of the Committee on Appropriations was sound. Let the Indian Bureau use the $150,000 to organize these local credit unions. Let that Bureau take two and a half million dollars and see what can be accomplished from now until the next session of Congress. If substantial progress shall be made, the Budget can again submit to Congress an estimate, and Congress can then make an additional appropriation for a revolving loan fund.

Mr. FRAZIER. Mr. President, I agree with the statement made by the Senator from Wisconsin [Mr. LA FOLLETTE].

Complaint is always made every time the Interior Department appropriation bill comes up about the amount of money being spent for the Indians. The amount appropriated for the Indian Bureau has been cut down materially, I think by at least $500,000, during the past few years. If we are going to cut down the expenses of the Indian Bureau, we shall have to give the Indians a chance to be self-supporting.

The purpose of this amendment, increasing the amount of money available for loaning to the Indians, is to give them a chance to make good, to become self-sustaining. It will apply especially to the younger groups of Indians, those who have no money with which to start, no money with which to do anything. If they can obtain loans and secure a start in growing livestock or something else, they can be made self-supporting.

Mr. HAYDEN. The Senator will admit, however, that the RECORD shows that merely loaning money to Indians is not the whole object to be accomplished. Making a loan to somebody, getting somebody into debt without proper arrangements or safeguards for repayment, may be a positive detriment to the Indians. The Indian Service proposes to go about the matter in a new way by organizing local Indian credit unions. That is the new thought. If the plan proves to be practical I shall join with the Senator and help to obtain all that is authorized to be appropriated by the Wheeler-Howard Act. But there must be a showing that the new system does result in repayments; that the Indians do not consider the money a mere gift, as they have in the past.

Mr. FRAZIER. That is all very true. The loaning of money to the Indians alone does not make them successful, any more than it does in the case of the average white person; but the Senator from Arizona will admit, too, that there are Indians in his State who are self-sustaining because they have been able to finance themselves in the purchase of sheep and goats.

I believe that the Indians in general throughout the Nation can be made self-sustaining if they are given a chance to finance themselves, of course, under proper supervision. That has been one trouble in the past. I believe that under the Wheeler-Howard Act there will be better supervision than there ever has been in the past. The Department, I know, is honestly interested in putting the Indians on a basis that will make them self-sustaining. For that reason, its seems to me, they are entitled to more money than is appropriated by the pending bill.

It seems to me the Indians, as wards of the Government, are entitled to more consideration and better consideration than they have had in the past. I am satisfied that under the new bill the great bulk of the Indians will make good if given an opportunity; so I am strongly in favor of the amendment offered by the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I desire to say just a few words in reply to the statement made by the Senator from Arizona [Mr. HAYDEN].

I do not question, as I stated a moment ago, the sincerity of the committee; but the committee sets up its judgment against that of the Secretary of the Interior and the Commissioner of Indian Affairs, who, after a very careful study of this whole question and after convincing the Bureau of the Budget that the Indians were entitled to a $5,000,000 loan fund and that it should be recommended, have come to the conclusion that it is in keeping with the financial program of the administration and that the Indians can make good use of $5,000,000.

Under those circumstances, with all due respect to the Senator from Arizona and all the other Senators on the committee, I prefer, as an individual Senator, to take the judgment of those who, I submit, are more familiar with this whole problem than can be the Senator from Arizona or any other Senator on the committee, no matter how hard they may work.

I do not mean to imply by my reference to the comparative size of this increase of two and a half million dollars that I am not just as conscious of the fact that two and a half million dollars is a large amount of money as is the Senator from Arizona or any other Senator. However, what I said was that, compared with the appropriations made for other purposes, the two and a half million dollars which I suggest as an increase in this loan fund, in order that we may make a sincere and genuine effort to bring about the economic rehabilitation of these wards of the Government who have been so shabbily treated all during past history, is a small amount. We are spending hundreds of millions of dollars for battleships and for national defense; but this is an item of only two and a half million dollars' increase in the loan fund which I plead for on the basis that these 325,000 wards of the Government should be given the benefits of generous treatment upon the part of Congress and enthusiastic endorsement of the constructive legislation embodied in the Wheeler-Howard Act.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. LEWIS. I desire to announce that the Senator from Connecticut [Mr. MALONEY], the Senator from Louisiana [Mr. OVERTON], and the Senator from Ohio [Mr. DONAHEY] are detained by illness.

I also wish to announce that the Senator from Washington [Mr. BONE], the Senator from New Hampshire [Mr. BROWN], the Senator from Nebraska [Mr. BURKE], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Wisconsin [Mr. DUFFY], the Senator from Mississippi [Mr. HARRISON], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. MCCARRAN], the Senator from Indiana [Mr. MINTON], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained.

Mr. AUSTIN. I wish to announce that the Senator from Delaware [Mr. HASTINGS] has a general pair with the Senator from Nevada [Mr. MCCARRAN].

I also desire to announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent, and that the Senator from Minnesota [Mr. SHIPSTEAD] is detained from the Senate, attending a funeral.

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the senior Senator from Massachusetts [Mr. WALSH] and vote "nay."

Mr. MCNARY (after having voted in the affirmative). I recall that I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the Senator from Minnesota [Mr. SHIPSTEAD] and permit my vote to stand.

The result was announced—yeas 19, nays 54, as follows:

YEAS—19

Black	Frazier	Murray	Thomas, Okla.
Borah	Johnson	Norris	Vandenberg
Caraway	La Follette	Nye	Wagner
Costigan	Lewis	Pope	Wheeler
Cutting	McNary	Steiwer	

NAYS—54

Adams	Clark	Hayden	Robinson
Ashurst	Connally	Keyes	Russell
Austin	Copeland	King	Schall
Bachman	Couzens	Logan	Schwellenbach
Bailey	Dickinson	Lonergan	Sheppard
Bankhead	Fletcher	McGill	Smith
Barbour	George	McKellar	Thomas, Utah
Barkley	Gerry	Metcalf	Townsend
Bilbo	Gibson	Moore	Trammell
Bulkley	Glass	Murphy	Truman
Bulow	Gore	Neely	Tydings
Byrd	Guffey	O'Mahoney	White
Byrnes	Hale	Pittman	
Carey	Hatch	Radcliffe	

NOT VOTING—22

Bone	Dieterich	Maloney	Reynolds
Brown	Donahey	McAdoo	Shipstead
Burke	Duffy	McCarran	Van Nuys
Capper	Harrison	Minton	Walsh
Coolidge	Hastings	Norbeck	
Davis	Long	Overton	

So Mr. LA FOLLETTE's amendment was rejected.

Mr. GORE. Mr. President, I entered the Chamber just as my name was being reached in the roll call, and I did not understand the question. I was informed that the committee reporting the bill was opposed to the pending amendment, and I voted "no" with the committee.

The PRESIDENT pro tempore. The question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. COSTIGAN. Mr. President, before the bill is passed, may I ask the Senator from Arizona a question?

Mr. HAYDEN. Certainly.

Mr. COSTIGAN. Is the Senator from Arizona satisfied that the bill, through authorized appropriations, adequately takes care of the Bureau of Mines as a scientific agency, and that it will serve the wide-spread demand for increased activities, particularly in metalliferous mining in this country?

Mr. HAYDEN. The committee did not allow all the Bureau asked, but did allow a substantial sum, so apportioned among the various activities of the Bureau that we believe it can properly function.

The PRESIDENT pro tempore. The question is on the passage of the bill.

The bill was passed.

Mr. HAYDEN. I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. NYE, and Mr. STEIWER conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. ROBINSON obtained the floor.

Mr. COSTIGAN. Mr. President, will the Senator from Arkansas permit me to make a brief statement?

Mr. ROBINSON. I yield to the Senator from Colorado.

Mr. COSTIGAN. Twice today I have given notice of my intention to move at the earliest practicable moment that the Senate proceed to the consideration of Senate bill 24, which is designed to assure persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

The Senator from Arkansas [Mr. ROBINSON], our able Democratic leader, has advised me that he has given some assurances to the Senator from Alabama [Mr. BANKHEAD] that an important measure introduced by the Senator from Alabama would come up immediately following the bill which has just been disposed of. I am likewise advised by the Senator from Oregon [Mr. MCNARY], the able leader on the Republican side of the Chamber.

At this moment, in view of the assurances given to the Senator from Alabama, I wish merely to renew the notice heretofore given by stating that at the conclusion of the consideration of the bill of the Senator from Alabama, if the Senate shall vote to have that measure taken up now, I shall move the consideration of Senate bill 24. It is my understanding that neither the Senator from Arkansas nor the Senator from Oregon is disposed to interpose objections to having a vote taken on that motion.

Mr. ROBINSON. Mr. President, referring to the statement just made by the Senator from Colorado, I recognize his right to move the consideration of any bill on the calendar when the situation of the business of the Senate permits. I appreciate his action in not attempting to get the floor at this time to make the motion he has given notice he intends to make.

There are some amendments which I think should be considered in connection with the so-called "antilynching bill", and, out of order, I ask leave now to tender the amendments, and to have them printed and lie on the table.

The PRESIDENT pro tempore. Without objection, the request is granted, and it is so ordered.

FARMERS' HOME CORPORATION

Mr. ROBINSON. Mr. President, my purpose in rising was to move the present consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

I wish to make only a brief statement in anticipation of the vote on the motion. The motion is being made now with the approval and at the request of the Senator from Alabama [Mr. BANKHEAD]. When the Senator from Alabama introduced the bill, I myself was at work on a draft of a bill looking to the accomplishment of the same purposes sought by Senate bill 2367, which I am now moving to take up for consideration.

The bill is of very great importance. I do not intend to attempt an explanation of its provisions prior to its being taken up by the Senate, but expect that the Senator from Alabama [Mr. BANKHEAD] first will analyze the bill. If the opportunity shall be afforded I will discuss the measure briefly following the remarks of the Senator from Alabama.

I now move that the Senate proceed to the consideration of the bill to which I have referred.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the Chair). The question is on the motion of the Senator from Arkansas.

PREVENTION OF LYNCHING

Mr. McNARY. Mr. President, earlier in the day the Senator from Colorado [Mr. COSTIGAN] gave notice on two separate occasions that he would move to take up the bill (S. 24) to assure persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching. The bill is known as the antilynching bill.

That notice creates, under our practice, under our rules, and under our procedure, a priority which cannot be lightly overlooked. Discussing the matter with the Senator who gave the notice, I afterwards passed the word to Senators on this side of the Chamber that the next bill on the calendar to be taken up for consideration would be the antilynching bill, relying upon what is known as the unbroken practice of this body.

I am not going to object to the motion made by the Senator from Arkansas, if it is agreeable to the Senator from Colorado, but I should like to have some status fixed for the antilynching bill. Of course, the Senator from Colorado has the right, as has any other Senator, at any time he may obtain recognition, to move to take up the bill; but inasmuch as on two separate occasions he has stated plainly and definitely that he intended to take action to bring up Senate bill 24, I should like to have a rather definite understanding that when disposition is made of the measure now attempted to have made the unfinished business, Senate bill 24 may be made the unfinished business.

Mr. ROBINSON. Mr. President, I cannot agree to that order of business for the reason that I have been advised by a number of Senators that they intend to vote against the motion to proceed to the consideration of Senate bill 24 when it shall be made. I think the Senator from Oregon should be content that the Senator from Colorado may make the motion and then the Senate take such action on the motion as it may desire.

Mr. McNARY. I am not asking that the bill be made the unfinished business. I am simply asking that we may have an understanding that the Senator from Colorado shall be recognized for the purpose of making the motion, which is always debatable. That is as far as I am proposing to go.

Mr. ROBINSON. I have stated the Senator from Colorado may make the motion when he takes the floor for that purpose. I do not think it would be competent to bind the Chair to recognize someone to make a motion prior to the making of the motion. I have said that, so far as I am concerned, I shall not interpose any objection to the motion being made.

Mr. McNARY. I do not ask that the Chair shall bind himself. I only seek the cooperation of the able Senator from Arkansas that we may have an opportunity to vote upon the question whether Senate bill 24 shall be made the unfinished business following the disposal of the bill, which he is now asking to have made the unfinished business.

Mr. ROBINSON. I do not bind myself to any vote on Senate bill 24. I have stated clearly that, so far as I am concerned, I shall throw no obstruction in the way of the motion being made. I shall reserve absolute freedom of action on the motion and on the bill.

Mr. SMITH. Mr. President, I desire to make some observations about Senate bill 24. I want to state now, as representing in part the South, that when one studies the bill and its effect he cannot fail to find that it is an open reflection upon the States where the proposed legislation is aimed to operate.

When the bill shall be taken up, the Senate will be thoroughly advised of what has caused the very humiliating necessity of going outside the law at times to vindicate the sanctity of our firesides and the virtue of our women. Senators should not hurry to reflect on the glorious traditions and history of the section to which I belong, beleaguered by influences and forces with which most Senators have not been familiar and with which they have not had to reckon. We went through one bloody war under a misapprehension of the social structure of the country, but with a keen apprehension of the financial and industrial differences.

Mr. President, as one individual—and I am sure that certain of my colleagues will agree with me—I believe the intent is to enact a Federal law which will penalize the South when there has been committed an act beyond the law and by forces which no law can control. Certain acts committed are beyond the reach of any court or jury, in the opinion of any right-thinking man or woman. The virtue of a woman is a thing which should not be displayed in the courts when the criminal is known and has put himself outside and beyond the pale of the law. There have been mistakes made, yes, but we in our sovereign capacity as sovereign States can grapple with the situation as honorable, upright, law-abiding men, and we do not invite the interference of those who know not the bitterness of the trials through which we have had to go.

Senators will find before this bill shall be passed, if it ever shall pass, that the section of the country which has had the problem to face and the humility to suffer will not be inveighed against by those who reck not of the problems involved. Nothing to us is more dear than the purity and sanctity of our womanhood and, so help us God, no one shall violate it without paying the just penalty which should be inflicted upon the beast who invades that sanctity.

It comes with ill grace for any State which does not know the horrors of the problem to come here and invoke the reflection, because that is what it is, which is tantamount to saying that our section of the United States is without law and is barbarous.

Mr. President, this is only the prelude to what will take place when this infamous bill shall be discussed on the floor of the Senate.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Colorado?

Mr. COSTIGAN. No, Mr. President; I desire the floor in my own right.

Mr. SMITH. Yes; and the Senator will want more than that before the bill shall be passed.

Mr. COSTIGAN. Mr. President, with all due respect to the able Senator from South Carolina, I think I ought to say that if the bill now being discussed is a reflection on any part of the country it is for several reasons not to be taken as in any special way a reflection on the notable State from which he comes. One reason is that the Senator's State has itself enacted legislation very similar to that proposed by the Senator from New York [Mr. WAGNER] and myself.

Another reason is that the latest drive for this type of legislation can be directly traced to tragic events in the State of California in the fall of 1933, when two white youths were lynched at San Jose, Calif. Since then there has been a growing conviction throughout the country that the problem is national, that it calls for a national remedy, and that the proposed legislation which is to be submitted to the Senate is both temperate and wise.

It should be added that the measure which I plan to call up when the bill of the Senator from Alabama [Mr. BANKHEAD] shall have been considered is supported by great numbers of southern men and women of outstanding character and finest leadership, and that the development of such support in the South is one of the memorable evidences of the value of the present legislative proposal.

Mr. GEORGE. Mr. President, I am quite sure that there is no section of the United States which more deeply deplores lynching, whenever and under whatever circumstances

it may occur, than does the South. I have never been an apologist for lynching and never shall be. In days past, when I have been honored by my people with judicial position, I have taken my own life not only politically but physically in my hands in the effort to give full protection to men who were charged with crime and against whom mob violence was threatened. I would do so again.

I take occasion to say now that this deplorable offense against society probably would be better handled by the States themselves if there were no attempt to interfere with them through Federal legislation. It is worth while considering the question which I now submit.

I rise to express the hope, Mr. President, that this particular bill will not be taken up, or at least disposed of, during this week. For reasons entirely beyond my control, and due to illness in my family, I must leave Washington this afternoon. I cannot hope to return before the end of the week. I would hope that the distinguished Senators who are in charge of this bill would defer its consideration until I could return, because I have not a shadow of doubt in my own mind that the whole scheme is unconstitutional; is not authorized or justified under the Federal Constitution; that if it were justified by the Constitution, we would have broken down every single possible semblance of State sovereignty through the enactment of this kind of legislation. Not because the South has a peculiar interest in this proposed legislation but because it has a just interest in it, I had hoped to be here when the measure was considered, and I again express the hope that the Senators in charge of the bill may not see fit to press it, at least, to a final vote, during this week.

Those of us who believe, as I believe, that this measure is clearly beyond the scope of Federal power certainly have a right to be heard. While we have no right to ask for the postponement of the consideration of any bill merely because we cannot be present upon a particular date, in all the circumstances and in view of the long history of attempted legislation of this kind, it does seem that the consideration of this measure might well be postponed when any Senator in good faith, takes the position that he desires to be heard upon it because of a profound conviction that it is unconstitutional, and, more than that, that the assertion by the Congress of the United States of the constitutionality of this measure completely and ultimately destroys any possibility of the functioning of a dual system of government under our Constitution.

Mr. President, I have no desire to discuss the merits of the proposal at this time or to go into a discussion of any particular provision of the bill, but I again wish to say to those who propose the legislation that had they lived in sections where they may think the crime of lynching is condoned altogether and had they been called upon at the dead hours of the night to stake not only political but physical life for the protection of the humblest of our citizens against a threatened mob, they would understand something of the real attitude of the honest men and women, not only of the South, but of every part of this Nation who do not condone lynching.

We have made marvelous progress in every part of the country in ridding our civilization of this blot, of this offense. Nowhere has greater progress been made than in the South. We will make surer progress if there shall be no attempt through the stretching of the Constitution, through extraconstitutional means and measures, to drive upon a people, already conscious of their obligation and determined to meet their duty, the will and edict of the Federal Congress.

If today I wished to promote the cause against lynching, as I do; if I wish to hasten the day when lynchings would be no more, standing in my place, I should oppose any effort by the Federal Government to resort to extraconstitutional means and measures to enforce upon any section or upon any State or upon all the States the so-called "national will", upon the nebulous theory that the offense itself has become a national evil and a national problem, as if all problems are not, in the final analysis, national. I would rather say that the means we have adopted and the methods we are pursuing are making more certainly for the safety and security of life against mob violence than any that it may be possible to inject by proposed legislation of this character.

Let me say again, Mr. President, that I am no apologist for mob violence. Long ago I set my face like flint against it. I know very well that every act of violence, following the primal law of increase, tends to bring forth seed after its kind. I know very well that a mob, whatever may be the motivating cause, is simply primal humanity in motion; and I know, too, that for the Federal Congress to declare that a State has denied equal protection of the law or due process of the law simply because there has been a failure to prevent mob activities in a given instance, for a Federal act to attempt to define a mob as the concerted unlawful action of three or more persons, is to pursue a course ill-calculated to promote the very purposes of the distinguished Senators who have introduced this bill. On the contrary, such action is calculated to retard those wholesome influences that day by day and year by year and decade after decade have minimized the very evil this bill seeks by its terms to eradicate.

Mr. President, if it be possible so to define a mob within the meaning of the Constitution and to bring into force and play Federal powers upon the flimsy pretext here asserted, then like Federal power may be invoked against kidnaping, against every other conceivable crime in the category when committed by three or more persons; and the State, with all its power of local self-government, must inevitably disappear from the American system if the Supreme Court ever holds legislation of this kind constitutional.

FARMERS' HOME CORPORATION

The PRESIDING OFFICER. The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] that the Senate proceed to the consideration of the Senate bill 2367.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, with amendments.

Mr. BANKHEAD. Mr. President, I shall undertake first to make a statement about the provisions of the bill and then proceed to a brief statement of some of the reasons why the bill should be passed.

In the first place, the bill creates what is known as the "Farmers' Home Corporation", which is to be patterned after the Home Owners' Loan Corporation in its structure and organization features. The bill provides for a board of directors of five members, three to be appointed by the President and confirmed by the Senate. The Secretary of Agriculture and the Governor of the Farm Credit Agency are made ex-officio members of the board. That has been done with a view of coordinating with this organization the Agricultural Department with its agencies and helpfulness on the one side, and the credit agency of the Government, through the Farm Credit Agency, on the other.

The bill provides for the original capital, a minimum of $50,000,000, by authorizing such transfers as the President may see fit to make from the funds provided by the emergency relief act, either from the funds specifically allocated for rural rehabilitation or under any other power given him by the act.

It may be recalled that an amendment offered by the junior Senator from Georgia [Mr. RUSSELL], was incorporated in the emergency relief measure and is now a part of the law, specifically authorizing the President to make transfers and allocations for the very purpose of this bill, in financing farmers, farm tenants, crop-sharers, and farm laborers in acquiring small farm homes. So securing the original cash capital is provided for by law in the event the President should see fit to use it for that purpose.

Then the bill authorizes the issue of $1,000,000,000 of bonds, the principal and interest of which are to be guaran-

teed by the Government. Such bonds, however, can be issued only with the approval of the Secretary of the Treasury, so that at all times the continued administration of the program rests in the power of the administration in charge, whether the present or some subsequent administration.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. Do I understand that the President is to be free to use his own discretion in respect to making this subscription, and that if he should conclude not to make it that would terminate the experiment?

Mr. BANKHEAD. Unfortunately that is true, as provided. The bill at present does not contain any other burden upon the Treasury than that already placed there, so far as the original capital is concerned. I will say to the Senator, however, that that provision is included in the bill because its author has full confidence—and has good ground, I think, to have it—that the President will make a suitable allocation for this purpose.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BANKHEAD. I yield.

Mr. BORAH. The effect of the bill will be really to authorize the issuance of an additional $1,000,000,000 of United States bonds?

Mr. BANKHEAD. That is true in its long-range application. The bond issue, as I stated, is to be similar to the bond issue authorized in the Home Owners' Loan program and in the Federal land-bank program for the refinancing of agricultural credits.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. Does the Senator happen to have available information as to the present sum-total of guaranteed bonds?

Mr. BANKHEAD. I regret that I have not undertaken to gather those figures for this occasion. However, I desire to call the attention of those who are seriously considering the proposition to the fact that this is expected to be a self-liquidating program. It proposes simply to provide credit facilities to carry out this new homestead idea.

Mr. FLETCHER. Mr. President, may I ask the Senator a question at that point?

Mr. BANKHEAD. Certainly.

Mr. FLETCHER. Wherein does this measure create additional facilities beyond those provided by the Farm Loan Act and the act establishing the Federal land banks? They are all authorized to make loans on farms, and to issue bonds to secure money for that purpose. I am wondering just where this new organization fits in.

Mr. BANKHEAD. Mr. President, there is a very fundamental difference between the program now proposed and the Federal land-bank program. I am sure the Senator from Florida, as Chairman of the Senate Committee on Banking and Currency which handled that bill, realizes that the Federal land bank, under the authority given it to issue bonds is engaged in saving farms presently owned but under mortgage, by way of renewing the mortgages and giving additional time for payment.

That program was primarily intended for and has been exclusively used for farmers who then and now farmed their own farms, not to enable farms to be acquired but to finance obligations upon farms now owned. Not only that, Mr. President, but the times for repayment of the loans are so entirely different that the programs are in no sense analogous. It is recognized by all the agencies of the Government that have given this matter consideration that the farm-credit agency, under its power and authority, and under the organizations it has built up, is not now in position to handle the program which is provided for in this measure.

I have stated the financial structure of this program. The bill provides for the purchase of small individual farms, preference to be given to farmers, to farm tenants, sharecroppers, farm workers, and those who have had actual experience in farming operations.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Colorado?

Mr. BANKHEAD. I yield.

Mr. ADAMS. I am asking for information which may have been supplied.

I note in the bill that the capital stock is fixed at $50,000,000, and it is provided that such original capital stock "may be subscribed" by the President. My inquiry is, in the event the President should not see fit to make the subscription, how does the bill provide that the capital is to be furnished?

Mr. BANKHEAD. It is very frankly recognized that unless the President shall be sympathetic with this program it will not be administered.

Mr. ADAMS. Then the bill is dependent upon the election of the President to make use of the relief fund in order to provide the capital?

Mr. BANKHEAD. That is true; and not only in respect to the capital, but also with regard to bond issue, for it is provided in this bill, as it is in the Home Owners' Loan Act and in the Federal Land Bank Act, that the approval of the Secretary of the Treasury is necessary for the issuance of bonds, which at all times puts the financing of those programs under the control of the administration. So, unless the President is sympathetic with the program and disposed to see it put in operation and continued in operation, I very frankly state that it will not be put into operation. Such action will be the equivalent of a veto on his part.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. BANKHEAD. Certainly.

Mr. VANDENBERG. Was the Treasury Department represented in the hearings before the committee? Did it pass upon the general question of the effect of a billion dollars additional of guaranteed bonds?

Mr. BANKHEAD. No; the Treasury Department was not brought into the question at all.

Mr. VANDENBERG. Is there any report from the Treasury Department respecting that aspect of the matter?

Mr. BANKHEAD. The matter was not referred to the Treasury Department.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BANKHEAD. Yes.

Mr. BORAH. I take it that this bill contemplates the acquisition of real estate and personal property, and so forth, for the purpose of carrying on the project.

Mr. BANKHEAD. Not a single project, but a number of individual projects; that is true.

Mr. BORAH. I mean the scheme.

Mr. BANKHEAD. Yes.

Mr. BORAH. Is the manner by which those properties are to be acquired described in section 4, on page 8?

Mr. BANKHEAD. That is one part of it; yes, sir.

Mr. BORAH. Where is the other part that covers it? This part says:

> In carrying out the provisions and purposes of this act, to enter into contracts and to acquire, by purchase, gift, or otherwise—

What does the term "otherwise" mean there?

Mr. BANKHEAD. Does the Senator refer to the methods of acquisition?

Mr. BORAH. Yes. Does it mean acquire by condemnation?

Mr. BANKHEAD. No, sir; and if the Senator from Idaho desires to make that specific, I will accept an amendment to that effect at any time.

Mr. ROBINSON. Mr. President, there may be, and doubtless are, many persons who would be willing to contribute large areas of land for this purpose. I think I know some

who would be anxious to do that; and the language used in that particular seems to me to be very appropriate to the purpose.

Mr. BORAH. I do not object to the acquisition of land and personal property by purchase or gift; but the word "otherwise" might mean the power to condemn. It must mean some method other than purchase or gift.

Mr. BANKHEAD. As stated by the Senator from Arkansas [Mr. ROBINSON], the language is used to cover any voluntary donations that might be made by philanthropists or others who are interested in this program. It is expressly stated to the Senator from Idaho that there is no thought of condemnation; and if the Senator has any doubt on that score—certainly no authority to condemn is given here—I have no objection to a provision making it clear that condemnation is not authorized or contemplated.

As I was proceeding to state, the bill is intended to aid farm workers, primarily tenants and other farm workers, to acquire family-sized farms. It authorizes, where necessary, the purchase in addition to the land of livestock, farm equipment, and implements, to become a part of the purchase price of the farm. Payments are authorized to be amortized for a period as long as 60 years, with as low a rate of interest as the Government can secure the money for. I have an amendment to clarify the provision regarding interest which I shall offer later. The amendment provides that the purchasers are to have as low a rate of interest as that for which the Government can secure the money, plus a reasonable charge for administration, not to exceed 1 percent.

It is further provided that, so far as practicable, the operations of this program shall be conducted so as to avoid an expansion of production of crops where the prices are now at a parity level. In short, Mr. President, it is intended, so far as possible, to leave farm workers, so far as it may be properly done, in the communities and in the settlements where they are now working the farms of absentee landholders.

As we all know, one of the great evils of the tenancy system is the constant moving of tenants from one farm, one community, one county, or one State to others. There is no thought here of any general shifting of population. There is no idea of doing anything that is not wanted both by the present landowner and by the farm worker. The primary purpose is to leave the farm workers, so far as possible, upon the farms where they now reside, or, where proper land cannot be so acquired, to let them go where it may be acquired, and then to set up a permanent residence and home ownership.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. FLETCHER. I have just been able for the first time to see the bill. I inquire if there is any provision in the bill for amortization of the loans?

Mr. BANKHEAD. Yes, sir; not to exceed 60 years.

Mr. FLETCHER. The Senator means that the loans may run for 60 years?

Mr. BANKHEAD. Yes.

Mr. FLETCHER. But there is no provision fixing the amount of amortization annually?

Mr. BANKHEAD. That, of course, if left to administration. When the period of amortization shall have been adopted, I assume they will naturally put it upon an annual basis in equal amounts.

Mr. VANDENBERG. Mr. President, may I ask the Senator a further question?

Mr. BANKHEAD. Certainly.

Mr. VANDENBERG. The Senator has been describing farm tenancy. May I ask if this bill applies largely to the cotton section? Is this essentially a cotton problem, or is it essentially a national problem?

Mr. BANKHEAD. I am very glad, indeed, that the Senator has asked me that question. I had intended, of course, coming to it. I send to the clerk's desk and ask to have read by the clerk a table showing by States, beginning with the highest figure and going to the lowest, the percentage of all farms in the United States operated exclusively by tenants.

Mr. VANDENBERG. I think that would be very valuable information.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

Percentage of all farms operated by tenants, 1930 census

	Percent
Mississippi	72.2
Georgia	68.2
Louisiana	66.6
South Carolina	65.1
Alabama	64.7
Arkansas	63.0
Oklahoma	61.5
Texas	60.9
North Carolina	49.2
Iowa	47.3
Nebraska	47.1
Tennessee	46.2
South Dakota	44.6
Illinois	43.1
Kansas	42.4
Kentucky	35.9
North Dakota	35.1
Missouri	34.8
Colorado	34.5
Delaware	33.3
Minnesota	31.1
Indiana	30.1
Florida	28.4
Virginia	28.1
Maryland	26.5
Ohio	26.3
Idaho	25.3
Montana	24.5
Wyoming	22.0
New Mexico	20.2
West Virginia	18.6
Wisconsin	18.2
California	18.0
Oregon	17.8
Washington	17.0
Arizona	16.4
Pennsylvania	15.9
New Jersey	15.6
Michigan	15.5
New York	13.2
Nevada	12.9
Rhode Island	12.5
Utah	12.2
Vermont	9.7
Connecticut	6.2
Massachusetts	5.6
New Hampshire	5.3
Maine	4.5

Mr. VANDENBERG. Mr. President, the statement seems to indicate that the major problem is a cotton problem. Is that a fair assumption?

Mr. BANKHEAD. I should not say so, by any means. The percentage of tenancy is heavier in some of the cotton States than in some others; but if the Senator will observe the situation in the West and East and North Central States he will find the percentage of tenancy about as high as it is in the Southern States.

Mr. VANDENBERG. Would it be fair to assume that in the operation of the proposed corporation the bill would apply, generally speaking, about in ratio as indicated by the tenancy figures?

Mr. BANKHEAD. Permit me to say to the Senator from Michigan that, so far as my purpose and desires are concerned, this is contemplated as a new national homestead program, for the benefit equally of every tenant, wherever he may live in the United States. Permit me to say to the Senator with all the earnestness of my soul that, while this program, of course, is greatly needed in the Southern States, we have no thought on earth of its being a local southern program. I desire to have it apply from Maine to California. I desire to have it apply in any State in the Union where there is a tenant worthy to be placed upon a farm, and who desires to be so placed. I should not think of proposing a program for the benefit of a few States alone; and when the Senator observes the situation in North Dakota, South Dakota, Iowa, Nebraska, and the other States, especially in that particular section of the country, he will observe that

there is as great a need for it there as in any State in the Cotton Belt.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. I think the Senator misunderstood the purport of my inquiry. I had no thought of suggesting the objective to which the Senator is addressing himself was sectional. My thought was that inasmuch as the resources are relatively small compared to the extent of the national problem, the perfectly natural net result would be to concentrate in the beginning at the points where the problem is of major challenge.

Mr. BANKHEAD. I will say to the Senator that I have very grave doubt, from the appointments heretofore made, whether there will be a southern member of the board. The board is to be selected by the President. There will be a western man and an eastern man on the board, the two already selected as ex-officio members of the board, so that with that start it seems perfectly clear that no sectional program is contemplated.

Mr. VANDENBERG. I repeat that I am not suggesting that a sectional program is contemplated.

Mr. BANKHEAD. I hope the Senator will understand that there is no likelihood of such a thing. Certainly no one desires it, and the very machinery, as I have indicated, discloses in the beginning that there is no thought of such a program. The only two selected are one a western and the other an eastern man, and, of course, in a program of this sort, which is nationally so greatly needed, the President, whoever he might be, would set up a board which would give a national administration.

Mr. VANDENBERG. If the problem did concentrate to a larger degree in the South, there is no reason in the world why it should not have that larger degree of attention where it concentrates, and I am not complaining of it.

Mr. BANKHEAD. I frankly stated that, judging by the percentage of tenants, it is more greatly needed in the southern than in many other sections of the country, but in comparison there is not much difference between the Southern States and the States in the Central West which I have mentioned.

Mr. BLACK. Mr. President, will my colleague yield to me?

Mr. BANKHEAD. I yield.

Mr. BLACK. It is impossible to judge of the number of people who would be benefited by the bill, if enacted, by the mere percentages mentioned, by reason of the fact that some of the States which have the highest percentage of tenants have the smallest populations.

Mr. BANKHEAD. That is true.

Mr. BLACK. Some of them which have a smaller percentage of tenants have a far larger population.

Mr. BANKHEAD. In 1930 the average of all farms in the United States operated by tenants was 42.4 percent, nearly half. While we have not the accurate figures, it is well known, not only to observers but to the agencies of the Government, that, unfortunately, there has been a tremendous increase in the percentage of tenancy since the census of 1930.

This condition has been brought about by two situations: In the first place, a great many people were drawn from the farms by the lure of industry during the boom days. When production declined, when employment in industry decreased, they found their way back to some location on farms somewhere, not as owners but as tenants or croppers or laborers upon the farm.

In the next place, and more heartbreaking than that, have been the developments growing out of the loss in purchasing power by the tillers of the soil. We know that during the years from 1925 to 1930 farm values were very greatly inflated. We know that many farmers bought farms upon those high valuations. We know that many farmers borrowed money and placed mortgages upon their farms for improvement purposes and other purposes; and then, when the great fall in the prices of their commodities occurred, when their purchasing power almost disappeared, as Senators from agricultural States upon this floor well understand, by the thousands the farmers were driven by foreclosure from their own farms, or, if permitted to remain on them, were converted from farm owners into tenants, renters from their former mortgagees.

The percentage of tenancy unfortunately has been growing since 1880, 50 years ago, and with great acceleration, resulting from the depression. With probably more than half of the farms now operated by tenants, I submit to the Senate that there is no graver or more fundamental problem confronting us than to meet that situation fairly and squarely and in a fundamental way, and to do what we can do to bring about a new group and a new class of home-owning and home-loving farmers in this country.

Mr. President, many foreign countries undertook to solve this program years ago. Some 50 years ago in Ireland nearly all the farms were owned by landlords. There is Denmark, which now has become one of the most prosperous agricultural nations in the world, starting nearly 50 years ago with no small farm owners, with a class of landlords owning all the land, and a group of workers toiling upon the land. Finally a system similar to that now proposed here was inaugurated by the Danish Government, and all over that little country the farmers now operate through their cooperative agencies, sending their farm products out to the world, and even going into the markets of London with their own ships.

I say, Mr. President, that no country can continue to survive with such a large proportion of its agricultural workers moving from their farms, as it is shown in the hearings they move every 2 or 3 years, and with the number growing. That is an economic waste.

A tenant working for an absentee landlord, some mortgage company or some bank which has acquired the property under foreclosure—and the Federal land banks have much of it—has no incentive to protect the soil, to prevent soil erosion, to work in the interest of soil preservation and conservation. Such tenants have no incentive to keep their buildings in condition and to erect new ones.

Many of us know that practically all of the benefits which have come to the prosperous farmers have been through accretions, from their building up their farms year after year, thereby giving them more value, as a result of soil conservation, and the improvements upon them, building up larger herds of stock and cattle in the natural order of things, by accretion. A tenant cannot do that. He does not know this year what farm he will occupy next year. So that there is a great economic waste.

Then think of the social problems involved in the case of a man with a family, who recognizes that even in a few years, under the average conditions, he must move on into some other community. His wife cannot take the same interest in church and social organizations. When the children move, they get out of touch with their schoolmates. It means a general break-up of the social order, with no stability on the part of the tenant and his family.

I say, therefore, that it is high time that the United States should face this problem as foreign countries have been doing. A hundred years or more ago we recognized the value of farm ownership. Our Government owning all the public land in the country, Congress passed the homestead law—the "bit" law, as it was sometimes called—and other laws, making it easy for farmers to establish homes of their own upon the soil. Unfortunately, proper protection was not afforded in the law for the preservation of such home ownership, and as the result of speculation, of fluctuation in prices, and for other reasons, many of those homes have gone into the hands of others, and are now worked by sharecroppers and tenants.

Mr. President, there are other Senators who desire to discuss this program and I shall not take more time now.

Mr. BLACK. Mr. President, will the Senator yield before he concludes?

Mr. BANKHEAD. I yield to my colleague.

Mr. BLACK. As I understand, the bill also offers an opportunity for an experiment which many have thought should be made. The bill does not limit assistance to those who have been working at share-cropping and as tenants.

Mr. BANKHEAD. No; it does not.

Mr. BLACK. But, giving a preference to those who are married and have dependent families, who are unemployed, and who have the ability to farm, it would offer to deserving men the opportunity to acquire farms, and an attempt would be made to settle this problem in that way.

Mr. BANKHEAD. That is true.

Mr. BLACK. I think the Senator might well mention that in order that it may be understood the bill is not limited to share-croppers and tenant farmers.

Mr. BANKHEAD. I shall cover that matter and endeavor to make it clear to the Senate.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. BANKHEAD. I yield.

Mr. LA FOLLETTE. It is also my understanding that the bill is not confined in its provisions to those who happen now to be tenants or share-croppers, but those who have lost out in the depression and may find themselves at the present moment unable to make arrangements for continuation of their activities as tenants and share-croppers would also be eligible.

Mr. BANKHEAD. I shall read section (b) on page 9 in support of the Senator's contention. There is no limitation in the bill to any class of people who may acquire farms. Nothing is inserted except the preference, and as to the preference I call the Senator's attention to paragraph (b), on page 9, reading as follows:

(b) Preference shall be given applicants who are married or who have dependent families, have good moral character, and are experienced in farming and familiar with farm operations, or who are or recently were farmers, farm tenants, share-croppers, or farm laborers.

There is really no limitation of any sort in the bill, but a preference is expressed for those who have had that sort of experience which would lead us to believe they are more likely to be able to retain ownership.

Mr. LA FOLLETTE. Mr. President, will the Senator suffer another interruption?

Mr. BANKHEAD. Certainly.

Mr. LA FOLLETTE. It is also my understanding that the bill safeguards the ownership of the person who is benefited under the terms of the bill and therefore would prevent the same thing happening which happened under our homestead laws. In other words, as I understand, they are not going to be permitted to alienate the property for some considerable period of time.

Mr. BANKHEAD. The Senator is correct about that, and I regard it as a fundamental phase of the program.

Mr. LA FOLLETTE. I agree with the Senator on that point.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wyoming?

Mr. BANKHEAD. I yield.

Mr. O'MAHONEY. May I ask the Senator whether the purpose of the measure is to increase, if possible, the ownership of land by the small farmers?

Mr. BANKHEAD. That is the sole object of it, to enable farmers of some kind, who do not now own their own farms, to become owners of farms.

Mr. O'MAHONEY. Is it intended to be operative throughout the United States?

Mr. BANKHEAD. I am sorry the Senator was not here when the Senator from Michigan [Mr. VANDENBERG] asked that question. Of course, it is a broad national program, just as broad as the old, original homestead laws.

Mr. O'MAHONEY. The Senator is aware, I have no doubt, that various proposals are being made from time to time, one at least of which was enacted into law during the past session, which tend to put an end for all time to homesteading upon the public domain.

Mr. BANKHEAD. I really have not followed the laws which have chief application to the Western States. Government land in my section of the country has all been homesteaded, so I have really not followed in detail the legislation on that subject, which had special application to the Western States.

Mr. O'MAHONEY. I rather gathered from what the Senator said that he believes in the principle that the land should pass into private ownership.

Mr. BANKHEAD. That principle has my absolute support. That is where the ownership ought to be, in my judgment.

Mr. O'MAHONEY. The Senator is likewise in principle opposed to the establishment of a vast Federal overlordship with respect to the land resources of the country; is he?

Mr. BANKHEAD. What I want to do here is to provide that wherever there is a worthy, dependable tenant or farm worker, or a farmer who has lost his home, whether in Wyoming, Nebraska, New Mexico, New England, or in the South, he shall be given an opportunity, through the credit facilities to be provided, to establish or reestablish himself in a home of his own selection.

Mr. O'MAHONEY. Wherever that land may be?

Mr. BANKHEAD. Yes; wherever it may be, leaving it entirely to the purchaser to determine, provided, of course, the Government can acquire the land on proper terms and on such terms as that the purchaser can afford to assume the obligation and in time to pay it.

Mr. O'MAHONEY. If an amendment were offered to the bill to provide that such homes may be established upon the public domain, it would not be contrary to the theory of the Senator's bill, would it?

Mr. BANKHEAD. I hope the Senator will not burden the program with a local controversial subject. I hope he will not do that. Let us go ahead with this program without injecting an issue which might tend to develop division among people in his section of the country or among people interested in other lines, and which does not concern this particular farm program.

Mr. O'MAHONEY. I have gathered from what the Senator said that he is more or less opposed to allowing the land to fall into the ownership of a limited number of people and that he feels that the greater the distribution of ownership the better it will be for the country.

Mr. BANKHEAD. There is no doubt about that in my mind. If there had been any such doubt, the bill would not have been sponsored by me.

Mr. O'MAHONEY. That would apply to the Government as well as to any class or group of individuals?

Mr. BANKHEAD. It applies everywhere. What we need is more individual home ownership. We have 6,500,000 farmers in the United States, nearly half of them drifting from year to year, hunting a place to roost, so to speak, at the end of the year. Farm ownership is what we need. Wherever the land may be properly acquired we need to establish these roving men and women in homes of their own—"Mine! Mine!"—so they will feel that way about it. That is my philosophy about the proposed program. I have looked upon this, as I have often expressed it to friends, as a program in favor of the underdog in agriculture.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER (Mr. BILBO in the chair). Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. BANKHEAD. I yield.

Mr. HATCH. I am quite in sympathy with everything the Senator has said about the ownership of land. I am wondering, however, if the bill before us is sufficiently broad to protect against liens which may be created either voluntarily or involuntarily. I note the provision "that if liens are created, the entire indebtedness shall thereupon become due and payable." Is there any other provision which will prevent creating liens against the land after it is purchased from the Corporation?

Mr. BANKHEAD. Two methods of procedure are permissible under the bill. One is for the corporation to hold title to the land, if it sees fit, until it has been completely paid for. Under such a program, with a long amortization period and with the title virtually in the Government, of course, the purchaser could not create a valid lien upon the property.

There is authority, whether express or implied, after some substantial proportion of the purchase price has been paid, the proportion to be fixed by the corporation, for the corporation to make a deed subject to the unpaid balance of the mortgage. That feature of the bill was deemed desirable. In that event, when the purchaser reaches the point where the title lies in him, it is provided in the bill that the creation of any lien, either voluntarily, as by making a mortgage or other property lien, or involuntarily, as by permitting a tax lien to lie, then the corporation shall have the right to take the property back. That is the only protection I conceive that can be given. It is notice and warning to all creditors of that man not to try in any way to impose upon him, not to try in any way to get a claim or lien upon his home, because if they do here stands the strong arm of the Government, with power retained under the provisions of the bill to declare the whole mortgage due and thereby to take back the property unless the obligation shall have been paid in full.

Frankly, I do not know any better way. I am exceedingly anxious to protect these beginners in home ownership, most of them doubtless new to the farming business or farm management, from being taken advantage of in a way by speculators or by designing traders. If the Senator has any well-thought-out plan which would give them more protection than is provided in the bill, first by the reservation of title in the Government and then, as against involuntary or voluntary action at a later time, by power to declare the mortgage due, I hope the Senator will present it, because he must see how I feel on the subject.

Mr. HATCH. I am sure the Senator is quite correct. My observation was called forth by the fact that in the western section of the country I have seen homesteaders go out and live on lands throughout the entire homestead period of 5 years without creating liens on the land, because they could not do so under the Federal law prior to final proof. After final proof and after issuance of patent I have seen liens created, and those homesteads lost within a few months. I should like to see this bill guard against such a contingency as that.

Mr. BANKHEAD. The bill gives the power, of course, to the board simply by reserving title in the Government.

Mr. HATCH. That would be better, in my opinion, than simply making it possible to declare the entire indebtedness due and payable.

Mr. BANKHEAD. They have power, as I conceive, to give all the protection that can possibly be given under any reasonable administration.

Mr. President, I do not want to take further time. There are other Senators who have very definite views upon this proposed program. Permit me, however, briefly to call attention to some of the endorsers of this bill who are not Members of Congress.

Since the news went out about the introduction of the bill covering this program it has received the most widespread approval throughout the country from all classes of people, from the tenant farmer and the present farm owner on up, from colleges, from students of sociology, from patriotic citizens and educators.

I wish to read a brief statement made by Dr. George Foster Peabody, one of the great educators and philanthropists of the country, who has given 50 years of his life to the promotion of the cause of education, devoting to it his means and his time. He is now 83 years old, but when he heard about this bill he came out of his old-age retirement and from Warm Springs, Ga., issued this statement:

I have no doubt but what this new tenant bill if passed and properly administered will help to remake many of our agricultural sections. What we need in America is more home owners and fewer tenants. Change a tenant to a home owner and you plant the seed of stability and permanency. You lift the social, economic, and moral standards of the community. You change indifference to interest and shiftlessness to thrift. In short, you remake both the individual and the community. That is undoubtedly the reason the churches are supporting the measure. They see in it a program of more homes instead of merely places to stop a while. And the home is the backbone of our civilization. It is what the churches and the schools build on, and it is these things that have made America what it is today.

I will read a statement from Mr. William Green quoted from an article in the New York Times:

The American Federation of Labor departed from its long-established policy of limiting its activities strictly to problems directly affecting labor and endorsed today the Bankhead bill, designed to rehabilitate approximately 10,000,000 share croppers and tenant farmers, Negro and white.

This endorsement was made known by William Green, president of the Federation, in the following words:

"I have given special consideration to the Bankhead bill. We are in hearty accord with this proposed legislation and gladly extend all assistance and help possible in any effort which may be put forth to secure its enactment into law."

Mr. Samuel Crea Cavert, general secretary of the Federal Council of Churches of Christ in America, gave out this statement:

As a result of studies made by its department of research and education the Federal Council of Churches of Christ in America has become actively interested in the problem of tenancy, particularly in certain of the Southern States. The more extensive studies made under the direction of the committee on minority groups in the economic recovery have intensified that interest and created a conviction that constructive measures should be taken for settling destitute tenants upon land of their own and making it possible for them to become self-sustaining. The present plight of the share tenant and share cropper seems to us to be one which must enlist the alert sympathy of all people of humanitarian sympathies.

I, therefore, am eager to see the Bankhead bill enacted into law. While not undertaking to pass judgment upon the more technical aspects of this measure, its objectives will certainly commend themselves to thoughtful Christian people of all denominations and in all parts of the country.

Dr. Edgar Schmiedeler, director of the rural life bureau of the National Catholic Welfare Conference, has given full endorsement to this bill.

Mr. President, I wish now to read a communication which reached me just 2 or 3 days ago from the wife of a tenant farmer in Georgia. It is an effort, though in crude poetic form, to express the ambition and the heart throbs of a humble woman, and I hope Senators will listen to it. The poem is headed "A Home-Loving Tenant", and reads as follows:

Oh, Mr. BANKHEAD, I've always wanted a home,
But over the country I've had to roam.
We've rented land here, we've rented land there,
In fact, we have lived just anywhere.

We have farmed on halves and hired, you know,
And there's never enough money or clothes to sew.
When the grocery bill is paid no money is left.
We are most naked, I'm barefoot myself.

Willie, a young man fourteen right now,
He can cut wood, saw, clear land, and plow;
He's got no britches, he's outgrowed them, see,
Old overalls so ragged, it's a sight to see.

He loves a mule and works like a man,
He's smart and works all he can;
He works from early 'till it's quite dark,
He'd work like a mule to get us a start.

Next a little girl, six, named Louise,
Sweet little girl, as bright as you please;
She can wash dishes, sweep, and dust,
Tend the babies, rock them, and fuss.

And there is Max, he's just three,
A cute little tyke, as noisy as can be.
He can cry, scream, holler, or bawl—
Do anything he can to start up a squall.

And last, but not least, are the twins,
To look at those children would make you grin;
Rachel the girl, and Sidney the boy—
We all love the twins, they are such a joy.

Daddy works hard at anything he can do,
It takes a lot to keep grub to chew;
We are trying to teach our children to love God,
To be honest, good-natured, and work the sod.

We don't crave riches or great wealth,
But just a few acres and lots of good health;
A five-room house we can call home,
So over the land we won't have to roam.

I want a front porch and one in the back,
A big pantry with lots of shelves well stacked,
A smokehouse for the lard and meat
When the hogs are killed, and meat to eat;
Sausages are canned and hams sugar-cured,
Lard in cans, and it's all pure.

Lots of chickens, turkeys, and ducks;
A house for Rhode Islands, a pen for hogs;
A barn for two cows, old Cherry and Tip;
A dog in the yard, little feist named Gyp.

There are two mules and a wagon, too;
The wheels are red and the bed is blue.
In the shed are tools to farm the land,
God over all and daddy a Christian man.

We'd be up by three in the morn,
The garden to hoe and plow the corn;
Flowers to plant, weeds to hoe,
Clothes to wash, and things to sew.

Oh, what a joy this all would be,
A happier family you'd never see;
On Sunday morn to church we'd go
To worship God as best we know.

What a busy, happy life this family would lead
Being a neighbor and help someone in need.
We are in need and know how heavy the load,
So we'd try to help someone else along the road.

So, Mr. Senator, do the best you can,
You are trying to do more for us than most any man;
Fix it so a poor tenant can get a loan
To buy a little place he can call home.

—*Mrs. Z. M. Cooper.*

ARMUCHEE, GA., *April 10, 1935.*

Mr. President, that appeal from the heart of that woman, crude, as I said, though it may be in poetic form and in language, really tells the whole story involved in this program. Those of us here may differ, and do differ, in political philosophy; we may differ and do differ in political allegiance; but there is one subject on which I know we are in full accord and that subject is the value of home ownership. Mr. President, we all know that no poem ever written and no song ever sung so truly expresses the longing and the craving and the emotions of the human heart as the old song "Home, Sweet Home."

It is my judgment, Mr. President, that this bill carries more values in the long run—economic, social, moral, spiritual, educational, citizenship values—than any other legislation in which I have ever been interested, and I sincerely hope that, without a dissenting vote the Senate may pass this measure, put it on the way to become a part of the law of the country, and thereby hold out hope to a great mass of our industrial workers, many of whom are destitute, many of whom are in despair, moving, moving here and there.

Mr. President, by this measure we can give them some hope of stability in their homes. So, I hope the Senate will proceed without any real controversy to pass the bill.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. BANKHEAD. Certainly.

Mr. VANDENBERG. If the Senator will turn to the top of page 6, I should like to refer to the sentence which reads:

The Corporation, including its franchise, its capital, reserves, and surplus, its loans and income, and its real and personal property shall likewise be exempt from such taxation—

"Such taxation" referring to any property taxation by the United States or any subdivision. Then I ask the Senator to turn to the top of page 12, where the bill provides:

Nothing in this act shall be construed to exempt any real property acquired and held by the Corporation, or held by any purchasers from the Corporation, from taxation by any State—

And so forth. I am unable to harmonize the two provisions.

Mr. BANKHEAD. They cannot be harmonized, I will say to the Senator from Michigan. His keen mind has promptly developed a conflict which I will cure by amendment.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. HATCH. A moment ago we were discussing the question of liens, and I ask the Senator to turn to section 6 on page 11. It has occurred to me that under the provisions of the bill as it is now drawn the burdens are all placed upon the landowner who may make a transfer, or give a mortgage, or create a lien against the land. I know that it is often not the fault of the owner of the land. He is induced to give a mortgage. He becomes indebted, and the creditor induces him to give a mortgage or give a deed or an assignment, and thus secures control of the property. I believe it might be more effective in reaching the ends the Senator desires if there should be inserted the word "mortgage" after the word "assignment" in the clause on line 8 of page 11, which reads:

If any sale, lease, transfer, assignment—

And so forth. Would such an amendment meet the Senator's approval?

Mr. BANKHEAD. I am willing to accept that amendment.

Mr. HATCH. Following the insertion the language is:

Or conveyance of any such property is made without such written consent——

Mr. BANKHEAD. I think the other section covers the matter, where it provides for the creation of a lien, which, of course, a mortgage does. I think it is already covered.

Mr. HATCH. But this is the language I desire to insert after the word "consent":

Such sale, lease, transfer, or assignment shall be void.

Mr. BANKHEAD. I have no objection to that. I desire to protect these people.

Mr. ADAMS. Mr. President, will the Senator from Alabama yield so that I may ask a question of the Senator from New Mexico?

Mr. BANKHEAD. Certainly.

Mr. ADAMS. Does the Senator, as a good lawyer, think that such a provision would be valid as against the laws of the State, under which title to real estate has always been determined?

Mr. HATCH. I think that such a provision would be perfectly valid in this bill. In this measure the Congress has the right to include any condition it desires in making these contracts.

Mr. ADAMS. Does the Senator think Congress has the power to exempt from a man's debts his property in spite of the State law?

Mr. HATCH. I think where Congress grants a man privileges under this bill Congress may make a condition of the conveyance of land that no lien shall be created against it.

Mr. ADAMS. This is a corporation which is to make the sale, not the United States Government. I can understand that when the title to the public land was in the United States the Government was able to impose exemptions as to it; but here is a corporation which proposes to buy property from private individuals, and then to seek to impose an exemption from the debts of the persons to whom they sell the property. Practically every State in the United States has homestead laws. In my State people can be protected by filing a homestead statement on the records up to $2,000 in value. So in most States the machinery is already provided. Personally, I am unable to concur with the Senator's theory—I concede that I am probably wrong—that the Congress can exempt real estate in a State from the application of the laws of the State.

Mr. HATCH. I will say that the Senator from Colorado is probably correct instead of probably being wrong. My thought is, however, that Congress has the power to include this provision. I should like to see it included, at any rate, and let the courts say whether or not it is a lawful provision. I do not believe there will be much trouble as a result of taking mortgages on land of that sort if such a provision is included in the bill which provides for those mortgages. I think it will have a very salutary effect, whether the provision shall be held valid or otherwise.

Mr. ADAMS. Suppose the purchaser wishes to obtain a loan from the Federal land bank for some purpose, when

under the proposed provision a lien secured by a mortgage would be void.

Mr. HATCH. Not so, Mr. President. He could obtain the written consent which the bill provides, and the mortgage would be good under those circumstances. I am quite sure from my experience that the Federal land bank would not make any unwise loan or lose any money under such circumstances.

Mr. BANKHEAD. I am quite sure that so long as the title is in the Government no lien can be created on the property anyway.

Mr. ADAMS. The Senator is providing, however, alternative methods, one of which would be a conveyance, the indebtedness to be secured by mortgage. In that case there would be a title in the purchaser, but it would be subject, of course, to the mortgage.

Mr. BANKHEAD. We must bear in mind that a mortgage is a conveyance, an alienation of title, and subject to defeasance, and is, therefore, covered by the language of the amendment.

Mr. ADAMS. But the amendment which the Senator from New Mexico suggests would forbid any second mortgage or any assignment being put upon the equity, regardless of the advantage that it might be to the holder of the property.

Mr. BANKHEAD. I am in sympathy with the Senator's amendment. I desire to protect these people from liens. I wish to preserve their homes against liens.

Mr. HATCH. Mr. President, with the permission of the Senator from Alabama, I will offer an amendment, on page 11, line 10, after the word "consent", to insert "such sale, lease, transfer, or assignment or conveyance of any such property shall be void."

Mr. BANKHEAD. I do not think that would be in the appropriate place, because in line 10 there is an alternative, "or if any property is abandoned." I think the Senator would have to put it at the end of that section. Following the Senator's proposed amendment the provision would read:

Or if any property is abandoned the Corporation may declare—

And so forth. The Senator is putting two declarations in the same sentence, one of which is the declaration that an action is void and the other providing for installments becoming due and payable.

Mr. HATCH. I do not wish to suggest the amendment unless it meets with the approval of the Senator from Alabama.

Mr. BANKHEAD. I think the provision has been properly prepared. It has been submitted to the legislative drafting service and the attorneys, and has been gone over by them. Those particularly interested in this phase of the subject have gone over the provisions, and I think it amply protects those whom it seeks to protect.

Mr. HATCH. I know the Senator has in mind the same thing that I have. I have not given to the bill the study that he has, and unless he will accept the amendment I shall not offer it.

Mr. BANKHEAD. I would rather not have the Senator offer his amendment.

Mr. HATCH. Very well; I shall not offer it.

Mr. PITTMAN. Mr. President, may I ask the Senator from Alabama a question?

Mr. BANKHEAD. Certainly.

Mr. PITTMAN. Does the question just discussed relate to section 6 on page 11?

Mr. BANKHEAD. Yes.

Mr. PITTMAN. As I read section 6, it does not affect an involuntary sale directed by a court for a debt.

Mr. BANKHEAD. No.

Mr. PITTMAN. In effect, it is a condition in the contract, which probably will be recorded in the proper county of the State, providing that in the event of an attempted sale, lease, and so forth, all payments shall immediately become due.

Mr. BANKHEAD. That is the way to cover it in the contract of sale. This provision gives the corporation authority to take such action.

Mr. PITTMAN. I mean, if this does not apply to involuntary sales, I do not see how it would affect a State law in any way whatever.

Mr. BANKHEAD. I do not think it does affect it. I think it is a perfectly legitimate power. In a contract of sale, by agreement of the parties, there may be incorporated any provision of this kind as the parties see fit.

Mr. PITTMAN. It is quite customary to place in contracts of conditional sale provisions preventing attempted assignment or sale of the contract without the consent of the grantor.

Mr. BANKHEAD. That is true.

Mr. PITTMAN. And conditions may be put in that if any such attempt shall be made, all payments shall immediately become due, both principal and interest.

Mr. BANKHEAD. I fully agree with the Senator.

Mr. PITTMAN. I thought probably there was incorporated in this measure a provision attempting to prevent a sale under execution by a court or a tax sale.

Mr. BANKHEAD. There is a provision in section 5——

Mr. PITTMAN. That is the one with which I was dealing.

Mr. BANKHEAD. There is a provision in that section which authorizes the corporation to declare the mortgage due in the event of an involuntary lien—which, of course, a judgment would be—or a tax lien, where taxes were permitted to go to default, so that a lien comes about in an involuntary way, which, of course, might be done by subterfuge.

Mr. PITTMAN. I do not see that even that is any violation of State law.

Mr. BANKHEAD. No; I do not think so.

Mr. PITTMAN. If the property were sold for taxes, the contract would immediately become due and payable, and the corporation could pay off the tax lien and take over the property.

Mr. BANKHEAD. I agree with the Senator that there is no infringement of State laws. No fundamental principle is involved that is not permissible under our power.

Mr. O'MAHONEY. Mr. President, may I address an inquiry to the Senator from Alabama?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wyoming for a question?

Mr. BANKHEAD. I do.

Mr. O'MAHONEY. I have had an opportunity only to glance over the measure, and I have been unable to find anywhere in it a restriction upon the amount of money which may be loaned to any particular individual. Does not the Senator believe that such a restriction would really be in aid of the objectives of the measure?

Mr. BANKHEAD. I may say to the Senator that that is expressly omitted, for the simple reason that in different sections of the country land values differ, and the size of family-size farms necessarily differs. I am sure that in my own immediate section a smaller farm would be required for a family than out in the open West, where they use large acreage in a wheat farm. I am sure also that a farm in my section can be bought much cheaper than it can be bought out in that section of the country, where land values are higher than they are in the South. So it seemed to us, on thorough consideration of the subject, that the only way properly to administer the bill so that it may be administered with latitude and as a national program is to leave that subject just as the subject was left to the Federal land bank in deciding the amount of mortgages, but leave it to the administration to fit the conditions to different sections according to the needs. If we should fix a limitation either on amount or acreage, it might obstruct a great many desirable efforts to put tenant farmers upon the farm.

Mr. O'MAHONEY. I also observe that the bill appears not to contain any restriction as to the character of the individual or person to whom a loan may be made. I have in mind that under the bill, as it is here presented, this new

Federal corporation, without any limitation upon the amount of an individual loan, could also make loans to corporations.

Mr. BANKHEAD. No, no; the bill says "to farmers", and they must have previous farm experience. Besides, the bill, on page 9, also expressly says "small, individual farms."

Mr. O'MAHONEY. The phrase "small individual farms" does not necessarily mean that the loans may be made only to an individual person, however. A corporation might have "small individual farms" as well as any natural person, Therefore, I ask, does not the Senator think an amendment to prohibit loans to corporations might be a valuable one?

Mr. BANKHEAD. I have no sort of objection, because I know such loans are not authorized and are not contemplated; but if the possibility of such loans gives the Senator any uneasiness I have no objection. It is always necessary to place confidence in administrative officials to carry out the purpose and spirit of any program. Absolutely inflexible rules cannot be made for a program that spreads from Maine to California and from perhaps a 5-acre tract to a 160-acre tract.

Mr. O'MAHONEY. If the Senator will permit me, I think the sky is the limit in this bill.

Mr. BANKHEAD. I think so myself—the sky and the cellar, both.

Mr. O'MAHONEY. Does not the Senator believe that a limitation prohibiting loans in excess of $10,000 and loans to corporations might be a valuable addition to the bill?

Mr. BANKHEAD. I do not know. I have no objection, so far as my part of the country is concerned, to such a limitation. I do not know whether or not that would be a desirable limitation in the West.

Mr. MURPHY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. BANKHEAD. I yield; yes.

Mr. MURPHY. I should say that a valid objection would lie against such a limitation in my State, due to the high value of the land there.

Mr. BANKHEAD. That is what I contemplated.

Mr. MURPHY. But, having reference to the comment made by the Senator from Wyoming, it occurs to me that the virtue in this bill is dependent upon the virtue in the board created to administer it. The Senator from Alabama inadvertently fell into error in a statement having reference to the Federal land banks. It is provided by law that such banks shall not loan in excess of 50 percent of the appraised value of the land. In this case the board which we create may loan in an amount equal to 100 percent of the value of the land——

Mr. ROBINSON. Mr. President, the board may even loan more than that, because it is expressly provided, and the proposed legislation contemplates, that advances shall also be made for equipment, livestock, and supplies. That provision is necessary if the aid under the bill is to reach the class of persons who really need assistance.

Mr. MURPHY. I thank the Senator for that interpolation; and I was about to add that it might loan even more than 150 percent of the value of the security offered by the land and the improvements put upon it.

The board created to administer this proposed act may be a board entirely sympathetic with the purposes of the Senator presenting this bill. On the other hand, it may be a board that will, first of all, consult—as many of our loan commissioners have consulted, and fallen into error in that consultation—the security of the bonds issued against the assets as the prime consideration.

I am wondering, as giving ourselves here some assurance of a sympathetic administration of this measure, if the Senator has given consideration to any language by which we might insure that sympathetic interpretation of the purposes of the bill. It might conceivably limit the loans, as the land bank limits them, to 50 percent of the value.

I have had a great deal of experience with applicants for loans from the land banks and for commissioner's loans; and our refinancing program is falling down woefully in many places. I ask the Senator if he has given consideration to the proposal that we should, somehow or other, adopt safeguards in this bill to insure the kind of interpretation he desires.

Mr. BANKHEAD. I will say to the Senator that of course that is our hope and our expectation. The whole program depends upon sympathetic administration; but it is impossible, with my limited command of language and ability to express myself, to write into the proposed statute requirements of a sympathetic administration that will have any measurement in their meaning. There is simply no way to say to a board, "You must be sympathetic", and get real, tangible results. The whole bill shows that it is intended to be administered with liberality, because, as stated by the senior Senator from Arkansas [Mr. ROBINSON], it authorizes a loan not only for the amount necessary to purchase the land, but for the amount necessary to set the farmer on his feet, if he has not anything but is otherwise worthy. The board is authorized to make a loan of 100 percent for the land and also for the stock and farm implements and necessary supplies, so that the farmer can raise a crop.

Mr. President, I do not know how to provide further in the general authorization in this bill, or how to make clearer to those who are to administer it that a generous and sympathetic program is intended by the Congress.

Mr. HATCH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. BANKHEAD. I do.

Mr. HATCH. I desire to recur to the question of a lien by second mortgage. That is what we commonly refer to in this connection. I am afraid of mortgages. I have seen so much disaster come from mortgages, and, particularly from second mortgages, that I should like to see this bill so framed that it would be impossible to create a second lien on the land.

In section 5 of the bill I find it is provided that if an involuntary lien is established on the property, the corporation may declare the entire indebtedness due. That is the penalty for creating a lien—that all the indebtedness to the corporation shall become due. That, however, is not a prohibition against a mortgage; and if the Senator will agree to it, I should like to insert in section 6——

Mr. BANKHEAD. On what page?

Mr. HATCH. On page 11, line 5, section 6, following the word "lease", I should like to insert the word "mortgage." Then the bill would require the written consent of the corporation before a mortgage could be given. Again, in line 8, after the word "assignment", I suggest that the word "mortgage" be inserted.

Mr. BANKHEAD. I will accept the Senator's amendments.

Mr. HATCH. I offer those amendments.

Mr. BANKHEAD. I think the word "conveyance" include a mortgage, but I am willing to make it absolutely clear.

Mr. HATCH. The word "conveyance" does include a mortgage, but a mortgage is only a conditional conveyance.

Mr. BANKHEAD. I accept the amendments.

Mr. ROBINSON. Where is the amendment to be inserted?

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed on page 11, line 5, after the word "lease", to insert the word "mortgage"; and on the same page, line 8, after the word "assignment", to insert the word "mortgage."

Mr. ROBINSON. Mr. President, before this amendment is voted on, I should like to ask the Senator from Alabama a question.

There is a provision in the bill, on page 8, subparagraph 5, where the Corporation is authorized "to enter into contracts to sell or lease its properties, and to make conveyances under the terms of such contracts." What is the purpose and what would be the effect of the term "lease"?

Mr. BANKHEAD. The Corporation might want to make a lease contract or sale. There are different forms of contract.

Mr. ROBINSON. I ask the question for the reason that I do not wish to see this bill authorize the Farmers' Home Corporation to go into the business of farming. I do not wish to see the Corporation made a landlord. It is exactly that from which we are trying to get away. If the Corporation is permitted to acquire lands and then lease them to tenant farmers or share-croppers, we will merely put the Government into the landlord business, and make little advance toward escaping from the growing system of tenancy, which, in my judgment, is a very serious menace to farming conditions.

Mr. ADAMS. Mr. President, may I suggest to the Senator from Arkansas that the things he is pointing out in subsection 5 apply even more specifically to the provisions of subsection 4, on the same page, where the Corporation is given authority to not only buy the property, but to improve it, develop it, maintain it, sell it, and lease it.

Mr. ROBINSON. Yes. Of course, the question applies with equal force to subsection 4 as to subsection 5.

It seems to me, I may say to the Senator from Alabama, and to other Senators who are interested, that under the terms of the bill, unless the word "lease" is stricken out, the corporation which we are creating may acquire an unlimited amount of property. The only limit on the amount it may acquire is the fund which may be allocated for that purpose. Having acquired lands, it might, under some managements, proceed to lease them out to tenants or to share-croppers. If that is not the effect of the language, I should like to have it explained by the Senator from Alabama.

Mr. BANKHEAD. Mr. President, I will say to the Senator that no significance is attached to the word "lease", so far as the author of the bill is concerned; and if there is objection to it, it is perfectly agreeable to have it go out. It does, however, afford temporary protection to the corporation in case of abandonment of a farm by a purchaser, or a foreclosure, in allowing the corporation, while they are waiting, to have another purchaser come along and take it over, so that it may be used under a temporary lease. Of course, no general leasing program is contemplated.

Mr. ROBINSON. There ought to be written into the bill a provision controverting and preventing the construction and application which the language as I now read it would warrant, namely, that the corporation would have just as much right to lease the real estate it acquired as it would have to sell the real estate it acquired. I do not want the Government to go into the business of farming. I think that if a little time is taken, language can be framed which will preserve the right which the Senator from Alabama has in mind.

The Senator from Alabama has referred to the contingency of a purchaser of land from the Corporation abandoning it, as some of them will do. There is no doubt in the world that a considerable number of those who will purchase these lands will move away from them, leaving the properties to fall back to the Corporation, and there ought to be a provision in the bill which would enable the Corporation to handle the property, under those conditions, efficiently, and on the basis of sound business; but there ought not to be provision broad enough to enable some wild-eyed person who might get on the Board, or have an influence with the Board, to influence the Corporation to embark upon a practice of leasing out lands to tenants and share-croppers. I am sure the Senator from Alabama agrees with me about that.

Mr. BANKHEAD. Absolutely; there is no difference between us in our fundamental viewpoint, and I have stated to the Senator that the only significance I attach to the word "lease" here is for temporary conservation and use of the property.

Mr. ROBINSON. But the Senator must admit that there is no such limitation in the measure. The meaning of the bill is to be derived from the language employed, as every lawyer understands, and the language here would give to the Corporation just as much right to lease the property it acquired as it would give it to sell it. It would have just as much freedom to lease it. If someone in the management of the Corporation became imbued with the idea that it was a wise or a sound practice for the Government to become a landlord, to own land and lease it to its citizens, we would have difficulty on that account which would interfere with the accomplishment of the primary purpose of the legislation.

I know that what the Senator from Alabama is trying to do—and it is the same purpose I have in mind—is to lift from the class of tenancy as many as possible, and to place them in the class of landowners, home owners. It would not be very much better to have a share cropper or a tenant owing his obligations to the Government as landlord than to have them owing to plantation owners or individuals who are landlords.

I am sure that there will be little difficulty in revising the language so as to keep in the bill the power of the corporation to handle its property in a businesslike manner, and, at the same time, to remove any question as to the policy which underlies the measure, to remove any question as to the right of the corporation to go into the business of leasing lands to tenants.

Mr. BANKHEAD. I hope the Senator will put in the form of an amendment what he has in mind. There is no difference in our real objectives about the matter.

Mr. WHITE. Mr. President, will the Senator yield to me?

Mr. BANKHEAD. I yield.

Mr. WHITE. May I ask the Senator from Alabama about the provision on page 10 with respect to the interest rate?

Mr. BANKHEAD. I have an amendment to offer as to that, I will say to the Senator.

Mr. WHITE. The provision gives me a good deal of concern. I have in mind that in times past, in connection with other loaning activities of the Government, a great deal of trouble has been encountered both because the loans bore different rates of interest to different borrowers, and because a rate of interest has been granted in many cases that was unconscionably low. I do not know what this language means, "at as low a rate of interest as the Government can secure the money." It seems to me that would necessarily result in one rate of interest for a borrower today and another rate of interest to a borrower a year from today. I do not know whether it means at the rate at which the Government can secure the money at the time the bill is enacted, or when the Government may secure the money at varying times in the future.

If the language is left as it is now, I am sure we will have many of the difficulties which have arisen in connection with loans to shipping companies under the Merchant Marine Act, and it seems to me there should be a very much more definite standard with respect to interest rates than is here fixed.

If, on the other hand, we are to leave discretion to the board, it seems as though we ought to provide at least a minimum rate below which they could not take loans.

Mr. BANKHEAD. The answer to that suggestion is that this is a long-range program, and no one can foresee what fluctuations there may be in interest rates. The best protection we can safely give, with the guarantee that the administration is going on and pay out the money, is that we will not make the interest rate a burden on the Treasury and at the same time we will give all the protection we can to the borrower by requiring the interest rate to be as low as that at which the Government can secure the money.

Mr. WHITE. When? At the time the loan is made or when we pass the bill?

Mr. BANKHEAD. It does not say.

Mr. WHITE. That is the point I am discussing and to which I am inviting the Senator's attention.

Mr. BANKHEAD. The money might be available at the time. We might average it up over a year. That is a matter of administration. If we should provide a minimum rate of interest and the Government could not get the money at that rate, we would break down the program.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BANKHEAD. Certainly.

Mr. ROBINSON. As a practical and legal proposition it seems to me the language used in the bill means that the rate which shall be given the purchasers of homes shall be

the equivalent of the rate which the Government pays. Therefore, when the Government negotiates the sale of the bonds or the securities, the rate would be fixed at the price at which the bonds or other securities should sell and that would fix the rate of interest which the borrower or the home purchaser would pay.

When that fund shall be exhausted and a new loan has to be negotiated by the Government for the purpose of providing funds with which to make loans to purchasers, there might conceivably be an entirely different rate. It is true, as stated by the Senator from Maine [Mr. WHITE], that a borrower or home purchaser, whose property was paid for from the first loan, would pay more or less than another purchaser whose home would be paid for out of the second or a different loan. I do not know that there is any particular objection to that.

The point is that the purchaser would be getting the benefit of the best bargain the Government could make. The Government would not be profiting from the transaction. It would be using its credit for the benefit of the purchaser. Of course, a similar thing is done in the case of all loans which are made by the Government during this period of depression, except that we have usually fixed a definite rate.

Mr. WHITE. I would have put the same construction on the language as the Senator from Arkansas does if it did not appear that the committee has stricken out the language appearing in lines 5, 6, and 7, page 10, to the effect that the rate of interest shall be not less than that which the bonds to be issued by the corporation shall bear. That language has something of definiteness to it. But that language being stricken out and the language appearing in italics being inserted, I am left very much in doubt as to the meaning.

Mr. ROBINSON. The rate of interest the bonds bear may be determined in part at least by a number of factors. The Government might desire to sell the bonds at a premium or at less than a premium, in which event the rate of interest would be vitally affected by whatever policy the Government pursued in the disposition of the security.

Mr. ADAMS. Mr. President, will the Senator yield to enable me to ask the Senator from Arkansas a question?

Mr. BANKHEAD. Certainly.

Mr. ADAMS. May I ask the Senator from Arkansas as to a term employed in the bill? The provision is that the rate shall be as low as the rate at which the Government can secure the money. If there shall be a loan made, the loan is made by the corporation and not by the Government. I am wondering if some confusion might result from that provision?

Mr. ROBINSON. I think that language might be improved. The English of it is not beyond question so far as my thought goes. It is, "at such rate of interest as the Government can secure the money." The thought is that the Government gives its credit and sells the bonds, and whatever rate it has to pay for the money which it thus secures, shall be the rate for making the loans to the purchasers. In other words, I am satisfied the language of the bill is intended to give the purchaser of the land the full benefit of the Government's credit.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BANKHEAD. I yield.

Mr. NORRIS. I think Senators are confusing the facts a little. The Government does not need any money when it is selling the land. It does not ask for any money and it is not going to get any money. It has already bought the land. It is the owner of the land. It is going to sell it. It has already purchased it. We know now what it has cost. We had to borrow the money when we bought it. We know what was the rate of interest. The Government does not immediately sell any given tract of land which it has bought. It may hold it and improve it, or change it around and maintain it a year or two before the sale is made. When the sale is made the Government takes the mortgage and the interest must then be fixed. The Government will not get money every time it makes a sale. It will not have to borrow any money at the time it makes the sale.

Mr. ROBINSON. No; but it may get money by the sale of bonds at a number of different times. When it sells its bonds it pays or guarantees to pay a certain rate of interest. The provision in the bill is that whatever that rate of interest is the purchaser shall be given the benefit of it.

Mr. NORRIS. Suppose the Government buys a large tract of land somewhere. That is the time when the bonds are issued. That is when the rate of interest is fixed, so far as the Government is concerned, which it has to pay. It will break that large tract of land into small homesteads. It may have to improve the land in some way; it may have to irrigate the land or level it off, or improve it in some other way. It may be a year from the time it buys it before it can sell any of it to anyone. The rate of interest is fixed at the time it buys the land. The Government charges the rate of interest it had to pay when it bought the land.

Mr. WHITE. If that is the theory, that is definite.

Mr. NORRIS. I do not think the language does that. I agree the language ought to be changed. Senators were talking about fixing the rate of interest when this piece of land is sold, and another rate of interest when another piece of land is sold. The rate of interest is fixed as a matter of fact when the Government buys the land.

Mr. ROBINSON. What I said was that if the Government sponsored a bond sale to raise a given amount of money, it might effectuate the sale of those bonds at a rate of interest different from that at which it could sell the bonds at another time.

Mr. NORRIS. Oh, yes.

Mr. ROBINSON. In that event the rate paid by land purchasers would be different. Of course every time the Government sells a piece of property there is no expectation that it will fix a special rate of interest, nor is it expected that will happen every time it buys a piece of property. The transactions will be rather large ones in all probability.

The whole object of the provision is to protect the purchaser of the land against high rates of interest. It is to give him the benefit of Government credit. In order to do that language has been inserted in the bill which I think could very well be improved. I do not think the mere incorporation of the original provision in the bill would always accomplish the purpose desired, and that is to give the land purchaser the benefit of the lowest rate of interest which the Government could obtain.

Mr. BYRNES. Mr. President, will the Senator from Alabama yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. BANKHEAD. I yield.

Mr. BYRNES. I desire to suggest to the Senator from Alabama that he reconsider a statement he made a few moments ago with reference to subsection 3, at the top of page 8 of the bill.

The purpose of the bill, as the Senator from Alabama has said, and the Senator from Arkansas has emphasized, is to relieve the small farmer, the tenant, and the sharecropper. The Senator from Alabama, in reporting the bill, has provided for the establishment of "small individual farms and farm homes." I can see that it would be exceedingly difficult to determine what was intended by the expression "small individual farms and farm homes."

If we establish machinery throughout the country, and an interpretation is placed upon that language by the administrator in a district such as Alabama, for instance, different than the interpretation placed upon it in South Carolina, there would be more complaint about the administration of the measure. Even though it be true that in some sections lands are more valuable, as we all know, yet it seems to me the Senator could fix a maximum figure which would be of great value to those who are going to administer the measure.

In the Home Loan Act it was thought wise to do that. I can see that a man going to the administrator in charge

of the office claiming that he wants to buy a home and wants to put $20,000 or $25,000 in it, when the administrator says that is too large an amount, might say, "Well, you loaned that in some other State." It was loaned by the organization. If it is not intended that he should borrow $20,000, or purchase a farm costing that much, or that he have a $5,000 building constructed on it, could we not agree upon some maximum figure that would be of some advantage to the men who will have to administer the act? They are all human and when they tell the farmer in Alabama that he cannot borrow more than $4,000 or $5,000, or that he cannot be assisted in purchasing a farm costing more than that, and he knows that in another State $10,000 or $15,000 had been invested, it is bound to cause dissatisfaction. I hope the Senator will take that point under consideration, because he has given great study to the question and would know what to do.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. ROBINSON. One can readily see the force of the suggestion made by the Senator from South Carolina. On the other hand, when a maximum is fixed, say, of $10,000 or $15,000, you invite into this system applicants who are not intended to become beneficiaries. Anyone, of course, would rather get a loan with which to build or pay for a home under a bill like this than under the Federal Farm Loan Act, for the simple reason that there is and in the very nature of the transactions there can be no arbitrary limitation in this proposed act as to the amount that will be loaned relative to the appraised value of the property.

If a limitation of, say, 50 percent of the appraised value of the property is required, the act would be futile, because the person intended to be the beneficiary would have no way of providing the other 50 percent. He would be helpless. The primary purpose of this act is to get genuine assistance to a class that has no resources, that can offer no security—persons that are willing to exert themselves in order to acquire homes if given the chance to do so.

If we fix a limitation of $10,000, every applicant who ought to go to the Federal land bank or to some other loan institution might be coming to the Farmers' Home Corporation to get his loan there, because he would not have to give any security, because he would get a lower rate of interest than he can get anywhere else. So if we do fix a limitation, it will be necessary to fix a very low one. That of itself might in some cases impair the actual operation of the statute.

My thought is, and I recognize the subject is full of difficulties, that discretion has to be vested somewhere. That if we impose a liberal limitation, it will result in the making of loans that ought not to be made under an act intended to enable poor people to get homes. And if we make a very narrow restriction as to the amount, we will deny opportunity to some who ought to have the chance to get a home under this bill.

Mr. BYRNES. Mr. President, the question I directed to the Senator from Alabama was not with regard to any percentage of the value of the property to be loaned but as to a maximum value. He and I have the same fear. I have feared that as the result of the language now in the bill a man whom we would regard as not a small farmer and not seeking what is generally called a small individual farm, would come to this organization instead of going to the land bank, and that if in some section of the country he asked for $10,000 or $15,000, he would cause great dissatisfaction in other sections. Under the Home Owners' Loan Act every man who borrows does not borrow the maximum. It occurred to me that it might be well to consider that feature.

Mr. NORRIS. Mr. President, I do not see how a rule could be definitely established, because what would be considered a good-sized farm in New Jersey would not be anything out in western Missouri, Kansas, or Nebraska. A man would have to have a larger farm in that western section of the country in order to support a family.

However, the question I wanted to discuss was that raised by the Senator from Arkansas [Mr. ROBINSON]. While he stated that this problem was beset with many difficulties, we will make a mistake, in my judgment, if we try by statute to do anything but to make the most general rules. We must leave it to the administration. In the first place the question of geography will make a difference, as I have pointed out. In the second place, if we put down the amount that a man must have in order to get the land, we will cut out a great many people whom we are trying to help by this proposed legislation.

The bill provides, and it is well that it does—it might be amended to make it more strict—that in order to get the benefits of buying a farm without money and paying for all of it on long-time credit, a showing must be made at the time of making application as to the character of the man who is applying.

It seems to me it should be necessary in a case where no money is put up, or but little money is put up by the applicant himself, that a showing be made not only that the man is of good character, but he should be able to show that there is a fair probability that if the land is sold to him he will, by his diligence and his honesty, be able to meet the payments in time.

Mr. President, such a plan has been tried in other sections of the world. Several years ago, when the Government of Australia was trying to place small farmers upon the land instead of having the very large farms which they had had before that time, a law was passed providing for the taking over of some of the large estates and cutting them up into small farms, dividing them up, and selling them to people who wanted farm homes and land upon which to raise crops. I think some of that land had to be irrigated. The Government of Australia bought, for instance, a large ranch, cut it up into small tracts, and spent thousands of dollars getting it ready, dividing it, according to the contour of the land, into larger and smaller tracts, and then invited settlers. A settler, however, had to make a showing before he could get the land. They would not sell to everyone. He had to be a man of good moral character, and he had to establish that fact to the satisfaction of those in charge. It was necessary for him to show, for instance, in case he was going to raise small vegetables, that he knew something about the business, or at least he would have an advantage if he could show that he had had some experience in that line, that he knew something about what he would be required to do.

It was realized that a good farm might be entirely spoiled and made worthless by a man who in other lines might be a very good farmer.

I think, in a general way, the plan was very successful. A committee was appointed to go to Europe, to Scotland, to England, to travel in other parts of Europe, so that men would not spend their money to go to Australia and get there and find they could not get any land. The committee examined applicants who wanted to go. They looked up their surroundings and found out what kind of people they were, looking for respectable, honest men and women, persons of good character. So the committee brought in a very good class of citizens. There was nothing the matter with them except that they were very poor, and they were the kind of persons for whom the authorities were looking. They gave those persons homesteads.

The experiment worked out all right. I think after the plan had been in operation for a little while it became very popular. The price of land in these large estates went up. The authorities, as I remember, were unable to carry on the plan over a long period of years, because the plan had been so successful that the price of land went up, and the country was settled by a fine class of citizens.

We shall have to do something of that kind here. The administrators of this measure, if we pass it, will have to exercise some judgment. Of course they, like all human beings, probably will make mistakes; but they will have to adopt regulations and supervise this activity in accordance with the facts in each individual case. If they buy a large tract of land in Alabama, they will have to handle it differently than if they bought a large tract of land in South Dakota. So they will be using their judgment, if they are

the proper kind of men. They undoubtedly will make a great success of it, with here and there, as the Senator from Arkansas said, a failure, a man who will be a misfit, who will get in perhaps because he is a bad man, and perhaps because he is a good man in a bad place; but there will be some failures.

So I think we ought to leave this matter just as much as we can to the discretion of those who are to administer the measure. If we do, and the right kind of men are appointed, and they go about their duties with the right spirit, the measure ought to be a godsend.

The truth is that the great West was settled up mainly with free homesteads, lands that cost their owners nothing. In my State, for instance, at this time, just about one-half of the farmers of the State are tenant farmers, farming land that somebody else owns. The land speculator gets in, and the idea of private profit and private gain frequently induces men to loan money on land with the idea of getting it under foreclosure, or something of the kind. That ought to be guarded against as much as possible. The State could do that much better than the Federal Government could; but, as a matter of fact, after a man is put on a farm, and gets his home, it ought to be very difficult for him ever to mortgage his homestead. It never ought to be allowed except for purposes of improving the homestead, or perhaps in case of sickness, or something of the kind; but the fact that these homesteads in the great West were received for nothing had a tendency in itself to make men extravagant. It became popular to mortgage them the day the homesteaders made final proof, and it was the exception when that kind of a mortgage was not made. That ought to be prohibited in the case of a homestead.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. NORRIS. I yield to the Senator.

Mr. O'MAHONEY. Will the Senator yield so that I may offer an amendment?

Mr. NORRIS. I was about to wind up my statement by offering an amendment on a different page than the one we are discussing. I will say to the Senator from Alabama that it seems to me the amendment suggested, I think by the Senator from Arkansas, on page 8, ought to be made in this bill.

If Senators will turn to page 8, line 9, in subsection (4), where it says—

To improve, develop, maintain, sell, or lease any such property—

It seems to me that language ought to be amended by striking out the words "or lease" and inserting the word "and" just before "sell"; and on line 17, on the same page, we ought to strike out the words "or lease."

Mr. BANKHEAD. I am perfectly willing to have that done.

Mr. NORRIS. Then, Mr. President, if there is no objection, I move, on page 8, line 9, after the word "maintain", to insert the word "and"; and on the same line and line 10, to strike out the words "or lease."

The PRESIDING OFFICER. The Chair will state to the Senator from Nebraska that there is now pending an amendment offered by the Senator from New Mexico [Mr. HATCH], and the amendment proposed by the Senator from Nebraska could be adopted only by unanimous consent.

Mr. NORRIS. I have no desire to interfere with any other amendment. I was not aware that there was an amendment pending.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Nebraska is agreed to.

Mr. NORRIS. Now I desire to offer another amendment.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. NORRIS. In just a moment. On page 8, line 17, I move to strike out the words "or lease."

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Nebraska is agreed to.

Mr. NORRIS. Now I yield to the Senator from Iowa.

Mr. DICKINSON. Mr. President, turning to page 10, section 5, I can find no limitation here as to the amount of acreage or the amount of money that may be contracted for in a sale to any one individual. It seems to me that we ought not to leave a bill like this wide open. If loans are to be made for the purpose of acquiring homes or farms, there ought to be a maximum put in.

Mr. NORRIS. Mr. President, let me say to the Senator that there is another respect in which we might do an injustice, I think, if we should fix either a maximum or a minimum. I presume—and it seems to me that is what ought to be done under this bill—if a man should make the right kind of a showing as to his character, and so forth, the Corporation would sell him a home without his making any cash payment whatever, and let him pay it out on a long-amortized mortgage, running over a great many years.

Following the experiment I mentioned a while ago, which was worked over in Australia, I think, the State of California did much the same thing. The senior Senator from California [Mr. JOHNSON] is not present, or he could tell me whether or not I am right; but I think, while he was Governor of the State of California the State did, to quite an extent, the same thing that the Government of Australia had done. They borrowed money, bought a ranch, we will say, and divided it up into farms. They usually got water on the land, leveled it off, paid all the incidental expenses, and then sold it to men who wanted farm homesteads.

I think the State authorities went so far, where they had a large tract of land, as to build a village. They cut up the land into lots. They had some provision about the sale of lots. The work that was done on any one of those tracts of land was performed by day labor. Men who were going to take the homesteads, men who were going to live in the village, hired out, worked on their own homesteads, and were paid for their work. Sometimes they were men with a little property. The State authorities looked into their records to see where they came from, what kind of persons they were, and these men settled a community there. A little city was built by poor people, some of whom had something, some of them nothing. Some of them worked with the different gangs that were leveling off the land, and many philanthropic persons became interested in the project. The settlers adopted a community method of stock raising, for instance, and some very wealthy men donated some prize stock to the whole body of settlers who had taken up a particular tract; and I think in this way some parts of California that were waste lands before that time were developed into very fine neighborhoods. The settlers, within shipping distance of a city, perhaps would raise fruit, or something of the kind.

I believe that the experiments which they tried out there resulted successfully. I do not see why, on a larger scale, this corporation could not carry out the same thing all over the United States.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to present now an amendment to come in on page 8, line 5. At that point I move to add the following:

And under rules and regulations to be promulgated by the Corporation and the Secretary of the Interior, to finance in the same manner the establishment of individual farms and homes upon the public domain, and upon lands within any reclamation project.

The purpose of the amendment is to make certain that the benefits of the bill may be extended to all of the public-land States, as well as to other States. Let me say that I am heartily in favor of the purpose of the bill.

Mr. BANKHEAD. Mr. President, I have conferred with the Senator from Wyoming about his amendment. I am not fully informed and do not exactly understand the effect of it, but I have stated to him that I am willing that the amendment may go to conference. If it is all right, and on further investigation we find that it does not conflict with the program in mind, I am willing to have it remain in the bill, but I have stated to the Senator frankly that if it goes to conference and I am on the conference committee, I shall not be committed to it, and am not prepared at this time to say that

I will stand by it. If I shall be convinced that it is all right, I shall be glad to support it.

Mr. GORE. Mr. President, is this a House bill?

Mr. ROBINSON. No.

Mr. GORE. My understanding is that it is a Senate bill.

Mr. BANKHEAD. It is a Senate bill.

Mr. GORE. The Senator is accepting an amendment in order that it might go to conference?

Mr. BANKHEAD. If the House adopts it, it is all right.

Mr. GORE. I assume the House will adopt it.

Mr. President, this merely illustrates what we may expect. We are opening the door an inch, and now comes the Senator from Wyoming, entirely within his rights, demanding that the public domain shall be embraced within this scheme. I heard a Senator suggesting today that he intended to move to include industrial workers in the cities. Can there be any valid objection to their inclusion? Another Senator has nominated the miners. Who cay say them nay? Someone else suggested that the lumberjacks in the timbered regions be included in the scheme. Why not? What valid objection could there be to their inclusion? Let us make it unanimous.

Mr. President, this country is founded upon the principle of equality, and when we begin to bestow benefits of this kind upon one class of our citizenship, there is no place tc stop. There is no place where we can say "no."

I think some limitation ought to be placed on the acreage, in the first instance. The hue and cry is raised here that it might prove embarrassing or even unjust in some particular cases. For more than a half century our homestead laws were really the glory of our public-land policy. They resulted in the establishment of millions of homes, and a homestead was limited to 160 acres. The system succeeded. It enabled millions of people to acquire homes—to own their own homes. Yet gentlemen are opposed to fixing a limitation in a measure which is designed to enable small farmers to acquire their homes.

There ought to be a limitation as to acreage, and it ought to be 160 acres, founded upon our homestead precedents, and if the day ever comes when that limitation is too restrictive, and when all the tenant farmers who are content to have 160 acres where they can lay their heads and call it home have exhausted that right and that opportunity, if there be tenant farmers who are not content with 160 acres who desire more ample acreage than that, then let Congress make provision for the imperial estates on which such tenants may be content.

Not only should there be a limitation as to acreage, but there should be a limitation as to value. If this measure is in good faith, if it is intended to help the poor man, if it is intended to help the small tenant, if it is intended to help the tenant to acquire a home, then there ought to be a limitation upon the value.

I think it ought to be limited to those tenants, honest-to-God tenants, who are seeking to acquire homes for themselves and their families and those who, in good faith, will be content with a small limitation as to the amount of the loan and a reasonable limitation as to the acreage.

Mr. President, I predict now that if there is no limitation upon the acreage, if there be no limitation provided as to the area which the Government may buy and cut up into farms and sell, we are opening wide the door to scandal.

I speak deliberately and advisedly when I say "scandal." I believe that today I know of an instance in a Southern State where, under one of these Government land schemes a vast tract of land was purchased, and I do not doubt that the sale was made in order to pay off a mortgage held by a mortgage concern upon that land.

I know of another instance where I believe there is a scandal lurking. I know of still another instance, and I know well, where an effort was made to work off on the Government a large tract of land in order to serve the personal interest of the owner, and not the public.

I hope that a limitation will be fixed upon the acreage, and that a limitation will be fixed upon the value.

Mr. President, someone has written a book on Three Acres Enough. The average Roman farm of antiquity was 4½ acres. I have as great a reverence for the sanctity of the home as has any man. I think it the greatest institution ever developed among the sons of men. I believe in a country of home owners. But the Senator from Iowa says that a loan up to 150 percent of the value of the property would be possible under the pending bill. The Senator from Alabama went him one better, and said that under this measure now pending the sky is the limit.

The sky is the limit for what purpose? To help poor tenant farmers who, in the vicissitudes of life, have not been able to own 1 acre, who have not been able to acquire 10 acres, who have not been able to acquire 40 acres where they could lay their heads and call it home; and here, in order to promote home owning throughout the South and permit tenants to become landowners—as God speed they may—we are asked to make the sky the limit.

It is difficult to take such a measure seriously. It is difficult to believe that it is designed solely to help the tenant farmer acquire a home without reference to the reaction upon those who promote the legislation.

Our tenant farmers need help as much, indeed, they need help more than many others who have received help. They deserve help as much as many who have received help, yet they are the hardest to help in some respects. No matter how deserving, it is hard to help them on account of their limited resources; it is hard for them to get off of dead center. I wish it were possible for every tenant farmer who wants a home to own a home—for every tenant farmer who wants a home to buy and pay for a home—to buy and pay for a home by his own toil and his own thrift. Millions are willing, millions, I doubt not, are anxious to do that; but we should go at this business serious, if at all, on a sound and practical basis. We ought to take things as they are and try to improve them. We ought to take conditions as they are and try to build up upon them a better order of things, with ampler opportunities. We ought to enable the tenants to help themselves; we ought to limit the power of the Board; we ought to safeguard the interests of the Government—safeguard the rights of the taxpayer. And, Mr. President, we ought to take heed that in an effort to work out a reform or a revolution in an existing system we ought to take heed that we do not break down and destroy the economic and social system of the South, or the economic and social system of any other section for that matter. It is easier to tear down than to build up. I would not issue this warning if experience had not shown that the "best laid plans of mice and men" sometimes fail to come true.

There is one other point to which I wish to advert. It was raised by the Senator from Arkansas, and another Senator in the rear of the Chamber, with reference to the rate of interest which may be charged upon these loans.

The language of the bill, I believe, stipulates in effect that the rate of interest charged the borrower shall be the rate paid by the Government or the rate at which the Government can acquire the money. We have had experience in this country which ought to serve as a warning. I do not mean to suggest to Senators that we ought to pay any particular heed to the lamp of experience, but we had a few years ago a Farm Board, a rather ill-starred and ill-fated institution, but, judged in the light of more recent events, a rather conservative institution.

The Farm Board created a subsidiary, known, I believe as the "National Wheat Corporation", and breathed into it the breath of life. If that be not the exact name it is sufficient to indicate what I mean. The Farm Board lent this institution some $15,000,000. It was the people's money but what did that matter? I make no point of that. I think the borrower and the lender were both extremely conservative?

They borrowed only $15,000,000. Under the law the loan could be refinanced at the rate of interest paid by the Government in the loan which the Government had most recently effected. It chanced that the Government negotiated a sale of short-time securities at one-eighth of 1-per-

cent interest. This concern, not indifferent to its opportunities, refinanced its loan in accordance with the law and its contract, so that the Wheat Corporation had a loan of $15,000,000 from the Farm Board, which was really the Government, upon which it paid $20,000 a year interest—$20,000 a year for $15,000,000!

It was competing with private enterprise—and I blush to mention " private enterprise ", because there are some gentlemen who think that private business and all sorts of business are a crime and that all kinds of business men are criminals, and that if we could only suppress this crime and these criminals then prosperity would be abounding.

Private enterprise had to compete with that subsidized institution. Private enterprise borrowing $15,000,000 to compete, paying 6 percent interest would pay $900,000 a year against $20,000 paid by this favorite of fate. Private enterprise paying 3 percent on $15,000,000, struggling for existence, struggling to keep its head above water, paying taxes into the Treasury of the United States in order to be lent to these pet institutions—private enterprise borrowing $15,000,000 at 3 percent would pay $450,000 and this Government-endowed and subsidized competitor was paying $20,000 a year for $15,000,000.

I think when the Farm Board became innocuous the contract was afterward abrogated to the credit of whoever did it. That ought not to be allowed to happen under the pending legislation. I should like to see the measure revised and adapted to serve the interests which its real friends had in mind—to enable the little one-horse farmer, who has not been able to acquire a few acres bearing the consecrated name of " home ", buy a few acres and establish a sanctuary and a refuge upon it.

Aye, Mr. President, it is pretty hard to help people without making them helpless. I want to help them to help themselves. Save for the infirm and the indigent that is about the only help that is helpful—other help is often hurtful. When we make it easier to get into debt, as a rule, we make it easier to get into trouble. Debt is a quicksand, and it is easy to get into and hard to get out of.

Our national indebtedness has prevented the Government from resorting to rational measures in an effort to extricate the country from the depression. We have had to relate all our measures to our indebtedness, which has prevented us from adopting measures which but for such indebtedness would have seen us further upon the highway to recovery than we are today.

I shall offer an amendment before the consideration of the measure shall be concluded.

Mr. FLETCHER. Mr. President, may I ask the Senator a question before he takes his seat?

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Alabama yield to the Senator from Florida?

Mr. BANKHEAD. Certainly.

Mr. FLETCHER. The Senator suggested certain restrictions and limitations as to credit, values, and so forth. What would he think of this kind of a restriction? Let a man have 40 acres, but provide that he may produce only two bales of cotton or so many pounds of tobacco. What kind of restriction and limitation does the Senator think that would be, and how would it help in the situation?

Mr. GORE. I happen to know of an instance where the Government under one of its schemes was promoting the establishment of a colony in the Senator's own State of Florida. They selected a site. The land was fertile, was fruitful. When they made application to the Government agency to proceed with the enterprise they were obliged to abandon that prospective site because the land was good, and were compelled to take inferior land where they would have to work harder and produce less.

I do not believe in limitations of that kind. I do not believe in any theory of destruction. I repeat what I have often said, that we cannot end want by destroying wealth. I have no sympathy with any permanent scheme of enforced scarcity or famine created by law—a famine created by law.

Mr. O'MAHONEY. Mr. President, I requested unanimous consent for the consideration of my amendment, and I was under the impression that it was granted. May I inquire of the Chair whether the amendment was stated?

The PRESIDING OFFICER. The present occupant of the Chair is advised that unanimous consent was not granted and that the amendment of the Senator from Wyoming can be considered only by unanimous consent.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Samuel M. Glading to be postmaster at Wenonah, N. J., in place of J. W. English, which was ordered to be placed on the Executive Calendar.

THE CALENDAR

The PRESIDING OFFICER. If there be no further reports of committees, the calendar is in order. The first order of business on the calendar will be stated.

PHILIPPINE ISLANDS—SUPREME COURT

The legislative clerk read the nomination of Claro M. Recto, of the Philippine Islands, to be associate justice of the Supreme Court of the Philippine Islands.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, April 17, 1935, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 16 (legislative day of Apr. 15), 1935

ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE PHILIPPINE ISLANDS

Claro M. Recto to be associate justice of the Supreme Court of the Philippine Islands.

POSTMASTERS

NEW MEXICO

Paul Nesbitt, Chama.
Henry Gallegos, Grant.
Anna R. Scott, Logan.
Frank O. Papen, Tererro.

NEW YORK

Edson S. Miller, Highland Mills.
Charles L. Prince, Mohawk.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 16, 1935

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who dost shepherd the night winds and make the clouds His chariot, pass along the horizons of our daily lives. Make more complete our soul needs by leading us to cultivate moral and spiritual power. By faith may we believe in God, in His fatherhood, and in His redeeming love.

Holding our shields above poverty and weakness, may we be heralds of a larger and a better day. Blessed Lord, be abroad on a mission of mercy, cleansing, and recovery; stretch forth the divine hand and bring back all erring children to the Father's side. Forbid that we should be lured to drink from the goblets of spiced sin or let fall the wreaths of manhood from our foreheads. Keep us in the paths of righteousness and truth, hold us by the irresistible power of a constraining and impelling love, and may it sweeten all the common ways in which we live, move, and have our being. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 2353. An act for the relief of the Yellow Drivurself Co.; and

H. R. 3959. An act for the relief of the National Training School for Boys, and others.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 378. An act for the relief of Gerald Mackey;

H. R. 530. An act granting compensation to the estate of Thomas Peraglia, deceased;

H. R. 2439. An act authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.;

H. R. 3105. An act for the relief of Samuel Kaufman; and

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 211. An act for the relief of John J. Moran;

S. 684. An act for the relief of Brown & Cunningham of Port Deposit, Md.;

S. 1207. An act to authorize trial by court martial of any person in the naval service charged with the crime of murder committed without the geographical limits of the States of the Union and the District of Columbia;

S. 1211. An act authorizing the assignment of two officers on the active list of the United States Marine Corps not below the rank of colonel to duty as assistants to the Major General Commandant of the Marine Corps;

S. 1212. An act to amend section 1383 of the Revised Statutes of the United States;

S. 1446. An act for the relief of Knud O. Flakne;

S. 1447. An act for the relief of Mary C. Moran;

S. 1522. An act to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

S. 1524. An act to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

S. 1525. An act to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation;

S. 1526. An act to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation;

S. 1530. An act to authorize appropriations for the completion of the public high school at Frazer, Mont.;

S. 1534. An act to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.;

S. 1535. An act to provide funds for cooperation with White Swan School District, No. 83, Yakima County, Wash., for extension of public-school buildings, to be available for Indian children of the Yakima Reservation;

S. 1536. An act to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.;

S. 1537. An act to provide funds for cooperation with the school board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children;

S. 1578. An act for the relief of Beryl M. McHam;

S. 1609. An act for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps;

S. 1610. An act authorizing the Secretary of the Navy to accept on behalf of the United States a certain strip of land from the State of South Carolina;

S. 1611. An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va.;

S. 1776. An act granting a leave of absence to settlers of homestead lands during the year 1935;

S. 2029. An act to authorize naval and Marine Corps service of Army officers to be included in computing dates of retirement;

S. 2100. An act to amend an act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, by adding three new sections, to be numbered 802 (a), 802 (b), and 802 (c), respectively;

S. 2148. An act to provide for the leasing of restricted Indian lands of Indians of the Five Civilized Tribes in Oklahoma;

S. 2153. An act to provide for the prevention of blindness in infants born in the District of Columbia;

S. 2214. An act conferring jurisdiction on United States District Courts over Osage Indian drug and liquor addicts;

S. 2252. An act for the relief of Henry Hilbun;

S. 2287. An act to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935;

S. 2375. An act authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States;

S. 2482. An act relating to the tribal and individual affairs of the Osage Indians of Oklahoma;

S. 2487. An act for the relief of the Western Electric Co., Inc.;

S. 2532. An act to amend an act entitled "An act setting aside Rice Lake and contiguous lands in Minnesota for the exclusive use and benefit of the Chippewa Indians of Minnesota", approved June 23, 1926, and for other purposes;

S. J. Res. 88. Joint resolution to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior;

S. J. Res. 93. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934; and

S. J. Res. 97. Joint resolution authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive.

PERMISSION FOR COMMITTEES TO SIT DURING SESSIONS OF THE HOUSE

Mr. DOXEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may be permitted to sit during the sessions of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the Judiciary Committee may sit during the sessions of the House today and tomorrow.

The SPEAKER. Is there objection?

Mr. O'CONNOR. Reserving the right to object, I understand that general debate on the security bill may consume tomorrow. I shall not object to this request, but I shall be compelled to object to any request that a committee be permitted to sit during the time that the bill is being read under the 5-minute rule. If necessary, I believe the House should also recall any permission that it has given which runs into the future of any committee to so sit.

As I stated on the floor the other day, this practice of committees sitting during the sessions of the House has grown up so that it interferes with the business of the House.

I understand that some committees are even sitting afternoons without any permission, taking votes, and so forth, all contrary to our rules and nugatory if objection is ever made.

Mr. SNELL. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SNELL. I agree with what the gentleman says. I have made the statement on the floor several times that the majority is responsible for this situation and that Members ought to stay here while the House is in session. I take it from what the gentleman from New York has stated that he is going to insist that the Democrats be on the floor during the reading of the bill for amendment.

Mr. O'CONNOR. I am, if I am here, and I shall object to any other permission being given that committees may sit during the sessions of the House.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, I do not believe that the business of the House has been interfered with by committees sitting to complete business on bills with which they have to do.

The SPEAKER. Is there objection?

Mr. TRUAX. Reserving the right to object, I would like to ask the gentleman from New York if he thinks the rule should apply to the Private Calendar business?

Mr. O'CONNOR. I would not object to the gentleman making a no quorum point at any time he desires to do so and as I know he intends to do.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THOMAS JEFFERSON—AMERICA'S OUTSTANDING RADICAL

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Thomas Jefferson.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the birthday of Thomas Jefferson, the accredited founder of the Democratic Party—although in numerous instances the modern Democratic Party has been a fearful caricature of a party devoted to the noble humanitarianism of the sage of Monticello—was 2 days ago. It was widely observed, of course. The observance, unfortunately, was largely lip service. Too few present-day "Democrats" are committed to the idealism of the great Jefferson.

If Jefferson were living today, he would be the target for the same abuse from reactionaries that is now hurled at those usually denominated as "radicals." In comparison with the standards of 1796, 1800, and 1804, Thomas Jefferson was as much of an extreme leftist as any Socialist or Communist of 1935. Like the Progressives of the present, he was accused of getting his ideas from alien quarters. The source of his inspiration, it was charged, was France and the French Jacobins. They could not accuse him of being a paid agent of Bolshevik Russia, for Bolshevik Russia was not then in existence. From the standpoint of the Tories of nearly a century and a half ago, opinions of the French revolutionists were as bitterly hated as the Tories of 1935 hate the democratization of industry in Russia.

Let it not be overlooked that the very word, "Democrat", was originally a term of opprobrium as the term "Bolshevik" is today. The Democratic Party was first known as the "Republican Party." Hamiltonian Federalists, seeking to cover the new party of the common people with discredit, stigmatized it a "Jacobin" or "Democratical" Party whose aims were virtually identical with those of the Jacobins, or Democrats, of France. The name "Democratic" stuck fast. For some years the party was designated by both names—"Republican" and "Democratic." About Jackson's time the title "Democratic" was accepted without further objection, and the party has been so designated ever since. As it was devoted to the principles of democracy, the characterization was no misnomer. As a matter of fact, the name was a better and more accurate one than "Republican", for there are different kinds of republics, some of which are far from democratic, but there can only be one kind of genuine democracy.

Before the development of large industries and the rise of the trusts, it could not be expected that the term "democracy" would be regarded as covering public ownership and democratic management of factories, mines, and mills. Small industries, small shops, and small farms then seemed to offer the best opportunity for genuine democracy. When it became clear that monopoly could not be avoided, that the trust is here to stay, and that either the trust will own the Government or the Government must own the trust, the conception of extending democracy from the field of politics into that of industry began to gain ground. Today it is recognized to considerable degree that the public utilities should be publicly owned—that it is as wrong and inexpedient for them to be owned by private interests as it would be for the schools, parks, roads, harbors, and fire departments to be the property of corporations.

We are simply applying the democratic principle on a large scale. We are admitting that the principle is a correct one. Knowing that enacting laws has less to do with human needs than providing our citizens with the material necessities of life, we can see the insufficiency of democracy that confines itself to making laws.

Over and over again reactionaries have quoted Jefferson's statement that "the government is best which governs least" in support of their objections to interference with corporate greed. However, Jefferson's statement was made in the early days of the Nation, when governmental interference with private matters was likely to be exercised in the interest of the wealthy. At that time the doctrine of minimum interference, or laissez faire, was most conducive to the preservation of human rights. Nowadays the reverse is true. When practically all businesses were small and there was little possibility of anybody "hogging" things, it was preferable to have the Government largely leave the individual alone. But in the twentieth century, when huge monopolies are absolute dictators of the living conditions of millions of people, there must be vigorous interference. Such interference is not enough when it merely tries to break up industrial combinations. They cannot be broken up, for they are inseparable from progress. So what? We can come to no other conclusion, then, than that these vast industries should be nationally owned and administered for the benefit of all. The Government cannot control that which it does not own.

Senator GEORGE W. NORRIS once said, "You cannot put a million dollars in jail", or that a millionaire seldom lands in jail, and if he does land there, usually stays but a short time. He might have added that obviously men owning millions and billions have more power than officials who attempt to "regulate" them. Hence, the only "regulation" that will work is the regulation that will come with public ownership.

Gov. Philip La Follette, of Wisconsin, well stated the case when he said:

> You will be assailed. They will say that you are destructive, although they offer no alternative themselves. They will tell you that the Government cannot put 5,000,000 men to work although they put 4,000,000 American young men to work at the business of war, and squandered $40,000,000,000 of American money in the most wasteful and futile war of modern history. And yet they will say that you are extravagant and wasteful and visionary because you propose to spend millions or billions to build highways and bridges and power plants that will make the farmers' and the workers' life better and happier. You can spend tens of billions to destroy, but nothing to build a richer and finer life.

Years ago Jack London, the writer, said:

Civilization has increased man's producing power. Five men can produce bread for 1,000. One man can produce cotton cloth for 250 people, woolens for 300, and boots for 1,000. Yet millions do not receive enough food, clothes, and boots. If civilization has increased the producing power of the average man, why has it not bettered the lot of the average man? There can be one answer only—mismanagement.

Since Jack London wrote this, productive capacity has increased greatly. Yet millions are jobless and destitute, and the end is not in sight.

Confronted by the existing crisis Thomas Jefferson, whose burning words so scorchingly lashed slavery and injustice, would deliver fiery excoriations of capitalism itself. Those who argue that the existing social system must be unchanged and that obsolete laws should be untouched would find scant sympathy from America's first great Democrat who declared, "No society can make a perpetual constitution or even a perpetual law", and advocated a new or renewed constitution every 35 years.

Recognizing the changed conditions of modern society Jefferson would, I venture, agree with the assertion of Carl D. Thompson, secretary of the Public Ownership League:

The Government has built and operated railroads in Panama, why not in the United States? Even the single city of Cincinnati, Ohio, has built and successfully financed a railroad 336 miles long crossing two States outside of Ohio. Surely if Cincinnati, New Zealand, and Siam can build railroads, the United States of America can.

It is public service which has developed the great leaders of our civilization. Private service could never give us a Washington or a Lincoln.

THE STUDENT STRIKE AGAINST WAR

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the students' strike against war.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, I desire to heartily commend the letter just sent by my colleague and fellow liberal, Representative FRED J. SISSON, of New York, to Dr. Cloyd Heck Marvin, president of George Washington University, anent Dr. Marvin's attitude concerning the student strike against war and fascism.

Congressman SISSON aimed a very justifiable criticism at the university head when he censured Dr. Marvin for stating that only a few students wished to demonstrate against militarism. The wide-spread activities of students in all quarters of the country showed conclusively that many of the young people who are our future citizens, instead of a few, wished to go on record.

After the regrettable results of the World War, which practically every sane and truth-telling citizen today admits caused almost universal evil and no good whatever, it is encouraging to see young men and young women in our colleges show their opposition to mass murder. It is especially encouraging to find such large numbers of them refusing to be hypnotized and intoxicated by war slogans, propaganda of munition makers, and the glare and glitter of military uniforms and ceremonies.

Representative SISSON already has a well-merited reputation for his courageous opposition to jingoism and imperialism. I quote with the most sincere approval these words of his letter to Dr. Marvin:

I think, however, it is very regrettable that in these times when so much is being attempted in the nature of repression and suppression of free speech, and when there is so much need—both in this country and in the other countries of the world—for movements to awaken people to the importance of the promotion of sentiments and the desire for peace and friendship with the other nations, that the head of a great university should aline himself with the Army and Navy lobby here in Washington, the munition and armament makers, the Shearers, and other provocateurs of war, and what is even worse than that, should deny the right of free discussion upon those vital questions.

I am reminded of the words of Senator James K. Vardaman, on the floor of the Senate in January 1916, as he urged his associates to follow a policy of sanity which millions of Americans now wish had been better appreciated in those sinister days:

These are terrible times, which call for serious thought. Altruism should drive from the heart the cloud of hate and consuming greed for gain should give place to a passion to serve the people. It should be the peculiar function of the Government of the United States at this critical period in the world's history to lead the nations, maddened by lust, back into the paths of peace. So "fair an occasion" seldom calls a nation to serve so well its day and generation.

Mr. BINDERUP. Mr. Speaker, my request before you this forenoon is undoubtedly very unusual. But as I have spent much of my younger life in music, I long since learned to love and admire him whom we, as well as other nations, choose to call the "world's greatest bandmaster", John Philip Sousa, now deceased.

The world has never built a monument in honor of this great citizen, but he built his own monument in the hearts of the American people, and today I want to suggest the inscription for this monument by selecting out of more than 100 splendid marches he has composed the outstanding march of the world, a march played in every civilized land, the Stars and Stripes Forever, and adopting it and calling it the "National March of America."

A little example of the popularity: A few years ago we entertained a visitor from Sweden. We had a phonograph in those days, and started this for entertainment and played the Stars and Stripes Forever. The visitor remarked with a smile, "When I landed in Stockholm for the voyage I heard the band play this march; on board the ship the band played this march many times; and when I landed in New York the first thing I saw was a large Marine Band and they were playing the Stars and Stripes Forever. I heard this in New York from morning until night, where I spent July 4, and all along on the way, and now the first thing after entering your home I hear it on the phonograph, thus showing the universal favor with which this great march is received all over the world."

John Philip Sousa, whom a music-loving public has given the title "The March King", was born in Washington, D. C., on November 6, 1854. Composer of more than 200 outstanding musical compositions, of which more than 100 were marches, he was one of the world's outstanding musicians and probably its greatest band organizer and leader.

Presented with the Victorian Order by King Edward of England, having bestowed upon him the palm of the academy by the French Government, organizer and director of marine bands, serving in the Navy from 1917 to 1919, where he held the title of lieutenant commander, he was named by five Presidents as bandmaster.

His march, the Stars and Stripes Forever, is played wherever marches are played. I think it is beyond question the most popular march in America.

And so I believe it is fitting that we do honor to this great American, this great composer, organizer, and director of bands, whose music has delighted millions in all parts of the world, and to that most popular march, the Stars and Stripes Forever, by naming it the official march of the United States. I am accordingly introducing the following joint resolution:

Joint resolution to honor John Philip Sousa by designating the Stars and Stripes Forever the national march

Whereas John Philip Sousa, famous native son of Washington, D. C., has, during most of his life, patriotically served his country as leader and organizer of many of its great military bands; and

Whereas John Philip Sousa has contributed many compositions of highest merit to the musical heritage of the Nation and has been honored throughout the world for his musical genius; and

Whereas the march known as "The Stars and Stripes Forever" is the most inspiring of the compositions of John Philip Sousa; and

Whereas it is fitting that the name of John Philip Sousa be perpetuated by the Congress: Therefore be it

Resolved, etc., That the musical composition by John Philip Sousa known as "The Stars and Stripes Forever" be, and is hereby, designated the national march of the United States of America.

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

SOCIAL-SECURITY BILL

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the security bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, the growth of social consciousness in America is not the privilege claimed as due of any one political party, nor is it manifested only in governmental action. It can be traced in the platforms of all the parties, in Presidents' and Governors' messages, in acts of legislatures, in judicial decisions, and in the conduct of municipal affairs.

The cause of this legislation is in striking contrast to these mementos of a day when not even the term "social service" had been coined, for, in its present significance at least, social service and social legislation has been the development of very recent years.

It cannot be denied, to be sure, that in business and in politics we are still individualists, but there is much evidence that even in these fields concern for the common welfare is coming to be a determining influence, while in the field of social legislation there has been within the past few years such expansion and deepening as scarcely has a precedent.

Necessity is said to be the mother of invention. The emergency of depression has developed many and varied plans for the annihilation of depression and the return of prosperity.

Charity in any form has always seemed an abhorrent thing, and it must be so especially to the useful citizen who, through the vagaries of life, finds his old age only a series of disheartening days of dependency upon friends, relatives, or institutions. How much better, more logical, and humane, then, to provide a system on a national scale of retiring our citizens on an old-age-compensation basis? We retire our postal employees, veteran soldiers and sailors, policemen, firemen, teachers, and others. Certainly, to my mind, the rank and file of our citizens, deserve the equal advantages and security in old age which these special groups of citizens enjoy through organization and their willingness to contribute a small share of their earnings to a pension.

Many persons will say that it is the duty of everyone to save for his old age—to lay aside some part of his earnings in stocks and bonds, or in banks, so that he may be assured of enough to live on in his declining years. Others will say that there are institutions for the aged and infirm.

You have only to look around you to see a few of the millions of our citizens who, unfamiliar with the ways of money and finance, saved for years, only to find themselves destitute with the winter of lifetime approaching.

Senator HUEY LONG plans to scatter the wealth by taking from the rich and giving to the poor. He advocates this because the wealth of the Nation is practically $300,000,000,000, and the greater part of it is owned and controlled by a very small percentage of the total number of people in the country.

If this wealth were liquid and capable of division, the plan would not be quite so fantastic. When it is considered that nine-tenths of this wealth consists of buildings, plants, and machinery and its use made entirely impossible if divided into parts, the impossibility of carrying out the plan seems evident. These plants can serve but one purpose—the production of goods. So far as the whole people are concerned, it matters not whether he who designed this machinery continues to operate it or whether some other man of equal knowledge of business shall take it over.

What does matter is that it shall be so operated as to produce the largest amount of goods possible in order that the comforts of life may be more uniformly distributed among the great mass of people.

In ancient times the laws of the Medes and the Persians were regarded as the unchangeable rule of conduct for the human race. These laws have long been abandoned. But the law of gravitation existed before and since. The law of supply and demand was then, as well as now, recognized by all intelligent people and in the long run has controlled the activities of all peoples.

The 1930 census showed that there were 6,633,805 persons in the United States aged 65 or over. Of this group, 2,204,967, or 33.2 percent were gainfully employed. Needless to say, that percentage has greatly decreased in the last few years. The depression had begun when the census was taken, but it was not recognized as a major economic depression until some time later. Even the normal lowering of the maximum employment age which has been an accompaniment of the machine, would make for a decrease since 1920 in the percentage of 65-year-old persons who are gainfully employed. To prove this, one needs only to compare present employment figures of this group with those of some 40 years ago. For an instance, 73.1 percent of the men 65 years or over in 1890 were gainfully employed, but in 1930 only 58.3 percent were so employed.

Pension provisions for old age are by no means lacking. Industry began making them as long ago as 30 years. Trade unions and churches have pension systems, too. Some of the States, including New York, have set up funds to replace the old poorhouse system with modernized methods of caring for aged dependents. According to a report last year by the American Association for Social Security, there were then in this country about 100,000 persons receiving public old-age pensions, about 60,000 receiving care in almshouses, and an equal number in benevolent homes for the aged. In addition, about 140,000 persons were receiving industrial pensions, and about 20,000 from trade unions, fraternal societies, and churches. The number of persons receiving retirement pensions from Federal, State, and municipal employees' funds, including teachers, was placed at 100,000. None of these groups included the military pensioners. At the time the association made this report 477,230 old people were on the unemployment-relief rolls and its report stated that hundreds of thousands of aged dependents were being supported by children or other relatives. As to the efficacy of industrial-pension plans, Murray W. Lattimer, of Industrial Relations Counselors, Inc., reported 2 years ago that industrial pension payments at the beginning of 1932 "probably came close to $100,000,000 per annum." The depression revealed weaknesses in many of the plans and a consequence was the abandonment between 1929 and 1932 of about 10 percent of the industrial pension systems operating in 1929. Moreover, in the case of perhaps 30 percent of the employees still under pension systems in 1932, the benefits had been reduced in various ways from the 1929 scale.

It is not possible in brief scope to present a clear picture of all the ramifications which thus far have made inadequate the existing systems of old-age pensions as the machine increasingly does the work that old but skilled and willing hands formerly did. These few facts, however, help to reveal the size of the task involved.

To finance the cost of old-age benefit in the security plan we are considering, there will be a tax of 2 percent on pay rolls, beginning in 1937. This tax will increase to 6 percent on pay rolls in 1949. The employers and employees will contribute to this in equal amounts.

In the first year this tax is expected to produce $400,000,000. When the tax increases to 6 percent, the yield is expected to be $1,250,000,000 annually. These estimates are based on the wages of today, not on the wages and employment of the flush years of prosperity.

Out of these funds compensation would be paid to workers who lose their jobs and to persons who reach the age of 65 years after having been gainfully employed. It is expected that 50 percent of all persons now gainfully employed, or 15,000,000, would derive these benefits.

There are provisions in the plan for other persons who are not accommodated by the above features of it. These provisions will be financed by direct taxes upon the public. The National and State Governments would assess equal amounts upon the taxpayers.

When the system is in full bloom it will raise $2,082,000,000 every year, based on present employment conditions in the country, as follows:

Unemployment compensation	$600,000,000
Old-age benefits	1,250,000,000
Old-age assistance	99,500,000
Aid to dependent children	49,500,000
Aid to crippled children, maternal and child health, public health, and child welfare	34,000,000
Cost of administration	49,000,000

The plan contemplates that a revolving fund of $32,000,000,000—the greatest in all history—will be accumulated in 30 years from the receipts for old-age benefits alone.

IMPORTATION OF FOODSTUFFS

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the RECORD by attaching thereto at this point in the RECORD the result of a study and investigation that I have made in respect to the importation of foodstuffs.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUCKEY. Mr. Speaker, every day the people of our country turn to their daily papers and their radios for information on current affairs. Every day their ideas are formed through these mediums as to what is going on in the Government and in the country. Now, it is very easy for a newspaper or for a person who is quoted by a newspaper to give out a few facts which may be quite true in themselves but which give so small a part of the whole picture as to be absolutely false in their total effect.

For more than a month I have been watching how certain facts are being used in just this way—facts having to do with the imports of agricultural products into this country. I have seen how carping critics of crop control—both in the newspapers and right here on the floor of the House—have used these facts to give a totally wrong impression of the actual situation with regard to these imports. Listening to these critics you would think that the baby beef now being fattened in Iowa and Nebraska are being fed nothing but Argentine corn, and that every day our American school children are sitting down to Grape Nuts made from Canadian wheat. Moreover, you would think that the Secretary of Agriculture had arranged with the United States Weather Bureau to cause a drought last year just so we could import rye from Poland and barley malt from Czechoslovakia.

I do not say that the newspapers or the Members of this House who are telling about all these oceans of imports flowing into the country are doing so with a malicious intent to deceive. But I do say that when they give these figures on imports and then fail to give the real reasons for these imports, and when they fail to tell the whole story about these imports, they are misleading the people.

I am a farmer from a farming district of a farming State. I think I know something about farmers' problems and about farmers' psychology. It is a very serious matter to me when I know that farmers in my State are being misled by statements they read in the papers or hear over the radio about agricultural imports. It is a very serious matter when I know that such statements are being used by carping critics of crop control to confuse the issues that face farmers and to lead them away from their own best interests.

For example, a letter has come to me from a very intelligent and well-meaning farmer, whom I know, which states:

I heard over the radio last night that we have imported a million bushels of corn. Can this be true, especially at a time when the administration has been trying to cut down production?

That man has unwittingly been taken in by these carping critics of crop control. Someone has been holding up this fact of a little dribble of corn coming into this country to try to confuse this man about the problems that face him and other American farmers and lead him astray down an alley that goes nowhere.

In a few brief moments I want to show you the real facts about this important situation. I am not defending the A. A. A. or any other agency of Government. But I do want to try to give you the whole picture about imports, how much they amount to, and what really caused them. Let us see what the facts are, and then you can judge for yourself what the facts mean.

In the first place, let us ask this question: Have we ever imported agricultural products before? It may surprise some people who have been listening to the carping critics of crop control to learn that the United States has been importing certain amounts of agricultural products for years. I will not go into the reasons for that now. But I have here a table compiled from official records of the Bureau of Foreign and Domestic Commerce, which gives the average imports of our chief agricultural products for the 8 months' period from July through February over the last 10 years. Then it gives the imports of these same products for the last 8 months—that is, up to the end of February. This period is used in order to have a corresponding time comparison with the first 8 months of the fiscal crop year—from July 1, 1934, to March 1, 1935.

TABLE I.—*Imports of certain groups of agricultural products, July to February, 10-year average, 1924–25 to 1933–34, and 1934–35*

Group	Unit	8 months (July–February)		Percentage 1934–35 of 10-year average, base 100 percent
		10-year average 1924–25 to 1933–34	1934–35	
		Thousands	*Thousands*	*Percent*
Feeds and fodders	Short tons	366	1,048	286
Sugar	do	2,266	2,375	105
Fruits	do	922	828	90
Fruits, excluding bananas	do	75	56	75
Vegetable oils and oilseeds	do	500	428	86
Meats	Pounds	52,940	43,715	83
Vegetables	do	481,716	238,109	49
Wool	do	139,091	61,681	44
Dairy products	do	97,313	37,845	39
Eggs and egg products	do	13,664	2,946	22

NOTE.—Foreign Agricultural Service Division. Compiled from official records of the Bureau of Foreign and Domestic Commerce.

Now, what have we been importing over the last 10 years? For each 8-month period, on an average, we imported 366,000 short tons of feeds and fodder; corn, barley, oats, wheat for feed, hay, and so on. We imported 53,000,000 pounds of meats; we imported 481,000,000 pounds of vegetables; we imported 97,000,000 pounds of dairy products. I will not read all the items on this list. But this should make it clear that imports of agricultural products are not unique during the last 8 months, as some people have been trying to make us believe. We were importing all this stuff every year before this administration ever came into office and before such a thing as crop control was thought of.

Now, how do these 10-year averages compare with the imports of the last 8 months that we have heard so much about? It may surprise you again to know that only in the case of grains and fodder has there been any increase in imports over the 10-year average. Sugar imports run about the same, but for the other products we are actually importing less now than we did over the last 10 years. Vegetable imports were 14 percent less, meat imports were 17 percent less, and dairy products were 61 percent less during the last 8-month period than they were on an average over the previous 10 years. Let us be fair about this question of imports and not try to make our people believe that agricultural imports were unheard of before this administration came into office.

Getting back to the feed imports—corn, oats, feed wheat, and the rest—even these were less than three times as large during the last 8 months as they were on the average for 10 years back; and this after the worst drought in the history of our country.

It was these grains that were worst hit by the 1934 drought. The bulk of our grain and fodder crops is grown in the Middle West, where the drought fell with tremendous effect;

and you cannot legislate against drought. Let us see for a moment just how badly the drought cut down these grain crops.

I have here another table showing the 5-year average production of our chief grains and then the production in 1934.

TABLE II.—*United States production of grains and hay, drought loss, 1934, and imports, July 1, 1934, through Feb. 28, 1935*

Product	Unit	Average production, 1928–32	Production, 1934	Reduction in 1934			Imports July 1, 1934, to Feb. 28, 1935	Percentage imports to average production	Percentage imports to drought loss
				Total	Due to Agricultural Adjustment Act	Drought			
		Thousands	*Thousands*	*Thousands*	*Thousands*	*Thousands*	*Thousands*	*Percent*	*Percent*
Wheat	Bushels	860,228	496,469	363,759	50,000	313,759	9,511	1.1	3.0
Corn	do	2,562,147	1,380,718	1,181,429	205,874	975,555	6,510	.26	.7
Oats	do	1,217,668	528,815	688,853	(1)	688,853	9,321	.76	1.3
Barley	do	283,145	118,929	164,216	(1)	164,216	7,824	2.8	4.7
Rye	do	38,655	16,040	22,615	(1)	22,615	5,864	15.2	25.9
Hay	Short tons	80,216	56,690	23,526	(1)	23,526	49	.06	.2
All grains	Bushels	4,961,843	2,540,971	2,420,872	255,874	2,164,998	39,030	.8	1.8

[1] No program.

If you add up the average production of wheat, corn, oats, barley, and rye for the 5 years from 1928 through 1932, you get a total of just under 5,000,000,000 bushels of all these grains. If you add up the production of these grains in 1934, you get a total of only a little over two and a half million bushels. In other words, production was cut just about in half during 1934. Now, how much of this terrible loss in grain production was due to the drought, and how much was due to the A. A. A. programs? There were not any programs for barley, oats, or rye. The best figures I can get for the reduction in corn and wheat due to the A. A. A. programs puts the figure at about 50,000,000 bushels for wheat and 200,000,000 bushels for corn. All the rest was due to drought. That makes the loss due to drought in all these grains equal to over 2,000,000,000 bushels, or almost eight times as much as the reduction under the A. A. A. When we talk about imports, let us be fair and put the blame where it belongs. When the worst drought in history comes along and cuts grain production by over 2,000,000,000 bushels, you do not have to look any further to see why we are importing a few million bushels of these grains.

But now, if you will allow me, I will take these grains one by one and see just how much we are importing. I will start out with wheat. Every bushel of wheat that comes into this country comes in under the provisions of the Tariff Act of 1930. During the past 8 months we have imported a total of 16,903,852 bushels of wheat. Everyone knows that's a lot of wheat, but after you find out why this wheat was imported, and how much of it was used for domestic consumption, you will get a different side of the picture. We imported from Canada, duty free, 5,116,867 bushels of wheat to be milled in bond and reexported. These 5,000,000 bushels do not affect our domestic market. They do allow our mills to do that milling and give American workers the employment found in milling that wheat and in handling the wheat and flour. Also, from Canada, we imported 2,271,266 bushels of wheat that paid a special tariff of around 14 cents a bushel, and came in under bond to be milled and re-exported to Cuba. We received the tariff on these imports. Our mills received the profit of milling, and our labor was given employment. All this bonded wheat—over 7,000,000 bushels of it altogether—did not affect our domestic market. Is there anyone who would like to exclude such imports?

From Canada we imported into this country 4,394,957 bushels of wheat that is unfit for human consumption. This wheat enters under a 10-percent ad valorem duty. This wheat comes in to help make up some of the loss in feed supplies due to the drought. It does not compete with wheat that is used for flour. Around the 1st of April this feed wheat was selling in Chicago about 24 cents under No. 2 grade domestic wheat. On April 2, on the Chicago market, Canadian feed wheat was selling at 79 cents per bushel; our No. 3 wheat at $1.03 and No. 2 wheat at $1.03⅓ cents per bushel. I should like to ask the gentlemen from the Northwest who have been so anxious about imports of wheat if they want to place their own high-class wheat in a class to compete with this low-grade Canadian wheat?

All the wheat that is left is 5,115,763 bushels. Probably some of you recall the statement made here on the floor about the huge wheat imports from France. In the last 8 months there has been one shipment from France amounting to 8,751 bushels. Any of you who are aware of the costs involved in this import can figure out the profits of that transaction. The only other country to send wheat to the United States outside of Canada was Syria, with a total 8-month import of 2 bushels.

Thus we have 5,115,763 bushels of wheat to compete with our domestic crop. Why? Practically all of this wheat was of the durum type. Everyone knows that durum wheat is a particularly hard-kernel wheat which is just used in the manufacture of such products as macaroni, for which other types of wheat are not suitable. Now, from 1929 through 1933 our average production of durum wheat was 39,000,000 bushels. But last year it fell to only 7,000,000 bushels. If there had been no reduction program, this amount might have been increased by perhaps a million bushels. In other words, our durum wheat crop in 1934 could have been only 8,000,000 bushels without any control program. There is only one explanation for this falling off of durum production, and that was the drought. We have four durum wheat States—Minnesota, Montana, North and South Dakota—and all of these States were very badly hit by the drought. Our seven or eight million bushels of durum wheat would not have been sufficient to meet our domestic needs. Therefore we have been importing this type of wheat. As I said before, you cannot legislate against drought.

All the wheat we have imported for domestic use in the last 8 months is only about 3 percent of the loss attributable to the drought. Moreover, I might point out that we have imported wheat from Canada before, due to particular conditions in our own domestic production. In the 1923–24 crop year, for instance, we imported thirteen and one-half million bushels.

These are the facts about the wheat imports, and you must take them into consideration before you make your criticism about the crop-control program.

Now, as to the other grains. Over the air, in the press, and here on the floor of the House you hear and read of the imports of rye, barley, and oats, and always the moral is pointed out that these are due to the present farm program. But the fact is, gentlemen, that there were no reduction programs carried on for any of these grains. The drought curtailed production of these grains just as it did for corn and wheat, and made it necessary to take in some imports. In fact, imports of these grains have been relatively larger than imports of corn and wheat. At that, they are actually very small. We have imported only a little over 9,000,000 bushels of oats, in spite of the 50-percent loss in this crop due to the drought, and amounting to an estimated 688,000,000 bushels. We imported 7,824,000 bushels of barley,

and the drought loss was over 50 percent, or an estimated 164,000,000 bushels.

The imports have amounted to 5,864,000 bushels. In the case of rye, as in the case of barley, we all know that the repeal of the eighteenth amendment has increased the demand for these grains in this country in the distilling and brewing industries. Meanwhile the drought had reduced our already low production of rye by about 22,000,000 bushels. As there was no reduction in acreage on any of these grains, we are forced to the conclusion that the drought alone was responsible.

Now I come to the most controversial point in this matter of grain imports—the focal point of attack by the carping critics of crop control. I refer to the imports of corn. To hear some people talk, and to read the stories in some newspapers, you would think that this country was being covered with a regular blizzard of shelled corn from Argentina. I am going to present a table showing these imports of corn from July 1, 1934, to March 1, 1935.

	Bushels
Belgium	8
Canada	231
Mexico	4,219,727
Cuba	14,710
Dominican Republic	120,748
Argentina	1,551,452
China	10,705
Kwantung	67,859
Rumania	326,553
Yugoslavia	180,532
Union of South Africa	16,034
Nicaragua	105
Haiti	1,334
Total	6,509,998

Those 6,509,998 bushels represent every last bushel of corn that was imported into this country during the last 8 months, ending March 1, 1935. I realize that these figures do not agree with the press comments that we are importing corn at the rate of a million bushels a week. They certainly do not agree, either, with the figures given by my respected colleagues, the gentleman from Oregon [Mr. MOTT] and the gentleman from Illinois [Mr. DIRKSEN]. If I recall correctly, it seems to me that both these gentlemen stated the other day that on February 25, 1935, a shipload consisting of 3,000,000 bushels of corn from Argentina landed at Baltimore, just 40 miles from the Nation's Capital.

Now, the gentlemen who referred to the 3,000,000-bushel import at Baltimore on February 25 were undoubtedly convinced that this amount of corn did arrive in Baltimore on that day. When I heard that statement and realized that official figures showed only an 8-months' import of 1,551,452 bushels of corn from Argentina, I realized that something must be wrong. I found that in the month of February we had an official record of only 974,189 bushels of corn having been imported from Argentina. To get this straightened out I made two telephone calls to the port officials at Baltimore, and what did I find? I found that on February 25 a vessel named *Arcgow* entered the port and on February 25–26 landed 263,920 bushels of corn. This was not an import at that time. It was a warehouse transaction, as that corn was landed under bond no. 502 and placed in the warehouse. Since that date 112,308 bushels of this corn have been withdrawn from the warehouse and now appear as having been imported. I am illustrating my argument that the figures are so widely disseminated and grossly exaggerated by taking this one instance wherein a 3,000,000-bushel import shrank to 263,920 bushels and finally to 112,308 bushels.

However, to return to the six and one-half million bushels of corn which we did import during the 8 months from July through February. How much corn is this? I should like the gentlemen to realize that this country produces two and one-half billion bushels of corn in an average year. These imports then represent about a quarter of 1 percent of our average corn production, and I do not think that is going to affect our domestic market for corn very much. To put it another way, there are single counties in my home State, Nebraska, that produce that much corn in a single good year.

The drought last year hit the Corn Belt very hard and cut down production by about a billion bushels. The imports of six and one-half million bushels do not begin to touch this tremendous loss in corn last year due to the drought. Also, I should like to point out that these imports of corn are being used on the seaboards of the United States. Corn imports have to pay ocean shipping charges, insurance, handling charges, plus the duty of 25 cents a bushel, and these imports cannot afford to be hauled by rail very far into the interior of the United States. They are not displacing corn that is for sale in the Corn Belt of the United States. They are supplementing in a very small way the short feed supplies on the eastern and western coasts due to the losses caused by the drought. Moreover, when pastures come in this spring, I predict that we will not hear any more of these shiploads of corn landing in Baltimore or anywhere else.

Now, I hope I have made clear the real facts about these imports. In the first place, they were brought about by the worst drought in our history and not by the crop-control program. In the second place, the imports that have actually come in are so small in relation to our domestic production and consumption of the same products as to be practically negligible from a commercial point of view. The newspapers and individuals who are making a noise about these dribbles of imports have got hold of a mouse, and they are trying to blow this mouse up and make it look like a lion, or maybe an elephant. As I said before, I am not defending the A. A. A. or any other administration program, but in all fairness let us see things in their right proportion and not use a few unanalyzed facts to draw a red herring across the trail and confuse the public.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7260, with Mr. MCREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. BYRNS]. [Applause.]

Mr. BYRNS. Mr. Chairman, I have asked for this time to talk to the membership on both sides of the Chamber with reference to some of the legislation that is pending before us. The gentleman from Colorado [Mr. TAYLOR] and myself have been besought by quite a number of Members to gain our consent for the House to adjourn over next Friday and Saturday. The reason assigned for adjourning is that it is Good Friday. Of course, that is a matter for the House to determine. However, because of the legislation which is pending before us, I think the House ought to seriously consider whether or not we are going to take these recesses until we have disposed of some of the very important business before us, some of which must be disposed of before we adjourn. I know there has been a good deal of criticism over the country, and many editorials have been written, accusing Congress of being dilatory in the consideration and passage of important legislation. These critics overlook the fact that this is the first Congress that has met in January rather than in December, and that it was impossible for the House to organize its committees and get started upon the consideration of some of the most important bills that have ever been introduced into Congress, until probably the middle or the latter part of January. That has served to delay matters. I am happy to say, however, that the House has

so far kept pace in the consideration of the most important bills as they have been reported from the committees, but a number of committees are now about ready to report out important bills on which they have been holding hearings for weeks and months.

Those bills, I am informed, are likely to be reported very soon, and I shall call attention to some of them so that Members may see just how important it is that the House stay on the job and not adjourn, as we did yesterday, at 4:15 o'clock in the afternoon. We must stay here for a reasonable time each day to dispose of these bills and adjourn, because I am convinced that it is very important from the standpoint of the country that the Congress close up its business at the earliest possible moment, adjourn, and go home. [Applause.]

What have we before us? We have pending this social-security bill. In the remark I made a moment ago about adjourning early yesterday I certainly did not intend to criticize those in charge of this bill, because I understand that it was due to the fact that promises had been made to certain gentlemen that they would be given time to address the House, but when the time came to yield to them they were not here.

I think we ought to have a change in that practice. When a Member has secured time to address the House, I do not think it is right for him to leave the House in the afternoon, thereby holding up the entire proceedings and forcing adjournment probably an hour and a half or two hours earlier than we otherwise would adjourn. [Applause.]

I am frank to say to you that if I were chairman in charge of one of these bills I would have it understood that those to whom I had agreed to yield time must be here, and I would yield them time at the moment I had agreed to yield; but if the Members to whom I had given time were not here, they would have to take their chances in the future.

If we could have proceeded yesterday as planned, this bill could have been finished by Friday night. I am sure of that. There are only three or four important amendments that will take any time. The House will have had 23 hours general discussion in regard to this bill. Therefore, I say that if we could have consumed from four and a half to five hours each day in this general debate, we could have gotten through with this bill by Friday night. I still hope that we can do that and adjourn over Saturday.

Now, after this bill is concluded we have the naval appropriation bill, now ready to be taken up just as soon as the Committee on Appropriations can get the floor. It involves increases, and it will take possibly a little longer to consider that bill than ordinarily.

Then there follows the smaller bill, the legislative appropriation bill, which is ready for consideration.

I understand a banking bill is practically ready for submission to the House and will be ready as soon as we can get this legislation out of the way.

There will probably be some kind of a utility bill reported by the Committee on Interstate and Foreign Commerce, and a bus and transportation bill.

The gentleman from Virginia, Chairman of the Committee on Merchant Marine and Fisheries, reported a bill yesterday which he is very anxious to have considered at this session.

The gentleman from Texas [Mr. JONES], Chairman of the Committee on Agriculture, has one, and possibly two, bills that he is very anxious to have considered.

A day or two ago several bills were referred to the Committee on the Judiciary, relating to the control of alcohol. Those bills must be passed. They will not take much time, but they will take some time of the House.

We have the Private Calendar with several hundred bills thereon. We have the Unanimous Consent Calendar with possibly a hundred or more bills upon it at this moment.

Then we have legislation to extend the N. R. A.

The Committee on Ways and Means, which has given as faithful, earnest, and capable work as I ever knew any committee to give in the consideration of this bill, has not had an opportunity to consider the N. R. A. bill.

Then possibly we will have some kind of a tax bill. I do not mean an increase in taxes but an extension of present taxes expiring by limitation—as I hope, some relief for smaller industry. [Applause.]

I could name a number of other important matters that will be up for consideration and will be disposed of if we have time to do it. There are a number of other committees which have bills, and those committees are pressing for action.

I remind you of these things in order that you and I may understand the magnitude of the task before us and the importance of giving our time and attention from now on to the disposition of at least some of this legislation. I do not mean to say that all the legislation I have enumerated will be passed. Certainly I am not putting them on what is popularly known as the "must calendar." There are several of them that will have to be passed before this Congress adjourns, but certainly not all of these to which I have referred.

However, they are all important matters of legislation, being pressed by the committees which have had them under consideration. Those committees and the country are entitled to have them considered if we can do so in a reasonable time. If we are thinking about an early adjournment—and I think all of us ought to think about it in the interest of the country—we have got to make up our minds to stay here on the job and attend to this legislation.

That is all I wanted to say. I simply wanted to make this statement, in justice to the gentleman from Colorado [Mr. TAYLOR] and myself, with reference to adjourning over on Friday and Saturday. We did not adjourn over for Good Friday last year. It has not been the custom to adjourn for Good Friday. None of the departments are going to quit business. I do not know of anything better, except going to church, than to come here and devote ourselves intelligently and faithfully to the discharge of the people's business; and I hope we can do that. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 2 minutes.

I appreciate very much the very timely and appropriate remarks of our distinguished Speaker relative to the importance of the membership of the House remaining on the job and diligently prosecuting the work which the Congress has on hand.

I feel somewhat responsible for the time that was lost on yesterday, yet it will be recognized that the chairman of the committee and the ranking minority member, my good friend from Massachusetts, must necessarily keep in mind the ordinary courtesies that are due to members of our committee. We both endeavored yesterday to keep Members here who had requested time to speak on this bill; yet, by 3 or 4 o'clock, some of those who requested time were not here. I had one of the clerks of our committee call up Members who had applied for time and urge them to come and make their speeches. But it was a futile effort on my part. I wish to assure the Speaker and the Members of the House that as far as lies in my power, I shall insist on those who have requested time being here when their names may be called, and if they are not here, they will take the chance of going to the foot of the list or losing out entirely. [Applause.]

Mr. TREADWAY. Mr. Chairman, I wish to confirm what the distinguished Chairman of the Ways and Means Committee has just said. Members on the Republican side have been waiting for time to speak on this bill. Unfortunately the schedule of the gentleman from North Carolina, and my own schedule, broke down yesterday. I do not think we ought to be unduly criticized, however, for this one particular occasion. I assured certain gentlemen that they would not be called upon yesterday; and this assurance, to a certain degree, was based on the fact that the majority side, in use of time, was considerably behind us on this side. Unfortunately neither side had a speaker.

I agree with the distinguished Speaker of the House also that we should do everything possible to keep our Members here who want to be heard. Further than that, I think this measure is so vital for or against the interests of the people that the Members themselves, whether they are going to speak or not, ought to be here. We ought to keep a quorum

here, Mr. Chairman, when we are in the Committee of the Whole; and, as far as I am concerned, if the Chairman of the Committee sees fit to insist on that feature, I shall be glad to cooperate on my side in aiding in keeping a quorum here during the time of the general debate. It does get tedious. We all know, especially those of use who are obliged to stay, that it is extremely tedious to listen to this debate for 4 or 5 hours on a stretch; and I do not blame the Members for wanting to get away from it. It does seem to me, nevertheless, that it is a duty, not only to our constituents but to the country, to be on hand, and I, for one, will cooperate in every way I can toward this end. [Applause.]

I yield 2 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. As this seems to be a field day on the work of the House, I think perhaps it would be all right if I said a word or two. I am in entire sympathy with the statement made by the Speaker of the House that we should stay here whenever it is necessary and whenever we have work to do. As far as I, personally, am concerned, and as far as the minority is concerned, we are always willing to do that.

I do not know whether the Speaker's remarks were intended as a lecture or not. As a matter of fact, we all know that the program of the House of Representatives is entirely up to the majority party, and if we have not been working at full speed up to the present time it is because those responsible for the program and responsible for keeping this House in session have not had business before us that we could attend to at the time. While perhaps we have adjourned early sometimes and over Saturday at other times, I think it has been well understood that there was no special business before the House at that time for consideration. If the people who are responsible for this program present it to us and bring us here, we are willing to stay and consider it; and we will stay here just as many hours every day as you want to stay. We are interested in completing the program, getting through, and winding up this Congress as early as possible. [Applause.] You must remember, however, the minority cannot present the program or make it up from day to day, but we will join with you in putting it through if you give us a program, but in no way are we responsible for the lack of accomplishment of this session up to the present time.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman one additional minute.

Mr. SNELL. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I think the RECORD at this point should show that the majority of the Members of this House work evenings and Sundays in their offices trying to keep up with their correspondence. I do not think the impression should go out to the country that we are playing hookey when we are not in session on the floor of the House. I see Members come out of their offices at 10 and 11 o'clock at night and see them there all day Sunday. Personally, I have not had a Sunday since New Year's. I think the RECORD should show that there is other work for Members of Congress besides attending the sessions of the House. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. TAYLOR].

Mr. TAYLOR of Colorado. Mr. Chairman, in justice to the Membership of the House I ought to say this: We old-timers know that at the present time we have about five times as much office work and departmental business before us every day during this session as we had in former years. Many Members speak to me every day about this matter and ask if they cannot have Saturday off in which to catch up with their office work. Actually, it is a physical and human impossibility for us to stay on the floor of the House several hours each day and 6 days a week and do the work that is heaped upon us and especially attend to it all with only one secretary and one stenographer. I regretted exceedingly that we did not give ourselves an additional stenographer during this term of Congress. [Applause.] As a matter of fact, we all know that another body has from two to five times as much clerical help as we do. They do not hesitate to give themselves an additional session clerk whenever they feel like it, and I feel that we ought to have done so. Members receive from 50 to 300 letters a day—sometimes more. I received 472 letters one day. Some Members have received over 1,000 letters in a day. Our constituents expect us to pay attention to their mail. For this reason, I have on nearly every Friday asked unanimous consent that we adjourn over Saturday, and I may say that the minority have thoroughly and heartily coincided with that request. The minority leader has several times emphasized the importance of giving the Members of the House that chance to attend to their office and departmental work; and I feel that the country ought to know why we have adjourned over Saturday. We do not adjourn over Saturdays because we want to play golf or go to a ball game. We spend all that time attending to official business in our offices. [Applause.]

Mr. TREADWAY. Will the Chair kindly inform us as to the amount of time that has been used?

The CHAIRMAN. There remains 4 hours 10 minutes to the gentleman from Massachusetts, and 4 hours 44½ minutes to the gentleman from North Carolina.

Mr. TREADWAY. Does that include the 3 hours additional?

The CHAIRMAN. Yes.

Mr. TREADWAY. Mr. Chairman, of the hour and a half granted to me under the new program, I yield 30 minutes to the gentleman from North Carolina [Mr. DOUGHTON], to use as he may see fit.

Mr. DOUGHTON. I thank the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I rise not to speak on this particular measure, but to suggest, if it is proper in view of the very justly deserved reprimand to which we have listened, that the committee rise and that we have a quorum call so that the gentlemen who are absent may have the benefit of it.

The CHAIRMAN. The Chair will state that there are 115 Members present, a quorum.

Mr. HOFFMAN. We have been here on this side of the aisle practically all of the time, and the other day, if I remember correctly, we tried to get two calls, but we could not get them.

The CHAIRMAN. There was a quorum present at the time the suggestion was made.

Mr. HOFFMAN. Mr. Chairman, I yield back the balance of my time.

Mr. TREADWAY. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, the discussions this morning were diverted from the bill, I think very profitably, to consider our errors and inadvertences which have grown in number with the passing of time. As I listened to the remarks of my colleagues I could not help but feel that they constituted a sort of a public confession of sin, in which we all joined, and for the responsibility of which we all accepted our individual share. A public confession is sometimes good for the soul.

I believe that in the consideration of this bill we should adopt that same attitude, because, Mr. Chairman, the bringing forth of this so-called "security bill" is nothing less than the commission of a sin against the people of the United States of America, and especially against those to whom the bill pretends to bring relief.

Last summer I was not a Member of this Congress. I was living out West trying to earn a fair return by following the profession which is mine. It was a period of economic gloom. Depression and despair filled our land. In the midst of that gloom in its darkest aspect was heard a voice—a voice which brought cheer to the depressed and gave to the people of our land courage to face a future fraught with uncertainty and doubt. It was the voice of the President of the United States.

On June 8, 1934, the President sent to this body a message, from which I at this time, with your indulgence, will borrow a few quotations. Among other things he said:

Among our objectives I place the security of the men, women, and children of the Nation first. * * *

This security for the individual and for the family concerns itself primarily with three factors. * * *

The third factor relates to security against the hazards and vicissitudes of life.

If, as our Constitution tells us, our Federal Government was established, among other things, "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends. * * *

Hence I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life—especially those which relate to unemployment and old age. * * *

All over this land our people harkened, took courage, and sought in their humble way to assist in the working out of a legislative program which would grant that which was necessary and which all the people recognized as necessary; that is, "security against the hazards and vicissitudes of life," especially as affecting those who have fallen as they made their way along life's pathway because of the weaknesses inherent to old age. Months have gone by. Almost a year has passed since the President spoke those inspiring words, and now the Committee on Ways and Means brings out this bill which they have the temerity to proclaim is the legislative translation of the humanitarian ideas of the great President who leads us during these days of trial.

Mr. Chairman, let us remember that "security against the vicissitudes of life" was promised to the aged. By that promise hope was implanted in the hearts of 7,500,000 of our fellow citizens, men and women, all over the age of 65. In title I of this tragic proposal but $49,750,000 is appropriated for this purpose. A resort to but simple arithmetic, as we learned it in school, reveals that that means but $6.56 for each of our aged each year. Further division discloses that this fund will provide but 54 cents a month—1½ cents a day—for each of those whose shadows no longer fall to the west. If this be security, I no longer know the meaning of that word. It is not even a decent dole. It is a penurious, pauper pension, pittance. Its mere suggestion is an insult to the Nation we love and an insult to the flag we revere.

Mr. Chairman, do not think for one minute that the people of the country are so gullible as to accept this legislative travesty as the fulfillment of the President's promise given and made in his message of June 8, 1934. It is a cruel and ridiculous thing. What faith can we place in the promise of "security" in years to come in the light of that niggardly 1½ cents a day, that 54 cents a month, or that $6.56 a year? What promise can the future hold if they offer only that now? They say in title II of this hated proposal that we shall give the good people who have been compelled because of the ruthless passing of time to give up their lifetime pursuits a stingy $10 a month to serve as their shield of security against the hazards and vicissitudes of old age. If they labor and earn much, perhaps we will give them $15 a month to stave off starvation, to clothe their bodies from the cold.

Mr. Chairman, can the Members of this House go home to the good people who sent them here and tell them that this is an old-age-security bill? Security against what, may I ask? There is security against nothing in this proposal. It is a hideous joke, a cruel jest that you are perpetrating upon the people who are looking to us for salvation.

The other day one of the great leaders of the majority rose in this House to denounce the plan that has been suggested by Dr. Townsend. He said:

There is going to be a day of reckoning for the Townsend planners. It will come when the poor and the distressed people find the snare and delusion of it.

May I suggest to the gentleman of the majority that the day of reckoning is going to be yours, not for those of us who are looking with interest upon the plan which has been evolved by this gentle doctor from the far West. You are the ones who are going to face the day of reckoning when you go back to the people who sent you here, to the aged people numbering 10,000,000 or more, and try to justify yourselves with a pension of $6.56 a year, a pension which will yield to the old people 54 cents a month, a pension which will afford them 1½ cents each day. You will experience difficulties when you try to explain that such niggardly sums as these constitute "security against the hazards and vicissitudes of life"—the security which the Chief Executive of our country has pledged to the fathers and mothers of all of us in his public expressions. Yes; there will be a day of reckoning, and that day of reckoning will be for you, the gentlemen of the majority, not for the Townsend planners.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for a question?

Mr. GEARHART. I yield.

Mr. FITZPATRICK. How many on the gentleman's side of the House will support the Townsend plan?

Mr. GEARHART. I am the keeper of my own conscience. I shall support the Townsend plan.

Mr. FITZPATRICK. But the gentleman was referring to that side of the House when he made his statement.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. BUCK. Which one of the Townsend plans does the gentleman propose to support?

Mr. GEARHART. There is no question about that in the minds of any Member here, except those who are opposed to an adequate pension plan. No one is supporting the first Townsend plan.

Mr. BUCK. Is the gentleman supporting the second Townsend plan?

Mr. GEARHART. I am supporting the second plan.

Mr. BUCK. Then the gentleman is not supporting the third Townsend plan, which was introduced the other day.

Mr. GEARHART. If there is ever to be a third Townsend plan, it will be because the gentleman from California or some other has suggested a better plan. So far there has been no third plan.

Mr. BUCK. May I suggest that a fourth plan was suggested the other day by the gentleman from Oregon [Mr. MOTT]?

Mr. GEARHART. I beg to disagree with the gentleman. A fourth plan has not been proposed by anyone. It was simply a perfecting amendment that the gentleman from Oregon suggested.

Mr. FITZPATRICK. What will they receive per month from the present Townsend plan?

Mr. GEARHART. I want to be very, very frank with the gentleman. That lies largely in the field of speculation, for the simple reason that there is no experience to guide us in respect to all of the tax details. I am not deceiving you or any of the old people who are looking to us for help in this day of their despair. However, there is one thing that is absolutely fair about the Townsend plan, and it is this: Whatever this tax yields, after the deduction of administration expenses, all of it will be prorated equally among the old folks, not giving, as does title II of the bill, more to the successful earners of large returns than to the poor and unsuccessful.

Mr. FITZPATRICK. I am in favor of an old-age pension, and I am hopeful of giving a good, substantial one. Under the present bill there is a guaranty of $15 a month, while there is no guaranty in the bill that the gentleman is advocating.

Mr. GEARHART. There is no guaranty of $15 a month in the bill that has been offered here by the majority. Only 28 States have any kind of old-age-pension law, and you do not agree to match their pensions with $15 or any other sum. The bill does not say anything about matching. The bill simply says that the United States, whenever a State has such a law, will remit to the State one-half of the sum so expended for old-age-pension purposes, not exceeding $15 for each pensioner.

Mr. FITZPATRICK. In my State we pay them $30 a month, and with the $15 provided in the bill it will mean a total of $45.

Mr. GEARHART. I deny that that is true.

Mr. FITZPATRICK. Why?

Mr. GEARHART. The gentleman's State gives $30 a month. Under the terms of this bill, as it is now worded, the United States Government will reimburse your State to the extent of $15, and the old folks will not get a cent of it. All of the Federal contribution will go into the State's general fund.

Mr. FITZPATRICK. That is not true.

Mr. GEARHART. Has the gentleman read section 3 of title I?

Mr. FITZPATRICK. I have, and I have consulted the chairman in relation to it, and he has stated on the floor of the House that they would receive the $30 plus the $15 a month.

Mr. GEARHART. Omitting from section 3 the immaterial, qualifying phrases, it provides that the Government shall pay each State an amount equal to one-half of the total sum expended by the State for old-age pensions.

Mr. FITZPATRICK. It will be on a 50–50 basis.

Mr. GEARHART. So I say that this $54,950,000 will go to the States and not to the aged people, unless the States in legislation not yet enacted otherwise declare.

Mr. FITZPATRICK. It was stated here the other day that there would be $4,000,000,000 under the Townsend plan. What would be the overhead in taking care of the fund and paying it out? That generally runs 30 or 40 percent, does it not?

Mr. GEARHART. It will not in this case, because we have not followed the majority policy of creating new bureaus and setting up new bureaucratic machinery. We propose to avail ourselves of the machinery already set up in the Veterans' Administration.

Mr. FITZPATRICK. Assuming that is true, there would not be much left, would there?

Mr. GEARHART. I do not think the cost of administration would be very much, in view of the fact we are using the facilities of the Veterans' Administration.

I must refuse to yield further, as the gentleman has occupied too much of my time.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I yield to the gentleman from Montana.

Mr. MONAGHAN. As the gentleman reads the security bill now under consideration by the House, does he not find as I do that under it every farmer in the country, every domestic servant in the country, every one engaged in casual service in the country, every member of the crew of a vessel, or every sailor in the country, every man in the employ of the United States Government or in a subsidiary thereof, or anyone engaged in any service performed by a charitable organization or an educational organization, such as ministers and preachers, would be excluded from receiving consideration under this bill, and when you consider the amount that they must earn it practically eliminates the whole of America from its provisions.

Mr. GEARHART. A more devastating condemnation of this bill could not be stated, and I thank the gentleman. [Laughter.]

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. VINSON of Kentucky. Of course, I know the gentleman from California, in commending the statement made by our friend from Montana as being such a devastating condemnation, could not understand for 1 minute that the exemptions referred to by the gentleman from Montana are exemptions that do not refer to any pensioner under title 1. Title 1, which is the old-age-pensions title, has no such exemptions.

[Here the gavel fell.]

Mr. VINSON of Kentucky. I yield to the gentleman 3 additional minutes.

Agricultural employees, casuals, domestics, Federal employees, and all those that were referred to as exempted in titles 8 and 9, are not exempted under the old-age benefits. Gentlemen should not miscontrue the plain English of the bill.

My friend the gentleman from California referred to title II giving pensions to the rich and preferring them to those who are poor. The gentleman was sincere in that statement, but title II does not refer to old-age pensions.

Mr. GEARHART. I must decline to yield further. I yielded for a question and not a speech.

Mr. VINSON of Kentucky. Title II refers to the benefits that employers and employees pay for.

Mr. GEARHART. Mr. Chairman, I do not yield.

Mr. VINSON of Kentucky. I think the gentleman ought to be fair. I yielded the gentleman time.

Mr. TREADWAY. Mr. Chairman, may I say to the gentleman that if the other side uses the 3 minutes yielded to the gentleman he can let them use it, and then I will yield the gentleman more time.

Mr. GEARHART. I had, for the moment, forgotten the kindness of the gentleman from Kentucky. I am happy to yield further.

Mr. VINSON of Kentucky. You do not want to confuse title I with title II. Title I is old-age pension—a noncontributory system. Title II provides for old-age benefits for those who contribute.

Mr. MONAGHAN. Will the gentleman from California yield to me to ask a question of the gentleman from Kentucky?

Mr. GEARHART. I cannot refuse the gentleman; I yield.

Mr. MONAGHAN. I would like to ask the gentleman from Kentucky how he interprets this provision, and I read from page 14?—

> The term "qualified individual" means any individual with respect to whom it appears to the satisfaction of the Board that, first, he is at least 65 years of age; and, second, the total amount of wages paid to him with respect to employment after December 31, 1936, and before he attains the age of 65 was not less than $2,000.

Now, I do not want to be unfair, but if I am mistaken, I want to be corrected.

Mr. VINSON of Kentucky. I can correct it in a few words. If the gentleman will turn back to section 210 in title II he will see that it provides that the term "employment" means any service of whatever nature performed within the United States by an employee for his employer, except, and then it states the exemptions. These exemptions refer to title II but do not refer to title I.

Mr. MONAGHAN. I am speaking about the term "qualified individual."

Mr. VINSON of Kentucky. That definition is in the same section of title II. The first five words in that section, "where used in this title", show it refers only to title II.

Mr. GEARHART. Mr. Chairman, I cannot yield further. Mr. Chairman, I have listened intently to the explanations given by the gentleman from Kentucky, and I fail to see therein a defense of this iniquitous measure worthy of even a moment's consideration. In other words, the exemptions in title II put the pensioner back under the provisions of title I, extends to the pensioner the munificent security of 1½ cents a day, 54 cents a month, $6.56 a year.

Now, I am going to talk about title II a few minutes. This title is absolutely un-American in principle. One of the most un-American provisions ever attempted to be written into an American law. It violates the fundamental American principle of equality. It says to those who earn more, "You shall benefit more under the provisions of this act."

I tell you that that is based on a cruel fallacy, nothing more nor less. Some men have a quality of acquisitiveness which enables them to "take and possess", to accumulate the good things of this world. They do not make the wealth, they merely have the ability to possess themselves of it. But even though they possess themselves of it, it is still a part of the wealth of the Nation—the wealth which the "other fellow" helped to create.

We see the mighty skyscraper on the corner that costs millions of dollars, and you immediately think of the genius that brought it into being, but that building would not be

worth the price of a single brick that went into it, if it were not for the poor man, multiplied into thousands, who, day after day, walks by the corner on which the building stands. That is what creates the wealth that put that building there, that gave that building its value. That fellow who, in his small way, contributed his share—measured by his position in life—to the upbuilding of the national wealth, even though the wages he has earned and spent are small, is entitled to share equally during those declining days of his life, because that which we give him comes out of the national wealth he helped to create. It is wrong to say to the poor man, you shall take a measly $10 a month, and it is wrong to say to the man who, through better fortune, has accumulated more, you shall take $15 a month, giving more to those men who by nature's gift have that particular quality of acquisitiveness.

Gentlemen, the Townsend plan treats all equally when they have reached that day of retirement, that day when, because of the passing of time, they must yield to younger and more vigorous hands the carrying on of the work of the world. Such discrimination in the distribution of the wealth of the Nation is un-American, utterly indefensible.

So, I repeat, to again borrow the words of the distinguished Chairman of the Rules Committee, the day of reckoning is going to be for you of the majority, who will have to defend these pitifully inadequate and cruelly unjust pensions as the fulfillment of our President's promise of "security against the vicissitudes of life." Do not let anyone tell you that this Townsend bill is not worthy of your consideration. I do not know exactly how much it is going to yield to the old folks, but I do know, whatever the sum may be, that they shall have their pro rata share. The old folks are good enough sports to accept whatever that tax will afford. You ought to be good enough sports to stand with them and thereby justify to a measure, at least, the President's promises to insure to the old people of this land a real security "against the hazards and vicissitudes of life." [Applause.]

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, if the gentleman who just spoke took the floor for the purpose of making a home-consumption speech, that is within his right, if he had confined himself to what we generally know to be a home-consumption speech; but when the gentleman takes the floor and undertakes to criticize the provisions of the bill in the manner he does and makes the statements the gentleman does, it shows the gentleman is either intentionally or unintentionally—and I assume unintentionally—uninformed as to the contents of the bill. When the gentleman says that this provides for half a cent a day or a cent a day or 54 cents a month, the gentleman makes a statement which is absolutely inconsistent with the truth.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Mr. Chairman, I yield back the remainder of my time.

Mr. TREADWAY. Mr. Chairman, I yield myself 2 minutes.

On page 5598 of the RECORD of April 3, 1935, the gentleman from Missouri [Mr. COCHRAN] inserted an extract under permission to extend his remarks from an alleged report by Dun & Bradstreet which refers to "the sharpest rise that has been witnessed in business in the past quarter of a century." I call similar attention to the fact that in this morning's Washington Post there is an Associated Press dispatch headed "Dun & Bradstreet retracts forecast", in which dispatch the president of the company, Mr. A. D. Whiteside, makes a corrected statement, in which he said:

> No significant information justified the inadvertent and unauthorized departure from our policy of not making predictions as to the future business trend which was evidenced in our Weekly Review of Business released under date of April 12, 1935.

In other words, Mr. Chairman, the president of Dun & Bradstreet says that whoever released that item did so unauthorized by the company, and it is evident they think the prophecy was very much exaggerated.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER of Tennessee. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include certain excerpts and data to which I shall refer.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COOPER of Tennessee. Mr. Chairman, it has been rather interesting to observe the attitude assumed by gentlemen on the minority side relative to the pending bill. The distinguished gentleman from Massachusetts [Mr. TREADWAY], the ranking minority member of the Committee on Ways and Means, led off with an attack on the bill. He criticized the Democratic majority of the Ways and Means Committee, charged that they had showed a lack of courage in handling the pending measure. He criticized the report and the hearings held, and every phase of the consideration given to this matter. I invite the attention of the House to the facts relative to the consideration of this bill.

Gentlemen on the minority side of the Ways and Means Committee have apparently been uncertain all along as to the attitude they will assume on this measure. They have been for it and against it and for it and against it again. Nobody knows where they will finally land or what their final action will be, but I venture the assertion that when the roll is called most of them will be found voting for this bill.

Now, criticism has been offered as to the consideration of this bill in the committee. I want to invite attention to the fact that during my period of service here, though it has not been very long, there has never been a measure considered, in my opinion, that has received more thorough and far-reaching consideration than the pending bill.

Just for a moment let us bear in mind that during the last Congress the so-called "Wagner-Lewis bill" was introduced and referred to the Ways and Means Committee of this House. A subcommittee was appointed, of which I had the honor to be a member. Extensive hearings were held on that measure. I hold here a copy of the hearings held at that time. Four hundred and twenty-six pages of testimony were taken on that measure. During the present Congress the Ways and Means Committee held extensive hearings on the pending measure. This volume which I hold in my hand contains 1,141 printed pages of testimony on the pending bill.

During the same time the measure has been under consideration by the Ways and Means Committee of the House the Finance Committee of the Senate has been holding hearings. This volume of their hearings contains 1,354 printed pages of testimony taken on this subject—in all, 2,921 printed pages of testimony in the hearings held on the subject matter embraced in this bill.

Then, criticism has been made as to the manner in which the committee has handled the measure. I wish to call to your attention the fact that this committee has given constant attention to this measure since the 21st day of January. From then down to this good hour this committee has been considering this measure.

Now, gentlemen on the minority side have offered criticism about members of the majority agreeing to certain changes and provisions. How different is the procedure that has been used for the consideration of this bill and some of the measures that were considered while the Republicans were in control of this House. It was my privilege to be here when the so-called "Smoot-Hawley tariff bill" was considered by the Ways and Means Committee of the House. The Republican members on the Ways and Means Committee locked the doors on all of the Democratic members of the committee, and 15 Republican members wrote the measure. No such partisan consideration has even been thought of in the consideration of this bill. They have participated in all of the consideration given by the committee to the pending measure.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. The gentleman will recall that the President's social-security committee spent 6 months in addition to the time devoted to the study of this problem to which the gentleman has referred.

Mr. COOPER of Tennessee. I thank the gentleman. I was going to refer to that.

Mr. RICH. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. RICH. Could the gentleman give us the names of the members of that committee?

Mr. COOPER of Tennessee. I want to invite the gentleman's attention to the report on this bill. Allow me to simply observe, in passing, that I have never seen, in my experience here, as much gross ignorance—I am not referring to the gentleman from Pennsylvania in that statement; I have never seen as much gross ignorance displayed on any measure as on this pending bill. It is apparent that many of those who have addressed the Committee and undertaken to discuss this bill have either not even read the bill and the report accompanying it, or their powers of comprehension are far less than I have always accredited to them. The statements made by the distinguished gentleman from California [Mr. GEARHART], who preceded me a few moments ago, and the interrogations offered by the distinguished gentleman from Montana, as well as the remarks made by the gentleman from Kentucky [Mr. ROBSION], on yesterday, show that their conception is as far from the real contents of this bill as it is possible for the human mind to comprehend.

Now, then, to the gentleman from Pennsylvania [Mr. RICH], I simply want to invite his attention and the attention of others to the appendix appearing on page 39 of the report. There are three full pages of fine print giving the names of the various committees and individuals in this country who sat in with the Committee on Economic Security in giving study to this great subject. In that group it will be found that every phase of American activity has been included. We have capital and labor, the farmers, agriculture, all types of American interests and activity embraced in that large number of people who contributed to this plan that is here submitted. I am sure the gentleman will recognize the names of some of the outstanding industrial leaders of this Nation, as well as leaders in the labor movement, agricultural interests of the country, and various other types of citizenship in America.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. JENKINS of Ohio. Does not the gentleman think, instead of finding fault with this great group of intelligent people it would have probably been the part of wisdom on the part of those who have charge of this bill to have given some consideration to the request made by the Republican members on the committee that this bill should have been separated into its proper categories so that people could understand it?

Mr. COOPER of Tennessee. Of course, I do not agree with the gentleman from Ohio. I do not agree for a moment that he does not understand this bill. I do not think his own admission does him credit. It certainly does not do him the credit which I have always accorded him.

Mr. JENKINS of Ohio. But I am not on trial. The gentleman made a broad statement, and I think he will live to see the day when he will be sorry. He accuses this Congress of being ignorant of this bill. He and his cohorts are going to drive this bill through. He admits that this great group of people are all ignorant. Now, does he not think—I will say that I do—I think if those who had charge of this bill had divided it up into its individual categories and brought it out in that kind of shape so that somebody could understand it, then the gentleman would not criticize this whole House.

Mr. COOPER of Tennessee. Now, the gentleman has put words into my mouth that I did not utter. The gentleman has misinterpreted and misconstrued my statement on that question. I have not charged any gross ignorance to the Membership of this House. I am not charging lack of knowledge on the part of the Membership of this House.

I said then and I say now that judging from some of the statements made here on the floor, some gentlemen either have not studied the bill and the report or else they simply have failed to comprehend the matter after they have studied it; and I do think and believe the gentleman from Ohio, in his sense of fairness, will admit that some statements have been made on this floor that have been absolutely shocking in the lack of knowledge with reference to this bill, shown in the making of the statements. Is not that true?

Mr. JENKINS of Ohio. I do not agree with the gentleman.

Mr. COOPER of Tennessee. I ask the gentleman if he has not heard statements made here that he knew absolutely show a lack of knowledge of what was in the bill?

Mr. VINSON of Kentucky. Mr. Chairman, if the gentleman will yield, our friend from Ohio pointed out to his colleagues from the floor wherein they were in error and stated that the bill should have been separated into several bills. I am fearful that our friend from Ohio is afraid that the bill has been brought in under a rule that will not permit amendment. Any title of the bill can be stricken in its entirety when the title comes up for final consideration.

Mr. JENKINS of Ohio. Replying to the gentleman from Tennessee, I am perfectly willing to admit that the gentleman who has the floor and the gentleman from Kentucky are probably the two best qualified men on this subject in the House.

Mr. COOPER of Tennessee. The gentleman gives me too much credit.

Mr. JENKINS of Ohio. These two gentlemen have had 2 or 3 years' intensive preparation which, added to their own natural acumen, makes them very knowing people. Whenever such a man comes into this House, however, after having spent 2 or 3 years studying this bill, stands before the Congress and uses the words "gross ignorance", which he did and which he wishes perhaps he might withdraw, something is wrong with his line of reasoning. I am not finding fault with him because of all his superior knowledge, but I say that somebody is to blame whenever you bring 435 people together and say that they are all grossly ignorant, something must be the matter with the bill to feel obliged to say that.

Mr. COOPER of Tennessee. The gentleman has not quoted me with entire correctness. I said then, I say now, and I shall continue to say that some statements made on the floor of the House show a gross ignorance of the contents of this bill; and that statement is true. [Applause.]

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. JOHNSON of Texas. I would like to know what the gentleman thinks about those Republican Members who have vehemently denounced the bill because of the small amount of old-age pensions granted when neither they nor their party have ever initiated, thought of, or suggested a thing about old-age pensions.

Mr. COOPER of Tennessee. That is true, of course. We must bear in mind that there are two types of attack being made on this bill. There appears to be one group attacking the measure because, as they say, it does not go far enough, it is not liberal enough, it does not do as much as they would like for it to do; and that was the principal argument advanced by the distinguished gentleman from Kentucky [Mr. ROBSION] yesterday afternoon. Although he has served in Congress, either in the House or in the Senate for 10 or 12 years or more, he cannot point to any contribution that he or his party has ever made toward the initiation of a plan for social security such as that embraced in this measure.

My distinguished friends on the minority side of this Chamber now stand here and speak of their interest in social-security legislation and criticize the present administration and the majority members of the committee in this House for bringing forward this measure. I simply in-

vite attention to the fact that all these years their party was in complete control of every branch of this Government they failed to come forward with anything even approaching social security for the people of this country. [Applause.]

On the question of the consideration given this bill, the distinguished gentleman from Massachusetts, the ranking minority member of the committee [Mr. TREADWAY], expressed satisfaction as will be shown by the hearings with the full, complete, and ample consideration that was given, and the gentleman on one occasion made the statement, as is shown by the hearings, that he was not against the bill but that he was for it. He now says, however, that the majority members of the committee had to wait for instructions before they knew what they should do on this bill. I would like to invite his attention, as well as that of other Members, to the real facts. The minority members of the committee after sitting through 2½ months of consideration of this bill, then arrived at the conclusion that they were so fixed in their views, so set in their determination, and so strong in their opposition to the bill that when the time came to vote to report it, every one of them responded "present", would not even vote for the bill or against it. Every Member on the minority side of the committee had the conviction, and the strong feeling, that the bill was bad; yet he stood there and voted "present" on the question of favorably reporting the bill. Why, Mr. Chairman, the whole attitude displayed on this measure shows that there is on the part of some on the minority only the spirit of offering destructive criticism. Do you remember the old expression made some 2,000 years ago that nothing good can come out of Nazareth? Certain gentlemen on the minority side of the House seem to think nothing good can possibly come out of a Democratic administration. [Applause.]

Mr. COLDEN. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the gentleman from California.

Mr. COLDEN. The minority states in their report that they favor a substantial increase in the Federal contribution. Did the minority members of the committee offer any practical suggestions as to the method of providing the additional funds?

Mr. COOPER of Tennessee. No; they have not offered anything of that kind at all.

Mr. Chairman, in addition to the group that appears to be criticizing the bill because it does not go far enough, as they say, there is the other group criticizing the bill because of the burden that they say is placed on business and industry of this country. That brings us down to the commonsense proposition, namely, you cannot pick benefits in this country out of the air. If you are going to have benefits somebody has to pay the bill. That is the situation we have here.

I want to pass on and use the few remaining moments that I have at my disposal in order to try to analyze the real purposes sought to be accomplished by this bill, and the provisions of the bill itself. The measure now before the House for consideration is in response to the message of the President of the United States delivered to this body on the 8th day of last June. That great message as it was given to the Congress of the United States immediately aroused the favorable comment and approval of the American people. It came forward with a great humanitarian program for social security in this land of ours, a measure which should have doubtlessly been considered years ago; but the other party was in control of the affairs of this Government and apparently they wanted to continue their time-honored idea of government in giving special privileges to the special interests of the country, with the idea that some good or benefit might trickle down to those in the lower strata.

Mr. Chairman, for the first time in the history of this Nation, on June 8, 1934, that great man in the White House, whose heart beats in tune with the welfare and in the interest of the masses of our people, came forward with his great message calling for social security in this country of ours. I want to invite attention to a part of that message presented to the House on that occasion.

> Our task of reconstruction does not require the creation of new and strange values. It is rather the finding of the way once more to known, but to some degree forgotten, ideals and values. If the means and details are in some instances new, the objectives are as permanent as human nature.

Then this expression was used, which rang throughout the length and breadth of our country:

> Among our objectives I place the security of the men, women, and children of the Nation first.
>
> This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours.

Following this message to the Congress, the President appointed his Committee on Economic Security, composed of Cabinet members and other officials of the Government. Immediately there was set up quite a number of advisory committees or groups, representative of every phase of American activity. All of these groups—and their names appear on the pages of the report to which I made reference a few moments ago—gave 6 months' study to this question, worked out a plan and a report, and the President submitted this report to the Congress with his message on January 17 of this year.

Mr. McCORMACK. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In addition there was a supplementary division composed of experts of the Government, which included employers, employees, and the general public. Suggestions were received and entertained from individuals and organizations throughout the entire United States, and later a congress of 300 interested public-spirited citizens, representative of all walks of life, at their own expense, made a trip to Washington before the council made its recommendation to the President.

Mr. COOPER of Tennessee. That is true.

Mr. MAY. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the gentleman from Kentucky.

Mr. MAY. I would like to read the report on the bill to find out just how broad and comprehensive the program is.

Mr. COOPER of Tennessee. Will the gentleman indulge me just a moment? I want to bring in one other matter before I reach that, then I shall yield to the gentleman.

Mr. Chairman, I also invite attention to an expression in the message of the President of January 17, in which he stated, among other things:

> In addressing you on June 8, 1934, I summarized the main objectives of our American program. Among these was, and is, the security of the men, women, and children of the Nation against certain hazards and vicissitudes of life. This purpose is an essential part of our task. In my annual message to you I promised to submit a definite program of action. This I do in the form of a report to me by a Committee on Economic Security, appointed by me for the purpose of surveying the field and of recommending the basis of legislation.

Then, going over to the closing paragraphs of the same message, we find these expressions:

> The amount necessary at this time for the initiation of unemployment compensation, old-age security, children's aid, and the promotion of public health, as outlined in the report of the Committee on Economic Security, is approximately $100,000,000.
>
> The establishment of sound means toward a greater future economic security of the American people is dictated by a prudent consideration of the hazards involved in our national life. No one can guarantee this country against the dangers of future depressions, but we can reduce these dangers. We can eliminate many of the factors that cause economic depressions and we can provide the means of mitigating their results. This plan for economic security is at once a measure of prevention and a method of alleviation.
>
> We pay now for the dreadful consequence of economic insecurity—and dearly. This plan presents a more equitable and infinitely less expensive means of meeting these costs. We cannot afford to neglect the plain duty before us. I strongly recommend action to attain the objectives sought in this report.

Mr. Chairman, this measure was introduced by the chairman of this committee, and the gentleman from Maryland Mr. LEWIS, in the House, and Senator WAGNER in the Senate. From that time down to this hour the Ways and Means Committee of the House, and a great part of the same time the Finance Committee of the Senate have been giving consideration to this matter. Mr. Chairman, the committee after giving these months of careful study and consideration to every phase of this great problem that is now challenging the thoughtful attention of the people of this country, has brought forward this measure. It is indeed a most important administration measure. It has the approval of the President of the United States. It presents the rounded-out program of the President and this administration for social security in this country of ours. [Applause.]

I now yield to the gentleman.

Mr. MONAGHAN. The gentleman is making a magnificent statement on security, but I am wondering if he can answer the statement of supplemental views by Mr. KNUTSON, of Minnesota, who says in his supplemental report on social security:

1. It is obvious from the provisions of this bill that it cannot be made effective for several years, hence it will be a bitter disappointment to those who have looked hopefully to this administration for immediate relief.

Then he further says:

4. The old-age pension to be granted under H. R. 7260 would be wholly inadequate in the relief of distress. The amount paid would be so small that its effect upon business would be negligible.

This gentleman has studied the measure right in committee and I would like to know how the gentleman would answer the statement made by a distinguished member of the committee.

Mr. COOPER of Tennessee. Of course, I do not agree with the observations made by the gentleman from Minnesota. The gentleman is a distinguished member of the committee, and, of course, has given great thought and study to this measure, yet he did not have the conviction, when the motion was made to favorably report the bill, to either vote yes or no—he voted present. [Laughter and applause.]

Mr. SAMUEL B. HILL. If the gentleman will permit, I call the attention of the gentleman from Tennessee to the fact that the Public Works bill is the emergency-relief measure in this program and is not in this bill.

Mr. COOPER of Tennessee. Yes; of course.

Mr. VINSON of Kentucky. And if the gentleman will yield further I think the gentleman will bear me out in the statement that the press carried the story that the vote on title I, the old-age pension phase of this bill, was unanimous when the vote was taken on that title and that title alone.

Mr. COOPER of Tennessee. I think the gentleman is correct.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield and apologize to the gentleman for not getting around to him immediately.

Mr. MAY. That is all right. I started to say a while ago that this measure is so far-reaching and so broad in its purposes that I have had a great deal of difficulty, from reading the report and studying the bill, in ascertaining just how far-reaching it is, but to my mind it is like every other great legislative proposal. It grows out of conditions that have fastened themselves upon this country during this depression, and I may say that in the report of the majority of the committee as to the purpose and scope of the bill, I think they state it very soundly when they say that this is laying the foundation for social security in the future, and the very fact it is a measure so far-reaching is an answer to the question with regard to the views of the gentleman from Minnesota [Mr. KNUTSON]. You cannot build a great structure like this without having grave problems presented.

Mr. COOPER of Tennessee. Yes; I agree with the statement in the report, of course, because I had the privilege of making some small, minor contribution to the consideration of the report and, naturally, I agree heartily with the quotation referred to by the gentleman from Kentucky.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. MICHENER. Will the gentleman tell us when this will become effective? I just heard the question asked, and it was not answered, and I do not know myself. I am not hostile, but I would like to know about that.

Mr. COOPER of Tennessee. Title I of this bill becomes effective just as promptly as State plans for old-age pensions can be enacted by their legislatures, or in the 29 States now having such plans, as rapidly as they can conform to the broad outlines contained in this bill, and as soon as such State plans are approved the people who are beneficiaries immediately begin to receive benefits.

Mr. MICHENER. As a matter of fact, if a State legislature is in session and passes a law making it possible to comply with the terms of this bill, how soon after that will the benefits be paid?

Mr. COOPER of Tennessee. Almost immediately. The appropriation is authorized in this bill. Of course, after this bill becomes law, as the distinguished gentleman from Michigan, who is one of the ablest parliamentarians of the House, well knows, there will have to be an appropriation following the authorization; but so far as the Federal Government is concerned, almost immediately upon the enactment of this measure the Federal Government will be ready to start paying benefits to those who qualify for such payments.

Mr. MAY. And just as fast as the States formulate and put up to the board a plan they approve, and as soon as this is done, all the States, in addition to the 29 now having such laws, will be eligible.

Mr. COOPER of Tennessee. Yes.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. RICH. I understood the gentleman to make the statement that this bill authorizes the expenditure of this money as soon as the measure is passed by the Congress, and that the money will be given to the States. I would like the gentleman to explain to me or to the House where you are going to get this money we are expending without making an effort on the part of the Federal Government to secure such funds. Where are you going to get the money? Where will the money come from?

Mr. COOPER of Tennessee. Of course, the gentleman naturally would imply from that question that he wants to draw me into a discussion of the fiscal affairs of the Government. Of course, I cannot take the time out of this discussion to enter into that.

Mr. RICH. I would like to say to my colleague that I am not trying to draw him into it any more than I want to draw every other Member of the Congress to consider it. I am trying in some way to find out how we are going to get the money to meet all these payments, and I may say to the gentleman from Tennessee that I have the highest regard for him; and I believe if anybody in the House could give us the information the gentleman from Tennessee would be one of the men who could furnish it. However, I have not been able to find this out from any Member of the Congress, and I think it is one of the most serious things that confronts this Congress and the Nation.

Mr. COOPER of Tennessee. I appreciate the very kind remarks of the gentleman and I assure him our feelings are mutual, but I cannot take the time from the consideration of this measure to go into a discussion now of the methods of raising revenue for the Government.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. SAMUEL B. HILL. Referring to the query of the gentleman from Pennsylvania [Mr. RICH] as to where you are going to get the money, may I say that the fiscal affairs of the Government at this time, so far as current expenses are concerned, are practically in balance. We just have the report that for the first quarter of the income-tax payments we are running 40 percent above what they were for the

corresponding period last year, and this will provide the money for these appropriations without any additional levy of taxes.

Mr. COOPER of Tennessee. That is true. Recent reports show that the revenues coming in this year are substantially 40 percent above those of last year.

Mr. RICH. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. RICH. I will say that I think the bill for old-age pensions is right. But I would not support anything in excess of that. I do not see how we are going to accomplish this unless we make an effort to get the money. I do not see how we can continue to spend money like a drunken sailor without giving consideration as to where we are going to get that money. If we do not consider it, we will wreck the country.

Mr. COOPER of Tennessee. I hope the gentleman will withhold that discussion for a while at least.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. The gentleman gave us the impression that this bill would go into effect just as soon as the States can cooperate. What the gentleman had in mind did not apply to title II, because no benefits can be paid under that until 1942.

Mr. COOPER of Tennessee. I assumed that the gentleman from Ohio knew that, and the gentleman from Michigan referred to title I of the bill.

Mr. SAMUEL B. HILL. And title II calls for no cooperation by the States.

Mr. McCORMACK. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. McCORMACK. It must be apparent to everyone that this is an attempt to meet causes which brought about these conditions. Title I for old-age pensions is to provide assistance to these aged people and their dependents, and title II is to build up a productive fund that will preserve their self-respect in the future.

Mr. COOPER of Tennessee. I thank the gentleman. Please allow me to proceed for a minute. I realize that every member of the committee should yield to his colleagues, and try to give them the best information he can.

Mr. CAVICCHIA. Will the gentleman yield for just one question?

Mr. COOPER of Tennessee. I will yield to the gentleman from New Jersey.

Mr. CAVICCHIA. There has been so much discussion about title II that I would like to ask the gentleman what is his opinion on the constitutionality of title II? I firmly believe that we have no right to pass any such legislation. Title I is excellent, but by legislation on title II you are going to endanger the whole security act.

Mr. COOPER of Tennessee. I assume that the gentleman will agree that the provision at the end of the bill, the separability clause, would save these provisions in the bill that were not held unconstitutional. That clause provides that in the event any part of the bill should be declared unconstitutional it shall not affect the other provisions of the bill. In the event that title II should not be sustained by the courts, and I do not for a moment concede that is at all probable, that would in no way affect title I.

Mr. CAVICCHIA. I would like to see the House pass legislation which will stand, rather than to send it to the upper House and to have them emasculate it, when we have spent weeks and months in the consideration of it in the committee in this House.

Mr. COOPER of Tennessee. Of course, the question asked by the gentleman from New Jersey [Mr. CAVICCHIA] is pertinent, and the House is entitled to know that your committee gave very careful and, I think, as fair consideration as possible to the legal and constitutional phases of the bill. If time permitted I would like to enter into a discussion of those phases of the question, but I invite attention to a memorandum opinion submitted to the committee by the Department of Justice which consists of some 12 pages. I shall not ask the indulgence of the House long enough to read that opinion now, but simply state to the gentleman from New Jersey that the Department of Justice sustains the constitutionality of this act in this opinion, and I think it is sound. I think the cases cited are in point, I think the logic employed in the opinion is sound, and for my part I have no doubt that this measure as presented here will be sustained by the courts.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. DOUGHTON. The gentleman will recall also that a request was made of the Attorney General to put the best legal talent he had in the Department to a study of this legislation. He did so, and after due deliberation and consideration they expressed the opinion contained in the paper the gentleman holds in his hand.

Mr. COOPER of Tennessee. That is true, and I invite the gentleman's attention, without reading the entire opinion, which cites cases and quotes from cases from the time of Chief Justice Marshall on down to now, to the closing part of the opinion:

> There may also be taken into consideration the strong presumption which exists in favor of the constitutionality of an act of the Congress, in the light of which and of the foregoing discussion it is reasonably safe to assume that the social-security bill, if enacted into law, will probably be upheld as constitutional. It is suggested, therefore, that if the Congress deems the bill to be meritorious, it ought not to fail of passage on any prejudgment that it is unconstitutional.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. LEWIS of Colorado. I think it important to put that opinion in the RECORD.

Mr. COOPER of Tennessee. I appreciate the gentleman's suggestion, and I shall include this opinion as a part of my remarks, to go into the RECORD, in order that all Members may have the benefit of it. I think it is very valuable.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Certainly.

Mr. COX. In view of the fact that I am not asking time on this bill I ask the gentleman to yield to me. While this bill takes a long step toward the socialization of American life, and qualifiedly extends the Federal power over what might be properly considered purely local questions, it does contain features that appeal to me. In the first place, it provides for State participation in the interest of Federal solvency, and it also reserves to the State the qualified right of joint control, and in this regard it is a great improvement over the original draft for which I give the gentleman most credit. But the thing that disturbs me is that apparently all thought in Washington has been directed toward centralization of government, and most of what has and is being done here apparently is intended to produce that result. This holds true both with the Republican and Democratic administrations. Traditionally the Democratic Party has stood for State rights. The Republican Party on the other hand has stood for the enlargement of the Federal power.

Mr. COOPER of Tennessee. I have a few observations on State rights that I want to go into if I can.

Mr. COX. But the parties in recent years apparently have been reversing their positions on this question, and I predict that within the next few years the conflict will be renewed and political questions will be fought out along this line, and unless the Democratic Party finds its way back to where it originally stood on these questions, and the Republican Party changes its attitude toward the States and their social problems, a new party may arise to lead the people of this country who adhere to the belief that the Federal Government is a government of delegated powers, and is sovereign only to the extent of supreme and exclusive exercise of those powers. [Applause.]

Mr. COOPER of Tennessee. I thank the gentleman. I invite attention to the fact that the purpose and scope of this bill embraces four outstanding objectives. It makes provision for old-age security, unemployment compensation, security for children, and public health. All of these are matters in which the people of this country have been and are now showing a great degree of interest. Certainly on the question of old-age security, we cannot fail to recognize the fact that these citizens of ours who have grown old and become infirm in support of their Government and in rendering service to their fellow men are entitled to more consideration and more beneficial treatment than they have thus far been receiving. It has been argued here by some that this bill does not go far enough. I invite attention to the fact that out of the 29 States of the Union that now have old-age pension plans, this bill provides for more benefits than are now provided under any of these State plans.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 minutes additional.

Mr. COOPER of Tennessee. In the States of New York and Massachusetts, where they pay the largest benefits, there is no maximum provided by law at all. Yet, in experience they have never gone over about $24 in New York and $24.50 in Massachusetts as an average for the State. This bill provides for $30, matched equally between the State and the Federal Government.

Mr. HEALEY. Will the gentleman yield?

Mr. COOPER of Tennessee. I hope the gentleman will excuse me, please.

It should also be borne in mind that the benefits provided under this bill are more liberal than those afforded by any other country in the entire world for old-age pensions. Now, some may think it should go further, and as some feel, that State participation should not be required. Certainly, without undertaking to quote the President—and it is not my intention to violate any of the proprieties of the situation, I feel I can state that it has been my privilege to confer with him several times, along with others, and he is very definite and firm in his conviction that State participation must be required in this bill.

Under this plan participation by States is required. We have left the broadest possible latitude of discretion to the States in the administration and control of the plan, simply providing that States may, under these rather broad standards set up in the bill, provide whatever they are able to provide for their old people, and the Federal Government will match whatever the State is willing and able to give, up to and not exceeding $15 a month by the Federal Government.

I invite attention to table 1 on page 4 of the report to give you some idea of how this burden will probably increase in the future. We must consider that phase of the matter. This is not temporary legislation; it is not emergency legislation. We are here legislating for the future, for my country and yours. We certainly should consider this phase of the matter. This table shows that in the year 1860 there were only 2.7 percent of the population of the entire country over 65 years of age. In 1930, the last Federal census we had, there were 5.4 percent of the total population of the country over 65 years of age. It is estimated that by 1940 there will be 6.3 percent, and by 1970, 10.1 percent. By the year 2000, 12.7 percent, showing a gradual and steady increase in the percentage of people in this country over 65 years of age as compared with the total population of the country.

That simply shows that we must consider the size of the burden that will be placed upon the States and the Federal Government in the future. For that reason title II is in this bill. It provides for old-age benefits to be built up gradually through the years of the future, so that it will take off part of the burden that would naturally be piled up by the operations of title I. It is estimated that by the year 1980 the burdens under title I would amount to about $2,600,000,000 annually. By including title II, which is of the greatest importance in this bill, that will be reduced more than one-half; so that it is estimated that not more than about a billion dollars will be involved in the burden assumed for old-age pensions in the country.

It has been and will doubtless still be asserted that the social-security bill is designed to coerce the States, particularly in connection with unemployment compensation. Very little objection on this score can be raised as to the Federal grants in aid to the States for old-age pensions, aids for dependent children, and other aids for the extension of public-health services.

The unemployment provisions of the Social Security Act do not violate the traditional provisions and power of this country between the Federal Government and the States. Instead of coercing the States, it rather will have the effect of enabling the States to go ahead with the enactment of unemployment compensation laws which are long overdue but which heretofore could not be enacted without placing a serious handicap upon the industries of the particular State enacting such legislation. The greatest objections raised against proposed unemployment insurance during the last 15 years before the State legislatures has been the assertion that it would drive industry out of the State into neighboring States which did not place this burden upon their employers. As an illustration of this argument, the following quotation from a Memorial on Unemployment Insurance, presented on December 15, 1932, to Governor White, of Ohio, by a delegation of 34 citizens representing the Ohio Chamber of Commerce, in opposition to the proposed unemployment insurance bill then pending in that State, may be cited:

> Ohio is in close competition with such States as Michigan, Indiana, Illinois, Pennsylvania, Kentucky, West Virginia, and New York. We respectfully submit that Ohio cannot compete with these States while laboring under the handicap of a special tax upon the industries of $50,000,000 a year. The result would be that firms owning plants in other States would gradually transfer their operations, so far as practicable, to those States. Companies having no outside plants would have difficulty in competing with those who do have such plants. The location of new industries in Ohio would be retarded. From this the farmers, merchants, bankers, and all other classes of business would suffer.

Prior to 1935 only one State in the Union—Wisconsin—had enacted an unemployment-insurance law, which was passed in 1932. In 1933 bills were introduced providing unemployment compensation in 22 States and passed one house of the legislatures in 7 States, but failed to pass both houses in any State. Many States have had special commissions on the subject. An incomplete list of these commissions include the following: New York, Massachusetts, New Hampshire, Maine, Connecticut, Pennsylvania, Ohio, Maryland, Virginia, North Carolina, Wisconsin, Minnesota, Rhode Island, Delaware, Vermont, California, Oregon, and Colorado. In practically all cases these commissions strongly urge the State legislature to enact unemployment-compensation laws, but the States have been unwilling to go ahead until there is a uniform tax measure for this purpose, thus placing industry throughout the country on the same basis.

The following quotations are taken from the reports of several State commissions on employment urging Federal legislation: New Hampshire, Ohio, Massachusetts, and Minnesota.

The 1934 report of the New Hampshire Commission on Unemployment Reserves states:

> The commission strongly favors Federal legislation which will effectively remove the fear of interstate competition in this field through the application of uniform rates of contribution upon all employers in the country.

The report of the Ohio Commission on Unemployment Insurance, made in 1932, stated:

> It would be desirable to extend compulsory insurance to cover all industries and all employees in all the States so that interstate competition might be equalized.

The supplementary report of the Massachusetts Special Commission on Stabilization of Employment in 1934 stated:

> The commission believes it would be better if the Federal Government could require universal adoption throughout the country of some such unemployment responsibility to all industries. * * *

The report of the University of Minnesota Stabilization Research Institute to the Governor of Minnesota on A Program for Unemployment Insurance and Relief in the United States in 1934 states:

If the Seventy-third Congress had passed the Wagner-Lewis bill, unemployment insurance will undoubtedly become general in the United States and employers at any rate will be placed on an equal competitive basis (48–9).

Also:

The Wagner-Lewis measure would remove the chief objection to the adoption of State unemployment insurance legislation, namely, the unequal position with respect to interstate competition of employers in States having an unemployment insurance law.

At the 1935 legislative session 83 unemployment insurance bills were introduced in 25 States. Three States—New York, Utah, and Washington—have so far enacted unemployment compensation laws in anticipation of Federal legislation. Sixty-six State bills are still pending. Twenty-six State legislatures are now in session, and 18 have adjourned.

The social-security bill leaves the States very wide discretion as to the provisions of their unemployment compensation acts. It provides only a minimum of Federal control, designed principally to assure the use of the funds exclusively for this purpose and the safeguarding of the funds by depositing them with the United States Treasury. The central purpose of the Federal bill in regard to unemployment compensation is to equalize the financial burden placed upon employers throughout the country and thereby permit States to go ahead.

With regard to the other features of the social-security bill, many States have gone ahead and enacted new old-age-pension laws or have modified the existing old-age-pension laws of the State to conform to the conditions of the pending Federal legislation. Included in this list are the following States: Wyoming, Montana, Utah, Oregon, Washington, and Kansas. This list is not complete. Amendments to the existing old-age-pension laws have also been adopted in a number of other States, including Ohio, Maryland, and others. Twelve States have enacted State laws setting up a State department of public welfare with blanket provisions for acceptance of Federal aids under such conditions as imposed by Federal legislation. Included in this list are the following States: Georgia, Maryland, Montana, New Hampshire, New Mexico, North Dakota, Oklahoma, South Dakota, Utah, West Virginia, Wyoming, and Washington.

A number of States whose legislatures have already adjourned have created special commissions to prepare State legislation on economic security in conformity with Federal legislation to be submitted to a special session of the legislature. A number of Governors have already expressed their intention of calling a special session of their State legislatures as soon as Congress acts on the social-security bill.

The following States have memorialized Congress at the present session for the enactment of this type of social-security legislation: North Dakota, South Dakota, Tennessee, Wisconsin, California, Idaho, Minnesota, Montana, and New York.

The social-security bill, in connection with the grants-in-aid to States provides a minimum of Federal supervision over the States, much less than is provided in any other recent Federal-aid laws. The State old-age-pension laws are required to be liberalized with respect to the requirements of age, residence, and citizenship, and they must be State-wide in application; but these provisions do not grant supervisory authority to the Federal Administrator. The Federal Highway Act, by way of comparison, gives to the Federal Bureau of Public Roads, the right to withhold aid to States if the State highway department is not adequately organized, equipped, and empowered to administer the provisions of the act or if the State fails to maintain its federally aided highways according to the standards laid down by the Federal Bureau of Public Roads. The Federal Bureau of Public Roads must approve each Federal highway project for which funds are allotted and lay down detailed specifications concerning the type of construction, materials, and so forth. No such powers as these are granted in connection with any part of the social-security bill.

Under the Smith-Hughes Act for vocational education the Federal department in charge could provide minimum qualifications for State officials in charge, but no such provision is made in the Social Security Act. The Smith-Hughes Act also provided that State rules and regulations had to be submitted to the Federal agency for approval, but there is nothing of this kind in the Social Security Act.

No Federal-aid legislation within recent years has accorded wider recognition to the principle of State rights than the social-security bill. The bill does not divest any State of any activities that it is now carrying on. It is strictly in accordance with the Federal form of government in this country. It provides ample opportunity for States to work out these problems in a way which will suit local conditions, and for experimentation in unemployment insurance, which is very desirable at this stage. The social-security bill provides aid to the States, but not control. It enables them to enact unemployment-compensation laws which, as a practical proposition, heretofore they have been unable to do.

In keeping with my statement, I want here to include the memorandum on the constitutionality of the "social-security bill", which was submitted to the Ways and Means Committee by the Department of Justice.

The purpose of this memorandum is to discuss the constitutional aspects of the social-security bill now pending before the Congress, to explore the legislative powers under which its enactment is proposed, and to weigh the objections to its validity, which I understand have been informally advanced in the discussions of this measure. Before entering on a detailed analysis of the bill and a minute consideration of the constitutional questions which it involves, it seems desirable to advert to some basic fundamental principles of constitutional construction, which are sometimes overlooked, but which must always serve as a guide in determining questions of constitutional law.

The formula laid down by Chief Justice Marshall in *McCulloch* v. *Maryland* (4 Wheat. 316, 407) must always be borne in mind in testing the constitutionality of an act of Congress. His famous words have been often repeated, but may well be reiterated. They are as follows:

A constitution, to contain an accurate detail of all the subdivisions of which its great powers will admit, and of all the means by which they may be carried into execution, would partake of the prolixity of a legal code and could scarcely be embraced by the human mind. It would probably never be understood by the public. Its nature, therefore, requires, that only its great outlines should be marked, its important objects designated, and the minor ingredients which compose those objects be deduced from the nature of the objects themselves. That this idea was entertained by the framers of the American Constitution is not only to be inferred from the nature of the instrument but from the language. Why else were some of the limitations found in the ninth section of the first article introduced? It is also, in some degree, warranted by their have omitted to use any restrictive term which might prevent its receiving a fair and just interpretation. In considering this question, then, we must never forget that it is a constitution we are expounding.

Three years previously, Mr. Justice Story had enunciated the same principle in somewhat different language (*Martin* v. *Hunter's Lessee*, 1 Wheat. 304, 326):

The Constitution unavoidably deals in general language. It did not suit the purposes of the people, in framing this great charter of our liberties, to provide for minute specifications of its powers, or to declare the means by which those powers should be carried into execution. It was foreseen, that this would be perilous and difficult, if not an impracticable task. The instrument was not intended to provide merely for the exigencies of a few years, but was to endure through a long lapse of ages, the events of which were locked up in the inscrutable purposes of Providence. It could not be foreseen, what new changes and modifications of power might be indispensable to effectuate the general objects of the charter; and restrictions and specifications, which, at the present, might seem salutary, might, in the end, prove the overthrow of the system itself. Hence, its powers are expressed in general terms, leaving to the legislature, from time to time, to adopt its own means to effectuate legitimate objects, and to mold and model the exercise of its powers, as its own wisdom and the public interests should require,

In entering upon a discussion of the particular measure here under consideration, it is desirable to first analyze its provisions. The social-security bill consists of a number of distinct titles. Title VIII proposes to impose an income tax on the wages of certain classes of employees, and an excise tax on certain classes of employers, measured by specified percentages of the wages paid by the employers to whom the tax is applicable. Title IX imposes another excise tax on employers employing 10 or more persons, the tax again being measured by specified percentages of the wages paid by the employer.

Title I of the bill provides for grants to the States for old-age assistance. In order to qualify for such grants, a State is required to adopt an old-age-assistance plan, meeting certain standards laid down in the bill, and to appropriate funds to match the Federal contribution. Title II seeks to appropriate money for the payment of old-age benefits to certain groups of employees upon their attaining the age of 65. Title III proposes to make grants to States for the administration of unemployment compensation, provided the State adopts an unemployment-compensation law complying with certain standards laid down in the bill. Title IV provides for Federal grants to the States for aid to dependent children, while title V makes similar grants for maternal and child welfare. Title VI makes certain appropriations for the purpose of extending and improving public-health services.

There will first be considered the validity of the tax features of the bill contained in title VIII and title IX.

The first tax sought to be imposed by the bill is that found in title VIII, sections 801–803. It is an income tax on the wages of certain classes of employees. The power of the Congress to levy an income tax is undisputed. Suffice it to advert to the sixteenth amendment, which reads as follows:

> The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States and without regard to any census or enumeration.

In levying an income tax the Congress may exempt certain classes of persons or certain types of income, as well as levy varying rates of tax on incomes of differing sizes (*Brushaber* v. *Union Pacific Railroad Co.*, 240 U. S. 1). The validity of the tax imposed by these provisions of the bill, standing alone, is undoubtedly not subject to question.

Title VIII, sections 804–811, and title IX provide for excise taxes on wages paid by certain classes of employers as defined in the bill.

The grant of power to the Congress to levy excise taxes is found in article I, section 8, clause 1, of the Constitution, which reads as follows:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

More comprehensive and sweeping language can hardly be imagined. The Supreme Court, in *Brushaber* v. *Union Pacific Railroad Co.* (240 U. S. 1, 12), stated that the authority conferred upon the Congress by this provision " is exhaustive and embraces every conceivable power of taxation."

The only limitation on this power is that contained in the constitutional provision, namely, that " all duties, imposts, and excises shall be uniform throughout the United States." The uniformity required by the Constitution has been invariably held to be merely a geographical uniformity. Thus it was said, in *Billings* v. *United States* (232 U. S. 261, 282):

> It has been conclusively determined that the requirement of uniformity which the Constitution imposes upon Congress in the levy of excise taxes is not an intrinsic uniformity, but merely a geographical one. *Flint* v. *Stone-Tracy Co.* (220 U. S. 107); *McCray* v. *United States* (195 U. S. 27); *Knowlton* v. *Moore* (178 U. S. 41). It is also settled beyond dispute that the Constitution is not self-destructive. In other words, that the powers which it confers on the one hand it does not immediately take away on the other; that is to say that the authority to tax which is given in express terms is not limited or restricted by the subsequent provisions of the Constitution or the amendments thereto, especially by the due-process clause of the fifth amendment.

The same doctrine was enunciated in *United States* v. *Doremus* (249 U. S. 86, 93):

> The only limitation upon the power of Congress to levy excise taxes of the character now under consideration is geographical uniformity throughout the United States. This Court has often declared it cannot add others. Subject to such limitation Congress may select the subjects of taxation, and may exercise the power conferred at its discretion. *License Tax cases* (5 Wall. 462, 471). Of course, Congress may not in the exercise of Federal power exert authority wholly reserved to the States. Many decisions of this Court have so declared.

It is understood that there has been no attempt to challenge the constitutionality of the foregoing provisions of the bill standing alone. It is not understood that it is disputed that the Congress is clothed with the power to impose the taxes provided by the pending bill. However, it has been said that the real purpose of these tax measures is not to raise revenue but to establish a Nation-wide scheme for unemployment insurance and old-age benefits; that the tax provisions are part of the warp and woof of this scheme; and that consequently, since there is no express provision in the Constitution granting to the Congress the power to legislate on the subject of old-age benefits and unemployment insurance, these tax provisions must be deemed invalid.

This reasoning completely overlooks the principle frequently enunciated and as frequently applied by the Supreme Court, to the effect that in passing upon the validity of a statute, which on its face purports to be a tax measure, the courts will not consider the question whether the motive of the legislative body was some other than that to raise revenue. This rule has been formulated on a number of occasions and led to upholding the validity of statutes, which, while ostensibly revenue measures, were obviously intended to accomplish an entirely different purpose. Thus, in 1866, the Congress passed an act levying a 10-percent tax on bank notes issued by State banks. The real purpose of the authors of this measure was not to raise revenue, but to eliminate State bank notes from circulation. So effectively was its real purpose accomplished, that little, if any, revenue was ever collected under this act. The validity of the statute was challenged on the ground, among others, that it was not a true revenue measure. Its constitutionality was, however, upheld in *Veazie Bank* v. *Fenno* (8 Wallace, 533). Another striking case is that involving the oleomargarine tax. An act adopted in 1902, levying a tax on oleomargarine imposed a low tax on white oleomargarine and a much higher tax on yellow oleomargarine with the obvious purpose of driving yellow oleomargarine out of the market, in view of the fact that it was frequently sold to the public as butter. The validity of the measure was questioned, and its character as a tax measure was assailed, but without success (*McCray* v. *United States*, 195 U. S. 27, 59). Holding that the act was a valid exercise of the taxing power, Mr. Justice White stated:

> Undoubtedly, in determining whether a particular act is within a granted power, its scope and effect are to be considered. Applying this rule to the acts assailed, it is self-evident that on their face they levy an excise tax. That being their necessary scope and operation, it follows that the acts are within the grant of power.

He swept to one side the argument that the real motive of the Congress was not to raise revenue, but to drive yellow oleomargarine from the market by imposing a prohibitive tax upon the sales of that commodity.

Perhaps the outstanding case sanctioning the use by the Congress of the taxing power for purposes other than to raise revenue is *United States* v. *Doremus* (249 U. S. 86), which upheld the constitutionality of the Harrison Narcotic Drug Act. Under the guise of a revenue measure, the Congress placed all dealings in narcotics under severe and stringent restrictions. It was urged again that the statute was not a true tax measure, and, consequently, beyond the constitutional power of the Congress to enact, and again this contention was overruled. The Court stated that an " act may not be declared unconstitutional because its effect may be to accomplish another purpose as well as the raising of revenue. If the legislation is within the taxing authority of Congress, that is sufficient to sustain it " (p. 94).

The latest expression of the Supreme Court upon this point is found in the case of *Magnano Co.* v. *Hamilton* (292

U. S. 40, 47), decided on April 2, 1934, in which the Court made the following significant statement:

> From the beginning of our Government, the courts have sustained taxes, although imposed with the collateral intent of effecting ulterior ends which, considered apart, were beyond the constitutional power of the lawmakers to realize by legislation directly addressed to their accomplishment.

The conclusion is inescapable that the motive of the Congress in enacting a law, which, on its face, purports to be a revenue measure, is immaterial and will not be considered by the courts in passing upon its validity. If a statute is ostensibly a valid exercise of the taxing power, the fact that such authority is invoked to accomplish an object other than to raise revenue, has no effect upon the constitutionality of the act. It necessarily follows that the fact that the taxes sought to be imposed by the social-security bill may constitute an inherent part of a legislative scheme for old-age benefits and unemployment insurance, in no way detracts from their validity.

Those who advance a contrary view rely on the decisions of the Supreme Court in the *Child Labor Tax case* (259 U. S. 20) and *Hill* v. *Wallace* (259 U. S. 44). Upon close analysis, however, they will find but little solace in these decisions. It is only by giving them implications far beyond their actual holdings and by construing them as overruling the line of cases which have been just discussed that any support can be found in them for the suggestion that the social security bill may possibly be invalid.

In the Child Labor Tax case the Supreme Court held unconstitutional an act of Congress which imposed a tax equal to 10 percent of the net profits realized by any employer who employed child labor, knowing the children to be below a certain age. The Supreme Court held that this law did not impose a tax, but exacted a penalty. It emphasized the fact that the provision, which imposed the so-called "tax" only on a person who knowingly departed from a prescribed course of conduct, made the impost a penalty rather than a tax. Chief Justice Taft remarks that "scienter is associated with penalties, not with taxes." He expressly adverted to the line of cases to which reference has been made in this memorandum and reiterated their holdings as sound law.

Likewise in Hill against Wallace the Court declined to uphold a measure seeking to impose a so-called "tax" on dealings in grain futures, except as to contracts executed through a member of a board of trade designated by the Secretary of Agriculture and complying with prescribed requirements. The Court ruled that the so-called "tax" was a penalty exacted for failure to comply with the requirements of the law (p. 66).

It is manifest that these two cases are not germane to the present discussion. Surely no one will contend that the taxes sought to be imposed by the pending measure are in fact penalties.

It is also not without significance that in the *Magnano case*, supra, decided less than a year ago, the cases heretofore discussed by me were cited with approval by the Supreme Court and the Child Labor Tax case explained as being based upon the proposition that the law which it held invalid imposed in fact not a tax, but a penalty.

Thus far there has been discussed the validity of the tax features of the bill in general. There is one specific provision that deserves additional consideration. Title IX, which imposes a tax on wages paid by employers, also provides in section 902 that the taxpayer may credit as against the tax any contributions paid by him into an unemployment fund established under a State law, provided that the total credit shall not exceed 90 percent of the tax. This device was approved by the Supreme Court in *Florida* v. *Mellon* (273 U. S. 12), in connection with the estate tax imposed by the Revenue Act of 1926, which contained a provision that the tax should be credited with the amount of any estate taxes paid to any State, such credit not to exceed 80 percent of the tax. It was asserted that the tax was unconstitutional, in that its purpose was to act as an incentive to the States to enact inheritance-tax legislation, and that it especially discriminated against the State of Florida, which levied no such tax. These objections received but scant consideration at the hands of the Supreme Court, which declined to hold the law invalid. Thus the credit provisions of title IX constitute an expedient sanctioned by the Supreme Court.

The consideration heretofore discussed lead to the conclusion that the tax features of the bill are valid and constitutional. It is now desirable to pass to a consideration of those sections of the bill which seek to appropriate money for the payment of old-age benefits for the making of grants to the States for old-age assistance, the administration of unemployment-compensation laws, aid to dependent children and maternal and child welfare, and for the purpose of extending and improving public-health services. The suggestion that the power of the Congress to appropriate money is in any way restricted or circumscribed is indeed a novelty. As we turn back the pages of our history we find that it has never been successfully contended that the authority of the legislative branch of the Government to appropriate money is limited to the specific purposes enumerated in article I, section 8, of the Constitution. The Congress has invariably by its own actions placed a different construction upon this power. It has always been customary for the Congress to appropriate money for purposes not enumerated in the Constitution. To select but a few such instances at random, we may refer to grants made to agricultural colleges many years ago; subsidies to transcontinental railroads; grants for maternity care, exemplified by the Sheppard-Towner Act; appropriations for the extermination of pests, such as the boll-weevil and the Mediterranean fruit fly; appropriations for scientific research, and many other examples that could be multiplied without number. A construction consistently placed upon the Constitution by the legislative branch of the Government in a series of acts over many years ought not to be lightly disregarded, as was remarked by Chief Justice Marshall in *McCulloch* v. *Maryland*, supra, at page 401.

The Supreme Court has recently held that a taxpayer has no standing in the courts to question or attack the validity or the constitutionality of an appropriation made by the Congress (*Massachusetts* v. *Mellon*, 262 U. S. 447, 486).

It follows hence that those titles of the bill which seek to appropriate Federal funds for specific purposes may not be successfully assailed as to their validity.

The fact that by the pending bill it is sought to exercise the powers of the Congress in an unaccustomed manner, does not affect the validity of the measure. Powers heretofore dormant may be called into action and invoked to meet new contingencies arising in the progress of the life of the Nation. The political, the economic, and the social history of the United States is marked from time to time by new departures in Government, all of which were attacked at the time as unconstitutional, but whose validity was eventually upheld as coming within the purview of the powers conferred upon the Federal Government by the Constitution. Thus, the power of the Congress to charter a bank was seriously challenged at one time, and yet today we have in this country a network of national banks. Many statesmen questioned the power of the Federal Government to acquire territory when President Jefferson purchased the vast areas known as Louisiana. Had their views been followed, this country would still consist of 13 States bordering on the Atlantic coast, instead of being one of the great powers of the world. The power of the Congress to provide paper money and make it legal tender was seriously assailed. Today paper money is part and parcel of our economic life. (Compare the *Legal Tender cases*, supra, and the recent *Gold Clause cases*.) There may also be taken into consideration the strong presumption which exists in favor of the constitutionality of an act of the Congress, in the light of which and of the foregoing discussion it is reasonably safe to assume that the social-security bill, if enacted into law, will probably be upheld as constitutional. It is suggested, therefore, that if the Congress deems the bill to be meritorious, it ought not to fail of passage on any prejudgment that it is unconstitutional.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I think practically the entire membership of the Congress realizes the necessity for the enactment of legislation dealing with social security. The conditions that make the enactment of such legislation imperative have been developing during the last two decades, but during the last 5 years these conditions have become so acute as to place the question foremost in the minds, not only of the Congress but of the entire citizenship of our Nation. Naturally, the subject, social security, in all of its phases, is one that cannot be adequately treated in the enactment of any single piece of legislation.

The bill as reported, however, does attempt to deal in a more or less comprehensive manner with the various phases of the subject. Everyone is anxious to treat, as soon as possible, the subject in all of its phases, but it occurs to me that at this particular time it might be unwise for the Congress to attempt the enactment of such a comprehensive measure as the one now under consideration, which may further hamper the recovery of labor and industry by the levying of taxes of questionable constitutionality.

We have heard much about reform and recovery. All of us admit that certain reforms are desirable, but, on the other hand, all must admit that recovery is imperative if the general welfare of our Nation is to be provided for and not disregarded.

Title I of the proposed legislation attempts to deal with the vital question of old-age pensions. I have given much consideration to this particular phase of the proposed legislation, and, in my opinion, title I is entirely inadequate and must be amended if a great portion of the deserving aged citizens of our Nation are to receive any benefit therefrom. The Congress has, during the last 2 years, enacted much legislation designed to create employment, but the employment that has been created by the legislation has not inured to the benefit of several million of our citizens who have reached the age which precludes them from receiving consideration and employment under the legislation heretofore enacted. Therefore, this class of citizens who have heretofore discharged their every duty as citizens are entitled to fair and equitable treatment regardless of the State or Territory in which they may have their abode. This title as now existing, if enacted in its present form, will result in a serious discrimination against many American citizens, and I cannot support any measure which will result in the discrimination that will necessarily follow from the enactment of title I as now written.

This title provides that the States must match the funds advanced by the Federal Government and that the Federal Government will advance to the States a maximum of $15 per month for each eligible person, but that no sum will be advanced unless it is matched by funds provided by the States. Conceding only for the purpose of this discussion that there is an equal obligation resting on the several States to provide money to discharge this burden, and conceding further that the contribution by the Federal Government of one-half is a fair division, still this does not justify the Congress in the enactment of the provisions of this title when we know that there are many States in this Union that are financially unable at this time to provide any funds whatsoever with which to match the funds provided by this bill.

It is immaterial whether we treat the old-age pensions as a gratuity and justified solely upon the ground of relief or whether we treat it as compensation merited by loyal citizenship, the principle involved is the same and the Federal Government, through this Congress, should not knowingly enact legislation that will discriminate against the citizens of any particular State. State boundary lines should and must be disregarded in dealing with this question. The Congress should only undertake to provide the limitations or qualifications of those eligible to receive a pension and when those requirements are prescribed, the amount provided should be paid regardless of the ability of the State to match the funds. If the various State governments which obtain their money by direct taxation had not suffered financially in proportion to the losses of their citizens, they would probably be in a position to match the funds provided by the Federal Government.

But I call your attention to the fact that the Federal Government has during the last few years existed solely because of its credit and its ability to borrow money. No one knows how long this condition may obtain, but many of the States must have a reasonable time in which to provide funds to meet the contributions by the Federal Government, and I suggest that a reasonable time would be 5 years. This title must be amended so as to provide that whatever amount the Federal Government may pay, it shall be paid to all eligible citizens regardless of their place of abode during the next 5 years, and regardless of whether the funds are matched. At the expiration of this period the States should be in a position to match Federal funds and to fully discharge their obligations to their deserving citizens. In no other way can the Congress be just and fair. By so doing we will not be relieving the States of their duty to the aged and deserving citizens, but we will be giving them a sufficient length of time to enable them to meet this obligation and at the same time we will be rendering justice to all citizens alike.

The General Assembly of the State of Arkansas in a resolution approved March 21, 1935, has called the attention of the Congress to the conditions prevailing in that State. I know that it is the desire of every citizen of Arkansas that the State government should discharge its full duty to its needy and destitute citizens. The general assembly that adopted the concurrent resolution enacted legislation in an effort to meet this obligation but the financial conditions are such that the State will be unable to raise any appreciable funds for this purpose and unless title I is amended as suggested by me, the citizenship of Arkansas will be discriminated against. I cannot, in justice to that great class of our citizenship, support legislation here which will result in the discrimination against the citizenship of my State. The people of Arkansas are anxious to discharge their full duty at all times as citizens. The general assembly is anxious to provide funds for the needy citizens of Arkansas, but these funds cannot be immediately provided, and why should the citizens of Arkansas and other States be deprived of the amount which the Congress may fix as a contribution to those meeting the prescribed requirements to be eligible to receive an old-age pension?

It is true that Arkansas does not contribute as much in money to the support of the Federal Government as do some other States in the Union, but the prosperity of other States is not solely because of their own resources. Arkansas is as rich in natural resources as any State in the Union and her citizenship is on a par with that of any other State and the time will come when the contribution from Arkansas to the support of the Federal Government will equal that of any other State. Her citizens are likewise citizens of the United States, and, as such, are entitled to receive this benefit for the time being at least.

The suggested amendments to this title are reasonable and will not do violence to the plan for Federal participations in the payment of old-age pensions. We cannot deal with this question solely along theoretical lines. At present we must face the conditions and deal with the conditions as practical men instead of treating this question as a theory and dealing with it as such.

As a governmental theory it may be correct to require a contribution by the States, but when theory is opposed by justice and by actual conditions, then we must yield to the dictates of justice and to conditions, and I appeal to the sense of fairness of this House to join with me in an effort to bring these benefits to our destitute citizens regardless of where they may live and regardless of the amount of the contribution that may be made by the States, or regardless of whether the State is able to pay any amount for at least such a period of time as will enable the individual States to prepare to meet their proportionate share of this obligation. Gentlemen cannot, with much grace, argue that the Federal Government is unable to do this, because we have appropriated, during this Congress, billions of dollars for

other purposes; and surely the needs of all worthy, aged, and deserving citizens should receive the consideration that a lifetime of loyal support of the ideals of America entitles them to receive insofar as our action is concerned.

If more taxes are required to meet this expenditure, then we should unhesitatingly levy them upon those who have in years gone by accumulated vast sums and fortunes, in many instances at the expense and through the toil of our old citizens. The resources of our country should, if necessary, be commandeered by us to meet this obligation, and by so doing we can rightfully and fairly give to every loyal citizen some of the benefits of a just government and thus restore, in a measure, to all some of the fruits of their toil and labor.

Mr. DOUGHTON. Mr. Chairman, I yield 45 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, life is a journey upon the road to death. Some of us quickly end our pilgrimage at the station marked "infancy." Shortly thereafter others complete their mission upon the course named "childhood." Many fall by the wayside on the grave marked "adolescence." Countless numbers falter on the highway called "young age." Innumerable throngs collapse upon the main road marked "middle age." Eventually all the rest who have escaped the perils along this mysterious road conclude their journey to eternity when they pass from the station "old age", through the gates of death, to that bourne from which no traveler ever returns.

The present bill before the House of Representatives is one that provides for and attempts to take care of every victim of social and economic insecurity from the time of birth until death. This humane legislation begins with the queen and the angel of the home, the mother. Since God could not be everywhere, he created mothers to take His place. This bill makes it possible to look after the welfare of every expectant mother in the villages and rural sections of our country during the critical periods of her life's existence, which are childbirth and the preceding prenatal care. In the past millions of mothers have made the supreme sacrifice and died on the altar of childbirth, caused by the disease known as "puerperal sepsis", or blood poisoning.

It was in the year 1843 when the distinguished New England doctor, surgeon, and literary genius, Oliver Wendell Holmes, then a practicing physician, announced to the people of our country that puerperal sepsis, commonly known as "blood poisoning", from which thousands of mothers in his time had died after childbirth, was due to nothing else but dirt. This disease was caused by the introduction of dirt into the generative tract by unclean hands and unsanitary material used during the period of obstetric delivery. Oliver Wendell Holmes was laughed at, jeered at, humiliated, and humbled, as are all men and women who are pioneers and crusaders in a new line of thought or endeavor.

Several years later Professor Semmelweiss, an obstetric professor in the University of Budapest, Hungary, from 1850 to 1865, unfamiliar with Dr. Holmes news, announced to the physicians of Austria and Hungary his belief that puerperal sepsis was caused by unclean methods of delivery that spread infection through dirt. His fellow physicians and the midwives of his time excoriated and pilloried him. They denounced his views. They laughed at him. They literally spat at him. His delicate mind and his sensitive soul could not resist nor withstand the ravages of this ridicule. He lost his reason and in 1866 died in an insane institution in Budapest.

Two years ago when I was in Budapest I stood in reverence in front of a beautiful monument that Hungary had belatedly erected to commemorate the memory, the name, and the fame of its illustrious pioneer and crusader, Professor Semmelweiss. Here was a scholar and a scientist who was driven to his death because he had given the world the principles that other physicians and surgeons today believe in, that puerperal sepsis or blood poisoning, caused in childbirth, is due to a dirt infection at the time of delivery.

Mr. Chairman, a few millions spent each year to nurses, midwives, and doctors to help them bring children into the world cleanly and healthily would not only save the lives of thousands of mothers but would also usher the young into the world in healthier, more sanitary, and more decent conditions.

In the rural sections of the United States and in the smaller villages we have very few nurses, midwives, or doctors. A kindly friend, male or female, may be the only one to help to bring the child into the world. This humane and constructive legislation, embodied in this bill, would save the lives of millions of our mothers in the future, and help to perpetuate the home and the angel of the home—the mother.

Mr. Chairman, previously this maternal legislation was known as the "Shepherd-Towner Act" or the "Shepherd-Bankhead Act." This legislation was only put into operation for a few years and died because no appropriations were made to perpetuate its work. In the past its work was only of a temporary nature. The present legislation will be permanent and a living monument to Franklin Delano Roosevelt.

This bill makes its tenure permanent in character and lasting in its results. It will be an ideal, worthy to be emulated by every civilized government of the world. [Applause.]

Mr. Chairman, another section of this humane and constructive bill provides for child welfare. This section would take care of infancy and childhood until the age of puberty. The weakest links in the chain of home life everywhere are the two extremes of life, young age and old age. A generation ago 1 out of every 4 young that were brought into the world die during the stage of infancy. They had no opportunity to develop into childhood or adolescence. Today, through the medium of science and medicine, through serum and antitoxin, and the countless contributions of prophylactic treatments, coupled with hygienic regulations and legal restrictions placed upon the exploitation of childhood, we are enabled to raise children, with the result that the mortality tables today show only 1 out of 8 dying before they have had a chance to develop into young adult life.

The laws of our country and society have aided the young children of the present generation by prolonging legal childhood to the age of 16, which ends the compulsory educational period required by law.

A soldier fighting in the trenches of France, with bullets passing and bombs exploding over him, with poison gas about him, has a better chance to escape with his life, than has a child coming into the world to live and to reach young adult life.

Mr. Chairman, the mother may be the queen of the home, but the father is the breadwinner, the provider, who keeps the home intact. The home is the foundation of all society. Upon it the superstructure of all government must rise. Destroy the home and you destroy the most sacred human institution devised by mankind.

Death, through the loss of the breadwinner, has broken many a home. For centuries the widows, orphans, and dependent children have cried aloud for help and assistance in their tragic periods of economic insecurity. In the past the only recourse for orphaned children was the poorhouse, almshouse, and the orphan asylum.

The twentieth century of civilization has awakened our citizens to the duty and obligations they owe to these unfortunate orphans. Forty States in our Union have thus far enacted widows' pensions or child-welfare laws, to protect these innocent orphaned victims of previous inhuman capitalistic and legislative indifference. [Applause.]

Widows' pensions and child-welfare laws have had the spirit of humanity breathed into them by permitting the mother to have the custody of her own brood in her own home, by having the State give to the mother the money it formerly gave to an institution to take care of these orphans. In this way the State has preserved the integrity of the home. In its own home the child becomes the beneficiary of the tender love, the gentle solicitude, and the gracious care of its own mother. In an institution a child becomes a mechani-

cal automaton. In its own home it is treated as a human being. Children reared in an orphan asylum lose their affection for those they should love. In the home the ties that bind the child to its mother are firm, unyielding, and enduring.

This bill, so carefully conceived, further protects the home because millions of dollars are granted by the Federal Government to the States, that will eliminate the orphan asylums and restore the orphaned child to the custody of its own mother, who is the proper and noblest guardian of childhood.

Mr. Chairman, if people who are physically and mentally perfect in every way cannot find work to guarantee their economic security, what is to be the fate of those children who have been handicapped by nature by being crippled, maimed, deformed, disfigured, blind, and deaf through congenital causes or diseases of childhood.

"A sound mind in a healthy body" was the slogan, or dictum, enunciated by the famous seventeenth-century English philosopher, psychologist, and educational thinker, John Locke, in his famous work, Some Thoughts Concerning Education. The fact that he was himself a physician of great repute, coupled with the thought that nature had endowed him with a delicate physical constitution, made him realize the vital importance and value of having a healthy body.

Our great humane President, Franklin Delano Roosevelt, a father, a victim of infantile paralysis himself, knows what a long, hard fight has to be made to recover from the ravaging infirmities of infantile paralysis and other diseases that have pitifully crippled and maimed some of the youth of our country.

This constructive legislation and appropriation amounting to $2,850,000 in this bill offers to every crippled, deformed, and paralyzed child, whose parents cannot afford to pay for treatment, every scientific, medical, mechanical, and physiological relief to restore them to health. It assuages the grief, the anguish, and the suffering that accompanies the complications of childhood diseases which afflict its unfortunate victims with chronic infirmities.

This result is accomplished in this legislative bill through rehabilitation and vocational guidance and constructive and corrective devices that are designed to restore a sound mind in an otherwise afflicted and paralyzed body, so that these children may ultimately become useful citizens of our Republic, capable of being self-supporting and self-respecting.

Mr. Chairman, the period of adolescence is the critical and trying time in young adult life. The physiological changes that take place in puberty are responsible for the mental aberrations so common and prevalent in youth. Scientific medicine contends that juvenile delinquency, incorrigibility, changes of disposition, temperament, and character are attributable to the endocrinological disturbance caused by puberty.

This humane bill appropriates millions of dollars to aid these unfortunate victims of adolescence, through scientific medical supervision controlled in the Bureau of Child Hygiene, thus contributing to the normal restoration of these young people as useful citizens of our Republic, instead of filling our penal institutions with juvenile delinquents. [Applause.]

Mr. Chairman, between the ages of 20 to 60 is the great productive period of human existence. Through labor, commerce, industry, agriculture, science, art and literature, and all collateral forms of human endeavor, the progress of mankind throughout the civilized world has been accomplished.

The one sublime and great ideal for which all those people who work through brain and brawn would eternally be grateful for is economic and job security. Mankind the world over is profoundly interested in one fundamental concept; that is the privilege to work and to support loved ones who are dependent on that work for the amenities and decencies of life. The chronic deterrent that has prevented mankind throughout the world, between the ages of 20 to 60, from being blessed with happiness, contentment, and social and economic security is the tragic economic disease called unemployment.

The problem of unemployment is today not a problem of any locality nor any country, nor of any political party, but is world-wide and universal in its proportions. Nothing affects the average individual so closely as the question of the preservation of life with economic security. It is only after these necessities are satisfied that an individual can turn his thoughts to problems of politics, society, education, science, art, philosophy, or even religion. Society as it is constituted today, and has been constituted throughout all the ages, has taught humanity the fact that the necessities of life can be obtained only by the "sweat of one's brow." It has ever been the rule that those unwilling to work do not deserve to share the material goods of the world. The tragedy of unemployment today, however, is that men are willing to work, but can find no work for their hands or brains.

In order that the remedies for the relief of unemployment, particularly unemployment in the United States, may be properly understood, it is necessary that we have some conception of the historical aspects of this difficulty. Unemployment has plagued mankind from time immemorial. It has been with us from the time that society became organized and humanity gave up its nomadic existence and the freedom which such a life implies for the greater protection which an individual receives in group organization.

The annals of ancient history give many examples of the problems of unemployment and how it was successfully temporarily solved. In the Bible there is the story of Joseph who was called in as an expert by the Egyptian Pharoah of his day to solve a problem which was then appearing on the horizon, namely, unemployment for an appreciable number of years. Joseph suggested that a sufficient store of materials be set up during the years of plenty to supply the needs of the 7 lean years that were in the offing. The Phoenicians were the commercial group of the Semitic nation. They settled in Africa and founded the ancient civilization known as Carthage. They explored the mining districts of the British Isles, and brought back iron, tin, and copper to Phoenicia, there to be converted into bronze. For the Phoenicians, therefore, the solution of their problem of unemployment lay in expansion or colonization in other parts of the world.

The Greeks had a similar cure for this problem, for when in the small country of Greece the press of increased population made employment difficult, settlers were sent to what is now Sicily, and there established a center of commerce at Syracuse. They also sent their legions to Asia Minor and established settlers' colonies there. In Sparta the problem was met in another manner. This communistic country, which rigorously supervised the life of all the members of its community, decreed the extreme penalty of killing the weak so that only the strong might survive. This, of course, tended to keep down any rapid increase in population, and eventually Sparta perished as a result of the very remedy she thought would help her in her survival.

Rome, the first great Empire of history, was confronted with the problem of unemployment early in its career. Following the conflict between Rome and Carthage the problem was relieved by the subjugation of the latter country. The natural growth of population of Rome, nevertheless, soon presented again the problem of unemployment. To solve it Rome resorted to the methods of Phoenicia, namely, colonization. Consequently, Roman soldiers planted their flag in Spain, in Britain, in the Balkan States—which are now known as Rumania, Bulgaria, and Yugoslavia—in Hungary, in Asia Minor, and on the northern coast of Africa. Always following the flag went the civil population, anxious to leave overcrowded Rome and Italy. They would rather be, first, in any place where they could find employment, economic security, and profitable labor than, second, where they would constantly be on the brink of starvation. The influx of barbarians and slaves deprived the native Romans of labor and employment. This was one of the conditions that finally caused the great Empire to collapse in the year 476 A. D.

Following the collapse of the Roman Empire the organization of society entered into the feudal system, which was the political, social, and economic set-up of the Middle Ages. The feudal system, while it destroyed or curbed the indi-

vidual liberty and freedom of men and women, narrowing them to a confining locality, nevertheless gave a fair guaranty of employment to the workers, thus assuring economic security. The feudal lord unquestionably was master of the soul and body of the toiler. The laborer was bound to the soil by a process akin to involuntary slavery. While he served his master he had bread to eat, a roof to shelter him, and clothing to wear. Did the peasant prefer to surrender his liberty and freedom in return for a guaranty of economic security? The doglike fidelity of the medieval serf to his lord, the loyalty of generations of apparently willing peasants to generations of overlords of the same family, showed that the feudal serf of medieval times did prefer the benefits of economic security to liberty itself.

Not all people were happy, however, with this compulsory service to their overlords, and among those were many who were obsessed by a desire for liberty and individual freedom. These people, together with others who were unemployed, or rather who refused employment under feudal conditions, left their native lands in search of adventure and constituted a part of the personnel of the great religious armies known as the "Crusaders", who also were merchants and traders.

Self-sufficient as the economic society of the Middle Ages was its people were nevertheless dependent upon the outer world for some essentials of good living. The serf could grow his own food supply, spin his own wool, make his own agricultural implements, design all of his own clothes; but for the spices of life he had to look to the Orient, to the far romantic East. The medieval person knew of no ice as a means of preservation of food. He was far from the day of electrical or gas refrigeration. The spices of the East were absolutely essential for him in preserving his food over a length of time and to keep it from decaying in the heat of the Tropics.

The spread of Mohammedanism and the victorious armies of the Turks barred western Europe from direct communication with the Far East, particularly after the capture of Constantinople by Saracens in 1453. To prevent their overland caravans and maritime cargo ships loaded with rich merchandise from falling into the hands of the Mohammedans the people who inhabited the continent of Europe were of necessity compelled to look for other routes to India and the Far East, such as the expeditions of Vasco de Gama and Columbus. While the Americas were being colonized they remained for many centuries too remote for the bulk of European population to migrate. In the sixteenth and seventeenth centuries we find wide-spread unemployment worse than that of today. So prevalent, indeed, was unemployment, that the man power of the world was only too happy to be employed as professional soldiers in the frequent wars that characterized this period. Slowly, but surely, the colonies of the New World began to absorb the unemployed of the old. Since the inception of the industrial revolution and the war for American independence, colonization in other continents has progressed so rapidly as to relieve temporarily the economic pressure in European countries.

For the Modern Age, the latter part of the eighteenth century witnessed the development of the industrial revolution in England. The invention of machinery transferred many farmers to the factory and thousands of farms were deserted. Commercial cities sprung up, new captains of wealth were created, and capitalists accumulated tremendous fortunes.

The workers shared very slightly in this era of industrial prosperity. Instead they suffered from the evils of this new system which brought about low wages, child labor, long hours, industrial accidents, and industrial diseases. Summarizing the results of this industrial revolution in England, we find 12 percent of its population rich and comfortable, while 88 percent of its inhabitants were in abject poverty and destitute circumstances. However, the great redeeming feature of the industrial revolution was, that it brought about the destruction of the feudal system of agriculture by the vast movements of men and women from small isolated farms to the factories of urban communities.

From the Franco-Prussian War of 1870 to the inception of the World War in 1914 an economic era was ushered in which reached the highest peak of prosperity the world has ever known. The full fruits of the factory system were being gathered by all civilized nations of the world. European powers extended themselves into the distant continents of Africa, Asia, and Australia. There they founded colonies, not only for political purposes to satisfy national pride but primarily to furnish raw material for the use of the factories in England and other European nations, which materials were there converted into finished products, to be shipped back to the colonies for their consumption.

That is why England did not permit America to manufacture in the early history of our career, but compelled the colonies to send the raw material to England, where they converted it into manufactured goods, and sent the goods back to be sold to the colonies.

That is the reason America, at the inception of our Government, was 98 percent agricultural and 2 percent industrial.

During the World War the problem of unemployment disappeared. The armies absorbed the unemployed, and the tremendous increase in consumption of war materials stimulated the demand for supplies which taxed the resources of both machine and man powers throughout the world. Following the termination of the war, however, the reaction set in, and a condition exactly opposite to that which prevailed during the war period was ushered in, resulting in wide-spread unemployment.

What is the reason for unemployment in modern days? The primary cause is overproduction of material goods, bringing about a decline in price, with a lessened production and consequent unemployment. What are the factors which contribute to overproduction? These are: First, lack of economic markets, because practically every habitable portion of the globe has already been populated and has been, or is, on the verge of being industrialized. Second, the invention and use of labor-saving machinery has displaced thousands of men and women. Third, the instance of seasonal trades, characteristic of highly civilized communities, in which styles change frequently and producers are afraid to anticipate future requirements. Another great factor in the production of unemployment is the unfortunate bankrupt financial condition of most of our country's 40,000,000 farmers who are potential buyers. However, because of their lowered income, this great buying power is lost, with the resulting unemployment of the thousands who would otherwise be required to supply the farmer's needs.

Mergers and combinations of big business also create wide-spread unemployment. They throw the middle classes out of business and force them down to the level of employees; thus they create a large class of individuals seeking employment without increasing the opportunities for finding work. Other significant causes of unemployment, particularly in our country, were the great tidal waves of immigration, which began in the end of the eighteenth century and until 20 years ago brought into our country millions of people seeking employment.

Serious as the condition of unemployment in our country is today, it is not hopeless if we have the courage to face the facts and apply the proper remedies. What are these remedies? They are, first, political; second, economic; and third, social.

Politically we can aid in alleviating the conditions of unemployment by promoting international peace, so as to render wars improbable if not impossible. Post-bellum reconstruction always brings unemployment in its wake through the return of the soldier to industry. Let us, therefore, war on war. Peace should be our ideal, our hope, our aspiration. [Applause.]

Economically the solution may be of two characters. First, by lessening the overproduction, by agreement in various industries; and, second, by increasing consumption of commodities by encouragement of liberal terms, such as credit to debtors, particularly in periods of economic stress.

Socially the solution of unemployment concerns itself to the attitude of the Federal Government toward the indi-

vidual. How can the Nation aid? The Government can assist business, industry, and labor in the following manner:

First. The national abolition of child labor, now accomplished through the National Recovery Act.

Second. The limitation of the labor of women in hazardous industries.

Third. The establishment of a national system of old-age pensions as provided in this bill.

Fourth. The perfection of unemployment insurance in times of prosperity to provide for the unemployed in time of distress.

Fifth. The institution of a vigorous, scientific, and practical program of farm relief to rehabilitate agriculture, the basis of all industry. [Applause.]

Sixth. Governmental supervision of any trust or mergers that are in their nature monopolies and which threaten the well-being of the Nation.

Seventh. The liberal extension of credits by banks in cooperation with the Federal Reserve System to every deserving business organization engaged in commerce, industry, and agriculture.

Eighth. The rapid construction of public works to aid in absorbing the number of unemployed.

Ninth. By solving the problem of the distribution by the middleman, who adds to the cost of distribution a tremendous overhead, which is responsible for many evils now inherent in our method of distribution.

Tenth. By stabilizing our currency and arranging for the disposition of exportable surplus and by an adjustment of the gold to silver ratio, which may stimulate trade with silver-standard countries.

Eleventh. By increasing consumption. It is easily conceivable that if the 15,000,000 unemployed were given the means, through employment, of purchasing consumable goods, that factories would soon get busy again. Therefore the purchasing power of the unemployed must be increased.

This is the social program our Government must adopt to combat the ravages and tragedies of unemployment. Unemployment is the cancer of our body politic, eating at the vitals of our Nation and crumbling the economic structure upon which our entire western civilization rests.

The ability of our Government to check unemployment in our country will be the barometer of the civilization of our time. Our Government must ultimately stand or fall by its ability to solve this problem. [Applause.]

It is upon the economic security of its man power that society must rest. To combine individual liberty with economic security of labor is the paramount and great problem of our age.

The extraordinary fact about this splendid bill is that in the future it will provide unemployment insurance to those who are the unwilling derelicts and driftwood of our social, commercial, and capitalistic system.

Mr. Chairman, so long as the profit motive is the animating and fundamental concept of capitalistic rugged individualism, so long will the few, at the expense of the many, control the wealth of our Nation, and unemployment must always prevail. [Applause.] This bill seeks to minimize unemployment by cushioning with unemployment insurance any critical period of unemployment that might afflict us in the future.

Mr. Chairman, despite the sunshine which floods the road upon the highway of life, the path of human progress toward peace on earth and good will to mankind has been lined with rocks, thorns, and thistles.

Among the great assets of human progress may be listed the tremendous achievement of the arts and the sciences, particularly the strides made in medicine toward the conquest of nature. The annihilation of distance both in transportation and communication, the victory over man's visible foes in animal and vegetable life, and the compelling of nature to yield of its stores in greater profusion than ever before, are some of the assets to be credited to modern civilization.

On the other hand we must not blind ourselves to the liabilities which are present in our midst. These seem to spring from the very progress which ought to annihilate them. The destructiveness of modern warfare, the unfair and unjust distribution of wealth to labor, the viciousness of modern propaganda, and the evils attendant upon our highly agricultural and industrialized age, are some of the outstanding dangers which mankind still has to conquer. Of all these complex problems none perhaps is greater or affects more people than does the hazard of old age.

I do not speak of the dangerous disease of old age, but of the economic insecurity which today affects those of our population who have reached the age of 60 or 65. This is a problem which is terrifying to those whom it affects and which strikes at the very soul of their existence. In this so-called "twentieth century of civilization", in this, the richest country in the world, we find men and women past the age of 65 compelled to surrender their self-respect and become dependent as charitable wards, either on the community or on relatives or friends who in many instances are as badly off as those who depend upon them.

Old-age dependency is definitely and positively one of the great tragedies of modern economic progress. Scientific medicine has made it possible for mankind to live longer than formerly. Two generations ago the average age of man would be about 40; today the average man lives until he is 58, and the same scientific applicances that have been utilized for children to grow and develop have been placed around the old father and the mother, so that old age and longevity have been increased. Formerly, out of a total of 100,000 people, 41,000 would reach the age of 65. Today 52,000 of such an original number will live to be 65. Because of the increased expectancy of life, the number of persons 65 years of age and over in the United States has been steadily increasing, and the consequences are that, while those fathers and mothers are living longer than before, the economic and industrial conditions that confront them in our Nation has made it impossible for them to find work, and the only way they can subsist and save themselves from penury, hunger, and want, is for them to join the great caravan that finally wends its way over the hill to the poorhouse.

Only 6 percent of all the old people employed in private industries can expect pensions in their old age, while the balance, or 94 percent of them, can expect nothing, depending only upon their savings. If, unfortunately, their income did not permit them to save for old age, or they lose their money through unfortunate investments, then modern industry throws them back upon the community as human driftwood and wreckage that is useless because of life's wear and tear. Thus we behold our wage earners transformed from a group of hopeful, independent citizens into a class of helpless poor. In some States of the Union it is a crime to turn out old horses to starve; still society lets its old men and women starve in their old, unemployed age unless they take the last pilgrimage upon the road that leads them pathetically to the almshouse and poorhouse. [Applause.]

How many old men and women have we? There are today over seven and a half million people past 65 years of age in the United States. Four and one-half millions are between the ages of 65 and 70, a million and a half between the ages of 70 and 75, and a million between 75 and 80, and there are three-quarters of a million people 80 and over, until life finally terminates. The number of old people in our country is now twice greater than the original population of the entire Thirteen Colonies.

Statistics of all the money spent in the almshouses and the old-age homes of our country show that 32 percent went as administrative expense, 38 percent for operation of the plant, while 30 percent went for inmates' maintenance. In other words, out of every dollar contributed to the almshouse, 70 cents went for administrative and operative expense, the so-called "overhead", while 30 cents went directly for the old fathers and mothers.

Every State of the Union, with the exception of New Mexico, has almshouses for the poor. In 40 of our States the almshouses are county institutions. Here in these almshouses are huddled together the feeble-minded and the epileptic, the crippled and the maimed, the idiot and the imbecile, the abandoned child of the prostitute, the broken-down

criminal, the chronic drunkard, the victim of loathsome and contagious diseases, and venereal infections, and last but not least, the superannuated toilers of labor and industry, our fathers and mothers. Veterans of dissipation and veterans of peace and industry living together under one roof. Is it fair? Is it just? Is it humane?

To me it is a pitiful and tragic indictment of the civilization of our times. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SIROVICH. Mr. Chairman, I ask unanimous consent to proceed for 15 more minutes.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 15 additional minutes.

The CHAIRMAN. The gentleman from New York is recognized for 15 additional minutes.

Mr. SIROVICH. Mr. Chairman, what are the causes of old-age dependency? First and foremost is the impairment of health. Sickness and disease exact a terrible toll. In old age the resistance of a person is diminished and he becomes susceptible very easily to the ravages that come in the wake of vocational and industrial pursuits. Tuberculosis among the miners; pneumonia amongst the steel and mill and factory workers; rheumatism and heart lesions from working in damp and wet occupations; asthma, bronchitis, and skin lesions amongst fur workers; lead poisoning amongst painters, and countless other maladies too numerous to mention. Unfortunate business investments, alluring advertisements, high-pressure salesmen have ruined many an old father and mother. Bank failures have sent many an elderly couple to the almshouse when the savings of a lifetime were lost. When the waning earning power of old age in competition with young age and machinery manifests itself, ambition collapses, hope is transformed into despair, and, with relatives and friends gone, death or the almshouse is welcomed as the final relief. The greatest curse of old age, however, is unemployment, which has lately increased through the productivity of machinery. Everywhere discrimination is practiced against the older employee in favor of youth. In modern industry today we see the exemplification of the vicious principle "Equal opportunity for all, except those past the age of 45."

Another factor driving older men and women toward pauperism is the lack of family connections. One-third of the almshouse paupers throughout the United States have never been married, another third are widowed, and one-third are still married. The great majority of aged dependents in almhouses and infirmaries are childless.

Other causes for dependency are the victims of the ingratitude of children who have forgotten the divine injunction given to Moses upon Mount Sinai, when God gave him the great commandment which says: "Honor thy father and thy mother, that thy days may be long upon the land which the Lord thy God giveth thee."

Loss of wife, husband, or children very quickly brings about the transition from independence to dependence.

Scientific medicine has increased the span of life in less than a century from 39 years in 1840 to 58 years, which it is today. So that today we have 7,500,000 people over 65 in a population of 125,000,000.

Last but not least, the greatest cause of dependency in old age is the terrible toll that industrial accidents take in human and economic values.

During the period from 1910 to 1920, a period of 10 years, there were more men and women maimed and crippled in the industries of the United States than were lost in all the wars of our Nation from the time of the American Revolution down to the World War. In the years 1917 and 1918, when our expeditionary forces went across the ocean to fight to make the world safe for democracy, there were more men and women killed in the industries of our country than there were American soldiers and sailors killed and wounded by the hostile forces fighting in Europe. In the year 1919, according to the report of the Federation of American Engineers, in this country 23,000 people were killed in our industries and 3,570,000 workers were crippled and injured in the performance of their duties so that they had to stay off for 4 weeks or more from their employment. If the prevailing rate of wages, according to the National Employers' Association, amounted to $27.25 per week for the year 1927, it would mean $4 a day for 300,000,000 days, or a loss to labor and industry of $1,200,000,000 a year.

It was these frightful conditions, ladies and gentlemen, that prompted the people of the country of ours to interest themselves in the subject of old-age pensions. In 10 years the principle of old-age pensions has been approved in 29 States and 2 Territories of the Union.

Social-service workers and authorities on old age have agreed that any individual who has reached the age of 65 or over and possesses no property or whose income is less than $300 a year must become a dependent upon his family or his community. In 1930, 3,000,000 people were supported wholly or in part by others. Think of it, one person out of every two past 65 years old is supported by your community! What are the factors which are responsible for this very serious situation?

1. First is the increased span of life. Accompanying this increase in the individual's life is the elimination of opportunity in industrial occupations. All of us are familiar with advertisements for help wanted. Applicants must be under 40 and sometimes even under 30 years. Some restaurants will not accept waiters over 25 years. Thus the aged worker is progressively eliminated from industry. The chance to obtain a job seems to vary in inverse proportion to the age of the men after 30 or 40. In this great machine age where mass production reigns supreme, we behold the tragic formula of equal opportunity for all with the exception of those past the age of 45. [Applause.]

2. The second factor in old-age dependency is that of family relations and the mode of living. Before the intense centralization of industry arrived in large cities, homesteads were kept and there was always room for grandpa or grandma at the fireside. Today, with apartment-house living, no room for the aged exists, and they of course become dependent upon the charity of the community, or inmates of almshouses.

3. The number of old-age dependents are four times as great among men as they are in women. For sentimental reasons mothers more often will find a home with their children than will the father of the family. At the same time it is interesting to note that there are four times as many single men dependent upon charitable assistance as married men.

4. The collapse of over 4,000 banks, carrying the life savings of hundreds of thousands of old people, has destroyed their hope of providing for the future. High-pressure salesmanship, selling worthless securities to these old people, has robbed them of millions that would have provided for them in their old age. Ill health, of course, is a factor in old-age dependency.

5. Perhaps the most important factor of all that constitutes old-age dependency, is the low wages paid to unskilled labor during the productive years of life. By low wages, I mean a salary which allows only body and soul to be kept together, but which makes no provision for old-age saving or insurance. That this is definitely true is shown by an authentic report by the State of Pennsylvania in 1925, to the effect that the male almshouse population is recruited largely from the ranks of unskilled labor. Another study, made in 1910, showed that out of 58,000 males admitted to various almshouses in the United States, 37½ percent were common laborers. In New York State, a study of 1,700 men receiving old-age pensions, showed that 50 percent were unskilled and semiskilled laborers.

To summarize, therefore, it must be evident to us that the factors which make for old-age dependency are not within the control of the individual himself. It seems definitely certain that social and economic forces which no single person can guide or control are in the main responsible for the appalling condition of old-age dependency in the United States.

To my mind, old-age security must be solved and the terror of old age removed if the United States of America is to fulfill its destiny. [Applause.]

We physicians constantly urge care of the body in infancy, youth, and maturity in order that physical perfection may be at its highest throughout life. Of what use is such urging by doctors—and care of the body by the average person if, at 40 or even 50 years of age, that body is to be scrapped as old metal and thrown away as human junk?

In some States of the Union, as I stated before, it is a crime to turn out old horses to starve. They must be fed or destroyed. Shall we feed, clothe, and house our aged, or shall we destroy them as old horses are destroyed? The very thought of it is a tragic indictment of the civilization of our days. [Applause.]

We have been dodging the problems of old-age pensions by expedients of various kinds. But no expedient ever solved a problem. The only solution of this condition is by thorough consideration of all the facts that will honestly solve this matter.

For many years on the floor of Congress and elsewhere I have advocated pension for the aged—old-age pensions—and have made studies of the conditions covering the subject that have run over a long time. I have fought steadily and consistently for this ideal of humanity for years and shall continue to battle until it is won for every old man and woman. Economic security must be assured to all citizens in their old, declining age.

Let me repeat, gentlemen of the House, no society can survive that allows its men and women to starve in their old and unemployed age, and forces them, to avoid hunger and want, to take the last pilgrimage of their lives on the road that pathetically and tragically leads over the hill to the poorhouse.

Old-age dependency is but one of the terrible social risks to which man is subject today. What are some of the other risks? They are industrial accidents and occupational diseases; temporary or prolonged sickness; permanent invalidity; old age; maternity; unemployment; death of the breadwinner, involving dependency of widow, orphans, or other dependents; sickness of members of family; burial.

What is the remedy? Let us look at what foreign countries are doing. Of all the civilized nations of the world, 42 have adopted the principles of old-age pensions. There are three forms of old-age pensions operating throughout Europe, south Africa, South America, Canada, Australia, and New Zealand. The first is called the compulsory, contributory form of old-age pensions. This system consists of compelling each workingman from 16 to 65 to contribute a part of his income to a general national fund, the amount to be contributed being anywhere from 2 to 5 percent. The employers contribute a like amount, and the government contributes a third portion. This amount stays in the coffers of the nation until the man becomes old and enfeebled and arrives at the age of 65, when he becomes the beneficiary of his labor and efforts. Twenty-eight nations of Europe have adopted the principle of the compulsory, contributory form of insurance, and amongst them are the three great nations—England, France, and Germany.

Germany was the first to start this movement, under the influence of the Iron Chancelor, Bismarck, in 1881. Today there are 20,000,000 workers enrolled who, when their time comes, will be the recipients of an old-age pension which will make them love and respect their fatherland and make them realize that they are receiving the kind of protection and security which it is the duty of every civilized government to provide for its citizens.

Germany also provides its citizens with invalidity insurance, widows' and orphans' pensions, as well as sickness and unemployment insurance.

In 1908 that conservative and great nation, England, under the leadership of Lord Asquith and Lloyd George, introduced the noncontributory form of insurance. In 1925 greater modifications were made in the bill to conform with Germany's system, so that England today stands upon the same pedestal in old-age-security legislation as Germany. It adopted in toto the entire theory of compulsory, contributory insurance. Out of 17,000,000 workers in England, 16,000,000 have subscribed to the principle of old-age pensions.

France has 7,500,000 of its working people enrolled under the roster of the compulsory, contributory form of old-age pensions.

The second system, under which 10 nations operate, is called the "noncontributory form" of old-age pensions and is colloquially known as the "straight pension system." This system provides for no contribution by any toiler, but when a workingman arrives at the age of 65 he receives his pension as an evidence of the interest which his government maintains in him. Industry cannot throw him away as a wreck upon the ocean of life.

The nations which have adopted this noncontributory form of old-age pensions, or straight pensions, are such countries as Denmark, Canada, New Zealand, Australia, Iceland, and Russia.

The third form of old-age pensions is the kind known as the "voluntary savings" type, under which an individual puts away every week in one of the postal savings of the government a certain amount of money from his allowance and the government contributes a subsidy to equal it. The individual, however, cannot use it until he arrives at the age of 65. The nation which started this principle was Spain, and today Japan is operating under that system.

There are 1,900,000,000 men and women in this world and 600,000,000 of them have subscribed to the different forms of old-age pensions. They will be the beneficiaries of an old-age pension system in the declining years of their life. So we have the wholesome spectacle of 42 nations of the world interested in the preservation of human life. The only three nations of the whole world that have not adopted the principle of old-age pensions are China, India, and the United States. I am making the plea to have our country withdraw from the company it is keeping with China and India and march onward with the civilized nations of the world. [Applause.]

Mr. Chairman, the true patriots of our country are not only the men who bared their breasts to shot and shell and were ready to give their lives upon the battlefields of our country so that our Nation should be preserved, but there are also the veterans of peace, men who have worked in the quarries of life, in season and out of season, and have contributed everything that they hold near and dear in life to the peace and prosperity of our country in times of peace.

Just as we pension the veteran for his patriotism in time of war we should pension through the principle of old-age security the old father and mother who have battled for our happiness and our success in time of peace.

I want to see America marching with England, with France, and Germany, not only on the basis of an agreement for naval and military disarmament but on the basis of humanitarian disarmament, that would make the world safe for humanity to live in peace, tranquillity, and happiness until Divine Providence calls them to rest in eternal sleep. [Applause.]

Mr. Chairman, often have I sat in the House and listened to resolutions put through by some of the distinguished men of this historic forum. A few years ago a bill was passed appropriating $50,000 to determine why fishes do not enter the harbors of certain sections of our country. Recently another appropriation passed the House spending thousands of dollars to determine the cause of death of old trees in the forests of our Nation. At the last session of Congress thousands of dollars were appropriated to determine the cause of disease among cattle. I have seen thousands of dollars spent to conserve our oil resources. Millions have been spent to eradicate the corn borer, the bollweevil, the Spanish fly, and the Japanese beetle.

Mr. Chairman, the present bill under debate and discussion is an American bill. It is a humanitarian bill. It is in consonance and in conformity with the teachings and the preachment of the great Savior. It is in harmony with the greatest commandment of all commandments. Mr. Chairman, the time has come, the hour has struck, and the

moment has arrived when the United States has to declare whether it shall fall behind the cultured and civilized nations of the world or is willing to march side by side with those nations that have put human rights on the same parity as property rights. [Applause.]

Mr. Chairman, we have had 74 Congresses of the United States since the inception of our Government. What man in Congress here can state to me which Congress stands out preeminent? What Member can tell me the Congress that has done the greatest good?

All I know is that the Twelfth Congress was the Congress that declared war against England. The Twenty-ninth Congress was the Congress that declared war against Mexico because of Texas. The Thirty-seventh Congress was the Congress that brought about the Civil War and gave freedom to the Negro. The Fifty-fifth Congress was the Congress that brought about the freedom of Cuba, which involved us in the Spanish-American War. The Sixty-fifth Congress was the Congress that declared war against the Central Powers of Europe, and the Sixty-third Congress was the Congress that brought about the Federal Reserve System that protected the rights of money in banks against financial collapse so that our material wealth would be protected as the years go by.

I would like to see the Seventy-fourth Congress of the United States, ere we make our exodus from this historic forum, declare war against the inhuman treatment of our elders, so that they may continue to live in their own homes that have been hallowed with sweet memories, tender with pleasant reminiscences. Home, where the prattle of children has been music to the ears of the parents. Home, that has always been dedicated to God and consecrated to the love of family life.

In the name of humanity I appeal to the membership of this House for the preservation of the home and all that it means, so that the gracious prayers of our older generation will pray for the life and happiness of the membership of the Seventy-fourth Congress of the United States for having given of their today that others might have their tomorrow. [Applause.]

Mr. Chairman, every manufacturer is permitted to deduct from his income tax certain sums for obsolescent machinery—for property that is wearing out. How about providing sums for the obsolescent men and women, and the obsolete men and women who have been worn out in their labor in the quarries of life? Are they not entitled to security in their human obsolescence? Are human beings less than machines? Is a human soul of less value than a contraption of iron, steel, and brass? Is property more sacred in this great Republic than human beings and human rights? Did the fighting founders of the Republic free the American Colonies from Great Britain, in order that later generations might immure them in economic slavery, and let their old carcasses waste away in hunger and poverty, or be put away in poorhouses with criminals, insane, and diseased others? God forbid!

Why should not employers of the labor on human minds and hands, be compelled to provide obsolescent security in the form of old-age pensions for those who have worn away the best years of their lives in service to the machine age. The cost is only 3 percent of the weekly pay roll, for the benefits that will come. For unemployment insurance the employee bears an equal tax of 3 percent with the employer who pays 3 percent.

In my career as physician, surgeon, and social worker, I have done everything in my power to further the ends of social justice. As one of the original members of the Widows' Pension Board in the State of New York 23 years ago, I have helped in the passage of many welfare bills, particularly those relating to the widows and orphans as exemplified in the widows' pensions and child-welfare laws, which have served as a model in 41 States of the Union and communities throughout the world. In my broader field of National legislation, I have centralized my efforts for the relief of old age through economic-security insurance and old-age pensions. These efforts have resulted in the repeated introduction of the Sirovich bill for old-age pensions during the past 10 years. In the Doughton bill, the solution of these social problems is the securing of old-age pensions through the compulsory contributory form of social insurance for every working person in the United States, the cost of which shall be distributed between workers and the employers.

Mr. Chairman, this is not socialism. This is not radicalism. This is not communism. This is humanitarianism! It proclaims to the people of our Republic, that since it is patriotic to pension our soldiers who bare their breast to shot and shell in order that our Republic may live, it is just as humane and patriotic to pension our old fathers and mothers who have toiled in the quarries of labor to make our country prosperous and glorious in time of peace. This is simple justice and the honorable discharge of a debt which society and our Republic owes those who labor in their behalf to make our Nation the richest in all the world. Every civilized nation on the face of the world has some form of old-age pensions with the exception of China, India, and the United States. Shall the United States, the richest, the greatest, and the most prosperous Nation in the world march arm in arm with medieval China or India, or shall it take its rightful place in the forefront of the great nations of the world battling for social justice to our forgotten old fathers and mothers. [Applause.]

Mr. Chairman, sooner or later the curtain of life will fall upon our earthly career. A little shaft will commemorate our humble memories. Let me sincerely hope and trust that in the far distant future when that time comes, that somewhere in Alleghany County, N. C., on such a modest shaft will be inscribed the sentiment:

"Here lies ROBERT DOUGHTON. Chairman of the Ways and Means Committee of the Seventy-fourth Congress. Father and sponsor of Federal old-age pensions, unemployment security, child welfare and health and maternity protection for the people of the United States." [Applause.]

BOB DOUGHTON—may the prayers of a grateful American public bring to you and your loved ones happiness in your heart, contentment in your mind, for having fathered and sponsored such inspiring and humane legislation, that will be an inspiration to others while you live, and a monument to your memory as well as our great humane President Franklin Delano Roosevelt, long after the rest of your colleagues shall be forgotten in the ashes of time. [Applause.]

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. COLDEN. First I wish to express my very deep appreciation for this marvelous contribution to the discussion of this subject. I want to call the gentleman's attention to the fact that when this discussion opened on last Friday the first gentleman who took the floor was our colleague [Mr. TREADWAY], of Massachusetts. He chastised severely this measure and the method of its introduction and its consideration. I would like to ask the gentleman from New York if he can give us any enlightenment as to the conduct of the Republican Party.

The CHAIRMAN. The time of the gentleman from New York [Mr. SIROVICH] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. MCGROARTY]. [Applause.]

Mr. MCGROARTY. Mr. Chairman, I want to thank the Chairman of the Ways and Means Committee for this courtesy. I want to tell my colleagues that the gentleman from North Carolina [Mr. DOUGHTON] actually had to go out of his way to get me this time. I slept on my rights. I did not appear when I should have appeared to ask for time. When I came to get this time, it had already been allotted and assigned; but notwithstanding that, Mr. DOUGHTON has rendered me the unusual courtesy of giving me this brief 20 minutes, and for that I thank him most sincerely. It is things like that which are leading me to like Washington a little. [Laughter.] When I came here first I was very much discouraged and depressed, and I did not know why; but I found out later it was because I did not know anybody, that I was a

stranger, and that I was lonesome and homesick among strangers. Now that I am beginning to know you gentlemen of this House, and particularly the ladies of the House, I am beginning to like Congress a little.

What I say, my colleagues, will not be for home consumption. It has been charged against some of the speakers here that what they said was for home consumption. I am here as a Democratic Member of this Congress from what I believe is the most rock-ribbed Republican congressional district in the United States. The great Roosevelt avalanche of 1932 slid right by it and never touched it; even our best earthquakes out there have been unable to shake it. [Laughter.] It went for Hoover like a thousand of bricks. They gave the Republican ticket last year a majority of something like 70,000. The Republicans of my district are a little ashamed if ever their normal majority drops under 50,000. Still I am here, elected on the Democratic ticket. I did not want to come; I have no very great desire to stay. So what I tell you is not for home consumption; it comes from my heart and from my own conviction.

I am thinking of what the distinguished gentleman from Tennessee [Mr. COOPER] said, and what the last very eloquent speaker, the gentleman from New York [Mr. SIROVICH] said. Both of them referred to the time when the curtain of life shall fall, on the last great day. I missed gestures they should have made that I have seen made by a dear old minister I used to know. He had but two gestures; one was to point his extended arm and finger upward and the other was to point an extended arm and finger downward. He wound up a sermon by saying: "When the roll is called up yonder I'll be there", his finger pointing downward. [Laughter.]

Mr. Chairman, I have given a good deal of attention, such as my poor little brain will permit, to the bill now before the House. I am wondering if what I heard so much out in California and even since I came to Washington was true, that legislation here in this Congress is being framed by college professors and that college professors are running the country. I have tried to find out about these college professors, if they existed, to get a look at them. Sometimes I felt they were purely mythical, but I had the good luck not long ago to meet one. I sat in the Agricultural Building in a big room with the Land Commission, and sitting beside me was Professor Tugwell. I engaged him in conversation and became very friendly with him. I told him that I was due in a few days among the old blue hills of Pennsylvania where I was born, to attend a birthday party and I wanted to take a contribution to the party and asked Professor Tugwell for a suggestion which he gave and upon which I acted. I am willing to say right now that if Professor Tugwell's ability in the science of government is as sound as the suggestion for me to take to the birthday party, I am willing to follow him blindfolded to the ends of the world.

Now, about these college professors; if it be true, as most everybody believes, that they are framing legislation, let us look back through the pages of history and find out what background college professors have. I have made some researches and I find that college professors did not write the Ten Commandments, nor the Book of Job, nor the Four Gospels. Nobody has ever told me that Matthew, Mark, Luke, and John were college professors.

College professors did not write Magna Carta, the Declaration of Independence, or the Constitution of the United States, or the Marquis of Queensbury rules; they did not even write that famous ditty, which was popular a few years ago, entitled "Yes, We Have No Bananas Today." [Laughter.] So why should we take without question what college professors tell us today? The bill before us has some funny little noises in it that sound a lot like college professors. Take, for instance, the old-age-pension title, title II of the bill, I believe. Now, I am the last man in this world who will ever believe that our great President suggested that title of this bill; I do not think he has that kind of mind. Do you think for a moment that our great President would say to the old people of this country: "I want you to have $15 a month, and you can have it from the Federal Government provided the States match it with an equal amount." I want to ask you which States can match it? I do not know any State in this Union which can match it; they are all on the rocks. I do not know one of them that could match it with 15 cents, let alone $15; and so the result is likely to be that there will be no old-age pension under this bill. But suppose there should be, then what is it? You can say if you want to that the great President of the United States will go to the door of a house where there are an old man and an old woman and say to them: "Here, grandpa; here, grandma, is $15 for you, and it is to do you for a month; it is 50 cents a day for each of you. Now, take it, and do not spend it in riotous living." [Laughter.]

I think college professors proposed that.

Mr. Chairman, we are proposing an honest-to-God old-age pension, the vision of a man who has been much sneered at and much jeered at in the city of Washington and in this Congress and by people in high official positions. A high official of this Government has said that the Townsend plan is "cockeyed"—a very dignified, statesmanlike expression from a high Government official. Another high Government official said it is ridiculous and grotesque. Now, we do not think so. We know it is not, and we know that anybody who sneers and jeers at Dr. Townsend knows not what he does.

Mr. Chairman, I have known this man for many, many years. He is my near neighbor in California, and I want to ask you and other people, where were you and where was I when Dr. Townsend, through the long hard years, rode the swollen rivers of the Dakotas, rode through the bitter blizzards when he was frozen to the marrow in his bones, risking his own life to save the lives of others? He never spared himself where the cry of human pain reached his ears. Who are we to sneer at a man like that? The last great day has been spoken of on this floor this afternoon. I hope to God when I stand with all the sons of man, three deep, before the gates of Jehoshaphat on the last day I can render to the Lord God of the ages even the shadow of the account that Dr. Townsend can render for himself. He is too good a man to be jeered at. He is as honest as the rain. He has a scientific, educated mind, and he has a soul and a heart that beats for his fellow creatures, and his life proves that. Shame on anybody that jeers at a man of that kind. He is jeering at his better. Dr. Townsend has been jeered at by people who are not fit to wipe the dust from his shoes, and I tell you that because I know him. I live where he lives. I see him every day in his daily life. I would trust him with my very soul in anything.

Mr. Chairman, I was seated here in the House a short time ago and an old friend of mine remarked about this crazy utopian, bedbug scheme, the Townsend old-age-pension plan. I asked him if he knew anything about it, if he had looked into the matter. He stated he had not, but said it was crazy as hell. Now, he does not know the first thing about it, and that is the way with a lot of other people. Do you want to say that I am as crazy as a bedbug? I can read and write. I have been to school. I even taught school. I believe in it. Do you mean to say that all these 30,000,000 people in the United States are crazy as bedbugs? Who are you talking about? You are talking about the descendants of the men whose bloody footprints were in the snows of Valley Forge. That is who you are talking about. You are talking about the descendants of the men who took the flag from the Atlantic seaboard and flung it to the golden shores of the sunset seas. You are talking about God's beloved old people who have read newspapers, who have studied the Bible, who have read books, who are intelligent, but who are pitifully helpless in their old age. Now these college professors come and offer them this pauper's dole.

Mr. Chairman, I want to say these old people will resent it, and they will resent it bitterly. I told you before that I had no desire to return to the next Congress. I have not, but maybe I shall come here as an ex-Member with the right to the floor and take a look at it. I want to tell you gentlemen that if you do not pass the Townsend old-age

pension plan and enact it into law—I am not making a threat, I am making a prophecy—you will be sorry. You know, poets are prophets, and although I am least of the poets, I still have a right to claim the gift of prophecy. I am a newspaperman, trained to keep my finger on the pulse of the Nation. I know what is going on. I know that in my own State of California there are 1,500,000 voters signed up on the Townsend old-age-pension plan. May I also tell you that the other day a member of the State legislature in Oregon voted against the adoption of the Townsend old-age plan in that legislature and his folks at home snagged him out of that legislature so quick it made his head swim. That is the way they feel.

My dear colleagues, I hope to return and visit you and sit with our beloved Speaker in his room, and chat with Mr. SNELL, Mr. HAMILTON FISH, and others.

You know, before I started this speech, I went to my good friend the gentleman from Texas [Mr. BLANTON] and said, "Congressman BLANTON, do not interrupt me. Do not ask me to yield. This is really my first speech and you will throw me off balance." I said, "Right in the beginning of Congress you took me for a ride. You took the hide off me and nailed it to the barn door, and it was good for me, because I learned something. Now, I have never interrupted you once and you have talked at least two or three times in this House to my knowledge." [Laughter.] I said, "Congressman BLANTON, you will let me go on, will you not?" And he put his hand in mine and said, "God bless you, I will do everything I can to help you, and if DOUGHTON does not give you enough time, I will ask our friends over there on the other side to give you some." So it is just something like that that is beginning to make me like Congress. But we are here to see the Townsend plan enacted into law.

Mr. Chairman, I have introduced a revised bill. It is the most scientific bill, the most statesmanlike bill ever introduced in any Congress of the United States. [Applause.] And one reason why that is so is because I did not write a line of it.

Now, my dear colleagues, I pray that God will enlighten you. Out yonder they are waiting, God's beloved old people, "Los Ancianos", as we call them in Spanish in California. They are hanging on every word that is spoken here. They are waiting, the dear old people who must be so near the heart of God. We cannot give them a pauper's dole. We cannot give them a crumb when we can give them a loaf. This country of ours is the richest and most powerful nation in the world, this Nation of ours in which the Lord God put everything that man needs, yet where there is stalking hunger and despair because somebody has blundered. We can solve all that now. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. The gentleman referred to the generosity of this side. May I ask him if he would like 5 minutes of my time?

Mr. McGROARTY. Thank you, sir. I will take it and use it mostly in thanking you.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 minutes.

Mr. McGROARTY. I have told you I represent the strongest, most rock-ribbed Republican district in the United States, Mr. Chairman, and I often sit on that side of the House—you may have noticed me [laughter and applause]—because I think I belong there or half belong there, anyway. I was elected by people who had prayed on their bended knees to God to die and be able to say to God that they had never voted for a Democrat. [Laughter.] An old lady in Pasadena in my district said to me one day, "JOHN McGROARTY, you have done a hard thing to me. I have prayed all my life that when I talked to God on the last great day I could tell Him two things I had never done. I wanted to tell Him, and I prayed to Him, that I had never voted for a Democrat and I had never voted for a Catholic. You are both, and, damn you, I voted for you." [Laughter and applause.]

Now, the point of all this is, Mr. Chairman, that these rock-ribbed Republicans, these people who have been intolerant of another man's religious belief all their lives, quit it, dropped it all, because I told them that if they wanted to elect me and if I were elected, I would support the Townsend plan, and my opponent would not promise that. So all these Republicans deserted him in a body, overcame the 50,000 normal Republican majority, and piled 12,000 majority on top of that for me.

Now, this is what they will do in every district in the United States, and you remember what I am telling you now. It is not a threat, it is a prophecy. My colleagues, get in line. Let the grace of God get into your hearts. Pray, as the Chaplain did this morning, for enlightenment so that you all shall come back here, and when I visit you in the Seventy-fifth Congress and stroll around shaking hands, I want to see you all here. You are all such nice fellows, you are all such good men that I would hate to see any ill befall you.

Mr. Chairman, in conclusion I submit the following statistical statement:

Inasmuch as my bill calls for a 2-percent tax levied on every transaction and a 2-percent tax on all gifts and inheritances and an increase of one-tenth in present income-tax rates, all to be collected and prorated to those citizens of 60 years of age or over, who can and will qualify for this pension, I wish to call attention to the probable amount each pensioner will receive each month.

Statistics are not complete as to the total amount of business done in these United States annually, but there is none who will deny that our present business total is upwards of $600,000,000,000. This being the case, 2 percent of this amount would yield $12,000,000,000 per annum. The most careful estimates of the number of citizens who can and will qualify under the provisions of the McGroarty bill is less than 6,000,000, but let us assume, for a margin of safety, that 8,000,000 citizens qualify; by simple calculation we arrive at the monthly pension or annuity of $125 per month for each of the 8,000,000 citizens retired.

No consideration in this calculation is given to the great amount of revenue gotten by the levying of the inheritance, gift tax, and the increase in the income-tax rates. Neither has there been any allowance made for the great increase in business which will be occasioned by the introduction of this new purchasing power and the consequent employment of the millions now unemployed.

Certainly no thinking person can believe that 8,000,000 or even 4,000,000 or for that matter, 2,000,000 citizens can be put on an annuity or pension roll by a waive of the hand or a stroke of the pen. While the pensioners are being qualified the tax is being collected and accumulated; therefore, the amount of returns from the various taxes will at all times produce more than enough to pay the pensioners $200 each month. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we are discussing and have been discussing for several days a social-security bill. Some features of this bill I am very much interested in, and in favor of. The fact of the matter is we are all interested in most of the features of the social-security bill, but we must give consideration to the necessity of inculcating features that are embodied in this bill into law, and we should give consideration as to how a bill of this kind is to be carried out and put into effect. It should be a reality and not a political jest.

We should consider the various titles of the bill.

With respect to title 1, old-age assistance, it seems to me from the experience I have had in the business world, if we would take up that one particular subject and give it the consideration that has been given it by those who have written this bill, we would be doing something for old-age assistance and doing it in the right direction. The monthly amount may not be as high as some of the Members of the House would like to see it, but if we start out with the idea we are going to try to establish a fund of $30 a month for those who have attained the age of 65 years and we put that into effect, we will determine many things about the working

of the bill that may be different from the ideas we now possess and in a year or two, may decide that this amount may be raised 10 or 15 or 20 dollars a month, if possible, then we can do it in an orderly fashion.

However, instead of taking up title I, we add to that title II, Federal old-age benefits, title III, unemployment compensation, and title IV, aid to dependent children, title V, aid to maternal and child welfare, and title VI, public health service.

I want to be conscientious in trying to give you my views on this particular piece of legislation and I do predict that if you try to put this bill through as it is written, you will find it will become very difficult to solve all the problems, and it will be one that will be very difficult to handle, expensive, cumbersome, and unworkable.

Today, while we are talking about social security and trying to take care of the people of this country, it seems to me there is only one way you are going to be able to do it, and that is to let the business people of the United States try to employ other people in the United States so that we can be our brother's keeper, and in this way we will furnish employment, so that men may earn bread and butter for their children and for themselves in order that they may sustain life. If we expect to continue to set up the Federal Government as a charitable institution by which we are going to always take care of every individual that comes to us for aid, and do it in the way we are doing it now, having the Government keep the people, instead of the people supporting the Government, we are going to wreck business and we are going to put all the people of the United States on the Federal pay roll, and whenever we do this you can very well figure that we are going to have a wrecked Government, and, following the course we are pursuing, and have been pursuing in the last 2 or 3 years, we are simply going to wreck this Nation as sure as the sun rises tomorrow morning.

Now, in this bill we are placing upon the business of this country that employs more than 10 people 9 percent of their pay roll. If we are to place a 9-percent burden on the pay rolls of the country, the way business has been conducted the last 2 or 3 years, and the confidence of the people will be shaken in what we are doing, do you think this House is going to increase their confidence in American government? If so, you are mistaken. It cannot be.

I do not believe that we should establish all of these major projects all at one time. If a business concern today was going to manufacture a certain commodity that would put its plant in operation for several months or a year, it would develop that particular thing to the point where it was perfected. It would establish itself in an orderly procedure so that it could manufacture that one item at a profit. It would not think of manufacturing six different major commodities and put them in operation all at one time, but would perfect one item before taking up the second; after perfecting the second it would begin on the third, and so on.

That is what we should do in this social security bill. Take old-age pensions, perfect that in one bill; next year take up section 2, unemployment relief, and so on, in orderly manner.

Now I want to call the attention of the Membership of the House to some of the things that have been mentioned regarding the bill. When a Member remarks to another that he is for a certain bill, he should not be criticized. My colleague, who spoke preceding me, said that anything as low as $30 a month was a ridiculous thing to do. If I could see a way in which people could get $200 a month without wrecking everybody, I would want to see them get it. I would not demand they spend it however. That would be a pleasure to me to see that everybody had all the pleasures of life. But I tell you that if anything would wreck this Government it would be the crazy Townsend bill, spending $200 every month for old-age pensions. It is ridiculous and absurd. Giving $200 a month for old-age pensions would cost this country $24,000,000,000. That is an absurdity.

Mr. MOTT. Will the gentleman yield?

Mr. RICH. Not until I have finished my statement, and then only if I can get an extension of time. I am sorry.

I want to call the attention of the Membership of the House to the Treasury statement dated April 9. They are sent every Member of Congress each day. I question whether the Membership of the House study them. I think the Membership of the House ought to give recognition to these statements that come into their office.

Our national debt at that date was $28,874,313,564.98.

You all remember that last year when we devalued the gold dollar they charged off $2,000,000,000, so that you really find that we are $31,000,000,000 in the red.

We are $31,000,000,000 in the red now, and we are going in the red every day to the tune of $12,000,000 a day. Where are you going to get this money? I shall ask you Members of Congress that question every day. Where will you get the money? It is your responsibility. You are responsible for getting the money, and if you do not, you will wreck your country. You cannot go on in this way. It is an impossible thing to do. It is just as impossible for this country to go on going into the red to the tune of $12,000,000 a day as it is for any one of you to go into the red $100 a day more than the salary and income that you have. Eventually you will be called upon for an accounting, and when that time comes you will see the sheriff coming after you. What we will do, if we continue this course, will be to put a millstone around the necks of the children that will be coming on in this country, or entirely wreck the country. You ought to recognize that fact. All we do today, in committee and in the House of Representatives, is to talk about how much we can spend and what we can get from the Government to satisfy people back home whom we have told that the country is made of money, it should support their every desire, that it is an endless barrel, and that all we need do is to reach down in the Federal Treasury and hand it out at the rate of $200 a month—a most ridiculous statement and a most silly thing for us to fool the people of the country. The Federal Government has no more money than the States. It is a serious state of mind into which we have gotten the people of the country, and we ought to sit down as conscientious men and not try to do that which would make the people back home believe that we are going to give them the whole world, and a wonderful time, and all the money they want to spend. You know it cannot be done, and so do I, and I am not going to be demagogue enough to stand up here and tell the people in my district that it can be done. We propose a lot of things that we know cannot be carried out, and we vote for a lot of things because we are voting for votes. The people in my district are as honest and conscientious people as in America anywhere. You can fool them a little of the time with such talk, but you cannot fool them all of the time, and you cannot fool the people back in your districts, and you do not need to think for a minute that you are going to fool all the people of this country very long, because if you wreck it, it is your responsibility and it is mine, and I do not want to be in the Membership of this House when I know that we are going to carry our country to ruination. I will support the Constitution, as my oath calls for.

I shall call attention now of the majority party to some of the things contained in their platform, and I shall pick out three planks that are becoming soggy and putrid and rotten, planks which you ought to renew. I read from the Democratic platform of 1932, which the President said, "I am for 100 percent":

> We believe that a party platform is a covenant with the people to be faithfully kept by the party intrusted with power, and that the people are entitled to know in plain words and terms of the contract to which they are asked to subscribe. We hereby declare this to be the platform of the Democratic Party.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. TREADWAY. I yield the gentleman 5 minutes more.

Mr. RICH. I continue to read from the Democratic Party platform:

> The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated; and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of

governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

I now call attention to the second rotten plank in the platform, and they are rotten because you have not fulfilled your promise, and you are not doing what your party called upon you to do, and you ought to substitute a new one in its place embodying the same statements as are in this rotten plank:

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

When the President of the United States appointed Mr. Douglas, a man in whom we had the greatest confidence, as a man to perform that job, we knew that he made a good appointment. Mr. Douglas tried zealously and honestly and fearlessly, but he had to resign because the Democratic Party was not carrying out that platform. I tell you that is a serious situation. That plank is one of the rottenest ones, and you ought to substitute a new one and inscribe those same words on it. I read further:

We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference, reciprocal trade agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

That plank says, "without Executive interference." It also says that we want a competitive tariff, a tariff that is going to protect the American people and keep the men in industry in this country employed; and when you get a report, as you will get pretty soon, of the things that are being imported into this country, it will make you shudder. You Democrats are not doing your duty in protecting American industry so that they can give employment to the people of this country. That is another plank that I want you to renew. Another one I call your attention to is this:

The removal of Government from all fields of private enterprise except where necessary to develop public works and natural resources in the common interest.

There is another plank that I want to condemn in the most emphatic words possible, because never in the history of this country have we been setting up the Government in business as we are today and as we have done for the past 2 years. If you do not renew that plank and try to get the Government out of business, again I say you will wreck this country. Either that or you will make this a Soviet Union of States. You will set up the greatest dictator the world has ever known.

I beseech of you, let the American people have the opportunity, let the American people employ labor in this country so that we will have a happy, contented family, and we can continue to do those things in a systematic way and let the people of this country assist in maintaining this Government by the taxes they pay, instead of trying to get the Government into all lines of endeavor and putting people out of business. When this Democratic administration has incorporated in the name of Uncle Sam several corporations that will ruin many people in industry, watch them grow. It is a serious situation.

There are other planks in this platform that can be condemned because they are becoming very, very soggy and because they have not been given attention by the Democrats who are representing the majority party. I want to call attention to them at some future date, because I want to make you conscious that this radical, exorbitant, uncalled-for expenditure of Government funds, which is running this country into the slough of despond, will wreck it, and it will be your responsibility, and the Democratic Party must account for it at some future date. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, since that historic day last year during the Seventy-third Congress, when our great Democratic Chieftain—the President of the United States, Franklin D. Roosevelt—sent a message to the Congress advising the Congress that it was his purpose to recommend to the Seventy-fourth Congress a social-security program, which, of course, included old-age pensions. unemployment insurance, services for crippled children, child-welfare service, public-health work, and other provisions for aid to dependent children, I have looked forward with eagerness to the day when this proposed legislation would become law. It offered promise for a most comprehensive and humane program. I am sure that the sentiment and compassion that dwells within my heart for the crippled and underprivileged children and for the unfortunate and needy aged is not peculiar to me but rather is a common virtue shared by the average man who has a sense of his obligation as his brother's keeper. What is there in our human associations that appeals to the compassions and finer instincts of mankind more than the sympathetic understanding of the plight of a crippled or underprivileged child? What can more deeply stir the finer thoughts and sympathies of him who enjoys a fair share of prosperity and the material things of this life than the picture presented by an aged person who has worn himself out in wholesome service to his family, his country, and his God? Penniless because in many instances he has lacked the selfishness, seemingly so requisite to accumulation, in his younger and more productive days, to acquire the material wealth of the world against old age; aged and feeble because in the natural course of life one becomes such—he is dependent either upon the generosity of his more fortunate kinsmen or is the recipient of alms at the hands of the public. This is the condition that largely exists in this country after 2,000 years of civilization. Mr. Chairman, if our civilization means anything, certainly it means that this condition should not continue. It is a reproach to our boasted civilization and Christianity. We must do one of two things: We must either cease to longer boast of this Christianity and civilization or we must recognize under it our obligation and discharge that obligation to these, our less fortunate brothers.

So, Mr. Chairman, I have looked forward with keen desire and increasing fervor to the enactment of a social security law that would in reality alleviate this suffering and discharge this obligation of Christianity and civilization. But when I studied the bill under consideration, which was introduced by our able and distinguished chairman, the gentleman from North Carolina [Mr. DOUGHTON], and so laboriously and carefully considered by the powerful Ways and Means Committee, I was alarmed and amazed to discover that there was a possibility—nay, more than that, a strong likelihood—that another imaginary line would be drawn like a veritable Mason and Dixon's line that would divide this great country of ours into two sections. One section into which these unfortunate dependent persons in need of the provisions of this bill would be benefited, while in the other section these benefits would be lacking. I am sure that such was not the intention of that great humanitarian leader, President Roosevelt, or of this able committee which has presented us this legislation for consideration. Yet, my colleagues, I call your attention to the fact that there is a grave likelihood that just such a thing would happen. Under the provisions of this bill it is made mandatory that before the aged and others who are beneficiaries of this legislation may come under its provisions the several States of the Union must have legislation which must be approved by the Federal authorities, and that this State legislation must make provisions for matching the moneys appropriated by the Federal Government. In other words, under the bill under consideration it is essential that before a dependent and penniless Mississippi person can be the recipient of a dollar of this Federal appropriation the State of Mississippi must enact its own social-security legislation and match dollar for dollar every dollar that is granted by the Federal Government to such person. In theory and at first blush this might appear fair and equitable enough. But in prac-

tice I fear that it will not work. May I call the attention of my colleagues from other States like situated with Mississippi that there is a grave danger that their aged and needy citizens will likewise not profit by the enactment of this legislation. This is an unfortunate situation, yet it is true. It must be apparent to him who thinks, to him who has knowledge of the financial and economic status of our country, that all States of the Union are not equally prosperous and therefore not equally able to contribute to those who are so badly in need of the provisions of this legislation.

In some States the soil is more productive than in others. In some States the natural resources, minerals, oils, timber, and fertility of the soil—and consequently the ability to produce wealth—is more abundant than in others. And I am sure that it is not necessary for me, proud as I am of the accomplishments and heritage of my Southland, to call your attention to the fact that your New England States were settled long before an ax had blazed a tree or a plow had turned the soil in the South. Moreover, it is not necessary for me to call your attention to the fact that this particular section had just begun to come into its own when it was swept by the devastations of the Civil War, when that section, outnumbered in men and in wealth, enriched the history of this country by a demonstration of fortitude and display of courage and arms the like of which has never before nor since been witnessed in the world. And yet, Mr. Chairman, because this particular section, as well as other sections of our country, have not been able to overcome all of these adversities and inequalities, the dependent and aged people whom this legislation should help, and who under the nature of things reside in these less wealthy sections, are told that unless their States, in many instances already overburdened with taxation, will make provision for matching each dollar that the Federal Government puts up, they cannot enjoy the fruits of this legislation. This legislation is humanitarian in its aspects and in the goal sought to be reached. This inequality and this discrimination should not exist. For frankly I seriously doubt that the State of Mississippi can appropriate sufficient funds to come under the provisions of this legislation if enacted as now written.

Foreseeing this, some weeks ago I called this matter to the attention of the Ways and Means Committee, and my statement to that effect now appears of record at pages 1084–1085 of the printed hearings before the Ways and Means Committee on this bill. Mr. Chairman, at this point I ask unanimous consent to incorporate that statement in my address. The statement follows:

Mr. Chairman and gentlemen of the committee, I am intensely interested in the Economic Security Act now under consideration by your committee. I am naturally interested in anything that tends to the betterment and the economic stability and comfort of the aged. President Roosevelt assured the Seventy-third Congress that he would recommend social legislation of this type. The people of the country as a whole, both young and old, are intensely interested in the problem. I have read with meticulous care and increasing interest the bill of the distinguished gentleman from North Carolina, Mr. DOUGHTON, the chairman of this committee, which proposes to put into actual operation legislation seeking economic security and comfort for the aged, the unemployed, and the unfortunate cripple. The theory of this piece of legislation is beautiful, but I am very much concerned about its practical operation. We are all agreed that some legislation looking to this end is desirable. This committee has had many plans submitted to it, some most fantastic and impractical, some more practical and logical. But I desire to discuss briefly one feature of the legislation introduced by your distinguished chairman, as I feel that that particular bill in some form will be the one most likely reported by your committee.

The point that I want particularly to call to your attention is the provision which requires that the States must contribute an equal amount to that provided by the Federal Government up to $15 per month. As I understand the bill, the Federal Government will contribute to the aged people over 65, who can qualify thereunder, an amount up to $15 per month, provided the State or other subdivision of the Government of which that particular aged person happens to be a resident will contribute an equal amount.

This means that before the unfortunate aged person who is in need of this pension can receive the benefits thereof, or even the amount contributed by the Federal Government, the State or other subdivision of the Government must contribute a like amount.

I want to say in all frankness and candor to this committee, who I believe are really desirous of reporting out and enacting into legislation a bill that will be practical and workable, that this will not work. It may work in some States, but there are many others in which it will not work. This for the reason that the States are unable financially to meet the requirements. I can best illustrate this by taking my own State of Mississippi for example.

According to the census of 1930, Mississippi had 77,443 persons who are over 65 years of age. By the time this law is enacted there will be a very little variation in the figures. If anything there will be an increase. It is estimated that, of this number, approximately 13,000 are on relief. I have no definite way of arriving at what percentage of the 77,443 would apply for a pension, but it is reasonable to assume that a considerably larger portion would apply for the pension than applied for relief. I think it would be fair to assume that somewhere in the neighborhood of 75 percent would apply for that pension. If the State matched the $15 provided for in this legislation, which is the maximum the Federal Government would provide under the bill, for 75 percent of the aged over 65, Mississippi's contribution would amount, in round figures, to $10,500,000 per annum.

Mississippi is not a comparatively wealthy State. Its total revenue receipts for the general fund in 1934 were only $14,000,000. The people in our State are already taxed by the State to the point where taxation has become onerous and burdensome in its efforts to carry on its school systems, road building, and other necessary expenses. It is quite obvious, therefore, that the State of Mississippi could not function under the set-up of this legislation and its dependent aged would be cut off from any benefits whatever. I am satisfied that the picture presented above, so far as Mississippi is concerned, is true in many other States of small, comparative wealth.

Now, what I desire is some practical form of legislation. Thirty dollars a month is small enough, but if the people of many of our States are to be denied the privilege of sharing in the contribution of the Federal Government because of the financial inability of the subdivisions of the Government to contribute as substantially as the Federal Government, we are faced with a serious dilemma.

It might also be pointed out that although the old people of a State that cannot match the Federal funds will not share in the benefits of the bill, the people of that State will be forced to contribute, in the form of taxes, to the payments to the aged of the other and more fortunate States. This will be taxation without benefit.

I think that old-age pensions and the care of crippled children should be recognized as a national problem. Therefore, if this committee concludes that it is impractical to make as much as a $30-a-month contribution to the needy aged by the Federal Government, the provision requiring the equal contribution by the State or other subdivision of the Government should be eliminated from the bill. And these needy persons in this aged class, who have contributed so substantially to the upbuilding of this Government, should at least be permitted to enjoy whatever amount in the form of a pension is granted by the Federal Government.

Frankly, if this legislation is not amended so as to cure this evil of which I complain and which must be apparent to all, it is my purpose as a citizen of the State of Mississippi to exert my efforts toward having the State legislature pass such legislation that will conform with this legislation, so that these unfortunate and needy persons in my State may share, to some degree at least, in this most humane undertaking. But, as stated before, I fear that because of the fact that my State is not a comparatively wealthy State it will be unable to do so. And, as stated above, I think that because of its humanitarian aspects this problem should be recognized as a national problem, and the States should not be required to match it. It is a fine thing for the several States of the Union, some of which already have old-age-pension laws, to make this additional provision for their needy citizens. But I am pleading with my colleagues, both from the more wealthy States and with those from the less fortunate States, that you do not discriminate against the needy and the dependent and the crippled citizens of a less wealthy State simply because that person happens to reside in that State.

Mr. Chairman, at the proper time it is my purpose to offer an amendment to this bill, which in substance will provide that State contribution is not necessary for the aged and others sought to be benefited under this legislation to enjoy its provisions. In other words, under this proposed amendment to this legislation the Congress of the United States would say to the several States of the Union:

"We welcome and encourage State laws to supplement the appropriation for the beneficiaries of this legislation, but we guarantee to every aged person who otherwise qualifies under the provisions of this legislation a pension of at least $15 a month, and to other beneficiaries under the provisions of the bill, Federal care."

Even though successful in securing this amendment to this legislation, I would not feel that the legislation met with all of the hopes and ambitions of those of us who are so intensely interested in this problem. Personally, like many of you, I should like to see the age limit lowered to 60 years, and with a Federal pension of at least $30 per month. But I realize the critical and serious question of taxation involved. I realize that this is the beginning, and with such an amendment I could rejoice in the thought that the Seventy-fourth Congress would go down in the records as the most humane Congress that ever assembled in the National Capitol.

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 30 minutes to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include certain excerpts from the hearings and also a letter addressed to me.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BUCK. Mr. Chairman, it is my intention this afternoon to speak particularly in regard to the subject matter of titles I and II, old-age pensions, old-age annuities, and proposed substitutes thereto.

I do not think it necessary for me to dwell upon the fact that there is almost unanimous agreement in this House as to the necessity of passing some measure of care for the aged who are needy and infirm. We have long passed beyond the stage of the savage tribes of Africa who, it is said, cast their aged over the cliffs in order to relieve themselves of the necessity of caring for them thereafter. We have passed beyond the stage of the Middle Ages, where the aged and the poor were beggars upon the streets or inmates of the poorhouses that were established in the time of Queen Elizabeth. We have come through the period of private care for the aged, and have come to the time when there has been awakened within us a sense of civic responsibility. The States to a limited degree have already assumed that responsibility. We are about to embark on a policy of Nation-wide aid for the aged. In pursuance of that sense of civic responsibility your Ways and Means Committee has presented to you this bill which is under consideration today. The committee does not claim that the bill is perfect, but it does claim that it is the greatest and most practical stride forward among humanitarian lines that this Congress and the Nation have ever been called upon to consider. The detailed proposals in this bill have been so clearly and forcibly presented to you by the chairman of our committee that I do not feel there is any necessity of my reviewing them in detail.

Asking the most open and liberal rule that any House has ever had presented to it, we brought the bill here for extensive debate and an unlimited vote on amendments, only to be assailed on the floor of the House with presenting a gag rule. Not only that, our constituents at home were told that such was the case. Permit me, therefore, to state first of all what the parliamentary situation is. It was necessary to bring this bill in under a special rule, because it was not of a privileged character, not to "gag" or stifle anyone, but to liberalize its consideration. Otherwise this bill could only be called up on some Calendar Wednesday when the Ways and Means Committee was reached in the call and there would have then been but 1 hour of general debate; or it might have been called up with the consent of the Speaker under suspension of the rules on some Monday, and then there would have been allowed only 40 minutes' debate and no amendments would have been possible.

If, under the rule which we adopted, the amendments to be offered are held not germane on any point of order, they would not have been germane under the regular rules of the House under any circumstances; and it certainly is not the fault of the Ways and Means Committee if those who desire to amend this bill or substitute another have not drawn their amendments or their substitute in language which will make them germane.

But I will say as a member of the Ways and Means Committee, and I think representing the thought of the majority members that we will not interpose such points of order.

The proponents of some unusual piece of legislation can put up a man of straw—the gag rule—to persuade their followers that they are being deprived of some right; but the fact remains that we are being more than liberal in the treatment of this bill and of any substitutes or amendments thereto.

This is simply a continuation of the liberality which the Ways and Means Committee showed during its hearings, when we even permitted the Communists to present their case and their viewpoint to us. In the case of one gentleman whose name has been mentioned quite frequently in the course of this debate—Dr. Townsend—we even reopened the hearings 4 days after they had closed so that he and his economic witness, Dr. Doane, might be heard before the committee, and on that reopened date we accumulated 29 pages of printed testimony on his behalf before the committee.

In the course of the debate this morning, the gentleman from California [Mr. GEARHART], in answer to a question I asked him, intimated that I was one of those who was endeavoring to give the "raspberry" to the Townsend plan, or, as it is known, the "McGroarty bill." Such is far from the case. I have been engaged in a conscientious endeavor to bring some order out of the chaos and confusion that seems to exist in the minds of those who have been claiming to support the Townsend plan in order that the membership of this Committee may know just what they are to vote on.

Mr. Chairman, I have been the recipient of a great many letters from my constituents; not as many as the proponents of the Townsend plan would lead you to believe, but a good many. I want to say that, so far as the writers from the Third California District are concerned, their letters have, for the most part, been courteous. There have been a few which stepped beyond the bounds of propriety, but only a few. The letters, however, all show that the writers have been misled, not merely as to the aims and proposals of the Townsend plan but as to the number of its supporters. They speak of 25,000,000, 30,000,000, and even 40,000,000 signers of petitions for the plan when they should realize, upon thinking at all, that such a figure is impossible. Certainly the number of letters and petitions that I have received from my district does not indicate any such figure is at all believable.

The writers of these letters have advised me to do three things: First, to study the bill—and I want to report to you and to them that I have conscientiously studied, not only the original plan but all other modifications of it that have been suggested, I think, perhaps more fully than those who have spoken in favor of it here. This afternoon I shall endeavor to discuss some of its latest provisions. Secondly, I was requested to see that a free and full debate and a vote was permitted on the McGroarty bill, and that we are going to have. Thirdly, I was requested at one time to accept the original bill without any change, "just as it is", and later to accept and vote for the second McGroarty bill. That, after conscientious investigation, I cannot do, and I do not believe any of the honest citizens of my district who will conscientiously investigate this plan would vote for it if they were in my place. I have been threatened with political reprisals if I do not vote for it; but, as the gentleman from Wisconsin [Mr. BOILEAU] stated yesterday, I am perfectly willing to accept that challenge, for I know that I can rely upon the good judgment of the citizens at home when the details of the Townsend plan, its implications and consequences, are explained to them.

During the course of the debate I have interrogated gentleman after gentleman who were proponents of the McGroarty bill, asked them to explain its contents, to describe how it would work, and I must confess I obtained not one answer that was half illuminating other than that of the gentleman from Oregon [Mr. MOTT], who stated what, in

his opinion at least, the bill was not, and I want to at this time thank him for his statement.

I have listened this afternoon to the gentleman from California [Mr. McGROARTY], who was the sponsor of the revised Townsend bill. I heard him state that it was the most scientific and statesmanlike bill that ever was presented to Congress.

Mr. McGROARTY. That is right.

Mr. BUCK. I thank the gentleman. He stated also that that was because it was written for him, and he had nothing to do with it. With all due respect to the beloved gentleman from California—I listened to him for half an hour—he did not explain the bill and had not one word to say in defense of it the whole time. I have, therefore, been forced into making an analysis of this bill myself so that those of you who are going to be called to vote upon it may know something about it. I understand it is to be offered as an amendment perhaps to title I of the pending bill, and then if it is adopted it will be moved to strike out titles II and VIII as a result. This committee is entitled to know what this bill contains and what effect it will have upon the country as a whole. Mr. Chairman, I shall yield at any time during the next few minutes to the gentleman from California [Mr. McGROARTY] if he feels that I have made any erroneous statements as to the facts or principles involved in his bill, but until I have completed this analysis I shall decline to yield generally. Before I conclude, however, I shall endeavor to answer whatever questions may be asked.

The bill H. R. 7154, the revised McGroarty bill, was introduced April 1. It was introduced after the Ways and Means Committee had completed not only its hearings, but had finished its executive sessions and had completed the final draft of H. R. 7260, which you are now considering. The committee was only waiting for the final print to be received in order to formally report the bill. No hearings have been asked on H. R. 7154 before the Ways and Means Committee, and if there continue to be as many changes suggested in it, as many amendments suggested in its language, as there have been during the course of the debate, I predict that no hearings ever will be asked on this bill. They may be asked on the third or fourth McGroarty bill but not on this.

The defects of the first bill appear in the hearings, but nothing about this bill (H. R. 7154) appears there. It has been necessary, therefore, for some one of us to come before you and tell you what this bill presents. It is the third proposal of the plan of the gentleman from California, Dr. Townsend. His first proposal, as the gentleman from Ohio [Mr. YOUNG] told you a few days ago, was for a 10-percent retail tax on all retail sales, to pay a pension of $200 per month, to be spent within that month, to practically everyone over 60 years of age. It became obvious, taking the largest sales year the United States ever had, that under this plan there could be raised only about $5,000,000,000. As there are over 10,000,000 aged who would be eligible under the first plan, it would be impossible to finance the project with that set-up. It was revised, therefore, and a second proposal substituted for a 2-percent transaction tax.

At this point in my remarks, Mr. Chairman, I insert the two tables which I have obtained permission to insert, tables IV and V, appearing at page 1103 of the hearings, Dr. Doane's figures.

TABLE IV.—*Estimated accumulative effect of turn-over tax at 2-percent rate on physical-goods transactions (monthly basis)*

[Millions of current dollars]

Classes	Value	Tax	Estimated increase in costs due to 2 percent tax
1. Raw materials:			
Farm products	484.0		
Forest products	20.0		
Fisheries	11.0		
Mines, quarries	235.0		
Total	750.0	15.0	
2. Manufacturing:			
Cost of materials	1,820.0		
Plus added tax	15.0		
Total cost	1,835.0		
First turn-over (tax)	36.7		
Second turn-over (tax)	37.4		
Third turn-over (tax)	38.1		
Total tax	112.2	112.2	
Original cost	1,835.0		
Total cost	1,947.2		6.9
Value added	1,680.0		
Selling value	3,627.2		
Plus 2 percent tax	72.5	72.5	
Total paid	3,699.7		
3. Wholesale:			
Sales	2,663.8		
Plus 2-percent tax	53.3	53.3	
Value goods sold	2,717.1		8.7
4. Retail:			
Sales (present value)	2,173.7		
Plus 2-percent tax	43.5	43.5	
Value goods sold	2,217.2		10.6
Original aggregate	8,750.0		
Total expected taxes		296.5	
Consumer collections in addition		40.3	
Grand total collections		336.8	
At annual rate of		4,041.8	

TABLE IV.—*Estimated accumulative effect of turn-over tax at 2-percent rate on physical-goods transactions (monthly basis)*—Con.

Computed on 1931 basis. All figures from official census and Government bureau reports.

TABLE V.—*Maximum theoretical possibilities under 2-percent turnover tax*

	Selected items as given in table I	All producer and consumer expenditures	All expenditures including Government and institutions	All gross transactions and transfers
Estimated annual 1935 collections	$4,000,000,000	$6,000,000,000	$6,300,000,000	$9,600,000,000
Estimated annual collections on a 1929 basis	$7,500,000,000	$12,000,000,000	$12,600,000,000	$18,700,000,000
Estimated expected increase in prices, percent	12	18	20	24
Annual volume of transactions:				
1935		$224,000,000,000	$242,000,000,000	$481,000,000,000
1929		$358,000,000,000	$376,000,000,000	$935,000,000,000

The first of these tables, table IV, shows that under a 2-percent transaction tax on a selected list of transactions and estimated at six turn-overs from the time the raw material is produced until the finished product is sold to the consumer, $4,041,080,000 per year might be obtained. The qualified individuals who were to receive these pensions remain practically the same number under this plan. This amount, on the basis of 10,000,000 aged, would have produced, allowing nothing for administrative expenses, approximately $33.75 per month, or only about $3.75 per month more than that the pensioner would receive under title I of our bill, assuming each State matches the Government contribution of $15 per month in full. For that small amount we would upset the business of the country by imposing a multiple sales tax.

Thus it was seen that the second plan could not begin to raise money enough for $200 per month, and it had to be revised.

The third plan, H. R. 7154, was introduced, the scientific and statesmanlike bill referred to by the gentleman from California. The transaction tax in this bill was based on the figure which estimated that if a 2-percent tax were applied to all gross transactions, including governmental operations, the sum of $9,600,000,000 per year could be obtained.

A little extra money was thrown in by some minor taxes, which I shall speak about later. Among the transactions which it is now proposed to be taxed are some I shall also show you cannot legally or constitutionally be taxed, so that by no means can even the estimated amount be reached.

H. R. 7154 covers up the fact that there is not yet enough money to pay $200 a month pension to the individuals concerned by promising to pay what may be collected after all administration expenses are deducted, but not to exceed $200 a month. What this will amount to, assuming the tax is constitutional, cannot be shown by any table or any figures that have been submitted to the Ways and Means Committee or to your committee. The gentleman from Oregon [Mr. MOTT] stated it would bring in about $50 a month. I do not believe his calculation can be correct or that he has deducted anything for administrative expenses.

Mr. MOTT. Will the gentleman yield at this point?

Mr. BUCK. I yield to the gentleman from Oregon.

Mr. MOTT. I did not have time to go into detail there. It was my idea that, according to the best figures we could get from an examination of the committee hearings, the 2-percent transaction tax would bring in $4,000,000,000 a year, and if there were 8,000,000 eligibles it would pay them $50 a month.

Mr. BUCK. If the gentleman will pardon me, on that basis it would bring in $500 a year to each pensioner, or $41.66 per month.

Mr. MOTT. It is my idea and the idea of others that the revenue provided by the smaller taxes would be sufficient for purposes of administration. Of course, if it were not, they would have to go into the transaction tax.

Mr. BUCK. The best estimate of administrative costs that can be obtained—and this was obtained, Mr. Chairman, in connection with our own studies of our own bill—is that it would cost for administrative collection of taxes under title VIII and payment of pensions under title II, 8½ percent on a 2-percent rate; on a 3-percent rate it would cost 6⅔ percent; on a 4 percent, or higher rate, it would cost 5 percent; but those figures do not include any of the cost of policing the recipients to see that they spend the money or checking on the manufacturers to see that they have paid their taxes on anything of that kind. It includes the administrative cost of collection only.

Mr. MOTT. If, as the gentleman says, it is not possible under the proposed bill to pay a pension of more than $50 a month, I venture to say he does not believe there would be a great deal of policing necessary to see that the pensioners spend the $50 a month?

Mr. BUCK. I think we would still have to try to make some of this money revolve, although I do not believe it would revolve.

Whatever amount it may be, and I know the gentleman from Oregon agrees with me in this, the rank and file of supporters of the Townsend plan are still under the impression they are going to get $200 a month. Merely printing the bill in the Townsend Weekly, which the gentlewoman from Arizona assured us has been done, and I have no doubt it has been done, does not educate the reader, and I am frank to say it does not educate a Congressman unless he studies all the implications and provisions of this bill.

Mr. Chairman, I hope the remarks I am making will not be taken as other than constructive. Dr. Townsend said that the first McGroarty bill was revised as a result of suggestions received from an enemy, but I am not an enemy of any particular plan, merely trying to get the best possible practicable, workable relief plan for the aged. I shall be glad to counsel with the proponents of the Townsend plan as I would be with those of the Pope plan or any other plan, and if there is a better plan proposed to be adopted in later years than the one we have considered, let us have it by all means. The gentlemen who drew this bill, and I do not know who they are except by rumor and the statement of the gentleman from California that he is not the author, should realize that the suggestions I am making this afternoon may be very helpful to them by the time they get down to the fifth or sixth Townsend plan.

Mr. McGROARTY. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from California.

Mr. McGROARTY. Is the gentleman trying to be facetious?

Mr. BUCK. Certainly not.

Mr. McGROARTY. Is the gentleman trying to be funny when he uses the expression "fifth or sixth Townsend bill"? Does he consider that argument?

Mr. BUCK. If the gentleman will pardon me, I said "Townsend plan." Of these we have had three proposals so far, including the gentleman's two bills and an incipient one, or at least a modification of H. R. 7154 from the gentleman from Oregon. Well, I will call the next bill the fourth proposal and let it go at that.

Mr. Chairman, I now propose to enter into a detailed analysis of H. R. 7154. The first section attempts to define the term "transaction", and I say "attempts to define" deliberately, because it says "transactions shall be defined", but it never defines them in the whole bill. That, of course, is a small matter and a question of legal verbiage that no doubt the learned gentleman who wrote the bill can change.

It further says the term "gross dollar value" shall be defined to include the sum representing the total "fair" value of the entire property or service transferred or proposed to be transferred without deducting any amount of encumbrance or offset of any kind. It also attempts to define certain other terms used in the bill. The only actual definition put in is the following, and I must confess it is so scientific that I am unable to understand it:

> Barter and/or exchange is defined as a plurality of transactions to the extent of the fair value of the property and/or service transferred or rendered other than money.

I shall return to the definition of "transaction" somewhat later.

Section 2, the heart of the bill, proposes a tax upon the fair gross dollar value of each transaction done within the United States, and provides in addition thereto a 2-percent tax on the fair dollar value of all transfers of property by devise, bequest, or other testamentary disposition now or hereafter taxable under the provisions of the Revenue Act of 1934; and, in addition thereto, a 2-percent tax on the fair gross dollar value of every gift in excess of the fair value of $500. The continued use of the word "fair" certainly is going to make for litigation should this bill ever be enacted. I am wondering why the distinction between the testamentary transfers and the gifts by the omission of the word "gross" in connection with the former.

Section 3 creates an annuity fund.

Section 4 attempts to describe the qualifications and limitations of possible annuitants, and

Section 10 attempts an additional qualification, that the annuitants must be domiciled within the United States.

Section 5 authorizes the Administrator of Veterans' Affairs to create boards of review. It is interesting to note that section 5 (b) provides that the decisions by such board shall be reviewed by "the State court having general jurisdiction over the area in which that board is situated"—certainly a very unusual procedure giving State courts jurisdiction over Federal business.

Section 6 provides for the apportionment of the taxes collected after administrative expenses are deducted.

Section 8 appropriates money to pay them.

Certainly this makes the bill clearly subject to a point of order if anyone wants to urge it, and I shall not, for our committee has no right to report an appropriation bill, and the House has no right to write an appropriation into this bill. These are the important sections of the bill.

Now, Mr. Chairman, I desire to return for a moment to the definition of "transactions." I think this is the most remarkably broad definition that has ever been presented to Congress, and I have no doubt it was the intention of the sponsors of the bill to so present it. Let us see what "transactions" include. It broadens the original bill's base and includes as taxable every personal service that may be rendered. It makes wage earners subject to a 2-percent tax on everything that they may earn from now until they die.

The bill puts an additional 2-percent tax on transportation down as far as your street-car fare, and on telegraph and telephone. The bill puts a 2-percent tax on amusements and on radio. We are putting a 2-percent tax on advertising and even on education, so far as it concerns private schools and academies.

Let us consider the matter of amusement—take the radio. The tax must be paid by the person who furnished the service or by the legal entity by which the service is furnished on the gross "fair" value of each transaction done. Suppose the radio puts on Amos and Andy—and you or I do not like Amos and Andy—what is the fair gross value to be taxed? Is it what the broadcaster pays the entertainers? Or is it to be based on the fair gross value of the "transaction done", as the bill says? And if the latter, what is that?

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BUCK. No; not for the moment. The gentleman may like Amos and Andy.

Mr. DUNN of Pennsylvania. I do.

Mr. BUCK. The gentleman might add to the broadcasting company's tax. Further, this bill puts a tax upon executory contracts. If, Mr. Chairman, I contract to sell you 1,000 bales of cotton today or 1,000 bushels of grain or a ton of dried fruit or anything else, even if I receive no deposit, I must pay the United States Government under this bill, at the time of signing the contract, 2 percent of whatever the total proposed purchase price may be. Yet you may die before you carry out the contract, or may default. I am taxed on a hope only. If, Mr. Chairman, I contract to sell you a farm for $10,000 and receive $1,000 down as a payment, I still must pay $200 on the full value of $10,000 of that farm or real estate, or 20 percent of what I receive—and yet the next year you may default. Should I be lucky enough to secure another buyer on the same terms, I will have to pay another 20 percent.

If there were a mortgage of $5,000 on that $10,000 farm, under the specific language of the bill I cannot deduct that $5,000 mortgage in calculating any tax, but must pay 2 percent on the total value of $10,000. If, at a sheriff's sale on foreclosure, the property mortgaged for $5,000 brings $6,000, the poor foreclosed farmer must pay the Government not 2 percent on his equity but 2 percent on the entire $6,000.

Mr. Chairman, in the condition of farm-mortgage property in the United States today, this bill ought to have as a subtitle an act to discourage and prohibit the sale of farms. It is the most outrageous taxation curtailment of farm transfers I have yet heard proposed.

We have seen what a 2-percent transaction tax will raise. The gentleman from Oregon said he thought the inheritance tax and the gift tax, if effective, would raise enough to pay the administrative expenses.

On the basis of the returns for the year 1933, the inheritance and gift tax would raise $16,000,000. The additional one-tenth of 1 percent on the income tax, if effective, would bring in $100,000,000. I do not think that this comes anywhere near paying the administrative expenses, but let us look at some of the other items.

Mr. MOTT. Mr. Chairman, will the gentleman yield for a question there?

Mr. BUCK. Yes.

Mr. MOTT. Would the gentleman mind telling us what, in his opinion, the expense of administration would be under such a proposal?

Mr. BUCK. As I said a moment ago, according to the best estimate I have been able to obtain from the Treasury, 8½ percent would be the cost of collection without any check-up or any investigation as to whether the manufacturers had paid the tax or not or the recipient of the pension had spent it.

Mr. MOTT. We would appreciate it if the gentleman would elaborate a bit on that matter so we would know why he thinks that is so. Why, in other words, would the cost of administration be greater, in proportion, than the cost of the administration of the income-tax law or other revenue-raising measures?

Mr. BUCK. The answer is quite obvious. We are dealing with the population of the country as a whole in this case, whereas with the income-tax law we are dealing with only a certain selected group who pay the income tax, and according to the figures submitted to our committee in connection with our own bill, there are over 2,740,000 individuals and partnerships and corporations employing workers at the present time that would have to be checked. This does not include the employers of personal service. The McGroarty tax does not depend upon income or anything of that kind. It depends upon sales. It is the most gigantic multiple sales-tax proposition ever submitted for the consideration of the Congress. The administration costs would, no doubt, be vastly in excess of 8½ percent.

Mr. MOTT. I wish the gentleman would elaborate on that as much as he has the time to do so, because I would like to reply to the gentleman on that point if I have the opportunity to do so.

Mr. BUCK. I am going along as well as I can.

There are other objections to the tax features. I know the gentleman from Oregon [Mr. MOTT] is a good constitutional lawyer, and I am going to try to give him some food for thought.

In the first place, this bill taxes the States or the political subdivisions thereof, which is prohibited by the Constitution. In the *Indian Motor Cycle case* (283 U. S. 570), cited for the benefit of anyone who wants to look it up, the Supreme Court held that the Federal Government was without power to tax the sale of a motorcycle by a manufacturer to a city for its police service. This prohibition applies to all sales to a city or political subdivision for use in essential government functions.

So that much of your sales tax is going out as unconstitutional.

Mr. MOTT. Mr. Chairman, will the gentleman yield at that point?

Mr. BUCK. If the gentleman will first let me finish my statement, I shall then yield.

Mr. MOTT. I do not wish to interrupt the gentleman, because I know his time is limited.

Mr. BUCK. Secondly, it interferes with the borrowing power of a State or a political subdivision by proposing to tax bonds and other obligations of such State or political subdivision. In specific words, it taxes loans and interest, and the Supreme Court, in the case of the *National Life Insurance Co.* v. *the United States* (277 U. S. 508), has held that bonds of States and political subdivisions are exempt from Federal taxation on the theory that such a tax would burden the exercise of State authority in connection with its power to borrow money.

So that much of your prospective proceeds goes out.

Now, thirdly, it proposes to tax the salaries of employees of State or political subdivisions engaged in governmental functions, which is prohibited by the Constitution. (*Collector* v. *Day*, 11 Wall, 113; *Metcalf & Eddy* v. *Mitchell*, 269 U. S. 514.)

(The time of Mr. BUCK having expired, he was yielded 10 minutes more.)

Mr. BUCK. Apparently the bill taxes every gift, even those to charitable or eleemosynary institutions. These are exempt from the present gift tax. It sets up no provision as to how a transfer in trust should be taxed.

For instance, suppose A sets up a trust to B for life with the remainder to C. Does A pay a tax on the whole amount of the trust, or does he pay a tax on B's life interest immediately, and then on C's remainder interest at the time C comes into the possession and enjoyment of the property?

In my brief time I can only begin to cover the defects of this bill.

Oh, gentlemen, I regret extremely that the gentleman from California [Mr. MCGROARTY] said that this was a scientific and statesmanlike bill, and that no more carefully drawn bill had ever been presented to the House. Why, it is so full of loopholes that you could drive an automobile truck through any part of it. Moreover, it is dangerous.

The bill gives the Secretary of the Treasury broad authority to collect these taxes in any manner he sees fit. No appeal is provided to the Board of Tax Appeals, although such an appeal is granted in the case of the present income, estate, and gift taxes. The general statutes relating to internal revenue do not appear to be applicable, since they refer to a system of assessing, collecting, and refunding taxes by the Commissioner of Internal Revenue and not by the Secretary of the Treasury. Claims for refunds, refunds and assessments are now made by the Commissioner. There is nothing in the McGroarty bill that gives the Commissioner of Internal Revenue authority to do anything in connection with these internal-revenue taxes. There are no periods of limitations prescribed for the assessment, collection, and refund of the taxes.

It looks like an entirely new scheme of collecting taxes and might even be considered an unconstitutional delegation of authority. Let me suggest one more thought to you writers and authors of this bill when you revise it the next time. You propose to put a 2-percent tax on the fair dollar value of transfers of property by devise, bequest, and other testamentary disposition, taxable under the Revenue Law of 1934. Nothing of that kind is taxable under that law. All we have is a Federal estate tax, which is imposed on a statutory basis called net estate, and certain deductions are taken from that. All these items are valued as of the date of death. There is nothing in this bill to show when they shall be valued or to what the tax is to apply, and, moreover, the Federal estate tax is not imposed by the Revenue Act of 1934 but by those of 1926 and 1932. So much for the tax provisions of this bill.

Let us be fair in this matter. The new bill is an improvement over the first by forbidding the payment of pensions to anyone in receipt of an income of $2,400 or more per year. On the other hand, the original bill prohibited the receipt of a pension by anyone convicted of a felony or the inmate of an asylum or eleemosynary institution. These provisions have disappeared, so perhaps the decrease in the number of pensioners on the one side will be offset by the increase on the other. The bill has also been improved by removing the danger of wholesale inflation that existed in the original bill. It now authorizes the appropriation of no money that is not collected in taxes. While the old people are still being led to believe they will get $200 per month, it certainly is not provided in the bill.

At least the revision of the bill has had the advantage of bringing out the real import of the Townsend plan. One of its organizers, Mr. A. C. Pearson, of Sacramento, Calif., at a mass meeting in my home town this month said: "If the Townsend plan were a pension plan, it would be ridiculous. It is a recovery plan." Its claim has always been that it is a plan to bring prosperity through imposed heavy taxes and this is honestly set forth in the revised bill. Under it, the taxes are to be collected for 3 months before any one gets a cent in pensions. While there is a doubt as to how much the pension will be and when it will be paid, there is no doubt about what the tax is intended to be.

There are fundamental objections, in my opinion, to the bill that go beyond the question of its tax provisions. It provides for a direct Government grant without State participation, and I consider State participation of vital importance, for without State participation there can be no certainty that the fund will be properly administered on an equitable basis. Moreover, it provides for a flat rate, not taking into consideration the difference in the necessities of the population in various sections of our country and even the difference between urban and rural communities in any one State.

Then there is the thought that has been expressed that this bill would create prosperity by putting into effect a revolving fund. It is beyond me to see how any money is going to revolve further than out of the hands of the original recipients. It will be piled up in the banks or in the hands of those who already control the greater part of the wealth of the United States, and in this connection I read a statement recently made in the State Senate of California by Senator Culbert Olson. I particularly urge my fellow Democrats of California to listen to their floor leader:

> But assuming that the plan could get started without such disastrous results, and the $2,000,000,000 for the pensions for the first month is provided, the revolving idea of returning that money to the pensioner by a sales tax upon themselves and other consumers cannot be realized. That money cannot remain in circulation, because it will be constantly drained into unspent profits and surpluses and added to the accumulations of that small fraction of the population—said to be about 4 percent—that already owns nearly 90 percent of the Nation's wealth. There is no reason why this privileged portion of our population should oppose this bill. When the first $2,000,000,000 is thus absorbed, no part of it can longer "revolve", and like absorption of the next $2,000,000,000 must begin.

The fact of the matter is that the McGroarty bill or bills or whatever may finally come out of them, so far as they may be considered an aid to the aged or a new instrument of economic revolution, places a greater burden on the working man than does the administration bill.

In the tables which I referred to earlier, Dr. Doane, the economic adviser to Dr. Townsend, estimated that the cost of living with the 2-percent tax on selected-item basis would increase from 10.60 percent to 12 percent. On the basis of the same tax on all transactions (table V), it would increase 24 percent. None of us on the committee have ever been able to check the accuracy of Dr. Doane's figures, but for the purpose of this statement I am going to assume they are accurate. That is going to place a tremendous burden on the worker who has already had his pay check docked 2 percent.

To start with, the working man is to be taxed 2 percent forever and not merely up to the age of 60 or 65, and the employer who, under title I of our bill, contributes nothing, but under title II contributes eventually a 3-percent tax toward old-age pensions, contributes nothing under the McGroarty bill. If it were not for the other features it contains, this portion of the bill would absolutely meet every objection that has been raised by the gentlemen on the Republican side who have been so solicitous about the taxation of the employers and their pay rolls.

It might be well to point out here that there is a difference between these transactions or sales taxes and excise taxes measured by pay rolls as proposed in our bill. The latter affects only one production cost, labor. The average labor cost in manufactures is 21 percent (1930 census). The excise tax that we propose, which will eventually be 3 percent on pay rolls from the employer, does not therefore increase costs by 1 percent, but only by twenty-one one hundredths of 1 percent for each 1 percent of the contribution, or a total increase in cost to the employer of sixty-three one-hundredths of 1 percent. A direct sales tax on the price of all transactions costs the employer 2 percent on each item going into the finished product and costs the consumer the cumulative amount of all these taxes.

So the McGroarty bill subsidizes the manufacturers and the chain-store operators, as was so clearly pointed out by my Progressive friend from Wisconsin [Mr. BOILEAU]. They will pay only one turn-over tax, and in spite of the fact that the gentleman from Oregon [Mr. MOTT] read into the RECORD a proposed amendment to overcome this, I point out to him that that proposed amendment is unworkable. It would force the manufacturers of the completed article to find out in every case whether the transaction tax on each raw material going into the finished product has been paid. If the seller had failed or refused to pay the tax on such raw material, the manufacturer would have to bear the total burden through no fault of his, and the original seller would escape scotfree.

The amendment is unworkable in every way, and even his amendment does not cover the chain store or the other aggregations of wealth which can operate with just one turnover.

Mr. Chairman, the little man, the man who has to buy through the wholesaler and the jobber and the manufacturer, who does not control his own raw materials, is beginning to see the light, and at this point I put into the RECORD, with the permission of one of the gentlemen to whom a copy was sent, a letter sent to Dr. Townsend on April 4, 1935, which reads as follows:

APRIL 4, 1935.

Dr. TOWNSEND,
Washington, D. C.

DEAR DR. TOWNSEND: We are small business men and we have signed the Townsend plan petitions and would like to see this plan adopted on a workable basis nationally, but we, as small business men, want to be assured that big business is not going to capitalize on the transaction tax.

For instance, as we see it, the small merchant is put at a complete disadvantage, because big business, with their chain holdings, have complete control of many products; in fact, industries from production of raw material throughout the complete course of transaction to the consumer, thereby making it possible for them to carry these products from the raw material through the factories, jobbers, transportation, distributing warehouses to their retail units, and on to the consumer with only one cash transaction, whereas, we smaller merchants must deal through independent institutions. The manufacturer has a cash transaction with the producer; there is a cash transaction between the manufacturer and the broker; the broker and the jobber; the jobber and the distributing agencies. There is also another cash transaction between the distributing agency and the retailer and between the retailer and the consumer.

How in the name of God and little green apples can we, as small merchants, survive and pay 5-to-1 tax; this would break every independent institution before legislation could be brought about constitutionally to remedy such a mistake?

We stand for correction, and any information which you have to offer will be greatly appreciated and carried on.

Yours very truly,

(Signed) WILLIAM SORENSEN,
(Signed) LE ROY ATKIN,
614 Lighthouse Avenue, New Monterey, Calif.

Copies sent to President Roosevelt, Senator William G. McAdoo, Senator Hiram Johnson, Congressman John J. McGrath.

If we do not know what will happen to the small manufacturer or the retailer in competition with the chain operator; we can at least see some of the other disadvantages that will occur. Foreign trade is carried on upon a very small margin. Imagine increasing the costs of the finished products, not necessarily by 24 percent, but even by the 12 percent. Passage of this bill would destroy the foreign trade of our country in almost every instance, and certainly in every instance in which we compete with any foreign nation.

The workers between the ages of 21 and 60, whose food and whose clothing and whose very wages will be taxed under this new bill without receiving one penny of the benefit will, if it goes into effect, indeed accomplish a revolution, but it will not be the economic revolution that Dr. Townsend plans, but a revolution against this bill itself. Can you imagine the delight with which the workman who has just had 2 percent of his weekly wages deducted on Saturday night will proceed up town to find that there is a 24-percent increase in the cost of his bread, of his meat, of his tobacco, for remember he is the ultimate consumer who pays at both ends to the fullest.

And so, Mr. Chairman, outside of the tax difficulties, outside of the administrative difficulties, outside of the fact that the payment of these annuities would be made without regard to the economic differences between one State and another or even within one State there remain the two fundamental objections that in the guise of helping the aged you are penalizing the workers, the wage earner, by taxing him unconscionably and you are subsidizing the employer and the manufacturer, and particularly the chain operator, by relieving him from any direct contribution to the aged.

I have been pledged for many years to the enactment of the best and most liberal old-age-pension plan that can be secured. If a better one than our committee has presented can be worked out on some sane and logical lines, I will be for it. If any plan has a fundamental basis of value, rest assured it will be developed, and when it is presented to the Ways and Means Committee and to the House with those sane and logical arguments and proofs, it will be considered there in fairness, as every bill has been considered. If a later plan has more merit, I will be for it, but I will not violate my oath of office to support any plan which is fundamentally unsound and certainly not one which in spite of the declaration of the gentleman from California [Mr. MCGROARTY] to the contrary I consider to have been presented in possibly the most unscientific and most unstatesmanlike manner that any bill has been presented. I was glad to note that the gentleman from Oregon [Mr. MOTT], in response to my inquiry, took the lead in saying that the old people must not be deceived longer, and I trust that the official organ of Dr. Townsend will now admit that there is no chance of securing $200 a month pension without wrecking the industry of the Nation.

If not, I shall endeavor to explain even more fully the true state of affairs to my constituents when I return home. The terrific propaganda that has been spread by the proponents of this plan must be faced and must be met courageously by bringing home to the Nation the fact that this House is doing the very best it can for them. We must creep before we walk, and when we take our first step forward it is only a prelude toward our further progress. There may be ways in which longer and larger strides can be taken when the opportunity occurs, but here and at this time the strides forward that we are able to take in titles I and II of this bill are greater and of more benefit to the aged than any which have been proposed by any other plan.

Mr. SAMUEL B. HILL. Mr. Chairman, I yield such time to the gentleman from Oklahoma [Mr. JOHNSON] as he may desire.

Mr. JOHNSON of Oklahoma. Mr. Chairman, for almost a week we have listened to the debate on this important social-security bill. This afternoon we listened to the matchless address delivered by my personal friend Dr. SIROVICH, of New York. In my opinion, it is one of the greatest speeches delivered on the floor of this House in many a day.

The gentleman who just preceded me, Mr. BUCK, of California, has also made a very valuable contribution to this discussion. And, at the beginning of this debate, we heard the Chairman of the Ways and Means Committee, as well as other able members of his committee, explain the provisions of this bill, which is in fact three or four bills in one, as it proposes to legislate on several different yet somewhat related subjects.

I find this bill a sort of meager dole to the aged, wrongly called "old-age assistance" or "old-age security."

Let me say at the outset that a bill that provides maximum Federal participation of only $15 a month and requires the State to match in whole or in part, as this bill does, in order for the citizen to receive a mere pittance should not be classed as old-age security. [Applause.]

Other provisions of the pending bill relate to unemployment insurance, Federal assistance to the States for crippled children, vocational rehabilitation, child and maternal welfare, and public-health services. Still another provision provides for old-age benefits, or old-age insurance. This is separate and apart from the old-age-security provision and would not be placed in operation until 1942. Funds would be provided by contributions of those who participate. All of these are gestures in the right direction; but if I know anything about the sentiment of this House, few Members are really satisfied with many of the provisions of the pending bill.

It will not be my purpose to discuss this bill section by section, nor to go into the many provisions of the bill, but to confine my remarks largely to title I, which has to do with old-age security.

Just a year ago this week, in discussing the Dill-Connery old-age-pension bill that had then been reported to this House for consideration, but which never came to a vote, I expressed my views briefly on the subject of old-age security. As pointed out then, I have been deeply interested in this subject for many years. I also mentioned the fact then that the first speech I ever made on the floor of this House was on the subject of pensions. In discussing the Dill-Connery bill, I said in part:

> I submit that we are facing a problem that society alone, through the government set up to protect the weak from the strong, and to enable us to enjoy the fruits of "life, liberty, and the pursuit of happiness", can adequately meet.
>
> I am no new convert to this theory. I have been advocating protection for our aged for many years, even during the era of "rugged individualism", when this problem had not attracted the attention of the public and when it was opposed by many well-meaning persons.

I also pointed out in that speech that an increase of 11 percent in the income-tax rates would alone provide the

necessary funds for the modest pensions proposed in that bill. I suggested at that time that this House should materially increase the estate tax, gift tax, corporation tax, and surtax or excess-profits tax. It is absurd to say that this great, rich Government cannot adequately take care of its aged men and women, who, through no fault of their own, find themselves without means of support.

As stated a moment ago, the pending bill is a gesture in the right direction, but it is at best only a gesture. If given an opportunity, I propose to offer several amendments to this bill. Frankly, I am getting tired of having our committees hand us these bills with a solemn warning that the measures must be passed without the changing of the dotting of an "i" or the crossing of a "t."

You may recall that when the committee recently brought in the McSwain bill, proposing to curb war profiteering, which in its original form overlooked conscripting the financial resources of the country or conscripting anything except the young manhood of America in time of war, we were solemnly told that we should accept that bill exactly as written, and woe be unto the Member who had the audacity to try to amend it. But I took the same position on that bill as I do on this. It will be recalled that this House took charge of that measure and put teeth in it. This body made a real, constructive, drastic, and far-reaching measure out of that bill before it was sent to the Senate. In my judgment, we ought to operate on the pending measure in a more drastic manner than this body did on the McSwain bill. [Applause.]

Mr. Chairman, I have introduced a bill (H. R. 2802) that was prepared in collaboration with the Old Age Security Association of Grady County, Okla. I have no pride of authorship, but it is much more fair and more equitable than title I of the pending bill.

At least two of my colleagues from Oklahoma, Representatives ROGERS and GASSAWAY, have bills pending before the committee, both of which are more liberal, more progressive, and much fairer to our aged citizens than is this bill. But neither of these bills has had favorable action by the committee.

The Lundeen and the McGroarty bills have been discussed at some length on the floor of this House. Both have splendid provisions, and both have their weaknesses. But let me call your attention to the fact that if the Lundeen bill were passed, it would be financed by that class able to pay and would not heap additional burdens on the backs of the working class. Section 4 of the Lundeen bill reads, in part, as follows:

> Further taxation necessary to provide funds for the purpose of this act shall be levied on inheritances, gifts, and individuals and corporation incomes of $5,000 a year and over.

This provision should be broadened to include the taxing of stock exchanges, as provided in my bill, and substituted for or added as an amendment to the appropriate section of the pending bill. This Congress cannot afford to pass this bill without providing some means of financing it. I think it is generally conceded that the $49,750,000 provided in the pending bill to finance old-age-security provisions for the first year is entirely inadequate.

The weakness of the Townsend plan, that has been changed and modified several times, and which is now estimated will pay $50 a month instead of $200, is undoubtedly its sales-tax provision for financing it. The proposal of a tax of 2 percent on every transaction is not only impractical but would play into the hands of the special interests and add additional burdens on the poor. I have consistently fought a Federal sales tax for years; but even worse than a general Federal sales tax is a turnover sales tax as proposed in that bill. Canada tried that to its sorrow and soon abolished it. As I pointed out on this floor in speaking in opposition to the sales tax as advocated by Herbert Hoover in 1932, there is no question but that such a tax is ultimately passed on to the consumer. A general sales tax is robbing Peter to pay Paul, and when Peter and Paul are both poor men, both ground down by heavy personal and real estate taxes, as well as by tribute paid the tariff-protected corporations, low wages, and starvation prices for farm products, I hope that some other way can be found to raise the revenue needed to take care of our obligations to our needy and deserving old people.

On the other hand, the McGroarty plan, as modified, has some splendid provisions and represents the progressive ideas of millions of people who are determined to do something worth while for our aged citizens.

The bill I have submitted to this Congress for consideration would lower the age limit to 60 years, with a further provision that dependent citizens over 50 years of age, who are disabled and unable physically to provide a living for themselves and families, should receive Federal assistance. Neither provision can be found in this bill.

My bill provides for a minimum pension of $30 a month, but there is no minimum provided in this bill. This measure, if passed, will not pay a dollar to our old people unless the States wherein they reside match the Federal Government on a 50-50 basis. I submit that if the Federal Government owes a duty to care for our needy and dependent old people it should not be contingent on where those citizens happen to reside. In other words, if a State is bankrupt or for any other reason failed or refuses to do its duty by our aged citizens, why should the Federal Government hide behind the cloak of the State's failure to participate in this program?

Mr. MCFARLANE. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield with pleasure to my distinguished friend from Texas.

Mr. MCFARLANE. Is the gentleman satisfied with the piece of legislation now pending before us?

Mr. JOHNSON of Oklahoma. No; not in its present form. I will say for the gentleman's information that the gentleman from Colorado [Mr. MARTIN] has given notice he will offer an amendment to pay pensions to residents of the nonparticipating States for 2 years, pending the States' decision to participate, and I believe the gentleman from Mississippi [Mr. COLMER] stated today on the floor that he proposed to introduce a similar amendment. I, for one, propose to support such an amendment.

I realize full well that the word has gone out that this bill must not be amended and that it must be passed in its present form, but I give notice now that I propose to offer and support a number of amendments in an effort to make it a fair and just measure. The bill in its present form is a misnomer. It is not all it proclaims to be in its title. It will not accomplish all the things we had hoped for during the present session, yet it must be said it is a progressive and forward step for the cause of over 6,000,000 citizens who are 65 years of age or older and who thus far have been forgotten by this Government.

The pending security bill, in its present form, although very much inadequate to meet the present deplorable situation, is, of course, better than nothing. It is at least an opening wedge to real security legislation in the future. It marks the dawn of a new day for the millions of aged, dependent, and helpless citizens who have played an important part in making this great country what it is today. I predict now that some time in the not far distant future the Congress of the United States will awaken to its full duty and discharge its full obligation to our old and honored citizens. [Applause.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. COLDEN].

THE RIGHTS OF AGE

Mr. COLDEN. Mr. Chairman, no question under consideration before Congress has a wider appeal than old-age pensions. The depression has brought the tragedy of age to public attention as never before. The aged of this decade have not only been deprived of a just share of the fruits of their labor but of employment. They have been stripped of their savings of years by unsound economic conditions, by the dust storms of speculation that swept our country and the consequent failure of banks, building and loan associations, and kindred institutions. The substitution of mechanics for the manual efforts of a very large portion of our

population, and the machine age demanding the alertness, speed, and the energy of youth, has lessened the demands on age and experience.

Our aged people, once young, filled with hope, spurred by ambition, played their part in the achievements of a great Nation. It was their ranks that conquered the wilds of our country, that felled its forests, that delved in its mines, that plowed its fields, that reaped its harvest, and planted its fruits and consummated the economic development of our Nation, the richest on earth. Robert R. Doane, the economist, is the authority for the statement that in 1929 the United States possessed about 45 percent of the entire wealth of the world.

These millions who are suffering today not only produced the wealth of this country but they also carried the burdens of war. These aged served the flag, many offered their lives, their strength, their bodies to the ravages of disease and to the shot and shell of the battlefields. And these who have contributed so much to our country, to its prosperity, its wealth, its safety, its welfare in peace and in war, their voices must be heard, their needs must be noticed, their welfare must be regarded.

In considering the aged and the forgotten, let us remember the wife and mother, who have performed an essential and primary part in the upbuilding of this great Nation. Think of the hardships and the privations that wifehood and motherhood entail, a life of drudgery in millions of instances, with but few opportunities to share the comforts, the dreams, and the luxuries of life; those who have borne the soldiers and the workers of the Nation, who nursed them in their infancy, who guided them in their youth, and who served and blessed them throughout all their years. Have we so far forgotten the principles of Christianity, the brotherhood of man, the obligation of one human being to another, not to respond to the necessities of wifehood and motherhood? If we can pay pensions to policemen, firemen, and other employees, why not the mothers and fathers?

One of the first questions that arises is: How much can we pay? The amount of $200 per month has been called "cockeyed", and others declare that $15 is an insult and a pauper's dole. I have always advocated as generous a pension as we can afford to pay.

In the study of this urgent problem one cannot avoid the relationship of a fair old-age pension to the income that is annually received per person in our country. To pay a pension far in excess of the individual's capacity to earn is unfair to those who must pay it. Many pensions are granted on a percentage basis of the earnings of the beneficiary, such as policemen and firemen and retired officers of the Army and Navy. Others, like veterans' pensions, are based upon the degree of disability. In order to arrive at a fair conclusion let us consider not only the wealth of this country but also its annual income.

OUR INCOME FOR 20 YEARS

For a period of 20 years, beginning in 1910 and ending in 1929, the average income per person per year in current dollars was estimated at $511.25 per year, or about $42.60 per month per person. Based on the purchasing power of the dollar for 1913, considered by economists as a normal year, the average income per person for the United States was $347.80 per year, or about $29 per month. A thoughtful consideration of old-age pensions must lead to the inevitable conclusion that the income of all over a period of years must govern to a large extent the amount that can be paid for any purpose, however beneficent it may be. Since the average income of all the people of the United States for a period of 20 years has been but $29 per month, can we justify an old-age pension of $200 per month?

THE FARMERS' INCOME

One of the groups in our country intensely interested in all public expenditures is our farmers. About 30,000,000 people, or nearly 25 percent of our population, lived on the farms in 1929. According to the estimates made, the average income per person on the farms throughout the United States was $273, or $22.75 per month. California is quite fortunate in this respect, for the income of the farmers of our State was estimated in current dollars at $1,246 per person for the year, and stood at the top of the list, with an income of a little more than $103.83 per month. South Carolina stood at the bottom of the list, with approximately one-tenth of the income of the farmers of California, namely, $129 for 1929, or $10.75 per month per person, and these farmers, with this meager income, must contribute to any sort of pension plan, whether it be $15 or $200 per month.

In 12 Southern States farmers averaged but $162 per person, or $13.50 per month, for 1929. In only 11 States did the income of the farmers exceed $500 per year, or $41.67 per month. New York farmers had an income of a little less than $500, and the farmers of Iowa and Missouri did not reach $250 per person per annum, or $20.83 per month. These incomes include rental value of houses and food raised and consumed by the farmer, and 1929 was a prosperous year compared with the 3 years that followed. On the other hand, the residents of the city enjoyed a larger income of approximately $900 per capita per year, or about $75 per month. Of course, the city residents pay more for rentals and more for certain foodstuffs than the farmer.

DISTRIBUTION OF INCOMES

The same source of authority for the statistics just quoted, namely, Our Capacity to Consume, published by the Brookings Institution, states that the family—a fraction over four persons—income averaged $1,700 for the year 1929. It also gives information that 6,000,000 families, or 21 percent of our population, had an income of less than $1,000 per year; that 12,000,000 families, or over 42 percent of the population, had incomes of less than $1,500; that 20,000,000 families, or 71 percent, had an income of less than $2,500 per year; that 2,000,000 families, or 8 percent of the population, had more than $5,000 per family per year; and that 600,000 families, or 2.3 percent of the population, had an income of more than $10,000 per year for a family of 4; also that 1 percent of the families with the highest incomes had as much of the entire income of the country as 42 percent of the families with the lower income. All of these figures disclose the fact of a most serious maladjustment of the incomes of those who produce the wealth of our country. And these figures were based on incomes in 1929 which were about twice the national income per year during the depression. Where in justice should we place the burden of taxes for the aged? Would you place it on the back of the millions with inadequate incomes or upon those with extravagant incomes who revel in the riches produced by the workers?

MANY UNABLE TO SAVE

One of the serious phases of the distribution of wealth of the United States is that millions of our people are able to save but a very small amount because their income is consumed by living expenses. Those with the higher incomes, therefore, are able to accumulate most of the savings of the national wealth, and thereby increase their wealth from year to year entirely out of proportion to the average population. The figures show that in 1929 the savings of the 10 percent having the highest income were 86 percent of the total savings of that year, while the 80 percent of the population with the lower incomes were able to save but 2 percent of the entire savings of the country. One and six-tenths of the depositors in the banks of the United States own 65 percent of all the deposits in the 15,119 banks operating under the Federal Deposit Insurance Corporation, was the testimony of Leo T. Crowley, Chairman of the Board of the F. D. I. C. on February 21, 1935, before the House Committee on Banking and Currency.

THE PRIVILEGED FEW

The American Monetary Reform Association furnishes the figures that for 1929, 1.82 percent of the income-tax payers received 85.7 percent of the entire taxed income, based upon the returns made to the Income Tax Department of the Government; also that 513 persons in 1929 had a net income of over $1,212,000,000. These 513 persons had an income equal to the entire harvest of wheat and oats from an acreage of over 101,000,000 acres. This acreage is almost the same as the entire acreage of California, including the mountains, the deserts, and the rivers. The privileged few who

gained their great fortunes by the exploitation of the many, including those reduced to penury, are the ones to bear a major part of the burden that society owes to the aged. The rugged individualism that has grasped the wealth and income of our rich resources should restore to the ragged individualism it has produced at least sufficient compensation to relieve its unfortunate victims from the destitution of age.

GROWTH OF CORPORATIONS

The Modern Corporation and Private Property, an illuminating volume by Berle and Means, in discussing the concentration of wealth in America, discloses that the American Telephone & Telegraph Corporation had assets of $5,000,000,000, and 454,000 employees, in 1929; that the assets of this company are more than those of 21 States of the Union. This same interesting study also states that in 1800 there were but 335 profit corporations in this country, 219 of which were turnpike, bridge, and canal companies, and only 6 manufacturing companies; also that in 1930, 14 railway systems operated nearly 87 percent of first-class railway mileage, and nearly 82 percent of the entire mileage; that in 1919, 99 percent of the workers in copper were employed by corporations, 98 percent of the workers in iron ore, 97 percent of the workers in lead and zinc, 89 percent of the workers in oil and gas, and 92 percent of the workers in factories were employed by corporations. In 1930, 200 corporations had over $100,000,000 each, and that 15 corporations had a capitalization exceeding $1,000,000,000 each. Berle and Means also state that in 1930, 200 corporations, 42 of which were railways, 52 public utilities, 106 industrials, had assets of more than $81,000,000,000, or practically 22 percent of the entire wealth of the country at that time. The same authority also states that these 200 corporations, less than seven one-hundredths of 1 percent, control nearly one-half of the corporate wealth of the United States, and that 2,000 persons control one-half of the industry of the country. Not only should these powerful corporations be curbed in their ruthless disregard of the rights of the individual, but heavy income and inheritance taxes should more uniformly distribute this wealth and power.

THE PRIVILEGED TWO HUNDRED

Berle and Means further state that these 200 corporations in 1919 had assets of nearly $44,000,000,000. or an increase of 68 percent in the preceding 10 years; that in 1929 their capitalization was over eighty-one billions, or an increase of 85 percent in the preceding 10 years. In the preceding 10 years, including 1928, 44 railways increased their assets from eighteen billions to twenty-three billions, or 24 percent; that 71 industrial corporations increased their assets from fourteen billions to twenty-three billions, or 58 percent; and that 35 utility companies increased their assets from six billions to eighteen billions, or 300 percent. These 150 corporations increased their assets from thirty-nine billions to sixty-four billions, or 63 percent, in 10 years previous to 1929.

Some of these masters of industry continue to draw immense salaries, while the investors, including the widows and the orphans, are deprived of dividends. Investors are swindled by one hand and the consumers are exploited by the other. At every attempt to control securities, to regulate exchanges, to fix fair returns, to eliminate useless and parasitical holding companies, to throttle the monopolistic and greedy corporation, the country is flooded with propaganda designed to paralyze the public with fear and to destroy confidence in Congress.

THE NATIONAL WEALTH

In 1912 our total national wealth is estimated to have been slightly in excess of $186,000,000,000 and amounted to about $1,950 per capita. In 1922, the total national wealth was $321,000,000,000, or $2,918 per capita. 1923 was the peak of our wealth with $400,000,000,000 in national wealth, and $3,048 per capita. In 1929, the year of the stock exchange debacle, the national wealth was about $362,000,000,000, and estimated at $2,977 per capita. In 1932, the national wealth had dropped to nearly $247,000,000,000, and amounted to $1,981 per capita. The 200 giant corporations with assets of eighty-one billion in 1930 was equal to over one-half of the national wealth in 1932. Senator BURTON K. WHEELER, of Montana, recently made the statement that 96 percent of American citizens own but 15 percent of the wealth, and that one out of every six persons in this country is dependent. The unfortunate part in this picture is the unhappy distribution of this wealth by which a few are overrich, and, as rugged individualists, clamor for more and more, and the increasing millions of wrecked and ragged individuals without wealth, without employment, without income, whose opportunties to pursue life, liberty, and happiness are growing less and less. But with an average of about $2,000 in wealth and an average income of $29 per month, what is a reasonable pension for the aged?

THE BIG PROBLEM

Fundamentally, the big problem in this country is to curb the greedy concentration of wealth and to enable the average citizen and the forgotten man to obtain and enjoy a proper share of the wealth he is producing. To correct these abuses of the concentration of wealth involves all our citizenship and undoubtedly will require long and arduous labors on the part of those who assume the task.

In view of this menacing picture, what can be done to restore the economic rights of the people of this country? Fortunately the demand for old-age pensions and the other requirements of the social-security plan—old-age benefits, unemployment insurance, and the care of dependent children and the physically incapacitated, offers a program of relief and a method of curbing greed and the prevention of the overaccumulation of wealth in the hands of a few.

The income tax, the inheritance tax, gift tax, and a sales tax on luxuries, supplemented by elimination of special privilege in banking, control of the currency, participation by workers in the dividends of corporations, and similar policies, afford a plan to equalize wealth throughout this country and to provide funds for a generous social-security program, including the old-age pension, and stands in striking contrast to the transaction tax which would perpetuate and augment our present vicious system of the overaccumulation of wealth and afford no means of reform.

THE TOWNSEND PLAN

The transaction or turn-over tax as proposed by the Townsend old-age-pension plan has a fatal defect in that its burdens falls on the consumer. It was brought out in the hearings that the transaction tax is merely a multiplied sales tax. One of the examples of the working of the transaction tax was developed by wheat and bread. An example was taken of a farmer producing 1,000 bushels of wheat at an assumed market value of $1 per bushel The following table used by its proponents shows the pyramiding of the Townsend tax plan:

	Tax
Farmer sells $1,000 worth of wheat and pays	$20
Buyer sells wheat for $1,100, pays	22
Miller sells wheat for $1,200 to jobber, pays	24
Jobber sells wheat for $1,300 to retailer, pays	26
Retailer sells flour for $1,500 to baker, pays	30
Baker sells to consumer at 10 cents a loaf and at 72 loaves from each bushel, pays	144
Total tax	266

Consequently, in a turn-over of six sales from the farmer to the consumer the 1,000 bushels of wheat has paid a transaction tax of $266. Breaking down this tax, it amounts to nearly 27 cents, or, to be exact, $0.266 on each dollar of the original price of the wheat. But this does not tell all the story. The farmer is a consumer as well as a producer. He buys fertilizer, which adds a tax. He hires help to plow and harvest and must add 2 percent to the wages or take it from the worker. He pays for cutting and threshing, and more tax is added. It must be hauled to town by truck and shipped to the city market by rail, which adds more tax. It is estimated that it costs 15 cents per bushel to ship wheat to market from the railway stations of the Dakotas, Kansas, and adjoining States. That amounts to an item of $150 and $3 more tax which the Townsend table does not include. The burden continues on storage, drayage, and delivery all the way from the seed bin to the housewife who buys bread

and who must take it from the wages of the head of the family. Since the worker and the farmer must consume practically all of their wages and earnings, the transaction tax on necessities would be a tremendous burden to both.

THE INDEPENDENT DEALER

In the Townsend computation on the 1,000 bushels of wheat the grocer on the corner is overlooked. The independent grocer buys from the baker. Let us assume he pays the baker 7½ cents per loaf. In this case the baker receives $5,400 and pays $108 tax, which added to above tabulation makes a grand total of $374, or over 37 percent of the selling price of the wheat:

	Tax
Farmer pays on wheat	$20
Buyer pays on wheat	22
Miller pays on flour	24
Jobber pays on flour	26
Retailer pays on flour	30
Baker at 7½ cents a loaf	108
Grocer at 10 cents a loaf	144
Total	374

But the chain store can own its own mill and its own bakery because of its large volume of business. The chain-store buyer bargains for the wheat and the mill consigns the flour to the chain store.

Chain store or mail-order house:

	Tax
Farmer pays	$20
Chain store or mail-order house	144
Total	164

CHAIN-STORE ADVANTAGE $210

In this instance the farmer pays $20, the chain store pays $144, making a total of $164 as against the $374 costs to the independent grocer. Thus the transaction tax would tax the independent grocer $210 more than the chain-store organization. What would result to the small merchant under such a system? The example of wheat and bread can be applied to canned vegetables and fruits, boots and shoes, clothing, and other articles too numerous to mention. The transaction tax would be an unfair discrimination in favor of both the chain store and the mail-order house.

But someone may say that the success of the chain store would lessen costs to the consumer. Such is not the history of big business and monopolies. As soon as competition is crushed, as soon as the small operator closes his doors, the great captains of industry and commerce control the field and fix prices at a point to yield the greatest profits, and the interests of the consumer are disregarded. Monopolies in nearly every instance have wrung huge profits from the public, as the growth of corporations already cited clearly discloses. The only apparent remedy from trust and corporation control is in the cooperatives, public ownership, and operation for use and not for profit. Until that era arrives, the small merchant and dealer affords the backbone of competition to keep prices at a reasonable base.

Any casual analysis of the sales tax unfolds that it is a method of taxation that bears heavily upon the poor man. Undoubtedly much of the propaganda in favor of the sales tax is prompted by those who have wealth and large incomes and have the greedy desire to shift their taxes to someone else.

LESSON FROM THE CALIFORNIA SALES TAX

Again, as to the sales tax, let us examine the question as applied to the State of California. A 2½-percent retail sales tax in California takes $2.50 out of every $100 earned by the worker and the farmer. All of those who are obliged to use their income for living expenses are taxed $2.50 per $100. Now, let us consider the revenue side of this retail sales tax. It has produced a little less than $50,000,000 per annum in California. California has about one-twentieth of the population and more than that ratio of buying power as to the entire United States. Therefore, if the 2½-percent retail sales tax were applied over the entire United States, it would produce about 20 times as much as now paid in to the State of California, or approximately $1,000,000,000.

The original Townsend old-age-pension plan of $200 per month would require somewhere from eighteen to twenty-four billion dollars per year, according to the various estimates, without including the cost of administration, which would also be a tremendous cost.

Let us take $20,000,000,000 per year as a fair cost of the Townsend plan. In order to secure $20,000,000,000 you would be obliged to multiply the retail sales tax of 2½ percent by 20, or levy a 50-percent retail sales tax throughout the United States, in order to produce $20,000,000,000. So, it is quite evident that breaking down a 50-percent retail sales tax to its numerous turn-overs, the 2-percent transaction tax proposed by Dr. Townsend would fall far less than the amount required for his plan of $200 per month pension.

The much-advertised Robert R. Doane, the economist, testified before the Senate hearing on the Townsend plan that his estimate was that a 2-percent transaction tax would produce about $4,000,000,000 per annum. The Senate hearings developed the information that a similar and modified tax of 2 percent imposed in France, with a population of 36,000,000, produced but $301,000,000 per year. That Germany, with a similar 2-percent turn-over tax on 64,000,000 people, produced $249,000,000 per annum. No facts were developed that anything like the twenty billion amount required by the Townsend plan would be produced by a 2-percent transaction or turn-over tax.

THE REVISED TOWNSEND PLAN

Undoubtedly, the failure to produce any substantial evidence that the plan would produce the required revenue prompted the second Townsend bill, introduced April 1, after House hearings had concluded. But the revised bill also included the vicious and destructive multiplied sales tax that must fall on the consumer. The second Townsend bill threw the $200 per month provision out of the window, but sought to deceive the Townsend followers back home by inserting "not exceeding $200 per month." A belated attempt was made to revise the bill the third time, but the transaction tax and other objectionable features remained.

A TAX OF $650 PER FAMILY

Dr. Townsend filed a statement in the hearings before the House Ways and Means Committee on his first bill in which he estimated the entire national income for 1932 and 1933 approximated $40,000,000,000 for each year. Thereby Dr. Townsend admitted that his plan of $200 per month pension would absorb about one-half of all the income of all the people of the United States for those 2 years. Taking the peak year of 1929 it would absorb one-fourth of the entire national income. Dividing the $20,000,000,000 proposal by an estimated population of 125,000,000, you would have an average tax of $160 per person or a burden of about $650 per family per year. Such a system of taxation, added to our present groaning burdens of taxes by the city, county, State, and Nation, would not produce recovery, but prostration, stagnation, and ruination as we have never experienced.

If the Townsend plan had based its revenue requirements upon a graduated income, inheritance, and gift tax, and a sales tax on luxuries, it would, in my estimation, be a much more practical program. Not only would it provide a considerable revenue, but it would have a tendency to curtail and to control the menace of great wealth in this country. but in no event could it produce anywhere near $200 per pensioner per month.

I was reared on the theory that thrift is one of the virtues of our economic and social life. I have always had an abhorrence of debt and have always had a feeling of disgust for those who live beyond their incomes and fail to pay their bills and debts. If we were able to pay a pension of $200 per month to the aged, it would remove the incentive for millions to save. They would be compelled to spend their earnings as soon as received. It would be unlawful to conserve income for sickness, burial, or other emergencies. Many would live for today and would lose sight of tomorrow. What effect this would have on our economic and social order affords food for speculation.

DO TAXES ENRICH?

Can any people become enriched by taxation? The answer is evident. Nations and individuals are enriched by toil and the production of wealth. Any system of taxation is a drain upon the wealth of the country. The transaction tax falls particularly heavy on the workingman with the small income. The taxes are a loss to his family budget and we must not overlook the fact that the 1930 census records there were more than 10,000,000 persons over 60 years of age and there were also over 36,000,000 children under 15 years of age, who have undeniable claims upon the wage earners and the farmers of this country.

THE CHILDREN AND GRANDCHILDREN

I share in the sympathetic and emotional appeals for the aged by my colleagues, but I venture the prediction that when my big-hearted and philanthropic colleagues realize that the payment of a $200 pension to the aged by a transaction tax means the reduction of the meager fare, the scant clothes, the insufficient housing of a great part of our 36,000,000 children under 15 years of age, that they will pause and reconsider. I refer again to the rather tedious statistics in the beginning of my remarks that furnish the startling information that the average income of all the citizens of our country for our most prosperous 20 years was but a paltry $29 per month. Out of this pitiful income has been wrung the huge fortunes of the favored few. Out of the remnants of this income of $29 monthly we are to squeeze out of the milk of babes, out of the necessities of children, out of the toil and sweat of underpaid millions, billions of dollars by the vicious transaction tax. Where is the grandfather and the grandmother who would take a crust or a penny from the grandchild? When the aged of this country realize the iniquity of the transaction tax they will arise against it and demand that their pensions be not paid by the poor but by the riches of the privileged few by whom they have been exploited.

OTHER SERIOUS OBJECTIONS

Dr. Townsend argues that his system of revolving pensions would bring recovery and prosperity, but this would be counteracted by the fact that he also sets up a revolving tax. Every producer that sells his product, every merchant that sells his goods, every owner that rents his house, every doctor, dentist, pastor, lawyer, every newspaper on each advertisement and each subscription, barber, baker, and candlestick maker, must set aside 2 percent of every transaction, including every fee and collection, to be paid to the Government at the end of the month. According to the Townsend program it would require 4 months' time from the date of collection to the date of the disbursement, or the immense sum of nearly $7,000,000,000 always held out of the channels of trade and commerce. This process of retaining and holding taxes, freezing billions of our money which would only be released when the Government paid it out to the pensioner, would disastrously reduce our circulating mediums and produce ruin and not recovery.

Another fallacy of the Townsend plan is based upon the velocity of money. It was urged in the hearings that under this plan the dollar would be quickened into rapid action and that there would be a turn-over of 528 times instead of 34 times per year, as at present. Thus it was assumed that each dollar would earn $10.56 per year in taxes at the 2-percent rate. It is conceded that velocity of money is an important factor, but only a flight of fancy would imagine its turn-over to be 528 times in a year, 44 times a month, 11 times a week, and nearly twice a day. It must be noted that wages and salaries are paid weekly or monthly, rents, water, gas, telephones, and ordinary bills monthly and dividends quarterly, or perhaps yearly. The farmer's income from sales occurs less frequently. All of these factors enter into the velocity of money, and apparently have not been considered by the proponents of the Townsend plan.

THE "BRAIN TRUST" AND THE BONEHEADS

I have little patience with those impetuous citizens who demand that I vote against the social-security bill submitted by the administration. This bill was prepared after consultation with 9 outstanding groups and 116 individuals who have been students and experts of the problems involved. It has had the aid of some of the best minds of the country. When it came to Congress, hearings were had in the Ways and Means Committee of the House, 1,141 pages, and in the Finance Committee of the Senate, 1,354 pages, a total of 2,495 pages. Over 170 pages were devoted to hearings on the Townsend plan. Few bills presented to Congress have had such careful consideration. The above committees are made up of the most outstanding, ablest, and experienced Members of Congress.

I have even less patience with those who endeavor to malign the social-security measure by charging it was written by "brain trusters" and college professors. After centuries of effort to build a system of education, I am one who believes our American school system from the little white temple at the crossroads to the great universities, inclusive, is the crowning glory of our country. The teacher, the college professor hold an independent position in that he does not draw his daily bread from the great banks or from the pay roll of great industries that use propaganda to warp and distort the minds of men. The school, the college, the university is the training ground for independent thought and action, and is one of the great factors that carries us forward on solid ground. The teachers and the professors hold the destiny of America in their hands.

Among the proudest moments of my American citizenship were those when I witnessed oriental children in Hawaii and the Philippines eagerly sharing the blessings of American education. The Army and the Navy planted the flag, but our teachers planted the seed of modern civilization in their lives. Others have pioneered in the pursuit of commerce, industry, and wealth, but the underpaid teacher has marched onward and forward, carrying the banner of education and culture and America's best traditions and inspired our youth with patriotism, industry, and Christian concepts. Shame on those who detract, impugn, and slander the teachers and professors of this land to which they have contributed the essence of its civilization and its noblest ideals. Paraphrasing a retort of the esteemed ROBERT DOUGHTON, Chairman of the Ways and Means Committee, in the Seventy-third Congress, I believe the approval of the "brain trust" is much to be preferred to the carpings of the "bone trust" which makes so much noise and does so little.

CHISELERS AND PEANUT PROFITEERS

I have listened to statements and read others made by proponents of the Townsend plan that are so far removed from veracity and have such a small grain of truth that one must come to the conclusion that some of the promoters have abandoned all landmarks of fact and are dreaming of phantoms and fancies and fiction, or are irresponsible chiselers plying a shell game and preying upon the dimes and quarters they can wring from the pockets of the poor, the aged, and the credulous. Some of the most vicious and loudest of these offenders are evidently peanut profiteers and are criminally exploiting and victimizing their followers and supporters. They are not only exploiting the innocent at home but inspire flagrant threats and attacks against Members of Congress who are trying to be fair to all. The best that can be said for the Townsend organization is that it has focused attention on a great public need, and it has made a creditable contribution in this way. It is to be regretted that the Townsend plan is so fantastic and based upon the transaction tax, one of the most vicious methods of taxation that the mind of man could devise.

THE SOCIAL-SECURITY BILL

The social-security bill before us goes much further than pensions for the aged, to be paid by the Federal Government and the States. It sets up a Federal system by which the employed of the great corporations of this country may establish benefits for themselves without direct contribution of the State or of the Nation. In this plan the Government assesses, collects, invests, and disburses the funds that are contributed by the worker and the employer. It provides for benefits of from $10 to $85 per month.

Another important provision in the social-security bill provides for the security of children who are dependents. The report on the social-security bill states that more than 40 percent of all persons on relief, approximately 9,000,000 individuals, are children under 16, children who are denied the necessities required for sound bodies and sane minds. It is proposed under the social-security bill to aid the States in making provision for these unfortunate children. The social-security bill further provides additional aid for maternity and infancy welfare, for vocational rehabilitation for crippled children, and also for the further participation of the Federal Government in public-health service.

HOW MANY DOLLARS PER MONTH?

There is no limitation in the bill being considered by Congress as to the amount that may be contributed by the State for old-age pensions. For instance, California may pay $15, $25, $50, or more per month, to which, then, the Federal Government will contribute not to exceed $15 per month for each individual pensioned. If I remember correctly, the present California old-age-pension law is based upon a contribution of the State and county and amounts to a little more than $20 per month. By revising the California law to comply with the Federal requirements the total amount would be in excess of $35 per month. But the California Legislature must revise the present law before this can be realized.

In some States the counties are enabled by law to pay pensions, and the same is true of municipalities. Many cities now pay fire and police pensions, and there is no fundamental reason why this pension system should not be extended to the aged citizens in those cities and counties which may desire to establish such a system.

CRITICISM OF PRESENT BILL

Current criticisms of the present bill are that it will be slow in getting under way and that the amount provided by the Federal Government for old-age pensions is inadequate. The proposed appropriation of $15 per month by the Federal Government alone is admittedly insufficient to provide for the necessities of the aged individual. There are many who believe—and there are good reasons advanced—that the Federal Government should make the entire appropriation for the old-age pensions, and that the amount should be much larger, and do it now.

Undoubtedly from year to year there may be opportunities to provide additional revenues and to increase the Federal appropriation, but the general policy implanted in this bill provides for State participation for the very purpose of bringing home to the people of all of this country the burden of all pensions for the aged, and benefits for the worker and the children that somewhere, somehow, the Government, both National and State, must reach into the pockets of the people for the funds that are to be appropriated and bestowed. So Congress is faced with two propositions: First, the most pleasant experience of providing for the aged, the workers, the mothers, and the children; and, second, the painful experience of saddling upon others an additional burden.

This bill, which may have imperfections and which may not meet all requirements of individuals and which may be disappointing in some provisions, will be subjected to revisions and amendments, to supplementary legislation that will improve it and adjust it to the needs of the years that follow. The important point to consider is that a system for the promotion of social security and of human welfare has begun. It is like laying the first stone of a great structure.

THE NEW DEAL AND ITS LEADER!

The first pronouncement of the new deal was laid down in the Democratic national platform of 1932. That platform contained but a suggestion of human-welfare legislation, but it planted the seed in the national mind and it directed attention to a national necessity. It remained for President Franklin D. Roosevelt, the inspirational leader of the new deal, to elaborate and to give vitality and potency to this great movement. In his message to the Seventy-third Congress the President emphasized his purpose to contribute to the necessities of age and to other social welfare measures. The social-security bill now before Congress is the fulfillment of the suggestions of the Democratic national platform of 1932 and of the humanitarian vision of our great President. It is the most important human welfare measure submitted to an American Congress in the 152 years of our history. It is the crowning effort of the new deal. It is a thrilling privilege to be a Member of Congress at this session and have the opportunity of working with the President, the Ways and Means Committee, and the Members of Congress in supporting this great measure to a fruitful conclusion. President Roosevelt has kept faith.

MY OWN BELIEF

I believe firmly in a pension for the aged and for social security in all of its phases. I believe in unemployment insurance to protect the workers of this country. It is an obligation of society to provide for the widowed mother, the dependent child, the physically handicapped, and for the public health and particularly for maternal care. Our civilization demands that these obligations be met in a generous manner. The present bill is the first step.

I believe that the outline of taxation that I have given will not only permit the increase of the amount of the pensions and benefits provided under this bill for social security, but it will also be a reasonable method to bring about the redistribution of wealth and to lessen the danger and menace of accumulated fortunes. I reemphasize and repeat my former declarations, that I favor the most generous program of old-age pensions and social security that we can secure and for which we are able to pay. I have given this subject thoughtful study, I have spent many hours in its consideration, and I refuse to yield to threats or to surrender my honest convictions or to play politics with the misfortunes and afflictions of age.

Mr. TREADWAY. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. MERRITT].

Mr. MERRITT of Connecticut. Mr. Chairman, a very wise and respected clergyman in the town where I live used to say that in order to do real charity it was necessary to combine with a soft heart a hard head. I think that, in this bill before us, it is well to remember that combination, because however good our purposes are, and I am sure everyone wants to help along old people who are in distress or anybody who is in distress, a bill which affects the whole country as this does should have longer and more careful consideration than this bill has had.

I notice a great many gentlemen whose opinions are entitled to great respect, and who have studied this bill, differ radically as to its provisions and as to its wisdom. It is a matter of such magnitude and has such national effect that it should have greater study. This question has been considered in many countries. A great many States have old-age pensions now. I think it would be much wiser to wait until they have greater experience on which to build.

It is true also that many large industrial concerns have retirement provisions which are working well. Personally I believe that all provisions of this sort should be initiated and controlled by the States themselves for the reason that in a country of as great extent as this, and with as great variety of population, it is not possible for one general law, operated by one committee in Washington, to do equal justice, and place as little burden on the community as if each State decides for itself what it should do.

The President already has in his control, under a recent act, sufficient funds for all immediate relief. That is another reason why I think this provision for old-age pension and all the pension system in this bill could well be deferred.

Now, reverting to what I said before about tempering our good intentions with reason, let us consider calmly and without any bias or any political tendency, the provisions of this bill. I certainly have no desire to criticize anybody for what has been done, but let us see if we can agree on what the general conditions are. I should say that as far as unemployment is concerned, the measures thus far begun and the millions which have thus far been expended, have not greatly improved conditions. About as many men, if not more, are out of work now as have been at any time. I

suppose these enormous expenditures which the President is prepared to make under the recent legislation, may help. He may be able to put a certain number of men at work, but I think you will agree that no real break in our troubles can be made except by the extension of business which will reemploy men, and make real production for exchange. That is the only way to produce real money, by making exchanges which are advantageous to both sides.

As we all know, the banks are full of money, both paper money, if you want to call it such, and credit money. People sometimes criticize the banks because they say they are not liberal enough; they will not lend. I know, as every business man knows, that they are only too anxious to lend. I know that the managers of all banks are lying awake nights trying to find ways in which to use their money and their credit. Why is it they are not lending? Simply because responsible men do not come forward to borrow. The reason for that is that responsible business men do not have confidence, either in present conditions or in what is going to follow.

The banks would be delighted to lend to responsible men if they wanted to borrow.

What is the reason for this lack of confidence? I suppose primarily it is that business men have seen the public debt increased by leaps and bounds until now it is greater than at any time in the country's history. Every year great deficits are piling up. They have seen this enormous appropriation which has just been made for the President. But we do not find that the administration makes any reference now to balancing the Budget. That was a part of the story in the beginning, but it seems to be lost sight of now with no fear at all of the consequences. I am sure you will all agree that a government, no more than a private individual, can continue spending more than its income without losing its credit. If and when the credit of the United States becomes at all questionable, the only way out of paying these enormous expenditures is by paying its debts in paper money. Then you have paper inflation, and when that once gets started history teaches us that it is not possible to stop it. What causes me anxiety and I think what causes a great many other men anxiety is the fear that these enormous expenditures will not stop, for once people become accustomed to them and build their lives on them you cannot stop them.

It would please me very much if the Members would take the time to read an address which was made by the distinguished Chairman of our Judiciary Committee, the gentleman from Texas [Mr. SUMNERS], in New York recently where he referred to the growing dependence of States, municipalities, and individuals on the Federal Government, and voiced the fear that it would result in a destruction of the independence and initiative which has been the great cornerstone of progress in this country. This, I think, is the most fundamental difficulty with bills of this nature.

The gentleman from New Jersey [Mr. EATON], in making his speech the other day, said we were reversing the old saying of the great President Cleveland, that the people must support the Government and not the Government support the people. More and more now in any kind of trouble, whether it be State or individual, we turn to the Government at Washington, to lead us out and help us out. I think this is a great danger inherent in this bill. I shall not pretend to discuss the details of the bill because so many men have discussed and will discuss it who are better informed on it than I, but I notice in the bill itself and in the report accompanying it, that it becomes an increasing load on industry starting with some $200,000,000 and rising in about 7 years' time to a load of $1,000,000,000, and in 8 years more to a load of nearly $2,000,000,000.

Then I see in the report also, but under another clause, an additional burden of $800,000,000 or $900,000,000. Many of us have come to regard the Government of the United States as an independent entity which somehow or other by law can create value and scatter it around, but all of us in our hearts and minds know really that the only way we can create value is by work, by producing more than is consumed. Then we get real exchanges and real value.

To saddle this bill on industry, by whatever name the method is called, State taxation, Federal taxation, Federal contribution, or by some other name, is to unload on industry in the course of 10 or 12 years an overhead burden of between $3,000,000,000 or $4,000,000,000. This can be raised in only two ways, it must come from reduced wages or increased prices. We have all seen the effect of increased prices in the operation of the increased price of cotton which has caused enormous imports to come into this country and has made our exports fall off tremendously.

It seems to me, therefore, Mr. Chairman, that the fundamental and very important objection to this bill as a whole is that in times such as now exist where the debt is excessive—we have not begun to feel the effects of it yet for we have been paying the interest on the debt by new borrowings. But we cannot keep this up indefinitely; we shall be forced to increase the taxes which already are heavy—we cannot load up business with a further overhead of $3,000,000,000. The load will not be for this year or for next year, but will continue indefinitely. The business men see it in advance, and you can well appreciate that confidence is not going to be inspired by legislation which imposes additional burdens; it will be further destroyed, and I say it is a heavy responsibility for this House to pass a bill that is going to press particularly heavily on industry. In the case of small manufacturers who are in the red—and I know a lot of them—a great many will be put out of business.

So I say we ought to stop, look, and listen before we enact any such bill. For the reasons which I have enumerated. I for one, am not able to support it. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, the other night it was my good fortune and good privilege to attend a dinner where the President of the United States observed very pointedly that sometimes we cannot see the forest for the trees; and I suppose we experience a sense of bewilderment when we seek to deal with legislation that is involved, controversial, and complicated. It is always refreshing to be able to dip back in the history of our own country, particularly the legislative history, in the hope of getting a sense of direction and a balanced viewpoint. As we scan the debates of other generations and review the dire prophecies of ruin and destruction that were made, when controversial matters were pending, and then note how blithely the Nation went on its way to greater heights of prosperity, there springs from the past much comfort and consolation.

This is not the only Congress that has dealt with controversial legislation. In fact, all legislation of any consequence has been controversial. There was a time, for instance, when the Congress was considering the child-labor bill, introduced by Senator Beveridge, back in 1906, of which Woodrow Wilson, then Governor of New Jersey, remarked that it was obviously absurd. Ten years later that same Woodrow Wilson, then President of the United States, put the lash on Congress to pass the Keating-Owen Child Labor Act which was infinitely more drastic than the Beveridge bill. It indicates too plainly how times change and what changes of sentiment and reaction arise in our national life. What a debate raged around that measure. How they painted it as an agency of national destruction, and how it was fought by debate and editorial, but, somehow, the Nation carries on.

The same thing is true of the direct election of Senators. When it was considered more than a generation ago, stalwart and dignified Senators contemplated such a measure with horror and denounced it as an attempt to destroy the very foundations of government, but somehow, we lived through it and here we are, for better or for worse.

When the Boy Orator of the Platte came thundering out of the West to take up the cudgels in behalf of the income tax, it was regarded with a species of horror. It almost crept into the Constitution, and then crept out again. A

generation later it had so permeated the consciousness of the people that Taft and Roosevelt placed their sanction on it, and in 1913, or thereabouts, it became a part of our organic law. Despite the doleful pictures of destruction that were painted, here we are, accepting the income tax as a matter of course and, on the whole, doing a forthright job of paying that tax before the statutory due date.

The same thing prevailed with respect to civil service. Back in 1888 one of the so-called "civil-service reformers" came to the Coliseum in Chicago to talk on civil-service reform and was greeted by an audience of only three people. He and his kind were dubbed "man milliners" and "carpet knights." They made little headway. Patronage mongers and those who subscribed to President Jackson's—or was it William Marcy Tweed's—gospel of "To the victor belong the spoils" felt that these reformers were trying to destroy the Nation. Then a bullet fired by a disappointed office seeker found the heart of a President, and almost overnight we had civil-service reform. And while we may cherish some doubts about abuses therein, the fact is that we have a civil-service system, and we accept it as a matter of course.

Everybody remembers the days when enactment of workingmen's compensation legislation by the States was regarded as the handiest way to destroy industry, but somehow industry was not destroyed and the States did carry on despite opposition.

There must be a strange, invincible kind of force that brings such salutary measures into being and inscribes them on the statute books, despite all opposition and despite any gloomy prophecies as to whether they will or will not destroy the Nation.

Whatever that force is, it has, indeed, triumphed over all obstacles down through the centuries to raise the estate and condition of mankind. It is a far cry from the day when Peter the Great, the Emperor of Russia, could, without regard for human rights, feed his people to wild dogs or break them on the torture wheel to today, when life and liberty are carefully safeguarded in the law. It is a far cry from the day when farmers who lived in France under Louis the Fourteenth could not so much as frighten away the deer and other animals that came to eat the bit of wheat or barley that stood between them and starvation to this day, when wide-spread attempts are made to ameliorate the condition of the farmer. And by the same token it is a far cry from the day when man lived in a state of industrial squalor to today, when an effort is being made to aid him.

As we survey these advances in the condition of humankind and these improvements in our political, economic, and social condition, discounting, of course, temporary set-backs that may have been encountered, do we not wonder what strange force has carried us along? What strange force has overcome all resistance?

I presume that everybody for himself has tried at some time to evaluate that force.

To me it appears as a kind of collective morality that carriers us along. A morality which, despite editorials and articles for and against a measure, despite what we may say and conjecture here in debate, seeks to translate into reality such ideals as sanctity of life and liberty and the pursuit of happiness. Our own forefathers, founders of this Nation, wrote them into the Declaration and the Constitution.

But pursuit of happiness seems to have remained just that, judging from the misery and distress that abounds in the land. It has been a pursuit in which the average citizen has not had a decent chance to catch up with happiness, and more and more it seems to dawn on us that the matter of effecting happiness for our people is one of the basic objectives of government.

A bit of intriguing information suggests itself in that connection as one dips into history. Back in the days when Watt and Stephenson were perfecting the steam engine and giving birth to the industrial revolution which has completely altered human destiny, there was in England a celebrated preacher named Reverend Townsend. He stood in the pulpits of London and freely declared that it was ordained of God Almighty that there should be menial and servile people in this world, grovelling in squalor and misery to do the servile tasks of humankind. Think of a man of the cloth, standing in the temples of the Lord and apologizing for conditions of destitution and despair. It is a far cry from that Reverend Townsend of 1781 to the gentle and gracious Dr. Townsend of today, who seeks somehow to do something in behalf of the aged, the indigent, and the unemployed, and whether we agree with his philosophy or not, it constitutes a most illuminating sidelight on the different approach which we take to social problems.

But this strange force that carries mankind upward and onward over momentary obstacles is the force that in my humble judgment seeks to carry us on to a fundamental goal of happiness, and that goal can be achieved, only as it receives proper assistance from constituted government.

With that as a background, let me address myself very briefly to title I of this measure dealing with assistance to the States in the payment of old-age pensions. Here, too, we must stand back and get a detached perspective in order to properly evaluate this measure.

I can remember out of my own experience as a boy—and I was 6 years of age when Theodore Roosevelt first succeeded to the Presidency—that somehow nobody feared the poorhouse. My father died when I was not quite 6 and left a mother with five children, if you will indulge me this personal allusion. She managed to provide us with an education. We had enough to eat, and scattered over all was a kind of quiet contentment. In fact, it was a kind of pastoral contentment. Life was more leisurely and more considered. As for fears of the poorhouse, I recall that we had an old gentleman in our neighborhood who spent his days in the poorhouse and was brought back by the family during the summer months. I remember as a child, marching up and down in front of that home when this old gentleman sat out in front, and looked at him as a kind of curiosity, as someone to be placed in a museum. But we were not afraid. There was not that quality of speed about life such as we have in this day and age. Everybody seemed to get along.

I think it is exemplified in the past generation by such men as William Dean Howells, and John Muir, and John Burroughs, and Huxley and Ruskin, whose profundity we somehow miss today. Their profound thoughts seem properly associated with a leisurely, unhastened, secure age.

Why has that contentment passed away, if we assume that it has? What has happened. What strange thing has altered our thinking and our economics and our industrial civilization to bring us so many social problems.

I believe it all started with the birth of the machine age at the turn of the century. I do not decry the machine age, because it has brought vast benefits, but it has also brought many problems. Had we properly made the necessary compensations as we went along, we might have been saved much of the travail of today. In that machine philosophy, we worshipped standardization, speed, and mass production to the point where it resulted in the problems which now engage our attention.

The very mention of speed recalls to mind the incident I used to tell of an automobile that was parked near a filling station at Waterloo, Iowa. A little boy occupied the rear seat when a kindly preacher came along and said, "Whose boy are you?" To which he responded, "My father is a judge in Waterloo and he is also president of the Rotary Club." Then the preacher asked, "Who is your mother?" The boy answered, "My mother is president of the law-enforcement league and she is also president of the ladies' aid society." Then the preacher asked, "And now young man, what are you doing in the rear seat", and the boy said, "Oh, mister, I have to stay back here and watch for speed cops." [Laughter.]

Ours is a speedy generation and youth quickly absorbs that idea of speed.

Next is the element of standardization. As good an illustration as any is a cigarette factory such as they have in Louisville where hundreds of girls, dressed precisely alike in blue smocks with their hair dressed just the same, are engaged in the production of cigarettes. All individuality is blotted out. The only thing that counts is a sense of dis-

cipline and automatic capacity for such a task. Machines are standardized, production is standardized and speeded up, and nothing is permitted to divert or distract from the processes. Only agile fingers and a responsive sense of discipline.

[Here the gavel fell.]

Mr. TREADWAY. I yield the gentleman 3 additional minutes.

Mr. DIRKSEN. Similarly, with speed and with standardization, came the development of mass production. Mass! Bigness! Those are the things which seem to count. We have even gone so far as to translate that idea into our colleges, seeking by mass philosophy to overwhelm students and faculty and everybody else. Our college catalogs have become so thick that they look like abridged editions of a Sears, Roebuck mail-order catalog. It is part and parcel of the mass idea. Even in sports, we see it exemplified. College football games are no longer a success unless there are forty or fifty thousand people as spectators. It makes little difference how many collar bones might be broken in the fray, it is the mass size of the crowd that counts.

That same philosophy is applied to our whole civilization and particularly industry. Everywhere one can see huge machines, automatically operated which now displace human hands. In the production of shoes, the bottling of milk, the production of tin cans, or cigarettes, or what not, it is everywhere the same. Machinery displaces hands and brings despair in its wake. I noted only last week that one of the great problems in Pennsylvania is the bootlegging of coal, resulting from the use of steam shovels in strip mines, thereby depriving miners of a livelihood. These huge shovels, strip away 40 feet of overburden, to expose the coal seam, then dig up the coal, load it into trucks and make unnecessary several hundred pairs of miners brawny hands and arms. To make a skimpy living, they are from necessity constrained to dig coal from company properties and sell it for a few cents, and this industry has been called "bootlegging" coal.

The point of all this is that gradually we have displaced millions and placed them on the unemployed lists. High-speed industry has become selective and from a huge reservoir of labor can now select the young rather than the old, because they are a better risk and because insurance premiums on young men with agile fingers and nimble brains are much cheaper and result in savings. We have, therefore, a large number of aged who would find it difficult even in normal times to secure a job but who in depression times find it impossible to secure employment. What shall be done with them. They must live. They must eat. They must preserve their self-respect. They must be regarded as folks who made their contribution to the advancement of society and now become society's problem. This is nothing more than a reasonable, fair, and civilized approach.

In such places as Africa age presents no problem. When the aging member of the tribe can no longer unerringly send an arrow into the heart of a water buffalo and bring in his share of food, he is unceremoniously escorted to the water's edge, where the crocodiles are thickest and pushed into the water. It is their simple, childish, uncivilized way of solving this problem but we, by virtue of our identity with a country which heralds its advancement to all the world, must solve it in a sound, fundamental way; and that way is through the agency of adequate old-age pensions.

In my judgment, we have paid far too much attention to and put too much emphasis on the method rather than the adequacy of the pensions, but if a measure is enacted which provides for inadequate and niggardly pensions, that problem cannot be considered as solved either today or tomorrow or 20 years hence. It must be adequate for the proper maintenance of life in a respectable way.

The Department of Agriculture tells us that the retail price of food has gone up about 29 percent since 1933. That is tantamount to say that the real value of the dollar has gone down. It will buy 29 percent less than it did 2 years ago. In other words, a $50 pension in 1933 would only be a $35 pension in 1935. Moreover, if we are going to be consistent in our attack on the 50-cent dollar, we must make proper allowance for that fact in computing pensions; and, as for myself, I can only say that the present provision is altogether inadequate. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MORITZ].

Mr. MORITZ. Mr. Chairman, I believe today is an epochal day in the history of humane legislation. No person or party could be responsible for this legislation except those who are progressive minded. Ten years ago anyone who proposed legislation for an old-age pension would have been considered a radical, but at the present time conditions have changed.

Now, I would be very sorry if what the gentleman from California [Mr. MCGROARTY] said should come to pass. He maintained, and I think he is correct, that those States that cannot raise the money to pension their aged will not obtain an old-age pension from the Federal Government. I want to say that the State of Pennsylvania, one of the richest States in the Nation, is at the present time bankrupt. It can scarcely pay the salaries of their own employees. I hope we are not going through an empty gesture in this legislation, but that the old people will get their pensions which they deserve. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include therein a resolution passed by the General Court of the Commonwealth of Massachusetts, and also a statement by Lincoln Filene.

There was no objection.

Mr. HEALEY. Mr. Chairman, we have, in my opinion, under consideration one of the most important bills ever considered by this or any other Congress. It will mark a new era in our social and economic life.

Before discussing its provisions I would like to pay a tribute to the liberality and democracy of the Democratic leadership of this House in bringing up this legislation under such a liberal and wide-open rule. Under the provisions of this rule ample time has been allotted for debate and every opportunity provided to offer amendments. Certainly there is little room for complaint from any quarter. I believe that, under its terms, the adherents of the various plans supporting legislation of this character will have their day in court.

The Ways and Means Committee, which has reported this bill, under the able leadership of the distinguished gentleman from North Carolina, has considered this measure for many weeks. Its final draft represents the deliberate judgment and profound thought of a large majority of that great committee. The committee merits the thanks, not only of the Members of Congress, but also of society in general, for their painstaking efforts in their treatment and consideration of this bill.

During the closing sessions of the last Congress, on June 8, 1934, President Roosevelt, in his message to Congress, announced that—

> Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance. * * * Hence, I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life, especially those which relate to unemployment and old age.

Since this message the biennial congressional elections have intervened, and throughout the length and breadth of this Nation, social legislation was a major issue. That the electorate of this country gave overwhelming approbation to the plan as outlined in that message is conclusively evidenced by the preponderant majority of Democrats sitting in this House and the Senate. The conclusion is inescapable that the American people issued a mandate to Congress to pass legislation conforming to this plan.

Conditions in every section of our country call out for the immediate enactment of such legislation. The trends of the day indicate a marked increase in the percentage of older

persons in the population of almost every community. The present organization of industry and commerce, with its scientific machinery and high-speed system of production, has shortened the period of gainful occupation. Persons over 60 years of age, and even under that age, may no longer find opportunity for occupation in industry with a resultant increase in the dependency of aged persons. The depression has swept away the life's earnings of even the most prudent persons who, through the exercise of thrift, frugality, and economy, had laid aside a competence for their old age. Through the failure of supposedly sound banks and the collapse of investments, they have been left with scant hope for the future and thrown on the bounty of the community.

To institutionalize these aged persons in poorhouses, with the consequent opprobrium associated, is repugnant to our enlightened sense of social justice. It has been demonstrated that this method is unsound, expensive, and wasteful.

Aside from the humane aspects of old-age pensions, we have discovered that a minimum buying power, especially in times of depression, is an economic necessity and particularly in view of the growing number of older persons in every community such a course will prove to be not only a wise but a sound one.

The provisions of this bill respecting old-age pensions require that the States assume their responsibility toward the aged persons within their borders. It provides that the State governments will be required to match the $15 monthly per person furnished by the Federal Government with at least an equal amount. This will not prevent the States from contributing a larger sum if they so desire. In other words, the minimum pension contemplated under this act is $30 a month—but it may be more if the States decide to contribute a larger amount than $15 toward the pension. Old-age pension laws are already in force in 29 States. My own State, the Commonwealth of Massachusetts, has an old-age pension law in actual operation providing average payments of $24.50 a month. Consequently, by the enactment of this legislation, old-age pensions in Massachusetts will be increased to a minimum of $30 a month and, if the State decides to continue its present payments, they will amount to $39.50 a month.

There may be a desire on the part of many members for a more generous old-age pension, and experience may demonstrate that larger pensions will be desirable. But certainly $30 a month is better than no pension at all. The important thing is that we have, as a nation, recognized the humane principle of old-age assistance. We have the opportunity to inscribe into the laws of this Nation this great social measure and, in the light of experience, there will be ample opportunity for liberalization and amendment.

Many plans have been advanced having kindred objectives and I have given considerable sympathetic study to them. I sincerely respect the motives and purposes of their authors. However, we have before us a concrete plan which has involved a great deal of careful preparation and profound thought. It is capable of being placed into speedy operation and will extend much-needed relief throughout the Nation. I am confident that the fullness of time will develop the proper lines for expansion and amplification. This bill has been subjected to the most rigid and exhaustive study of the Committee on Ways and Means and embodies the fruits of their deliberations. It comes to us with the approval of our great liberal leader—a great progressive—who has devoted his every energy and all of his talents to the alleviation of the distress which has been visited upon our people.

I have not heard much criticism from members of the minority party concerning the old-age-pension feature of this bill. They are fully cognizant of the universal sentiment of the American people in favor of this subject. However, during the long continuance of their leadership, no such progressive measure was ever espoused by their administration. This great social reform has come about, as have so many others, through the sponsorship of the party now in control of the affairs of our Government. This measure has, however, afforded a target for the sniping and sharpshooting of some members of the minority party—and, in fact, they have gone far afield from the subject matter of this bill in leveling their attacks upon the present administration. They have chosen as their especial target the unemployment-insurance feature of this bill upon which to level their assaults. They assume to be the sole champions of industry and bewail the fact that the tax to be levied upon industry to create reserves for the payment of unemployment insurance will impede industry. They have failed, however, to calculate the terrible national economic loss caused by the unemployed millions in our country. As usual, they do not progress with the trend of the times and cleave to short-sighted policies of the old order. They refuse to envisage the power of unemployment reserves to stabilize purchasing power and act as a balance wheel in times of rising unemployment. They fail to visualize the tendency of unemployment insurance toward stabilizing and insuring steady, year-round employment.

Forward-looking and progressive industrialists have, however, realized the benefits of job insurance. They realize that a minimum purchasing power must be provided at all times in order that their own industries may not be strangulated for lack of consumers' markets. They now appreciate that in our modern complex industrial organization, a minimum purchasing power must be maintained at all times and that this can be accomplished only through the medium of unemployment insurance. Industrialists have discovered that it is a false philosophy to exploit the worker and, when he is no longer useful, to throw him on the charity of the community. They understand that it is cheaper to build up reserves to maintain the worker in a position where he will not be dependent upon others than it is to pay their proportionate tax to maintain him on public relief.

The objection has been made that we are not ready to act on unemployment insurance as yet. It is urged by some that further and more protracted study be given to the whole question of unemployment compensation before we take any action. In this connection I quote from a statement recently made by Lincoln Filene, a liberal and forward-looking merchant of Boston, Mass.:

> It is said that we should have further study of this whole question of unemployment compensation before we take any action. I am impatient with this position. It may be that some individuals require further time to study the question and to make up their minds, but this is not a subject which has been at all neglected, and the essential basic studies necessary to give us the information on which to form a considered opinion have been made. For 15 years, under the leadership of John R. Commons, of Wisconsin, there has been thorough and painstaking research into the whole question. In the East the Seven-State Commission on Unemployment Insurance, appointed in 1931 by Franklin D. Roosevelt, then Governor of New York, made studies and investigations of its own. In my own State of Massachusetts a special commission on stabilization of employment, appointed by the Governor in 1931, also studied the underlying principles which should be written into an unemployment compensation law, and the legislature now has before it the King unemployment reserve bill, based on these investigations. The State of Wisconsin is the first to have an unemployment-compensation law, and although it is still early, preliminary reports of experience under this law are available.

Mr. Chairman, I would also like at this point to incorporate as part of my remarks a resolution recently adopted on the passage of unemployment legislation by the General Court of Massachusetts.

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
Boston.

Resolutions memorializing Congress in favor of the passage of national unemployment-insurance legislation

Whereas there prevails in the United States of America a grave condition of economic insecurity, more especially among the working classes; and

Whereas it is apparent to all students of economics that this condition is likely to continue in a greater or lesser degree; and

Whereas the governmental agencies have been forced to assume the responsibility which properly belongs to industry, namely, to provide work and wages for the employable workers of the Nation; and

Whereas millions of employable workers, without fault on their part, are without employment and are thereby forced to undergo the humiliating necessity of relying upon public-welfare agencies or private charities for the necessaries of life; and

Whereas any change made by one State and not joined in by all States would inflict an unfair burden upon the industry of the State making the change: Therefore be it

Resolved, That the General Court of Massachusetts favors the immediate enactment by Congress of suitable legislation creating a national compulsory unemployment-insurance plan providing for a fund to be made up of contributions by both employer and employee from which, in times of unemployment, worthy unemployed workers may be adequately paid for a portion, at least, of the periods of their unemployment: And be it further

Resolved, That copies of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the President of the United States and to the presiding officers of both branches of the Congress of the United States and to the Members thereof from this Commonwealth.

In house of representatives adopted March 27, 1935.

In senate, adopted in concurrence April 1, 1935.

A true copy.

Attest:

[SEAL] F. W. COOK,

Secretary of the Commonwealth.

I am sorry that time does not permit me to dwell on the other features of this bill. However, they are all integral parts of our social and economic situation and should, in my opinion, be treated in one comprehensive plan.

Mr. Chairman, this is one of the most important steps we shall take in this Congress. It will mark a new era in our methods of dealing with social problems. It will carry out the promises and pledges of the Democratic Party and its great leader, Franklin D. Roosevelt. I am sure that it will win universal approbation and the high regard and lasting thanks of the American people for the Congress which enacted this great humane legislation.

Mr. MORITZ. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and include therein a radio address by the Rev. James R. Cox, The Shepherd of the Jobless.

The CHAIRMAN. Is there objection?

Mr. TREADWAY. I reserve the right to object. Who is the Reverend James R. Cox?

Mr. MORITZ. He led the jobless army to Washington, and was once a candidate for President.

Mr. TREADWAY. Is not that a request that should be made in the House rather than in Committee?

The CHAIRMAN. The Chair thinks not, because the gentleman from Pennsylvania did, making a request after seeking to revise and extend his remarks, and now wants to include this radio address.

Mr. TREADWAY. I think I shall object to that being done in the Committee. This is a speech by an outside person, not a Member of Congress. I feel constrained to object under the circumstances.

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. SOUTH].

Mr. SOUTH. Mr. Chairman, someone has correctly said that a statesman is one who is thinking about the next generation, while a politician is one who is thinking about the next election. If that statement is true, I do not believe there is any scarcity of either in this country, as has been clearly demostrated in the consideration of the Economic Security Act, and more particularly that part of the proposed law which deals with old-age pensions.

I have spent a good deal of time, as I presume most Members of Congress have, studying the provision of the bill now under consideration and studying the hearings before the Committee on Ways and Means. This legislation, in my opinion, is one of the most forward-looking steps which has been taken by our Government during its entire existence. There is no doubt but that our problems are social as well as economic. There is no doubt but that our country as a whole has become decidedly old-age pension minded. This has resulted in part, I am sure, from agitation of measures, some of which are unquestionably unreasonable and unworkable. If such agitation and propaganda was necessary, however, to sell this country on the question of old-age pensions, it has, in my opinion, been fully justified.

I want to commend the able chairman of this committee, Mr. DOUGHTON, and his associates, for the very splendid and statesmanlike work on their part in giving us the bill which we are now considering. I do not think it is a perfect bill, but I do think it is a reasonably constructive one when considered in its entirety.

I hope to have the opportunity of voting for an amendment which will eliminate item no. 7, in section 2, page 3, providing that, "if the State or any of its political subdivisions collects from the estate of any recipient of old-age assistance any amount with respect to old-age assistance furnished him under the plan, one-half of the net amount so collected shall be promptly paid to the United States", since such provision will result in practically no benefit to the Government and could be the source of much annoyance and trouble on the part of those receiving such benefits. It is my belief also that this relief should be administered uniformly throughout the country without regard to what the various States may do, and without requiring any participation by such States. To attempt to administer it otherwise will mean that thousands of deserving individuals, who are just as much entitled to relief on the part of the Federal Government as are those in the States who qualify under this act, will be forced to suffer from poverty and want, just as they are doing now. I want to stress the fact right here, Mr. Chairman, that we are not granting relief to States; but that we are attempting to grant relief to individuals, and a suffering individual in Arkansas, Mississippi, or Texas is just as much entitled to this help as is an individual similarly situated in Pennsylvania, New York, or California. It is not justice to the individual to penalize him because his State is either unwilling or unable to meet the requirements imposed by this bill, and every Member of this House knows that this is what will be done unless that provision is eliminated. If $15 is the maximum amount which the Federal Government is able to pay each person, then let the Federal Government pay not to exceed $15; and if the States want to pay an equal amount, a smaller amount, or a greater amount, they will, of course, have this privilege. I believe, too, that the age limit should be 60 rather than 65. If these changes are made, the appropriation for the fiscal year ending June 30, 1936, which is approximately $50,000,000, should be some $150,000,000, because it is admitted that less than one-half of the needy and deserving can qualify during the first year as to State requirements; and, of course, lowering the age limit will call for additional money. It is infinitely more desirable that such people actually receive $15 per month than that they be promised $30, $50, or even $200, which they can never receive. It may be correctly argued that the Federal Government will save money by imposing this provision. This cannot be disputed. It may likewise be said that the Federal Government will save still more money by not passing any social-security law at all, but we are not enacting this law for the purpose of saving money; we are enacting it for the purpose of granting relief, a thing which should have been done generations ago.

Mr. Chairman, as I indicated at the beginning of my remarks, the consideration and discussion of social legislation offers the most fertile field imaginable for playing politics. How easy and natural it is in discussing this bill on the floor of the House, or in writing interested constituents, to say that the amount stipulated herein is wholly inadequate. Yet we who have studied this proposed law know that it is about as much as our Government will be able to stand. We know too that $15 is a great deal better than nothing, and that the amount can be increased from time to time by subsequent Congresses when we are able to provide the money for paying more. A great deal has been said and written during recent months to the effect that each recipient should be paid $200 per month, and Members of Congress have been told in no uncertain terms that their political future depended upon their supporting such a so-called "plan." The so-called "Townsend plan" is not a plan at all; it is simply a utopian dream. The various sponsors of the bill are not in agreement with each other. Each sponsor's plan is different today to what it was yesterday.

Many people who signed petitions were misinformed; were told that a straight 2-percent sales tax would raise sufficient money to pay each person over 60 years of age $200.

The chairman of the Townsend Club for Runnels County, Mr. Key, a splendid and intelligent man, who presented a petition to me containing more than 9,000 names secured in his county, assured me positively that a straight 2-percent sales tax would raise enough money to pay $200 to each person over 60 years of age. But the revised McGroarty bill, H. R. 7154, which is the bill the Townsend advocates are now supporting, provides, in section 2, as follows:

SEC. 2. (a) There is hereby levied a tax of 2 percent upon the fair gross dollar value of each transaction done within the United States and Territories; also, in addition to all other taxes, a tax equal to one-tenth of the tax levied upon all incomes under the provisions of the Revenue Act of 1934, or any amendment thereto; also, in addition to all other taxes, a tax of 2 percent upon the fair dollar value of all transfers of property by devise, bequest, or other testamentary disposition or legal descent and distribution of property, as now or hereafter taxable under the provisions of the Revenue Act of 1934, or any amendment thereto; and also, in addition to all other taxes, a tax of 2 percent upon the fair gross dollar value of every gift in excess of the fair value of $500.

It is an admitted fact that the transaction tax will, in many cases, amount to more than 10 percent. Even with all the taxes above provided for in such bill, it is admitted by most of the proponents of the measure that it will fall far short of producing sufficient money to pay $200 per month as originally proposed. Therefore it becomes quite evident that this proposal has not materialized to the point that it may correctly be called a plan.

Members of Congress have been threatened with defeat unless they support the Townsend plan. As for me, I owe no sacred and binding obligations to the people who sent me to Congress to be reelected, but I am under a solemn and sacred obligation to such people to contend for the things which I believe to be to the best interest of our country as a whole, and to oppose such measures as I believe detrimental to its welfare, and this I propose to do.

As Members of Congress we should ever be mindful of the fact that for every Member who shirks his responsibility, who plays politics, who fails to meet every issue squarely and honestly, an additional obligation is placed upon those stalwart and honorable members who are not willing to sacrifice their honor and integrity to make their political fortunes more secure.

I am going to support the Doughton bill. I hope it will be amended as I have indicated. I am for it because it is a sane and sensible plan, and one which can be attained, providing against want and poverty for millions of our splendid and deserving aged people, and I believe they are going to be deeply grateful to this Congress for its passage, with such amendments as Congress may see fit to make. [Applause.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Chairman, first let me take this opportunity of making the following corrective statement. The other day when the rule was brought in under which this social-security bill is being considered, I voted in opposition to the rule, not because, as the papers carried the item, that I am for the Townsend pension plan, but because I felt that any plan or bill or idea of legislation that any Member of the House thought was worthy of deliberation by the House, is entitled to consideration. Those who favored the Lundeen bill and those who favored the Townsend plan seemed to fear—and their fears were to some extent grounded in good reason—that under House Resolution 197, their measures would not get a day in court. Being an advocate of free and open debate on all questions of relatively important public interest, I voted as I did on the rule in order to show my disposition toward the subject of consideration of the measures, and not necessarily because I favor either the Lundeen or the Townsend plan. The issue on the resolution was entirely distinct from the issue of approval or disapproval of the proposals contained in the bills to which I have referred. My position on those bills will be evident when they are before the House.

It seems to me that we are now debating a bill that is not fundamental legislation. It was disappointing to me when the gentleman from Tennessee [Mr. COOPER], a distinguished member of the committee which reported this bill to the House, stated in the course of his very eloquent and able address this morning, that this social-security bill is not temporary legislation and is not emergency legislation. It is unfortunate that it is not that sort of legislation.

In some respects this bill may be thought of as being the beginning of the end of everything in national enactments. As drawn, the age requirement is 65 years, or until 1940, a permissible requirement of 70 years. The amount granted by the Federal Government to each State is to be an amount equal to one-half of the total of the sums expended by the State as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and 5 percent of such amount for administering the State plan.

Already, Mr. Chairman, we have a number of other Federal Government pension plans introduced in the session which intend going far beyond the $30 limit. One large and important and comparatively rich State has a delegation in this House commonly reported to be a unit, with the exception of one member, on a proposition to grant a much larger monthly assistance, with the age requirement at 60 years, which is 5 years under the stipulation in this bill.

There are many things attractive and alluring in such propositions as this, and public support is given them willingly, thoughtlessly, and hopefully. The next session of Congress will see us confronted by endeavors to make the age requirement not 65 years, not 60 years, but 55 years. The next political campaign will see a demand for an increased amount of assistance. As the years go by, the age requirement will be reduced and the amount of the pension will be increased. The candidate who proposes the lowest age requirement and the highest amount of monthly assistance money will, by the very nature of things, receive the largest vote. He will enter the legislative halls of State and Nation committed on those issues, and the end will be not yet, not any amount, not any limit, but birth and blue sky.

Legislation of this character is fundamentally unsound except as an emergency and temporary measure. The idea is wrong. It recognizes a serious condition and attempts to deal with it as fixed and permanent part of our modern life. What should be done is that the condition which seems to justify this proposition as an emergency should be removed as speedily as possible from our existence.

How shall this be done? The remedy itself is plain enough, but the way to achieve it is not so apparent. The way to take adequate care of the aged is to provide a proper return to the man who labors by bone or brain his period of productive years. It will be necessary to change the industrial and economic set-up of this country and to give the laboring man and worker by skill or brawn a living wage, something they have never had except perhaps during a brief period of the late war and shortly thereafter.

If a man be given a living wage during his productive years, he can provide against the vicissitudes of old age by his own thrift and savings. So long as a man who works is given a mere pittance, so long as he has always the wolf at the door, and has always an empty cupboard, it is impossible for him to store up a surplus account upon which he can draw when age creeps upon him and his infirmities reduce and restrict his earning power.

Without a living wage it is and will forever remain impossible for the toiler in office or field or mine or store or factory to take unto himself a wife and family, to raise and feed and clothe and house and educate his children, to pay the necessary medical and hospital bills, to live as he, his wife, and his children should live in his producing term. All odds how thrifty and industrious he may be, without a decent living wage, his living will not be decent and properly livable, and he cannot store up an abundance nor even a comfort for his declining years.

The Government wholesale pensioning plan, except when limited to various degrees of misfortune and the results thereof, is fundamentally unsound, is destructive of initia-

tive, of the habits of thrift and prudence, of courage and persistence, robs the human race of the urge of that necessity which mothers invention, and tends to evaporate the spirit.

It is only an emergence and a temporary measure, and because I so regard it, that I shall support this bill. The enactment of this bill will by no means solve our difficulties, it may for the time alleviate some of our ills.

When we readjust our industrial, business, and commercial life as we should, and give the man who toils and the woman also a proper return for the hours they spend and the muscular force and nervous energy which they exert in their occupation we will be able to reach a proper solution of our problems, but not until then.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I am very happy that the matter of providing social security has been brought to the Congress. I think it is the most important and far-reaching modern problem of government, certainly for this country. Society has become so organized in this industrial and commercial age that old-age security and unemployment insurance have become essential to the very preservation of our civilized system. The thing that has been tearing at the hearts of men and women, that has been destroying their happiness, is the fear of old age, the fear of dependence when their period of usefulness in industry is ended. Two greatest fears that are at present destroying the pleasure of living for most people are, first, the terror that one will be unable to support a family in decency; that he will be unable to retain the respect of his children, all the more terrifying because he is a victim of a system of industrial organization in the control of which he has no part. The very process of civilization has been crushing the aspirations of the individual, because we are living in a corporate organized society. Then there is the twin fear that when the useful period is over—and that period is ever decreasing in the lowering age of the individual because of the terrific strain of the mechanical age—one must go into disgrace in old age; that one will not be able to hold up his head and provide his own security for old age; yet in this highly mechanized and highly competitive organized society it is impossible for the great mass of people to lay aside sufficient to provide their own security in decency in old age. The competition of life is so terrific today that it is not possible. With the blank earning periods of unemployment, what little has been accumulated is usually dissipated in those periods, so that it is clearly as a recognition of the responsibility of society as it is organized today to the individual that the Congress now turns its attention to providing that security which the individual in the great mass of cases can no longer provide.

In the day of individualists, when the average boy finished school or left home to go to work and accumulate enough to establish his own business, he could control his own destinies and thereby have reasonable assurance of raising a family in some comfort and decency. He had some assurance that if he applied his energy and his thrift he could lay aside a little estate with which to retire after he had educated his children. Those days have gone. General opportunity for that no longer exists. We find ourselves today, when we leave school or home, thrown into a great machine in which we are not even a cog; a machine the running of which we understand little of, and over which we have less control. This machine is the product of the age. It is the product of a mechanized civilization. Business has changed from the period when the individual could establish his own little concern and could grow, when he could provide for his family and his own old age, until today industry and commerce are so organized in great corporations, in great chains, that they have absorbed the business opportunities, and the mass of people must look for a livelihood in the employ of these great corporations. The days when business was local and profits remained in the local community and continued to build up that community and continued to pay local taxes is gone. The former local business of the individual has now become a mere branch of great national corporations. Profits are drawn out of those communities and taken into a few financial centers.

Mr. MAHON. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. MAHON. Does the gentleman feel that the States should participate in the way of this pension and be required to pay before the Federal Government would make any contribution?

Mr. MAAS. I am rather inclined to agree with the President in his position on that, although I will admit to the gentleman I am in some doubt myself. It does seem to me that if the States do not participate you will have an uneven situation, because what is necessary in one city or in one State to provide security in old age, bears no relationship to the amount needed in some other part of the country. Standards are different. Climatic conditions, the background, the whole thing is different. I am not sure that it will work that way from a practical standpoint, but I think we ought to try it. I believe we should attempt a system of participation, but I do not think we ought to place a limitation upon the participation that we have. In the first place, the $30, which we assume would be the maximum, $15 by the Federal Government and $15 by the States, is not adequate. It is not sufficient, for instance, for those residing in a city, to provide genuine security for old age. I think this problem involved in this bill is more than a problem. I think it is a number of problems. I think the wiser method of legislation would have been to separate the various problems. Old-age pensions is a problem in itself. I believe we ought first to provide an intelligent old-age system. I do not think we can do that by one definite, broad legislative bill covering a number of subjects. The question of unemployment insurance is one which, of necessity, must follow the operation of the old-age pension. If a device is worked out whereby an adequate old-age pension is provided, so that it takes the older people off of the active rolls of employment, it will vitally affect the question of unemployment. If we take the older people off the active rolls of employment, we may not have any serious unemployment. Certainly we are not going to know what the unemployment problem is until we have had in actual operation the old-age pension.

I do not believe we ought to place any limitation on the contribution of the Federal Government. Certainly, though, if we do it should not be less than $25, which would mean a maximum of $50, unless the State were willing to go beyond the limit contributed by the Federal Government. I am not so sure that the system of contribution by States will work. I would like to see it tried, though. I would like to see the States placed upon their mettle. I am fearful that if we do not do that, we are going to destroy the sovereignty of States; we are going to destroy the sense of local responsibility; we are going to find that in a short time our States will be merely political, artificial subdivisions of an all-powerful central government. I think that is unwise. I think one of the things that led to the great era of prosperity came about through the cooperation of great individualists, but with a local sense of responsibility. The very industrial organization of this country has conspired to destroy local self-government, and I do not think we ought to carry that on any further by legislation that will kill what little local pride and spirit of independence is left.

I think that State participation certainly should be tried to see if it can work, but I think further that we ought to separate some of the questions that are involved in this bill. I believe we should devote our major attention this session to the most important question of old-age pensions.

Much of what is in this bill now is of necessity guesswork. Not sufficient time has been taken in drafting the bill to first study the effect of plans in use in Europe, as they might point a guide to our problem. Insufficient study has been given to our various State old-age systems. Certainly there is no precedent for the system it is hereby proposed to

set up. Particularly there is no demonstration by the committee that a proper study has been possible of the relationship between the various items of social security proposed in the bill. No intelligent unemployment plan can be devised until we know more about how the old-age plan will work out. No guide to the working out of old-age annuities can be possible until the other two plans have been put into operation.

This matter is so far-reaching in its consequences that haste must be tempered with experience. This is not emergency legislation, but adoption of a fundamental and basic new principle of both economics and government and of a permanent nature.

Because I believe so heartily and feel so deeply upon the subject of social security I shall vote for this bill to register my desire to have society recognize its social obligations to the individual by providing for old-age pensions and unemployment insurance. This does not mean that I am satisfied with this bill as it is presented to the House. I feel the benefits are grossly inadequate to accomplish the real objective sought for. The maximum old-age benefit under this bill—$30 a month by combining both a State contribution and the maximum Federal allotment—is not sufficient to keep old people in decent comfort, to which they are entitled, after giving a life of service to organized society.

To be effective, the benefits must be sufficient to induce the older people to leave the competitive field of employment to the younger people starting in their active careers of life and to those engaged in raising their families. If the benefits are not enough to do that, the whole plan is a failure and defeats its own purpose. The benefits, on the other hand, must not be so large that they will destroy the individual's ambition and incentive to be thrifty and save for his own security in declining years. If all incentive is destroyed, all ambition for progress will disappear. We would become a stagnant nation. In time there would not be enough national income to provide any social benefits, for old age, unemployment, or any other purpose.

The objective of social-security legislation must not be to supplant all private incentive to the individual to provide his own active and retired security, but to take up the slack for those who are unable to do so.

Since the profits of industry now largely are drained from the local communities to a few financial centers, it is essential that they be redistributed back through the country to keep purchasing power flowing evenly and constantly. Federal revenues are largely from taxes on incomes and, therefore, Federal contributions to old-age pensions is a wise, just, and fair method of taking care of the old people and at the same time preventing unnatural accumulations of great wealth, which inevitably stagnates commerce and destroys employment.

I think the committee has done a fine job in the time it has taken, but on a matter so all-embracing as this, 2 years of study would not be too much. I think the pending bill should not be considered the ultimate word by any means. I think this is the proper time to make the first step and I am very happy to see it being done. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 7260, the social-security bill, had come to no resolution thereon.

SOCIAL-SECURITY BILL

Mr. GINGERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GINGERY. Mr. Speaker, for years as one who has been active in public affairs I have stood on the liberal side of all legislation. I want to take this opportunity to put in this RECORD, that as far back as 1915 as a member of the lower house in Harrisburg, I fought and saw placed on the statute books the compensation law, womans' suffrage, child labor, and so forth. I also voted for the 48-hour law for women in industry against 56 hours.

Four years ago I was a candidate for the office of State senator, and advocated old-age pensions and unemployment insurance. We now have 20 bills before this House on the subject of old-age pensions.

Many men have very decided opinions on this kind of legislation. It seems to me that they are all serious on this question, and see every day that the aged people must be taken out of industry, and given enough to live on in a way that all Americans call living. There are many great ideas in most of these bills before the House, but it seems to be the old story. Men will not sit down at the table and give and take. Again the old story. The friends of the administration must step in and put their bill over. This bill it seems to me does not go far enough but I must admit that I think it only safe and good business to start small and grow. Correct the faults of this legislation from time to time until we have the best law of this kind on earth.

Many Members have opposed parts of all this legislation before us and it is all in the RECORD. I still have an open mind and will listen and suggest up until it is time to vote on this bill for final passage. Old-age pensions, unemployment insurance, pensions for the blind are coming and they must come soon.

I have given a lot of time to all bills before the House. I have signed a petition to bring out of committee the Townsend plan, as I feel there is much good in this legislation, which should be incorporated in the administration bill.

AMERICANISM AND OTHER ISMS

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein an address delivered by the gentleman from New York [Mr. FISH] in the city of Minneapolis, in my district, on Tuesday of last week.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the gentleman from New York [Mr. FISH] in the city of Minneapolis on Tuesday of last week:

AMERICANISM AND OTHER ISMS

Mr. Chairman, members of the Citizens' Alliance, and guests, I am reminded by this very generous introduction of a statement made about me by a Member of Congress who disagreed with what I was advocating. He said: "This fellow FISH is all right, he was known as a good football player 25 years ago", said some nice things about my war record, but added, "he is no statesman." My answer to that was that there will be few, if any, Members of Congress remembered 25 years from now for anything at all. [Laughter.] But one of the few things that I learned at Harvard College was the definition of the word "statesman", and that was that he was a dead politician [laughter], and I am not claiming any such honor at the present time.

It is true, I do come from the same congressional district as the President, but whether he is my constituent or I am his has not yet been decided. [Laughter.] But I want you people in Minneapolis and those, as we say in New York, listening in over the rädio [laughter] to understand at the start that I am not here as a spokesman of the President on this occasion [laughter].

By way of further introduction of myself, I come from a somewhat rural district on the banks of the Hudson River. One of my farmer constituents wrote me a letter and asked me if I would have poultry placed on the free list for breeding and exhibition purposes. Being a good protective Republican, I did not care so much about placing anything on the free list, but I carried out the request. I went before the Ways and Means Committee and presented the best arguments I knew how. They were evidently well received, because Mr. Hawley, the chairman of the committee, wrote on a little slip of paper: "Poultry on the free list for breeding and exhibition purposes" and placed my name on it and sent it along to the chairman of the subcommittee on the free list, who

was not present at the time. To show you, ladies and gentlemen, the influence and importance of your present speaker in shaping important tariff legislation, it came back and was written into the bill in the House of Representatives: "Poultry and fish on the free list for breeding and exhibition purposes." [Laughter]

At the very outset I want to make my own political position clear so that there can be no misunderstanding. Many of you who know I come from New York may think that I am a sort of an ultraconservative, an ulrareactionary, a Fascist, a representative of Wall Street, or a representative of special privilege. Although I am not permitted—nor would I do so anyhow—to speak on politics this evening, all I care to say is that I am an Abraham Lincoln Republican. [Applause.] I have an abiding faith in the American people, in popular government, and in our free institutions [applause], and I learned all of my politics at the feet of Theodore Roosevelt. [Applause.] I followed him in 1912 on a platform of social and industrial justice. I believe in those principles even more today, but I believe in putting those principles into effect under the Constitution of the United States of America [applause], and not above or beyond or outside of the Constitution, as some people propose at the present time. [Applause.]

I am very much honored this evening that some members of the United Spanish War Veteran camp named after my cousin, Sergeant Hamilton Fish, who was the first soldier killed in the Spanish War, have come to this meeting tonight. I would say to those veterans that there never was a war fought by any country for purer or higher or more idealistic motives. We went to war with Spain to free Cuba and to drive out the militaristic autocracy that was then governing it and the Spanish Army that was murdering and butchering the Cuban people. The American people became resentful and when the *Maine* was blown up they could not control their anger. They went to war to free Cuba. We did exactly what we said we would do, we drove the Spaniards out; we cleaned up Cuba; eliminated the dread diseases and restored the Government to the Cuban people.

When we said we would do that, all the nations of the world laughed at us. No nation before had ever done such a thing. It had always been a question of seizing and grabbing additional territory. But the record of the Spanish War veterans and of our Government proved that we kept our promises and pledges.

The reason I stress it now is that it is one of the main arguments of all the Communists, Socialists, pink intellectuals, and radicals, wherever they are and wherever they meet, to denounce the United States Government as a great, avaricious, imperialistic Nation, seeking to grab territory throughout Latin America. That is one of their means of propaganda, in colleges and schools, trying to show that the United States is a militaristic and imperialistic Nation, when the truth is—and I can say it with some authority because I have served for 15 years on the Committee on Foreign Affairs, and I am to some degree the spokesman of my party (at least in the House) on that question—there is not a single Member of Congress, Democrat or Republican, that would take a foot of territory in Latin America if it were given to us on a gold platter. [Applause.] Yet this propaganda goes almost unanswered.

We have freed Cuba; we have withdrawn our troops from Haiti, and the marines from Nicaragua. We won the Philippines in the War with Spain and then paid $20,000,000 to Spain for the Philippines, and now, by an overwhelming vote of the Congress, we have offered independence to them. In spite of all that record, we are pointed out and denounced by all radicals as being a militaristic and imperialistic nation.

We sent our marines down into Nicaragua in accordance with the Monroe Doctrine, to preserve law and order and stop a blood feud, where two opposing parties were killing each other off. We sent them down there at the expense of the American taxpayers and the lives and blood of the marines. We did not do this to exploit Nicaragua; there was nothing to exploit. There is nothing we want there—no gold, silver, or oil. Probably all the Nicaraguans would agree that they would like to have us come down there and spend a billion dollars of American money to build a canal through Nicaragua; but there is nothing that we want in any of those foreign lands, nor have we any aspirations for conquered territory anywhere in the world.

I stress the point because only a short time ago, in speaking in Vassar College, which is in my district, a British Socialist member of Parliament denounced everything in the United States. Of course, he called everything wrong, rotten, and corrupt in America, but in addition he said that because we were a capitalistic nation we were also the greediest and most avaricious imperialistic nation in the world.

I want to say to you that if any of those old countries, such as Great Britain, France, Italy, or Germany, had been located where we are in the United States for the last 100 years, those imperialistic nations would have grabbed up Mexico and Central America and most of South America long before this. That is the difference between the United States, a peace-loving and peaceful Nation, and other nations, but that kind of propaganda still goes on all over our country.

I do not propose to speak on any of the political issues in Congress, with the exception of referring to two of the recent bills, one that passed the other day, and one now pending for the conscription of wealth and industry in time of war. I will just mention this $4,800,000,000 bill, because there is a principle involved. I consider the granting of this money to the President to be a rape of our legislative powers in the Congress and a betrayal of our representative form of government. It makes no difference whether the President is good, bad, or indifferent, whether he is a Republican or a Democrat, it amounts to the destruction of the legislative power, handing over to the President the control of the purse strings, the very reason for the existence of Congress itself. Here, for the first time in all these years of our history, Congress by its own act supinely surrenders and abrogates those powers and turns them over to the Chief Executive, with the result that the Congress is left almost naked and defenseless, as far as its control over appropriations is concerned. It practically has no more power left than Gandhi has clothing. [Laughter.]

If it was not this kind of a meeting I could speak at length on that particular principle, not questioning the need of relief itself, because I am for relief, but questioning the principle involved, the changing of our representative form of government and our constitutional form of government without the consent or approval of the American people. [Applause.]

There is likewise pending in the Congress a bill to take the profit out of war, to conscript wealth and industry, man power, and soldiers alike. We are a great peaceful and peace-loving people. There is absolutely no reason for America to go to war. The only possible way that we can ever get into war again is by insisting on selling and shipping munitions of war and weapons of war to belligerent nations with whom we are at peace to destroy people with whom we are at peace. That is what got us into the World War. We did not seek to enter the World War, and it is well to remember now that we did not start the World War either. We went into the war merely because our ships, flying the American flag, were attacked on the high seas by German submarines, without warning, and our ships were sunk; with the result that we were forced into the war against our own desire and against our own will.

It is also well to remember that when we went into the war we did our part. We sent 2,000,000 soldiers to the other side and turned the tide of defeat into victory. After the armistice was signed and the victory won we brought our troops home. We asked for nothing and we got exactly what we asked for, nothing at all [laughter and applause]; no reparations, no indemnities, no conquered territory, no plunder of any kind. We haven't anything to apologize for. But soon after the war was over our Allies, whom we had saved, even refused to pay the interest on their war debts, and they now refuse to pay back any of the money that we loaned them even after the armistice.

So I say, as far as I am concerned, as a member of the Committee on Foreign Affairs, if the European nations insist on going mad, insist on arming to the teeth, insist on making war, it is their war and not ours. [Applause.] The policy of the United States should be to keep out of all foreign entanglements and intrigues, to stop passing moral judgments on other nations, to cease trying to police the world, to stop pulling the chestnuts out of the fire for foreign nations, and, above all, to mind our own business, because we have plenty of problems to mind at home. [Applause.]

Although I believe in our profit system and in our industrial system, based upon private initiative and reasonable profits, if it comes to the question of selling munitions and arms to belligerent nations for the sake of profit, I urge the strictest regulation over those munitions of war. And if that does not stop it, I would vote for Government ownership of the munitions factories. [Applause.]

As a veteran, I want to tell you that the time must never come again when the United States of America will be forced into war because of the sale of munitions of war. If we are to have another war, it must be in defense of the United States and not in defense of war profits or the munition makers of America. [Applause.] There is no reason for this country of ours to be the potential slaughterhouse of the world or the symbol for arms or munitions of war backed by the dollar sign. If I had been present in Congress today I would have voted to support the program of the American Legion, to conscript all wealth, all labor, all industry, all man power, and all soldiers in case of any future war. [Applause.]

I used the word "wealth" and by that I am reminded of the distribution of wealth. I do not propose to enter into any argument with HUEY LONG, but I would point out the fact that wealth has been more distributed in the last 5 years, since 1929, than in the entire history of the United States. Rich men have lost from a half to two-thirds of their fortunes, some have lost all, and some former millionaires are now penniless. I am not so concerned about the distribution of wealth as I am about the distribution of poverty. I am not concerned about the distribution of wealth because, if things continue the way they are going for another 2 years, you won't have any wealth to distribute.

I have been asked to speak to you tonight on communism. I do so with some reluctance. Some 5 years ago I was appointed chairman of a House committee to investigate Communist activities and propaganda in the United States. At that time I was attacked from all sides by the radicals, socialists, and Communists naturally, but also by the conservatives, because they thought I was interfering with their God-given right to make an almighty dollar through trade with Soviet Russia. I do not suppose anybody was more attacked or more malinged. In recent years I have not spoken very often on this subject, but I will do so tonight by special request.

I am no alarmist. I do not anticipate any revolution from the Communists tomorrow morning at dawn, or the next day, or the next year, because the Communists are far too intelligent. They know if they started a revolution by armed force, using a Russian word, they would be liquidated in 2 weeks' time by the Regular Army, the National Guard, the American Legion, and other forces for good government in the United States [applause], and that is why we will have no revolution from the Communists.

But it is a very important issue, because the Communists are fanatics. They will do 100 percent more to tear down and destroy our Government than we will to uphold it and defend it.

Furthermore, they are well organized, although few in number. There are probably not more than a million Communists and Communist sympathizers in the United States at the present time.

The reason I abhor Communism, perhaps more than most, is that I am naturally somewhat of a liberal. I believe in the right of the people to govern themselves and in the preservation and extension of democracy, whereas communism is the most despotic form of government in the world, backed by force and terror and the bread ticket in Soviet Russia, where the people have no rights and no liberties of any kind such as we know them in this country of ours. We have no right to pass judgment on foreign nations. We have no right really to question the kind of government that exists in Soviet Russia, only so far as it interferes with our own Government in the United States.

Now, what are the aims and purposes of the Communists? There are some things commendable about the Communists, because we know exactly where they stand and what principles they advocate. It is entirely different, I am ashamed to say, with the Republicans and Democrats, who make their platforms one day and begin to forget about it the next—especially the Democratic Party. [Laughter and applause.]

All Communists, no matter where they are, whether they are in Soviet Russia, Berlin, Paris, New York, Los Angeles, or Pekin, advocate identically the same principles. Therefore, it is very easy to describe what they are, and I believe that merely stating those principles is the best way to combat communism in the United States. They cannot appeal to intelligent free American citizens, whose rights and liberties are guaranteed by the Constitution.

First, Communists seek to destroy all religion and teach hatred of God.

Second, they seek to destroy private property and inheritance.

Third, to use the Communist International at Moscow to spread strikes, riots, sabotage, and industrial unrest in all noncommunistic countries.

Fourth, to promote the bitterest class hatred.

Fifth, to bring about a class or civil war in order to establish a soviet form of government, under the red flag, with the world capital at Moscow.

Those are the principles of communism. None of them can appeal to the free people in this country. Therefore, I say, the way to combat communism is by education, to point out to the American people just what these Communists stand for, and communism will not go very far. The trouble is that these Communists are fanatics, and are well organized. But another reason why they cannot appeal to Americans is that they are not an American party at all. They are a section of the Communist International, taking their orders, glorying in taking their orders, from Moscow, and when it comes to spreading their doctrines and inciting strikes, riots, and sabotage it comes directly under the orders from Moscow. Therefore, American citizens cannot have very much sympathy with alien doctrines of that kind.

There are so many women in this audience that I think I will say just a few words on the religious aspect. There are quite a number of Protestant ministers who seem to like to uphold and commend communism and try to make out that the Communists are merely against the old Greek Orthodox Church. That is not so for a minute. They are against all religions. They teach hatred of God in the public schools of Russia every day. They make it compulsory to such an extent that when the young people of Russia go back home and find that their parents maintain, or have the temerity to maintain, any kind of religious belief, they must hold their parents in contempt and disobey them.

It is not atheism—anyone has the right not to believe; but it is the bitterest kind of militant teaching of the hatred of God and the destruction of all forms of religion, whether it is Protestant, Catholic, Jewish, or the old Greek Orthodox Church. But these Protestant ministers confuse the issue between the communism of the early Christians, a communism of love, based upon the Kingdom of God, and the communism of Soviet Russia, which is the communism of hate and hatred of God and all religions. That kind of doctrine cannot go very far, when understood, in the United States of America. I do not parade my religion. I admit that the different articles of faith, dogmas, and creeds do not mean a great deal to me, but at the same time I believe religion is the greatest moral force in the world [applause], and that if you wipe it out, as the Communists propose, you go back to the paganism and barbarism of thousands of years ago and virtually destroy civilization as we know it.

I took my committee up to visit some Communist camps a few years ago, in my own congressional district, right in Dutchess County, the county that the President comes from himself. When I took my committee up there I was abused, as usual. I suppose they thought I ought to have gone back to Congress, looked up some musty precedents and written up my report from them. I wanted to find out whether such camps existed, what kind of boys and girls went there, and what they did. I found there were three camps, turning out about 10,000 young boys and girls. About 97 percent of them were aliens, who ought to make better citizens than those of us that happen to be born in this country. They came here with their parents to enjoy the equal opportunities under the law and the protection of the Constitution. But what did they teach in those camps? Hatred of all our great men—Washington, Jefferson, Lincoln, and Theodore Roosevelt—hatred of all our free institutions, hatred of our public-school system, urging the overthrow of our republican form of government by force and violence; teaching, lastly, hatred of the American flag; and then sending them back into the city of New York to be good American citizens.

That is what is going on through the length and breadth of this land. There is hardly a large State that has not got these summer camps teaching these Communist doctrines. There are Communist schools right in the hearts of our cities. These doctrines have even honeycombed certain colleges in our country, colleges where young boys and girls are sent by their parents, who have made enough money under our industrial system and free institutions to send them there, and there they are told that everything is wrong and rotten and corrupt in America.

I say to you that if these alien Communists do not like America and our ways of doing things and our institutions, all they have got to do is to go back home. [Applause.] But if they persist in spreading this doctrine of poison and hatred and urging the overthrow of our system of government by force and violence, then it is clearly the duty of the Congress of the United States to enact laws to deport all alien Communists. [Applause.]

They do not fear our police, or our courts, or our jails. The only thing they fear is to be deported back home, to the country they came from, where they would have no freedom of speech and can enjoy the low wage scales and oppressive laws they have been accustomed to in the past. I say to you, the time has come to deport these alien Communists and give their jobs to American citizens who believe in America. [Applause.]

VOICE. Why don't you do it?

Mr. FISH. Well, I haven't the majority myself.

Now, we haven't any right to question what government any other nation may have. However, as far as Russia is concerned, it is somewhat different, because the Soviet government, through the Communist International, insists on spreading riots, strikes, sabotage, and industrial unrest in America and trying to impose upon us their form of government. Therefore, we have at least the right to see what is going on in Soviet Russia at the present time.

Incredible as it may seem, last year, in what was formerly the granary of Europe, 6,000,000 Russians starved to death under the Communist system of government. Why, if a hundred or a dozen Americans should starve to death under our industrial system, known as capitalism, it would be headlined through every paper in America as the doom of capitalism. Yet, over in Soviet Russia, which hitherto has been the "granary of Europe", 6,000,000 people, not through an "act of God", not through drought, or anything of that kind, starved to death. The great mass of the population over there, after 17 years of rule under the Communists, are undernourished and starving.

Some of our foreign diplomats have told me that there is a marked difference in the secessionist states, such as Finland and Latvia. There the peasants have good houses which are in a good state of repair; they are properly clothed and fed, and contented. Crossing the borderland into this "beautiful, prosperous, and peaceful" Soviet Russia you find the houses dilapidated, the people underfed and in rags, and living in a state of terror. Why, if they would let down the emigration barriers in Soviet Russia, half of the terrified population would try to get out in 30 days and come to the United States of America, if we would let them in. [Applause.]

I might say a few words about the recognition of Soviet Russia, how that was brought about. That was one of the greatest hoaxes that has ever been imposed upon the American people. [Applause.] One must give credit where credit is due. These Communists are skilled propagandists and diplomats. They built up this idea of $1,000,000,000 trade with Soviet Russia if we would recognize them, and they dangled that bait before the big capitalists in New York and the cotton growers of the South. In the South all those Baptists and Methodists were against recognition, but when they held out the juicy plum of $200,000,000 worth of cotton annually, they all surrendered and demanded recognition the same as the big capitalists in New York. As Lenin said, "The capitalist will commit suicide for a temporary profit", and unfortunately we have some of those in our country. So we rushed right in after this $1,000,000,000 and recognized Soviet Russia a year and a half ago; and we have done just $3,000,000 worth of cotton trade with them, and we loaned that money to them through the Reconstruction Finance Corporation. [Applause and laughter.]

They gave definite pledges that the Communist International would not interfere with our domestic institutions and continue to give orders to the Communists of this country. Just as soon as the treaty was signed this was ignored and it has been ignored in the last year and a half, and will continue to be.

I am very happy to come here this evening and speak to the hard-headed, clear-thinking business men of the West. I am not at all sure that you do not need a great deal of speaking to; I know that the business men of the East do, and I suppose you do, too. There have been far too many defeatists in the ranks of business, and the time has come for the business men of America to change from the defensive to the offensive. [Applause.] These radicals, Communists, Socialists, and pink intellectuals go around this country of ours telling us everything is wrong, rotten, and corrupt, and that labor is exploited and brutalized. What is the answer? The answer is that for 50 years American labor has been the best paid, the best housed, the best clothed, the best fed, the most contented, and the freest in the world.

Fifty years ago, it is true, labor worked 12, 14, and 15 hours a day, with a pitiful wage scale and standard of living, and without any protection in the factories. Step by step, under our form of government, at the request of the sovereign people back home, the State legislatures and the Congress enacted shorter hours for labor, higher wages and standards of living, protection in factories, workmen's compensation laws, and old-age-pension laws.

There is not a single social or economic problem that we cannot solve in America on sound American principles without recourse to socialism and communism on the left or fascism or Hitlerism on the right, and we propose to do it that way. [Applause.] We have the same capacity, the same intelligence, the same common sense, the same patriotism, as our forefathers when they solved their difficult problems, and we can solve them in our day and generation for the best interests of all the American people but only on sound American principles of government. [Applause.]

Our republican form of government is denounced by all these Communists and Socialists, and Stalin, Hitler, and Mussolini tell you, the American people, that democracy has failed and that you are not competent for self-government any longer. Let me say to you that the American people do not propose to surrender any of their rights or their liberties for a government of assassination and bullets or for any despotic, autocratic dictatorship such as exist in Europe at the present time. [Applause.] Our republican form of government is still the hope and aspiration of the struggling masses of mankind, whether they be in Italy, Germany, Soviet Russia, or China.

The time has come for the business men of America to reaffirm their faith in themselves, in our American institutions, political, economical, and industrial. I could talk to you for an hour on the evils and abuses of our economic system, but at the end of the hour I could tell you that it is the fairest and best industrial and economic system in the world today, and that our people are better off than any other nation in the world.

Let us, therefore, rededicate ourselves to the proposition that a government of the people, by the people, and for the people, shall not perish from this earth. Let us reaffirm our faith in our republican form of government, because it is the soundest, the fairest, the wisest, the most honorable, and the best form of government yet devised by the mind of man. Let us cherish and defend and uphold the Constitution of the United States [applause], and preserve its rights, liberties, and blessings, not only for ourselves but for generations of free, unborn American citizens. Let us serve notice on all Socialists, Communists, pink intellectuals, Fascists, and Hitlerites, that there is no room in America for their autocratic and dictatorial forms of government or their doctrines; that we have faith in our free institutions and our republican form of government, and that we believe that we have the best form of government in the world today. [Applause.]

UNAUTHORIZED STATEMENTS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, in a spirit of fairness I desire to call to the attention of the House a statement, under an Associated Press headline in this morning's paper, in which A. D. Whiteside, president of Dun & Bradstreet, Inc., says the article appearing last week in which his corporation predicted a great boom in industry was inadvertent and unauthorized.

Last week in answering the statement of Mr. GIFFORD, of Massachusetts, that business was dead, I placed the article referred to in the RECORD. While even this denial does not convince me that business is dead, still as it was part of my remarks, I desire now to call attention to Mr. Whiteside's statement.

What puzzles me is how such statements get out without the executives of the organizations knowing about them. Only recently there came to our desks a statement in the form of a circular bearing the name of the New York Chamber of Commerce. This circular was an attack upon the administration and the President personally. In a few days the gentleman from New York [Mr. BOYLAN] read a telegram on the floor from the president of the New York Chamber of Commerce in which he repudiated the circular and denied that he or the board of directors were responsible.

Now comes a statement by the Associated Press, the outstanding news-gathering organization in the world, quoting Dun & Bradstreet, Inc., as saying that the immediate future is to bring the sharpest rise that has been witnessed in business in a quarter of a century. Almost overnight the president of the corporation corrects this statement, saying no information had come to them that warranted such an expression.

Let me ask what prompts someone connected with such organizations to issue such statements? There must be some reason. Surely the great Associated Press does not take its news out of the air. Surely someone in authority must have given out and sent to each Member of Congress the statement from the chamber of commerce. I think it well that the post-office inspectors make some investigation to determine who issued the chamber of commerce statement, as it came through the mails.

I repeat I do not admit that business is dead, even if Dun & Bradstreet, Inc., deny the statement credited to it was authorized; but as I brought the matter to the attention of the House, I feel I should likewise call attention to the denial.

UNEMPLOYMENT

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address by the Reverend Father James R. Cox, pastor of "Old St. Patrick", Pittsburgh, Pa.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORITZ. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of Reverend Father James R. Cox, pastor of old St. Patrick, Pittsburgh, Pa., February 23, 1935:

A few weeks ago, President Roosevelt stood before Congress and asked this body to cooperate in "the task of putting people to work." He outlined a broad and vigorous program for reemployment.

His message rang through the land, and stirred anew the hopes and confidence of the people who in November had given the administration a mandate to go forward.

A few days later, the President asked Congress to appropriate nearly $5,000,000,000 and empower him to carry out his relief employment program.

Meanwhile, millions of jobless still remembering the President's promise shuffle through the streets and wait for action that will place the tools of labor in their hands.

Certain private contracting interests poise their ladles to skim off the cream. They want to tie the Government's hands and take profits from the money which the President intends to use for work wages.

The purpose of the President's program is to reemploy the jobless, bolster up purchasing power, and thereby balance consumption with production. The law he proposes would give him a dipper to use in priming the pump of private industry. Yet there are those who would refuse the President a dipper and use instead their own little eye droppers. It would be better to save the water than let it dribble away and leave the pump unprimed.

The President's program is extensive. He describes it as follows:

"This work will cover a wide field, including clearance of slums, which, for adequate reasons, cannot be undertaken by private capital; in rural housing of several kinds, where, again, private capital is unable to function; in rural electrification; in the reforestation of the great watersheds of the Nation; in an intensified program to prevent soil erosion and to reclaim blighted areas; in improving existing road systems and in constructing national highways designed to handle modern traffic; in the elimination of grade crossings; in the extension and enlargement of the successful work of the Civilian Conservation Corps; in non-Federal work, mostly self-liquidating and highly useful to local divisions of government; and on many others which the Nation needs and cannot afford to neglect."

Speedy action is vital to the President's program, if it is to achieve the mass effect at which it is aimed. We cannot afford delay and red tape.

The President is empowered to spend almost $5,000,000,000. He alone will be directly responsible for the spending of this money. He will be responsible, but we all know that the real spending will be done by agents whom the President chooses. There will be thousands of them.

Five billions of dollars is an enormous sum of money. Enormous potential power. No man in history has ever had more than a small fraction of such a tremendous sum at his personal disposal.

The organization to handle it must necessarily be of such proportions that the President can have only slight acquaintance with the high lights of the program for its distribution.

Some weeks ago we proposed that in order to get action and to be fair to the jobless in all parts of the Nation that a million dollars be allocated to each congressional district, under the direct supervision of the Congressman elected by the people of that section and that it be spent in the building of homes.

This bill is not a panacea for all of our evils but we do know that it will immediately give work to a thousand architects, to ten thousand draughtsmen, to many thousands of contractors, and to more than one and a half million employees in the building trades.

A bill that will immediately put one and a half million men to work is worthy of the serious consideration of the Nation.

Our suggestion received a favorable reaction in every part of the country. It is eminently fair. Where could we find men of higher character, integrity, and intellect, closer to the people than their elected representatives? Certainly they would understand better than a group selected even by the President himself, the needs of the people in every corner of the country.

The trouble with most public-works programs is the fact that they are centered in certain sections of the country and the people of other sections are absolutely forgotten.

One million dollars will build 300 houses and one million dollars in each of the 435 congressional districts will build a total of 130,500 houses. Building 130,500 houses will give 3 months' work in the factory and on construction work to one and a half million men.

It means that with the opening of the building season, every bricklayer, would be employed, every carpenter would be employed, every plasterer, plumber, steam fitter, and other building-trades workmen would be employed. And what is most important they would be employed at good sufficient union wages and would earn enough to keep their families on a good American standard of living.

We have the Tennessee Valley Authority, the Boulder Dam work in Arizona and California, but what about the other 48 States—they cannot move en masse and go to the promised land of Government activity in these out-of-the-way places, they are established in their little homes in the East, in the North, in the South, and must remain there.

The idea behind my suggestion was spread the work out and bring work not only to one section or to a particular group but to the entire United States of America.

Each dollar the building-trade workman receives goes from place to place and is repaid in wages many, many times, so that each million dollars paid in wages may do ten, twenty, or many more millions of dollars' worth of work while the workmen and their families remain at home, sweet home.

You need not take my statement for the impression this proposal of mine has made on the minds of our legislators and the people generally, but turn to page 18 of the magazine Time of this week and you will read the following:

"The first bill introduced by Mr. MORITZ contained the seeds of great good sense.

"Its terms were simple: To appropriate $435,000,000 for the building of homes to rent for $20 a month, the appropriation to be spent by the 435 Representatives, each of whom would have $1,000,000 to spend under his personal direction and supervision in his home district.

"So far as likelihood of passage was concerned his bill deserved no more attention than hundreds of other foredoomed measures introduced by new Congressmen. But the measure made such good sense that Washington gossip, at least, could not ignore its points: It would apportion low-cost housing on an equitable basis, since each Congressman has about the same number of constituents. Every citizen would be able to see and appraise the results of such a spending program, and what is more, could place his finger on the person responsible for such results. Furthermore, in every district Santa Claus would be present not in a vague mythological outline but as a knowable, accountable person."

This opinion from the magazine Time coincides with that of the British Weekly Economist, which voices the opinion that "The revival in dwelling-house construction forms the backbone of British recovery." Says the Economist, "The importance of the revival in dwelling-house construction in Britain's recovery since the beginning of 1933 can hardly be exaggerated."

Great Britain is building houses at the rate of more than 300,000 annually. One thousand every working day of the year and doing it mostly through private enterprise. Nearly 2,500,000 dwellings have been erected since 1919.

Since the war British taxpayers have contributed £167,000,000 or $835,000,000 toward housing subsidies, approximately £140 or $700 for every subsidized house built.

It is estimated that England and Wales need at least 5,000,000 new houses by 1951 to insure that none of the population is housed more densely than three persons to two rooms and that old and out-of-date houses are replaced at a reasonable rate.

My friends, there is at the present time a shortage of homes in the United States estimated at 3,900,000 and no matter how fast we may build homes at least 10,000,000 new homes must be built before we reach a point of saturation.

Most of our good American workingmen and their families are not living in homes—they are living in hovels—in old shacks in the slums.

The Congressman knows more about building houses in his own community than anyone else in the country. He knows the kind which should be built and where it is best to build them.

While officials of the Housing Division of the P. W. A. have drawn their fat salaries for studying, conferring, and attending banquets, the architectural profession is slowly disappearing, the contractors and folding up and the building-trade mechanics and laborers are starving. This slum-clearance organization, which could have been the greatest weapon against the depression, has turned out to be a colossal failure. The sooner this important undertaking is given into other hands the sooner this Nation will get back to prosperity.

These men could have given you men good jobs at union wages, but they did not do it. These men could have kept you contractors busy—but they did not do it. And these men could have saved the architects, the lumber yards, the brick yards, and the thousands of mills and factories, but they did not do it. Do you wonder that I call them colossal failures.

The building of houses by the Government is a self-liquidating public work. It will pay for itself and will not be thrown away like doles and other forms of relief.

Also we create revenue as each new house pays for itself and pays its portion of the expense of the community. When we build hospitals, schools, prisons, and other institutions we do not increase revenue, on the contrary we increase the expenses of government as each such building must be heated, lighted, and maintained by a staff of employees, and the cost of the building with its ever-present bond interest must be borne by the people. But a new home pays for itself, pays its own mortgage, pays its interest, and pays a permanent revenue in better lives, better citizens, better character, and better government.

Now, my friends, Congressman MORITZ has done his part. He has introduced this bill in Congress, it is now up to you and me to blast this bill out of the committee. You know these committees in Washington believe that bills are made to be pigeonholed. Unless they are forced out on the floor to be voted upon the bill dies a natural death in committee. Furthermore, they have established a gag rule, so that any bills not favored by the political bosses are not allowed to be brought on to the floor of Congress for voting.

There is a great social demand for houses.

Low-interest rates have enabled British enterprise to operate so effectively that according to the index of building activity, British building of dwelling houses during the first 7 months of 1934 was 82.6 percent above the 1928 level. In the United States for the same period the index was 78.3 percent below the 1928 level.

You rich men, you men in authority, I ask you to listen to the prayer of the "forgotten man."

"Dear Lord, you got to help me! * * * Don't let the blues get me * * * I'm almost licked! * * * Three years ago, my wife, Annie, and me had $3,000 in the bank—cold cash, Lord! * * * and I was a great carpenter! * * * Everything looked rosy * * * but now our money is all gone, Lord * * * you see, I lost my job * * * I ain't a carpenter any more * * * the depression made me just another down-and-outer * * * when your life savings is gone, it seems as if your life is gone, too * * * Annie says we should store our treasures up in heaven where they can't be lost * * * and I guess she's right! * * * of course, Lord, you know all about us * * * you know how I've been tramping around, day after day, asking for a job * * * and how I always get turned down * * * and how everybody I go to just sends me to somebody else * * * That's what we call 'passing the buck' Lord! * * * Annie says I ought to ask you to help me * * * she says that you don't pass the buck * * * you know Annie goes to mass every morning * * * and she says her beads every night * * * and she says I ain't got enough religion * * * and that's why you're punishing me * * *

"Well, Lord, I know I ain't always been what I ought * * * but I do love you, Lord, you know I do * * * Didn't I build that fine oak sanctuary in the cathedral? * * * and wasn't I plenty happy about it and mighty careful because I knew it was for you? * * * Remember how proud Annie and me were when the bishop praised my work * * * But I ain't proud about anything anymore, Lord, * * * I ain't got no pride left * * * since I lost my job, I've swept floors * * * imagine that! * * * me who was once a first-class carpenter! * * * and I've dug ditches * * * and, Lord, I've even tried to sell shoelaces * * * even Annie laughed at that! * * * Anyhow, as long as I ain't proud anymore, I don't care * * * because Annie says that pride is the devil's own sin! * * * But you know, Lord, I don't mind being a down-and-outer myself, but it's awful hard on Annie and the kids * * * Annie keeps on smiling, Lord, but I hate to see the silver threads creeping into her hair * * * she always had dandy golden hair, you know * * * and there's Joe and Mary! * * * Joe, he wants to go to college next year * * * and, Lord, I wish he could * * * I ain't got much learning myself and was never exposed

to a big education, but it's nice to know that somebody in the family knows something! * * *

"And Mary! * * * she wants to be a nun * * * that makes her mother happy * * * it makes me happy, too, because I like nuns * * * 'Black angels' I calls them, because they wear black robes and bring Annie things for us to eat * * * as for me, Lord, I ain't what I used to be, not so strong as I was * * * and so if anything happens to me, promise, Lord, you'll take care of Annie and the kids * * * don't mind me crying like this, Lord! * * * it makes me feel better * * * but I ain't a crier * * * I ain't cried since the day my pal Eddie fell dead at my side on the battlefield in France. * * * Poor Eddie, have mercy on his soul, Lord!

"* * * I wonder if Eddie would be a down-and-outer, too, and looking for a job if he were here now? * * * well, I ain't got much more to say except maybe I ought to say that I'm going to do better by you from now on, Lord. * * * Father Riley says that you said we should seek the Kingdom of God and His justice first! * * * and then other things like food and clothes would be given to us * * * and Annie says that she doesn't care what we lose as long as we don't lose our souls * * *, so, even if the bad breaks make Annie and me lose our home down here, they shouldn't make us lose our home in heaven * * * and with Mary praying in a convent for me and Annie, I guess we ought to make it, all right. * * *

"You know, Lord, I feel better since I came in here and talked to you like this * * * and say, Lord, I just been thinking * * * you were once a carpenter! * * * guess I'll tell Annie that! * * * she says the Blessed Virgin was a good housekeeper * * * and I don't forget that the one who took care of you and your good mother was just a poor old carpenter like me * * * St. Joseph! * * * One more thing, Lord * * * I know that they call you a lot of great names * * * Christ the Savior * * * and Christ the King * * * but I wonder if you'd mind if I, when we're alone here like this * * * if I just called you * * * Christ the Workman! * * * it kind of helps us poor down-and-outers to think of you as a workman, you know * * * I'd better be going now, but I'm coming back every day * * * because I need you bad now * * * and as Annie says you don't pass the buck! * * * Goodby now, Lord!"

Our prayers have been said—let us get together and act.

Come on all you architects, your architects associations, you contractors and contractors associations, you bricklayers, carpenters, and other building-trade unions. You manufacturer's and dealers of building materials, get behind this bill—unite, telegraph or telephone your Congressman. Let's go! Good night folks and God be with you 'til we meet again.

THE LUNDEEN BILL

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address I made on the Lundeen bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following radio address which I delivered March 20, 1935:

To the vast unseen audience on this national hook-up, interested in national affairs and in legislation pending in Congress, but more particularly to residents in the city of New York, and to my own constituents directly, I wish to address my remarks with reference to public discussions which will undoubtedly arise in connection with the so-called "Lundeen bill" which was just reported out by the Committee on Labor to the House of Representatives. This bill represents a type of legislation which should never have been allowed to disgrace Congress, and I do not hesitate to express my severest condemnation of its provisions and the manner in which this bill is seeking to deceive the American people and throw out the bait of communism to the masses.

One glance at the provisions of the bill is sickening in the extreme. What does the bill say? It seeks to provide for everything. It covers unemployment, old age, social insurance, and "other purposes", and the whole bill contains only four sections, section 1 merely gives the title of the act. The bill directs the Secretary of Labor to provide unemployment insurance by giving compensation to all workers and farmers over 18 years of age, in amounts not less than $10 per week, with $3 additional for every dependent. This minimum compensation is guaranteed to everybody, and if a worker cannot find employment at $10 per week, then the Government is to take care of him, make him a Government ward, and pay him the difference between the amount he earns and $10 per week. The next section gives the Secretary of Labor authority to provide for disability insurance, so that any worker who, because of sickness, old age, maternity, or industrial injury is unable to work, he is likewise to receive $10 per week; and the following section, section 4 of the act, provides a very simple method of financing this relief. It says all moneys of the United States shall be used for that purpose, but if the moneys in the Treasury are insufficient, then taxes shall be levied on all gifts and all inheritances and all incomes of $5,000 a year or over. The bill is not only violent as to how this taxation is to be collected, but it lays down the principle that these workers must be taken care of, and if the money in the Treasury is insufficient, why, then, let us tax the people.

As you know, HUEY LONG in his wildest dreams did not go so far. He proposes to take from the people of the United States only incomes in excess of $5,000,000, thinking that $5,000,000 is enough for anybody. But the Lundeen bill goes further than that. He thinks that $5,000 is enough for everybody. If necessary to pay $10 per week to every able-bodied man and woman in the United States, his bill would take it from the income of every person receiving $5,000 a year or more.

The Lundeen bill fortunately does not contain an analysis as to how much money will be necessary to provide $10 per week for everybody in the United States, but the most conservative estimate will convince us that if the Government were to embark on this wild program all the money in the Treasury would not be sufficient to carry it out, and that at least $10,000,000,000 would be necessary for that purpose. But the viciousness of the bill does not lie so much in the amount of money which the Government would have to spend, as in the false hopes which are raised in the masses if legislation of this type is to be launched in Congress.

Another very objectionable feature of the Lundeen bill is the fact that it provides that the Federal Government surrender the administration, control, and distribution of appropriated money taken from the Federal Treasury to persons and organizations outside the Federal service and not under primary control of the Government. If this provision is not contrary to the Constitution it certainly is against good public policy, especially at times like the present, when even Government-controlled expenditures for public relief is subject to unusual observation by opponents to the spending of taxpayers' money for such purposes.

Furthermore, the Lundeen bill carries no legislative provision for any penalties to be imposed upon the agents of the workers handling the funds from which the benefits are to be paid. The Government would have no safeguard against loss occasioned by some dishonest person delegated by the workers to handle the money of the Government to be distributed.

The very persons who might be benefited by this bill, if made a law, should be the first ones to object to this bill for this omission from the bill, if for no other reason, as a safeguard to themselves.

Heretofore, whenever the Government was to spend money, Congress saw fit to make a definite appropriation and decide on the source of revenue and the manner in which it is to be financed. Now we have a novel procedure. The Government is to spend money but no definite program is stated as to how the money is to be raised, except that Congress is to tax everybody so as to obtain the necessary funds. And remember, no appropriation of any kind is made for the spending of the money. No sum is specified which the Government is to set aside for that purpose. But every unemployed worker is to be taken care of; virtually every able-bodied man, woman, and child in the United States, and every person who is unable to work, and we are all to become employees of the Government, or, at least, get on the Government pay roll, and let the "rich" pay, "rich" meaning anybody who earns $5,000 a year or more.

Now, contrast this bill with President Roosevelt's constructive program for social security which appears in the Wagner bill introduced in the United States Senate, known as S. 1130. This bill starts with an appropriation of $50,000,000, and an appropriation is to be made annually of $125,000,000, which appropriation must be apportioned among the several States and giving each State the right, within the framework of the bill, to prescribe old-age and unemployment insurance.

This old-age-compensation question is to be administered locally. That is, every State will provide its own method of administration, and those States which have heretofore given such insurance will be able to enlarge their own program, while those States which have not yet granted old-age insurance will establish a system most suitable to their own particular requirements.

When it comes to unemployment insurance the Wagner bill provides for a definite method by which employers and employees, as well as the Government, will pay in a definite amount of money into a fund which will be known as an unemployment trust fund, and out of this fund unemployment payments will be made should any worker lose his job or be unable to find another.

You see, under the Wagner bill we have an intelligent insurance proposition. Both employees and employers will pay for the benefit which the worker will receive when he loses his employment. The Government is not going to make any gifts to unemployed workers and there will not be any incentive to remain unemployed, since the unemployment return will be much less than the amount which a worker can earn if gainfully employed. We are not going to assure any worker of receiving $10 a week or any amount per week. It will be a question of paying every employee on the basis which his earning capacity will entitle him to. No minimum or maximum. An unemployed worker will receive as much as he had paid for and as much as his employer had paid for and no more. There will be no drain on the Federal Treasury by reason of any unemployment, nor will there be any special tax imposed upon anyone to relieve people from unemployment.

This is an intelligent businesslike effort to solve the question and there is nothing of the demigogue in the proposed bill which the administration is sponsoring. It is ridiculous to feed our people with false hopes and impossible promises. It is criminal to dangle before the masses of our people the idea that without

work they can live on the bounty of our Government. It is more than dangerous to tell the masses in my community that the Lundeen bill is a sound piece of legislation. No; and a thousand times no. It is quite obvious that the time for futile promises is past. The Communists throughout the city of New York have made the Lundeen bill their own. They look upon this bill as the panacea of all their troubles. They tell the worker that he does not need to work since the Government will take care of him.

Forgetting the lessons of the past, and forgetting the unpleasant and unhappy experience which other nations have had by giving doles to their unemployed, they wish to create a group of people who will never work but who will live on the bounty of the Government.

I was always in the front ranks of those who believe that the "laborer is worthy of his hire"; who believe that labor should be adequately paid for its efforts. I believe that wages should be adequate to enable the worker to enjoy his life and to reap the benefit of his toil for himself and his family. I believe that the worker should be adequately compensated, adequately housed, adequately clothed, and adequately taken care of, but I do not believe that anyone should be supported by the Government, or should become the ward of our Government.

If pernicious legislation of the type of the Lundeen bill is allowed to continue, it will create a drain upon the Treasury which will eventually destroy this Government. We cannot live on bounties and we cannot create money out of nothing. This country has achieved its standing in the world through the labor of its masses, and only by labor can we expect to thrive and succeed.

I have always been a sponsor of the interest of the masses and the interest of labor. While a member of the State legislature and a Member of the American Congress I always sponsored legislation to help, aid, and assist labor, and was always endorsed for election by the American Federation of Labor as a legislator who has the interests of labor at heart and whose work benefits the toiling masses of our people. I belong to the same class to which my constituents belong, the class which works with brain or brawn, and which earns its living by the sweat of its brow. So I am speaking to you as one of yourselves. I am speaking to you as a friend and neighbor. Do not be deceived by communistic promises. They mean nothing, and if you look upon the record which the Communists have made for themselves in Russia where they have been in power for 11 years you will notice how the working masses have been reduced to slavery and how no one is able to call his life his own. It is clear that this country has progressed because the working masses were taken care of by our people; but we do not propose to make idlers out of our toiling masses. Labor will be adequately rewarded, but labor must realize its obligations as well. And so we must not lose sight of the fact that Communism is no solution of our American labor troubles, and only by constructive legislation, of the type of Senator WAGNER'S bill, can labor benefit and our Nation prosper.

I feel that I must protest with all the power I command against this vicious Communist agitation in my district against this continuous feeding of promises to our people which cannot be kept and the suggestion that the Government should take care of us all.

In this way salvation does not lie. Communists who parade in front of my house thinking that they will cause me personal discomfort only hurt themselves. I am sure that a good many of those who manage and organize parades in my district are not even citizens and many more are not even residents of my district, so that I must protest and I must object. I am sure that if my neighbors will heed my warning they will remove themselves from all agitation by Communists, and will realize that ours is an American Government for the benefit of all the people.

By constructive legislation we should achieve freedom and prosperity, while by destructive agitation we shall lose all the benefits which years of effort have brought us.

I thank you.

THE REPUBLICAN PARTY AND THE NEW DEAL

Mr. BUCKBEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech made by the gentleman from New York [Mr. FISH] at a joint meeting of the Republican members of the Illinois Legislature, made at the capitol at Springfield, Ill., on Monday, April 8, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BUCKBEE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of Representative HAMILTON FISH, Jr., of New York, before the Republican members of the State Legislature of Illinois, at Springfield, Ill., April 8, 1935:

It is a great honor to be invited to speak to the Republican members of the State Legislature of Illinois, here in the house of representatives in the city of Springfield, where Abraham Lincoln spent a large part of his life. Lincoln had faith in the plain people, in popular government, and in our free institutions. The early history of the Republican Party is synonymous with his political career and immortal achievements in defense of the Union and the preservation of the Constitution.

We should today stand boldly with Lincoln, our first Republican President, for the maintenance of the Federal Constitution, our free institutions, and representative form of government, against State socialism, a socialistic dictatorship, or actual socialism, all of which are destructive of American ideals and principles of government as advocated by him.

The quicker the Republican Party gets back to the early principles of our party as enunciated by Abraham Lincoln the sooner we will regain the confidence of the American people. Lincoln announced the doctrine that human rights were superior to property rights and that labor was prior to capital. We should reaffirm these fundamental principles of our party openly and make them the cornerstone of our present-day republicanism.

I learned all of my political principles and faith from the writings and speeches of Abraham Lincoln and from their application by Theodore Roosevelt. Lincoln was a liberal, compared to Buchanan, and a conservative, compared to John Brown and Wendell Phillips. So, today we Republicans must be liberal as compared to the recent past of our party, but conservative as compared to the Marxists, Socialists, "new dealers", and other radicals.

The time has come to tell the truth and to let the people back home, in spite of the honeyed words and sugar-coated fireside talks of President Roosevelt, know that the new-deal measures, particularly the N. R. A. and A. A. A. are collapsing of their own weight and are being denounced even by Democrats as the greatest economic failures and monstrosities in the history of our country.

The Republicans would have no right to criticize the new-deal measures if they had succeeded in relieving unemployment and putting American men and women back to work, even at the cost of $15,000,000,000. The tragedy of the situation is that there are a million and a half more unemployed, according to the American Federation of Labor, than there were a year ago.

The Republican Party has been shadow-boxing long enough and pulling its punches beyond the necessities of the occasion. There is only one person responsible for the break-down and failure of the new-deal policies which are retarding recovery and prolonging the depression, and that is Franklin D. Roosevelt, who was the author of all these unsound experiments, including the N. R. A. and A. A. A., that are leading the country onto the rocks of bankruptcy, chaos, and disorder. No matter what party American citizens may have belonged to in the past, the time has come for all of those who believe in our industrial system, based on private initiative and reasonable profit, in sound money, in a balanced Budget, and against Government ownership, destructive taxation, continued borrowing and unlimited deficits, and an intolerable and crushing bureaucracy at Washington, to join forces to throw out the "new dealers."

I indict the new-deal administration on its record for the past year as the greatest failure in American history. I charge President Roosevelt with having destroyed business confidence, squandered American resources, and with the impairment of the national credit. I accuse him of having imposed unsound, unworkable, and socialistic measures upon the Nation that have increased the cost of living, impoverished the American people, lost the world market for our cotton and wheat surplus crops, and increased unemployment. I condemn him for demanding control of the purse strings from Congress, turning the Constitution into a scrap of paper and changing our representative form of government without the consent of the governed, into an autocratic and dictatorial form of government. I denounce his administration as having no economic policy except to pile debt upon debt by borrowing billions upon billions without any thought of balancing the Budget or the inevitable day of reckoning and collapse of credit and the bankruptcy of the Government. I hold President Roosevelt responsible for appointing numerous radicals, socialists, and near-communists to important positions in the Government's service, who have done more to cause labor unrest, unprecedented strikes, and to promote more class hatred in 2 years than all other administrations since the birth of the Republic.

All the new-deal measures have clashed with common sense, the experience of the past, and the Constitution of the United States. The blatant General Johnson declared the N. R. A. a holy and sacred institution, above reproach, but today even Democrats join in the swelling chorus repudiating it as a failure that should be wiped out or drastically modified. There was once a time when any critic of the N. R. A. was either a traitor or a partisan bigot. The President's message on the utility holding companies was an amazing example of the extent that the administration has become a propaganda machine. No American, according to the President, had the right to even petition Congress to modify legislation without committing an unethical and disloyal act. Have the liberties of the American people burned so low that they have no rights or no voice left to petition their elected representative in Congress?

The President speaks of a more abundant life for the American people—a very beautiful phrase for fireside talks. But how can it be developed by a program of scarcity and reduction of crops and birth control of pigs and an increase in the cost of living? When the American people wake up and see that the President's

program is destroying wealth and impoverishing the people, political sentiment will change overnight.

There has been a tremendous swing in public sentiment away from the new deal in the last 3 months, but that is only the beginning of an avalanche that once the facts are known of the utter collapse and break-down of the new deal, that will sweep everything and everyone responsible for the socialistic experiments and the destruction of business confidence into political oblivion. The people have been mesmerized and hypnotized owing to the consistent and studied attempts to mislead and befog the real issues. Let us tear the veil off and unmask the true situation.

The $4,800,000,000 so-called "relief bill" amounts to a rape of the legislative powers of Congress, and a betrayal of our constitutional and representative form of government. It was forced through Congress by the autocrat in the White House in defiance of the Constitution, delegating to Congress the control over appropriations, and our representative form of government, based on three separate and distinct branches of government.

Whom the gods would destroy they first make mad. President Roosevelt is obsessed with the idea of power—no longer emergency or temporary, but permanent, autocratic, and dictatorial. Even four Democratic United States Senators, in spite of the party lash and the patronage of Postmaster General James A. Farley, refused to jump through the hoop like trained animals and vote to betray our constitutional and representative form of government and set up a superman with the control of the purse strings in the White House.

The bill itself is just another slush fund to be used for campaign purposes a year from now. No Republican opposed the $850,000,000 transfer of funds for actual relief purposes. That could have passed Congress by a unanimous vote at any time, but the Democrats refused to separate the two bills in order to confuse the issue and deceive the people back home.

The passage of the alleged relief bill transferring the control of the purse strings to the President upon his own arrogant demand is actually a change in our form of government without the consent of the governed. It gives to the President powers similar to Hitler, Mussolini, and Stalin, and is based upon fascism, communism, and other foreign autocratic dictatorships, but not on American principles of government.

Shades of Abraham Lincoln, who believed that the Constitution was the law and the prophets, and of Thomas Jefferson, whose political faith opposed the concentration of power in the hands of the Executive, and whose followers for over 135 years have stood for State's rights and against interference by a centralized Federal Government.

In the next Presidential election the Republicans should build a bridge upon the firm foundations of the Constitution, representative government, and American liberties, and appeal to millions of disappointed, disgusted, and deceived Jeffersonian Democrats to cross over and oust the "new dealers" at Washington before the Democratic Party of Jefferson has been destroyed and buried by those temporarily in command of the fleshpots.

The "new dealers" have shown an utter incapacity to govern within the bounds of reasons and moderation. The "brain trust" and new-deal termites have burrowed, eaten their way, and undermined the very structure of our National Government, and if permitted to continue will bring it down to ruin and disaster.

Recovery under the new deal is a myth and a mirage backed by propaganda over the radio and billions of dollars out of the Treasury of the United States. The failure of the N. R. A. and A. A. A. was inevitable because they were economically unsound, unworkable, and a form of imported socialism that does not thrive in America.

The rapidly vanishing foreign markets for our cotton and wheat surplus is a direct menace to the well-being of economic interests of our country. The situation is far too serious to ignore any longer and is attributable to the socialistic "new deal" policies which bring havoc and ruin wherever these "brain trust" experiments are tried out. What does it profit the Southern or Western States which have temporary artificial increases in the price of cotton or wheat by the manipulations of the A. A. A. and wake up to find that our foreign markets have been lost? Already our cotton exports have fallen off under 2 years of the new-deal experiments by 50 percent. The Lord only knows what will happen in the next 2 years if these mirages are still pursued. Our wheat exports have almost reached a vanishing point. Increased unemployment, more on the relief rolls, and a huge financial and economic loss annually is what the South and the West is facing, as the cotton and wheat export trade steadily decreases.

The tragedy of the situation is that our export markets for wheat and cotton are dwindling away while the "new dealers" fiddle and zig-zag from right to left, but never in any sound or constructive direction. The Wallaces, Tugwells, and the Ezekiels, and the other "brain trusters" are engaged in a dance of death with the cotton and wheat growers to the detriment of the Nation. There is less cotton and wheat being exported than at any time since the Civil War, and as a result of the loss of these exports, hundreds of thousands of Americans engaged in planting, milling, ginning, compressing, warehouse, transportation and shipping have lost their jobs. The A. A. A. program of reduction of cotton and wheat crops and birth control of pigs has seriously affected millions of our wage earners and all consumers. The economy of scarcity and restriction is reaping its own whirlwind of disastrous consequences and evil fruits through importation of shiploads of grain and meat from South America, butter from New Zealand, and cheese from Denmark. Since last July 12,000,000 bushels of corn have been purchased in foreign countries or imported to compete with the corn produced in the United States; 10,000,000 bushels of oats, 8,000,000 bushels of barley, and 6,000,000 bushels of rye. In addition, 16,000,000 bushels of wheat have been imported, whereas we have only exported 3,000,000 bushels and the equivalent of 12,000,000 in flour, leaving the United States, unbelievable as it may sound, a net importer of wheat, with the duty of 42 cents.

The proof of the pudding is the eating, and as a result of the new deal economic program the American farmers have lost the richest world markets for their surplus crops.

I am opposed to the governmental policy of restriction and scarcity, when there are 12,000,000 unemployed Americans and 23,000,000 on relief rolls. If the Government is right, that a policy of producing less makes for wealth and prosperity, then it must follow that producing next to nothing would make us fabulously wealthy. The wand wavers and magic performers at Washington, in addition to undermining and destroying the principles of Jefferson democracy, will, by their costly blunders and crazy-quilt experiments, if continued for 2 more years, ruin and wreck the economic stability of the Nation.

The Republican Party should come out openly and boldly for a square deal for the farmers within the compass of the Constitution, and for an equilibrium of prices between the production of the farms, factories, and mines, which is impossible under the N. R. A. The farmers are entitled to the cost of production plus a reasonable profit, and to the preservation of both the domestic and foreign markets through sound and fair policies, but not by the destruction of crops and increased unemployment.

The processing taxes imposed by the new-deal administration—I will not honor them with the name Democratic—is nothing but a tariff within the United States, hitherto a free-trade country, within its own boundaries on the necessities of life, and a means of increasing the cost of living for the American people. Shades of John C. Calhoun, to think of his party erecting tariff barriers within the United States against its own people on foodstuffs and clothing. The price of meat and pork have doubled under the "new dealers" and has gone beyond the wage earners and American housewives' budget. The 125,000,000 American consumers, instead of obtaining a more abundant life, are rapidly becoming the forgotten men and women of America.

There is no party today to speak for Jeffersonian principles except a liberalized Republican Party that will not pussyfoot and compromise with the unsound socialistic and destructive features of the new deal, which affect the welfare, the interests, and the daily lives of every citizen in the Nation, and will not tolerate the weakening of our constitutional and representative form of government.

Our appeal must be made equally to Jeffersonian Democrats and Abraham Lincoln Republicans to uphold and defend the fundamental American principles of government, advocated by both Jefferson and Lincoln, steering clear of socialism, communism, Government ownership, regimentation, collectivism, destructive taxation, and a huge crushing superbureaucracy at Washington.

For well over a hundred years Jeffersonian Democrats have battled for their principles without fear or favor until the advent of this administration and its socialistic and Santa Claus policies. Jeffersonian Democrats for all these years have boldly proclaimed their political creed which stood for the rights and liberties of the individual citizen under the Constitution, for national economy, for State rights, against the centralization and concentration of power in the hands of the Federal Government and the use of such concentrated powers by the Federal Government to interfere with business or the rights and liberties of the individual. Every principle of Jeffersonian Democrats has been repudiated by the administration at Washington and trampled under foot by the "brain trust", who are not and never have been Democrats.

It is too early to write a party platform, but the Republicans could well afford to take over those main planks in the Democratic platform that have been repudiated and ignored by the "new dealers", such as a reduction of 25 percent in the running expenditures of the Government, a balanced Budget, sound money to be preserved at all hazards, fewer commissions, and to stop borrowing and deficits.

Let us, as followers of Lincoln, rededicate ourselves to the proposition that a government of the people, by the people, and for the people shall not perish from this earth, because it is the fairest, safest, soundest, most honorable, and best form of government ever devised by the mind of man.

UNITED STATES NAVAL HOSPITAL, PHILADELPHIA

Mr. FENERTY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein an eloquent address delivered by my colleague, the gentleman from Pennsylvania [Mr. DARROW], upon the occasion of the dedication of the new naval hospital at Philadelphia, on April 12.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FENERTY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

This is a happy day for me. My joy is unrestrained as I have the opportunity to witness and take part in the dedication of this new naval hospital. Can you realize what it means to me to behold the final culmination of a long and tedious task, which had been faced with many obstacles and disappointments over a period of 9 years, since I first sponsored the necessary legislation in Congress to replace the old and dilapidated buildings at the navy yard with such a magnificent and modern hospital? Surely, one of my fondest dreams has come true.

Someone has aptly said: "Life's success is not so much what we accomplish for ourselves as what we accomplish for the general welfare of humanity." Undoubtedly those of us who had part in the success of this great project must have had such an axiom in mind.

When this hospital was originally planned there was no question as to the use to which it was intended to be put. It was, of course, to be strictly a naval hospital, operated and manned by naval personnel, with first consideration to the needed medical and surgical attention for the personnel of the Navy; but, with additional facilities to be made available for continued treatment of our sick and disabled war veterans. It was on this account that construction was based upon a 650-bed hospital, with possibility of extending it to 800 beds in case of emergency by a closer centering of the beds. For purely taking care of naval patients a much smaller building would have answered such a purpose in peace times.

Unforeseen conditions, including later action which restricted hospitalization for veterans, have since cast a gloom on these plans, and for some time there has been considerable doubt as to whether the full facilities of the hospital could be used. I understand that in quite recent periods the old hospital cared for an average of about 200 naval patients and 200 veteran patients.

With the prospect of soon moving into these magnificent quarters, and knowing the great demand for hospitalization of veterans, I recently made it a point to see if arrangements could not be made for the treatment of a greater number of veterans, hoping to have the authorization increased from 200 to 450 beds for this purpose. Conferences I had with Navy officials revealed that they would be glad to approve such an arrangement. It would have many advantages. First, it would reduce the overhead expense of operation; and, secondly, it would afford greater opportunity for training and experience for the personnel of the Navy Medical Corps. Further, in case of war or other national emergency, it would make immediately available a modern and complete hospital.

Of course, the number of veteran patients the Navy may accommodate in this hospital depends entirely upon the request for beds by the Veterans' Administration. My next step, therefore, was to get in touch with General Hines, of the Veterans' Administration. I found him to be most sympathetic with my plea and willing to cooperate to the extent of his ability, in accordance with limitations placed upon him. Assurance was given that a new survey would be made of the entire situation, and I am quite hopeful that when it is completed he will be able to authorize a considerable increase in the number of veterans to be sent to this hospital from eastern Pennsylvania, southern New Jersey, Delaware, and eastern Maryland.

In my opinion, there can be no principle or object of a more worthy nature than for this great and generous Government to provide every possible facility for the adequate medical and surgical care of its disabled war veterans, and I have always been glad to urge the provision of adequate facilities for that purpose.

We are proud to have here what is probably one of the most modern and complete hospitals of this nature in the country, if not the world. Congratulations are properly due to the Navy Department and its officers for approving and providing such a magnificent structure; to the architects, Karcher and Smith, for conceiving such a wonderful plan; to the builder, John McShain, for its fine construction, and to the personnel of the Navy and our war veterans for the excellent opportunities it affords for their care and treatment.

If I may be permitted to do so, I should like to add a personal word or two. For a great many years during my service in Congress I have been a member of the Committee on Naval Affairs. This has naturally brought me in close contact with many officials and officers of the Navy Department and the Navy. In all of my experience I have never met a higher class of men; officers of unusual executive and business ability, who are patriotically serving our country. It has been a great pleasure and satisfaction to have had the opportunity to work with them, and I wish to publicly acknowledge and thank all of them for the wonderful cooperation and assistance they gave me and my colleagues in Congress in securing for the Navy, our war veterans, and the city of Philadelphia this great structure which we are dedicating today.

So many of our good people in thinking of our Navy only have a vision of ships and the general impression that it serves as our first line of defense, and that its maintainance at full strength is a guarantee of the Nation's defense against any foreign aggressor. All of this is very true, and I consider a strong Navy as the best form of insurance against war. It is our greatest agency for peace. However, the activities of the Navy are more varied than this, for they include many duties of a governmental, educational, and humanitarian character. Always, nevertheless, there has been one focal point—that is to be prepared for any emergency.

In these days of unsettled conditions in various parts of the world most anything could happen with a startling suddenness; and if strife and turmoil is again to become rampant I, for one, should hate to see our country in the state of unpreparedness in which we found ourselves back in 1917. Therefore, I have joined in a program for a Navy up to the limits set by the London Treaty; and until other nations will agree to a further reduction of armament such a policy should be maintained.

It is gratifying that the Navy is not only to have increased strength in fighting ships, but that provision is being made for an increased air force.

Philadelphia is proud to have been so closely associated with our Navy. The artisans and labor of this city and its vicinity have constructed many of its ships on the banks of the Delaware River and at our navy yard. In our naval aircraft factory at League Island they have carried on experiments in aviation construction which have resulted in the development and construction of the most modern and efficient planes. Now plans are in process for the expansion of this aircraft factory for the construction of additional engines and planes so badly needed for our Navy.

This great edifice, erected for the treatment and care of our naval personnel and those disabled veterans who served our country in time of need, is appropriately constructed in this ancient city where American liberty was born, and from which the first vessels of the infant Nation went forth on missions of the young Republic. It was from the wharves of Philadelphia that the first officers of the United States Navy set sail on the waters of the Delaware River and the Atlantic Ocean in the cause of American liberty. From this city came the brave commanders who not only established American sea power in the Revolution, but who became the teachers of the eminent admirals who preserved American independence in the War of 1812.

Throughout the years since the formation of the first battlefleet of the United States, Philadelphia has been foremost in the building and maintenance of vessels for the protection of the Nation. From our great navy yard, and shipbuilding plants on the Delaware we have set forth those giant monsters of steel which established our Nation in the first rank as a Naval Power.

I mention these brief facts concerning our Navy only to emphasize the worthiness of the work which is today receiving proper acclaim in the building of this great hospital. We are not only thinking in the terms of the brave and broken men who are willing, if necessary, to die that American liberty might live, but also emphasizing our belief in an adequate Navy, properly manned by able personnel, which will once again place America in its proper place among the navies of the earth. We dedicate this building to the cause of liberty and the Nation. We dedicate it to the brave men of the United States Navy, and to the veterans of our wars, and we pray that God who guides the destinies of peoples will keep the light shining upon it until time shall be no more.

SOCIAL-SECURITY BILL

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAINES. Mr. Speaker, the bill that is now before the Congress of the United States is one of perhaps greater importance than any that we have ever considered, for it goes to the root of much of the economics of our modern-day problems, that of providing security to those of our citizens who have reached an age in life where their opportunities to earn for themselves a livelihood are so limited as to make it impossible for them to do so. In the bill we have titles I, IV, V, and VI granting aid to States for old-age pensions, for the care of dependent children, for maternal and child welfare, and for public health. They carry with them an appropriation that in the aggregate will not be more than $100,000,000 for the first year. I am, of course, in favor of all of these titles. For many years, years before I ever dreamed of coming to this body, I have been an advocate of a social-security program that would offer help to those of our people who would need such help.

I am happy indeed to have the ambition of my own life realized in the enacting of this legislation, and, while it is not all that I have hoped for, I feel that it is the beginning of a contribution we can make to our people and a program that will greatly benefit those of our citizens today, and even greater benefits to our posterity. I believe it to be the first duty of any government to care for its own, just as much a duty as it is the duty of the citizen to be interested in his or her government. In the bill before us today we make con-

tributions to the States, not in excess of $15 per month, to aid States in caring for their aged. Now, Mr. Speaker, I do not look upon a pension of $15 per month by the Government and an equal contribution on the part of the State as being an adequate pension, and I do hope that an amendment will be approved to increase this amount to $25 per month, with an equal amount to be paid by the State, so that a monthly income of $50 can be paid to those of our aged folks who are in need.

It seems to me, too, Mr. Speaker, that we should start paying this pension at the age of 60 rather than at 65, for in our modern day of labor-saving as well as labor-displacing machinery men and women are driven out of industry many years before they reach that age, indeed, in many industries in our country employers will not give work to those above 45 years of age, so that in any legislation that we enact here we must, out of necessity, give every consideration to this aspect of our national problem as it relates to the security of our citizens who have reached the age of 60. I appreciate the fine work of our Ways and Means Committee, the many weeks, almost day and night consideration, to write a bill that they believe to be sound, and one that can be financed by our Government without working undue hardships upon the balance of our people, and only because of my deep appreciation and consideration for this hard work on the part of my colleagues can I assent to any legislation that will give less to our people. I represent a fine, intelligent, patriotic district in this House. In my district are men and women who do not want charity, do not want a dole. Force of circumstances, unemployment, the loss of their lifetime savings, have driven many of them to the point of desperation, and for this reason I hope we will enact this legislation and do it with as little delay as possible.

In our program of public works and through the allocation of money authorized by our Public Works Act, I am hopeful that we can put back into the ranks of the employed, those that are now unemployed. I believe that those delegated to administer that act will give first consideration to those who are most deserving, and by this contribution on the part of the Government aid private industry. Unless we give our people a purchasing power, it is sheer folly for us to talk about recovery. I am not one of those who believe that we have so much overproduction, but rather am convinced that we have an underconsumption, and that if we give some purchasing power to our people we can find employment for all who can work, removing from industry the aged, who should be permitted to enjoy the few remaining years of their lives in peace and happiness through an assurance of income to enable them to live comfortably. I say to you therefore, Mr. Speaker, that I hope this House will agree to an increase above the $15 provided in the proposed legislation and starting these payments to those of our people who reach the age of 60. I am not unmindful of the difficulty many of our States will experience in raising money to meet any contribution authorized by the Federal Government and for this reason would prefer to enact a bill that would not bear down so heavily on these States. While it is true that 28 States now have some excuse of an old-age pension, it is also well known that these benefits are not distributed as they should be and many worthy old folks are now denied participation simply because they are fathers and mothers.

I know many cases, Mr. Speaker, in my own district where old folks are denied pensions in our State because they have children. Unfortunately, Mr. Speaker, these children are unable to care for them, and many of these folks who cannot care for their parents are themselves now receiving relief. For this reason it seems to me that to accept a plan of small taxation on business transactions might produce sufficient revenue to relieve the States of this burden and thus help the States that are now faced with this problem, and who scarcely know where to go to obtain the funds to match the Federal contribution. Of course, no one contends that this legislation is a cure-all, but I do believe that it is the first step in what shall eventually be an adequate pension for those who are aged and unfortunate. Title III of the bill does not give full and complete insurance against unemployment, but it is the beginning of a fund that will be built up that will furnish sufficient funds for the maintenance of those who will find themselves unemployed, for temporary periods, and I think in the writing of any legislation we are wise in making it temporary periods, for unless we do (and throw down the bars) we will find a great host of our people who will not take a job or work when offered. These are the evils we must guard against. We do not want to put into effect a dole system that will further break down the morale of our people, but on the contrary make men and women work when an opportunity is afforded to them. The temporary benefits will tide many of the unemployed over until they can find a job. That, as I understand it, is the purpose of the bill. I understand that another bill is before a committee in the House now that purports to pay or guarantee a wage to every unemployed person in the Nation equal to that of the wage paid in the industry of which he or she may be a part.

I have heard it stated, authoritatively too, that such an act would cost your Government almost ten and one-half billion dollars annually, and would not safeguard the Nation against the lazy and otherwise indifferent person who will not work, even though offered a job. What we want to do here is enact sane laws, laws that can be administered and financed without placing too heavy a burden upon our people, for, after all, every dollar that we give to others must be taken from the taxpayers. I appreciate the fact that this legislation is new and that through the next few years we can, by experience, profit by any mistakes we make. I for one believe that we will make mistakes, but we are aiming in the right direction, the purposes we have in mind are directed in the interest of our citizens and cannot but help to bring happiness to millions of our citizens who have almost given up hope. We are all patriotic enough, progressive enough in our thoughts, to develop ideas that may contribute much to correct some of the mistakes, if they develop, and for this reason I want to vote for this bill, even though it is not all that I had hoped for.

It has been impossible for me to study this bill as fully as I should like to have done, for the demands upon me are so great that time simply was not available, and I do not fully understand every detail of this legislation, and I believe I am safe in saying that this is true with many of my colleagues, and I say this without any reflection on anyone. A program as great as this one, with hundreds of plans and proposals coming to us, from all over the Nation, it is perfectly obvious that we must, out of all of these proposals, write a bill that will embody many of these proposals that are meritorious, and, of course, some of the impossible proposals we must not, nay, we dare not, consider.

The permanency of the Nation must be our first concern. A nation to have permanency must have security for its people. This administration has done so much for its people to bring about recovery, hence I hope and pray that this may be the one missing link, and through the enactment of this bill we shall have made a contribution that will bring about complete recovery. I have heard it stated, in listening to the debate, that this bill will take care of about four million old people, and through this care for a million or more others through increased purchasing power, thereby giving opportunities for another million or more to find employment that are now in the ranks of the unemployed. I wish I had the time, Mr. Speaker, to take up the other features of the proposed legislation, all of which is aimed in the right direction, for we have a host of children and invalids in the Nation that in the past have been neglected, but through this bill, if enacted, will find some security. I am glad that I have lived to this day and am about to have the realization of a dream, a day in which we will instill in the hearts of men and women, now almost on the verge of despair, new hope and courage.

Through the tax feature in the bill, as I understand it, we will build up a large reserve fund that will benefit future generations and that by the year 1970 it is expected that more than $32,000,000,000 will be in that reserve fund. I am sure it requires no great imagination to appreciate the good that we are doing today for those yet unborn, but in that day many will honor and pay tribute to the men of today we have had the courage and great love for others to make life more secure, to bring happiness and contentment to our people.

Recently the distinguished gentleman from Maryland [Mr. LEWIS], addressed the House in one of the finest addresses I have ever heard. He spoke about human and property rights in such a clear manner that none could fail to understand him, his deep interest in this problem of social security being inspired because of his own personal experience. Those who have had to toil in the past cannot help but be sympathetic to what we are trying to do in this bill before us. In the day in which you and I live, no question is of more vital importance than that of human and property rights. This subject should take precedence over other questions we consider so mighty important. The greatest contribution we can make today is to give an increased understanding to those human needs and human rights. The greatest gifts do not come in handsomely wrapped packages, but come to us "gradually and are the enduring benefits which have made possible the progress of mankind." Intelligent men and students of economics are taking note of how the concept of human rights are taking root today in the minds of our people. We think differently today from that of yesterday, and even some of our more conservative leaders are slowly grasping the fact that the welfare of his fellow man is fundamental. The doctrine advanced by economists today, even by many industrial leaders, would have horrified the leaders of industry of the past.

Even our men of finance are looking at this subject through different glasses, and they are beginning to recognize the need for more consideration to the man who toils and who must earn his bread by the sweat of his brow.

All of us are thankful for the courageous leadership in the person of the President of the United States, and he is the one outstanding figure in our American life today who is leading the way, showing us the way out.

As a result we have more sympathy today for the underdog, and we shall continue to manifest greater interest in him. I believe the individual who does not manifest this interest fails to read the signs of the times.

I am not opposed to big business. I want them to make a profit.

Capital is entitled to its dividend, but must give more consideration to those who toil and those less fortunate. I predict here and now that unless this consideration is given to them we shall continue to have economic strife.

There are many, however, who are seeing the light in spite of the others.

They realize that liberalism is not merely a philosophy, but is the only practical hope for rebuilding our economic structure.

I believe that many of our business leaders are progressing toward social-mindedness, and, even though that progress may be small, it is an advance in the right direction. "The great spirit of Americans should be translated into practical terms of moving ahead", moving ahead toward a finer concept of our fellow man, his welfare, the social security of all our people, all of which is our only hope for permanency as a Nation. To me nothing is more paradoxial than to find so much want in a land of full and plenty. We must overcome this, my colleagues, and it can be overcome by those who believe in the Master of Men. We must learn to estimate prosperity not in terms of statistics alone, but in terms of liberal solution of the problem of human rights. We must learn to look for good will among men and then act the part ourselves, even though we might be accused of playing Santa Claus. Property rights are the right of a man to use and dispose of his property in the way he may desire, and human rights are the right to life, liberty, and pursuit of happiness. I am sure we will all agree that property or things in themselves have no rights, but we cannot say this of the individual, for when an individual begins to assert his property rights in such a way as to effect the human rights of another individual, that is when the trouble begins, and it is then that we begin to realize its importance.

Slavery was legal at one time in the United States, and a man's ownership of human beings constituted a property right, and against his owner the slave had no right that his owner was bound to respect. Not so long ago men languished in prisons for their debts. Even the great patriot Robert Morris experienced this. Can anyone deny the conflict between the property right of the creditor to collect his bill and the human right of the unfortunate debtor who has lost his liberty? I know there are many men in the United States today who think that they can do with their employees as they see fit; pay them the wages they deem fair; do with their individual business as they see fit or as they please, without consideration of their employees; close the plant at their own pleasure; scrap their machinery or equipment; leave for some other place remote and live in ease and luxury through the toil and agony of those who made their fortunes for them, giving little thought to those who have been thrown out of employment. We all know that a man exercising his property rights in such an event is bringing sorrow and suffering to those who have toiled for him in the past, being deprived of making a livelihood for themselves and their families.

For example, suppose that Henry Ford decided to build for himself a large industrial center, as he did at Dearborn, and had thousands of people settle in that community. These people built homes for themselves; they contribute through taxation to all the municipal improvements, contribute toward churches, schools, hospitals, and so forth; and out of this is a modern city. Now, suppose that Mr. Ford, feeling that he has a right to use his own property in any way he sees fit, announces that he will discontinue his business, tear down his plants, scrap the machinery, or, say, he has some labor trouble and in retaliation moves to some other place many miles distant. Here, my colleagues, you have a conflict between property and human rights. An entire city of men, women, and children, dependent upon that industry, with all the human ties binding people together in a civilized community, are to be subjected to misery and despair. This has happened in the past, and it is frequently heard that unless these property rights have precedence over those of humans they will do just this very thing.

Can one imagine the sorrow and trouble that comes into the lives of those humans who have given the best years of their lives in an industry that has given wealth to the owners, and these owners believe their property rights above those of humans. According to law, this might be justified; but before God it is not. While I believe we have a right that we cherish in being able to dispose of our business or property as we want to, but on the other hand we must not, in the disposal of our property, bring misery and suffering to others. My esteemed colleague and dear friend, Mr. LEWIS, has covered this better than I could, but I desire to place my approval on every word he uttered, for we must not forget the objectives of our fathers, in drafting a Constitution, that they had the general welfare of all our people in mind. The conception of rights can only arise when and where men are living together in some sort of society. A man who lives alone on an island need not think of the rights of others. When others join him on that island, he is bound to respect their rights, and his individual and sole rights disappear. It is not many years ago that a man could erect a plant, install machinery as he pleased, employ men at operating these machines, oftimes risking their lives at dangerous machines because of no protection afforded to them.

Today it is different. That employer must safeguard that machine and take away the danger in operating it. Likewise men and women of yesterday worked in all sorts of unsanitary places, eking out a livelihood as best they could.

As a result men and women did not live so long. Today it is different.

Now we have officials who inspect these plants, these machines and houses where people are employed, looking out for the welfare of those who toil.

That was a step in the right direction, and humanity has been blessed through these safeguards brought about through legislation. Surely we can do nothing less in our social-security program under consideration today. To frighten our people with threats will not do. To try to frighten them by bringing up constitutional violations will not do. The people of this Nation want this kind of security for the aged, the unemployed, the unfortunates, and no amount of this "constitutional bogey" is going to deny it to them. As a nation, we are blessed with everything necessary for our happiness, and we are going to have the courage to carry out the program of our President, who has so clearly shown in his few years his deep interest in his fellow man.

We have had men and women exploited upon the occasion of this economic depression. I think it should be classed as criminal, and mark you, in the not distant future it will be so considered, and I believe that our laws will so declare it to be. For a few thousand of our people to have all of our wealth and the balance of the millions dependent upon them is wrong. If it was ever considered to be right, I say to you that today it is not.

Our public-school system is teaching our boys and girls to think. We are educating thousands of young men and women every day and these are going out into fields of endeavor realizing their worth and demanding their fair share of the reward of their efforts. Mr. Speaker, we must rebuild this economic structure upon more equitable foundations. We must insist that wages be paid to our people that will permit them not only to pay for their actual necessities but to enjoy many of the luxuries so dear to our people. All of this can and must be realized if we are to continue as a great nation. I trust that in the enacting of this legislation we will contribute to our Nation's greatness and that it will bring peace, happiness, and prosperity to all our citizens.

Mr. COCHRAN. Mr. Speaker, a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. If a point of no quorum were made and the Members called to the Chamber, in view of what was said by the Speaker on the floor of the House this morning, would we go back into the Committee of the Whole and continue debate on the social-security bill?

The SPEAKER. If a motion to go into the Committee of the Whole House on the state of the Union is made, the Chair will put the question to the House.

Mr. COCHRAN. If we are going to get through with this debate and get the bill passed, those who want to speak on it ought to be here. It is now but 10 minutes after 4. I am always here attending to business, and I am kept in my office late at night as a result. If we mean anything by saying we are going to expedite the debate on this bill and the consideration of the bill, I think the Members should be here and continue the debate.

The SPEAKER. The Chair had something to say on that subject this morning.

Mr. COCHRAN. The gentleman from North Carolina [Mr. DOUGHTON] and members of his committee are in no way to blame for this situation. It is the Members who have requested time and who are not here to speak. They are taking advantage of the kindness of the gentleman from North Carolina. It is a wonder to me that their patience is not exhausted. Sitting for weeks in committee, considering the bill, and now on the floor for days in order to please Members, the chairman has protected them, and they should realize that. I do not desire to criticize anyone, but I do not want it to go to the country that I am not on the floor, attending to business. As Members know, I can always be found here when the House is in session. It is true that we have more mail than usual and more work than usual, but still when the House is in session we belong on the floor, especially those who want to talk on the bill.

MODIFICATION AND CANCELATION OF CERTAIN CONTRACTS

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 93, to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934, and move its adoption.

The Clerk read the title of the Senate joint resolution.

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understand it, this proposition is something that has been agreed on by the leaders on both sides who are in very close touch with shifts in legislation, and it is necessary that this be taken up at this time. Am I correct?

Mr. BLAND. Not only that, but with the administration; and I am advised that the President desires, in fact, is very anxious to have this passed.

There being no objection the Clerk read the joint resolution as follows:

Resolved, etc., That section 5 of the Independent Offices Appropriation Act, 1934, is amended by striking out "April 30, 1935" and inserting in lieu thereof "October 31, 1935."

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LESINSKI, for 1 week, on account of important official business.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, there seems to be some dissatisfaction and criticism with respect to the way we are handling this bill. As chairman of the committee, I have done everything I know to keep the Members here and I think my colleague, the gentleman from Massachusetts, has done the same thing. Four hours and 20 minutes' time is left for general debate, and it can be finished tomorrow. I do not have any suggestion to make.

Mr. CULLEN. Mr. Speaker, there is no reason why the men who are asking for time to speak on this bill should not be here; there is no apology to offer for them. We are placed in a very awkward position. Four and a half hours yet remain of general debate. In all probability we can finish general debate on the bill tomorrow and then the bill can be read. The only alternative I see, Mr. Speaker, is to move to adjourn.

ADJOURNMENT

Mr. CULLEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 15 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 17, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Wednesday, Apr. 17, 10:30 a. m.)

Subcommittee will hold hearing on bill H. R. 6459, relative to regulation and procedure for the award of contracts by the Post Office Department.

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Thursday, Apr. 18, 10:30 a. m.)

Subcommittee on the Judiciary will resume hearings on bill H. R. 6510, and other amendments to the liquor-control law, room 345, old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

299. A letter from the Acting Secretary of the Interior, transmitting draft of proposed bill to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supple-

mented by the act of May 31, 1933; to the Committee on Indian Affairs.

300. A letter from the Secretary of War, transmitting a report dated April 13, 1935, from the Chief of Engineers, United States Army, on preliminary examination of Albany, Berkeley, and Emeryville Harbors, Calif., authorized by the River and Harbor Act approved July 3, 1930, together with accompanying papers; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. EICHER: Committee on Interstate and Foreign Commerce. S. 1342. An act to revive and reenact the act entitled "An act granting the consent of Congress to board of county commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn"; without amendment (Rept. No. 681). Referred to the House Calendar.

Mr. TERRY: Committee on Interstate and Foreign Commerce. S. 1855. An act to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931; without amendment (Rept. No. 682). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 6834. A bill to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn."; without amendment (Rept. No. 683). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BEITER: Committee on War Claims. H. R. 4408. A bill for the relief of the Southern Overall Co.; without amendment (Rept. No. 680). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7381) for the relief of Harvey Hultz Verner; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 7311) for the relief of Raymond H. Leu, M. D.; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 7255) for the relief of Frederic R. Leland; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER of Ohio: A bill (H. R. 7539) to provide for the establishment of a Coast Guard station on the shore of Ohio, at or near Conneaut Harbor, Ashtabula County; to the Committee on Merchant Marine and Fisheries.

By Mr. MAAS: A bill (H. R. 7540) to amend the provision in the act approved June 10, 1896, prohibiting the employment of officers of the Navy or Marine Corps on the active or retired list by persons or companies furnishing naval supplies or war material to the Government; to the Committee on Naval Affairs.

By Mr. MAVERICK: A bill (H. R. 7541) to provide for the creation of a corporation to be known as "United States Railways"; to provide for the possession, control, and ownership of certain property of carriers by United States Railways; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR of South Carolina: A bill (H. R. 7542) to provide for the establishment of a national monument and cemetery in Greenwood County, S. C., to be known as the "Star Fort National Monument and Cemetery"; to the Committee on the Public Lands.

Also, a bill (H. R. 7543) to provide for the establishment of a national monument in Oconee County, S. C., to be known as the "General Andrew Pickens National Monument"; to the Committee on the Public Lands.

By Mr. WHITE (by request): A bill (H. R. 7544) to create and establish a Department of Transportation and to further amend the Interstate Commerce Act, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNS: Resolution (H. Res. 199) for the printing of Cannon's Procedure in the House of Representatives; to the Committee on Printing.

By Mr. BINDERUP: Joint resolution (H. J. Res. 246) to honor John Philip Sousa by designating the Stars and Stripes Forever the national march; to the Committee on the Judiciary.

By Mr. BLAND: Joint resolution (H. J. Res. 247) authorizing the disposal of certain lands held by the Panama Railroad Co. on Manzanilla Island, Republic of Panama; to the Committee on Merchant Marine and Fisheries.

By Mr. GASQUE: Joint resolution (H. J. Res. 248) to create a national food research commission, and for other purposes; to the Committee on Agriculture.

By Mr. McREYNOLDS: Joint resolution (H. J. Res. 249) to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 7545) for the relief of Lt. Col. Roy W. Ashbrook, United States Army, retired; to the Committee on Military Affairs.

By Mr. BEITER: A bill (H. R. 7546) to correct the military record of Anthony Marszelewski; to the Committee on Naval Affairs.

By Mr. CARTER: A bill (H. R. 7547) for the relief of John W. Elston; to the Committee on Military Affairs.

By Mr. COOPER of Ohio: A bill (H. R. 7548) granting a pension to Mary McFarland; to the Committee on Invalid Pensions.

By Mr. DELANEY: A bill (H. R. 7549) to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired; to the Committee on Naval Affairs.

By Mr. KIMBALL: A bill (H. R. 7550) for the relief of Charlie G. Wilson; to the Committee on Military Affairs.

By Mr. MASON: A bill (H. R. 7551) granting a pension to Dolly Hathaway Catherwood; to the Committee on Pensions.

Also, a bill (H. R. 7552) granting a pension to Bertha Purkapile; to the Committee on Invalid Pensions.

By Mr. O'BRIEN: A bill (H. R. 7553) for the relief of the Manufacturer's Equipment Co. of Chicago, Ill.; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 7554) for the relief of Dudley E. Essary; to the Committee on Claims.

Also, a bill (H. R. 7555) for the relief of W. N. Holbrook; to the Committee on Claims.

By Mr. UTTERBACK: A bill (H. R. 7556) for the relief of William A. Thompson; to the Committee on Claims.

By Mr. VINSON of Georgia: A bill (H. R. 7557) for the relief of Abe Wolfe; to the Committee on Military Affairs.

Also, a bill (H. R. 7558) to authorize Rear Admiral Hayne Ellis, United States Navy; Capt. R. B. Coffey, United States Navy; Capt. V. K. Coman, United States Navy; Lt. D. R. Tallman, United States Navy; and Lt. Robert Hall Smith, United States Navy, to accept such medals, orders, and decorations as have been tendered them by the Italian Government in appreciation of services rendered; to the Committee on Naval Affairs.

By Mr. WALTER: A bill (H. R. 7559) for the relief of William Hammond; to the Committee on Claims.

By Mrs. NORTON: A bill (H. R. 7560) for the relief of Hugo Luckmann; to the Committee on Claims.

By Mr. McREYNOLDS: A bill (H. R. 7561) for the relief of Irene de Bruyn Robbins; to the Committee on Foreign Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7101. By Mr. ANDREWS of New York: Petition of residents of Middleport, N. Y., urging enactment of House bill 5802, to amend the Revenue Act of 1932 to provide an excise tax on eggs and egg products; to the Committee on Ways and Means.

7102. By Mr. BOYLAN: Letter from the Merchants' Association of New York, New York City, regarding the economic security bill; to the Committee on Ways and Means.

7103. Also, resolution adopted by the members of the New York Produce Exchange, New York City, protesting against the enactment of the proposed amendments to the Agricultural Adjustment Act, etc.; to the Committee on Agriculture.

7104. Also, letter from the New York Board of Trade, New York City, favoring the abandonment of the National Recovery Administration on its expiration date, June 16, 1935, and opposing the enactment of any similar legislation to replace this act, etc.; to the Committee on Appropriations.

7105. By Mr. BRUNNER: Resolution of the Joyce Kilmer Council, No. 2363, Knights of Columbus, Northern Boulevard and One Hundred and Sixtieth Street, Flushing, N. Y., with the cooperation of the Holy Name Societies on the North Shore of Queens County, Long Island, protesting against the religious persecution in Mexico; to the Committee on Foreign Affairs.

7106. By Mr. CARTER: Resolution no. 3291 of the City Council of Oakland, Calif., urging Congress to investigate the Townsend plan for old-age pensions; to the Committee on Ways and Means.

7107. Also, resolution no. 3289 of the City Council of Oakland, Calif., urging Congress to pass House bill 5583, regarding the expansion of the post office motor-vehicle service; to the Committee on the Post Office and Post Roads.

7108. Also, Assembly Joint Resolution No. 39 of the Assembly, State of California, memorializing the Congress to incorporate in a national old-age-pension plan the principles and objectives of the Townsend plan; to the Committee on Ways and Means.

7109. Also, Assembly Joint Resolution No. 45, memorializing the Congress to enact legislation for complete and adequate defensive measures for the Pacific coast; to the Committee on Military Affairs.

7110. Also, Assembly Joint Resolution No. 7 of the Legislature of the State of California, memorializing the President and Congress to consider favorably the granting of Federal suffrage to residents of the District of Columbia; to the Committee on the District of Columbia.

7111. By Mr. FOCHT: Resolution of the Ministerial Association of the Williamsport District of Central Pennsylvania, Conference of the Evangelical Church, opposing House bills 5592 and 5593; to the Committee on Military Affairs.

7112. By Mr. FORD of California: Petition of the National Candy & Tobacco Co., the Clay Products Institute of California, the Independent Furniture Workers' Union, retail druggists, and various other industries in the city of Los Angeles, requesting that the National Recovery Act be prolonged for at least 2 years longer; to the Committee on Appropriations.

7113. By Mr. HALLECK: Resolution of Carpenters and Joiners of America, Local Union No. 215, La Fayette, Ind., endorsing the Townsend old-age-pension plan; to the Committee on Ways and Means.

7114. By Mr. HART: Petition of the Joseph Dixon Crucible Co., Jersey City, N. J., incorporating the resolution of the transportation conference of the Railway Business Association, favoring the enactment of legislation to extend Federal regulation over all instrumentalities of interstate commerce; to the Committee on Interstate and Foreign Commerce.

7115. By Mr. JOHNSON of Texas: Petition of the Legislature of the State of Texas, opposing the Thomas oil bill; to the Committee on Interstate and Foreign Commerce.

7116. Also, memorial of J. D. Carroll, of Corsicana, Tex., favoring House bill 6995; to the Committee on Pensions.

7117. By Mr. KVALE: Petition signed by 23 residents of Wheaton, Minn., urging passage of the Frazier-Lemke farm refinancing bill; to the Committee on Agriculture.

7118. Also, petition of 12 citizens of Tracy, Minn., and vicinity, favoring the Townsend old-age-pension plan; to the Committee on Ways and Means.

7119. By Mr. McREYNOLDS: Petition containing the signatures and addresses of 94 citizens of Chattanooga, Tenn., asking favorable consideration of Congress of the extension of the National Recovery Administration; the Wagner labor disputes bill (S. 6288); the Connery bill (H. R. 6450), labor representation on codes; Connery Resolution No. 141, to prohibit use of Federal arms and supplies during strikes without authority from the Secretary of War; and the Byrns bill (S. 2039), to stop shipment of strike breakers over State lines during strikes; to the Committee on Labor.

7120. By Mr. MERRITT of New York: Resolution of Joyce Kilmer Council, Knights of Columbus, with the cooperation of the Holy Name Societies on the North Shore of Queens County, Long Island, calling to the attention of President Roosevelt the deplorable continuation of religious persecution in Mexico and the atheistic and communistic program of education now being forced upon the Mexican people in defiance of their inalienable rights, and urging upon Congress not to cease their efforts until such violations of the rights of human liberty and freedom of worship shall cease, etc.; to the Committee on Foreign Affairs.

7121. Also, resolution of the Women's Republican Club of College Point, favoring the passage of House Joint Resolution 69, creating in the Department of Justice a Bureau of Alien Deportation; to the Committee on Immigration and Naturalization.

7122. By Mr. PFEIFER: Petition of the New York Conference for Unemployment Insurance Legislation, New York City, favoring the social-security bill; to the Committee on Interstate and Foreign Commerce.

7123. Also, petition of John G. Marshall, Inc., Brooklyn, N. Y., concerning the Wagner labor-disputes bill (S. 1958); to the Committee on Labor.

7124. By Mr. ROGERS of Oklahoma: Petition of I. K. Werwinski and numerous citizens of Cook County, Chicago, Ill., urging immediate congressional action on House bill 2856, by Congressman WILL ROGERS, proposing to pension citizens of the United States $30 per month above the age of 55 years, provided said citizens have withdrawn from the field of competitive earning; to the Committee on Ways and Means.

7125. Also, petition headed by Archie White, of Mobile, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7126. Also, petition headed by Henry Jenkins, of Mobile, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7127. Also, petition headed by Charlie Miles, of East St. Louis, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7128. Also, petition headed by E. Whickler, of Wilmot, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7129. Also, petition headed by L. McFarlin, of Heidelberg, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7130. Also, petition headed by P. Duck, of Dorena, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7131. Also, petition headed by A. P. Hitt, of Savannah, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7132. Also, petition headed by Moses Pippers, of Clarksdale, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7133. Also, petition headed by R. Pumphrey, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7134. Also, petition headed by Bedford Holliway, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and and Means.

7135. Also, petition headed by J. O. T. Worthington, of Silver Creek, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7136. Also, petition headed by B. K. McFerrin, of Zwolle, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7137. Also, petition of Joseph F. Janiga and numerous citizens of Cook County, Chicago, Ill., urging Congress to take favorable action on House bill 2856, embracing a Federal system of old-age pensions of $30 per month to citizens of the United States above the age of 55 years who are not engaged in the field of competitive earning; to the Committee on Ways and Means.

7138. Also, petition of Joseph Zurck and numerous citizens of Cook County, Chicago, Ill., urging immediate Congressional action on House bill 2856, proposing to pension all citizens who have withdrawn from the field of competitive earning and who have reached the age of 55 years in the amount of $30 per month; to the Committee on Ways and Means.

7139. By Mr. RUDD: Petition of Eleanor Doherty, Richmond Hill, Long Island, N. Y., and 10 other citizens of Richmond Hill, concerning the Rayburn-Wheeler bills (S. 1725 and H. R. 5423); to the Committee on Interstate and Foreign Commerce.

7140. Also, petition of Col. A. L. Kline Camp, No. 99, United Spanish War Veterans, Brooklyn, N. Y., favoring the passage of House bill 6995; to the Committee on Pensions.

7141. Also, petition of G. Cheavamonte, 243 Jefferson Avenue, Brooklyn, N. Y., and 22 other citizens, concerning the continuance of the National Recovery Administration; to the Committee on Appropriations.

7142. By Mr. SADOWSKI: Petition of Group No. 220, of the Polish National Alliance, endorsing House bill 2827; to the Committee on Labor.

7143. Also, petition of Group No. 28 of the Polish National Alliance, endorsing House bill 2827; to the Committee on Labor.

7144. Also, petition of Group No. 2806 of the Polish National Alliance, endorsing House bill 2827; to the Committee on Labor.

7145. By Mr. SISSON: Petition of the Presbytery of Utica, urging Congress to enact such legislation as is proposed by the Senate Munitions Committee to remove the possibility of some of the citizens of the United States enriching themselves through wars in which this Nation might become involved, and to provide for a real community sacrifice on the part of our people in the event of war; to the Committee on Military Affairs.

7146. Also, petition of members of the session of Olivet Church, Utica, N. Y., protesting against the program which calls for naval maneuvers in the north Pacific in May of this year; to the Committee on Naval Affairs.

7147. Also, petition of the Common Council of Utica, N. Y., memorializing Congress to pass the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

7148. Also, petition of Rev. Charles White and others of the Calvary Church, Utica, N. Y., asking that an amendment be made to the proposed economic security bill, to the effect that the proposed tax shall not apply to employees for whom an adequate pension system already exists, provided the benefits thereunder are at least equal to the benefits contemplated by the Economic Security Act in its present form; to the Committee on Pensions.

7149. Also, resolution of the Utica Chamber of Commerce, Utica, N. Y., asking for the repeal of the processing tax on cotton; to the Committee on Agriculture.

7150. Also, resolution of Raymond J. Loftus, of Utica, N. Y., protesting against existing conditions in Mexico; to the Committee on Foreign Affairs.

7151. Also, resolution of Group No. 2446 of the Polish National Alliance, New Hartford, N. Y., memorializing Congress to pass the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

7152. Also, resolution of the Board of Supervisors of Oneida County, N. Y., asking that an amendment be passed to the Federal Emergency Relief Act, which would bring hospital care within the provision of the act; to the Committee on Ways and Means.

7153. Also, petition of the citizens of the city of Little Falls, Herkimer County, N. Y., protesting against existing conditions in Mexico and asking that the resolution presented by Senator WILLIAM E. BORAH be passed by Congress; to the Committee on Foreign Affairs.

7154. Also, petition of Group No. 950, Polish National Alliance, memorializing Congress to designate October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

7155. Also, petition of Group No. 2103, Polish National Alliance, memorializing Congress to pass the General Pulaski Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

7156. By Mr. SMITH of Connecticut: Resolution of the George Washington Chapter, Military Order of the Purple Heart, Ansonia, Conn., signed by Maurice E. Room, commander, and Harry Ogden, adjutant, expressing disapproval of House bill 5295, which would transfer from the War Department to the Veterans' Bureau the awarding of the medal the Order of the Purple Heart; to the Committee on Military Affairs.

7157. By Mr. TERRY: Memorial of the Arkansas Fiftieth General Assembly, requesting passage of a Federal old-age-pension system; to the Committee on Ways and Means.

7158. By Mr. TRUAX: Petition of the Marion Civic Club, Marion, Ohio, by their secretary, J. W. Jacoby, resolving that

since Marion has been more than ordinarily affected by conditions growing out of the depression, due to the fact that its industrial activity is largely engaged in the manufacture of heavy-type machinery, resulting in large numbers of its workingmen being out of employment, and since Marion is in close proximity to the major improvements contemplated in the Scioto-Sandusky conservancy district, and since Marion is able to provide housing and office facilities for the main operating offices for said project, the said project's main operative offices be located in the city of Marion, Ohio; to the Committee on Appropriations.

7159. Also, petition of Charles E. Ausman Camp, No. 67, and the Ladies' Auxiliary of the United Spanish War Veterans of Paulding, Ohio, by their secretary, Pearl Smalley, and president, Gertrude Ausman, going on record as favoring House bill 6995 and urging its passage without any harmful or detracting amendments; to the Committee on Pensions.

7160. Also, petition of the Slovene National Benefit Society, Euclid, Ohio, by their secretary, John Ivoncic, urging support of House bill 2827, the Workmen's Unemployment, Old Age, and Social Insurance Act, since the evolution of our economic system has brought about the condition in our national life where millions of men and women are out of work, against their own will, and millions of men, women, and children are poverty stricken and destitute, and since there is no chance that these deplorable conditions will change for better without proper regulation and sane adjustment by our National Government; to the Committee on Labor.

7161. Also, petition of the Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, Cleveland, Ohio, by their financial secretary, W. M. Rea, urging that the Rayburn public-utility bill (H. R. 5423) be amended in section 7 (a) and section 10 to except from its provisions all transportation companies owned by public-utility holding companies under the bill in its present form and dependent on the support of the power and light public would face liquidation to the great detriment of the riding public and of the workers; to the Committee on Interstate and Foreign Commerce.

7162. Also, petition of W. F. Schultz and numerous other citizens of Wadsworth, Ohio, urging that House bill 6995 be given full support, as it seeks for a complete restoration of the rights conferred by legislation as they existed prior to March 19, 1933, for the veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, their widows and dependents; to the Committee on Pensions.

7163. By Mr. WIGGLESWORTH: Petition of the City Council of Quincy, Mass., demanding the safeguarding of American industry against the flooding of the American market with foreign-made goods produced by cheap labor; to the Committee on Ways and Means.